

# DEPARTMENT OF EDUCATION

## OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

### Federal Funds

#### [EDUCATION FOR THE DISADVANTAGED] ACCELERATING ACHIEVEMENT AND ENSURING EQUITY

For carrying out title I of the Elementary and Secondary Education Act of 1965 (referred to in this Act as "ESEA") and section 418A of the Higher Education Act of 1965 (referred to in this Act as "HEA"), \$15,750,983,000, of which \$4,817,117,000 shall become available on July 1, 2012, and shall remain available through September 30, 2013, and of which \$10,841,177,000 shall become available on October 1, 2012, and shall remain available through September 30, 2013, for academic year 2012–2013: *Provided*, That \$6,584,750,000 shall be for basic grants under section 1124 of the ESEA: *Provided further*, That up to \$3,992,000 of these funds shall be available to the Secretary of Education (referred to in this title as "Secretary") on October 1, 2011, to obtain annually updated local educational agency-level census poverty data from the Bureau of the Census: *Provided further*, That \$1,362,301,000 shall be for concentration grants under section 1124A of the ESEA: *Provided further*, That \$3,288,183,000 shall be for targeted grants under section 1125 of the ESEA: *Provided further*, That \$3,288,183,000 shall be for education finance incentive grants under section 1125A of the ESEA: *Provided further*, That \$3,200,000 shall be to carry out sections 1501 and 1503 of the ESEA: *Provided further*, That \$534,562,000 shall be available for school improvement grants under section 1003(g) of the ESEA, which shall be allocated by the Secretary through the formula described in section 1003(g)(2) and shall be used consistent with the requirements of section 1003(g), except that State and local educational agencies may use such funds to serve any school eligible to receive assistance under part A of title I that has not made adequate yearly progress for at least 2 years or is in the State's lowest quintile of performance based on proficiency rates and, in the case of secondary schools, priority shall be given to those schools with graduation rates below 60 percent: *Provided further*, That notwithstanding section 1003(g)(5)(A), each State educational agency may establish a maximum subgrant size of not more than \$2,000,000 for each participating school applicable to such funds: *Provided further*, That the Secretary may reserve up to 5 percent of the funds available for section 1003(g) of the ESEA to carry out activities to build State and local educational agency capacity to implement effectively the school improvement grants program: *Provided further*, That \$160,000,000 shall be available under section 1502 of the ESEA for a comprehensive literacy development and education program to advance literacy skills, including pre-literacy skills, reading, and writing, for students from birth through grade 12, including limited-English-proficient students and students with disabilities, of which one-half of 1 percent shall be reserved for the Secretary of the Interior for such a program at schools funded by the Bureau of Indian Education, one-half of 1 percent shall be reserved for grants to the outlying areas for such a program, up to 5 percent may be reserved for national activities, and the remainder shall be used to award competitive grants to State educational agencies for such a program, of which a State educational agency may reserve up to 5 percent for State leadership activities, including technical assistance and training, data collection, reporting, and administration, and shall subgrant not less than 95 percent to local educational agencies or, in the case of early literacy, to local educational agencies or other nonprofit providers of early childhood education that partner with a public or private nonprofit organization or agency with a demonstrated record of effectiveness in improving the early literacy development of children from birth through kindergarten entry and in providing professional development in early literacy, giving priority to such agencies or other entities serving greater numbers or percentages of disadvantaged children: *Provided further*, That the State educational agency shall ensure that at least 15 percent of the subgranted funds are used to serve children from birth through age 5, 40 percent are used to serve students in kindergarten through grade 5, and 40 percent are used to serve students in middle and high school including an equitable distribution of funds between middle and high schools: *Provided further*, That eligible entities receiving subgrants from State educational agencies shall use such funds for services and activities that have the

characteristics of effective literacy instruction through professional development, screening and assessment, targeted interventions for students reading below grade level and other research-based methods of improving classroom instruction and practice.] (*Department of Education Appropriations Act, 2012.*)

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

| Identification code 91–0900–0–1–501                             | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                         |             |           |           |
| 0001 Grants to local educational agencies .....                 | 14,472      | 14,498    | 10,841    |
| 0002 School improvement grants .....                            | 547         | 1,067     | .....     |
| 0003 Striving readers .....                                     | 200         | 160       | .....     |
| 0004 Even start .....   | 4           | .....     | .....     |
| 0005 State agency programs .....                                | 444         | 452       | .....     |
| 0006 Evaluation .....   | 8           | 3         | .....     |
| 0007 Special programs for migrant students .....                | 37          | 37        | .....     |
| 0008 High school graduation initiative .....                    | 48          | 49        | .....     |
| 0900 Total new obligations .....                                | 15,760      | 16,266    | 10,841    |
| <b>Budgetary Resources:</b>                                     |             |           |           |
| Unobligated balance:  |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1 .....           | 769         | 544       | .....     |
| Budget authority:   |             |           |           |
| Appropriations, discretionary:                                  |             |           |           |
| 1100 Appropriation .....  | 4,726       | 4,911     | .....     |
| 1130 Appropriations permanently reduced .....                   | -9          | .....     | .....     |
| 1143 Approp permanently reduced (Sec 527, HR 2055) .....        | .....       | -10       | .....     |
| 1160 Appropriation, discretionary (total) .....                 | 4,717       | 4,901     | .....     |
| Advance appropriations, discretionary:                          |             |           |           |
| 1170 Advance appropriation .....                                | 10,841      | 10,841    | 10,841    |
| 1173 Advance appropriations permanently reduced .....           | -22         | .....     | .....     |
| 1175 Adv approp permanently reduced (Sec 527, HR 2055) .....    | .....       | -20       | .....     |
| 1180 Advanced appropriation, discretionary (total) .....        | 10,819      | 10,821    | 10,841    |
| 1900 Budget authority (total) .....                             | 15,536      | 15,722    | 10,841    |
| 1930 Total budgetary resources available .....                  | 16,305      | 16,266    | 10,841    |
| Memorandum (non-add) entries:                                   |             |           |           |
| 1940 Unobligated balance expiring .....                         | -1          | .....     | .....     |
| 1941 Unexpired unobligated balance, end of year .....           | 544         | .....     | .....     |
| <b>Change in obligated balance:</b>                             |             |           |           |
| Obligated balance, start of year (net):                         |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....   | 16,600      | 12,789    | 8,846     |
| 3030 Obligations incurred, unexpired accounts .....             | 15,760      | 16,266    | 10,841    |
| 3031 Obligations incurred, expired accounts .....               | 1           | .....     | .....     |
| 3040 Outlays (gross) .....                                      | -19,538     | -20,209   | -15,333   |
| 3081 Recoveries of prior year unpaid obligations, expired ..... | -34         | .....     | .....     |
| Obligated balance, end of year (net):                           |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....              | 12,789      | 8,846     | 4,354     |
| 3100 Obligated balance, end of year (net) .....                 | 12,789      | 8,846     | 4,354     |
| <b>Budget authority and outlays, net:</b>                       |             |           |           |
| Discretionary:  |             |           |           |
| 4000 Budget authority, gross .....                              | 15,536      | 15,722    | 10,841    |
| Outlays, gross:   |             |           |           |
| 4010 Outlays from new discretionary authority .....             | 7,493       | 8,809     | 8,456     |
| 4011 Outlays from discretionary balances .....                  | 12,045      | 11,400    | 6,877     |
| 4020 Outlays, gross (total) .....                               | 19,538      | 20,209    | 15,333    |
| Offsets against gross budget authority and outlays:             |             |           |           |
| Offsetting collections (collected) from:                        |             |           |           |
| 4033 Non-Federal sources .....                                  | -2          | .....     | .....     |
| Additional offsets against gross budget authority only:         |             |           |           |
| 4052 Offsetting collections credited to expired accounts .....  | 2           | .....     | .....     |
| 4070 Budget authority, net (discretionary) .....                | 15,536      | 15,722    | 10,841    |
| 4080 Outlays, net (discretionary) .....                         | 19,536      | 20,209    | 15,333    |
| 4180 Budget authority, net (total) .....                        | 15,536      | 15,722    | 10,841    |
| 4190 Outlays, net (total) .....                                 | 19,536      | 20,209    | 15,333    |

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

|                        | 2011 actual | 2012 est. | 2013 est. |
|------------------------|-------------|-----------|-----------|
| Enacted/requested:     |             |           |           |
| Budget Authority ..... | 15,536      | 15,722    | 10,841    |
| Outlays .....          | 19,536      | 20,209    | 15,333    |

ACCELERATING ACHIEVEMENT AND ENSURING EQUITY—Continued  
Summary of Budget Authority and Outlays—Continued

|   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Legislative proposal, not subject to PAYGO: |             |           |           |
| Budget Authority .....                      |             |           | 3,877     |
| Outlays .....                               |             |           | 78        |
| Total:                                      |             |           |           |
| Budget Authority .....                      | 15,536      | 15,722    | 14,718    |
| Outlays .....                               | 19,536      | 20,209    | 15,411    |

SUMMARY OF PROGRAM LEVEL

(in millions of dollars)

|  | 2011–12<br>Academic<br>Year | 2012–13<br>Academic<br>Year | 2013–14<br>Academic<br>Year |
|--|-----------------------------|-----------------------------|-----------------------------|
| New Budget Authority .....                                   | \$4,675                     | \$4,721                     | \$3,877                     |
| Advance appropriation .....                                  | 10,821                      | 10,841                      | 11,682                      |
| Total program level .....                                    | 15,495                      | 15,562                      | 15,559                      |
| Change in advance appropriation from the previous year ..... | -20                         | 20                          | +841 <sup>1</sup>           |

<sup>1</sup>To account for the Administration's ESEA reauthorization proposal, the 2013 Budget eliminates the \$1.7 billion advance appropriation that was previously in the Education Improvement Programs account and replaces it with corresponding increases to advance appropriations in the Accelerating Achievement and Ensuring Equity account (\$841 million) and the Special Education account (\$841 million). Total advance appropriations in the Department of Education remain \$21.9 billion.

The Administration is proposing legislation reauthorizing programs included in the Elementary and Secondary Education Act (ESEA), including programs in this account. Consistent with this reauthorization proposal, the Budget proposes to realign programs in ESEA accounts. When new authorizing legislation is enacted, resources will be requested for these programs. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

Object Classification (in millions of dollars)

| Identification code 91–0900–0–1–501                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Direct obligations:                                |             |           |           |
| 25.1 Advisory and assistance services .....        | 5           | 36        |           |
| 25.2 Other services from non-Federal sources ..... | 31          | 5         |           |
| 41.0 Grants, subsidies, and contributions .....    | 15,724      | 16,225    | 10,841    |
| 99.9 Total new obligations .....                   | 15,760      | 16,266    | 10,841    |

ACCELERATING ACHIEVEMENT AND ENSURING EQUITY  
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 91–0900–2–1–501              | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity:                 |             |           |           |
| 0001 College- and career-ready students .....    |             |           | 2,835     |
| 0002 School turnaround grants .....              |             |           | 534       |
| 0004 State agency programs .....                 |             |           | 443       |
| 0005 Homeless children and youth education ..... |             |           | 65        |
| 0900 Total new obligations .....                 |             |           | 3,877     |

Budgetary Resources:

|   |  |  |       |
|---|--|--|-------|
| Budget authority:                               |  |  |       |
| Appropriations, discretionary:                  |  |  |       |
| 1100 Appropriation .....                        |  |  | 3,877 |
| 1160 Appropriation, discretionary (total) ..... |  |  | 3,877 |
| 1900 Budget authority (total) .....             |  |  | 3,877 |
| 1930 Total budgetary resources available .....  |  |  | 3,877 |

Change in obligated balance:

|   |  |  |       |
|---|--|--|-------|
| 3030 Obligations incurred, unexpired accounts ..... |  |  | 3,877 |
| 3040 Outlays (gross) .....                          |  |  | -78   |
| Obligated balance, end of year (net):               |  |  |       |
| 3090 Unpaid obligations, end of year (gross) .....  |  |  | 3,799 |
| 3100 Obligated balance, end of year (net) .....     |  |  | 3,799 |

Budget authority and outlays, net:

|   |  |  |       |
|---|--|--|-------|
| Discretionary:                                      |  |  |       |
| 4000 Budget authority, gross .....                  |  |  | 3,877 |
| Outlays, gross:                                     |  |  |       |
| 4010 Outlays from new discretionary authority ..... |  |  | 78    |
| 4180 Budget authority, net (total) .....            |  |  | 3,877 |
| 4190 Outlays, net (total) .....                     |  |  | 78    |

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

*College- and career-ready students (formerly Grants to local educational agencies).*—Funds would be allocated via formula for programs that provide academic support to help students in high-poverty schools meet college- and career-ready standards. States would assess annually all students in certain grades in at least English language arts and mathematics, and use the results of these assessments to measure local educational agency (LEA) and school progress in ensuring that all students are meeting, or are on track to meet, college- and career-ready standards; to inform families about whether their children are meeting or are on track to meet such standards; and, with additional information, to develop appropriate improvement and support strategies for schools and LEAs. States would develop systems for differentiating among schools and LEAs on the basis of performance, including recognition and rewards for highly effective schools and LEAs, the implementation of rigorous school intervention models in the lowest-achieving schools, and State-approved, research-based interventions in low-performing schools that are not serving their students well.

*School turnaround grants.*—Funds would primarily support grants to States to help LEAs turn around their lowest-achieving schools by implementing one of four rigorous school intervention models. In general, such schools would rank in the bottom 5 percent of performance in their States, based on proficiency rates and lack of progress, or, in the case of high schools, have a graduation rate below 60 percent. Once States have served their lowest-achieving schools, funds could be used for other school improvement and support efforts in eligible schools.

*State agency migrant program.*—Funds would 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 children and youth education program.*—Funds would support formula grants to States for educational services to neglected or delinquent children and youth in State-run institutions, attending community day programs, and in other correctional facilities.

*Homeless children and youth education.*—Funds would support formula grants to States to provide educational and support services that enable homeless children and youth to attend and achieve success in school.

Object Classification (in millions of dollars)

| Identification code 91–0900–2–1–501                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Direct obligations:                                |             |           |           |
| 25.1 Advisory and assistance services .....        |             |           | 34        |
| 25.2 Other services from non-Federal sources ..... |             |           | 4         |
| 41.0 Grants, subsidies, and contributions .....    |             |           | 3,839     |
| 99.9 Total new obligations .....                   |             |           | 3,877     |

IMPACT AID

For carrying out programs of financial assistance to federally affected schools authorized by title VIII of the ESEA, \$1,293,631,000, of which

\$1,155,724,000 shall be for basic support payments under section 8003(b), \$48,505,000 shall be for payments for children with disabilities under section 8003(d), \$17,474,000 shall be for construction under section 8007(b) and shall remain available through September 30, 2013, \$67,074,000 shall be for Federal property payments under section 8002, and \$4,854,000, to remain available until expended, shall be for facilities maintenance under section 8008: *Provided*, That for purposes of computing the amount of a payment for an eligible local educational agency under section 8003(a) for school year 2011–2012, children enrolled in a school of such agency that would otherwise be eligible for payment under section 8003(a)(1)(B) of such Act, but due to the deployment of both parents or legal guardians, or a parent or legal guardian having sole custody of such children, or due to the death of a military parent or legal guardian while on active duty (so long as such children reside on Federal property as described in section 8003(a)(1)(B)), are no longer eligible under such section, shall be considered as eligible students under such section, provided such students remain in average daily attendance at a school in the same local educational agency they attended prior to their change in eligibility status. **I** (*Department of Education Appropriations Act, 2012.*)

|   |       |       |       |
|---|-------|-------|-------|
| Legislative proposal, not subject to PAYGO: |       |       |       |
| Budget Authority .....                      | ..... | ..... | 1,224 |
| Outlays .....                               | ..... | ..... | 1,099 |
| Total:                                      |       |       |       |
| Budget Authority .....                      | 1,273 | 1,291 | 1,224 |
| Outlays .....                               | 1,335 | 1,502 | 1,269 |

The Administration is proposing legislation reauthorizing Impact Aid programs included in the Elementary and Secondary Education Act (ESEA). When new authorizing legislation is enacted, resources will be requested for these programs. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

IMPACT AID

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 91–0102–0–1–501                               | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Program and Financing (in millions of dollars)</b>             |             |           |           |
| <b>Obligations by program activity:</b>                           |             |           |           |
| 0001 Basic support payments .....                                 | 1,136       | 1,154     | .....     |
| 0002 Payments for children with disabilities .....                | 49          | 48        | .....     |
| 0091 Subtotal .....   | 1,185       | 1,202     | .....     |
| 0101 Facilities maintenance .....                                 | 6           | 5         | .....     |
| 0201 Construction .....   | 17          | .....     | 17        |
| 0301 Payments for Federal property .....                          | 67          | 67        | .....     |
| 0900 Total new obligations (object class 41.0) .....              | 1,275       | 1,274     | 17        |
| <b>Budgetary Resources:</b>                                       |             |           |           |
| Unobligated balance:  |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1 .....             | 4           | 3         | 20        |
| 1021 Recoveries of prior year unpaid obligations .....            | 1           | .....     | .....     |
| 1050 Unobligated balance (total) .....                            | 5           | 3         | 20        |
| Budget authority:   |             |           |           |
| Appropriations, discretionary:                                    |             |           |           |
| 1100 Appropriation .....  | 1,276       | 1,293     | .....     |
| 1130 Appropriations permanently reduced .....                     | -3          | .....     | .....     |
| 1143 Approp permanently reduced (Sec 527, HR 2055) .....          | .....       | -2        | .....     |
| 1160 Appropriation, discretionary (total) .....                   | 1,273       | 1,291     | .....     |
| 1930 Total budgetary resources available .....                    | 1,278       | 1,294     | 20        |
| Memorandum (non-add) entries:                                     |             |           |           |
| 1941 Unexpired unobligated balance, end of year .....             | 3           | 20        | 3         |
| <b>Change in obligated balance:</b>                               |             |           |           |
| Obligated balance, start of year (net):                           |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....     | 546         | 485       | 257       |
| 3030 Obligations incurred, unexpired accounts .....               | 1,275       | 1,274     | 17        |
| 3031 Obligations incurred, expired accounts .....                 | 334         | .....     | .....     |
| 3040 Outlays (gross) .....  | -1,335      | -1,502    | -170      |
| 3080 Recoveries of prior year unpaid obligations, unexpired ..... | -1          | .....     | .....     |
| 3081 Recoveries of prior year unpaid obligations, expired .....   | -334        | .....     | .....     |
| Obligated balance, end of year (net):                             |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....                | 485         | 257       | 104       |
| 3100 Obligated balance, end of year (net) .....                   | 485         | 257       | 104       |
| <b>Budget authority and outlays, net:</b>                         |             |           |           |
| Discretionary:  |             |           |           |
| 4000 Budget authority, gross .....                                | 1,273       | 1,291     | .....     |
| Outlays, gross:   |             |           |           |
| 4010 Outlays from new discretionary authority .....               | 1,102       | 1,158     | .....     |
| 4011 Outlays from discretionary balances .....                    | 233         | 344       | 170       |
| 4020 Outlays, gross (total) .....                                 | 1,335       | 1,502     | 170       |
| 4180 Budget authority, net (total) .....                          | 1,273       | 1,291     | .....     |
| 4190 Outlays, net (total) .....                                   | 1,335       | 1,502     | 170       |

| Identification code 91–0102–2–1–501                   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>               |             |           |           |
| 0001 Basic support payments .....                     | .....       | .....     | 1,154     |
| 0002 Payments for children with disabilities .....    | .....       | .....     | 48        |
| 0091 Subtotal .....                                   | .....       | .....     | 1,202     |
| 0101 Facilities maintenance .....                     | .....       | .....     | 5         |
| 0201 Construction .....                               | .....       | .....     | 1         |
| 0900 Total new obligations (object class 41.0) .....  | .....       | .....     | 1,208     |
| <b>Budgetary Resources:</b>                           |             |           |           |
| Budget authority:                                     |             |           |           |
| Appropriations, discretionary:                        |             |           |           |
| 1100 Appropriation .....                              | .....       | .....     | 1,224     |
| 1160 Appropriation, discretionary (total) .....       | .....       | .....     | 1,224     |
| 1930 Total budgetary resources available .....        | .....       | .....     | 1,224     |
| Memorandum (non-add) entries:                         |             |           |           |
| 1941 Unexpired unobligated balance, end of year ..... | .....       | .....     | 16        |
| <b>Change in obligated balance:</b>                   |             |           |           |
| 3030 Obligations incurred, unexpired accounts .....   | .....       | .....     | 1,208     |
| 3040 Outlays (gross) .....                            | .....       | .....     | -1,099    |
| Obligated balance, end of year (net):                 |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....    | .....       | .....     | 109       |
| 3100 Obligated balance, end of year (net) .....       | .....       | .....     | 109       |
| <b>Budget authority and outlays, net:</b>             |             |           |           |
| Discretionary:  |             |           |           |
| 4000 Budget authority, gross .....                    | .....       | .....     | 1,224     |
| Outlays, gross:                                       |             |           |           |
| 4010 Outlays from new discretionary authority .....   | .....       | .....     | 1,098     |
| 4011 Outlays from discretionary balances .....        | .....       | .....     | 1         |
| 4020 Outlays, gross (total) .....                     | .....       | .....     | 1,099     |
| 4180 Budget authority, net (total) .....              | .....       | .....     | 1,224     |
| 4190 Outlays, net (total) .....                       | .....       | .....     | 1,099     |

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

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

*Basic support payments.*—Payments will be made on behalf of approximately 950,000 federally connected students enrolled in about 1,200 local educational agencies to assist them in meeting their operation and maintenance costs. Average per-student payments will be approximately \$1,200.

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

|                        | 2011 actual | 2012 est. | 2013 est. |
|------------------------|-------------|-----------|-----------|
| Enacted/requested:     |             |           |           |
| Budget Authority ..... | 1,273       | 1,291     | .....     |
| Outlays .....          | 1,335       | 1,502     | 170       |

IMPACT AID—Continued

*Payments for children with disabilities.*—Payments in addition to those provided under the Individuals with Disabilities Education Act (IDEA) will be provided on behalf of approximately 54,000 federally connected students with disabilities in about 900 local educational agencies. Average per-student payments will be approximately \$900.

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

*Construction.*—Approximately 12 construction grants will be awarded competitively to the highest-need impact aid districts for emergency repairs and modernization of school facilities.

**[SCHOOL IMPROVEMENT PROGRAMS] EDUCATION IMPROVEMENT PROGRAMS**

For carrying out school improvement activities authorized by [parts A and B of title II, part B of title IV, parts A and B of title VI, and parts B and C of title VII of the ESEA; the McKinney-Vento Homeless Assistance Act;] section 203 of the Educational Technical Assistance Act of 2002; the Compact of Free Association Amendments Act of 2003; and the Civil Rights Act of 1964, **[\$4,550,018,000] \$68,732,000**, of which **[\$2,725,246,000]** shall become available on July 1, 2012, and remain available through September 30, 2013, and of which \$1,681,441,000 shall become available on October 1, 2012, and shall remain available through September 30, 2013, for academic year 2012–2013: *Provided*, That funds made available to carry out part B of title VII of the ESEA may be used for construction, renovation, and modernization of any elementary school, secondary school, or structure related to an elementary school or secondary school, run by the Department of Education of the State of Hawaii, that serves a predominantly Native Hawaiian student body: *Provided further*, That funds made available to carry out part C of title VII of the ESEA shall be awarded on a competitive basis, and also may be used for construction: *Provided further*, That \$51,210,000] \$51,113,000 shall be available to carry out section 203 of the Educational Technical Assistance Act of 2002: *Provided further*, That **[\$17,652,000] \$17,619,000** shall be available to carry out the Supplemental Education Grants program for the Federated States of Micronesia and the Republic of the Marshall Islands: *Provided further*, That up to 5 percent of [these amounts] the amount referred to in the previous proviso may be reserved by the Federated States of Micronesia and the Republic of the Marshall Islands to administer the Supplemental Education Grants programs and to obtain technical assistance, oversight and consultancy services in the administration of these grants and to reimburse the United States Departments of Labor, Health and Human Services, and Education for such services: *Provided further*, That up to 1.5 percent of the funds for subpart 1 of part A of title II of the ESEA shall be reserved by the Secretary for competitive awards for teacher or principal training or professional enhancement activities to national not-for-profit organizations]. (*Department of Education Appropriations Act, 2012.*)

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

| Identification code 91–1000–0–1–501                  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>              |             |           |           |
| 0001 Improving teacher quality State grants .....    | 2,460       | 2,474     | 1,711     |
| 0002 Mathematics and science partnerships .....      | 179         | 151       |           |
| 0003 Educational technology State grants .....       | 2           |           |           |
| 0004 21st century community learning centers .....   | 1,157       | 1,163     |           |
| 0005 Foreign language assistance .....               | 27          |           |           |
| 0006 State assessments .....                         | 393         | 399       |           |
| 0007 Education for homeless children and youth ..... | 65          | 65        |           |
| 0008 Education for Native Hawaiians .....            | 34          | 34        |           |
| 0009 Alaska Native education equity .....            | 33          | 33        |           |
| 0010 Training and advisory services .....            | 7           | 7         | 7         |
| 0011 Rural education .....                           | 175         | 179       |           |
| 0012 Supplemental education grants .....             | 18          | 18        | 18        |
| 0013 Comprehensive centers .....                     | 51          | 51        | 51        |
| 0900 Total new obligations .....                     | 4,601       | 4,574     | 1,787     |

| <b>Budgetary Resources:</b>            |   |       |       |       |
|--|---|-------|-------|-------|
| Unobligated balance:                   |   |       |       |       |
| 1000                                   | Unobligated balance brought forward, Oct 1 .....        | 67    | 63    | 30    |
| Budget authority:                      |   |       |       |       |
| Appropriations, discretionary:         |   |       |       |       |
| 1100                                   | Appropriation .....                                     | 2,925 | 2,869 | 76    |
| 1130                                   | Appropriations permanently reduced .....                | -6    |       |       |
| 1143                                   | Approp permanently reduced (Sec 527, HR 2055) .....     |       | -6    |       |
| 1160                                   | Appropriation, discretionary (total) .....              | 2,919 | 2,863 | 76    |
| Advance appropriations, discretionary: |   |       |       |       |
| 1170                                   | Advance appropriation .....                             | 1,681 | 1,681 | 1,681 |
| 1173                                   | Advance appropriations permanently reduced .....        | -3    |       |       |
| 1175                                   | Adv approp permanently reduced (Sec 527, HR 2055) ..... |       | -3    |       |
| 1180                                   | Advanced appropriation, discretionary (total) .....     | 1,678 | 1,678 | 1,681 |
| 1900                                   | Budget authority (total) .....                          | 4,597 | 4,541 | 1,757 |
| 1930                                   | Total budgetary resources available .....               | 4,664 | 4,604 | 1,787 |
| Memorandum (non-add) entries:          |   |       |       |       |
| 1941                                   | Unexpired unobligated balance, end of year .....        | 63    | 30    |       |

| <b>Change in obligated balance:</b>     |  |        |        |        |
|---|--|--------|--------|--------|
| Obligated balance, start of year (net): |  |        |        |        |
| 3000                                    | Unpaid obligations, brought forward, Oct 1 (gross) .....   | 6,447  | 5,567  | 5,084  |
| 3030                                    | Obligations incurred, unexpired accounts .....             | 4,601  | 4,574  | 1,787  |
| 3040                                    | Outlays (gross) .....                                      | -5,443 | -5,057 | -4,523 |
| 3081                                    | Recoveries of prior year unpaid obligations, expired ..... | -38    |        |        |
| Obligated balance, end of year (net):   |  |        |        |        |
| 3090                                    | Unpaid obligations, end of year (gross) .....              | 5,567  | 5,084  | 2,348  |
| 3100                                    | Obligated balance, end of year (net) .....                 | 5,567  | 5,084  | 2,348  |

| <b>Budget authority and outlays, net:</b> |  |       |       |       |
|---|--|-------|-------|-------|
| Discretionary:                            |  |       |       |       |
| 4000                                      | Budget authority, gross .....                  | 4,597 | 4,541 | 1,757 |
| Outlays, gross:                           |  |       |       |       |
| 4010                                      | Outlays from new discretionary authority ..... | 917   | 1,098 | 1,011 |
| 4011                                      | Outlays from discretionary balances .....      | 4,526 | 3,959 | 3,512 |
| 4020                                      | Outlays, gross (total) .....                   | 5,443 | 5,057 | 4,523 |
| 4180                                      | Budget authority, net (total) .....            | 4,597 | 4,541 | 1,757 |
| 4190                                      | Outlays, net (total) .....                     | 5,443 | 5,057 | 4,523 |

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

|   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Enacted/requested:                          |             |           |           |
| Budget Authority .....                      | 4,597       | 4,541     | 1,757     |
| Outlays .....                               | 5,443       | 5,057     | 4,523     |
| Legislative proposal, not subject to PAYGO: |             |           |           |
| Budget Authority .....                      |             |           | 1,143     |
| Outlays .....                               |             |           | 23        |
| Total:                                      |             |           |           |
| Budget Authority .....                      | 4,597       | 4,541     | 2,900     |
| Outlays .....                               | 5,443       | 5,057     | 4,546     |

**SUMMARY OF PROGRAM LEVEL**

(in millions of dollars)

|  | 2011–12<br>Academic<br>Year | 2012–12<br>Academic<br>Year | 2013–14<br>Academic<br>Year |
|--|-----------------------------|-----------------------------|-----------------------------|
| New Budget Authority .....                               | \$2,916                     | \$2,863                     | \$1,219                     |
| Advance Appropriation .....                              | 1,678                       | 1,681                       | 0                           |
| Total program level .....                                | 4,594                       | 4,545                       | 1,219                       |
| Change in advance appropriation over previous year ..... | 0                           | +3                          | -1681 <sup>1</sup>          |

<sup>1</sup>To account for the Administration's ESEA reauthorization proposal, the 2013 Budget eliminates the \$1.7 billion advance appropriation that was previously in the School Improvement Programs account (renamed the Education Improvement Programs account) and replaces it with corresponding increases to advance appropriations in the Education for the Disadvantaged account (\$841 million, renamed the Accelerating Achievement and Ensuring Equity account) and the Special Education account (\$841 million). Total advance appropriations in the Department of Education remain \$21.9 billion.

The Administration is proposing legislation reauthorizing the Elementary and Secondary Education Act (ESEA), including programs in this account. Consistent with this reauthorization proposal, the Budget proposes to realign programs in ESEA accounts. When new authorizing legislation is enacted, resources will be requested for these programs. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

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

**Supplemental education grants.**—Funds support grants to the Federated States of Micronesia and to the Republic of the Marshall Islands in place of grant programs in which those Freely Associated States no longer participate pursuant to the Compact of Free Association Amendments Act of 2003.

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

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

| Identification code 91–1000–0–1–501                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Direct obligations:</b>                         |             |           |           |
| 25.1 Advisory and assistance services .....        | 7           | 16        | 3         |
| 25.2 Other services from non-Federal sources ..... | 20          | 12        | 16        |
| 41.0 Grants, subsidies, and contributions .....    | 4,574       | 4,546     | 1,768     |
| 99.9 Total new obligations .....                   | 4,601       | 4,574     | 1,787     |

**EDUCATION IMPROVEMENT PROGRAMS**  
(Legislative proposal, not subject to PAYGO)

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

| Identification code 91–1000–2–1–501   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>   |             |           |           |
| 0001 Effective teaching and learning: Literacy .....  |             |           | 187       |
| 0002 Effective teaching and learning: Science, technology, engineering, and mathematics ..... |             |           | 150       |
| 0003 Effective teaching and learning for a well-rounded education .....                       |             |           | 90        |
| 0004 College pathways and accelerated learning .....  |             |           | 81        |
| 0005 Assessing achievement .....  |             |           | 389       |
| 0006 Rural education .....  |             |           | 179       |
| 0007 Education for Native Hawaiians .....   |             |           | 34        |
| 0008 Alaska Native education equity .....   |             |           | 33        |
| 0900 Total new obligations .....  |             |           | 1,143     |
| <b>Budgetary Resources:</b>   |             |           |           |
| <b>Budget authority:</b>  |             |           |           |
| <b>Appropriations, discretionary:</b>   |             |           |           |
| 1100 Appropriation .....  |             |           | 1,143     |
| 1160 Appropriation, discretionary (total) .....   |             |           | 1,143     |
| 1930 Total budgetary resources available .....  |             |           | 1,143     |
| <b>Change in obligated balance:</b>   |             |           |           |
| 3030 Obligations incurred, unexpired accounts .....   |             |           | 1,143     |
| 3040 Outlays (gross) .....  |             |           | -23       |
| <b>Obligated balance, end of year (net):</b>  |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....  |             |           | 1,120     |
| 3100 Obligated balance, end of year (net) .....   |             |           | 1,120     |
| <b>Budget authority and outlays, net:</b>   |             |           |           |
| <b>Discretionary:</b>   |             |           |           |
| 4000 Budget authority, gross .....  |             |           | 1,143     |
| <b>Outlays, gross:</b>  |             |           |           |
| 4010 Outlays from new discretionary authority .....   |             |           | 23        |
| 4180 Budget authority, net (total) .....  |             |           | 1,143     |
| 4190 Outlays, net (total) .....   |             |           | 23        |

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

**Effective teaching and learning: literacy.**—Funds would support competitive grants to States to support the development and implementation of comprehensive State and local efforts to provide high-quality literacy programs, aligned with college- and career-ready English-language arts standards, for students from preschool through grade 12.

**Effective teaching and learning: science, technology, engineering, and mathematics (STEM).**—Funds would support competitive grants to States to implement comprehensive strategies to improve the teaching and learning of STEM subjects.

**Effective teaching and learning for a well-rounded education.**—Funds would support competitive grants to States and high-need school districts to develop and expand innovative practices to improve teaching and learning in the arts, health education, foreign languages, civics and government, history, geography, environmental education, economics, financial literacy, and other subjects.

**College pathways and accelerated learning.**—Funds would support competitive grants to high-need school districts for programs that prepare students to enter and succeed in college by providing college-level and other accelerated courses and instruction in middle and high schools as well as accelerated learning opportunities in elementary schools.

**Assessing achievement.**—Funds would support formula and competitive grants to States to develop and implement assessments that are aligned with college- and career-ready academic standards.

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

**Native Hawaiian student education.**—Funds would support competitive grants to public and private entities to develop or operate innovative projects that enhance the educational services provided to Native Hawaiian children and adults.

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

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

| Identification code 91–1000–2–1–501                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Direct obligations:</b>                         |             |           |           |
| 25.2 Other services from non-Federal sources ..... |             |           | 24        |
| 41.0 Grants, subsidies, and contributions .....    |             |           | 1,119     |
| 99.9 Total new obligations .....                   |             |           | 1,143     |

**【SAFE SCHOOLS AND CITIZENSHIP EDUCATION】 SUPPORTING STUDENT SUCCESS**

【For carrying out activities authorized by part A of title IV and subparts 1, 2, and 10 of part D of title V of the ESEA, \$256,237,000: *Provided*, That \$65,000,000 shall be available for subpart 2 of part A of title IV: *Provided further*, That \$60,000,000 shall be available for Promise Neighborhoods and shall be available through December 31, 2012.】  
(Department of Education Appropriations Act, 2012.)

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

| Identification code 91–0203–0–1–501                   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>               |             |           |           |
| 0001 National activities .....                        | 120         | 72        |           |
| 0002 Alcohol abuse reduction .....                    | 7           |           |           |
| 0003 Elementary and secondary school counseling ..... | 52          | 52        |           |
| 0004 Physical education program .....                 | 79          | 79        |           |

SUPPORTING STUDENT SUCCESS—Continued  
Program and Financing—Continued

| Identification code 91-0203-0-1-501                                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| 0005 Civic education .....   | 1           |           |           |
| 0006 Promise neighborhoods .....                                   |             | 90        |           |
| 0500 Direct program activities, subtotal .....                     | 259         | 293       |           |
| 0799 Total direct obligations .....                                | 259         | 293       |           |
| 0803 Reimbursable program activity .....                           | 57          | 2         |           |
| 0900 Total new obligations .....                                   | 316         | 295       |           |
| <b>Budgetary Resources:</b>  |             |           |           |
| Unobligated balance:   |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1 .....              | 6           | 37        |           |
| Budget authority:  |             |           |           |
| Appropriations, discretionary:                                     |             |           |           |
| 1100 Appropriation .....   | 289         | 256       |           |
| 1130 Appropriations permanently reduced .....                      | -1          |           |           |
| 1160 Appropriation, discretionary (total) .....                    | 288         | 256       |           |
| Spending authority from offsetting collections, discretionary:     |             |           |           |
| 1700 Collected .....   | 57          | 2         |           |
| 1701 Change in uncollected payments, Federal sources .....         | 2           |           |           |
| 1750 Spending auth from offsetting collections, disc (total) ..... | 59          | 2         |           |
| 1900 Budget authority (total) .....                                | 347         | 258       |           |
| 1930 Total budgetary resources available .....                     | 353         | 295       |           |
| Memorandum (non-add) entries:                                      |             |           |           |
| 1941 Unexpired unobligated balance, end of year .....              | 37          |           |           |
| <b>Change in obligated balance:</b>                                |             |           |           |
| Obligated balance, start of year (net):                            |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....      | 835         | 641       | 449       |
| 3010 Uncollected pymts, Fed sources, brought forward, Oct 1 .....  |             | -2        | -2        |
| 3020 Obligated balance, start of year (net) .....                  | 835         | 639       | 447       |
| 3030 Obligations incurred, unexpired accounts .....                | 316         | 295       |           |
| 3040 Outlays (gross) .....   | -490        | -487      | -308      |
| 3050 Change in uncollected pymts, Fed sources, unexpired .....     | -2          |           |           |
| 3081 Recoveries of prior year unpaid obligations, expired .....    | -20         |           |           |
| Obligated balance, end of year (net):                              |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....                 | 641         | 449       | 141       |
| 3091 Uncollected pymts, Fed sources, end of year .....             | -2          | -2        | -2        |
| 3100 Obligated balance, end of year (net) .....                    | 639         | 447       | 139       |
| <b>Budget authority and outlays, net:</b>                          |             |           |           |
| Discretionary:   |             |           |           |
| 4000 Budget authority, gross .....                                 | 347         | 258       |           |
| Outlays, gross:  |             |           |           |
| 4010 Outlays from new discretionary authority .....                | 5           | 5         |           |
| 4011 Outlays from discretionary balances .....                     | 485         | 482       | 308       |
| 4020 Outlays, gross (total) .....                                  | 490         | 487       | 308       |
| Offsets against gross budget authority and outlays:                |             |           |           |
| Offsetting collections (collected) from:                           |             |           |           |
| 4030 Federal sources .....   | -57         | -2        |           |
| Additional offsets against gross budget authority only:            |             |           |           |
| 4050 Change in uncollected pymts, Fed sources, unexpired .....     | -2          |           |           |
| 4070 Budget authority, net (discretionary) .....                   | 288         | 256       |           |
| 4080 Outlays, net (discretionary) .....                            | 433         | 485       | 308       |
| 4180 Budget authority, net (total) .....                           | 288         | 256       |           |
| 4190 Outlays, net (total) .....                                    | 433         | 485       | 308       |

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

|   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Enacted/requested:                          |             |           |           |
| Budget Authority .....                      | 288         | 256       |           |
| Outlays .....                               | 433         | 485       | 308       |
| Legislative proposal, not subject to PAYGO: |             |           |           |
| Budget Authority .....                      |             |           | 1,448     |
| Outlays .....                               |             |           | 29        |
| <b>Total:</b>                               |             |           |           |
| Budget Authority .....                      | 288         | 256       | 1,448     |
| Outlays .....                               | 433         | 485       | 337       |

The Administration is proposing legislation reauthorizing the Elementary and Secondary Education Act (ESEA), including programs in this account. Consistent with this reauthorization

proposal, the Budget proposes to realign programs in ESEA accounts. When new authorizing legislation is enacted, resources will be requested for these programs. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

Object Classification (in millions of dollars)

| Identification code 91-0203-0-1-501                      | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Direct obligations:                                      |             |           |           |
| 25.1 Advisory and assistance services .....              | 1           |           |           |
| 25.2 Other services from non-Federal sources .....       | 8           | 4         |           |
| 25.3 Other goods and services from Federal sources ..... | 1           |           |           |
| 41.0 Grants, subsidies, and contributions .....          | 249         | 289       |           |
| 99.0 Direct obligations .....                            | 259         | 293       |           |
| 99.0 Reimbursable obligations .....                      | 57          | 2         |           |
| 99.9 Total new obligations .....                         | 316         | 295       |           |

SUPPORTING STUDENT SUCCESS  
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 91-0203-2-1-501                 | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>             |             |           |           |
| 0001 Promise Neighborhoods .....                    |             |           | 100       |
| 0002 Successful, safe, and healthy students .....   |             |           | 196       |
| 0003 21st century community learning centers .....  |             |           | 1,152     |
| 0500 Direct program activities, subtotal .....      |             |           | 1,448     |
| 0900 Total new obligations .....                    |             |           | 1,448     |
| <b>Budgetary Resources:</b>                         |             |           |           |
| Budget authority:                                   |             |           |           |
| Appropriations, discretionary:                      |             |           |           |
| 1100 Appropriation .....                            |             |           | 1,448     |
| 1160 Appropriation, discretionary (total) .....     |             |           | 1,448     |
| 1930 Total budgetary resources available .....      |             |           | 1,448     |
| <b>Change in obligated balance:</b>                 |             |           |           |
| 3030 Obligations incurred, unexpired accounts ..... |             |           | 1,448     |
| 3040 Outlays (gross) .....                          |             |           | -29       |
| Obligated balance, end of year (net):               |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....  |             |           | 1,419     |
| 3100 Obligated balance, end of year (net) .....     |             |           | 1,419     |
| <b>Budget authority and outlays, net:</b>           |             |           |           |
| Discretionary:                                      |             |           |           |
| 4000 Budget authority, gross .....                  |             |           | 1,448     |
| Outlays, gross:                                     |             |           |           |
| 4010 Outlays from new discretionary authority ..... |             |           | 29        |
| 4180 Budget authority, net (total) .....            |             |           | 1,448     |
| 4190 Outlays, net (total) .....                     |             |           | 29        |

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

*Promise neighborhoods.*—Funds would support competitive grants and other activities for projects designed to improve significantly the educational and developmental outcomes of children within the Nation's most distressed communities, with the goal of transforming those communities so that all children in the community have access to a cradle-through-college-to-career continuum of academic programs and community supports, including effective schools and services.

*Successful, safe, and healthy students.*—Funds would support competitive grants and other activities to assist States, local educational agencies (LEAs), and partnerships between LEAs and non-profit organizations or local government entities in improving school climate; reducing or preventing drug use, violence, bullying, or harassment; and promoting and supporting the

physical and mental well-being of students so that schools are safe, healthy, and drug-free environments.

**21st century community learning centers.**—Funds would support competitive grants to States, LEAs, non-profit organizations, or local governmental entities for projects that provide the additional time, support, and enrichment activities needed to improve student achievement, including expanding learning time by significantly increasing the number of hours in a regular school schedule and comprehensively redesigning the school schedule for all students in a school. All local projects would provide additional time for students to participate in (1) academic activities that are aligned with the instruction those students receive during the regular school day and are targeted to their academic needs; and (2) enrichment and other activities that complement the academic program. Projects could also provide teachers the time they need to collaborate, plan, and engage in professional development within and across grades and subjects.

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

| Identification code 91-0203-2-1-501                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Direct obligations:</b>                         |             |           |           |
| 25.2 Other services from non-Federal sources ..... |             |           | 30        |
| 41.0 Grants, subsidies, and contributions .....    |             |           | 1,418     |
| 99.9 Total new obligations .....                   |             |           | 1,448     |

**INDIAN EDUCATION** INDIAN STUDENT EDUCATION

[For expenses necessary to carry out, to the extent not otherwise provided, title VII, part A of the ESEA, \$131,027,000.] (*Department of Education Appropriations Act, 2012.*)

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

| Identification code 91-0101-0-1-501                             | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                         |             |           |           |
| 0001 Grants to local educational agencies .....                 | 104         | 106       |           |
| 0002 Special programs for Indian children .....                 | 19          | 19        |           |
| 0003 National activities .....                                  | 4           | 6         |           |
| 0900 Total new obligations .....                                | 127         | 131       |           |
| <b>Budgetary Resources:</b>                                     |             |           |           |
| <b>Budget authority:</b>  |             |           |           |
| Appropriations, discretionary:                                  |             |           |           |
| 1100 Appropriation .....  | 127         | 131       |           |
| 1160 Appropriation, discretionary (total) .....                 | 127         | 131       |           |
| 1930 Total budgetary resources available .....                  | 127         | 131       |           |
| <b>Change in obligated balance:</b>                             |             |           |           |
| Obligated balance, start of year (net):                         |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....   | 132         | 134       | 150       |
| 3030 Obligations incurred, unexpired accounts .....             | 127         | 131       |           |
| 3040 Outlays (gross) .....                                      | -122        | -115      | -122      |
| 3081 Recoveries of prior year unpaid obligations, expired ..... | -3          |           |           |
| Obligated balance, end of year (net):                           |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....              | 134         | 150       | 28        |
| 3100 Obligated balance, end of year (net) .....                 | 134         | 150       | 28        |
| <b>Budget authority and outlays, net:</b>                       |             |           |           |
| Discretionary:  |             |           |           |
| 4000 Budget authority, gross .....                              | 127         | 131       |           |
| Outlays, gross:   |             |           |           |
| 4010 Outlays from new discretionary authority .....             | 4           | 7         |           |
| 4011 Outlays from discretionary balances .....                  | 118         | 108       | 122       |
| 4020 Outlays, gross (total) .....                               | 122         | 115       | 122       |
| 4180 Budget authority, net (total) .....                        | 127         | 131       |           |
| 4190 Outlays, net (total) .....                                 | 122         | 115       | 122       |

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

|  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Enacted/requested:</b>                          |             |           |           |
| Budget Authority .....                             | 127         | 131       |           |
| Outlays .....                                      | 122         | 115       | 122       |
| <b>Legislative proposal, not subject to PAYGO:</b> |             |           |           |
| Budget Authority .....                             |             |           | 131       |
| Outlays .....                                      |             |           | 7         |
| <b>Total:</b>                                      |             |           |           |
| Budget Authority .....                             | 127         | 131       | 131       |
| Outlays .....                                      | 122         | 115       | 129       |

The Administration is proposing legislation reauthorizing the Elementary and Secondary Education Act (ESEA), including programs in this account. Consistent with this reauthorization proposal, the Budget proposes to realign programs in ESEA accounts. When new authorizing legislation is enacted, resources will be requested for these programs. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

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

| Identification code 91-0101-0-1-501                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Direct obligations:</b>                         |             |           |           |
| 25.2 Other services from non-Federal sources ..... | 4           | 5         |           |
| 41.0 Grants, subsidies, and contributions .....    | 123         | 126       |           |
| 99.9 Total new obligations .....                   | 127         | 131       |           |

**INDIAN STUDENT EDUCATION**

(Legislative proposal, not subject to PAYGO)

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

| Identification code 91-0101-2-1-501                 | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>             |             |           |           |
| 0001 Grants to local educational agencies .....     |             |           | 106       |
| 0002 Special programs for Indian children .....     |             |           | 19        |
| 0003 National activities .....                      |             |           | 6         |
| 0900 Total new obligations .....                    |             |           | 131       |
| <b>Budgetary Resources:</b>                         |             |           |           |
| <b>Budget authority:</b>                            |             |           |           |
| Appropriations, discretionary:                      |             |           |           |
| 1100 Appropriation .....                            |             |           | 131       |
| 1160 Appropriation, discretionary (total) .....     |             |           | 131       |
| 1930 Total budgetary resources available .....      |             |           | 131       |
| <b>Change in obligated balance:</b>                 |             |           |           |
| 3030 Obligations incurred, unexpired accounts ..... |             |           | 131       |
| 3040 Outlays (gross) .....                          |             |           | -7        |
| Obligated balance, end of year (net):               |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....  |             |           | 124       |
| 3100 Obligated balance, end of year (net) .....     |             |           | 124       |
| <b>Budget authority and outlays, net:</b>           |             |           |           |
| Discretionary:                                      |             |           |           |
| 4000 Budget authority, gross .....                  |             |           | 131       |
| Outlays, gross:                                     |             |           |           |
| 4010 Outlays from new discretionary authority ..... |             |           | 7         |
| 4180 Budget authority, net (total) .....            |             |           | 131       |
| 4190 Outlays, net (total) .....                     |             |           | 7         |

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

The Indian Education programs support the efforts of local educational agencies (LEA) 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 LEAs in their efforts to reform elementary and secondary school

INDIAN STUDENT EDUCATION—Continued

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 2011, the Department made 1,276 formula grants to LEAs, tribal schools and Department of the Interior/Bureau of Indian Education schools serving over 477,000 Indian students.

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

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

Object Classification (in millions of dollars)

| Identification code 91-0101-2-1-501                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Direct obligations:</b>                         |             |           |           |
| 25.2 Other services from non-Federal sources ..... |             |           | 5         |
| 41.0 Grants, subsidies, and contributions .....    |             |           | 126       |
| 99.9 Total new obligations .....                   |             |           | 131       |

EDUCATION JOBS FUND

Program and Financing (in millions of dollars)

| Identification code 91-0012-0-1-501                           | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                       |             |           |           |
| 0001 Education Jobs Fund .....                                | 993         |           |           |
| 0900 Total new obligations (object class 41.0) .....          | 993         |           |           |
| <b>Budgetary Resources:</b>                                   |             |           |           |
| Unobligated balance:  |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1 .....         | 993         |           |           |
| 1930 Total budgetary resources available .....                | 993         |           |           |
| <b>Change in obligated balance:</b>                           |             |           |           |
| Obligated balance, start of year (net):                       |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) ..... | 7,775       | 3,712     |           |
| 3030 Obligations incurred, unexpired accounts .....           | 993         |           |           |
| 3040 Outlays (gross) .....                                    | -5,056      | -3,712    |           |
| Obligated balance, end of year (net):                         |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....            | 3,712       |           |           |
| 3100 Obligated balance, end of year (net) .....               | 3,712       |           |           |
| <b>Budget authority and outlays, net:</b>                     |             |           |           |
| Mandatory:  |             |           |           |
| Outlays, gross:   |             |           |           |
| 4101 Outlays from mandatory balances .....                    | 5,056       | 3,712     |           |
| 4190 Outlays, net (total) .....                               | 5,056       | 3,712     |           |

STATE FISCAL STABILIZATION FUND, RECOVERY ACT

Program and Financing (in millions of dollars)

| Identification code 91-1909-0-1-999                           | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Change in obligated balance:</b>                           |             |           |           |
| Obligated balance, start of year (net):                       |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) ..... | 17,884      | 5,456     |           |
| 3040 Outlays (gross) .....                                    | -12,428     | -5,456    |           |
| Obligated balance, end of year (net):                         |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....            | 5,456       |           |           |
| 3100 Obligated balance, end of year (net) .....               | 5,456       |           |           |

Budget authority and outlays, net:

|  |        |       |  |
|--|--------|-------|--|
| Discretionary:                                 |        |       |  |
| Outlays, gross:                                |        |       |  |
| 4011 Outlays from discretionary balances ..... | 12,428 | 5,456 |  |
| 4190 Outlays, net (total) .....                | 12,428 | 5,456 |  |

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

OFFICE OF INNOVATION AND IMPROVEMENT

Federal Funds

[INNOVATION AND IMPROVEMENT] INNOVATION AND INSTRUCTIONAL TEAMS

[For carrying out activities authorized by part G of title I, subpart 5 of part A and parts C and D of title II, parts B, C, and D of title V of the ESEA, and sections 14006 and 14007 of division A of the American Recovery and Reinvestment Act of 2009, as amended, \$1,530,429,000: *Provided*, That the Secretary may use up to \$550,000,000, which shall remain available for obligation through December 31, 2012, for section 14006 of division A of Public Law 111-5, as amended, to make awards (including on the basis of previously submitted applications) to States or to local educational agencies, or both, in accordance with the applicable requirements of that section, as determined by the Secretary, and may use up to 5 percent of such funds for technical assistance and evaluation of the activities carried out under that section: *Provided further*, That up to \$149,700,000 shall be available for obligation through December 31, 2012 for section 14007 of division A of Public Law 111-5, and up to 5 percent of such funds may be used for technical assistance and the evaluation of activities carried out under such section: *Provided further*, That \$300,000,000 of the funds for subpart 1 of part D of title V of the ESEA shall be for competitive grants to local educational agencies, including charter schools that are local educational agencies, or States, or partnerships of: (1) a local educational agency, a State, or both; and (2) at least one nonprofit organization to develop and implement performance-based compensation systems for teachers, principals, and other personnel in high-need schools: *Provided further*, That such performance-based compensation systems must consider gains in student academic achievement as well as classroom evaluations conducted multiple times during each school year among other factors and provide educators with incentives to take on additional responsibilities and leadership roles: *Provided further*, That recipients of such grants shall demonstrate that such performance-based compensation systems are developed with the input of teachers and school leaders in the schools and local educational agencies to be served by the grant: *Provided further*, That recipients of such grants may use such funds to develop or improve systems and tools (which may be developed and used for the entire local educational agency or only for schools served under the grant) that would enhance the quality and success of the compensation system, such as high-quality teacher evaluations and tools to measure growth in student achievement: *Provided further*, That applications for such grants shall include a plan to sustain financially the activities conducted and systems developed under the grant once the grant period has expired: *Provided further*, That up to 5 percent of such funds for competitive grants shall be available for technical assistance, training, peer review of applications, program outreach, and evaluation activities: *Provided further*, That of the funds available for part B of title V of the ESEA, the Secretary shall use not less than \$23,000,000 to carry out activities under section 5205(b) and under subpart 2: *Provided further*, That of the funds available for subpart 1 of part B of title V of the ESEA, and notwithstanding section 5205(a), the Secretary may reserve up to \$55,000,000 to make multiple awards to non-profit charter management organizations and other entities that are not for-profit entities for the replication and expansion of successful charter school models and shall reserve up to \$11,000,000 to carry out the activities described in section 5205(a), including improving quality and oversight of charter schools and providing technical assistance and grants to authorized public chartering agencies in order to increase the number of high-performing charter schools: *Provided further*, That each application submitted pursuant to section 5203(a) shall describe a plan to monitor and hold accountable authorized public chartering agencies through such activities as providing technical assistance or establishing a professional development program, which may include evaluation,

planning, training, and systems development for staff of authorized public chartering agencies to improve the capacity of such agencies in the State to authorize, monitor, and hold accountable charter schools: *Provided further*, That each application submitted pursuant to section 5203(a) shall contain assurances that State law, regulations, or other policies require that: (1) each authorized charter school in the State operate under a legally binding charter or performance contract between itself and the school's authorized public chartering agency that describes the obligations and responsibilities of the school and the public chartering agency; conduct annual, timely, and independent audits of the school's financial statements that are filed with the school's authorized public chartering agency; and demonstrate improved student academic achievement; and (2) authorized public chartering agencies use increases in student academic achievement for all groups of students described in section 1111(b)(2)(C)(v) of the ESEA as the most important factor when determining to renew or revoke a school's charter.】 (Department of Education Appropriations Act, 2012.)

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

| Identification code 91-0204-0-1-501                                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                            |             |           |           |
| 0001 Teacher incentive fund .....                                  | 399         | 299       | .....     |
| 0002 Transition to teaching .....                                  | 41          | 26        | .....     |
| 0003 Teaching American history .....                               | 46          | .....     | .....     |
| 0004 School leadership .....                                       | 29          | 29        | .....     |
| 0005 Charter schools grants .....                                  | 245         | 255       | .....     |
| 0006 Credit enhancement for charter school facilities .....        | 10          | .....     | .....     |
| 0007 Voluntary public school choice .....                          | 26          | .....     | .....     |
| 0008 Magnet schools assistance .....                               | 100         | 100       | .....     |
| 0009 Advanced placement .....                                      | 43          | 27        | .....     |
| 0010 Ready-to-learn-television .....                               | 27          | 27        | .....     |
| 0011 FIE programs of national significance .....                   | 12          | 41        | .....     |
| 0012 Excellence in economic education .....                        | 1           | .....     | .....     |
| 0013 Arts in education .....                                       | 27          | 25        | .....     |
| 0014 Race to the Top .....   | 2           | 728       | 517       |
| 0015 Investing in Innovation .....                                 | 1           | 156       | 141       |
| 0100 Total direct program .....                                    | 1,009       | 1,713     | 658       |
| 0799 Total direct obligations .....                                | 1,009       | 1,713     | 658       |
| 0801 DC Schools .....  | 18          | 60        | 60        |
| 0900 Total new obligations .....                                   | 1,027       | 1,773     | 718       |
| <b>Budgetary Resources:</b>  |             |           |           |
| Unobligated balance:   |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1 .....              | 2           | 846       | 661       |
| Budget authority:  |             |           |           |
| Appropriations, discretionary:                                     |             |           |           |
| 1100 Appropriation .....   | 1,860       | 1,531     | .....     |
| 1130 Appropriations permanently reduced .....                      | -4          | .....     | .....     |
| 1143 Approp permanently reduced (Sec 527, HR 2055) .....           | .....       | -3        | .....     |
| 1160 Appropriation, discretionary (total) .....                    | 1,856       | 1,528     | .....     |
| Spending authority from offsetting collections, discretionary:     |             |           |           |
| 1700 Collected .....   | 15          | 60        | 60        |
| 1750 Spending auth from offsetting collections, disc (total) ..... | 15          | 60        | 60        |
| 1900 Budget authority (total) .....                                | 1,871       | 1,588     | 60        |
| 1930 Total budgetary resources available .....                     | 1,873       | 2,434     | 721       |
| Memorandum (non-add) entries:                                      |             |           |           |
| 1941 Unexpired unobligated balance, end of year .....              | 846         | 661       | 3         |
| <b>Change in obligated balance:</b>                                |             |           |           |
| Obligated balance, start of year (net):                            |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....      | 2,252       | 2,216     | 2,058     |
| 3030 Obligations incurred, unexpired accounts .....                | 1,027       | 1,773     | 718       |
| 3031 Obligations incurred, expired accounts .....                  | 1           | .....     | .....     |
| 3040 Outlays (gross) .....   | -1,050      | -1,931    | -1,642    |
| 3081 Recoveries of prior year unpaid obligations, expired .....    | -14         | .....     | .....     |
| Obligated balance, end of year (net):                              |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....                 | 2,216       | 2,058     | 1,134     |
| 3100 Obligated balance, end of year (net) .....                    | 2,216       | 2,058     | 1,134     |
| <b>Budget authority and outlays, net:</b>                          |             |           |           |
| Discretionary:   |             |           |           |
| 4000 Budget authority, gross .....                                 | 1,871       | 1,588     | 60        |
| Outlays, gross:  |             |           |           |
| 4010 Outlays from new discretionary authority .....                | 11          | 79        | 3         |
| 4011 Outlays from discretionary balances .....                     | 1,039       | 1,852     | 1,639     |
| 4020 Outlays, gross (total) .....                                  | 1,050       | 1,931     | 1,642     |

| Offsets against gross budget authority and outlays: |       |       |       |
|---|-------|-------|-------|
| Offsetting collections (collected) from:            |       |       |       |
| 4033 Non-Federal sources .....                      | -15   | -60   | -60   |
| 4180 Budget authority, net (total) .....            | 1,856 | 1,528 | ..... |
| 4190 Outlays, net (total) .....                     | 1,035 | 1,871 | 1,582 |

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

|   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Enacted/requested:                          |             |           |           |
| Budget Authority .....                      | 1,856       | 1,528     | .....     |
| Outlays .....                               | 1,035       | 1,871     | 1,582     |
| Legislative proposal, not subject to PAYGO: |             |           |           |
| Budget Authority .....                      | .....       | .....     | 4,332     |
| Outlays .....                               | .....       | .....     | 217       |
| Total:                                      |             |           |           |
| Budget Authority .....                      | 1,856       | 1,528     | 4,332     |
| Outlays .....                               | 1,035       | 1,871     | 1,799     |

The Administration is proposing legislation reauthorizing the Elementary and Secondary Education Act (ESEA), including the programs in this account. Consistent with this reauthorization proposal, the Budget proposes to realign programs in ESEA accounts. When new authorizing legislation is enacted, resources will be requested for these programs. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

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

| Identification code 91-0204-0-1-501                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Direct obligations:</b>                         |             |           |           |
| 25.1 Advisory and assistance services .....        | 43          | 24        | .....     |
| 25.2 Other services from non-Federal sources ..... | 3           | 9         | .....     |
| 41.0 Grants, subsidies, and contributions .....    | 963         | 1,680     | 658       |
| 99.0 Direct obligations .....                      | 1,009       | 1,713     | 658       |
| 99.0 Reimbursable obligations .....                | 18          | 60        | 60        |
| 99.9 Total new obligations .....                   | 1,027       | 1,773     | 718       |

**INNOVATION AND INSTRUCTIONAL TEAMS**

(Legislative proposal, not subject to PAYGO)

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

| Identification code 91-0204-2-1-501                    | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                |             |           |           |
| 0001 Race to the top .....                             | .....       | .....     | 850       |
| 0002 Investing in innovation .....                     | .....       | .....     | 150       |
| 0003 Effective teachers and leaders State grants ..... | .....       | .....     | 2,436     |
| 0004 Teacher and leader innovation fund .....          | .....       | .....     | 400       |
| 0005 Teacher and leader pathways .....                 | .....       | .....     | 75        |
| 0006 Expanding educational options .....               | .....       | .....     | 255       |
| 0007 Magnet schools assistance .....                   | .....       | .....     | 100       |
| 0008 FIE Programs of national significance .....       | .....       | .....     | 36        |
| 0100 Total direct program .....                        | .....       | .....     | 4,302     |
| 0900 Total new obligations .....                       | .....       | .....     | 4,302     |
| <b>Budgetary Resources:</b>                            |             |           |           |
| Budget authority:                                      |             |           |           |
| Appropriations, discretionary:                         |             |           |           |
| 1100 Appropriation .....                               | .....       | .....     | 4,332     |
| 1160 Appropriation, discretionary (total) .....        | .....       | .....     | 4,332     |
| 1930 Total budgetary resources available .....         | .....       | .....     | 4,332     |
| Memorandum (non-add) entries:                          |             |           |           |
| 1941 Unexpired unobligated balance, end of year .....  | .....       | .....     | 30        |
| <b>Change in obligated balance:</b>                    |             |           |           |
| 3030 Obligations incurred, unexpired accounts .....    | .....       | .....     | 4,302     |
| 3040 Outlays (gross) .....                             | .....       | .....     | -217      |
| Obligated balance, end of year (net):                  |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....     | .....       | .....     | 4,085     |
| 3100 Obligated balance, end of year (net) .....        | .....       | .....     | 4,085     |

INNOVATION AND INSTRUCTIONAL TEAMS—Continued  
Program and Financing—Continued

| Identification code 91-0204-2-1-501                 | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Budget authority and outlays, net:</b>           |             |           |           |
| Discretionary:                                      |             |           |           |
| 4000 Budget authority, gross .....                  |             |           | 4,332     |
| Outlays, gross:                                     |             |           |           |
| 4010 Outlays from new discretionary authority ..... |             |           | 217       |
| 4180 Budget authority, net (total) .....            |             |           | 4,332     |
| 4190 Outlays, net (total) .....                     |             |           | 217       |

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

**Race to the top.**—Funds would support grants to State educational agencies (SEAs) and local educational agencies (LEAs) to implement systemic reforms in five areas where fundamental reforms are most needed: implementing rigorous standards and assessments; using data to improve instruction and decision-making; recruiting and retaining effective teachers and principals; turning around the lowest-performing schools; and improving State systems of early learning and care. Funds would enable the program to deepen its investments in reforming elementary and secondary education, as well as provide resources for the Early Learning Challenge program to support improving outcomes in early childhood education.

**Investing in innovation.**—Funds would support grants to LEAs or to nonprofit organizations in consortium with one or more schools or LEAs to develop and expand innovative strategies and practices that have been shown to be effective in improving educational outcomes for students. A portion of the funds would be used to launch the Advanced Research Projects Agency—Education, which would pursue breakthrough developments in educational technologies and other strategies for raising achievement. Funds may also be used for "pay-for-success" projects, such as projects that make use of performance-based contracts or social impact bonds, to engage social investors, the Federal Government, and a State or local community to collaboratively finance effective interventions.

**Effective teachers and leaders State grants.**—Funds would support formula grants to States and LEAs to promote and enhance the teaching profession; recruit, prepare, develop, reward, and retain effective and highly effective teachers, principals, and other school leaders and foster excellent instructional teams, especially in high-need LEAs, schools, fields, and subjects; ensure the equitable distribution of effective and highly effective teachers and principals; increase the effectiveness of teachers and principals; strengthen teacher and principal evaluation systems; ensure that teachers have the knowledge, skills, data, support, and collaborative opportunities needed to be effective in the classroom; and improve the management of the education workforce in States and LEAs. The Department would reserve up to 25 percent of the appropriation for this program to build evidence on how to best recruit, train, and support effective teachers and school leaders; recruit and prepare effective science, technology, engineering, and mathematics teachers; and invest in efforts to enhance the teaching and leadership professions.

**Teacher and leader innovation fund.**—Funds would support competitive grants to States and LEAs willing to implement bold approaches to improving the effectiveness of the education workforce in high-need schools and districts by creating the conditions needed to identify, reward, retain, and advance effective teachers, principals, and school leadership teams in those schools, and enabling schools to build the strongest teams possible.

**Teacher and leader pathways.**—Funds would support continuation costs for the School Leadership, Teacher Quality Partnership, and Transition to Teaching programs.

**Expanding educational options.**—Funds would support competitive grants to SEAs, charter school authorizers, charter management organizations, LEAs, and other nonprofit organizations to start or expand high-performing charter and other autonomous public schools in high-need areas.

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

**Fund for the improvement of education: programs of national significance.**—Funds would support nationally significant projects to improve the quality of elementary and secondary education, including an interagency initiative to strengthen services provided to disconnected youth and continuation of efforts to improve the quality, analysis, and reporting of elementary and secondary education performance data. Funds would also go towards an evidence-based math initiative and to support the Institute of Education Sciences (IES) in becoming a resource for improving the evidence base for STEM programs across the Federal Government.

Object Classification (in millions of dollars)

| Identification code 91-0204-2-1-501                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Direct obligations:                                |             |           |           |
| 25.1 Advisory and assistance services .....        |             |           | 105       |
| 25.2 Other services from non-Federal sources ..... |             |           | 19        |
| 41.0 Grants, subsidies, and contributions .....    |             |           | 4,178     |
| 99.9 Total new obligations .....                   |             |           | 4,302     |

OFFICE OF ENGLISH LANGUAGE ACQUISITION

Federal Funds

[ENGLISH LANGUAGE ACQUISITION] ENGLISH LEARNER EDUCATION

[For carrying out part A of title III of the ESEA, \$733,530,000, which shall become available on July 1, 2012, and shall remain available through September 30, 2013, except that 6.5 percent of such amount shall be available on October 1, 2011, and shall remain available through September 30, 2013, to carry out activities under section 3111(c)(1)(C): *Provided*, That the Secretary shall use estimates of the American Community Survey child counts for the most recent 3-year period available to calculate allocations under such part.] (*Department of Education Appropriations Act, 2012.*)

Program and Financing (in millions of dollars)

| Identification code 91-1300-0-1-501                           | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                       |             |           |           |
| 0001 English language acquisition grants .....                | 749         | 735       | 6         |
| <b>Budgetary Resources:</b>                                   |             |           |           |
| Unobligated balance:  |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1 .....         | 24          | 9         | 6         |
| Budget authority:   |             |           |           |
| Appropriations, discretionary:                                |             |           |           |
| 1100 Appropriation .....                                      | 735         | 733       |           |
| 1130 Appropriations permanently reduced .....                 | -1          |           |           |
| 1143 Approp permanently reduced (Sec 527, HR 2055) .....      |             | -1        |           |
| 1160 Appropriation, discretionary (total) .....               | 734         | 732       |           |
| 1930 Total budgetary resources available .....                | 758         | 741       | 6         |
| Memorandum (non-add) entries:                                 |             |           |           |
| 1941 Unexpired unobligated balance, end of year .....         | 9           | 6         |           |
| <b>Change in obligated balance:</b>                           |             |           |           |
| Obligated balance, start of year (net):                       |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) ..... | 1,075       | 1,039     | 1,012     |
| 3030 Obligations incurred, unexpired accounts .....           | 749         | 735       | 6         |

|   |  |       |       |      |
|---|--|-------|-------|------|
| 3040                                      | Outlays (gross) .....                                      | -782  | -762  | -724 |
| 3081                                      | Recoveries of prior year unpaid obligations, expired ..... | -3    |       |      |
|   | Obligated balance, end of year (net):                      |       |       |      |
| 3090                                      | Unpaid obligations, end of year (gross) .....              | 1,039 | 1,012 | 294  |
| 3100                                      | Obligated balance, end of year (net) .....                 | 1,039 | 1,012 | 294  |
| <b>Budget authority and outlays, net:</b> |  |       |       |      |
| Discretionary:                            |  |       |       |      |
| 4000                                      | Budget authority, gross .....                              | 734   | 732   |      |
| Outlays, gross:                           |  |       |       |      |
| 4010                                      | Outlays from new discretionary authority .....             | 6     | 7     |      |
| 4011                                      | Outlays from discretionary balances .....                  | 776   | 755   | 724  |
| 4020                                      | Outlays, gross (total) .....                               | 782   | 762   | 724  |
| 4180                                      | Budget authority, net (total) .....                        | 734   | 732   |      |
| 4190                                      | Outlays, net (total) .....                                 | 782   | 762   | 724  |

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

|   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Enacted/requested:                          |             |           |           |
| Budget Authority .....                      | 734         | 732       |           |
| Outlays .....                               | 782         | 762       | 724       |
| Legislative proposal, not subject to PAYGO: |             |           |           |
| Budget Authority .....                      |             |           | 732       |
| Outlays .....                               |             |           | 7         |
| <b>Total:</b>                               |             |           |           |
| Budget Authority .....                      | 734         | 732       | 732       |
| Outlays .....                               | 782         | 762       | 731       |

The Administration is proposing legislation reauthorizing the Elementary and Secondary Education Act (ESEA), including programs in this account. Consistent with this reauthorization proposal, the Budget proposes to realign programs in ESEA accounts. When new authorizing legislation is enacted, resources will be requested for these programs. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

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

| Identification code 91-1300-0-1-501             | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Direct obligations:                             |             |           |           |
| 25.1 Advisory and assistance services .....     | 5           | 6         | 2         |
| 25.5 Research and development contracts .....   | 2           |           |           |
| 41.0 Grants, subsidies, and contributions ..... | 742         | 729       | 4         |
| 99.9 Total new obligations .....                | 749         | 735       | 6         |

**ENGLISH LEARNER EDUCATION**

(Legislative proposal, not subject to PAYGO)

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

| Identification code 91-1300-2-1-501                 | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>             |             |           |           |
| 0001 English language acquisition grants .....      |             |           | 732       |
| <b>Budgetary Resources:</b>                         |             |           |           |
| Budget authority:                                   |             |           |           |
| Appropriations, discretionary:                      |             |           |           |
| 1100 Appropriation .....                            |             |           | 732       |
| 1160 Appropriation, discretionary (total) .....     |             |           | 732       |
| 1930 Total budgetary resources available .....      |             |           | 732       |
| <b>Change in obligated balance:</b>                 |             |           |           |
| 3030 Obligations incurred, unexpired accounts ..... |             |           | 732       |
| 3040 Outlays (gross) .....                          |             |           | -7        |
| Obligated balance, end of year (net):               |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....  |             |           | 725       |
| 3100 Obligated balance, end of year (net) .....     |             |           | 725       |
| <b>Budget authority and outlays, net:</b>           |             |           |           |
| Discretionary:                                      |             |           |           |
| 4000 Budget authority, gross .....                  |             |           | 732       |
| Outlays, gross:                                     |             |           |           |
| 4010 Outlays from new discretionary authority ..... |             |           | 7         |

|      |                                     |  |  |     |
|------|-------------------------------------|--|--|-----|
| 4180 | Budget authority, net (total) ..... |  |  | 732 |
| 4190 | Outlays, net (total) .....          |  |  | 7   |

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

**Language acquisition State grants.**—This program provides formula grants to States to improve services for English Learners. States are accountable for demonstrating that English Learners are making progress toward proficiency in English and meeting the same high State academic standards as all other students. The statute also authorizes national activities, including professional development, evaluation, a national information clearinghouse on English language acquisition, and, under the proposed reauthorization, technical assistance to grantees and funding for demonstration projects to replicate proven practices.

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

| Identification code 91-1300-2-1-501             | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Direct obligations:                             |             |           |           |
| 25.1 Advisory and assistance services .....     |             |           | 2         |
| 25.5 Research and development contracts .....   |             |           | 1         |
| 41.0 Grants, subsidies, and contributions ..... |             |           | 729       |
| 99.9 Total new obligations .....                |             |           | 732       |

**OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES**

**Federal Funds**

SPECIAL EDUCATION

For carrying out the Individuals with Disabilities Education Act ("IDEA") and the Special Olympics Sport and Empowerment Act of 2004, **[\$12,647,066,000]** \$12,687,307,000, of which **[\$3,115,716,000]** \$2,289,108,000 shall become available on July 1, **[2012]** 2013, and shall remain available through September 30, **[2013]** 2014, and of which **[\$9,283,383,000]** \$10,124,103,000 shall become available on October 1, **[2012]** 2013, and shall remain available through September 30, **[2013]** 2014, for academic year **[2012-2013]** 2013-2014: *Provided*, That the amount for section 611(b)(2) of the IDEA shall be equal to the lesser of the amount available for that activity during fiscal year **[2011]** 2012, increased by the amount of inflation as specified in section 619(d)(2)(B) of the IDEA, or the percent change in the funds appropriated under section 611(i) of the IDEA, but not less than the amount for that activity during fiscal year **[2011]** 2012: *Provided further*, That the Secretary shall, without regard to section 611(d) of the IDEA, distribute to all other States (as that term is defined in section 611(g)(2)), subject to the third proviso, any amount by which a State's allocation under section 611(d), from funds appropriated under this heading, is reduced under section 612(a)(18)(B), according to the following: 85 percent on the basis of the States' relative populations of children aged 3 through 21 who are of the same age as children with disabilities for whom the State ensures the availability of a free appropriate public education under this part, and 15 percent to States on the basis of the States' relative populations of those children who are living in poverty: *Provided further*, That the Secretary may not distribute any funds under the previous proviso to any State whose reduction in allocation from funds appropriated under this heading made funds available for such a distribution: *Provided further*, That the States shall allocate such funds distributed under the second proviso to local educational agencies in accordance with section 611(f): *Provided further*, That the amount by which a State's allocation under section 611(d) of the IDEA is reduced under section 612(a)(18)(B) and the amounts distributed to States under the previous provisos in fiscal year 2012 or any subsequent year shall not be considered in calculating the awards under section 611(d) for fiscal year 2013 or for any subsequent fiscal years: *Provided further*, that the Secretary may, notwithstanding section 643(e)(1) of the IDEA, reserve up to \$2,710,000 of the amount provided under section 644 for incentive grants to States to carry out section 635(c): *Provided*

SPECIAL EDUCATION—Continued

further, that funds made available for the Special Olympics Sport and Empowerment Act of 2004 may be used to support expenses associated with the Special Olympics National and World Games: Provided further, That \$2,000,000 \$30,000,000, to remain available for obligation through September 30, [2013] 2014, shall be for competitive grants to States, incentive payments, and related activities [aimed at improving the outcomes of children receiving Supplemental Security Income (SSI) and their families, which may include competitive grants to States] as may be necessary to improve the provision and coordination of services and supports for Supplemental Security Income (SSI) child recipients and their families or households in order to achieve improved [health status] outcomes, including both physical and emotional health, [and] education and post-school outcomes, [including completion of] such as completing postsecondary education and job training and obtaining employment, [and to improve services and supports to the families or households of the SSI child recipient, such as education and job training for the parents] that may result in long-term improvements in the SSI child recipient's economic self-sufficiency: Provided further, That States may award subgrants for a portion of the funds to other public and private, non-profit entities: Provided further, That not to exceed \$15,000,000 of amounts provided in the eighth proviso may be used for performance-based awards for Pay for Success projects: Provided further, That, with respect to the previous proviso, any funds obligated for such projects shall remain available for disbursement until expended, notwithstanding 31 U.S.C. 1552(a): Provided further, That, with respect to the tenth proviso, any deobligated funds from such projects shall immediately be available for section 611 of the IDEA. (Department of Education Appropriations Act, 2012.)

Program and Financing (in millions of dollars)

| Identification code 91-0300-0-1-501                                      | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                                  |             |           |           |
| 0001 Grants to States .....  | 11,475      | 10,890    | 10,737    |
| 0002 Preschool grants .....  | 373         | 373       | 372       |
| 0003 Grants for infants and families .....                               | 439         | 443       | 463       |
| 0091 Subtotal, State grants .....  | 12,287      | 11,706    | 11,572    |
| 0101 State personnel development .....                                   | 47          | 44        | 45        |
| 0102 Technical assistance and dissemination .....                        | 49          | 55        | 47        |
| 0103 Personnel preparation .....   | 88          | 88        | 86        |
| 0104 Parent information centers .....                                    | 28          | 29        | 29        |
| 0105 Technology and media services .....                                 | 29          | 29        | 29        |
| 0191 Subtotal, National activities .....                                 | 241         | 245       | 236       |
| 0200 Total Direct Program .....  | 12,528      | 11,951    | 11,808    |
| 0201 Special Olympics education programs .....                           | 8           |           | 8         |
| 0203 PROMISE: Promoting Readiness of Minors in SSI .....                 |             | 2         | 30        |
| 0291 Direct program activities, subtotal .....                           | 8           | 2         | 38        |
| 0900 Total new obligations .....   | 12,536      | 11,953    | 11,846    |
| <b>Budgetary Resources:</b>  |             |           |           |
| Unobligated balance:   |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1 .....                    | 13          | 20        |           |
| Budget authority:  |             |           |           |
| Appropriations, discretionary:   |             |           |           |
| 1100 Appropriation .....   | 3,976       | 3,364     | 2,563     |
| 1130 Appropriations permanently reduced .....                            | -8          |           |           |
| 1143 Approp permanently reduced (Sec 527, HR 2055) .....                 |             | -7        |           |
| 1160 Appropriation, discretionary (total) .....                          | 3,968       | 3,357     | 2,563     |
| Advance appropriations, discretionary:                                   |             |           |           |
| 1170 Advance appropriation (Advance appropriated in previous year) ..... | 8,592       | 8,592     | 9,283     |
| 1173 Advance appropriations permanently reduced .....                    | -17         |           |           |
| 1175 Adv approp permanently reduced (Sec 527, HR 2055) .....             |             | -16       |           |
| 1180 Advanced appropriation, discretionary (total) .....                 | 8,575       | 8,576     | 9,283     |
| 1900 Budget authority (total) .....                                      | 12,543      | 11,933    | 11,846    |
| 1930 Total budgetary resources available .....                           | 12,556      | 11,953    | 11,846    |
| Memorandum (non-add) entries:  |             |           |           |
| 1941 Unexpired unobligated balance, end of year .....                    | 20          |           |           |
| <b>Change in obligated balance:</b>                                      |             |           |           |
| Obligated balance, start of year (net):                                  |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....            | 13,170      | 8,635     | 6,051     |

|   |  |         |         |         |
|---|--|---------|---------|---------|
| 3030                                      | Obligations incurred, unexpired accounts .....             | 12,536  | 11,953  | 11,846  |
| 3040                                      | Outlays (gross) .....                                      | -17,062 | -14,537 | -12,683 |
| 3081                                      | Recoveries of prior year unpaid obligations, expired ..... | -9      |         |         |
|   | Obligated balance, end of year (net):                      |         |         |         |
| 3090                                      | Unpaid obligations, end of year (gross) .....              | 8,635   | 6,051   | 5,214   |
| 3100                                      | Obligated balance, end of year (net) .....                 | 8,635   | 6,051   | 5,214   |
| <b>Budget authority and outlays, net:</b> |  |         |         |         |
| Discretionary:                            |  |         |         |         |
| 4000                                      | Budget authority, gross .....                              | 12,543  | 11,933  | 11,846  |
| Outlays, gross:                           |  |         |         |         |
| 4010                                      | Outlays from new discretionary authority .....             | 5,556   | 7,068   | 7,622   |
| 4011                                      | Outlays from discretionary balances .....                  | 11,506  | 7,469   | 5,061   |
| 4020                                      | Outlays, gross (total) .....                               | 17,062  | 14,537  | 12,683  |
| 4180                                      | Budget authority, net (total) .....                        | 12,543  | 11,933  | 11,846  |
| 4190                                      | Outlays, net (total) .....                                 | 17,062  | 14,537  | 12,683  |

SUMMARY OF GRANTS TO STATES PROGRAM LEVEL

(in millions of dollars)

|  | 2011-2012<br>Academic<br>Year | 2012-2013<br>Academic<br>Year | 2013-2014<br>Academic<br>Year |
|--|-------------------------------|-------------------------------|-------------------------------|
| Current Budget Authority .....                               | \$2,890                       | \$2,295                       | \$1,454                       |
| Advance appropriation .....                                  | 8,576                         | 9,283                         | 10,124                        |
| Total program level .....                                    | 11,466                        | 11,578                        | 11,578                        |
| Change in advance appropriation from the previous year ..... | -16                           | 707                           | 841 <sup>1</sup>              |

<sup>1</sup>To account for the Administration's ESEA reauthorization proposal, the 2013 Budget eliminates the \$1.7 billion advance appropriation that was previously in the School Improvement Programs account (renamed the Education Improvement Programs account) and replaces it with corresponding increases to advance appropriations in the Education for the Disadvantaged (\$841 million, renamed the Accelerating Achievement and Ensuring Equity account) and Special Education (\$841 million) accounts. Total advance appropriations in the Department of Education remain the same at \$21.9 billion.

State Grants:

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

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

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

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

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

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

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

**Special Olympics education programs.**—This program funds activities that promote the expansion of the Special Olympics and the design and implementation of Special Olympics education programs.

**PROMISE: Promoting Readiness of Minors in SSI.**—This program funds demonstration programs in select States to improve the provision and coordination of existing services for which children receiving Supplemental Security Income and their

families are already eligible. The goal of this program is to improve outcomes for SSI child recipients and their families. A portion of these funds may be used for Pay for Success bonds to engage social investors, the Federal Government, and a State or local community to collaboratively finance effective interventions.

Performance data related to program goals include:

|  | 2007–2008<br>actual   | 2008–2009<br>actual   | 2009–2010<br>actual   |
|--|-----------------------|-----------------------|-----------------------|
| Status of Exiting Students   |                       |                       |                       |
| Percent / number of students with disabilities aged 14–21 exiting special education: |                       |                       |                       |
| Graduated with a diploma .....   | 34.4% / 217,905       | 35.6% / 247,299       | 37.9% / 256,102       |
| Graduated through certification .....  | 8.4% / 53,260         | 8.9% / 61,508         | 8.9% / 60,001         |
| Transferred to regular education .....   | 8.2% / 51,786         | 9.6% / 66,364         | 9.9% / 66,920         |
| Dropped out of school/not known to continue .....                                    | 14.3% / 90,766        | 13.2% / 91,318        | 12.7% / 86,327        |
| Moved, but known to have continued in education .....                                | 33.5% / 212,337       | 31.6% / 219,020       | 29.6% / 199,899       |
| Reached maximum age for services/other .....   | 1.2% / 7,187          | 1.1% / 7,773          | 1.0% / 6,628          |
| <b>Total .....</b>   | <b>100% / 633,241</b> | <b>100% / 693,282</b> | <b>100% / 675,877</b> |

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

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

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

| Identification code 91–0300–0–1–501                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Direct obligations:                                |             |           |           |
| 25.2 Other services from non-Federal sources ..... | 5           | 5         | 5         |
| 41.0 Grants, subsidies, and contributions .....    | 12,531      | 11,948    | 11,841    |
| 99.9 Total new obligations .....                   | 12,536      | 11,953    | 11,846    |

**REHABILITATION SERVICES AND DISABILITY RESEARCH**

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, the Assistive Technology Act of 1998, and the Helen Keller National Center Act, **[\$3,512,019,000] \$3,517,710,000: Provided, That, of the amount provided for the Vocational Rehabilitation State Grants program, the Secretary shall reserve \$10,000,000 to remain available to the Secretary until September 30, 2014, for the Workforce Innovation Fund, as established by this Act: Provided further, That, after reserving the amount needed to pay the continuation costs of grants awarded under section 304 of the Rehabilitation Act, the Secretary may allocate to States, in accordance with a formula determined by the Secretary, up to \$35,657,000 of the amount provided for the Vocational Rehabilitation State Grants program: Provided further, That section 302(g)(3) of the Rehabilitation Act shall not apply to funds provided under section 302 of such Act: Provided further, That the Secretary may use amounts provided in this Act that remain available subsequent to the reallocation of funds to States pursuant to section 110(b) of the Rehabilitation Act for innovative activities aimed at improving the outcomes of individuals with disabilities as defined in section 7(20)(B) of the Rehabilitation Act, including activities aimed at improving the health, education, and post-school outcomes of children receiving Supplemental Security Income (SSI) and their families, including competitive grants to States to improve the provision and coordination of services for SSI child recipients in order to achieve improved health status, education and post-school outcomes, including completion of postsecondary education and employment, and to improve services and supports to the family or households of that may result in long-term improvement in the SSI child recipient's economic status and self-sufficiency: Provided further, That States may award subgrants for a portion of the funds to other public and private, non-profit entities: Provided further, That any funds made available subsequent to reallocation for innovative activities aimed at improving the outcomes of children receiving SSI**

and their families] individuals with disabilities shall remain available until September 30, **[2013] 2014: Provided further, That not to exceed \$20,000,000 of the amounts made available in the fourth proviso may be used for performance-based awards for Pay for Success projects: Provided further, That, with respect to the previous proviso, any funds obligated for such projects shall remain available for disbursement until expended, notwithstanding 31 U.S.C. 1552(a): Provided further, That, with respect to the sixth proviso, any deobligated funds from such projects shall immediately be available for programs authorized under the Rehabilitation Act: Provided further, That \$2,000,000 shall be for competitive grants to support alternative financing programs that provide for the purchase of assistive technology devices, such as a low-interest loan fund; an interest buy-down program; a revolving loan fund; a loan guarantee; or insurance program: Provided further, That applicants shall provide an assurance that, and information describing the manner in which, the alternative financing program will expand and emphasize consumer choice and control: Provided further, That State agencies and community-based disability organizations that are directed by and operated for individuals with disabilities shall be eligible to compete]. (Department of Education Appropriations Act, 2012.)**

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

| Identification code 91–0301–0–1–506                                     | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                                 |             |           |           |
| 0001 Vocational rehabilitation State grants .....                       | 3,026       | 3,122     | 3,167     |
| 0002 Client assistance State grants .....                               | 12          | 12        | 12        |
| 0003 Supported employment State grants .....                            | 29          | 29        | .....     |
| 0004 Migrant and seasonal farmworkers .....                             | 2           | 2         | .....     |
| 0005 Training .....   | 36          | 35        | 30        |
| 0006 Demonstration and training programs .....                          | 6           | 5         | 6         |
| 0007 Independent living .....   | 138         | 137       | 138       |
| 0008 Protection and advocacy of individual rights .....                 | 18          | 18        | 18        |
| 0009 National Institute on Disability and Rehabilitation Research ..... | 109         | 109       | 107       |
| 0011 Helen Keller National Center .....                                 | 9           | 9         | 9         |
| 0012 Assistive technology .....   | 31          | 33        | 31        |
| 0100 Total direct program .....   | 3,416       | 3,511     | 3,518     |
| 0799 Total direct obligations .....                                     | 3,416       | 3,511     | 3,518     |
| 0801 Reimbursable program .....   | 2           | 2         | 2         |
| 0900 Total new obligations .....  | 3,418       | 3,513     | 3,520     |

**Budgetary Resources:**

|  |       |       |       |
|--|-------|-------|-------|
| Budget authority:  |       |       |       |
| Appropriations, discretionary:                                     |       |       |       |
| 1100 Appropriation .....   | 391   | 390   | 287   |
| 1130 Appropriations permanently reduced .....                      | -1    | ..... | ..... |
| 1143 Approp permanently reduced (Sec 527, HR 2055) .....           | ..... | -1    | ..... |
| 1160 Appropriation, discretionary (total) .....                    | 390   | 389   | 287   |
| Appropriations, mandatory:   |       |       |       |
| 1200 Appropriation .....   | 3,085 | 3,122 | 3,231 |
| 1260 Appropriations, mandatory (total) .....                       | 3,085 | 3,122 | 3,231 |
| Spending authority from offsetting collections, discretionary:     |       |       |       |
| 1700 Collected .....   | 2     | 2     | 2     |
| 1750 Spending auth from offsetting collections, disc (total) ..... | 2     | 2     | 2     |
| 1900 Budget authority (total) .....                                | 3,477 | 3,513 | 3,520 |
| 1930 Total budgetary resources available .....                     | 3,477 | 3,513 | 3,520 |
| Memorandum (non-add) entries:                                      |       |       |       |
| 1940 Unobligated balance expiring .....                            | -59   | ..... | ..... |

**Change in obligated balance:**

|   |        |        |        |
|---|--------|--------|--------|
| Obligated balance, start of year (net):                         |        |        |        |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....   | 2,495  | 2,336  | 1,625  |
| 3030 Obligations incurred, unexpired accounts .....             | 3,418  | 3,513  | 3,520  |
| 3031 Obligations incurred, expired accounts .....               | 1      | .....  | .....  |
| 3040 Outlays (gross) .....                                      | -3,543 | -4,224 | -3,632 |
| 3081 Recoveries of prior year unpaid obligations, expired ..... | -35    | .....  | .....  |
| Obligated balance, end of year (net):                           |        |        |        |
| 3090 Unpaid obligations, end of year (gross) .....              | 2,336  | 1,625  | 1,513  |
| 3100 Obligated balance, end of year (net) .....                 | 2,336  | 1,625  | 1,513  |

**Budget authority and outlays, net:**

|   |     |     |     |
|---|-----|-----|-----|
| Discretionary:                                      |     |     |     |
| 4000 Budget authority, gross .....                  | 392 | 391 | 289 |
| Outlays, gross:                                     |     |     |     |
| 4010 Outlays from new discretionary authority ..... | 83  | 246 | 182 |

REHABILITATION SERVICES AND DISABILITY RESEARCH—Continued  
Program and Financing—Continued

| Identification code 91-0301-0-1-506   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| 4011 Outlays from discretionary balances .....  | 665         | 466       | 172       |
| 4020 Outlays, gross (total) .....   | 748         | 712       | 354       |
| Offsets against gross budget authority and outlays:<br>Offsetting collections (collected) from: |             |           |           |
| 4030 Federal sources .....  | -2          | -2        | -2        |
| Mandatory:  |             |           |           |
| 4090 Budget authority, gross .....  | 3,085       | 3,122     | 3,231     |
| Outlays, gross:   |             |           |           |
| 4100 Outlays from new mandatory authority .....   | 1,336       | 1,966     | 2,036     |
| 4101 Outlays from mandatory balances .....  | 1,459       | 1,546     | 1,242     |
| 4110 Outlays, gross (total) .....   | 2,795       | 3,512     | 3,278     |
| 4180 Budget authority, net (total) .....  | 3,475       | 3,511     | 3,518     |
| 4190 Outlays, net (total) .....   | 3,541       | 4,222     | 3,630     |

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

The program performance measures for this program are based on State VR agency performance indicators developed pursuant to Section 106 of the Rehabilitation Act. One of these indicators measures the percentage of general and combined State VR agencies that assist at least 55.8 percent of individuals receiving services to achieve an employment outcome. In 2010, 48 percent of the agencies met this performance criterion. Another indicator measures the percentage of general and combined State VR agencies that assist at least 85 percent of individuals with employment outcomes to achieve competitive employment. In 2010, 95 percent of general and combined agencies met this performance criterion. These outcome data are based on the approximately 331,310 individuals whose service records were closed in 2010 after receiving services.

The request for the VR State Grants program reflects the Administration's proposal to consolidate the funds of the smaller VR-related programs and eliminate their separate funding authorities under the Rehabilitation Act in order to reduce duplication of effort and administrative costs, streamline program administration at the Federal and local level, and improve accountability. A total of \$35.657 million would be made available to the VR State Grants program from the consolidation of employment-related programs. The request also includes \$10 million to be set aside to support a cross-agency Workforce Innovation Fund (WIF) that would be jointly administered by the Departments of Education and Labor to test innovative strategies and replicate evidence-based practices in the workforce system. The Fund is described in more detail in the Title V General Provisions. The FY 2013 request also includes language that would allow the Secretary to use amounts provided in this Act for the VR State Grants program that remain available subsequent to the reallocation of funds to States pursuant to section 110(b) of the Rehabilitation Act to support innovative activities aimed at improving outcomes for individuals with disabilities, including activities under the PROMISE program in the Special Education account. A portion of these funds may be used for Pay for Success bonds to engage social investors, the Federal Government, and a State or local community to collaboratively finance effective interventions.

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

*Training.*—Grants are made to States and public or nonprofit agencies and organizations, including institutions of higher education, to increase the number of skilled personnel available for employment in the field of rehabilitation and to upgrade the skills of those already employed. Funds currently provided to State VR agencies to support in-service training for agency personnel under section 302(g)(3) of the Training program (\$5.327 million) would be included in the VR State Grants consolidation.

*Demonstration and training programs.*—Competitive grants and contracts are awarded to expand and improve the provision and effectiveness of programs and services authorized under the Rehabilitation Act or further the purposes of the Act in promoting the employment and independence of individuals with disabilities in the community. Funds are used to support model demonstrations, technical assistance, and projects designed to improve program performance and the delivery of vocational rehabilitation and independent living services.

*Independent living.*—Grants are awarded to States and consumer-controlled nonprofit organizations 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.

*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.

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

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

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

| Identification code 91-0301-0-1-506                      | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Direct obligations:</b>                               |             |           |           |
| 25.1 Advisory and assistance services .....              | 6           | 5         | 5         |
| 25.2 Other services from non-Federal sources .....       | 1           | .....     | 1         |
| 25.3 Other goods and services from Federal sources ..... | 1           | 1         | .....     |
| 41.0 Grants, subsidies, and contributions .....          | 3,408       | 3,505     | 3,512     |
| 99.0 Direct obligations .....                            | 3,416       | 3,511     | 3,518     |
| 99.0 Reimbursable obligations .....                      | 2           | 2         | 2         |
| 99.9 Total new obligations .....                         | 3,418       | 3,513     | 3,520     |

**SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES**

**AMERICAN PRINTING HOUSE FOR THE BLIND**

For carrying out the Act of March 3, 1879, **[\$24,551,000] \$24,505,000.**  
(Department of Education Appropriations Act, 2012.)

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

| Identification code 91-0600-0-1-501                  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>              |             |           |           |
| 0001 American printing house for the blind .....     | 25          | 25        | 25        |
| 0900 Total new obligations (object class 41.0) ..... | 25          | 25        | 25        |

|   |    |    |    |
|---|----|----|----|
| <b>Budgetary Resources:</b>                     |    |    |    |
| Budget authority:                               |    |    |    |
| Appropriations, discretionary:                  |    |    |    |
| 1100 Appropriation .....                        | 25 | 25 | 25 |
| 1160 Appropriation, discretionary (total) ..... | 25 | 25 | 25 |
| 1930 Total budgetary resources available .....  | 25 | 25 | 25 |

|   |     |     |       |
|---|-----|-----|-------|
| <b>Change in obligated balance:</b>                           |     |     |       |
| Obligated balance, start of year (net):                       |     |     |       |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) ..... | 6   | 8   | 1     |
| 3030 Obligations incurred, unexpired accounts .....           | 25  | 25  | 25    |
| 3040 Outlays (gross) .....                                    | -23 | -32 | -26   |
| Obligated balance, end of year (net):                         |     |     |       |
| 3090 Unpaid obligations, end of year (gross) .....            | 8   | 1   | ..... |
| 3100 Obligated balance, end of year (net) .....               | 8   | 1   | ..... |

|   |    |    |    |
|---|----|----|----|
| <b>Budget authority and outlays, net:</b>           |    |    |    |
| Discretionary:                                      |    |    |    |
| 4000 Budget authority, gross .....                  | 25 | 25 | 25 |
| Outlays, gross:                                     |    |    |    |
| 4010 Outlays from new discretionary authority ..... | 17 | 24 | 24 |
| 4011 Outlays from discretionary balances .....      | 6  | 8  | 2  |
| 4020 Outlays, gross (total) .....                   | 23 | 32 | 26 |
| 4180 Budget authority, net (total) .....            | 25 | 25 | 25 |
| 4190 Outlays, net (total) .....                     | 23 | 32 | 26 |

The Federal appropriation supports: the production and distribution of free educational materials for students below the college level who are blind, research related to developing and improving products, and advisory services to consumer organizations on the availability and use of materials. In 2011, the portion of the Federal appropriation allocated to educational materials represented approximately 75 percent of the Printing House's total sales. The full appropriation represented approximately 86 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, **[\$65,546,000] \$65,037,000, of which \$2,000,000, to remain available until expended, shall be for construction: Provided, That from the total amount available, the Institute may at its discretion use funds for the endowment program as authorized**

under section 207 of such Act. (Department of Education Appropriations Act, 2012.)

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

| Identification code 91-0601-0-1-502                  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>              |             |           |           |
| 0001 Operations .....                                | 66          | 65        | 63        |
| 0002 Construction .....                              | .....       | .....     | 2         |
| 0900 Total new obligations (object class 41.0) ..... | 66          | 65        | 65        |

|   |    |    |    |
|---|----|----|----|
| <b>Budgetary Resources:</b>                     |    |    |    |
| Budget authority:                               |    |    |    |
| Appropriations, discretionary:                  |    |    |    |
| 1100 Appropriation .....                        | 66 | 65 | 65 |
| 1160 Appropriation, discretionary (total) ..... | 66 | 65 | 65 |
| 1930 Total budgetary resources available .....  | 66 | 65 | 65 |

|   |     |     |     |
|---|-----|-----|-----|
| <b>Change in obligated balance:</b>                           |     |     |     |
| Obligated balance, start of year (net):                       |     |     |     |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) ..... | 2   | 3   | 5   |
| 3030 Obligations incurred, unexpired accounts .....           | 66  | 65  | 65  |
| 3040 Outlays (gross) .....                                    | -65 | -63 | -63 |
| Obligated balance, end of year (net):                         |     |     |     |
| 3090 Unpaid obligations, end of year (gross) .....            | 3   | 5   | 7   |
| 3100 Obligated balance, end of year (net) .....               | 3   | 5   | 7   |

|   |       |    |    |
|---|-------|----|----|
| <b>Budget authority and outlays, net:</b>           |       |    |    |
| Discretionary:                                      |       |    |    |
| 4000 Budget authority, gross .....                  | 66    | 65 | 65 |
| Outlays, gross:                                     |       |    |    |
| 4010 Outlays from new discretionary authority ..... | 65    | 61 | 59 |
| 4011 Outlays from discretionary balances .....      | ..... | 2  | 4  |
| 4020 Outlays, gross (total) .....                   | 65    | 63 | 63 |
| 4180 Budget authority, net (total) .....            | 66    | 65 | 65 |
| 4190 Outlays, net (total) .....                     | 65    | 63 | 63 |

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 2011, the Federal appropriation represented approximately 73 percent of the Institute's operating budget. The 2013 request includes funds for the establishment of a deferred maintenance account. The request includes funds that may be used for the Endowment Grant program.

**GALLAUDET UNIVERSITY**

For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf, and the partial support of Gallaudet University under titles I and II of the Education of the Deaf Act of 1986, **[\$125,754,000, of which \$7,990,000 shall be for construction and shall remain available until expended] \$117,541,000: Provided, That from the total amount available, the University may at its discretion use funds for the endowment program as authorized under section 207: [of such Act] Provided further, That, of the amount provided under this heading, up to \$7,000,000, to remain available until expended, may be used for construction. (Department of Education Appropriations Act, 2012.)**

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

| Identification code 91-0602-0-1-502                  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>              |             |           |           |
| 0001 Operations .....                                | 118         | 118       | 118       |
| 0002 Construction .....                              | 5           | 8         | .....     |
| 0900 Total new obligations (object class 41.0) ..... | 123         | 126       | 118       |

GALLAUDET UNIVERSITY—Continued  
Program and Financing—Continued

| Identification code 91-0602-0-1-502       | 2011 actual  | 2012 est. | 2013 est. |      |
|---|--|-----------|-----------|------|
| <b>Budgetary Resources:</b>               |  |           |           |      |
| Budget authority:                         |  |           |           |      |
| Appropriations, discretionary:            |  |           |           |      |
| 1100                                      | Appropriation                                      | 123       | 126       | 118  |
| 1160                                      | Appropriation, discretionary (total)               | 123       | 126       | 118  |
| 1930                                      | Total budgetary resources available                | 123       | 126       | 118  |
| <b>Change in obligated balance:</b>       |  |           |           |      |
| Obligated balance, start of year (net):   |  |           |           |      |
| 3000                                      | Unpaid obligations, brought forward, Oct 1 (gross) | 8         | 11        | 20   |
| 3030                                      | Obligations incurred, unexpired accounts           | 123       | 126       | 118  |
| 3040                                      | Outlays (gross)                                    | -120      | -117      | -124 |
| Obligated balance, end of year (net):     |  |           |           |      |
| 3090                                      | Unpaid obligations, end of year (gross)            | 11        | 20        | 14   |
| 3100                                      | Obligated balance, end of year (net)               | 11        | 20        | 14   |
| <b>Budget authority and outlays, net:</b> |  |           |           |      |
| Discretionary:                            |  |           |           |      |
| 4000                                      | Budget authority, gross                            | 123       | 126       | 118  |
| Outlays, gross:                           |  |           |           |      |
| 4010                                      | Outlays from new discretionary authority           | 117       | 112       | 111  |
| 4011                                      | Outlays from discretionary balances                | 3         | 5         | 13   |
| 4020                                      | Outlays, gross (total)                             | 120       | 117       | 124  |
| 4180                                      | Budget authority, net (total)                      | 123       | 126       | 118  |
| 4190                                      | Outlays, net (total)                               | 120       | 117       | 124  |

This institution provides undergraduate, continuing education, and graduate programs related to deafness for students who are deaf and hard of 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 the Laurent Clerc National Deaf Education Center, which includes two elementary and secondary education programs on the main campus of the University. The Kendall Demonstration Elementary School serves students who are deaf from infancy through age 15, and the Model Secondary School for the Deaf (MSSD) serves high school age students who are deaf. The Clerc Center also develops and disseminates information on effective educational techniques and strategies for teachers and professionals working with students who are deaf or hard of hearing.

In 2011, the appropriation for Gallaudet represented approximately 69 percent of total revenue for the University. Approximately 25 percent of the Federal appropriation was used to support activities at the Clerc Center, which received nearly 100 percent of its revenue through the appropriation. In addition, the University receives other Federal funds such as student financial aid, vocational rehabilitation, Endowment Grant program income, and competitive grants and contracts. The request includes funds that may be used for the Endowment Grant program, and for construction.

**OFFICE OF VOCATIONAL AND ADULT  
EDUCATION**  
*Federal Funds*

CAREER, TECHNICAL, AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, [the Carl D. Perkins Career and Technical Education Act of 2006 and] the Adult Education and Family Literacy Act (referred to in this Act as the "AE-FLA"), [\$1,738,946,000] \$606,295,000, [of] which [\$947,946,000] shall become available on July 1, [2012] 2013, and shall remain available through September 30, [2013], and of which \$791,000,000 shall become available on October 1, 2012, and shall remain available through

September 30, 2013] 2014: Provided, That of the amount provided for Adult Education State Grants, \$15,000,000 shall be made available to the Secretary for the Workforce Innovation Fund, as established by this Act; and [\$74,850,000] \$74,709,000 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 AEFLA, 65 percent shall be allocated to States based on a State's absolute need as determined by calculating each State's share of a 10-year average of the United States Citizenship and Immigration Services data for immigrants admitted for legal permanent residence for the 10 most recent years, and 35 percent allocated to States that experienced growth as measured by the average of the 3 most recent years for which United States Citizenship and Immigration Services data for immigrants admitted for legal permanent residence are available, except that no State shall be allocated an amount less than \$60,000: Provided further, That, of the amounts made available for AE-FLA, [\$11,323,000] \$11,302,000 shall be for national leadership activities under section 243. (Department of Education Appropriations Act, 2012.)

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

| Identification code 91-0400-0-1-501                            | 2011 actual   | 2012 est. | 2013 est. |        |
|--|---|-----------|-----------|--------|
| <b>Obligations by program activity:</b>                        |   |           |           |        |
| 0001   | State grants  | 1,126     | 1,123     | 791    |
| 0002   | National programs                                       | 8         | 8         | 8      |
| 0091   | Total, Career and technical education                   | 1,134     | 1,131     | 799    |
| 0101   | State grants  | 596       | 595       | 595    |
| 0102   | National leadership activities                          | 11        | 11        | 11     |
| 0191   | Total, adult education                                  | 607       | 606       | 606    |
| 0201   | Smaller learning communities                            | 74        |           |        |
| 0900   | Total new obligations                                   | 1,815     | 1,737     | 1,405  |
| <b>Budgetary Resources:</b>                                    |   |           |           |        |
| Unobligated balance:   |   |           |           |        |
| 1000   | Unobligated balance brought forward, Oct 1              | 106       | 30        | 30     |
| Budget authority:  |   |           |           |        |
| Appropriations, discretionary:                                 |   |           |           |        |
| 1100   | Appropriation   | 951       | 948       | 606    |
| 1130   | Appropriations permanently reduced                      | -2        |           |        |
| 1143   | Approp permanently reduced (Sec 527, HR 2055)           |           | -2        |        |
| 1160   | Appropriation, discretionary (total)                    | 949       | 946       | 606    |
| Advance appropriations, discretionary:                         |   |           |           |        |
| 1170   | Advance appropriation from prior year                   | 791       | 791       | 791    |
| 1173   | Advance appropriations permanently reduced              | -2        |           |        |
| 1175   | Adv approp permanently reduced (Sec 527, HR 2055)       |           | -1        |        |
| 1180   | Advanced appropriation, discretionary (total)           | 789       | 790       | 791    |
| Spending authority from offsetting collections, discretionary: |   |           |           |        |
| 1700   | Collected   |           | 1         |        |
| 1701   | Change in uncollected payments, Federal sources         | 1         |           |        |
| 1750   | Spending auth from offsetting collections, disc (total) | 1         | 1         |        |
| 1900   | Budget authority (total)                                | 1,739     | 1,737     | 1,397  |
| 1930   | Total budgetary resources available                     | 1,845     | 1,767     | 1,427  |
| Memorandum (non-add) entries:                                  |   |           |           |        |
| 1941   | Unexpired unobligated balance, end of year              | 30        | 30        | 22     |
| <b>Change in obligated balance:</b>                            |   |           |           |        |
| Obligated balance, start of year (net):                        |   |           |           |        |
| 3000   | Unpaid obligations, brought forward, Oct 1 (gross)      | 1,762     | 1,607     | 1,445  |
| 3010   | Uncollected pymts, Fed sources, brought forward, Oct 1  |           | -1        | -1     |
| 3020   | Obligated balance, start of year (net)                  | 1,762     | 1,606     | 1,444  |
| 3030   | Obligations incurred, unexpired accounts                | 1,815     | 1,737     | 1,405  |
| 3031   | Obligations incurred, expired accounts                  | 1         |           |        |
| 3040   | Outlays (gross)   | -1,968    | -1,899    | -1,686 |
| 3050   | Change in uncollected pymts, Fed sources, unexpired     | -1        |           |        |
| 3081   | Recoveries of prior year unpaid obligations, expired    | -3        |           |        |
| Obligated balance, end of year (net):                          |   |           |           |        |
| 3090   | Unpaid obligations, end of year (gross)                 | 1,607     | 1,445     | 1,164  |
| 3091   | Uncollected pymts, Fed sources, end of year             | -1        | -1        | -1     |
| 3100   | Obligated balance, end of year (net)                    | 1,606     | 1,444     | 1,163  |
| <b>Budget authority and outlays, net:</b>                      |   |           |           |        |
| Discretionary:   |   |           |           |        |
| 4000   | Budget authority, gross                                 | 1,739     | 1,737     | 1,397  |

|      |   |       |       |       |
|------|---|-------|-------|-------|
| 4010 | Outlays, gross:   |       |       |       |
|      | Outlays from new discretionary authority .....            | 599   | 640   | 599   |
| 4011 | Outlays from discretionary balances .....                 | 1,369 | 1,259 | 1,087 |
| 4020 | Outlays, gross (total) .....                              | 1,968 | 1,899 | 1,686 |
|      | Offsets against gross budget authority and outlays:       |       |       |       |
|      | Offsetting collections (collected) from:                  |       |       |       |
| 4030 | Federal sources .....                                     |       | -1    |       |
|      | Additional offsets against gross budget authority only:   |       |       |       |
| 4050 | Change in uncollected pymts, Fed sources, unexpired ..... | -1    |       |       |
| 4070 | Budget authority, net (discretionary) .....               | 1,738 | 1,736 | 1,397 |
| 4080 | Outlays, net (discretionary) .....                        | 1,968 | 1,898 | 1,686 |
| 4180 | Budget authority, net (total) .....                       | 1,738 | 1,736 | 1,397 |
| 4190 | Outlays, net (total) .....                                | 1,968 | 1,898 | 1,686 |

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

|   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Enacted/requested:                          |             |           |           |
| Budget Authority .....                      | 1,738       | 1,736     | 1,397     |
| Outlays .....                               | 1,968       | 1,898     | 1,686     |
| Legislative proposal, not subject to PAYGO: |             |           |           |
| Budget Authority .....                      |             |           | 340       |
| Outlays .....                               |             |           | 17        |
| Total:                                      |             |           |           |
| Budget Authority .....                      | 1,738       | 1,736     | 1,737     |
| Outlays .....                               | 1,968       | 1,898     | 1,703     |

**SUMMARY OF PROGRAM LEVEL**

|  | 2011-12<br>Academic<br>Year | 2012-13<br>Academic<br>Year | 2013-14<br>Academic<br>Year |
|--|-----------------------------|-----------------------------|-----------------------------|
| New Budget Authority .....                               | \$948                       | \$946                       | \$946                       |
| Advance Appropriation .....                              | 791                         | 790                         | 791                         |
| Total program level .....                                | 1,739                       | 1,736                       | 1,737                       |
| Change in advance appropriation over previous year ..... | 0                           | -1                          | +1                          |

The Administration is proposing legislation reauthorizing the Carl D. Perkins Career and Technical Education Act of 2006, including programs in this account. When new authorizing legislation is enacted, resources will be requested for these programs. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

**Adult education:**

**State programs.**—Funds support formula grants to States to help eliminate functional illiteracy among the Nation's adults, to assist adults in obtaining a high school diploma or its equivalent, and to promote family literacy. A portion of the funds is reserved for formula grants to States to provide English literacy and civics education for immigrants and other limited English proficient adults. In addition, the Budget proposes a set-aside of \$15 million to be used for the Workforce Innovation Fund to test and validate more effective approaches to achieving positive employment outcomes for program participants, particularly the most vulnerable populations. The Fund will support cross-program collaboration and bold systemic reforms to improve education and employment outcomes for participants. The Departments of Education and Labor will jointly administer the Fund, which is described in the Title V General Provisions.

**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.

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

| Identification code 91-0400-0-1-501                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Direct obligations:                                |             |           |           |
| 25.2 Other services from non-Federal sources ..... | 2           | 2         | 2         |
| 25.5 Research and development contracts .....      | 12          | 11        | 9         |
| 25.7 Operation and maintenance of equipment .....  | 1           | 1         | 1         |
| 41.0 Grants, subsidies, and contributions .....    | 1,800       | 1,723     | 1,393     |

|      |                             |       |       |       |
|------|-----------------------------|-------|-------|-------|
| 99.9 | Total new obligations ..... | 1,815 | 1,737 | 1,405 |
|------|-----------------------------|-------|-------|-------|

**CAREER, TECHNICAL AND ADULT EDUCATION**  
(Legislative proposal, not subject to PAYGO)

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

| Identification code 91-0400-2-1-501                   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>               |             |           |           |
| 0001 State grants .....                               |             |           | 332       |
| <b>Budgetary Resources:</b>                           |             |           |           |
| Budget authority:                                     |             |           |           |
| Appropriations, discretionary:                        |             |           |           |
| 1100 Appropriation .....                              |             |           | 340       |
| 1160 Appropriation, discretionary (total) .....       |             |           | 340       |
| 1900 Budget authority (total) .....                   |             |           | 340       |
| 1930 Total budgetary resources available .....        |             |           | 340       |
| Memorandum (non-add) entries:                         |             |           |           |
| 1941 Unexpired unobligated balance, end of year ..... |             |           | 8         |
| <b>Change in obligated balance:</b>                   |             |           |           |
| 3030 Obligations incurred, unexpired accounts .....   |             |           | 332       |
| 3040 Outlays (gross) .....                            |             |           | -17       |
| Obligated balance, end of year (net):                 |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....    |             |           | 315       |
| 3100 Obligated balance, end of year (net) .....       |             |           | 315       |
| <b>Budget authority and outlays, net:</b>             |             |           |           |
| Discretionary:  |             |           |           |
| 4000 Budget authority, gross .....                    |             |           | 340       |
| Outlays, gross:                                       |             |           |           |
| 4010 Outlays from new discretionary authority .....   |             |           | 17        |
| 4180 Budget authority, net (total) .....              |             |           | 340       |
| 4190 Outlays, net (total) .....                       |             |           | 17        |

The resources in this schedule are proposed for later transmittal under proposed legislation to reauthorize the Carl D. Perkins Career and Technical Education Act of 2006.

**Career and Technical Education:**

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

**National programs.**—Funds would support discretionary activities to support research, evaluation, data collection, technical assistance, and other national leadership activities aimed at improving the quality and effectiveness of career and technical education.

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

| Identification code 91-0400-2-1-501                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Direct obligations:                                |             |           |           |
| 25.2 Other services from non-Federal sources ..... |             |           | 1         |
| 25.5 Research and development contracts .....      |             |           | 2         |
| 25.7 Operation and maintenance of equipment .....  |             |           | 1         |
| 41.0 Grants, subsidies, and contributions .....    |             |           | 328       |
| 99.9 Total new obligations .....                   |             |           | 332       |

**OFFICE OF POSTSECONDARY EDUCATION**

**Federal Funds**

**HIGHER EDUCATION**

For carrying out, to the extent not otherwise provided, titles [II,] III, IV, V, VI, VII, and VIII of the HEA, the Mutual Educational and Cultural Exchange Act of 1961, and section 117 of the Carl D. Perkins Career and Technical Education Act of 2006, **[\$1,873,196,000]** **\$1,950,590,000:** *Provided, That* **[\$608,000]** **\$607,000** shall be for data collection and evaluation activities for programs under the HEA, including such activ-

HIGHER EDUCATION—Continued

ities needed to comply with the Government Performance and Results Act of 1993: *Provided further*, That, notwithstanding any other provision of law, funds made available in this Act to carry out title VI of the HEA and section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961 may be used to support visits and study in foreign countries by individuals who are participating in advanced foreign language training and international studies in areas that are vital to United States national security and who plan to apply their language skills and knowledge of these countries in the fields of government, the professions, or international development: *Provided further*, That, of the funds referred to in the preceding proviso up to 1 percent may be used for program evaluation, national outreach, and information dissemination activities: *Provided further*, That [notwithstanding any other provision of law, a recipient of a multi-year award under section 316 of the HEA, as that section was in effect prior to the date of enactment of the Higher Education Opportunity Act (referred to in this Act as "HEOA"), that would have otherwise received a continuation award for fiscal year 2012 under that section, shall receive under section 316, as amended by the HEOA, not less than the amount that such recipient would have received under such a continuation award: *Provided further*, That the portion of the funds received under section 316 by a recipient described in the preceding proviso that is equal to the amount of such continuation award shall be used in accordance with the terms of such continuation award] *not to exceed \$10,000,000 of the funds made available under this Act for part B of title VII may be used for college completion-related performance-based awards for Pay for Success projects: Provided further, That, with respect to the previous proviso, any funds obligated for such projects shall remain available for disbursement until expended, notwithstanding 31 U.S.C. 1552(a): Provided further, That, with respect to the fourth proviso, any deobligated funds from such projects shall immediately be available for part B of title VII: Provided further, That, of the amount available under subpart 2 of part A of title VII of the HEA, the Secretary may use up to \$4,451,000 to fund continuation awards for projects originally supported under subpart 1 of part A of title VII of the HEA: Provided further, That the Secretary may use amounts provided in this Act for carrying out Titles III and V and funds provided under Part F of Title III and Part AA of Title VIII of the HEA that would otherwise lapse by September 30, 2013 for grants under Part B of Title VII of the HEA to improve college completion at minority-serving institutions. (Department of Education Appropriations Act, 2012.)*

Program and Financing (in millions of dollars)

| Identification code 91-0201-0-1-502  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>  |             |           |           |
| 0001 Strengthening institutions .....  | 84          | 81        | 81        |
| 0002 Strengthening tribally controlled colleges and universities .....                                 | 57          | 56        | 56        |
| 0003 Strengthening Alaska Native and Native Hawaiian-serving institutions .....                        | 25          | 28        | 28        |
| 0004 Strengthening historically Black colleges and universities .....                                  | 321         | 313       | 313       |
| 0005 Strengthening historically Black graduate institutions .....                                      | 61          | 59        | 59        |
| 0006 Masters degree programs for HBCUs and predominantly Black institutions .....                      | 12          | 12        | 12        |
| 0007 Strengthening predominantly Black institutions .....  | 25          | 24        | 24        |
| 0008 Strengthening Asian American and Native American Pacific Islander-serving institutions .....      | 7           | 8         | 8         |
| 0009 Strengthening Native American-serving nontribal institutions .....                                | 7           | 8         | 8         |
| 0010 Minority science and engineering improvement .....  | 9           | 9         | 9         |
| 0091 Subtotal, aid for institutional development .....   | 608         | 598       | 598       |
| 0101 Developing Hispanic-serving institutions .....  | 104         | 100       | 100       |
| 0102 Developing Hispanic-serving institution STEM and articulation programs .....                      | 100         | 100       | 100       |
| 0103 Promoting baccalaureate opportunities for Hispanic Americans .....                                | 21          | 21        | 21        |
| 0104 International education and foreign language studies .....  | 75          | 74        | 76        |
| 0105 Fund for the Improvement of Postsecondary Education .....   | 21          | 4         | 70        |
| 0107 Interest subsidy grants .....   | 1           |           |           |
| 0108 Model transition programs for students with intellectual disabilities into higher education ..... | 8           | 11        |           |
| 0109 Tribally controlled postsecondary vocational and technical institutions .....                     | 11          | 8         | 8         |
| 0110 Special programs for migrant students .....   |             |           | 37        |
| 0191 Subtotal, other aid for institutions .....  | 341         | 318       | 412       |
| 0201 Federal TRIO programs .....   | 883         | 840       | 840       |

|   |       |       |       |
|---|-------|-------|-------|
| 0202 Gaining early awareness and readiness for undergraduate programs (GEAR UP) ..... | 303   | 302   | 302   |
| 0204 Javits fellowships .....   | 10    | 7     |       |
| 0205 Graduate assistance in areas of national need .....                              | 31    | 31    | 31    |
| 0208 Child care access means parents in school .....                                  | 16    | 16    | 16    |
| 0291 Subtotal, assistance for students .....  | 1,243 | 1,196 | 1,189 |
| 0302 Teacher quality partnerships .....   | 43    | 43    |       |
| 0303 GPRA data/HEA program evaluation .....   | 1     | 1     | 1     |
| 0305 College access challenge grants .....  | 150   | 150   | 150   |
| 0306 Hawkins Centers of Excellence .....  |       |       | 30    |
| 0391 Subtotal, other higher education activities .....                                | 194   | 194   | 181   |
| 0900 Total new obligations .....  | 2,386 | 2,306 | 2,380 |

Budgetary Resources:

|   |       |       |       |
|---|-------|-------|-------|
| Unobligated balance:  |       |       |       |
| 1000 Unobligated balance brought forward, Oct 1 .....                           | 12    | 8     |       |
| 1012 Unobligated balance transfers between expired and unexpired accounts ..... | 125   |       |       |
| 1050 Unobligated balance (total) .....  | 137   | 8     |       |
| Budget authority:   |       |       |       |
| Appropriations, discretionary:  |       |       |       |
| 1100 Appropriation .....  | 1,908 | 1,874 | 1,952 |
| 1130 Appropriations permanently reduced .....                                   | -4    |       |       |
| 1143 Approp permanently reduced (Sec 527, HR 2055) .....                        |       | -4    |       |
| 1160 Appropriation, discretionary (total) .....                                 | 1,904 | 1,870 | 1,952 |
| Appropriations, mandatory:  |       |       |       |
| 1200 Appropriation .....  | 485   | 428   | 428   |
| 1260 Appropriations, mandatory (total) .....                                    | 485   | 428   | 428   |
| 1900 Budget authority (total) .....   | 2,389 | 2,298 | 2,380 |
| 1930 Total budgetary resources available .....                                  | 2,526 | 2,306 | 2,380 |
| Memorandum (non-add) entries:   |       |       |       |
| 1940 Unobligated balance expiring .....   | -132  |       |       |
| 1941 Unexpired unobligated balance, end of year .....                           | 8     |       |       |

Change in obligated balance:

|   |        |        |        |
|---|--------|--------|--------|
| Obligated balance, start of year (net):                         |        |        |        |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....   | 3,580  | 3,461  | 3,121  |
| 3030 Obligations incurred, unexpired accounts .....             | 2,386  | 2,306  | 2,380  |
| 3031 Obligations incurred, expired accounts .....               | 4      |        |        |
| 3040 Outlays (gross) .....                                      | -2,479 | -2,646 | -2,359 |
| 3081 Recoveries of prior year unpaid obligations, expired ..... | -30    |        |        |
| Obligated balance, end of year (net):                           |        |        |        |
| 3090 Unpaid obligations, end of year (gross) .....              | 3,461  | 3,121  | 3,142  |
| 3100 Obligated balance, end of year (net) .....                 | 3,461  | 3,121  | 3,142  |

Budget authority and outlays, net:

|   |       |       |       |
|---|-------|-------|-------|
| Discretionary:                                      |       |       |       |
| 4000 Budget authority, gross .....                  | 1,904 | 1,870 | 1,952 |
| Outlays, gross:                                     |       |       |       |
| 4010 Outlays from new discretionary authority ..... | 32    | 56    | 59    |
| 4011 Outlays from discretionary balances .....      | 2,091 | 2,075 | 1,856 |
| 4020 Outlays, gross (total) .....                   | 2,123 | 2,131 | 1,915 |
| Mandatory:  |       |       |       |
| 4090 Budget authority, gross .....                  | 485   | 428   | 428   |
| Outlays, gross:                                     |       |       |       |
| 4100 Outlays from new mandatory authority .....     | 23    | 13    | 13    |
| 4101 Outlays from mandatory balances .....          | 333   | 502   | 431   |
| 4110 Outlays, gross (total) .....                   | 356   | 515   | 444   |
| 4180 Budget authority, net (total) .....            | 2,389 | 2,298 | 2,380 |
| 4190 Outlays, net (total) .....                     | 2,479 | 2,646 | 2,359 |

Aid for institutional development:

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

*Strengthening tribally controlled colleges and universities.*—Discretionary and mandatory funds support grants to American Indian tribally controlled colleges and universities with scarce resources to enable them to improve and expand their capacity to serve students, and to strengthen management and fiscal operations.

*Strengthening Alaska Native and Native Hawaiian-serving institutions.*—Discretionary and mandatory funds support Alaska Native and Native Hawaiian-serving institutions to

enable them to improve and expand their capacity to serve students, and to strengthen management and fiscal operations.

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

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

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

*Strengthening predominantly Black institutions.*—Discretionary and mandatory funds support grants to predominantly Black institutions to improve and expand their capacity to serve students.

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

*Strengthening Native American-serving nontribal institutions.*—Discretionary and mandatory funds support grants to help Native American-serving nontribal institutions improve and expand their capacity to serve students, and to strengthen management and fiscal operations.

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

*Aid for Hispanic-serving institutions:*

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

*Developing Hispanic-serving Institutions STEM and Articulation Programs.*—Mandatory funds support Hispanic-serving institutions to help them improve and expand their capacity to serve students with priority given to applications that propose to increase the number of Hispanics and other low-income students attaining degrees in the fields of science, technology, engineering, or mathematics; and to develop model transfer and articulation agreements between 2-year Hispanic-serving institutions and 4-year institutions in such fields.

*Promoting postbaccalaureate opportunities for Hispanic Americans.*—Discretionary and mandatory funds support Hispanic-serving Institutions to help them expand and improve postbaccalaureate educational opportunities.

*Other aid for institutions:*

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

*Fund for the improvement of postsecondary education.*—Funds support a broad range of postsecondary reform and improvement projects. The majority of funds in 2013 would support the First in the World competition, which would be modeled after the Investing in Innovation program for K-12.

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

*Special programs for migrant students.*—Funds support grants to institutions of higher education and nonprofit organizations that assist migrant students in earning a high school equivalency certificate or in completing their first year of college.

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

*Assistance for students:*

*Federal TRIO programs.*—Funds support postsecondary education outreach and student support services to help individuals from disadvantaged backgrounds prepare for, enter, and complete college and graduate studies.

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

*Graduate assistance in areas of national need.*—Funds support fellowships to graduate students of superior ability who have financial need for study in areas of national need and continuation awards for Javits Fellowships to students of superior ability who have financial need and who are pursuing terminal degrees in the arts, humanities, and social sciences.

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

*Other activities:*

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

*College access challenge grants.*—Mandatory funds support grants to States to promote activities designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education.

*Hawkins centers for excellence.*—Funds support a program designed to increase the talent pool of effective minority educators by expanding and reforming teacher education programs at minority-serving institutions.

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

| Identification code 91-0201-0-1-502                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Direct obligations:                                |             |           |           |
| 25.1 Advisory and assistance services .....        | 2           | 2         | 2         |
| 25.2 Other services from non-Federal sources ..... | 8           | 8         | 8         |
| 25.5 Research and development contracts .....      | 1           | 1         | 1         |
| 25.7 Operation and maintenance of equipment .....  | 2           | 2         | 2         |
| 41.0 Grants, subsidies, and contributions .....    | 2,373       | 2,293     | 2,367     |
| 99.9 Total new obligations .....                   | 2,386       | 2,306     | 2,380     |

RACE TO THE TOP: COLLEGE AFFORDABILITY AND COMPLETION  
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 91-0016-2-1-502                              | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                          |             |           |           |
| 0001 Race to the Top: College Affordability and Completion ..... |             |           | 1,000     |
| 0900 Total new obligations (object class 41.0) .....             |             |           | 1,000     |
| <b>Budgetary Resources:</b>                                      |             |           |           |
| Budget authority:  |             |           |           |
| Appropriations, discretionary:                                   |             |           |           |
| 1100 Appropriation .....   |             |           | 1,000     |
| 1160 Appropriation, discretionary (total) .....                  |             |           | 1,000     |
| 1930 Total budgetary resources available .....                   |             |           | 1,000     |
| <b>Change in obligated balance:</b>                              |             |           |           |
| 3030 Obligations incurred, unexpired accounts .....              |             |           | 1,000     |
| 3040 Outlays (gross) .....                                       |             |           | -50       |
| Obligated balance, end of year (net):                            |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....               |             |           | 950       |
| 3100 Obligated balance, end of year (net) .....                  |             |           | 950       |
| <b>Budget authority and outlays, net:</b>                        |             |           |           |
| Discretionary:   |             |           |           |
| 4000 Budget authority, gross .....                               |             |           | 1,000     |
| Outlays, gross:  |             |           |           |
| 4010 Outlays from new discretionary authority .....              |             |           | 50        |
| 4180 Budget authority, net (total) .....                         |             |           | 1,000     |
| 4190 Outlays, net (total) .....                                  |             |           | 50        |

*Race to the Top: College Affordability and Completion.*—Drives systemic State reforms that create incentives for institutions to lower costs and increase completion rates at public colleges.

HOWARD UNIVERSITY

For partial support of Howard University, [ \$234,507,000 ] \$234,064,000, of which not less than [ \$3,600,000 ] \$3,593,000 shall be for a matching endowment grant pursuant to the Howard University Endowment Act and shall remain available until expended. (Department of Education Appropriations Act, 2012.)

Program and Financing (in millions of dollars)

| Identification code 91-0603-0-1-502                           | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                       |             |           |           |
| 0001 General support .....                                    | 235         | 206       | 205       |
| 0002 Howard University Hospital .....                         |             | 29        | 29        |
| 0900 Total new obligations (object class 41.0) .....          | 235         | 235       | 234       |
| <b>Budgetary Resources:</b>                                   |             |           |           |
| Unobligated balance:  |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1 .....         | 1           | 1         |           |
| Budget authority:   |             |           |           |
| Appropriations, discretionary:                                |             |           |           |
| 1100 Appropriation .....                                      | 235         | 234       | 234       |
| 1160 Appropriation, discretionary (total) .....               | 235         | 234       | 234       |
| 1930 Total budgetary resources available .....                | 236         | 235       | 234       |
| Memorandum (non-add) entries:                                 |             |           |           |
| 1941 Unexpired unobligated balance, end of year .....         | 1           |           |           |
| <b>Change in obligated balance:</b>                           |             |           |           |
| Obligated balance, start of year (net):                       |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) ..... | 9           | 5         | 16        |
| 3030 Obligations incurred, unexpired accounts .....           | 235         | 235       | 234       |
| 3040 Outlays (gross) .....                                    | -239        | -224      | -234      |
| Obligated balance, end of year (net):                         |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....            | 5           | 16        | 16        |
| 3100 Obligated balance, end of year (net) .....               | 5           | 16        | 16        |

Budget authority and outlays, net:

|   |     |     |     |
|---|-----|-----|-----|
| Discretionary:                                      |     |     |     |
| 4000 Budget authority, gross .....                  | 235 | 234 | 234 |
| Outlays, gross:                                     |     |     |     |
| 4010 Outlays from new discretionary authority ..... | 231 | 220 | 220 |
| 4011 Outlays from discretionary balances .....      | 8   | 4   | 14  |
| Outlays, gross (total) .....                        |     |     |     |
| 4020 .....  | 239 | 224 | 234 |
| 4180 Budget authority, net (total) .....            | 235 | 234 | 234 |
| 4190 Outlays, net (total) .....                     | 239 | 224 | 234 |

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 2011, Federal funding represented approximately 43 percent of the university's revenue.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

For Federal administrative expenses to carry out activities related to existing facility loans pursuant to section 121 of the HEA, [ \$460,000 ] \$459,000.

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING PROGRAM ACCOUNT

For the cost of guaranteed loans, [ \$20,188,000 ] \$20,150,000 as authorized pursuant to part D of title III of the HEA, which shall remain available through September 30, 2014: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed [ \$367,255,000 ] \$320,350,000: Provided further, That these funds may be used to support loans to public and private Historically Black Colleges and Universities without regard to the limitations within section 344(a) of the HEA.

In addition, for administrative expenses to carry out the Historically Black College and University Capital Financing Program entered into pursuant to part D of title III of the HEA, [ \$353,000 ] \$352,000. (Department of Education Appropriations Act, 2012.)

Program and Financing (in millions of dollars)

| Identification code 91-0241-0-1-502                           | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                       |             |           |           |
| Credit program obligations:                                   |             |           |           |
| 0701 Direct loan subsidy .....                                | 11          | 20        | 20        |
| 0703 Subsidy for modifications of direct loans .....          | 10          |           |           |
| 0705 Reestimates of direct loan subsidy .....                 | 85          | 10        |           |
| 0706 Interest on reestimates of direct loan subsidy .....     | 11          | 2         |           |
| 0709 Administrative expenses .....                            |             | 1         | 1         |
| 0900 Total new obligations .....                              | 117         | 33        | 21        |
| <b>Budgetary Resources:</b>                                   |             |           |           |
| Budget authority:   |             |           |           |
| Appropriations, discretionary:                                |             |           |           |
| 1100 Appropriation .....                                      | 21          | 21        | 21        |
| 1160 Appropriation, discretionary (total) .....               | 21          | 21        | 21        |
| Appropriations, mandatory:                                    |             |           |           |
| 1200 Appropriation .....                                      | 96          | 12        |           |
| 1260 Appropriations, mandatory (total) .....                  | 96          | 12        |           |
| 1900 Budget authority (total) .....                           | 117         | 33        | 21        |
| 1930 Total budgetary resources available .....                | 117         | 33        | 21        |
| <b>Change in obligated balance:</b>                           |             |           |           |
| Obligated balance, start of year (net):                       |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) ..... | 16          | 28        | 30        |
| 3030 Obligations incurred, unexpired accounts .....           | 117         | 33        | 21        |
| 3040 Outlays (gross) .....                                    | -105        | -31       | -12       |
| Obligated balance, end of year (net):                         |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....            | 28          | 30        | 39        |
| 3100 Obligated balance, end of year (net) .....               | 28          | 30        | 39        |
| <b>Budget authority and outlays, net:</b>                     |             |           |           |
| Discretionary:  |             |           |           |
| 4000 Budget authority, gross .....                            | 21          | 21        | 21        |

|                 |  |     |    |    |
|-----------------|--|-----|----|----|
| Outlays, gross: |  |     |    |    |
| 4010            | Outlays from new discretionary authority ..... | 9   | 5  | 5  |
| 4011            | Outlays from discretionary balances .....      |     | 14 | 7  |
| 4020            | Outlays, gross (total) .....                   | 9   | 19 | 12 |
| Mandatory:      |  |     |    |    |
| 4090            | Budget authority, gross .....                  | 96  | 12 |    |
| Outlays, gross: |  |     |    |    |
| 4100            | Outlays from new mandatory authority .....     | 96  | 12 |    |
| 4180            | Budget authority, net (total) .....            | 117 | 33 | 21 |
| 4190            | Outlays, net (total) .....                     | 105 | 31 | 12 |

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

| Identification code 91-0241-0-1-502                         | 2011 actual   | 2012 est. | 2013 est. |      |
|---|---|-----------|-----------|------|
| Direct loan levels supportable by subsidy budget authority: |   |           |           |      |
| 115002  | Historically Black Colleges and Universities .....  | 154       | 368       | 320  |
| 115999  | Total direct loan levels .....                      | 154       | 368       | 320  |
| Direct loan subsidy (in percent):                           |   |           |           |      |
| 132002  | Historically Black Colleges and Universities .....  | 7.24      | 5.50      | 6.29 |
| 132999  | Weighted average subsidy rate .....                 | 7.24      | 5.50      | 6.29 |
| Direct loan subsidy budget authority:                       |   |           |           |      |
| 133002  | Historically Black Colleges and Universities .....  | 11        | 20        | 20   |
| 133999  | Total subsidy budget authority .....                | 11        | 20        | 20   |
| Direct loan subsidy outlays:                                |   |           |           |      |
| 134002  | Historically Black Colleges and Universities .....  | 7         | 10        | 10   |
| 134999  | Total subsidy outlays .....                         | 7         | 10        | 10   |
| Direct loan upward reestimates:                             |   |           |           |      |
| 135001  | College housing and academic facilities loans ..... | 1         |           |      |
| 135002  | Historically Black Colleges and Universities .....  | 19        | 8         |      |
| 135003  | HBCU Hurricane Supplemental .....                   | 76        | 4         |      |
| 135999  | Total upward reestimate budget authority .....      | 96        | 12        |      |
| Direct loan downward reestimates:                           |   |           |           |      |
| 137002  | Historically Black Colleges and Universities .....  | -23       | -20       |      |
| 137999  | Total downward reestimate budget authority .....    | -23       | -20       |      |
| Administrative expense data:                                |   |           |           |      |
| 3510  | Budget authority .....                              | 1         | 1         | 1    |
| 3590  | Outlays from new authority .....                    | 1         | 1         | 1    |

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

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

*Historically Black College and University Capital Financing Program.*—The Historically Black College and University (HBCU) Capital Financing Program provides HBCUs with access to capital financing for the repair, renovation, and construction of classrooms, libraries, laboratories, dormitories, instructional equipment, and research instrumentation. The authorizing statute gives the Department authority to enter into insurance agreements with a private for-profit Designated Bonding Authority. The bonding authority issues the loans and maintains an escrow account in which 5 percent of each institution's principal

is deposited. The Budget requests \$20.150 million in new loan subsidies, allowing the program to guarantee an estimated \$320 million in new loans in 2013. The Budget also requests a 2-year period of availability for this loan subsidy. In addition, the Budget requests funds for the Federal costs of administering the program and providing technical assistance activities that improve the financial stability of HBCUs.

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

| Identification code 91-0241-0-1-502 | 2011 actual  | 2012 est. | 2013 est. |    |
|-------------------------------------|--|-----------|-----------|----|
| 41.0                                | Direct obligations: Grants, subsidies, and contributions ..... | 117       | 33        | 20 |
| 99.5                                | Below reporting threshold .....                                |           |           | 1  |
| 99.9                                | Total new obligations .....                                    | 117       | 33        | 21 |

**Employment Summary**

| Identification code 91-0241-0-1-502 | 2011 actual   | 2012 est. | 2013 est. |   |
|-------------------------------------|---|-----------|-----------|---|
| 1001                                | Direct civilian full-time equivalent employment ..... | 4         | 4         | 4 |

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

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

| Identification code 91-4252-0-3-502                          | 2011 actual  | 2012 est. | 2013 est. |    |
|--|--|-----------|-----------|----|
| <b>Obligations by program activity:</b>                      |  |           |           |    |
| Credit program obligations:                                  |  |           |           |    |
| 0713   | Payment of interest to Treasury .....                                      | 1         | 1         | 1  |
| 0900   | Total new obligations .....  | 1         | 1         | 1  |
| <b>Budgetary Resources:</b>                                  |  |           |           |    |
| Financing authority:   |  |           |           |    |
| Spending authority from offsetting collections, mandatory:   |  |           |           |    |
| 1800   | Collected .....  | 4         | 1         | 1  |
| 1825   | Spending authority from offsetting collections applied to repay debt ..... | -3        |           |    |
| 1850   | Spending auth from offsetting collections, mand (total) .....              | 1         | 1         | 1  |
| 1930   | Total budgetary resources available .....                                  | 1         | 1         | 1  |
| <b>Change in obligated balance:</b>                          |  |           |           |    |
| 3030   | Obligations incurred, unexpired accounts .....                             | 1         | 1         | 1  |
| 3040   | Financing disbursements (gross) .....                                      | -1        | -1        | -1 |
| <b>Financing authority and disbursements, net:</b>           |  |           |           |    |
| Mandatory:   |  |           |           |    |
| 4090   | Financing authority, gross .....   | 1         | 1         | 1  |
| Financing disbursements:                                     |  |           |           |    |
| 4110   | Financing disbursements, gross .....                                       | 1         | 1         | 1  |
| Offsets against gross financing authority and disbursements: |  |           |           |    |
| Offsetting collections (collected) from:                     |  |           |           |    |
| 4120   | Federal sources .....  | -1        |           |    |
| 4123   | Interest repayments .....  | -3        | -1        | -1 |
| 4130   | Offsets against gross financing auth and disbursements (total) .....       | -4        | -1        | -1 |
| 4160   | Financing authority, net (mandatory) .....                                 | -3        |           |    |
| 4170   | Financing disbursements, net (mandatory) .....                             | -3        |           |    |
| 4180   | Financing authority, net (total) .....                                     | -3        |           |    |
| 4190   | Financing disbursements, net (total) .....                                 | -4        |           |    |

**Status of Direct Loans** (in millions of dollars)

| Identification code 91-4252-0-3-502             | 2011 actual                                  | 2012 est. | 2013 est. |    |
|---|--|-----------|-----------|----|
| Cumulative balance of direct loans outstanding: |  |           |           |    |
| 1210  | Outstanding, start of year .....             | 11        | 11        | 11 |
| 1251  | Repayments: Repayments and prepayments ..... |           |           |    |
| 1290  | Outstanding, end of year .....               | 11        | 11        | 11 |

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Govern-

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS FINANCING  
ACCOUNT—Continued

ment resulting from direct loans obligated in 1992 and 1993. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

| Identification code 91-4252-0-3-502                               | 2010 actual | 2011 actual |
|---|-------------|-------------|
| <b>ASSETS:</b>  |             |             |
| Net value of assets related to post-1991 direct loans receivable: |             |             |
| 1401 Direct loans receivable, gross .....                         | 11          | 11          |
| 1405 Allowance for subsidy cost (-) .....                         | -1          | -1          |
| 1499 Net present value of assets related to direct loans .....    | 10          | 10          |
| 1999 Total assets .....   | 10          | 10          |
| <b>LIABILITIES:</b>   |             |             |
| 2103 Federal liabilities: Debt .....                              | 10          | 10          |
| 4999 Total liabilities and net position .....                     | 10          | 10          |

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 91-0242-0-1-502                  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>              |             |           |           |
| Credit program obligations:                          |             |           |           |
| 0713 Payment of interest to Treasury .....           | 5           | 6         | 6         |
| 0900 Total new obligations (object class 43.0) ..... | 5           | 6         | 6         |

Budgetary Resources:

|   |     |     |     |
|---|-----|-----|-----|
| Unobligated balance:  |     |     |     |
| 1000 Unobligated balance brought forward, Oct 1 .....   |     | 8   |     |
| 1023 Unobligated balances applied to repay debt .....   |     | -8  |     |
| Budget authority:   |     |     |     |
| Appropriations, mandatory:  |     |     |     |
| 1200 Appropriation .....  | 2   | 2   | 2   |
| 1260 Appropriations, mandatory (total) .....  | 2   | 2   | 2   |
| Spending authority from offsetting collections, mandatory:                                    |     |     |     |
| 1800 Collected .....  | 25  | 23  | 23  |
| 1820 Capital transfer of spending authority from offsetting collections to general fund ..... | -14 | -15 | -15 |
| 1825 Spending authority from offsetting collections applied to repay debt .....               |     | -4  | -4  |
| 1850 Spending auth from offsetting collections, mand (total) .....                            | 11  | 4   | 4   |
| 1900 Budget authority (total) .....   | 13  | 6   | 6   |
| 1930 Total budgetary resources available .....  | 13  | 6   | 6   |
| Memorandum (non-add) entries:   |     |     |     |
| 1941 Unexpired unobligated balance, end of year .....   | 8   |     |     |

Change in obligated balance:

|   |    |    |    |
|---|----|----|----|
| Obligated balance, start of year (net):                       |    |    |    |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) ..... | 1  | 1  | 1  |
| 3030 Obligations incurred, unexpired accounts .....           | 5  | 6  | 6  |
| 3040 Outlays (gross) .....                                    | -5 | -6 | -6 |
| Obligated balance, end of year (net):                         |    |    |    |
| 3090 Unpaid obligations, end of year (gross) .....            | 1  | 1  | 1  |
| 3100 Obligated balance, end of year (net) .....               | 1  | 1  | 1  |

Budget authority and outlays, net:

|   |     |     |     |
|---|-----|-----|-----|
| Mandatory:  |     |     |     |
| 4090 Budget authority, gross .....                  | 13  | 6   | 6   |
| Outlays, gross:                                     |     |     |     |
| 4100 Outlays from new mandatory authority .....     | 5   | 6   | 6   |
| Offsets against gross budget authority and outlays: |     |     |     |
| Offsetting collections (collected) from:            |     |     |     |
| 4123 Non-Federal sources .....                      | -25 | -23 | -23 |
| 4180 Budget authority, net (total) .....            | -12 | -17 | -17 |
| 4190 Outlays, net (total) .....                     | -20 | -17 | -17 |

Status of Direct Loans (in millions of dollars)

| Identification code 91-0242-0-1-502               | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding:   |             |           |           |
| 1210 Outstanding, start of year .....             | 159         | 141       | 137       |
| 1251 Repayments: Repayments and prepayments ..... | -18         | -4        | -4        |
| 1290 Outstanding, end of year .....               | 141         | 137       | 133       |

As required by the Federal Credit Reform Act of 1990, the College Housing and Academic Facilities Loans Liquidating Account records all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account includes loans made under the College Housing and Academic Facilities Loans, College Housing Loans, and Higher Education Facilities Loans programs, which continue to be administered separately.

Balance Sheet (in millions of dollars)

| Identification code 91-0242-0-1-502                | 2010 actual | 2011 actual |
|--|-------------|-------------|
| <b>ASSETS:</b>                                     |             |             |
| 1601 Direct loans, gross .....                     | 159         | 141         |
| 1602 Interest receivable .....                     | 6           | 6           |
| 1699 Value of assets related to direct loans ..... | 165         | 147         |
| 1999 Total assets .....                            | 165         | 147         |
| <b>LIABILITIES:</b>                                |             |             |
| Federal liabilities:                               |             |             |
| 2103 Debt .....                                    | 51          | 51          |
| 2104 Resources payable to Treasury .....           | 114         | 96          |
| 2999 Total liabilities .....                       | 165         | 147         |
| 4999 Total liabilities and net position .....      | 165         | 147         |

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                    | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                |             |           |           |
| 0003 Subsidy Payments - Interest Subsidy .....         | 13          | 1         | 1         |
| 0004 Interest paid to Treasury (FFB) .....             |             | 14        | 14        |
| 0091 Subtotal .....                                    | 13          | 15        | 15        |
| Credit program obligations:                            |             |           |           |
| 0710 Direct loan obligations .....                     | 154         | 368       | 320       |
| 0742 Downward reestimate paid to receipt account ..... | 17          | 14        |           |
| 0743 Interest on downward reestimates .....            | 7           | 6         |           |
| 0791 Direct program activities, subtotal .....         | 178         | 388       | 320       |
| 0900 Total new obligations .....                       | 191         | 403       | 335       |

Budgetary Resources:

|   |     |     |     |
|---|-----|-----|-----|
| Unobligated balance:  |     |     |     |
| 1000 Unobligated balance brought forward, Oct 1 .....                           | 245 | 390 | 403 |
| 1021 Recoveries of prior year unpaid obligations .....                          | 12  |     |     |
| 1050 Unobligated balance (total) .....  | 257 | 390 | 403 |
| Financing authority:  |     |     |     |
| Borrowing authority, mandatory:   |     |     |     |
| 1400 Borrowing authority .....  | 178 | 368 | 320 |
| 1440 Borrowing authority, mandatory (total) .....                               | 178 | 368 | 320 |
| Spending authority from offsetting collections, mandatory:                      |     |     |     |
| 1800 Collected .....  | 143 | 69  | 57  |
| 1801 Change in uncollected payments, Federal sources .....                      | 12  |     |     |
| 1825 Spending authority from offsetting collections applied to repay debt ..... | -9  | -21 | -21 |
| 1850 Spending auth from offsetting collections, mand (total) .....              | 146 | 48  | 36  |
| 1900 Financing authority (total) .....  | 324 | 416 | 356 |
| 1930 Total budgetary resources available .....                                  | 581 | 806 | 759 |
| Memorandum (non-add) entries:   |     |     |     |
| 1941 Unexpired unobligated balance, end of year .....                           | 390 | 403 | 424 |

**Change in obligated balance:**

|   |  |      |      |      |
|---|--|------|------|------|
| Obligated balance, start of year (net): |  |      |      |      |
| 3000                                    | Unpaid obligations, brought forward, Oct 1 (gross) .....     | 227  | 193  | 386  |
| 3010                                    | Uncollected pymts, Fed sources, brought forward, Oct 1 ..... | -10  | -22  | -22  |
| 3020                                    | Obligated balance, start of year (net) .....                 | 217  | 171  | 364  |
| 3030                                    | Obligations incurred, unexpired accounts .....               | 191  | 403  | 335  |
| 3040                                    | Financing disbursements (gross) .....                        | -213 | -210 | -210 |
| 3050                                    | Change in uncollected pymts, Fed sources, unexpired .....    | -12  |      |      |
| 3080                                    | Recoveries of prior year unpaid obligations, unexpired ..... | -12  |      |      |
| Obligated balance, end of year (net):   |  |      |      |      |
| 3090                                    | Unpaid obligations, end of year (gross) .....                | 193  | 386  | 511  |
| 3091                                    | Uncollected pymts, Fed sources, end of year .....            | -22  | -22  | -22  |
| 3100                                    | Obligated balance, end of year (net) .....                   | 171  | 364  | 489  |

**Financing authority and disbursements, net:**

Mandatory:

|  |  |      |     |     |
|--|--|------|-----|-----|
| 4090   | Financing authority, gross .....                                     | 324  | 416 | 356 |
| Financing disbursements:                                     |  |      |     |     |
| 4110   | Financing disbursements, gross .....                                 | 213  | 210 | 210 |
| Offsets against gross financing authority and disbursements: |  |      |     |     |
| Offsetting collections (collected) from:                     |  |      |     |     |
| 4120   | Federal sources .....  | -103 | -22 | -10 |
| 4122   | Interest on uninvested funds .....                                   | -17  | -12 | -12 |
| 4123   | Interest repayments .....  | -13  | -14 | -14 |
| 4123   | Principal repayments .....   | -10  | -21 | -21 |
| 4130   | Offsets against gross financing auth and disbursements (total) ..... | -143 | -69 | -57 |
| Additional offsets against financing authority only (total): |  |      |     |     |
| 4140   | Change in uncollected pymts, Fed sources, unexpired .....            | -12  |     |     |
| 4160   | Financing authority, net (mandatory) .....                           | 169  | 347 | 299 |
| 4170   | Financing disbursements, net (mandatory) .....                       | 70   | 141 | 153 |
| 4180   | Financing authority, net (total) .....                               | 169  | 347 | 299 |
| 4190   | Financing disbursements, net (total) .....                           | 70   | 141 | 153 |

**Status of Direct Loans (in millions of dollars)**

|  |  |             |           |           |
|--|--|-------------|-----------|-----------|
| Identification code 91-4255-0-3-502                                    |  |             |           |           |
|  |  | 2011 actual | 2012 est. | 2013 est. |
| Position with respect to appropriations act limitation on obligations: |  |             |           |           |
| 1111   | Limitation on direct loans .....               | 178         | 368       | 320       |
| 1142   | Unobligated direct loan limitation (-) .....   | -24         |           |           |
| 1150   | Total direct loan obligations .....            | 154         | 368       | 320       |
| Cumulative balance of direct loans outstanding:                        |  |             |           |           |
| 1210   | Outstanding, start of year .....               | 704         | 822       | 987       |
| 1231   | Disbursements: Direct loan disbursements ..... | 137         | 186       | 186       |
| 1251   | Repayments: Repayments and prepayments .....   | -19         | -21       | -21       |
| 1290   | Outstanding, end of year .....                 | 822         | 987       | 1,152     |

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

**Balance Sheet (in millions of dollars)**

|   |   |             |             |
|---|---|-------------|-------------|
| Identification code 91-4255-0-3-502                               |   |             |             |
|   |   | 2010 actual | 2011 actual |
| ASSETS:   |   |             |             |
| 1101  | Federal assets: Fund balances with Treasury .....         | 280         | 280         |
| Net value of assets related to post-1991 direct loans receivable: |   |             |             |
| 1401  | Direct loans receivable, gross .....                      | 705         | 822         |
| 1402  | Interest receivable .....                                 | 12          | 12          |
| 1499  | Net present value of assets related to direct loans ..... | 717         | 834         |
| 1999  | Total assets .....  | 997         | 1,114       |

LIABILITIES:

|                      |   |     |       |
|----------------------|---|-----|-------|
| Federal liabilities: |   |     |       |
| 2102                 | Interest payable .....                                  | 12  | 12    |
| 2103                 | Debt .....  | 705 | 822   |
| 2201                 | Non-Federal liabilities: Undisbursed direct loans ..... | 280 | 280   |
| 2999                 | Total liabilities .....                                 | 997 | 1,114 |
| 4999                 | Total upward reestimate subsidy BA [91-0241] .....      | 997 | 1,114 |

**OFFICE OF FEDERAL STUDENT AID**  
*Federal Funds*

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1 and 3 of part A, and part C of title IV of the HEA, **[\$24,538,521,000] \$24,685,281,000**, which shall remain available through September 30, **[2013] 2014: Provided, That, of amounts provided under this heading, \$1,522,000,000 shall also be available for Pell Grants for award year 2014-2015.**

The maximum Pell Grant for which a student shall be eligible during award year **[2012-2013] 2013-2014** shall be \$4,860. (*Department of Education Appropriations Act, 2012.*)

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

|   |  |             |           |           |
|---|--|-------------|-----------|-----------|
| Identification code 91-0200-0-1-502     |  |             |           |           |
|   |  | 2011 actual | 2012 est. | 2013 est. |
| <b>Obligations by program activity:</b> |  |             |           |           |
| 0101                                    | Federal Pell grants .....  | 41,458      | 31,346    | 36,489    |
| 0201                                    | Federal supplemental educational opportunity grants (SEOG) ..... | 740         | 736       | 735       |
| 0202                                    | Federal work-study .....   | 986         | 978       | 1,127     |
| 0291                                    | Campus-based activities - Subtotal .....                         | 1,726       | 1,714     | 1,862     |
| 0301                                    | Leveraging educational assistance partnership .....              | 1           |           |           |
| 0900                                    | Total new obligations (object class 41.0) .....                  | 43,185      | 33,060    | 38,351    |
| <b>Budgetary Resources:</b>             |  |             |           |           |
| Unobligated balance:                    |  |             |           |           |
| 1000                                    | Unobligated balance brought forward, Oct 1 .....                 | 153         | 1,006     | 11,229    |
| 1021                                    | Recoveries of prior year unpaid obligations .....                | 309         |           |           |
| 1050                                    | Unobligated balance (total) .....                                | 462         | 1,006     | 11,229    |
| Budget authority:                       |  |             |           |           |
| Appropriations, discretionary:          |  |             |           |           |
| 1100                                    | Appropriation .....  | 24,720      | 24,538    | 24,685    |
| 1130                                    | Appropriations permanently reduced .....                         | -49         |           |           |
| 1143                                    | Approp permanently reduced (Sec 527, HR 2055) .....              |             | -3        |           |
| 1160                                    | Appropriation, discretionary (total) .....                       | 24,671      | 24,535    | 24,685    |
| Appropriations, mandatory:              |  |             |           |           |
| 1200                                    | Appropriation .....  | 19,060      | 18,748    | 13,294    |
| 1260                                    | Appropriations, mandatory (total) .....                          | 19,060      | 18,748    | 13,294    |
| 1900                                    | Budget authority (total) .....                                   | 43,731      | 43,283    | 37,979    |
| 1930                                    | Total budgetary resources available .....                        | 44,193      | 44,289    | 49,208    |
| Memorandum (non-add) entries:           |  |             |           |           |
| 1940                                    | Unobligated balance expiring .....                               | -2          |           |           |
| 1941                                    | Unexpired unobligated balance, end of year .....                 | 1,006       | 11,229    | 10,857    |

**Change in obligated balance:**

|   |  |         |         |         |
|---|--|---------|---------|---------|
| Obligated balance, start of year (net): |  |         |         |         |
| 3000                                    | Unpaid obligations, brought forward, Oct 1 (gross) .....     | 17,693  | 22,669  | 18,771  |
| 3030                                    | Obligations incurred, unexpired accounts .....               | 43,185  | 33,060  | 38,351  |
| 3031                                    | Obligations incurred, expired accounts .....                 | 240     |         |         |
| 3040                                    | Outlays (gross) .....  | -37,894 | -36,958 | -37,675 |
| 3080                                    | Recoveries of prior year unpaid obligations, unexpired ..... | -309    |         |         |
| 3081                                    | Recoveries of prior year unpaid obligations, expired .....   | -246    |         |         |
| Obligated balance, end of year (net):   |  |         |         |         |
| 3090                                    | Unpaid obligations, end of year (gross) .....                | 22,669  | 18,771  | 19,447  |
| 3100                                    | Obligated balance, end of year (net) .....                   | 22,669  | 18,771  | 19,447  |

**Budget authority and outlays, net:**

|                 |  |        |        |        |
|-----------------|--|--------|--------|--------|
| Discretionary:  |  |        |        |        |
| 4000            | Budget authority, gross .....                  | 24,671 | 24,535 | 24,685 |
| Outlays, gross: |  |        |        |        |
| 4010            | Outlays from new discretionary authority ..... | 9,275  | 6,333  | 5,938  |
| 4011            | Outlays from discretionary balances .....      | 14,377 | 15,302 | 18,184 |
| 4020            | Outlays, gross (total) .....                   | 23,652 | 21,635 | 24,122 |

STUDENT FINANCIAL ASSISTANCE—Continued  
Program and Financing—Continued

| Identification code 91-0200-0-1-502             | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Mandatory:                                      |             |           |           |
| 4090 Budget authority, gross .....              | 19,060      | 18,748    | 13,294    |
| Outlays, gross:                                 |             |           |           |
| 4100 Outlays from new mandatory authority ..... | 11,006      | 7,360     | 3,641     |
| 4101 Outlays from mandatory balances .....      | 3,236       | 7,963     | 9,912     |
| 4110 Outlays, gross (total) .....               | 14,242      | 15,323    | 13,553    |
| 4180 Budget authority, net (total) .....        | 43,731      | 43,283    | 37,979    |
| 4190 Outlays, net (total) .....                 | 37,894      | 36,958    | 37,675    |

## Status of Direct Loans (in millions of dollars)

| Identification code 91-0200-0-1-502               | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding:   |             |           |           |
| 1210 Outstanding, start of year .....             | 305         | 308       | 311       |
| 1251 Repayments: Repayments and prepayments ..... | -19         | -19       | -19       |
| Write-offs for default:                           |             |           |           |
| 1263 Direct loans .....                           | -3          | -3        | -3        |
| 1264 Other adjustments, net (+ or -) .....        | 25          | 25        | 25        |
| 1290 Outstanding, end of year .....               | 308         | 311       | 314       |

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

Funding from the Student Financial Assistance account and related matching funds would provide over 12.5 million awards totaling more than \$39.8 billion in available aid in award year 2013–2014.

**Federal Pell grants.**—Pell Grants are the single largest source of grant aid for postsecondary education. Funding for this program is provided from two sources: discretionary appropriations and, beginning in 2008, mandatory funding authorized under the College Cost Reduction and Access Act of 2007. The Recovery Act provided additional discretionary and mandatory budget authority in 2009. In 2010, the Health Care and Education Reconciliation Act provided additional budget authority for 2011 and also changed how the mandatory add-on to a student's Pell Grant is calculated and funded. In 2011, the Budget Control Act and the 2011 appropriations act made changes to the eligibility for the Pell program (in particular, ending the costly year-round Pell which allowed students to draw two full Pell awards in one year) and to the student loan programs, and used the budgetary savings to provide additional mandatory budget authority to the Pell program. Finally, the 2012 appropriations act made changes to Pell eligibility and student loan benefits, and reinvested the savings into the Pell program.

In 2013, more than 9.7 million undergraduates will receive up to \$4,860 from the discretionary award and an additional \$775 from the mandatory add-on to help pay for postsecondary education. Undergraduate students establish eligibility for these grants under award and need determination rules set out in the authorizing statute and annual appropriations act. The Budget request includes \$36.1 billion for Pell Grants in 2013, of which \$22.8 billion is discretionary, to support a projected maximum award of \$5,635.

**Federal supplemental educational opportunity grants (SEOG).**—Federal funds are awarded by formula to qualifying institutions, which use these funds to award grants to undergraduate students. While institutions have discretion in awarding these funds, they are required to give priority to Pell Grant recipients and other students with exceptional need. The Federal share of these grants cannot exceed 75 percent of the total grant. The 2013 Budget includes \$735 million for SEOG, which would generate \$930 million in aid to 1.4 million students.

**Federal work-study.**—Federal funds are awarded by formula to qualifying institutions, which provide part-time jobs to eligible undergraduate and graduate students. Hourly earnings under this program must be at least the Federal minimum wage. Federal funding, in most cases, pays 75 percent of a student's hourly wages, with the remaining 25 percent paid by the employer. The Federal Work-Study program also requires participating institutions to use at least seven percent of their total funds for students employed in community service jobs. The 2013 Budget includes \$1.13 billion for Work-Study, which would generate \$1.35 billion in aid to 793,000 students, an increase of \$150 million over the 2012 level.

**Federal Perkins loans.**—Institutions award low-interest loans from institutional revolving funds, which are comprised of Federal Capital Contributions, institutional matching funds, and student repayments on outstanding loans. No new Federal Capital Contributions have been appropriated since 2004. The Budget proposes to modernize and expand the Perkins Loan program so more colleges can participate and more students receive access to these loans. The proposal would increase, beginning on July 1, 2013, the annual loan amounts available to students to \$8.5 billion from the current \$1 billion. Rather than operating through institutional revolving funds, the Federal Government would originate and service Perkins Loans. Loan volume would be allocated among degree-granting institutions. This new formula will encourage colleges to control costs and offer need-based aid to prevent excessive indebtedness. Schools would have some discretion about student eligibility. Perkins Loan borrowers would be charged a 6.8 percent interest rate, the same as in the Unsubsidized Stafford Loan program. These loans would accrue interest while students are in school and other loan terms and conditions would be the same as current Unsubsidized Stafford loans. As current Perkins Loan borrowers repay their loans, schools would remit the Federal share of those payments to the Department of Education, beginning at the statutory date described in the Higher Education Act of 1965. Schools would retain their own share of the revolving funds, as well as amounts sufficient to cover the costs of the various Perkins Loan forgiveness provisions. Mandatory loan subsidy costs of this proposal would reduce 2013 outlays by \$648 million and are displayed in the Federal Perkins Loan program account.

**Iraq and Afghanistan service grants.**—This program, which became effective July 1, 2010, provides non-need-based grants to students whose parent or guardian was a member of the Armed Forces and died in Iraq or Afghanistan as a result of performing military service after September 11, 2001. Service Grants are equal to the maximum Pell Grant for a given award year. The Administration anticipates spending \$334,000 to support an estimated maximum of 1,000 awards in 2013.

**Funding tables.**—The following tables display student aid funds available, the number of aid awards, average awards, and the unduplicated count of recipients from each Federal student aid program. Loan amounts reflect the amount actually loaned to borrowers, not the Federal cost of these loans. The data in these tables include matching funds wherever appropriate. The 2013 data in these tables reflect the Administration's legislative proposals.

## AID FUNDS AVAILABLE FOR POSTSECONDARY EDUCATION AND TRAINING

|                                   | [in thousands] |            |            |
|-----------------------------------|----------------|------------|------------|
|                                   | 2011           | 2012       | 2013       |
| Pell grants .....                 | 35,685,485     | 35,648,965 | 36,580,260 |
| Student loans:                    |                |            |            |
| Direct student loans:             |                |            |            |
| Stafford loans .....              | 41,774,526     | 35,554,303 | 32,044,241 |
| Unsubsidized Stafford loans ..... | 48,081,625     | 58,468,244 | 66,160,262 |

|   |             |             |             |
|---|-------------|-------------|-------------|
| PLUS .....  | 19,070,152  | 20,651,545  | 22,617,667  |
| Consolidation .....                               | 23,805,621  | 63,477,548  | 28,398,445  |
| Perkins loans .....                               | 970,705     | 970,705     | 970,705     |
| Unsubsidized Perkins loans .....                  | 0           | 0           | 4,163,742   |
| Student loans, subtotal .....                     | 133,702,629 | 179,122,344 | 154,355,061 |
| Work-study .....                                  | 1,168,428   | 1,161,150   | 1,348,820   |
| Supplemental educational opportunity grants ..... | 931,633     | 929,872     | 929,872     |
| Iraq and Afghanistan service grants .....         | 293         | 330         | 391         |
| TEACH grants .....                                | 136,951     | 154,070     | 83,621      |
| Presidential teaching fellows .....               | 0           | 0           | 149,030     |
| Total aid available .....                         | 171,620,419 | 217,016,731 | 193,447,056 |

**NUMBER OF AID AWARDS**

[in thousands]

|  | 2011           | 2012           | 2013           |
|--|----------------|----------------|----------------|
| Pell grants .....                                      | 9,703          | 9,607          | 9,748          |
| Direct student loans-Stafford loans .....              | 10,883         | 9,966          | 9,466          |
| Direct student loans-Unsubsidized Stafford loans ..... | 10,796         | 10,804         | 11,398         |
| Direct student loans-PLUS .....                        | 1,539          | 1,586          | 1,654          |
| Direct student loans-Consolidation .....               | 594            | 2,737          | 673            |
| Perkins loans .....                                    | 524            | 524            | 524            |
| Unsubsidized Perkins loans .....                       | 0              | 0              | 935            |
| Work-study .....                                       | 684            | 683            | 793            |
| Supplemental educational opportunity grants .....      | 1,393          | 1,390          | 1,390          |
| Iraq and Afghanistan service grants .....              | 0 <sup>1</sup> | 0 <sup>1</sup> | 0 <sup>1</sup> |
| TEACH grants .....                                     | 42             | 47             | 29             |
| Presidential teaching fellows .....                    | 0              | 0              | 15             |
| Total awards .....                                     | 36,159         | 37,345         | 36,625         |

<sup>1</sup>Number of recipients is fewer than 1,000.

**AVERAGE AID AWARDS**

[in whole dollars]

|  | 2011   | 2012   | 2013   |
|--|--------|--------|--------|
| Pell grants .....                                      | 3,678  | 3,711  | 3,753  |
| Direct student loans-Stafford loans .....              | 3,838  | 3,568  | 3,385  |
| Direct student loans-Unsubsidized Stafford loans ..... | 4,454  | 5,412  | 5,804  |
| Direct student loans-PLUS .....                        | 12,390 | 13,019 | 13,675 |
| Direct student loans-Consolidation .....               | 40,074 | 23,190 | 42,221 |
| Perkins loans .....                                    | 1,852  | 1,852  | 1,852  |
| Unsubsidized Perkins loans .....                       | 0      | 0      | 4,454  |
| Work-study .....                                       | 1,700  | 1,700  | 1,700  |
| Supplemental educational opportunity grants .....      | 669    | 669    | 669    |
| Iraq and Afghanistan service grants .....              | 4,418  | 4,428  | 4,476  |
| TEACH grants .....                                     | 3,257  | 3,257  | 2,889  |
| Presidential teaching fellows .....                    | 0      | 0      | 10,000 |

**NUMBER OF STUDENTS AIDED**

[in thousands]

|                                  | 2011   | 2012   | 2013   |
|----------------------------------|--------|--------|--------|
| Unduplicated student count ..... | 14,713 | 14,805 | 15,246 |

**ADMINISTRATIVE PAYMENTS TO INSTITUTIONS**

[in thousands of dollars]

|   | 2011   | 2012   | 2013   |
|---|--------|--------|--------|
| Pell grants .....                                 | 48,515 | 48,035 | 48,740 |
| Work-study .....                                  | 72,849 | 72,708 | 72,708 |
| Supplemental educational opportunity grants ..... | 37,265 | 37,195 | 37,195 |
| Perkins loans .....                               | 38,828 | 38,828 | 38,828 |

**STUDENT AID ADMINISTRATION**

For Federal administrative expenses to carry out part D of title I, and subparts 1, 3, [4, 9,] and [10] 9 of part A, and parts B, C, D, and E of title IV of the HEA, [ \$1,045,363,000 ] \$1,126,363,000, to remain available until September 30, [2013] 2014. (Department of Education Appropriations Act, 2012.)

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

| Identification code 91-0202-0-1-502           | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>       |             |           |           |
| 0001 Student aid administration .....         | 829         | 954       | 1,088     |
| 0002 Discretionary servicing activities ..... | 311         | 368       | 400       |
| 0900 Total new obligations .....              | 1,140       | 1,322     | 1,488     |

**Budgetary Resources:**

|  | 2011  | 2012  | 2013  |
|--|-------|-------|-------|
| Unobligated balance:   |       |       |       |
| 1000 Unobligated balance brought forward, Oct 1 .....                                      | 1     | 2     |       |
| 1012 Unobligated balance transfers between expired and unexpired accounts .....            | 6     |       |       |
| 1021 Recoveries of prior year unpaid obligations .....                                     | 4     |       |       |
| 1050 Unobligated balance (total) .....   | 11    | 2     |       |
| Budget authority:  |       |       |       |
| Appropriations, discretionary:   |       |       |       |
| 1100 Appropriation .....   | 994   | 1,045 | 1,126 |
| 1121 Appropriations transferred from other accts [75-0340] .....                           |       |       | 3     |
| 1130 Appropriations permanently reduced .....  | -2    |       |       |
| 1143 Approp permanently reduced (Sec 527, HR 2055) .....                                   |       | -2    |       |
| 1160 Appropriation, discretionary (total) .....  | 992   | 1,043 | 1,129 |
| Appropriations, mandatory:   |       |       |       |
| 1200 Appropriation .....   | 176   | 277   | 359   |
| 1230 Appropriations and/or unobligated balance of appropriations permanently reduced ..... | -31   |       |       |
| 1260 Appropriations, mandatory (total) .....   | 145   | 277   | 359   |
| 1900 Budget authority (total) .....  | 1,137 | 1,320 | 1,488 |
| 1930 Total budgetary resources available .....   | 1,148 | 1,322 | 1,488 |
| Memorandum (non-add) entries:  |       |       |       |
| 1940 Unobligated balance expiring .....  | -6    |       |       |
| 1941 Unexpired unobligated balance, end of year .....                                      | 2     |       |       |

**Change in obligated balance:**

|   | 2011   | 2012   | 2013   |
|---|--------|--------|--------|
| Obligated balance, start of year (net):                           |        |        |        |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....     | 473    | 527    | 766    |
| 3030 Obligations incurred, unexpired accounts .....               | 1,140  | 1,322  | 1,488  |
| 3040 Outlays (gross) .....  | -1,080 | -1,083 | -1,327 |
| 3080 Recoveries of prior year unpaid obligations, unexpired ..... | -4     |        |        |
| 3081 Recoveries of prior year unpaid obligations, expired .....   | -2     |        |        |
| Obligated balance, end of year (net):                             |        |        |        |
| 3090 Unpaid obligations, end of year (gross) .....                | 527    | 766    | 927    |
| 3100 Obligated balance, end of year (net) .....                   | 527    | 766    | 927    |

**Budget authority and outlays, net:**

|   | 2011  | 2012  | 2013  |
|---|-------|-------|-------|
| Discretionary:                                      |       |       |       |
| 4000 Budget authority, gross .....                  | 992   | 1,043 | 1,129 |
| Outlays, gross:                                     |       |       |       |
| 4010 Outlays from new discretionary authority ..... | 568   | 585   | 627   |
| 4011 Outlays from discretionary balances .....      | 334   | 317   | 414   |
| 4020 Outlays, gross (total) .....                   | 902   | 902   | 1,041 |
| Mandatory:  |       |       |       |
| 4090 Budget authority, gross .....                  | 145   | 277   | 359   |
| Outlays, gross:                                     |       |       |       |
| 4100 Outlays from new mandatory authority .....     | 80    | 133   | 172   |
| 4101 Outlays from mandatory balances .....          | 98    | 48    | 114   |
| 4110 Outlays, gross (total) .....                   | 178   | 181   | 286   |
| 4180 Budget authority, net (total) .....            | 1,137 | 1,320 | 1,488 |
| 4190 Outlays, net (total) .....                     | 1,080 | 1,083 | 1,327 |

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

|   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Enacted/requested:                      |             |           |           |
| Budget Authority .....                  | 1,137       | 1,320     | 1,488     |
| Outlays .....                           | 1,080       | 1,083     | 1,327     |
| Legislative proposal, subject to PAYGO: |             |           |           |
| Budget Authority .....                  |             |           | 8         |
| Outlays .....                           |             |           | 4         |
| Total:                                  |             |           |           |
| Budget Authority .....                  | 1,137       | 1,320     | 1,496     |
| Outlays .....                           | 1,080       | 1,083     | 1,331     |

The Department of Education manages Federal student aid programs that will provide over \$193 billion in new Federal student aid grants and loans to 15 million students and parents in 2013. Primary responsibility for administering these programs lies with the Office of Postsecondary Education and the performance-based Federal Student Aid (FSA), which are both overseen by the Office of the Under Secretary. FSA was created by Congress in 1998 with a mandate to improve service to students and other student aid program participants, reduce student aid administration costs, and improve accountability and program integrity.

STUDENT AID ADMINISTRATION—Continued

**Student Aid Administration**

The 2013 Budget includes \$726 million for student aid administration and \$400 million for loan servicing activities, for a total of \$1.126 billion in discretionary budget authority. It also proposes to transfer the Health Education Assistance Loan (HEAL) Program from the Secretary of Health and Human Services (HHS) to the Secretary of Education (ED) and includes a transfer of \$3 million in discretionary funds from HHS to ED to service the HEAL portfolio.

In addition, the 2013 Budget includes \$359 million in mandatory funds for administrative costs of servicing contracts with not-for-profit loan servicers. These funds primarily support processing student aid applications; providing and tracking aid awards to students, parents, and schools; promoting efforts to reach key student populations; and simplifying the student aid application. The Budget also includes \$8 million in mandatory funds for administering the new proposed Perkins Loan program, described in the Student Financial Assistance account.

**Servicing Cost Assumptions:**

The following table details the major assumptions driving servicing costs for Federal student loans. Servicing costs are largely determined by volume (average borrower accounts per month) and the average contractual unit costs negotiated to service the volume. Average borrower accounts per month are calculated by the distribution of new unique borrower accounts to one of the multiple servicers contracted with the Department. Currently, the Department contracts with six servicers, through the Common Servicers for Borrowers (CSB) contract, the Title IV Additional Servicers (TIVAS) contract, and the new Not-For-Profit Servicers (NFP) contract. The average unit cost to service each borrower is derived by contractual pricing schedules based on different borrower statuses (e.g., in-school, in-grace/current repayment, deferment/forbearance, and delinquency). Differences in distribution among loan statuses will affect overall unit costs due to different pricing for different statuses (e.g., in-repayment borrowers cost more to service than in-school borrowers).

**Trends in Assumptions:**

The increases in average unit cost from 2011 to 2012, and 2012 to 2013, are partly due to the maturity of the 100 percent Direct Loan portfolio as more loans shift from in-school to in-repayment, and the assumption that borrowers will be shifted from the CSB servicer to new NFP servicers, in accordance with Section 2212 of the Health Care and Education Reconciliation Act of 2010 (Pub.L. 111–152, 124 Stat. 1029).

**Student Aid Administration Servicing Variables**

|  | 2011       | 2012       | 2013       |
|--|------------|------------|------------|
| For-Profit Servicers Average Borrower Accounts per Month .....             | 18,955,863 | 19,318,673 | 19,875,866 |
| For-Profit Servicers Average Unit Cost per Month (whole dollars) .....     | \$1.41     | \$1.59     | \$1.68     |
| Not-For-Profit Servicers Average Borrower Accounts per Month .....         | 7,875,923  | 11,741,038 | 15,695,580 |
| Not-For-Profit Servicers Average Unit Cost per Month (whole dollars) ..... | \$1.46     | \$1.68     | \$1.76     |

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

| Identification code 91–0202–0–1–502                             | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Direct obligations:</b>                                      |             |           |           |
| <b>Personnel compensation:</b>                                  |             |           |           |
| 11.1 Full-time permanent .....                                  | 132         | 136       | 138       |
| 11.3 Other than full-time permanent .....                       | 1           |           |           |
| 11.5 Other personnel compensation .....                         | 3           | 2         | 2         |
| 11.9 Total personnel compensation .....                         | 136         | 138       | 140       |
| 12.1 Civilian personnel benefits .....                          | 37          | 37        | 39        |
| 21.0 Travel and transportation of persons .....                 | 3           | 3         | 3         |
| 23.1 Rental payments to GSA .....                               | 17          | 12        | 16        |
| 23.3 Communications, utilities, and miscellaneous charges ..... |             | 1         | 1         |
| 24.0 Printing and reproduction .....                            | 2           | 3         | 3         |

|      |   |       |       |       |
|------|---|-------|-------|-------|
| 25.1 | Advisory and assistance services .....              | 5     | 3     | 5     |
| 25.2 | Other services from non-Federal sources .....       | 662   | 705   | 827   |
| 25.3 | Other goods and services from Federal sources ..... | 20    | 15    | 21    |
| 25.7 | Operation and maintenance of equipment .....        | 255   | 404   | 432   |
| 31.0 | Equipment .....                                     | 2     | 1     | 1     |
| 32.0 | Land and structures .....                           | 1     |       |       |
| 99.9 | Total new obligations .....                         | 1,140 | 1,322 | 1,488 |

**Employment Summary**

| Identification code 91–0202–0–1–502                        | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| 1001 Direct civilian full-time equivalent employment ..... | 1,298       | 1,321     | 1,321     |

**STUDENT AID ADMINISTRATION**  
(Legislative proposal, subject to PAYGO)

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

| Identification code 91–0202–4–1–502                  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>              |             |           |           |
| 0002 Servicing activities .....                      |             |           | 8         |
| 0900 Total new obligations (object class 25.2) ..... |             |           | 8         |
| <b>Budgetary Resources:</b>                          |             |           |           |
| <b>Budget authority:</b>                             |             |           |           |
| <b>Appropriations, mandatory:</b>                    |             |           |           |
| 1200 Appropriation .....                             |             |           | 8         |
| 1260 Appropriations, mandatory (total) .....         |             |           | 8         |
| 1930 Total budgetary resources available .....       |             |           | 8         |
| <b>Change in obligated balance:</b>                  |             |           |           |
| 3030 Obligations incurred, unexpired accounts .....  |             |           | 8         |
| 3040 Outlays (gross) .....                           |             |           | –4        |
| <b>Obligated balance, end of year (net):</b>         |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....   |             |           | 4         |
| 3100 Obligated balance, end of year (net) .....      |             |           | 4         |
| <b>Budget authority and outlays, net:</b>            |             |           |           |
| <b>Mandatory:</b>                                    |             |           |           |
| 4090 Budget authority, gross .....                   |             |           | 8         |
| <b>Outlays, gross:</b>                               |             |           |           |
| 4100 Outlays from new mandatory authority .....      |             |           | 4         |
| 4180 Budget authority, net (total) .....             |             |           | 8         |
| 4190 Outlays, net (total) .....                      |             |           | 4         |

**ACADEMIC COMPETITIVENESS/SMART GRANT PROGRAM**

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

| Identification code 91–0205–0–1–502  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>  |             |           |           |
| 0001 ACG/SMART Grants .....  | 350         |           |           |
| 0900 Total new obligations (object class 41.0) .....                                       | 350         |           |           |
| <b>Budgetary Resources:</b>  |             |           |           |
| <b>Unobligated balance:</b>  |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1 .....                                      | 449         |           |           |
| <b>Budget authority:</b>   |             |           |           |
| <b>Appropriations, mandatory:</b>  |             |           |           |
| 1200 Appropriation .....   | 561         |           |           |
| 1230 Appropriations and/or unobligated balance of appropriations permanently reduced ..... | –560        |           |           |
| 1260 Appropriations, mandatory (total) .....   | 1           |           |           |
| 1900 Budget authority (total) .....  | 1           |           |           |
| 1930 Total budgetary resources available .....   | 450         |           |           |
| <b>Memorandum (non-add) entries:</b>   |             |           |           |
| 1940 Unobligated balance expiring .....  | –100        |           |           |
| <b>Change in obligated balance:</b>  |             |           |           |
| <b>Obligated balance, start of year (net):</b>   |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....                              | 383         | 10        |           |
| 3030 Obligations incurred, unexpired accounts .....  | 350         |           |           |

|   |  |        |       |       |
|---|--|--------|-------|-------|
| 3031  | Obligations incurred, expired accounts .....               | 627    | ..... | ..... |
| 3040  | Outlays (gross) .....                                      | -1,041 | -10   | ..... |
| 3081  | Recoveries of prior year unpaid obligations, expired ..... | -309   | ..... | ..... |
| Obligated balance, end of year (net):                   |  |        |       |       |
| 3090  | Unpaid obligations, end of year (gross) .....              | 10     | ..... | ..... |
| 3100  | Obligated balance, end of year (net) .....                 | 10     | ..... | ..... |
| <b>Budget authority and outlays, net:</b>               |  |        |       |       |
| Mandatory:  |  |        |       |       |
| 4090  | Budget authority, gross .....                              | 1      | ..... | ..... |
| Outlays, gross:   |  |        |       |       |
| 4101  | Outlays from mandatory balances .....                      | 1,041  | 10    | ..... |
| Offsets against gross budget authority and outlays:     |  |        |       |       |
| Offsetting collections (collected) from:                |  |        |       |       |
| 4123  | Non-Federal sources .....                                  | -221   | ..... | ..... |
| Additional offsets against gross budget authority only: |  |        |       |       |
| 4142  | Offsetting collections credited to expired accounts .....  | 221    | ..... | ..... |
| 4160  | Budget authority, net (mandatory) .....                    | 1      | ..... | ..... |
| 4170  | Outlays, net (mandatory) .....                             | 820    | 10    | ..... |
| 4180  | Budget authority, net (total) .....                        | 1      | ..... | ..... |
| 4190  | Outlays, net (total) .....                                 | 820    | 10    | ..... |

These need-based programs provided grants to full- and part-time students who were eligible to receive a Pell Grant. Eligibility for second-, third-, and fourth-year students was based on maintenance of a 3.0 grade point average. The Ensuring Continued Access to Student Loans Act (ECASLA) expanded the grants to non-citizens, part-time students, and students pursuing certificate programs.

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

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

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

This program expired July 1, 2011.

TEACHER EDUCATION ASSISTANCE

Program and Financing (in millions of dollars)

|   |  |             |           |           |
|---|--|-------------|-----------|-----------|
| Identification code 91-0206-0-1-502     |  | 2011 actual | 2012 est. | 2013 est. |
| <b>Obligations by program activity:</b> |  |             |           |           |
| Credit program obligations:             |  |             |           |           |
| 0701                                    | Direct loan subsidy .....                                | 22          | 21        | 23        |
| 0705                                    | Reestimates of direct loan subsidy .....                 | .....       | 18        | .....     |
| 0706                                    | Interest on reestimates of direct loan subsidy .....     | .....       | 2         | .....     |
| 0900                                    | Total new obligations (object class 41.0) .....          | 22          | 41        | 23        |
| <b>Budgetary Resources:</b>             |  |             |           |           |
| Budget authority:                       |  |             |           |           |
| Appropriations, mandatory:              |  |             |           |           |
| 1200                                    | Appropriation (indefinite) - Loan subsidy .....          | 22          | 21        | 23        |
| 1200                                    | Appropriation (indefinite) - Upward reestimate .....     | .....       | 20        | .....     |
| 1260                                    | Appropriations, mandatory (total) .....                  | 22          | 41        | 23        |
| 1930                                    | Total budgetary resources available .....                | 22          | 41        | 23        |
| <b>Change in obligated balance:</b>     |  |             |           |           |
| Obligated balance, start of year (net): |  |             |           |           |
| 3000                                    | Unpaid obligations, brought forward, Oct 1 (gross) ..... | 4           | 8         | 11        |
| 3030                                    | Obligations incurred, unexpired accounts .....           | 22          | 41        | 23        |
| 3040                                    | Outlays (gross) .....                                    | -18         | -38       | -19       |

|   |   |    |    |    |
|---|---|----|----|----|
| Obligated balance, end of year (net):     |   |    |    |    |
| 3090                                      | Unpaid obligations, end of year (gross) ..... | 8  | 11 | 15 |
| 3100                                      | Obligated balance, end of year (net) .....    | 8  | 11 | 15 |
| <b>Budget authority and outlays, net:</b> |   |    |    |    |
| Mandatory:                                |   |    |    |    |
| 4090                                      | Budget authority, gross .....                 | 22 | 41 | 23 |
| Outlays, gross:                           |   |    |    |    |
| 4100                                      | Outlays from new mandatory authority .....    | 14 | 27 | 12 |
| 4101                                      | Outlays from mandatory balances .....         | 4  | 11 | 7  |
| 4110                                      | Outlays, gross (total) .....                  | 18 | 38 | 19 |
| 4180                                      | Budget authority, net (total) .....           | 22 | 41 | 23 |
| 4190                                      | Outlays, net (total) .....                    | 18 | 38 | 19 |

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

|   |             |           |           |
|---|-------------|-----------|-----------|
|   | 2011 actual | 2012 est. | 2013 est. |
| Enacted/requested:                      |             |           |           |
| Budget Authority .....                  | 22          | 41        | 23        |
| Outlays .....                           | 18          | 38        | 19        |
| Legislative proposal, subject to PAYGO: |             |           |           |
| Budget Authority .....                  | .....       | .....     | 178       |
| Total:                                  |             |           |           |
| Budget Authority .....                  | 22          | 41        | 201       |
| Outlays .....                           | 18          | 38        | 19        |

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

|   |  |             |           |           |
|---|--|-------------|-----------|-----------|
| Identification code 91-0206-0-1-502                         |  | 2011 actual | 2012 est. | 2013 est. |
| Direct loan levels supportable by subsidy budget authority: |  |             |           |           |
| 115001  | TEACH Grants .....                               | 169         | 178       | 196       |
| 115999  | Total direct loan levels .....                   | 169         | 178       | 196       |
| Direct loan subsidy (in percent):                           |  |             |           |           |
| 132001  | TEACH Grants .....                               | 13.31       | 11.69     | 11.71     |
| 132999  | Weighted average subsidy rate .....              | 13.31       | 11.69     | 11.71     |
| Direct loan subsidy budget authority:                       |  |             |           |           |
| 133001  | TEACH Grants .....                               | 22          | 21        | 23        |
| 133999  | Total subsidy budget authority .....             | 22          | 21        | 23        |
| Direct loan subsidy outlays:                                |  |             |           |           |
| 134001  | TEACH Grants .....                               | 17          | 18        | 19        |
| 134999  | Total subsidy outlays .....                      | 17          | 18        | 19        |
| Direct loan upward reestimates:                             |  |             |           |           |
| 135001  | TEACH Grants .....                               | .....       | 20        | .....     |
| 135999  | Total upward reestimate budget authority .....   | .....       | 20        | .....     |
| Direct loan downward reestimates:                           |  |             |           |           |
| 137001  | TEACH Grants .....                               | -6          | .....     | .....     |
| 137999  | Total downward reestimate budget authority ..... | -6          | .....     | .....     |

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

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

The 2013 Budget proposes to overhaul the TEACH Grant program, as of the end of the 2012-2013 academic year, and replace

TEACHER EDUCATION ASSISTANCE—Continued

it with a new, targeted teacher recruitment and retention program called the Presidential Teaching Fellows. This new program would provide grants to States that meet certain conditions to supply scholarships of up to \$10,000 to talented individuals attending the most effective programs in the State. These individuals would commit to teaching for at least three years in a high-need school and subject. To be eligible for funds, States would measure the effectiveness of their teacher preparation programs based on student achievement data of their graduates, among other measures, hold teacher preparation programs accountable for results, and upgrade licensure and certification standards.

TEACHER EDUCATION ASSISTANCE  
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 91-0206-4-1-502         | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>     |             |           |           |
| 0002  |             |           | 190       |
| Presidential Teaching Fellows               |             |           |           |
| Credit program obligations:                 |             |           |           |
| 0701  |             |           | -12       |
| Direct loan subsidy                         |             |           |           |
| 0791  |             |           | -12       |
| Direct program activities, subtotal         |             |           |           |
| 0900  |             |           | 178       |
| Total new obligations (object class 41.0)   |             |           |           |
| <b>Budgetary Resources:</b>                 |             |           |           |
| Budget authority:                           |             |           |           |
| Appropriations, mandatory:                  |             |           |           |
| 1200  |             |           | -12       |
| Appropriation (indefinite) - Loan Subsidy   |             |           |           |
| 1200  |             |           | 190       |
| Appropriation Presidential Teaching Fellows |             |           |           |
| 1260  |             |           | 178       |
| Appropriations, mandatory (total)           |             |           |           |
| 1930  |             |           | 178       |
| Total budgetary resources available         |             |           |           |
| <b>Change in obligated balance:</b>         |             |           |           |
| 3030  |             |           | 178       |
| Obligations incurred, unexpired accounts    |             |           |           |
| Obligated balance, end of year (net):       |             |           |           |
| 3090  |             |           | 178       |
| Unpaid obligations, end of year (gross)     |             |           |           |
| 3100  |             |           | 178       |
| Obligated balance, end of year (net)        |             |           |           |
| <b>Budget authority and outlays, net:</b>   |             |           |           |
| Mandatory:                                  |             |           |           |
| 4090  |             |           | 178       |
| Budget authority, gross                     |             |           |           |
| 4180  |             |           | 178       |
| Budget authority, net (total)               |             |           |           |

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

| Identification code 91-0206-4-1-502                         | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: |             |           |           |
| 115001  |             |           | -99       |
| TEACH Grants  |             |           |           |
| 115999  |             |           | -99       |
| Total direct loan levels                                    |             |           |           |
| Direct loan subsidy (in percent):                           |             |           |           |
| 132001  |             |           | -0.82     |
| TEACH Grants  |             |           |           |
| 132999  |             |           | -0.82     |
| Weighted average subsidy rate                               |             |           |           |
| Direct loan subsidy budget authority:                       |             |           |           |
| 133001  |             |           | -12       |
| TEACH Grants  |             |           |           |
| 133999  |             |           | -12       |
| Total subsidy budget authority                              |             |           |           |
| Direct loan subsidy outlays:                                |             |           |           |
| 134001  |             |           | -6        |
| TEACH Grants  |             |           |           |
| 134999  |             |           | -6        |
| Total subsidy outlays                                       |             |           |           |

TEACH GRANT FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 91-4290-0-3-502                                    | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                                |             |           |           |
| Credit program obligations:  |             |           |           |
| 0710   | 169         | 178       | 196       |
| Direct loan obligations  |             |           |           |
| 0713   | 9           | 16        | 22        |
| Payment of interest to Treasury  |             |           |           |
| 0742   | 6           |           |           |
| Downward reestimate paid to receipt account                            |             |           |           |
| 0900   | 184         | 194       | 218       |
| Total new obligations  |             |           |           |
| <b>Budgetary Resources:</b>  |             |           |           |
| Unobligated balance:   |             |           |           |
| 1000   |             |           | 12        |
| Unobligated balance brought forward, Oct 1                             |             |           |           |
| 1021   | 1           | 24        | 26        |
| Recoveries of prior year unpaid obligations                            |             |           |           |
| 1023   | -1          |           |           |
| Unobligated balances applied to repay debt                             |             |           |           |
| 1024   |             | -24       | -26       |
| Unobligated balance of borrowing authority withdrawn                   |             |           |           |
| 1050   |             |           | 12        |
| Unobligated balance (total)  |             |           |           |
| Financing authority:   |             |           |           |
| Borrowing authority, mandatory:  |             |           |           |
| 1400   | 160         | 176       | 194       |
| Borrowing authority  |             |           |           |
| 1440   | 160         | 176       | 194       |
| Borrowing authority, mandatory (total)                                 |             |           |           |
| Spending authority from offsetting collections, mandatory:             |             |           |           |
| 1800   | 24          | 45        | 31        |
| Collected  |             |           |           |
| 1801   |             | 5         | 6         |
| Change in uncollected payments, Federal sources                        |             |           |           |
| 1825   |             |           | -15       |
| Spending authority from offsetting collections applied to repay debt   |             |           |           |
| 1850   | 24          | 30        | 22        |
| Spending auth from offsetting collections, mand (total)                |             |           |           |
| 1900   | 184         | 206       | 216       |
| Financing authority (total)  |             |           |           |
| 1930   | 184         | 206       | 228       |
| Total budgetary resources available                                    |             |           |           |
| Memorandum (non-add) entries:  |             |           |           |
| 1941   |             | 12        | 10        |
| Unexpired unobligated balance, end of year                             |             |           |           |
| <b>Change in obligated balance:</b>                                    |             |           |           |
| Obligated balance, start of year (net):                                |             |           |           |
| 3000   | 46          | 87        | 49        |
| Unpaid obligations, brought forward, Oct 1 (gross)                     |             |           |           |
| 3010   | -4          | -4        | -9        |
| Uncollected pymts, Fed sources, brought forward, Oct 1                 |             |           |           |
| 3020   | 42          | 83        | 40        |
| Obligated balance, start of year (net)                                 |             |           |           |
| 3030   | 184         | 194       | 218       |
| Obligations incurred, unexpired accounts                               |             |           |           |
| 3040   | -142        | -208      | -211      |
| Financing disbursements (gross)  |             |           |           |
| 3050   |             | -5        | -6        |
| Change in uncollected pymts, Fed sources, unexpired                    |             |           |           |
| 3080   | -1          | -24       | -26       |
| Recoveries of prior year unpaid obligations, unexpired                 |             |           |           |
| Obligated balance, end of year (net):                                  |             |           |           |
| 3090   | 87          | 49        | 30        |
| Unpaid obligations, end of year (gross)                                |             |           |           |
| 3091   | -4          | -9        | -15       |
| Uncollected pymts, Fed sources, end of year                            |             |           |           |
| 3100   | 83          | 40        | 15        |
| Obligated balance, end of year (net)                                   |             |           |           |
| <b>Financing authority and disbursements, net:</b>                     |             |           |           |
| Mandatory:   |             |           |           |
| 4090   | 184         | 206       | 216       |
| Financing authority, gross   |             |           |           |
| Financing disbursements:   |             |           |           |
| 4110   | 142         | 208       | 211       |
| Financing disbursements, gross   |             |           |           |
| Offsets against gross financing authority and disbursements:           |             |           |           |
| Offsetting collections (collected) from:                               |             |           |           |
| 4120   |             | -18       |           |
| Upward Reestimate  |             |           |           |
| 4120   |             | -2        |           |
| Upward Reestimate, interest  |             |           |           |
| 4120   | -18         | -18       | -19       |
| Subsidy from Program Account   |             |           |           |
| 4122   | -3          |           |           |
| Interest on uninvested funds   |             |           |           |
| 4123   | -3          | -4        | -7        |
| Payment of Principal   |             |           |           |
| 4123   |             | -3        | -5        |
| Interest Received  |             |           |           |
| 4130   |             |           | -31       |
| Offsets against gross financing auth and disbursements (total)         |             |           |           |
| 4140   |             | -5        | -6        |
| Additional offsets against financing authority only (total):           |             |           |           |
| Change in uncollected pymts, Fed sources, unexpired                    |             |           |           |
| 4160   | 160         | 156       | 179       |
| Financing authority, net (mandatory)                                   |             |           |           |
| 4170   | 118         | 163       | 180       |
| Financing disbursements, net (mandatory)                               |             |           |           |
| 4180   | 160         | 156       | 179       |
| Financing authority, net (total)                                       |             |           |           |
| 4190   | 118         | 163       | 180       |
| Financing disbursements, net (total)                                   |             |           |           |
| <b>Status of Direct Loans (in millions of dollars)</b>                 |             |           |           |
| Identification code 91-4290-0-3-502                                    |             |           |           |
| Position with respect to appropriations act limitation on obligations: |             |           |           |
| 1131   | 169         | 178       | 196       |
| Direct loan obligations exempt from limitation                         |             |           |           |
| 1150   | 169         | 178       | 196       |
| Total direct loan obligations  |             |           |           |

|   |  |     |     |     |
|---|--|-----|-----|-----|
| Cumulative balance of direct loans outstanding: |  |     |     |     |
| 1210  | Outstanding, start of year .....               | 153 | 278 | 423 |
| 1231  | Disbursements: Direct loan disbursements ..... | 127 | 149 | 165 |
| 1251  | Repayments: Repayments and prepayments .....   | -2  | -4  | -7  |
| 1290  | Outstanding, end of year .....                 | 278 | 423 | 581 |

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 the TEACH Grant program. Amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

|   |   |             |             |  |
|---|---|-------------|-------------|--|
| Identification code 91-4290-0-3-502                               |   |             |             |  |
|   |   | 2010 actual | 2011 actual |  |
| <b>ASSETS:</b>  |   |             |             |  |
| 1101  | Federal assets: Fund balances with Treasury .....         | 14          | 28          |  |
| Net value of assets related to post-1991 direct loans receivable: |   |             |             |  |
| 1401  | Direct loans receivable, gross .....                      | 153         | 278         |  |
| 1402  | Interest receivable .....                                 | 9           | 22          |  |
| 1405  | Allowance for subsidy cost (-) .....                      | -25         | -46         |  |
| 1499  | Net present value of assets related to direct loans ..... | 137         | 254         |  |
| 1999  | Total assets .....  | 151         | 282         |  |
| <b>LIABILITIES:</b>   |   |             |             |  |
| Federal liabilities:  |   |             |             |  |
| 2101  | Accounts payable .....                                    | 1           |             |  |
| 2103  | Debt .....  | 150         | 282         |  |
| 2999  | Total liabilities .....                                   | 151         | 282         |  |
| 4999  | Total liabilities and net position .....                  | 151         | 282         |  |

**TEACH GRANT FINANCING ACCOUNT**  
(Legislative proposal, subject to PAYGO)

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

|  |   |             |           |           |
|--|---|-------------|-----------|-----------|
| Identification code 91-4290-4-3-502                        |   |             |           |           |
|  |   | 2011 actual | 2012 est. | 2013 est. |
| <b>Obligations by program activity:</b>                    |   |             |           |           |
| Credit program obligations:                                |   |             |           |           |
| 0710   | Direct loan obligations .....                                 |             |           | -99       |
| 0713   | Payment of interest to Treasury .....                         |             |           | -1        |
| 0900   | Total new obligations .....                                   |             |           | -100      |
| <b>Budgetary Resources:</b>                                |   |             |           |           |
| Unobligated balance:                                       |   |             |           |           |
| 1021   | Recoveries of prior year unpaid obligations .....             |             |           | -13       |
| 1024   | Unobligated balance of borrowing authority withdrawn .....    |             |           | 13        |
| Financing authority:                                       |   |             |           |           |
| Borrowing authority, mandatory:                            |   |             |           |           |
| 1400   | Borrowing authority .....                                     |             |           | -95       |
| 1440   | Borrowing authority, mandatory (total) .....                  |             |           | -95       |
| Spending authority from offsetting collections, mandatory: |   |             |           |           |
| 1800   | Collected .....   |             |           | -6        |
| 1801   | Change in uncollected payments, Federal sources .....         |             |           | -5        |
| 1850   | Spending auth from offsetting collections, mand (total) ..... |             |           | -11       |
| 1900   | Financing authority (total) .....                             |             |           | -106      |
| 1930   | Total budgetary resources available .....                     |             |           | -106      |
| Memorandum (non-add) entries:                              |   |             |           |           |
| 1941   | Unexpired unobligated balance, end of year .....              |             |           | -6        |
| <b>Change in obligated balance:</b>                        |   |             |           |           |
| 3030   | Obligations incurred, unexpired accounts .....                |             |           | -100      |
| 3040   | Financing disbursements (gross) .....                         |             |           | 106       |
| 3050   | Change in uncollected pymts, Fed sources, unexpired .....     |             |           | 5         |
| 3080   | Recoveries of prior year unpaid obligations, unexpired .....  |             |           | 13        |
| Obligated balance, end of year (net):                      |   |             |           |           |
| 3090   | Unpaid obligations, end of year (gross) .....                 |             |           | 19        |
| 3091   | Uncollected pymts, Fed sources, end of year .....             |             |           | 5         |
| 3100   | Obligated balance, end of year (net) .....                    |             |           | 24        |
| <b>Financing authority and disbursements, net:</b>         |   |             |           |           |
| Mandatory:   |   |             |           |           |
| 4090   | Financing authority, gross .....                              |             |           | -106      |
| Financing disbursements:                                   |   |             |           |           |
| 4110   | Financing disbursements, gross .....                          |             |           | -106      |

|  |   |  |  |      |
|--|---|--|--|------|
| Offsets against gross financing authority and disbursements: |   |  |  |      |
| Offsetting collections (collected) from:                     |   |  |  |      |
| 4120   | Subsidy from Program Account .....                        |  |  | 6    |
| Additional offsets against financing authority only (total): |   |  |  |      |
| 4140   | Change in uncollected pymts, Fed sources, unexpired ..... |  |  | 5    |
| 4160   | Financing authority, net (mandatory) .....                |  |  | -95  |
| 4170   | Financing disbursements, net (mandatory) .....            |  |  | -100 |
| 4180   | Financing authority, net (total) .....                    |  |  | -95  |
| 4190   | Financing disbursements, net (total) .....                |  |  | -100 |

**Status of Direct Loans** (in millions of dollars)

|  |  |             |           |           |
|--|--|-------------|-----------|-----------|
| Identification code 91-4290-4-3-502                                    |  |             |           |           |
|  |  | 2011 actual | 2012 est. | 2013 est. |
| Position with respect to appropriations act limitation on obligations: |  |             |           |           |
| 1131   | Direct loan obligations exempt from limitation ..... |             |           | -99       |
| 1150   | Total direct loan obligations .....                  |             |           | -99       |
| Cumulative balance of direct loans outstanding:                        |  |             |           |           |
| 1210   | Outstanding, start of year .....                     |             |           |           |
| 1231   | Disbursements: Direct loan disbursements .....       |             |           | -45       |
| 1251   | Repayments: Repayments and prepayments .....         |             |           |           |
| 1290   | Outstanding, end of year .....                       |             |           | -45       |

**STUDENT FINANCIAL ASSISTANCE DEBT COLLECTION**

**Special and Trust Fund Receipts** (in millions of dollars)

|                                     |  |             |           |           |
|-------------------------------------|--|-------------|-----------|-----------|
| Identification code 91-5557-0-2-502 |  |             |           |           |
|                                     |  | 2011 actual | 2012 est. | 2013 est. |
| 0100                                | Balance, start of year .....                       |             |           |           |
| Receipts:                           |  |             |           |           |
| 0220                                | Student Financial Assistance Debt Collection ..... | 10          | 10        | 10        |
| 0400                                | Total: Balances and collections .....              | 10          | 10        | 10        |
| Appropriations:                     |  |             |           |           |
| 0500                                | Student Financial Assistance Debt Collection ..... | -10         | -10       | -10       |
| 0799                                | Balance, end of year .....                         |             |           |           |

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

|   |  |             |           |           |
|---|--|-------------|-----------|-----------|
| Identification code 91-5557-0-2-502     |  |             |           |           |
|   |  | 2011 actual | 2012 est. | 2013 est. |
| <b>Obligations by program activity:</b> |  |             |           |           |
| 0001                                    | Student Financial Assistance Debt Collection .....             | 5           | 5         | 5         |
| 0900                                    | Total new obligations (object class 25.2) .....                | 5           | 5         | 5         |
| <b>Budgetary Resources:</b>             |  |             |           |           |
| Unobligated balance:                    |  |             |           |           |
| 1000                                    | Unobligated balance brought forward, Oct 1 .....               | 16          | 16        | 15        |
| 1021                                    | Recoveries of prior year unpaid obligations .....              | 1           |           |           |
| 1022                                    | Capital transfer of unobligated balances to general fund ..... | -6          | -6        | -6        |
| 1050                                    | Unobligated balance (total) .....                              | 11          | 10        | 9         |
| Budget authority:                       |  |             |           |           |
| Appropriations, mandatory:              |  |             |           |           |
| 1201                                    | Appropriation (special or trust fund) .....                    | 10          | 10        | 10        |
| 1260                                    | Appropriations, mandatory (total) .....                        | 10          | 10        | 10        |
| 1930                                    | Total budgetary resources available .....                      | 21          | 20        | 19        |
| Memorandum (non-add) entries:           |  |             |           |           |
| 1941                                    | Unexpired unobligated balance, end of year .....               | 16          | 15        | 14        |
| <b>Change in obligated balance:</b>     |  |             |           |           |
| Obligated balance, start of year (net): |  |             |           |           |
| 3000                                    | Unpaid obligations, brought forward, Oct 1 (gross) .....       | 1           | 1         | 1         |
| 3030                                    | Obligations incurred, unexpired accounts .....                 | 5           | 5         | 5         |
| 3040                                    | Outlays (gross) .....  | -4          | -5        | -5        |
| 3080                                    | Recoveries of prior year unpaid obligations, unexpired .....   | -1          |           |           |
| Obligated balance, end of year (net):   |  |             |           |           |
| 3090                                    | Unpaid obligations, end of year (gross) .....                  | 1           | 1         | 1         |
| 3100                                    | Obligated balance, end of year (net) .....                     | 1           | 1         | 1         |

**Budget authority and outlays, net:**

|                 |                                       |    |    |    |
|-----------------|---------------------------------------|----|----|----|
| Mandatory:      |                                       |    |    |    |
| 4090            | Budget authority, gross .....         | 10 | 10 | 10 |
| Outlays, gross: |                                       |    |    |    |
| 4101            | Outlays from mandatory balances ..... | 4  | 5  | 5  |

STUDENT FINANCIAL ASSISTANCE DEBT COLLECTION—Continued  
Program and Financing—Continued

| Identification code 91-5557-0-2-502      | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| 4180 Budget authority, net (total) ..... | 10          | 10        | 10        |
| 4190 Outlays, net (total) .....          | 4           | 5         | 5         |

FEDERAL STUDENT LOAN RESERVE FUND

Program and Financing (in millions of dollars)

| Identification code 91-4257-0-3-502                                  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                              |             |           |           |
| 0102 Obligations, non-Federal .....                                  | 12,201      | 8,045     | 7,353     |
| 0900 Total new obligations (object class 42.0) .....                 | 12,201      | 8,045     | 7,353     |
| <b>Budgetary Resources:</b>  |             |           |           |
| Unobligated balance:   |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1 .....                | 2,965       | 1,664     | 1,392     |
| 1020 Adjustment of unobligated bal brought forward, Oct 1 .....      | -886        |           |           |
| 1050 Unobligated balance (total) .....                               | 2,079       | 1,664     | 1,392     |
| Budget authority:  |             |           |           |
| Spending authority from offsetting collections, mandatory:           |             |           |           |
| 1800 Collected .....   | 11,786      | 7,773     | 7,109     |
| 1850 Spending auth from offsetting collections, mand (total) .....   | 11,786      | 7,773     | 7,109     |
| 1930 Total budgetary resources available .....                       | 13,865      | 9,437     | 8,501     |
| Memorandum (non-add) entries:  |             |           |           |
| 1941 Unexpired unobligated balance, end of year .....                | 1,664       | 1,392     | 1,148     |
| <b>Change in obligated balance:</b>                                  |             |           |           |
| 3030 Obligations incurred, unexpired accounts .....                  | 12,201      | 8,045     | 7,353     |
| 3040 Outlays (gross) .....   | -12,201     | -8,045    | -7,353    |
| <b>Budget authority and outlays, net:</b>                            |             |           |           |
| Mandatory:   |             |           |           |
| 4090 Budget authority, gross .....                                   | 11,786      | 7,773     | 7,109     |
| Outlays, gross:  |             |           |           |
| 4100 Outlays from new mandatory authority .....                      | 11,786      | 7,773     | 7,109     |
| 4101 Outlays from mandatory balances .....                           | 415         | 272       | 244       |
| 4110 Outlays, gross (total) .....                                    | 12,201      | 8,045     | 7,353     |
| Offsets against gross budget authority and outlays:                  |             |           |           |
| Offsetting collections (collected) from:                             |             |           |           |
| 4120 Federal sources .....   | -11,607     | -7,615    | -6,956    |
| 4123 Non-Federal sources .....                                       | -179        | -158      | -153      |
| 4130 Offsets against gross budget authority and outlays (total) .... | -11,786     | -7,773    | -7,109    |
| 4170 Outlays, net (mandatory) .....                                  | 415         | 272       | 244       |
| 4190 Outlays, net (total) .....                                      | 415         | 272       | 244       |

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

Balance Sheet (in millions of dollars)

| Identification code 91-4257-0-3-502                    | 2010 actual | 2011 actual |
|--|-------------|-------------|
| <b>ASSETS:</b>   |             |             |
| 1101 Federal assets: Fund balances with Treasury ..... | 2,965       | 1,664       |
| 1999 Total assets .....                                | 2,965       | 1,664       |
| <b>NET POSITION:</b>                                   |             |             |
| 3300 Cumulative results of operations .....            | 2,965       | 1,664       |
| 4999 Total liabilities and net position .....          | 2,965       | 1,664       |

FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 91-0243-0-1-502                           | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                       |             |           |           |
| Credit program obligations:                                   |             |           |           |
| 0705 Reestimates of direct loan subsidy .....                 | 2,325       | 6,614     |           |
| 0706 Interest on reestimates of direct loan subsidy .....     | 457         | 303       |           |
| 0900 Total new obligations (object class 41.0) .....          | 2,782       | 6,917     |           |
| <b>Budgetary Resources:</b>                                   |             |           |           |
| Budget authority:   |             |           |           |
| Appropriations, mandatory:                                    |             |           |           |
| 1200 Appropriation (indefinite) - Upward reestimate .....     | 2,782       | 6,917     |           |
| 1260 Appropriations, mandatory (total) .....                  | 2,782       | 6,917     |           |
| 1930 Total budgetary resources available .....                | 2,782       | 6,917     |           |
| <b>Change in obligated balance:</b>                           |             |           |           |
| Obligated balance, start of year (net):                       |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) ..... | 11          | 6         |           |
| 3030 Obligations incurred, unexpired accounts .....           | 2,782       | 6,917     |           |
| 3040 Outlays (gross) .....                                    | -2,787      | -6,923    |           |
| Obligated balance, end of year (net):                         |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....            | 6           |           |           |
| 3100 Obligated balance, end of year (net) .....               | 6           |           |           |
| <b>Budget authority and outlays, net:</b>                     |             |           |           |
| Mandatory:  |             |           |           |
| 4090 Budget authority, gross .....                            | 2,782       | 6,917     |           |
| Outlays, gross:   |             |           |           |
| 4100 Outlays from new mandatory authority .....               | 2,782       | 6,917     |           |
| 4101 Outlays from mandatory balances .....                    | 5           | 6         |           |
| 4110 Outlays, gross (total) .....                             | 2,787       | 6,923     |           |
| 4180 Budget authority, net (total) .....                      | 2,782       | 6,917     |           |
| 4190 Outlays, net (total) .....                               | 2,787       | 6,923     |           |

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

| Identification code 91-0243-0-1-502                         | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: |             |           |           |
| 115001 Stafford .....                                       | 49,631      | 41,186    | 36,995    |
| 115002 Unsubsidized Stafford .....                          | 60,470      | 68,052    | 77,114    |
| 115003 PLUS .....   | 20,080      | 21,971    | 24,054    |
| 115004 Consolidation .....                                  | 26,292      | 63,608    | 28,544    |
| 115999 Total direct loan levels .....                       | 156,473     | 194,817   | 166,707   |
| Direct loan subsidy (in percent):                           |             |           |           |
| 132001 Stafford .....                                       | 5.25        | -0.75     | -6.05     |
| 132002 Unsubsidized Stafford .....                          | -25.89      | -28.26    | -28.38    |
| 132003 PLUS .....   | -30.32      | -32.83    | -32.66    |
| 132004 Consolidation .....                                  | -9.97       | -8.70     | -12.30    |
| 132999 Weighted average subsidy rate .....                  | -13.91      | -16.57    | -21.29    |
| Direct loan subsidy budget authority:                       |             |           |           |
| 133001 Stafford .....                                       | 2,605       | -309      | -2,238    |
| 133002 Unsubsidized Stafford .....                          | -15,656     | -19,231   | -21,885   |
| 133003 PLUS .....   | -6,088      | -7,213    | -7,856    |
| 133004 Consolidation .....                                  | -2,621      | -5,534    | -3,511    |
| 133999 Total subsidy budget authority .....                 | -21,760     | -32,287   | -35,490   |
| Direct loan subsidy outlays:                                |             |           |           |
| 134001 Stafford .....                                       | 2,585       | 454       | -1,474    |
| 134002 Unsubsidized Stafford .....                          | -12,150     | -15,378   | -18,479   |
| 134003 PLUS .....   | -4,889      | -6,209    | -7,156    |
| 134004 Consolidation .....                                  | -2,577      | -5,523    | -3,487    |
| 134999 Total subsidy outlays .....                          | -17,031     | -26,656   | -30,596   |
| Direct loan upward reestimates:                             |             |           |           |
| 135005 Federal Direct Student Loans .....                   | 2,782       | 6,917     |           |
| 135999 Total upward reestimate budget authority .....       | 2,782       | 6,917     |           |
| Direct loan downward reestimates:                           |             |           |           |
| 137005 Federal Direct Student Loans .....                   | -8,471      | -1,351    |           |
| 137999 Total downward reestimate budget authority .....     | -8,471      | -1,351    |           |

The Federal Government currently operates two major student loan programs: the Federal Family Education Loan (FFEL) program and the William D. Ford Federal Direct Loan (Direct Loan)

program. The Health Care and Education Reconciliation Act of 2010 (HCERA) eliminated the authorization to originate new FFEL loans. Starting July 1, 2010, all new loans are originated in the Direct Loan program. This summary section outlines the structure of these two programs and provides text tables displaying program cost data; loan volume, subsidy, default, and interest rates; and other descriptive information.

From its inception in 1965 through the end of June 2010, the FFEL program provided almost \$899 billion in loans to postsecondary students and their parents. Although no new FFEL loans will be originated, billions of outstanding FFEL loans will continue to be served by lenders. Since July 1, 1994, the Direct Loan program has provided nearly \$527 billion in new and consolidation loans to students and parents. The Direct Loan program will make over \$120.8 billion in new loans available in 2013.

Loan capital in the FFEL program was provided by private lenders, facilitated by the Federal guarantee on the loans. For the outstanding FFEL portfolio, 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 Budget proposes two technical changes to the guaranty agencies' compensation via the retention of loan rehabilitation funds: eliminating their current retention share of the original defaulted student loan amount, and reducing the fee they can charge to borrower on the borrower's outstanding balance to 16 percent. This policy requires agencies to send the rehabilitated loans to the Department of Education if they cannot find a private lender buyer, but maintains their right to the 16 percent collection fee. The Government also pays interest subsidies to lenders for certain borrowers, as well as most costs associated with loan defaults and other write-offs.

Under the Direct Loan program, the Federal Government provides loan capital through the Treasury while loan origination and servicing is handled by private-sector companies under performance-based contracts with the Department. The Direct Loan program began operation in academic year 1994–1995 with seven percent of overall loan volume but will originate all future loans.

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

For Stafford Loans, the College Cost Reduction and Access Act of 2007 (CCRAA) included a phased interest rate reduction for new Stafford Loans, with fixed rates dropping to 3.4 percent on July 1, 2011, and rising to 6.8 percent on July 1, 2012. Interest payments for these loans are fully subsidized by the Government while a student is in school and during grace and deferment periods. In light of current economic conditions, the Budget proposes to maintain the current 3.4 percent interest rate through July 1, 2013. The Budget Control Act of 2011 eliminated the availability of Stafford loans for graduate and professional students as of July 1, 2012. Annual and cumulative loan limits have been raised in the unsubsidized Stafford program to maintain these loan limits at their amounts prior to this legislative change. The Consolidated Appropriations Act, 2012 authorized that interest on Stafford loans issued between July 1, 2012 and July 1, 2014 will begin to accrue during the 6-month grace period after a borrower leaves school. The 2013 President's Budget proposes to further reduce the availability of the interest subsidy to bor-

rowers who borrow for more than 150 percent of their program length. Beyond the 150 percent point, interest would begin to accrue.

Borrower interest rates on new Unsubsidized Stafford loans are fixed at 6.8 percent. The fixed borrower interest rate on PLUS loans is 7.9 percent.

For loans previously originated in the FFEL program, lenders may receive an interest subsidy, commonly known as a special allowance payment, from the Government to ensure a guaranteed rate of return on the loans. Special allowance payments vary by loan type, are determined quarterly, and are based on current borrower interest rates and market-yield formulas. For periods when the borrower interest rate exceeds the special allowance rate on loans made on or after April 1, 2006, lenders remit the difference to the Government. Special allowance rates differ for for-profit and not-for-profit loan holders. For Stafford and Unsubsidized Stafford loans made on or after October 1, 2007, for example, the Federal Government must pay lenders a special allowance if the average 3-month commercial paper rate for a given quarter plus 1.79 percent for for-profit holders, or 1.94 percent for not-for-profit holders, is higher than the current interest rate charged to borrowers. The guarantee percentage paid to lenders on most defaults is 97 percent of unpaid loan principal (including any accrued interest on the full loan principal). The 2012 Appropriations Act gave holders of Federal student loans the option to change the basis for the special allowance calculation from commercial paper to the London Interbank Offered Rate (LIBOR) beginning April 1, 2012.

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 Consolidation loans equals the weighted average of the interest rate on the loans consolidated, rounded up to the nearest one-eighth of one percent. Interest rates for new Consolidation Loans are capped at 8.25 percent. The Consolidation estimate in 2012 reflects a special, one-time, six-month program (January to June 2012) to encourage students who have both a FFEL and a Direct Loan to consolidate their loans into one Direct Loan. As an incentive to do so, qualified borrowers would be eligible for a 0.25 percent interest rate reduction. This program accounts for approximately \$38 billion out of the \$63 billion in total Consolidation activity during 2012.

Direct Loan origination fees are 1 percent. Loans are discharged when borrowers die, are totally and permanently disabled, or under some circumstances, declare bankruptcy.

New borrowers after October 1, 1998, who are employed as teachers in schools serving low-income populations for five consecutive, complete school years, qualify for up to \$5,000 in loan forgiveness; this benefit is increased to \$17,500 for mathematics, science, and special education teachers considered highly qualified under criteria established in the Elementary and Secondary Education Act.

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

FFEL borrowers may choose from among four repayment plans. Repayment periods under standard, graduated, and income-sensitive repayment may not exceed 10 years. An extended repayment plan of up to 25 years is available for new borrowers with

FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT—Continued  
outstanding loans totaling more than \$30,000. FFEL borrowers may change repayment plans annually. Borrowers under Direct Loans may choose from the same repayment plans available in FFEL, except that instead of the income-sensitive repayment plan an income-contingent repayment is available (with terms similar to the new income-based repayment plan). Direct Loan borrowers may switch between repayment plans at any time.

In addition, since July 1, 2009, qualifying student borrowers may choose an income-based repayment plan under which monthly loan payments (except Parent PLUS) are based on the borrower's income and outstanding balances, if any, are forgiven after 25 years in repayment. (In the first three years, an interest subsidy is available for Stafford Loans and the Stafford portion of Consolidation Loans.) Monthly loan payments can be up to 15 percent of a borrower's prior-year income. (Payments cannot exceed the amount calculated under the Standard 10-year repayment option.) Beginning July 1, 2014, new loans will be eligible for a reduced maximum assessment rate of 10 percent of prior-year income with a maximum of 20 years in repayment. In October 2011, the President announced a plan that, starting in 2012, would allow about 1.6 million students to take advantage of a similar option even earlier.

The following tables display performance indicators and program data; including projected overall Direct Loan and FFEL costs; and summary of default rates.

#### Federal Budget Authority and Outlays

(in thousands of dollars)

|  | 2011 actual  | 2012 est.    | 2013 est.    |
|--|--------------|--------------|--------------|
| Program Cost:                            |              |              |              |
| FFEL:                                    |              |              |              |
| Liquidating <sup>1</sup> .....           | (268,797)    | (409,628)    | (334,797)    |
| Program:                                 |              |              |              |
| Net Reestimate of Prior Year Costs ..... | (24,492,931) | (15,164,122) | 0            |
| Net Modification <sup>2</sup> .....      | 0            | 249,710      | (3,390,397)  |
| Subtotal, Program .....                  | (24,492,931) | (14,914,412) | (3,390,397)  |
| Total FFEL .....                         | (24,761,728) | (15,324,040) | (3,725,194)  |
| Direct Loans:                            |              |              |              |
| Program:                                 |              |              |              |
| New Loan Subsidies .....                 | (21,759,701) | (29,519,353) | (33,474,791) |
| Net Reestimate of Prior Year Costs ..... | (5,689,291)  | 5,566,331    | 0            |
| Net Modification <sup>2</sup> .....      | 0            | 0            | 0            |
| Total, Direct Loans .....                | (27,448,992) | (23,953,022) | (33,474,791) |
| Total, FFEL and Direct Loans .....       | (52,210,720) | (39,277,062) | (37,199,985) |
| Program Cost Outlays:                    |              |              |              |
| FFEL:                                    |              |              |              |
| Liquidating <sup>1</sup> .....           | (501,600)    | (409,628)    | (334,797)    |
| Program:                                 |              |              |              |
| Net Reestimate of Prior Year Costs ..... | (24,492,931) | (15,164,122) | 0            |
| Net Modification <sup>2</sup> .....      | 0            | 249,710      | (3,390,397)  |
| Subtotal, Program .....                  | (24,492,931) | (14,914,412) | (3,390,397)  |
| Total, FFEL .....                        | (24,994,531) | (15,324,040) | (3,725,194)  |
| Direct Loans:                            |              |              |              |
| Program:                                 |              |              |              |
| Regular .....                            | (17,031,332) | (24,835,902) | (28,709,333) |
| Net Reestimate of Prior Year Costs ..... | (5,689,291)  | 5,566,331    | 0            |
| Net Modification <sup>2</sup> .....      | 0            | 0            | 0            |
| Total, Direct Loans .....                | (22,720,623) | (19,269,571) | (28,709,333) |
| Total, FFEL and Direct Loans .....       | (47,715,155) | (34,593,611) | (32,434,526) |

<sup>1</sup>Liquidating account reflects loans made prior to 1992.

<sup>2</sup>Reflects the cost or savings associated with policy changes, including regulatory changes, those contained in the Consolidated Appropriations Act 2012, and those proposed in the 2013 President's Budget.

#### Summary of Default Rates<sup>1</sup>

(expressed as percentages)

|                | 2011 est. | 2012 est. | 2013 est. |
|----------------|-----------|-----------|-----------|
| Direct Loans:  |           |           |           |
| Stafford ..... | 16.87     | 18.97     | 20.42     |

|                                      |       |       |       |
|--------------------------------------|-------|-------|-------|
| Unsubsidized Stafford .....          | 16.44 | 14.62 | 13.80 |
| PLUS .....                           | 8.34  | 8.08  | 7.90  |
| Consolidation .....                  | 20.34 | 13.67 | 18.09 |
| Weighted Average, Direct Loans ..... | 16.11 | 14.39 | 15.14 |

<sup>1</sup>Default rates displayed in this table, which reflect projected defaults over the life of a loan cohort, are used in developing program cost estimates. The Department uses other rates based on defaults occurring in the first three years of repayment to determine institutional eligibility to participate in Federal loan programs. These three-year rates tend to be lower than those included in this table.

FFEL program payments are made to lenders (interest subsidies, loan defaults, and discharges) and guaranty agencies (default collection costs, administrative services). These payments are partially offset by borrower origination fees and lender fees for originations and an annual consolidation loan holder fee. In Direct Loans, cash outflows are primarily payments to Treasury. Cash inflows include principal and interest payments on outstanding Direct Loans.

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

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

#### Selected Program Costs and Offsets

(in thousands of dollars)

|   | 2011 actual   | 2012 est.     | 2013 est.     |
|---|---------------|---------------|---------------|
| FFEL:   |               |               |               |
| Payments to lenders .....                                 |               |               |               |
| Interest benefits .....                                   | 1,757,890     | 1,185,874     | 786,232       |
| Special allowance payments <sup>1</sup> .....             | (7,333,821)   | (4,937,351)   | (3,913,312)   |
| Default claims .....                                      | 9,563,719     | 6,761,828     | 6,140,871     |
| Loan discharges .....                                     | 2,756,000     | 953,750       | 855,702       |
| Teacher loan forgiveness .....                            | 185,251       | 185,846       | 191,989       |
| Administrative payments to guaranty agencies .....        | 214,322       | 216,890       | 189,879       |
| Fees paid to the Department of Education .....            |               |               |               |
| Borrower origination fees .....                           | (8,510)       | —             | —             |
| Lender origination fees .....                             | (18,336)      | —             | —             |
| Loan holder fees .....                                    | (2,217,342)   | (1,846,207)   | (1,581,762)   |
| Other Major Transactions .....                            |               |               |               |
| Net default collections .....                             | (8,851,143)   | (7,483,485)   | (7,313,092)   |
| Contract collection costs .....                           | 73,000        | 67,018        | 64,219        |
| Federal administrative costs .....                        | 81,537        | 73,576        | 71,345        |
| Net Cash Flow, FFEL .....                                 | (3,797,433)   | (4,822,263)   | (4,507,929)   |
| Ensuring Continued Access to Student Loans (ECASLA) ..... |               |               |               |
| Inflows .....   | (9,083,565)   | (12,012,645)  | (13,515,141)  |
| Outflows .....  | 8,977,260     | 13,335,757    | 14,168,835    |
| Federal administrative costs .....                        | 172,133       | 199,706       | 225,927       |
| Net Cash Flow, ECASLA .....                               | 65,828        | 1,522,819     | 879,621       |
| Direct Loans .....  |               |               |               |
| Loan disbursements to borrowers .....                     | 133,536,448   | 176,699,498   | 147,282,603   |
| Borrower interest payments .....                          | (3,804,961)   | (8,586,181)   | (12,556,662)  |
| Borrower principal payments .....                         | (12,221,212)  | (24,380,680)  | (37,638,217)  |
| Borrower origination fees .....                           | (1,623,287)   | (1,727,301)   | (1,845,064)   |
| Net default collections .....                             | (1,246,854)   | (2,612,585)   | (3,346,779)   |
| Contract collection costs .....                           | 293,158       | 328,055       | 282,415       |
| Federal administrative costs .....                        | 652,293       | 777,803       | 891,817       |
| Net operating cash flows .....                            | 115,595,585   | 140,498,607   | 93,070,114    |
| Loan capital borrowings from Treasury .....               | (133,536,448) | (176,699,498) | (147,282,603) |
| Net interest payments to Treasury .....                   | 10,828,019    | 21,461,263    | 27,903,833    |
| Principal payments to Treasury .....                      | 10,972,137    | 28,795,403    | 27,173,549    |
| Subtotal Treasury activity .....                          | (111,736,292) | (126,442,832) | (92,205,221)  |
| Net Cash Flow, Direct Loans .....                         | 3,859,293     | 14,055,775    | 864,893       |

Details may not sum to totals due to rounding.

<sup>1</sup>Includes Negative Special Allowance Payments.

**Student Loan Program Costs: Analysis of Direct Loans including Program and Administrative Expenses**

(expressed as percentages)

|                                     | 2011 actual | 2012 est. | 2013 est. |
|-------------------------------------|-------------|-----------|-----------|
| Direct Loans .....                  |             |           |           |
| New Loans                           |             |           |           |
| Stafford .....                      | 10.63       | 5.94      | -0.95     |
| Unsubsidized Stafford .....         | -18.60      | -28.26    | -28.38    |
| PLUS .....                          | -24.75      | -32.83    | -32.66    |
| Subtotal, new loan subsidy .....    | -8.42       | -18.29    | -21.78    |
| Federal administrative costs .....  | 1.76        | 1.72      | 1.70      |
| Subtotal, new loans .....           | -6.66       | -16.57    | -20.08    |
| Consolidation Loans                 |             |           |           |
| Loan subsidy .....                  | -7.79       | -8.68     | -11.85    |
| Federal administrative costs .....  | 0.38        | 0.38      | 0.38      |
| Subtotal, consolidation loans ..... | -7.41       | -8.30     | -11.47    |
| New and Consolidation Loans         |             |           |           |
| Loan subsidy .....                  | -8.32       | -15.15    | -20.08    |
| Federal administrative costs .....  | 1.51        | 1.24      | 1.45      |
| Total, Direct Loans .....           | -6.81       | -13.91    | -18.63    |

Totals may not add due to rounding. Subsidies are weighted on Gross Volumes.

Notes: For 2011, the rates are current; these include the actual executed rates for 2011 and the effect of re-estimates on those rates.

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

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

**Loan Disbursement and Subsidy Costs**

(amounts in billions)

|                              | FFEL     | Direct Loans |
|------------------------------|----------|--------------|
| Original Subsidy Costs ..... | +\$77.1  | -\$27.1      |
| Cumulative Reestimates ..... | -\$44.3  | +\$9.8       |
| Net Subsidy Costs .....      | +\$32.8  | -\$17.3      |
| Total Disbursements .....    | +\$898.7 | \$526.6      |

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

**Direct Loan Repayment Options**

(expressed as percentages)

|                               | 2011 actual <sup>1</sup> | 2012 est. | 2013 est. |
|-------------------------------|--------------------------|-----------|-----------|
| Subsidies by Repayment Option |                          |           |           |
| Stafford .....                |                          |           |           |
| Standard .....                | 10.37                    | 5.41      | -1.02     |
| Extended .....                | 11.24                    | 8.50      | -3.14     |
| Graduated .....               | 12.24                    | 9.63      | -2.03     |
| ICR/IBR .....                 | 17.68                    | 16.02     | 16.06     |
| Unsubsidized Stafford .....   |                          |           |           |
| Standard .....                | -18.00                   | -27.58    | -27.69    |
| Extended .....                | -28.26                   | -39.21    | -39.26    |
| Graduated .....               | -27.35                   | -38.74    | -38.95    |
| ICR/IBR .....                 | 17.57                    | 15.99     | 15.73     |
| PLUS <sup>2</sup> .....       |                          |           |           |
| Standard .....                | -22.33                   | -30.01    | -29.85    |
| Extended .....                | -38.65                   | -48.69    | -48.45    |
| Graduated .....               | -39.50                   | -50.05    | -49.90    |
| Consolidated .....            |                          |           |           |

|                 |        |        |        |
|-----------------|--------|--------|--------|
| Standard .....  | -12.47 | -8.75  | -14.84 |
| Extended .....  | -19.41 | -17.55 | -25.28 |
| Graduated ..... | -18.37 | -18.40 | -24.75 |
| ICR/IBR .....   | 19.41  | 18.93  | 19.45  |

**Direct Loan Repayment Options**

(gross volumes in millions)

| Volumes by Repayment Option | 2011 actual <sup>1</sup> | 2012 est. | 2013 est. |
|-----------------------------|--------------------------|-----------|-----------|
| Stafford .....              |                          |           |           |
| Standard .....              | 41,458                   | 36,450    | 32,741    |
| Extended .....              | 1,183                    | 1,040     | 934       |
| Graduated .....             | 3,648                    | 3,208     | 2,881     |
| ICR/IBR .....               | 556                      | 489       | 439       |
| Unsubsidized Stafford ..... |                          |           |           |
| Standard .....              | 48,376                   | 59,302    | 67,198    |
| Extended .....              | 1,736                    | 2,128     | 2,412     |
| Graduated .....             | 4,622                    | 5,665     | 6,420     |
| ICR/IBR .....               | 781                      | 957       | 1,084     |
| PLUS <sup>2</sup> .....     |                          |           |           |
| Standard .....              | 17,185                   | 18,839    | 20,625    |
| Extended .....              | 632                      | 693       | 758       |
| Graduated .....             | 2,225                    | 2,439     | 2,671     |
| Consolidated .....          |                          |           |           |
| Standard .....              | 7,364                    | 32,805    | 8,808     |
| Extended .....              | 5,812                    | 11,483    | 6,964     |
| Graduated .....             | 5,290                    | 11,491    | 6,313     |
| ICR/IBR .....               | 5,773                    | 7,830     | 6,460     |

<sup>1</sup>2011 rates are current; these include actual executed rates for 2011 and the effect of re-estimates on those rates.

<sup>2</sup>ICR/IBR are not available repayment options for PLUS loans.

**Summary of Consolidation Initiative**

(in millions of dollars)

|   | 2012 Est <sup>1</sup> |
|---|-----------------------|
| Program Cost:                                 |                       |
| Direct Loans:                                 |                       |
| New Loan Volume .....                         | 38,553                |
| New Loan Subsidy Rate .....                   | -6.85                 |
| Net Subsidy Cost .....                        | (2,641)               |
| Modification of FFEL loans <sup>2</sup> ..... | 250                   |
| Total Savings, FFEL and Direct Loans .....    | (2,391)               |

<sup>1</sup>Savings from the Consolidation loan incentive will be used to offset proposed changes to the Income-Contingent Repayment plan.

<sup>2</sup>Modification of existing FFEL loans for cohorts 1994–2010. Net of \$713 downward modification and \$963 million upward modification.

**FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT**

(Legislative proposal, subject to PAYGO)

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

| Identification code 91–0243–4–1–502         | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Direct loan subsidy (in percent):           |             |           |           |
| 132001 Stafford .....                       |             | 6.69      | 5.10      |
| 132004 Consolidation .....                  |             | 0.02      | 0.45      |
| 132999 Weighted average subsidy rate .....  |             | 1.42      | 1.21      |
| Direct loan subsidy budget authority:       |             |           |           |
| 133001 Stafford .....                       |             | 2,755     | 1,887     |
| 133004 Consolidation .....                  |             | 13        | 128       |
| 133999 Total subsidy budget authority ..... |             | 2,768     | 2,015     |
| Direct loan subsidy outlays:                |             |           |           |
| 134001 Stafford .....                       |             | 1,808     | 1,760     |
| 134004 Consolidation .....                  |             | 12        | 127       |
| 134999 Total subsidy outlays .....          |             | 1,820     | 1,887     |

**FEDERAL DIRECT STUDENT LOAN PROGRAM FINANCING ACCOUNT**

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

| Identification code 91–4253–0–3–502       | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>   |             |           |           |
| 0201 Interest rate rebate, Stafford ..... | 282         | 124       |           |

FEDERAL DIRECT STUDENT LOAN PROGRAM FINANCING ACCOUNT—Continued  
Program and Financing—Continued

| Identification code 91-4253-0-3-502   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| 0202 Interest rate rebate, Unsubsidized Stafford .....                          | 327         | 141       | .....     |
| 0203 Interest rate rebate, PLUS .....   | 123         | 168       | .....     |
| 0291 Subtotal .....   | 732         | 433       | .....     |
| 0301 Consolidation loans—Payment of Orig. Services .....                        | 29          | 124       | 27        |
| 0401 Payment of contract collection costs .....                                 | 293         | 328       | 282       |
| Credit program obligations:   |             |           |           |
| 0710 Direct loan obligations .....  | 156,473     | 194,817   | 166,707   |
| 0713 Payment of interest to Treasury .....                                      | 14,321      | 21,497    | 28,011    |
| 0740 Negative subsidy obligations .....   | 21,760      | 32,287    | 35,490    |
| 0742 Downward reestimate paid to receipt account .....                          | 7,949       | 1,103     | .....     |
| 0743 Interest on downward reestimates .....                                     | 522         | 248       | .....     |
| 0791 Direct program activities, subtotal .....                                  | 201,025     | 249,952   | 230,208   |
| 0900 Total new obligations .....  | 202,079     | 250,837   | 230,517   |
| <b>Budgetary Resources:</b>   |             |           |           |
| Unobligated balance:  |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1 .....                           | 2,334       | 1,818     | .....     |
| 1021 Recoveries of prior year unpaid obligations .....                          | 7,203       | 5,389     | 6,610     |
| 1023 Unobligated balances applied to repay debt .....                           | -3,696      | -1,818    | .....     |
| 1024 Unobligated balance of borrowing authority withdrawn .....                 | -5,803      | -5,389    | -6,610    |
| 1050 Unobligated balance (total) .....  | 38          | .....     | .....     |
| Financing authority:  |             |           |           |
| Borrowing authority, mandatory:   |             |           |           |
| 1400 Borrowing authority .....  | 186,888     | 228,456   | 202,197   |
| 1440 Borrowing authority, mandatory (total) .....                               | 186,888     | 228,456   | 202,197   |
| Spending authority from offsetting collections, mandatory:                      |             |           |           |
| 1800 Collected .....  | 25,161      | 44,225    | 55,422    |
| 1825 Spending authority from offsetting collections applied to repay debt ..... | -8,190      | -21,844   | -27,102   |
| 1850 Spending auth from offsetting collections, mand (total) .....              | 16,971      | 22,381    | 28,320    |
| 1900 Financing authority (total) .....  | 203,859     | 250,837   | 230,517   |
| 1930 Total budgetary resources available .....                                  | 203,897     | 250,837   | 230,517   |
| Memorandum (non-add) entries:   |             |           |           |
| 1941 Unexpired unobligated balance, end of year .....                           | 1,818       | .....     | .....     |
| <b>Change in obligated balance:</b>   |             |           |           |
| Obligated balance, start of year (net):   |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....                   | 55,290      | 77,058    | 95,851    |
| 3030 Obligations incurred, unexpired accounts .....                             | 202,079     | 250,837   | 230,517   |
| 3040 Financing disbursements (gross) .....                                      | -173,108    | -226,655  | -206,199  |
| 3080 Recoveries of prior year unpaid obligations, unexpired .....               | -7,203      | -5,389    | -6,610    |
| Obligated balance, end of year (net):   |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....                              | 77,058      | 95,851    | 113,559   |
| 3100 Obligated balance, end of year (net) .....                                 | 77,058      | 95,851    | 113,559   |
| <b>Financing authority and disbursements, net:</b>                              |             |           |           |
| Mandatory:  |             |           |           |
| 4090 Financing authority, gross .....   | 203,859     | 250,837   | 230,517   |
| Financing disbursements:  |             |           |           |
| 4110 Financing disbursements, gross .....                                       | 173,108     | 226,655   | 206,199   |
| Offsets against gross financing authority and disbursements:                    |             |           |           |
| Offsetting collections (collected) from:  |             |           |           |
| 4120 Upward reestimate .....  | -2,325      | -6,614    | .....     |
| 4120 Upward reestimate, interest .....  | -457        | -303      | .....     |
| 4122 Interest on uninvested funds .....   | -3,493      | .....     | .....     |
| 4123 Repayment of principal, Stafford .....                                     | -3,334      | -5,739    | -8,852    |
| 4123 Interest received on loans, Stafford .....                                 | -566        | -1,195    | -1,851    |
| 4123 Origination Fees, Stafford .....   | -625        | -388      | -318      |
| 4123 Other fees, Stafford .....   | -28         | .....     | .....     |
| 4123 Repayment of principal, Unsubsidized Stafford .....                        | -3,333      | -7,162    | -11,503   |
| 4123 Interest received on loans, Unsubsidized Stafford .....                    | -795        | -1,688    | -2,939    |
| 4123 Origination Fees, Unsubsidized Stafford .....                              | -726        | -540      | -652      |
| 4123 Other fees, Unsubsidized Stafford .....                                    | -20         | .....     | .....     |
| 4123 Repayment of principal, PLUS .....   | -2,744      | -3,814    | -6,198    |
| 4123 Interest received on loans, PLUS .....                                     | -936        | -1,712    | -2,532    |
| 4123 Origination Fees, PLUS .....   | -273        | -799      | -875      |
| 4123 Other fees, PLUS .....   | -5          | .....     | .....     |
| 4123 Payment of principal, Consolidation .....                                  | -3,497      | -9,985    | -14,072   |
| 4123 Interest received on loans, Consolidation .....                            | -1,955      | -4,286    | -5,630    |
| 4123 Other fees, Consolidation .....  | -49         | .....     | .....     |
| 4130 Offsets against gross financing auth and disbursements (total) .....       | -25,161     | -44,225   | -55,422   |
| 4160 Financing authority, net (mandatory) .....                                 | 178,698     | 206,612   | 175,095   |
| 4170 Financing disbursements, net (mandatory) .....                             | 147,947     | 182,430   | 150,777   |
| 4180 Financing authority, net (total) .....                                     | 178,698     | 206,612   | 175,095   |

|   |         |         |         |
|---|---------|---------|---------|
| 4190 Financing disbursements, net (total) ..... | 147,947 | 182,430 | 150,777 |
|---|---------|---------|---------|

Status of Direct Loans (in millions of dollars)

| Identification code 91-4253-0-3-502  | 2011 actual | 2012 est.   | 2013 est. |
|--|-------------|-------------|-----------|
| <b>STAFFORD</b>  |             |             |           |
| Position with respect to appropriations act limitation on obligations:   |             |             |           |
| 1131 Direct loan obligations exempt from limitation .....  | 49,631      | 41,186      | 36,995    |
| 1150 Total direct loan obligations .....   | 49,631      | 41,186      | 36,995    |
| Cumulative balance of direct loans outstanding:  |             |             |           |
| 1210 Outstanding, start of year .....  | 57,692      | 96,590      | 129,529   |
| 1231 Disbursements: Direct loan disbursements .....  | 41,864      | 38,812      | 31,842    |
| 1251 Repayments: Repayments and prepayments .....  | -3,334      | -5,739      | -8,852    |
| 1261 Adjustments: Capitalized interest .....   | 891         | .....       | 110       |
| 1264 Write-offs for default: Other adjustments, net (+ or -) .....   | -523        | -134        | -152      |
| 1290 Outstanding, end of year .....  | 96,590      | 129,529     | 152,477   |
| <b>UNSUBSIDIZED STAFFORD</b>   |             |             |           |
| Position with respect to appropriations act limitation on obligations:   |             |             |           |
| 1131 Direct loan obligations exempt from limitation .....  | 60,470      | 68,052      | 77,114    |
| 1150 Total direct loan obligations .....   | .....       | .....       | .....     |
| 1150 Total direct loan obligations .....   | 60,470      | 68,052      | 77,114    |
| Cumulative balance of direct loans outstanding:  |             |             |           |
| 1210 Outstanding, start of year .....  | 59,487      | 105,150     | 155,202   |
| 1231 Disbursements: Direct loan disbursements .....  | 48,617      | 54,038      | 65,189    |
| 1251 Repayments: Repayments and prepayments .....  | -3,333      | -7,162      | -11,503   |
| 1261 Adjustments: Capitalized interest .....   | 919         | 3,310       | 5,096     |
| 1264 Write-offs for default: Other adjustments, net (+ or -) .....   | -540        | -134        | -168      |
| 1290 Outstanding, end of year .....  | 105,150     | 155,202     | 213,816   |
| <b>PLUS</b>  |             |             |           |
| Position with respect to appropriations act limitation on obligations:   |             |             |           |
| 1131 Direct loan obligations exempt from limitation .....  | 20,080      | 21,971      | 24,054    |
| 1150 Total direct loan obligations .....   | .....       | .....       | .....     |
| 1150 Total direct loan obligations .....   | 20,080      | 21,971      | 24,054    |
| Cumulative balance of direct loans outstanding:  |             |             |           |
| 1210 Outstanding, start of year .....  | 19,864      | 35,531      | 52,037    |
| 1231 Disbursements: Direct loan disbursements .....  | 18,285      | 19,970      | 21,869    |
| 1251 Repayments: Repayments and prepayments .....  | -2,744      | -3,814      | -6,198    |
| 1261 Adjustments: Capitalized interest .....   | 306         | 425         | 758       |
| 1264 Write-offs for default: Other adjustments, net (+ or -) .....   | -180        | -75         | -98       |
| 1290 Outstanding, end of year .....  | 35,531      | 52,037      | 68,368    |
| <b>CONSOLIDATION</b>   |             |             |           |
| Position with respect to appropriations act limitation on obligations:   |             |             |           |
| 1131 Direct loan obligations exempt from limitation .....  | 26,292      | 63,608      | 28,544    |
| 1150 Total direct loan obligations .....   | .....       | .....       | .....     |
| 1150 Total direct loan obligations .....   | 26,292      | 63,608      | 28,544    |
| Cumulative balance of direct loans outstanding:  |             |             |           |
| 1210 Outstanding, start of year .....  | 83,479      | 104,552     | 157,726   |
| 1231 Disbursements: Direct loan disbursements .....  | 24,038      | 63,446      | 28,382    |
| 1251 Repayments: Repayments and prepayments .....  | -3,497      | -9,985      | -14,072   |
| 1261 Adjustments: Capitalized interest .....   | 1,289       | .....       | 29        |
| 1264 Write-offs for default: Other adjustments, net (+ or -) .....   | -757        | -287        | -355      |
| 1290 Outstanding, end of year .....  | 104,552     | 157,726     | 171,710   |
| <b>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 Federal Direct Student Loans. The amounts in this account are a means of financing and are not included in the budget totals.</b> |             |             |           |
| <b>Balance Sheet (in millions of dollars)</b>  |             |             |           |
| Identification code 91-4253-0-3-502  | 2010 actual | 2011 actual |           |
| <b>ASSETS:</b>   |             |             |           |
| Federal assets:  |             |             |           |
| 1101 Fund balances with Treasury .....   | 10,369      | 17,606      |           |
| Investments in US securities:  |             |             |           |
| 1106 Receivables, net .....  | 2,850       | 101         |           |
| 1206 Non-Federal assets: Receivables, net .....  | 4           | 7           |           |

|   |   |         |         |
|---|---|---------|---------|
| Net value of assets related to post-1991 direct loans receivable: |   |         |         |
| 1401  | Direct loans receivable, gross .....                      | 220,522 | 341,823 |
| 1402  | Interest receivable .....                                 | 9,655   | 13,726  |
| 1405  | Allowance for subsidy cost (-) .....                      | -1,969  | 25,905  |
| 1499  | Net present value of assets related to direct loans ..... | 228,208 | 381,454 |
| 1999  | Total assets .....  | 241,431 | 399,168 |
| <b>LIABILITIES:</b>   |   |         |         |
| Federal liabilities:  |   |         |         |
| 2101  | Accounts payable .....                                    | 145     | 3,307   |
| 2103  | Debt .....  | 237,190 | 392,374 |
| 2201  | Non-Federal liabilities: Accounts payable .....           | 4,096   | 3,487   |
| 2999  | Total liabilities .....                                   | 241,431 | 399,168 |
| 4999  | Total liabilities and net position .....                  | 241,431 | 399,168 |

|   |  |     |
|---|--|-----|
| 1290  | Outstanding, end of year .....               | -61 |
| <b>CONSOLIDATION</b>                            |  |     |
| Cumulative balance of direct loans outstanding: |  |     |
| 1210  | Outstanding, start of year .....             |     |
| 1251  | Repayments: Repayments and prepayments ..... | -3  |
| 1290  | Outstanding, end of year .....               | -3  |

**FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT**

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

| Identification code 91-0231-0-1-502       | 2011 actual   | 2012 est. | 2013 est. |
|---|---|-----------|-----------|
| <b>Obligations by program activity:</b>   |   |           |           |
| Credit program obligations:               |   |           |           |
| 0704                                      | Subsidy for modifications of loan guarantees .....      | 963       |           |
| 0705                                      | Reestimates of direct loan subsidy .....                | 29        | 716       |
| 0706                                      | Interest on reestimates of direct loan subsidy .....    | 1         | 86        |
| 0707                                      | Reestimates of loan guarantee subsidy .....             | 78        | 96        |
| 0708                                      | Interest on reestimates of loan guarantee subsidy ..... | 69        | 48        |
| 0900                                      | Total new obligations (object class 41.0) .....         | 177       | 1,909     |
| <b>Budgetary Resources:</b>               |   |           |           |
| Budget authority:                         |   |           |           |
| Appropriations, mandatory:                |   |           |           |
| 1200                                      | Appropriation .....                                     | 177       | 1,909     |
| 1260                                      | Appropriations, mandatory (total) .....                 | 177       | 1,909     |
| 1930                                      | Total budgetary resources available .....               | 177       | 1,909     |
| <b>Change in obligated balance:</b>       |   |           |           |
| 3030                                      | Obligations incurred, unexpired accounts .....          | 177       | 1,909     |
| 3040                                      | Outlays (gross) .....                                   | -177      | -1,909    |
| <b>Budget authority and outlays, net:</b> |   |           |           |
| Mandatory:                                |   |           |           |
| 4090                                      | Budget authority, gross .....                           | 177       | 1,909     |
| Outlays, gross:                           |   |           |           |
| 4100                                      | Outlays from new mandatory authority .....              | 177       | 1,909     |
| 4180                                      | Budget authority, net (total) .....                     | 177       | 1,909     |
| 4190                                      | Outlays, net (total) .....                              | 177       | 1,909     |

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

| Identification code 91-0231-0-1-502          | 2011 actual  | 2012 est. | 2013 est. |
|--|--|-----------|-----------|
| <b>Direct loan upward reestimates:</b>       |  |           |           |
| 135012                                       | Direct Standard Put Reestimates .....                    | 31        | 801       |
| 135999                                       | Total upward reestimate budget authority .....           | 31        | 801       |
| <b>Direct loan downward reestimates:</b>     |  |           |           |
| 137010                                       | Direct Participation Agreement Reestimates .....         | -5,352    | -1,621    |
| 137012                                       | Direct Standard Put Reestimates .....                    | -563      | -719      |
| 137999                                       | Total downward reestimate budget authority .....         | -5,915    | -2,340    |
| <b>Guaranteed loan subsidy outlays:</b>      |  |           |           |
| 234006                                       | FFEL Guarantees .....                                    |           | 250       |
| 234999                                       | Total subsidy outlays .....                              |           | 250       |
| <b>Guaranteed loan upward reestimates:</b>   |  |           |           |
| 235006                                       | FFEL Guarantees .....                                    | 146       | 144       |
| 235999                                       | Total upward reestimate budget authority .....           | 146       | 144       |
| <b>Guaranteed loan downward reestimates:</b> |  |           |           |
| 237006                                       | FFEL Guarantees .....                                    | -18,754   | -13,769   |
| 237999                                       | Total downward reestimate subsidy budget authority ..... | -18,754   | -13,769   |

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

**FEDERAL DIRECT STUDENT LOAN PROGRAM FINANCING ACCOUNT**

(Legislative proposal, subject to PAYGO)

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

| Identification code 91-4253-4-3-502                          | 2011 actual  | 2012 est. | 2013 est. |
|--|--|-----------|-----------|
| <b>Obligations by program activity:</b>                      |  |           |           |
| Credit program obligations:                                  |  |           |           |
| 0713   | Payment of interest to Treasury .....                                      | -35       | -107      |
| 0740   | Negative subsidy obligations .....   | -2,768    | -2,015    |
| 0900   | Total new obligations .....  | -2,803    | -2,122    |
| <b>Budgetary Resources:</b>                                  |  |           |           |
| Financing authority:   |  |           |           |
| Borrowing authority, mandatory:                              |  |           |           |
| 1400   | Borrowing authority .....  | -2,768    | -2,015    |
| 1440   | Borrowing authority, mandatory (total) .....                               | -2,768    | -2,015    |
| Spending authority from offsetting collections, mandatory:   |  |           |           |
| 1800   | Collected .....  | -1        | -35       |
| 1825   | Spending authority from offsetting collections applied to repay debt ..... | -34       | -72       |
| 1850   | Spending auth from offsetting collections, mand (total) .....              | -35       | -107      |
| 1900   | Financing authority (total) .....  | -2,803    | -2,122    |
| 1930   | Total budgetary resources available .....                                  | -2,803    | -2,122    |
| <b>Change in obligated balance:</b>                          |  |           |           |
| Obligated balance, start of year (net):                      |  |           |           |
| 3000   | Unpaid obligations, brought forward, Oct 1 (gross) .....                   |           | -947      |
| 3030   | Obligations incurred, unexpired accounts .....                             | -2,803    | -2,122    |
| 3040   | Financing disbursements (gross) .....                                      | 1,856     | 1,994     |
| Obligated balance, end of year (net):                        |  |           |           |
| 3090   | Unpaid obligations, end of year (gross) .....                              | -947      | -1,075    |
| 3100   | Obligated balance, end of year (net) .....                                 | -947      | -1,075    |
| <b>Financing authority and disbursements, net:</b>           |  |           |           |
| Mandatory:   |  |           |           |
| 4090   | Financing authority, gross .....   | -2,803    | -2,122    |
| Financing disbursements:                                     |  |           |           |
| 4110   | Financing disbursements, gross .....                                       | -1,856    | -1,994    |
| Offsets against gross financing authority and disbursements: |  |           |           |
| Offsetting collections (collected) from:                     |  |           |           |
| 4123   | Repayment of principal, Stafford .....                                     |           | -14       |
| 4123   | Repayment of interest, Stafford .....                                      |           | 42        |
| 4123   | Payment of principal, Consolidation .....                                  |           | -2        |
| 4123   | Interest received on loans, Consolidation .....                            | 1         | 9         |
| 4130   | Offsets against gross financing auth and disbursements (total) .....       | 1         | 35        |
| 4160   | Financing authority, net (mandatory) .....                                 | -2,802    | -2,087    |
| 4170   | Financing disbursements, net (mandatory) .....                             | -1,855    | -1,959    |
| 4180   | Financing authority, net (total) .....                                     | -2,802    | -2,087    |
| 4190   | Financing disbursements, net (total) .....                                 | -1,855    | -1,959    |

**Status of Direct Loans** (in millions of dollars)

| Identification code 91-4253-4-3-502             | 2011 actual                                  | 2012 est. | 2013 est. |
|---|--|-----------|-----------|
| <b>STAFFORD</b>                                 |  |           |           |
| Cumulative balance of direct loans outstanding: |  |           |           |
| 1210  | Outstanding, start of year .....             |           |           |
| 1251  | Repayments: Repayments and prepayments ..... |           | -14       |
| 1261  | Adjustments: Capitalized interest .....      |           | -47       |

**FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT—Continued**  
A description of the FFEL program and accompanying tables are included under the Federal Direct Student Loan program account.

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

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

| Identification code 91-0231-4-1-502 | 2011 actual | 2012 est. | 2013 est. |
|-------------------------------------|-------------|-----------|-----------|
| Guaranteed loan subsidy outlays:    |             |           |           |
| 234006 FFEL Guarantees              |             |           | -3,390    |
| 234999 Total subsidy outlays        |             |           | -3,390    |

**FEDERAL FAMILY EDUCATION LOAN PROGRAM FINANCING ACCOUNT**

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

| Identification code 91-4251-0-3-502              | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>          |             |           |           |
| 0101 Default claims                              | 2,535       | 1,491     | 1,161     |
| 0102 Special allowance                           | 31          | 55        | 33        |
| 0103 Interest benefits                           | 1,284       | 680       | 403       |
| 0104 Death, disability, and bankruptcy claims    | 343         | 106       | 79        |
| 0105 Teacher loan forgiveness, other write-offs  | 48          | 105       | 108       |
| 0107 Contract collection costs                   | 21          | 16        | 15        |
| 0110 Guaranty Agency account maintenance fees    | 43          | 31        | 24        |
| 0191 Subtotal, Stafford loans                    | 4,305       | 2,484     | 1,823     |
| 0202 Default claims                              | 2,280       | 1,253     | 993       |
| 0203 Special allowance                           | 27          | 57        | 34        |
| 0204 Death, disability, and bankruptcy claims    | 397         | 94        | 67        |
| 0205 Teacher loan forgiveness, other write-offs  | 75          | 81        | 84        |
| 0207 Contract collection costs                   | 7           | 8         | 9         |
| 0210 Guaranty Agency account maintenance fees    | 45          | 26        | 21        |
| 0291 Subtotal, Unsubsidized Stafford loans       | 2,831       | 1,519     | 1,208     |
| 0301 Default claims                              | 308         | 208       | 177       |
| 0304 Death, disability, and bankruptcy claims    | 135         | 51        | 39        |
| 0307 Contract Collection Costs                   | 2           | 1         | 1         |
| 0310 Guaranty Agency account maintenance fees    | 11          | 9         | 8         |
| 0391 Subtotal, PLUS loans                        | 456         | 269       | 225       |
| 0403 Default claims                              | 7           |           |           |
| 0404 Death, disability and bankruptcy claims     | 3           |           |           |
| 0407 Contract collection costs                   | 2           | 1         | 1         |
| 0491 Subtotal, SLS loans                         | 12          | 1         | 1         |
| 0501 Default claims                              | 4,358       | 3,741     | 3,747     |
| 0502 Special allowance                           | 8           | 102       | 84        |
| 0503 Interest benefits                           | 471         | 503       | 381       |
| 0504 Death, disability, and bankruptcy claims    | 1,862       | 687       | 656       |
| 0505 Teacher loan forgiveness, other write-offs  | 63          |           |           |
| 0507 Contract collection costs                   | 4           | 10        | 12        |
| 0510 Guaranty Agency account maintenance fees    | 114         | 151       | 137       |
| 0591 Subtotal, Consolidations loans              | 6,880       | 5,194     | 5,017     |
| Credit program obligations:                      |             |           |           |
| 0713 Payment of interest to Treasury             | 1,330       |           |           |
| 0741 Modification savings                        |             | 713       |           |
| 0742 Downward reestimate paid to receipt account | 14,533      | 10,450    |           |
| 0743 Interest on downward reestimates            | 4,221       | 3,319     |           |
| 0791 Direct program activities, subtotal         | 20,084      | 14,482    |           |
| 0900 Total new obligations                       | 34,568      | 23,949    | 8,274     |
| <b>Budgetary Resources:</b>                      |             |           |           |
| Unobligated balance:                             |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1  | 9,052       | 11,839    | 2,961     |
| 1021 Recoveries of prior year unpaid obligations | 128         |           |           |
| 1050 Unobligated balance (total)                 | 9,180       | 11,839    | 2,961     |
| Financing authority:                             |             |           |           |
| Appropriations, mandatory:                       |             |           |           |
| 1200 Appropriation                               |             | 73        |           |
| 1260 Appropriations, mandatory (total)           |             | 73        |           |
| Borrowing authority, mandatory:                  |             |           |           |
| 1400 Borrowing authority                         | 18,754      |           |           |

|   |        |        |        |
|---|--------|--------|--------|
| 1440 Borrowing authority, mandatory (total)   | 18,754 |        |        |
| Spending authority from offsetting collections, mandatory:                              |        |        |        |
| 1800 Collected  | 18,473 | 15,108 | 12,606 |
| 1820 Capital transfer of spending authority from offsetting collections to general fund |        | -110   |        |
| 1850 Spending auth from offsetting collections, mand (total)                            | 18,473 | 14,998 | 12,606 |
| 1900 Financing authority (total)  | 37,227 | 15,071 | 12,606 |
| 1930 Total budgetary resources available  | 46,407 | 26,910 | 15,567 |
| Memorandum (non-add) entries:   |        |        |        |
| 1941 Unexpired unobligated balance, end of year   | 11,839 | 2,961  | 7,293  |

**Change in obligated balance:**

|   |         |         |        |
|---|---------|---------|--------|
| Obligated balance, start of year (net):                     |         |         |        |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross)     | 2,647   | 2,454   | 2,454  |
| 3030 Obligations incurred, unexpired accounts               | 34,568  | 23,949  | 8,274  |
| 3040 Financing disbursements (gross)                        | -34,633 | -23,949 | -8,274 |
| 3080 Recoveries of prior year unpaid obligations, unexpired | -128    |         |        |
| Obligated balance, end of year (net):                       |         |         |        |
| 3090 Unpaid obligations, end of year (gross)                | 2,454   | 2,454   | 2,454  |
| 3100 Obligated balance, end of year (net)                   | 2,454   | 2,454   | 2,454  |

**Financing authority and disbursements, net:**

|   |         |         |         |
|---|---------|---------|---------|
| Mandatory:  |         |         |         |
| 4090 Financing authority, gross                                     | 37,227  | 15,071  | 12,606  |
| Financing disbursements:  |         |         |         |
| 4110 Financing disbursements, gross                                 | 34,633  | 23,949  | 8,274   |
| Offsets against gross financing authority and disbursements:        |         |         |         |
| Offsetting collections (collected) from:                            |         |         |         |
| 4120 Upward reestimate  | -78     | -96     |         |
| 4120 Interest on upward reestimate                                  | -68     | -48     |         |
| 4120 Upward Modification  |         | -963    |         |
| 4122 Interest on uninvested funds                                   | -464    | -48     | -5      |
| 4123 Stafford recoveries on defaults                                | -2,670  | -2,167  | -2,019  |
| 4123 Stafford borrower origination fees                             | -2      |         |         |
| 4123 Stafford lender origination fees                               | -7      |         |         |
| 4123 Stafford other fees  | -103    |         |         |
| 4123 Stafford special allowance rebate                              | -2,070  | -1,130  | -824    |
| 4123 Unsubsidized Stafford recoveries on default                    | -1,279  | -1,670  | -1,587  |
| 4123 Unsubsidized Stafford borrower origination fees                | -2      |         |         |
| 4123 Unsubsidized Stafford lender origination fees                  | -9      |         |         |
| 4123 Unsubsidized Stafford other fees                               | -76     |         |         |
| 4123 Unsubsidized Stafford special allowance rebate                 | -2,421  | -1,445  | -1,116  |
| 4123 PLUS recoveries on defaults                                    | -370    | -207    | -206    |
| 4123 PLUS borrower origination fees                                 | -5      |         |         |
| 4123 PLUS lender origination fees                                   | -3      |         |         |
| 4123 PLUS other fees  | -17     |         |         |
| 4123 PLUS special allowance rebate                                  | -909    | -511    | -407    |
| 4123 SLS recoveries on defaults                                     | -73     | -26     | -18     |
| 4123 SLS other fees   | -4      |         |         |
| 4123 Consolidation recoveries on defaults                           | -3,469  | -2,886  | -3,042  |
| 4123 Consolidation loan holders fee                                 |         | -1,846  | -1,582  |
| 4123 Consolidation other fees                                       | -2,217  |         |         |
| 4123 Consolidation special allowance rebate                         | -156    | -2,065  | -1,800  |
| 4123 Consolidation special allowance rebate                         | -2,001  |         |         |
| 4130 Offsets against gross financing auth and disbursements (total) | -18,473 | -15,108 | -12,606 |
| 4160 Financing authority, net (mandatory)                           | 18,754  | -37     |         |
| 4170 Financing disbursements, net (mandatory)                       | 16,160  | 8,841   | -4,332  |
| 4180 Financing authority, net (total)                               | 18,754  | -37     |         |
| 4190 Financing disbursements, net (total)                           | 16,160  | 8,841   | -4,332  |

**Status of Guaranteed Loans** (in millions of dollars)

| Identification code 91-4251-0-3-502   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>STAFFORD</b>   |             |           |           |
| Cumulative balance of guaranteed loans outstanding:                               |             |           |           |
| 2210 Outstanding, start of year   | 76,906      | 55,818    | 39,175    |
| 2251 Repayments and prepayments   | -6,087      | -14,755   | -3,705    |
| Adjustments:  |             |           |           |
| 2261 Terminations for default that result in loans receivable                     | -2,878      | -1,676    | -1,231    |
| 2263 Terminations for default that result in claim payments                       | -343        | -106      | -79       |
| 2264 Other adjustments, net   | -11,780     | -106      | -109      |
| 2290 Outstanding, end of year   | 55,818      | 39,175    | 34,051    |
| <b>Memorandum:</b>  |             |           |           |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year               | 54,143      | 38,000    | 32,349    |
| <b>Addendum:</b>  |             |           |           |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |             |           |           |
| 2310 Outstanding, start of year   | 6,557       | 6,994     | 6,190     |

|      |  |        |        |        |
|------|--|--------|--------|--------|
| 2331 | Disbursements for guaranteed loan claims ..... | 2,878  | 1,676  | 1,231  |
| 2351 | Repayments of loans receivable .....           | -2,332 | -2,167 | -2,019 |
| 2361 | Write-offs of loans receivable .....           | -343   | -313   | -261   |
| 2364 | Other adjustments, net .....                   | 234    |        |        |
| 2390 | Outstanding, end of year .....                 | 6,994  | 6,190  | 5,141  |

UNSUBSIDIZED STAFFORD

|   |  |         |         |        |
|---|--|---------|---------|--------|
| Cumulative balance of guaranteed loans outstanding: |  |         |         |        |
| 2210  | Outstanding, start of year .....                               | 81,123  | 58,593  | 41,576 |
| 2251  | Repayments and prepayments .....                               | -6,421  | -15,410 | -5,049 |
| Adjustments:  |  |         |         |        |
| 2261  | Terminations for default that result in loans receivable ..... | -2,677  | -1,432  | -1,050 |
| 2263  | Terminations for default that result in claim payments .....   | -397    | -94     | -67    |
| 2264  | Other adjustments, net .....                                   | -13,035 | -81     | -84    |
| 2290  | Outstanding, end of year .....                                 | 58,593  | 41,576  | 35,326 |

Memorandum:

|      |  |        |        |        |
|------|--|--------|--------|--------|
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year ..... | 56,835 | 40,329 | 33,560 |
|------|--|--------|--------|--------|

Addendum:

|   |  |        |        |        |
|---|--|--------|--------|--------|
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |  |        |        |        |
| 2310  | Outstanding, start of year .....               | 6,490  | 7,820  | 7,203  |
| 2331  | Disbursements for guaranteed loan claims ..... | 2,677  | 1,432  | 1,050  |
| 2351  | Repayments of loans receivable .....           | -1,212 | -1,670 | -1,587 |
| 2361  | Write-offs of loans receivable .....           | -397   | -379   | -333   |
| 2364  | Other adjustments, net .....                   | 262    |        |        |
| 2390  | Outstanding, end of year .....                 | 7,820  | 7,203  | 6,333  |

PLUS

|   |  |        |        |        |
|---|--|--------|--------|--------|
| Cumulative balance of guaranteed loans outstanding: |  |        |        |        |
| 2210  | Outstanding, start of year .....                               | 20,794 | 13,791 | 9,557  |
| 2251  | Repayments and prepayments .....                               | -1,646 | -3,956 | -1,441 |
| Adjustments:  |  |        |        |        |
| 2261  | Terminations for default that result in loans receivable ..... | -443   | -227   | -185   |
| 2263  | Terminations for default that result in claim payments .....   | -135   | -51    | -39    |
| 2264  | Other adjustments, net .....                                   | -4,779 |        |        |
| 2290  | Outstanding, end of year .....                                 | 13,791 | 9,557  | 7,892  |

Memorandum:

|      |  |        |       |       |
|------|--|--------|-------|-------|
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year ..... | 13,377 | 9,271 | 7,498 |
|------|--|--------|-------|-------|

Addendum:

|   |  |      |      |      |
|---|--|------|------|------|
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |  |      |      |      |
| 2310  | Outstanding, start of year .....               | 604  | 603  | 506  |
| 2331  | Disbursements for guaranteed loan claims ..... | 443  | 227  | 185  |
| 2351  | Repayments of loans receivable .....           | -328 | -207 | -206 |
| 2361  | Write-offs of loans receivable .....           | -135 | -117 | -91  |
| 2364  | Other adjustments, net .....                   | 19   |      |      |
| 2390  | Outstanding, end of year .....                 | 603  | 506  | 394  |

SLS

|   |  |     |     |    |
|---|--|-----|-----|----|
| Cumulative balance of guaranteed loans outstanding: |  |     |     |    |
| 2210  | Outstanding, start of year .....                               | 106 | 94  | 81 |
| 2251  | Repayments and prepayments .....                               | -8  | -12 | -4 |
| Adjustments:  |  |     |     |    |
| 2261  | Terminations for default that result in loans receivable ..... | -10 | -1  |    |
| 2263  | Terminations for default that result in claim payments .....   | -3  |     |    |
| 2264  | Other adjustments, net .....                                   | 9   |     |    |
| 2290  | Outstanding, end of year .....                                 | 94  | 81  | 77 |

Memorandum:

|      |  |    |    |    |
|------|--|----|----|----|
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year ..... | 91 | 78 | 73 |
|------|--|----|----|----|

Addendum:

|   |  |     |     |     |
|---|--|-----|-----|-----|
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |  |     |     |     |
| 2310  | Outstanding, start of year .....               | 350 | 306 | 279 |
| 2331  | Disbursements for guaranteed loan claims ..... | 10  | 1   |     |
| 2351  | Repayments of loans receivable .....           | -61 | -26 | -18 |
| 2361  | Write-offs of loans receivable .....           | -3  | -2  | -2  |
| 2364  | Other adjustments, net .....                   | 10  |     |     |
| 2390  | Outstanding, end of year .....                 | 306 | 279 | 259 |

CONSOLIDATION

|   |                                  |         |         |         |
|---|----------------------------------|---------|---------|---------|
| Cumulative balance of guaranteed loans outstanding: |                                  |         |         |         |
| 2210  | Outstanding, start of year ..... | 210,665 | 198,540 | 164,766 |
| 2251  | Repayments and prepayments ..... | -16,675 | -29,187 | -12,031 |

|              |  |         |         |         |
|--------------|--|---------|---------|---------|
| Adjustments: |  |         |         |         |
| 2261         | Terminations for default that result in loans receivable ..... | -6,220  | -3,900  | -3,811  |
| 2263         | Terminations for default that result in claim payments .....   | -1,862  | -687    | -656    |
| 2264         | Other adjustments, net .....                                   | 12,632  |         |         |
| 2290         | Outstanding, end of year .....                                 | 198,540 | 164,766 | 148,268 |

Memorandum:

|      |  |         |         |         |
|------|--|---------|---------|---------|
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year ..... | 187,693 | 159,823 | 140,854 |
|------|--|---------|---------|---------|

Addendum:

|   |  |        |        |        |
|---|--|--------|--------|--------|
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |  |        |        |        |
| 2310  | Outstanding, start of year .....               | 12,358 | 14,067 | 13,264 |
| 2331  | Disbursements for guaranteed loan claims ..... | 6,220  | 3,900  | 3,811  |
| 2351  | Repayments of loans receivable .....           | -3,121 | -2,886 | -3,042 |
| 2361  | Write-offs of loans receivable .....           | -1,862 | -1,817 | -1,690 |
| 2364  | Other adjustments, net .....                   | 472    |        |        |
| 2390  | Outstanding, end of year .....                 | 14,067 | 13,264 | 12,343 |

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

Balance Sheet (in millions of dollars)

| Identification code 91-4251-0-3-502  | 2010 actual   | 2011 actual |        |
|--|---|-------------|--------|
| <b>ASSETS:</b>   |   |             |        |
| Federal assets:  |   |             |        |
| 1101   | Fund balances with Treasury .....                                       | 11,326      | 13,920 |
| Investments in US securities:  |   |             |        |
| 1106   | Receivables, net .....  | 934         | 333    |
| 1206   | Non-Federal assets: Receivables, net .....                              | 280         | 115    |
| Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: |   |             |        |
| 1501   | Defaulted guaranteed loans receivable, gross .....                      | 26,359      | 29,790 |
| 1502   | Interest receivable .....   | 2,436       | 4,236  |
| 1505   | Allowance for subsidy cost (-) .....                                    | -3,853      | -5,400 |
| 1599   | Net present value of assets related to defaulted guaranteed loans ..... | 24,942      | 28,626 |
| 1999   | Total assets .....  | 37,482      | 42,994 |
| <b>LIABILITIES:</b>  |   |             |        |
| Federal liabilities:   |   |             |        |
| 2101   | Accounts payable .....  | 11,180      | 3,192  |
| 2103   | Debt .....  | 10,730      | 29,485 |
| Non-Federal liabilities:   |   |             |        |
| 2201   | Accounts payable .....  | 254         | 333    |
| 2204   | Liabilities for loan guarantees .....                                   | 15,318      | 9,984  |
| 2999   | Total liabilities .....   | 37,482      | 42,994 |
| 4999   | Total liabilities and net position .....                                | 37,482      | 42,994 |

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     | 2011 actual                                   | 2012 est. | 2013 est. |
|---|---|-----------|-----------|
| <b>Obligations by program activity:</b> |   |           |           |
| 0102                                    | Special allowance—Stafford .....              |           | 5         |
| 0203                                    | Special allowance—Unsubsidized Stafford ..... |           | 6         |
| 0502                                    | Special allowance—Consolidation .....         |           | 8         |
| Credit program obligations:             |   |           |           |
| 0713                                    | Payment of interest to Treasury .....         |           | 61        |
| 0741                                    | Modification savings .....                    |           | 3,390     |
| 0791                                    | Direct program activities, subtotal .....     |           | 3,451     |
| 0900                                    | Total new obligations .....                   |           | 3,470     |
| <b>Budgetary Resources:</b>             |   |           |           |
| Financing authority:                    |   |           |           |
| Appropriations, mandatory:              |   |           |           |
| 1200                                    | Appropriation- Positive MAT .....             |           | 429       |
| 1260                                    | Appropriations, mandatory (total) .....       |           | 429       |

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

| Identification code 91-4251-4-3-502                                 | 2011 actual  | 2012 est. | 2013 est. |
|---|--|-----------|-----------|
| <b>Borrowing authority, mandatory:</b>                              |  |           |           |
| 1400  | Borrowing authority .....  |           | 3,390     |
| 1440  | Borrowing authority, mandatory (total) .....                         |           | 3,390     |
| <b>Spending authority from offsetting collections, mandatory:</b>   |  |           |           |
| 1800  | Collected .....  |           | -69       |
| 1850  | Spending auth from offsetting collections, mand (total) .....        |           | -69       |
| 1900  | Financing authority (total) .....                                    |           | 3,750     |
| 1930  | Total budgetary resources available .....                            |           | 3,750     |
| <b>Memorandum (non-add) entries:</b>                                |  |           |           |
| 1941  | Unexpired unobligated balance, end of year .....                     |           | 280       |
| <b>Change in obligated balance:</b>                                 |  |           |           |
| 3030  | Obligations incurred, unexpired accounts .....                       |           | 3,470     |
| 3040  | Financing disbursements (gross) .....                                |           | -3,470    |
| <b>Financing authority and disbursements, net:</b>                  |  |           |           |
| <b>Mandatory:</b>   |  |           |           |
| 4090  | Financing authority, gross .....                                     |           | 3,750     |
| <b>Financing disbursements:</b>                                     |  |           |           |
| 4110  | Financing disbursements, gross .....                                 |           | 3,470     |
| <b>Offsets against gross financing authority and disbursements:</b> |  |           |           |
| <b>Offsetting collections (collected) from:</b>                     |  |           |           |
| 4122  | Interest on uninvested funds .....                                   |           | 5         |
| 4123  | Stafford special allowance rebate .....                              |           | 8         |
| 4123  | Unsubsidized Stafford special allowance rebate .....                 |           | 11        |
| 4123  | PLUS special allowance rebate .....                                  |           | 4         |
| 4123  | Consolidation special allowance rebate .....                         |           | 41        |
| 4130  | Offsets against gross financing auth and disbursements (total) ..... |           | 69        |
| 4160  | Financing authority, net (mandatory) .....                           |           | 3,819     |
| 4170  | Financing disbursements, net (mandatory) .....                       |           | 3,539     |
| 4180  | Financing authority, net (total) .....                               |           | 3,819     |
| 4190  | Financing disbursements, net (total) .....                           |           | 3,539     |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 91-4251-4-3-502   | 2011 actual                          | 2012 est. | 2013 est. |
|---|--------------------------------------|-----------|-----------|
| <b>STAFFORD</b>   |                                      |           |           |
| <b>Addendum:</b>  |                                      |           |           |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |                                      |           |           |
| 2310  | Outstanding, start of year .....     |           |           |
| 2351  | Repayments of loans receivable ..... |           | -118      |
| 2361  | Write-offs of loans receivable ..... |           | 6         |
| 2390  | Outstanding, end of year .....       |           | -112      |
| <b>UNSUBSIDIZED STAFFORD</b>  |                                      |           |           |
| <b>Addendum:</b>  |                                      |           |           |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |                                      |           |           |
| 2310  | Outstanding, start of year .....     |           |           |
| 2351  | Repayments of loans receivable ..... |           | -94       |
| 2361  | Write-offs of loans receivable ..... |           | 5         |
| 2390  | Outstanding, end of year .....       |           | -89       |
| <b>PLUS</b>   |                                      |           |           |
| <b>Addendum:</b>  |                                      |           |           |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |                                      |           |           |
| 2310  | Outstanding, start of year .....     |           |           |
| 2351  | Repayments of loans receivable ..... |           | -14       |
| 2361  | Write-offs of loans receivable ..... |           | 3         |
| 2390  | Outstanding, end of year .....       |           | -11       |
| <b>SLS</b>  |                                      |           |           |
| <b>Addendum:</b>  |                                      |           |           |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |                                      |           |           |
| 2310  | Outstanding, start of year .....     |           |           |
| 2351  | Repayments of loans receivable ..... |           | -1        |
| 2390  | Outstanding, end of year .....       |           | -1        |

CONSOLIDATION

Addendum:

|   |                                      |  |      |
|---|--------------------------------------|--|------|
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |                                      |  |      |
| 2310  | Outstanding, start of year .....     |  |      |
| 2351  | Repayments of loans receivable ..... |  | -245 |
| 2361  | Write-offs of loans receivable ..... |  | 29   |
| 2390  | Outstanding, end of year .....       |  | -216 |

TEMPORARY STUDENT LOAN PURCHASE AUTHORITY FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 91-4453-0-3-502                                 | 2011 actual  | 2012 est. | 2013 est. |        |
|---|--|-----------|-----------|--------|
| <b>Obligations by program activity:</b>                             |  |           |           |        |
| 0006  | Contract collection costs .....  | 7         | 26        | 59     |
| <b>Credit program obligations:</b>                                  |  |           |           |        |
| 0713  | Payment of interest to Treasury .....                                      | 2,916     | 2,914     | 2,762  |
| 0742  | Downward reestimate paid to receipt account .....                          | 5,040     | 1,491     |        |
| 0743  | Interest on downward reestimates .....                                     | 312       | 130       |        |
| 0791  | Direct program activities, subtotal .....                                  | 8,268     | 4,535     | 2,762  |
| 0900  | Total new obligations .....  | 8,275     | 4,561     | 2,821  |
| <b>Budgetary Resources:</b>   |  |           |           |        |
| <b>Unobligated balance:</b>   |  |           |           |        |
| 1000  | Unobligated balance brought forward, Oct 1 .....                           | 3,252     | 1,021     |        |
| 1021  | Recoveries of prior year unpaid obligations .....                          | 1,886     |           |        |
| 1023  | Unobligated balances applied to repay debt .....                           | -3,252    | -1,021    |        |
| 1024  | Unobligated balance of borrowing authority withdrawn .....                 | -997      |           |        |
| 1050  | Unobligated balance (total) .....  | 889       |           |        |
| <b>Financing authority:</b>   |  |           |           |        |
| <b>Borrowing authority, mandatory:</b>                              |  |           |           |        |
| 1400  | Borrowing authority .....  | 5,352     | 1,621     |        |
| 1440  | Borrowing authority, mandatory (total) .....                               | 5,352     | 1,621     |        |
| <b>Spending authority from offsetting collections, mandatory:</b>   |  |           |           |        |
| 1800  | Collected .....  | 5,431     | 7,544     | 8,466  |
| 1825  | Spending authority from offsetting collections applied to repay debt ..... | -2,376    | -4,604    | -5,645 |
| 1850  | Spending auth from offsetting collections, mand (total) .....              | 3,055     | 2,940     | 2,821  |
| 1900  | Financing authority (total) .....  | 8,407     | 4,561     | 2,821  |
| 1930  | Total budgetary resources available .....                                  | 9,296     | 4,561     | 2,821  |
| <b>Memorandum (non-add) entries:</b>                                |  |           |           |        |
| 1941  | Unexpired unobligated balance, end of year .....                           | 1,021     |           |        |
| <b>Change in obligated balance:</b>                                 |  |           |           |        |
| <b>Obligated balance, start of year (net):</b>                      |  |           |           |        |
| 3000  | Unpaid obligations, brought forward, Oct 1 (gross) .....                   | 14,977    | 11,652    | 11,652 |
| 3030  | Obligations incurred, unexpired accounts .....                             | 8,275     | 4,561     | 2,821  |
| 3040  | Financing disbursements (gross) .....                                      | -9,714    | -4,561    | -2,821 |
| 3080  | Recoveries of prior year unpaid obligations, unexpired .....               | -1,886    |           |        |
| <b>Obligated balance, end of year (net):</b>                        |  |           |           |        |
| 3090  | Unpaid obligations, end of year (gross) .....                              | 11,652    | 11,652    | 11,652 |
| 3100  | Obligated balance, end of year (net) .....                                 | 11,652    | 11,652    | 11,652 |
| <b>Financing authority and disbursements, net:</b>                  |  |           |           |        |
| <b>Mandatory:</b>   |  |           |           |        |
| 4090  | Financing authority, gross .....   | 8,407     | 4,561     | 2,821  |
| <b>Financing disbursements:</b>                                     |  |           |           |        |
| 4110  | Financing disbursements, gross .....                                       | 9,714     | 4,561     | 2,821  |
| <b>Offsets against gross financing authority and disbursements:</b> |  |           |           |        |
| <b>Offsetting collections (collected) from:</b>                     |  |           |           |        |
| 4122  | Interest on uninvested funds .....   | -385      |           |        |
| 4123  | Principal repayments .....   | -4,287    | -5,839    | -6,576 |
| 4123  | Interest repayments .....  | -755      | -1,705    | -1,890 |
| 4123  | Fees .....   | -4        |           |        |
| 4130  | Offsets against gross financing auth and disbursements (total) .....       | -5,431    | -7,544    | -8,466 |
| 4160  | Financing authority, net (mandatory) .....                                 | 2,976     | -2,983    | -5,645 |
| 4170  | Financing disbursements, net (mandatory) .....                             | 4,283     | -2,983    | -5,645 |
| 4180  | Financing authority, net (total) .....                                     | 2,976     | -2,983    | -5,645 |
| 4190  | Financing disbursements, net (total) .....                                 | 4,283     | -2,983    | -5,645 |

**Status of Direct Loans** (in millions of dollars)

| Identification code 91-4453-0-3-502                          | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Cumulative balance of direct loans outstanding:</b>       |             |           |           |
| 1210 Outstanding, start of year                              | 62,931      | 61,125    | 56,283    |
| 1232 Disbursements: Purchase of loans assets from the public | 1,442       |           |           |
| 1251 Repayments: Repayments and prepayments                  | -5,046      | -5,838    | -6,576    |
| 1261 Adjustments: Capitalized interest                       |             | 1,108     | 1,003     |
| 1264 Write-offs for default: Other adjustments, net (+ or -) | 1,798       | -112      | -106      |
| 1290 Outstanding, end of year                                | 61,125      | 56,283    | 50,604    |

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

**Balance Sheet** (in millions of dollars)

| Identification code 91-4453-0-3-502                               | 2010 actual | 2011 actual |
|---|-------------|-------------|
| <b>ASSETS:</b>  |             |             |
| Federal assets:   |             |             |
| 1101 Fund balances with Treasury                                  | 10,104      | 5,546       |
| Investments in US securities:                                     |             |             |
| 1106 Receivables, net   | 556         | 1,075       |
| Net value of assets related to post-1991 direct loans receivable: |             |             |
| 1401 Direct loans receivable, gross                               | 62,931      | 61,125      |
| 1402 Interest receivable  | 1,665       | 2,993       |
| 1405 Allowance for subsidy cost (-)                               | 5,090       | 8,564       |
| 1499 Net present value of assets related to direct loans          | 69,686      | 72,682      |
| 1999 Total assets   | 80,346      | 79,303      |
| <b>LIABILITIES:</b>   |             |             |
| Federal liabilities:  |             |             |
| 2101 Accounts payable   | 769         |             |
| 2103 Debt   | 79,577      | 79,302      |
| 2201 Non-Federal liabilities: Accounts payable                    |             | 1           |
| 2999 Total liabilities  | 80,346      | 79,303      |
| 4999 Total liabilities and net position                           | 80,346      | 79,303      |

**STUDENT LOAN ACQUISITION ACCOUNT**

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

| Identification code 91-4449-0-3-502                                       | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                                   |             |           |           |
| 0005 Contract collection costs  | 7           | 18        | 36        |
| Credit program obligations:   |             |           |           |
| 0713 Payment of interest to Treasury                                      | 1,552       | 1,735     | 1,625     |
| 0742 Downward reestimate paid to receipt account                          | 518         | 658       |           |
| 0743 Interest on downward reestimates                                     | 46          | 61        |           |
| 0791 Direct program activities, subtotal                                  | 2,116       | 2,454     | 1,625     |
| 0900 Total new obligations  | 2,123       | 2,472     | 1,661     |
| <b>Budgetary Resources:</b>   |             |           |           |
| Unobligated balance:  |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1                           | 768         | 247       |           |
| 1021 Recoveries of prior year unpaid obligations                          | 2,976       |           |           |
| 1023 Unobligated balances applied to repay debt                           | -768        | -247      |           |
| 1024 Unobligated balance of borrowing authority withdrawn                 | -2,976      |           |           |
| Financing authority:  |             |           |           |
| Borrowing authority, mandatory:   |             |           |           |
| 1400 Borrowing authority  | 647         | 719       |           |
| 1440 Borrowing authority, mandatory (total)                               | 647         | 719       |           |
| Spending authority from offsetting collections, mandatory:                |             |           |           |
| 1800 Collected  | 3,695       | 5,270     | 5,048     |
| 1825 Spending authority from offsetting collections applied to repay debt | -1,972      | -3,517    | -3,387    |
| 1850 Spending auth from offsetting collections, mand (total)              | 1,723       | 1,753     | 1,661     |
| 1900 Financing authority (total)  | 2,370       | 2,472     | 1,661     |
| 1930 Total budgetary resources available                                  | 2,370       | 2,472     | 1,661     |

| 1941                                       | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Memorandum (non-add) entries:</b>       |             |           |           |
| Unexpired unobligated balance, end of year | 247         |           |           |

| 3000   | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Change in obligated balance:</b>                    |             |           |           |
| Obligated balance, start of year (net):                |             |           |           |
| Unpaid obligations, brought forward, Oct 1 (gross)     | 4,382       | 306       | 306       |
| Obligations incurred, unexpired accounts               | 2,123       | 2,472     | 1,661     |
| Financing disbursements (gross)                        | -3,223      | -2,472    | -1,661    |
| Recoveries of prior year unpaid obligations, unexpired | -2,976      |           |           |
| Obligated balance, end of year (net):                  |             |           |           |
| Unpaid obligations, end of year (gross)                | 306         | 306       | 306       |
| Obligated balance, end of year (net)                   | 306         | 306       | 306       |

| 4090  | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Financing authority and disbursements, net:</b>                  |             |           |           |
| Mandatory:  |             |           |           |
| Financing authority, gross  | 2,370       | 2,472     | 1,661     |
| Financing disbursements:  |             |           |           |
| Financing disbursements, gross                                      | 3,223       | 2,472     | 1,661     |
| Offsets against gross financing authority and disbursements:        |             |           |           |
| Offsetting collections (collected) from:                            |             |           |           |
| Upward reestimate   | -29         | -715      |           |
| Upward reestimate interest  | -2          | -86       |           |
| Interest on uninvested funds  | -76         |           |           |
| Principal repayments  | -3,093      | -3,484    | -3,942    |
| Borrower interest repayments  | -491        | -985      | -1,106    |
| Fees  | -4          |           |           |
| 4130 Offsets against gross financing auth and disbursements (total) | -3,695      | -5,270    | -5,048    |
| 4160 Financing authority, net (mandatory)                           | -1,325      | -2,798    | -3,387    |
| 4170 Financing disbursements, net (mandatory)                       | -472        | -2,798    | -3,387    |
| 4180 Financing authority, net (total)                               | -1,325      | -2,798    | -3,387    |
| 4190 Financing disbursements, net (total)                           | -472        | -2,798    | -3,387    |

**Status of Direct Loans** (in millions of dollars)

| Identification code 91-4449-0-3-502                          | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Cumulative balance of direct loans outstanding:</b>       |             |           |           |
| 1210 Outstanding, start of year                              | 36,623      | 35,822    | 33,016    |
| 1232 Disbursements: Purchase of loans assets from the public | 1,073       |           |           |
| 1251 Repayments: Repayments and prepayments                  | -3,588      | -3,484    | -3,942    |
| 1261 Adjustments: Capitalized interest                       |             | 744       | 653       |
| 1264 Write-offs for default: Other adjustments, net (+ or -) | 1,714       | -66       | -64       |
| 1290 Outstanding, end of year                                | 35,822      | 33,016    | 29,663    |

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 the standard and short-term put programs authorized under the Ensuring Continued Access to Student Loans Act of 2008. Amounts in this account are a means of financing and are not included in the budget totals.

**Balance Sheet** (in millions of dollars)

| Identification code 91-4449-0-3-502                               | 2010 actual | 2011 actual |
|---|-------------|-------------|
| <b>ASSETS:</b>  |             |             |
| Federal assets:   |             |             |
| 1101 Fund balances with Treasury                                  | 957         | 84          |
| Investments in US securities:                                     |             |             |
| 1106 Receivables, net   | 2,519       | 1,661       |
| Net value of assets related to post-1991 direct loans receivable: |             |             |
| 1401 Direct loans receivable, gross                               | 36,623      | 35,822      |
| 1402 Interest receivable  | 1,400       | 1,879       |
| 1405 Allowance for subsidy cost (-)                               | 4,256       | 4,415       |
| 1499 Net present value of assets related to direct loans          | 42,279      | 42,116      |
| 1999 Total assets   | 45,755      | 43,861      |
| <b>LIABILITIES:</b>   |             |             |
| Federal liabilities:  |             |             |
| 2101 Accounts payable   | 550         |             |
| 2103 Debt   | 45,205      | 43,860      |
| 2201 Non-Federal liabilities: Accounts payable                    |             | 1           |
| 2999 Total liabilities  | 45,755      | 43,861      |
| 4999 Total liabilities and net position                           | 45,755      | 43,861      |

TEMPORARY STUDENT LOAN PURCHASE AUTHORITY CONDUIT FINANCING  
ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 91-4459-0-3-502                                       | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                                   |             |           |           |
| 0003 Contract collection costs  | 12          | 74        | 91        |
| Credit program obligations:   |             |           |           |
| 0713 Payment of interest to Treasury                                      | 48          | 45        | 55        |
| 0900 Total new obligations  | 60          | 119       | 146       |
| <b>Budgetary Resources:</b>   |             |           |           |
| Unobligated balance:  |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1                           | 3           | 79        | 105       |
| 1023 Unobligated balances applied to repay debt                           | -3          | -79       | -105      |
| Financing authority:  |             |           |           |
| Spending authority from offsetting collections, mandatory:                |             |           |           |
| 1800 Collected  | 227         | 627       | 741       |
| 1825 Spending authority from offsetting collections applied to repay debt | -88         | -403      | -508      |
| 1850 Spending auth from offsetting collections, mand (total)              | 139         | 224       | 233       |
| 1930 Total budgetary resources available                                  | 139         | 224       | 233       |
| Memorandum (non-add) entries:   |             |           |           |
| 1941 Unexpired unobligated balance, end of year                           | 79          | 105       | 87        |
| <b>Change in obligated balance:</b>                                       |             |           |           |
| Obligated balance, start of year (net):                                   |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross)                   | 73,261      | 72,637    | 71,730    |
| 3030 Obligations incurred, unexpired accounts                             | 60          | 119       | 146       |
| 3040 Financing disbursements (gross)                                      | -684        | -1,026    | -850      |
| Obligated balance, end of year (net):                                     |             |           |           |
| 3090 Unpaid obligations, end of year (gross)                              | 72,637      | 71,730    | 71,026    |
| 3100 Obligated balance, end of year (net)                                 | 72,637      | 71,730    | 71,026    |
| <b>Financing authority and disbursements, net:</b>                        |             |           |           |
| Mandatory:  |             |           |           |
| 4090 Financing authority, gross   | 139         | 224       | 233       |
| Financing disbursements:  |             |           |           |
| 4110 Financing disbursements, gross                                       | 684         | 1,026     | 850       |
| Offsets against gross financing authority and disbursements:              |             |           |           |
| Offsetting collections (collected) from:                                  |             |           |           |
| 4122 Interest on uninvested funds   | -18         |           |           |
| 4123 Direct Conduit Fees  | -141        | -53       | -44       |
| 4123 Principal repayments   | -53         | -457      | -566      |
| 4123 Interest repayments  | -15         | -65       | -89       |
| 4123 FFB Commitment Fee   |             | -52       | -42       |
| 4130 Offsets against gross financing auth and disbursements (total)       | -227        | -627      | -741      |
| 4160 Financing authority, net (mandatory)                                 | -88         | -403      | -508      |
| 4170 Financing disbursements, net (mandatory)                             | 457         | 399       | 109       |
| 4180 Financing authority, net (total)                                     | -88         | -403      | -508      |
| 4190 Financing disbursements, net (total)                                 | 457         | 399       | 109       |

Status of Direct Loans (in millions of dollars)

| Identification code 91-4459-0-3-502                          | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding:              |             |           |           |
| 1210 Outstanding, start of year                              | 544         | 1,121     | 1,571     |
| 1232 Disbursements: Purchase of loans assets from the public | 632         | 907       | 704       |
| 1251 Repayments: Repayments and prepayments                  | -209        | -457      | -566      |
| 1261 Adjustments: Capitalized interest                       |             |           |           |
| 1264 Write-offs for default: Other adjustments, net (+ or -) | 154         |           |           |
| 1290 Outstanding, end of year                                | 1,121       | 1,571     | 1,709     |

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 the asset-backed commercial paper conduit authorized under the Ensuring Continued Access to Student Loans Act of 2008. Amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

| Identification code 91-4459-0-3-502                               | 2010 actual | 2011 actual |
|---|-------------|-------------|
| <b>ASSETS:</b>  |             |             |
| 1101 Federal assets: Fund balances with Treasury                  | 335         | 38          |
| Net value of assets related to post-1991 direct loans receivable: |             |             |
| 1401 Direct loans receivable, gross                               | 544         | 1,121       |
| 1402 Interest receivable  | 27          | 55          |
| 1405 Allowance for subsidy cost (-)                               | -102        | -233        |
| 1499 Net present value of assets related to direct loans          | 469         | 943         |
| 1999 Total assets   | 804         | 981         |
| <b>LIABILITIES:</b>   |             |             |
| 2103 Federal liabilities: Debt                                    | 804         | 963         |
| 2201 Non-Federal liabilities: Accounts payable                    |             | 18          |
| 2999 Total liabilities  | 804         | 981         |
| 4999 Total liabilities and net position                           | 804         | 981         |

FEDERAL FAMILY EDUCATION LOAN LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 91-0230-0-1-502   | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>   |             |           |           |
| 0101 Interest benefits, net of origination fees   | 3           | 3         | 3         |
| 0103 Default claims   | 67          | 59        | 54        |
| 0104 Death, disability, and bankruptcy claims   | 12          | 11        | 10        |
| 0105 Contract collection costs  | 31          | 26        | 22        |
| 0191 Subtotal, Stafford loans   | 113         | 99        | 89        |
| 0201 Default claims   | 8           | 10        | 9         |
| 0202 Death, disability, and bankruptcy claims   | 5           | 4         | 4         |
| 0205 Contract collection costs  | 7           | 5         | 4         |
| 0291 Subtotal, PLUS/SLS loans   | 20          | 19        | 17        |
| 0900 Total new obligations  | 133         | 118       | 106       |
| <b>Budgetary Resources:</b>   |             |           |           |
| Unobligated balance:  |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1   | 56          | 236       |           |
| 1021 Recoveries of prior year unpaid obligations  | 5           |           |           |
| 1022 Capital transfer of unobligated balances to general fund                           | -56         | -236      |           |
| 1050 Unobligated balance (total)  | 5           |           |           |
| Budget authority:   |             |           |           |
| Spending authority from offsetting collections, mandatory:                              |             |           |           |
| 1800 Collected  | 633         | 528       | 441       |
| 1820 Capital transfer of spending authority from offsetting collections to general fund | -269        | -410      | -335      |
| 1850 Spending auth from offsetting collections, mand (total)                            | 364         | 118       | 106       |
| 1900 Budget authority (total)   | 364         | 118       | 106       |
| 1930 Total budgetary resources available  | 369         | 118       | 106       |
| Memorandum (non-add) entries:   |             |           |           |
| 1941 Unexpired unobligated balance, end of year   | 236         |           |           |
| <b>Change in obligated balance:</b>   |             |           |           |
| Obligated balance, start of year (net):   |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross)                                 | 24          | 21        | 21        |
| 3030 Obligations incurred, unexpired accounts   | 133         | 118       | 106       |
| 3040 Outlays (gross)  | -131        | -118      | -106      |
| 3080 Recoveries of prior year unpaid obligations, unexpired                             | -5          |           |           |
| Obligated balance, end of year (net):   |             |           |           |
| 3090 Unpaid obligations, end of year (gross)  | 21          | 21        | 21        |
| 3100 Obligated balance, end of year (net)   | 21          | 21        | 21        |
| <b>Budget authority and outlays, net:</b>   |             |           |           |
| Mandatory:  |             |           |           |
| 4090 Budget authority, gross  | 364         | 118       | 106       |
| Outlays, gross:   |             |           |           |
| 4100 Outlays from new mandatory authority   | 131         | 98        | 106       |
| 4101 Outlays from mandatory balances  |             | 20        |           |
| 4110 Outlays, gross (total)   | 131         | 118       | 106       |
| Offsets against gross budget authority and outlays:                                     |             |           |           |
| Offsetting collections (collected) from:  |             |           |           |
| 4123 Fed collections on defaulted loans, stafford                                       | -94         | -146      | -122      |
| 4123 Fed collections on bankruptcies, Stafford  | -2          | -3        | -2        |
| 4123 Offsets against Federal tax refunds, Stafford                                      | -256        | -157      | -131      |

|      |  |      |      |      |
|------|--|------|------|------|
| 4123 | Reimbursements from guaranty agencies, Stafford .....          | -147 | -110 | -92  |
| 4123 | Other collections, Stafford .....                              | -30  | -32  | -27  |
| 4123 | Federal collections on defaulted loans, PLUS/SLS .....         | -61  | -44  | -37  |
| 4123 | Federal collections on bankruptcies, PLUS/SLS .....            | -1   | -1   | -1   |
| 4123 | Offsets against Federal tax refunds, PLUS/SLS .....            | -20  | -12  | -10  |
| 4123 | Reimbursements from guaranty agencies, PLUS/SLS .....          | -22  | -23  | -19  |
| 4130 | Offsets against gross budget authority and outlays (total) ... | -633 | -528 | -441 |
| 4160 | Budget authority, net (mandatory) .....                        | -269 | -410 | -335 |
| 4170 | Outlays, net (mandatory) .....                                 | -502 | -410 | -335 |
| 4180 | Budget authority, net (total) .....                            | -269 | -410 | -335 |
| 4190 | Outlays, net (total) .....                                     | -502 | -410 | -335 |

|                                 |  |       |       |
|---------------------------------|--|-------|-------|
| 1799                            | Value of assets related to loan guarantees .....         | 2,394 | 3,675 |
| 1999                            | Total assets .....                                       | 2,474 | 3,931 |
| <b>LIABILITIES:</b>             |  |       |       |
| 2104                            | Federal liabilities: Resources payable to Treasury ..... | 2,399 | 3,886 |
| <b>Non-Federal liabilities:</b> |  |       |       |
| 2201                            | Accounts payable .....                                   | 3     | 4     |
| 2204                            | Liabilities for loan guarantees .....                    | 72    | 41    |
| 2999                            | Total liabilities .....                                  | 2,474 | 3,931 |
| 4999                            | Total liabilities and net position .....                 | 2,474 | 3,931 |

**Status of Guaranteed Loans** (in millions of dollars)

| Identification code 91-0230-0-1-502                 | 2011 actual  | 2012 est. | 2013 est. |
|---|--|-----------|-----------|
| <b>STAFFORD LOANS</b>                               |  |           |           |
| Cumulative balance of guaranteed loans outstanding: |  |           |           |
| 2210  | Outstanding, start of year .....                               | 692       | 621       |
| 2251  | Repayments and prepayments .....                               | -16       | -13       |
| Adjustments:  |  |           |           |
| 2261  | Terminations for default that result in loans receivable ..... | -44       | -40       |
| 2263  | Terminations for default that result in claim payments .....   | -11       | -10       |
| 2264  | Other adjustments, net .....                                   | 38        |           |
| 2290  | Outstanding, end of year .....                                 | 621       | 558       |

|                    |  |     |     |
|--------------------|--|-----|-----|
| <b>Memorandum:</b> |  |     |     |
| 2299               | Guaranteed amount of guaranteed loans outstanding, end of year ..... | 602 | 530 |

|   |  |       |       |
|---|--|-------|-------|
| <b>Addendum:</b>  |  |       |       |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |  |       |       |
| 2310  | Outstanding, start of year .....               | 5,375 | 5,163 |
| 2331  | Disbursements for guaranteed loan claims ..... | 44    | 40    |
| 2351  | Repayments of loans receivable .....           | -217  | -181  |
| 2361  | Write-offs of loans receivable .....           | -11   | -11   |
| 2364  | Other adjustments, net .....                   | -28   | -23   |
| 2390  | Outstanding, end of year .....                 | 5,163 | 4,988 |

|   |  |    |    |
|---|--|----|----|
| <b>PLUS/SLS LOANS</b>                               |  |    |    |
| Cumulative balance of guaranteed loans outstanding: |  |    |    |
| 2210  | Outstanding, start of year .....                               | 90 | 79 |
| 2251  | Repayments and prepayments .....                               | -3 | -2 |
| Adjustments:  |  |    |    |
| 2261  | Terminations for default that result in loans receivable ..... | -4 | -3 |
| 2263  | Terminations for default that result in claim payments .....   | -4 | -4 |
| 2264  | Other adjustments, net .....                                   | 9  |    |
| 2290  | Outstanding, end of year .....                                 | 79 | 70 |

|                    |  |    |    |
|--------------------|--|----|----|
| <b>Memorandum:</b> |  |    |    |
| 2299               | Guaranteed amount of guaranteed loans outstanding, end of year ..... | 77 | 67 |

|   |  |     |     |
|---|--|-----|-----|
| <b>Addendum:</b>  |  |     |     |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |  |     |     |
| 2310  | Outstanding, start of year .....               | 853 | 812 |
| 2331  | Disbursements for guaranteed loan claims ..... | 4   | 3   |
| 2351  | Repayments of loans receivable .....           | -36 | -30 |
| 2361  | Write-offs of loans receivable .....           | -5  | -4  |
| 2364  | Other adjustments, net .....                   | -4  | -4  |
| 2390  | Outstanding, end of year .....                 | 812 | 777 |

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

**Balance Sheet** (in millions of dollars)

| Identification code 91-0230-0-1-502 | 2010 actual  | 2011 actual |
|-------------------------------------|--|-------------|
| <b>ASSETS:</b>                      |  |             |
| 1101                                | Federal assets: Fund balances with Treasury .....                  | 256         |
| 1701                                | Defaulted guaranteed loans, gross .....                            | 6,228       |
| 1702                                | Interest receivable .....  | 4,034       |
| 1703                                | Allowance for estimated uncollectible loans and interest (-) ..... | -6,587      |

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

| Identification code 91-0230-0-1-502 | 2011 actual                                | 2012 est. | 2013 est. |
|-------------------------------------|--|-----------|-----------|
| <b>Direct obligations:</b>          |  |           |           |
| 33.0                                | Investments and loans .....                | 100       | 90        |
| 41.0                                | Grants, subsidies, and contributions ..... | 3         | 2         |
| 42.0                                | Insurance claims and indemnities .....     | 15        | 14        |
| 99.9                                | Total new obligations .....                | 118       | 106       |

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

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

| Identification code 91-0217-4-1-502                                | 2011 actual                          | 2012 est. | 2013 est. |
|--|--------------------------------------|-----------|-----------|
| <b>Direct loan levels supportable by subsidy budget authority:</b> |                                      |           |           |
| 115001   | Federal Perkins Loans .....          |           | 4,737     |
| 115999   | Total direct loan levels .....       |           | 4,737     |
| <b>Direct loan subsidy (in percent):</b>                           |                                      |           |           |
| 132001   | Federal Perkins Loans .....          |           | -29.10    |
| 132999   | Weighted average subsidy rate .....  |           | -29.10    |
| <b>Direct loan subsidy budget authority:</b>                       |                                      |           |           |
| 133001   | Federal Perkins Loans .....          |           | -1,379    |
| 133999   | Total subsidy budget authority ..... |           | -1,379    |
| <b>Direct loan subsidy outlays:</b>                                |                                      |           |           |
| 134001   | Federal Perkins Loans .....          |           | -648      |
| 134999   | Total subsidy outlays .....          |           | -648      |

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

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

| Identification code 91-4574-4-3-502                               | 2011 actual   | 2012 est. | 2013 est. |
|---|---|-----------|-----------|
| <b>Obligations by program activity:</b>                           |   |           |           |
| <b>Credit program obligations:</b>                                |   |           |           |
| 0710  | Direct loan obligations .....                                 |           | 4,737     |
| 0713  | Payment of interest to Treasury .....                         |           | 54        |
| 0740  | Negative subsidy obligations .....                            |           | 1,379     |
| 0900  | Total new obligations .....                                   |           | 6,170     |
| <b>Budgetary Resources:</b>                                       |   |           |           |
| <b>Financing authority:</b>                                       |   |           |           |
| <b>Borrowing authority, mandatory:</b>                            |   |           |           |
| 1400  | Borrowing authority .....                                     |           | 6,147     |
| 1440  | Borrowing authority, mandatory (total) .....                  |           | 6,147     |
| <b>Spending authority from offsetting collections, mandatory:</b> |   |           |           |
| 1800  | Collected .....   |           | 23        |
| 1850  | Spending auth from offsetting collections, mand (total) ..... |           | 23        |
| 1900  | Financing authority (total) .....                             |           | 6,170     |
| 1930  | Total budgetary resources available .....                     |           | 6,170     |
| <b>Change in obligated balance:</b>                               |   |           |           |
| 3030  | Obligations incurred, unexpired accounts .....                |           | 6,170     |
| 3040  | Financing disbursements (gross) .....                         |           | -2,928    |

FEDERAL PERKINS LOAN FINANCING ACCOUNT—Continued  
Program and Financing—Continued

| Identification code 91-4574-4-3-502                                 | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| Obligated balance, end of year (net):                               |             |           |           |
| 3090 Unpaid obligations, end of year (gross)                        |             |           | 3,242     |
| 3100 Obligated balance, end of year (net)                           |             |           | 3,242     |
| <b>Financing authority and disbursements, net:</b>                  |             |           |           |
| <b>Mandatory:</b>   |             |           |           |
| 4090 Financing authority, gross                                     |             |           | 6,170     |
| 4110 Financing disbursements, gross                                 |             |           | 2,928     |
| Offsets against gross financing authority and disbursements:        |             |           |           |
| Offsets against gross financing authority and disbursements:        |             |           |           |
| 4123 Offsetting collections (collected) from:                       |             |           |           |
| 4123 Payment of principal   |             |           | -1        |
| 4123 Origination fees   |             |           | -22       |
| 4130 Offsets against gross financing auth and disbursements (total) |             |           | -23       |
| 4160 Financing authority, net (mandatory)                           |             |           | 6,147     |
| 4170 Financing disbursements, net (mandatory)                       |             |           | 2,905     |
| 4180 Financing authority, net (total)                               |             |           | 6,147     |
| 4190 Financing disbursements, net (total)                           |             |           | 2,905     |

Status of Direct Loans (in millions of dollars)

| Identification code 91-4574-4-3-502                                    | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: |             |           |           |
| 1111 Limitation on direct loans  |             |           | 4,737     |
| 1150 Total direct loan obligations                                     |             |           | 4,737     |
| Cumulative balance of direct loans outstanding:                        |             |           |           |
| 1210 Outstanding, start of year  |             |           |           |
| 1231 Disbursements: Direct loan disbursements                          |             |           | 2,226     |
| 1251 Repayments: Repayments and prepayments                            |             |           | -1        |
| 1261 Adjustments: Capitalized interest                                 |             |           |           |
| 1264 Write-offs for default: Other adjustments, net (+ or -)           |             |           |           |
| 1290 Outstanding, end of year  |             |           | 2,225     |

HEALTH EDUCATION ASSISTANCE LOANS PROGRAM ACCOUNT

Consistent with the 2012 President's Budget, in 2013, the Health Education Assistance Loan (HEAL) program will be transferred to the Department of Education from the Department of Health and Human Services. The Department of Education will assume responsibility for the program and the authority to administer, service, collect, and enforce the program as well as the functions, assets, and liabilities of the Secretary of Health and Human Services will be permanently transferred to the Secretary of Education.

HEALTH EDUCATION ASSISTANCE LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 91-4300-0-3-552                          | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                      |             |           |           |
| Credit program obligations:                                  |             |           |           |
| 0711 Default claim payments on principal                     |             |           | 13        |
| 0900 Total new obligations                                   |             |           | 13        |
| <b>Budgetary Resources:</b>                                  |             |           |           |
| Unobligated balance:   |             |           |           |
| 1011 Unobligated balance transfer from other accts [75-4304] |             |           | 52        |
| 1050 Unobligated balance (total)                             |             |           | 52        |
| Financing authority:   |             |           |           |
| Spending authority from offsetting collections, mandatory:   |             |           |           |
| 1800 Collected   |             |           | 6         |

|  |  |  |    |
|--|--|--|----|
| 1850 Spending auth from offsetting collections, mand (total) |  |  | 6  |
| 1930 Total budgetary resources available                     |  |  | 58 |
| Memorandum (non-add) entries:                                |  |  |    |
| 1941 Unexpired unobligated balance, end of year              |  |  | 45 |

Change in obligated balance:

|   |  |  |     |
|---|--|--|-----|
| 3030 Obligations incurred, unexpired accounts |  |  | 13  |
| 3040 Financing disbursements (gross)          |  |  | -12 |
| Obligated balance, end of year (net):         |  |  |     |
| 3090 Unpaid obligations, end of year (gross)  |  |  | 1   |
| 3100 Obligated balance, end of year (net)     |  |  | 1   |

Financing authority and disbursements, net:

|   |  |  |    |
|---|--|--|----|
| <b>Mandatory:</b>   |  |  |    |
| 4090 Financing authority, gross                                     |  |  | 6  |
| 4110 Financing disbursements, gross                                 |  |  | 12 |
| Offsets against gross financing authority and disbursements:        |  |  |    |
| Offsets against gross financing authority and disbursements:        |  |  |    |
| 4122 Offsetting collections (collected) from:                       |  |  |    |
| 4122 Interest on uninvested funds                                   |  |  | -3 |
| 4123 Non-Federal sources  |  |  | -3 |
| 4130 Offsets against gross financing auth and disbursements (total) |  |  | -6 |
| 4170 Financing disbursements, net (mandatory)                       |  |  | 6  |
| 4190 Financing disbursements, net (total)                           |  |  | 6  |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 91-4300-0-3-552                                    | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: |             |           |           |
| 2143 Uncommitted limitation carried forward                            |             |           |           |
| 2150 Total guaranteed loan commitments                                 |             |           |           |
| Cumulative balance of guaranteed loans outstanding:                    |             |           |           |
| 2210 Outstanding, start of year  |             |           |           |
| 2251 Repayments and prepayments  |             |           | -15       |
| Adjustments:   |             |           |           |
| 2261 Terminations for default that result in loans receivable          |             |           | -9        |
| 2263 Terminations for default that result in claim payments            |             |           | -4        |
| 2264 Other adjustments, net  |             |           | 499       |
| 2290 Outstanding, end of year  |             |           | 471       |
| Memorandum:  |             |           |           |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year    |             |           | 471       |

Addendum:

|   |  |  |     |
|---|--|--|-----|
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: |  |  |     |
| 2310 Outstanding, start of year   |  |  |     |
| 2331 Disbursements for guaranteed loan claims                                     |  |  | 9   |
| 2351 Repayments and prepayments   |  |  | -3  |
| 2361 Write-offs of loans receivable   |  |  |     |
| 2364 Other adjustments, net   |  |  | 181 |
| 2390 Outstanding, end of year   |  |  | 187 |

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 the Health Education Assistance Loan program. Amounts in this account are a means of financing and are not included in the budget totals.

HEALTH EDUCATION ASSISTANCE LOANS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 91-4299-0-3-552     | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b> |             |           |           |
| Credit program obligations:             |             |           |           |
| 0713 Payment of interest to Treasury    |             |           | 2         |

**INSTITUTE OF EDUCATION SCIENCES**  
**Federal Funds**

INSTITUTE OF EDUCATION SCIENCES

For carrying out activities authorized by the Education Sciences Reform Act of 2002, the National Assessment of Educational Progress Authorization Act, section 208 of the Educational Technical Assistance Act of 2002, and section 664 of the Individuals with Disabilities Education Act, **[\$594,788,000] \$621,150,000**, which shall remain available through September 30, **[2013] 2014: Provided**, That funds available to carry out section 208 of the Educational Technical Assistance Act may be used to link Statewide elementary and secondary data systems with early childhood, postsecondary, and workforce data systems, or to further develop such systems: *Provided further*, That up to **[\$11,000,000] \$26,000,000** of the funds available to carry out section 208 of the Educational Technical Assistance Act may be used for awards to public or private organizations or agencies to support activities to improve data coordination, quality, and use at the local, State, and national levels. (*Department of Education Appropriations Act, 2012.*)

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

| Identification code 91-1100-0-1-503                  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>              |             |           |           |
| 0001 Research, development, and dissemination .....  | 200         | 190       | 202       |
| 0002 Statistics .....                                | 110         | 113       | 115       |
| 0003 Regional educational laboratories .....         | 29          | 71        | 71        |
| 0004 National Assessment .....                       | 130         | 135       | 125       |
| 0005 National Assessment Governing Board .....       | 9           | 9         | 8         |
| 0006 Research in special education .....             | 60          | 50        | 50        |
| 0007 Statewide data systems .....                    | 29          | 63        | 53        |
| 0008 Special education studies and evaluations ..... | 11          | 11        | 11        |
| 0100 Total direct program .....                      | 578         | 642       | 635       |
| 0799 Total direct obligations .....                  | 578         | 642       | 635       |
| 0801 Reimbursable program .....                      | 2           | 2         | 2         |
| 0900 Total new obligations .....                     | 580         | 644       | 637       |

**Budgetary Resources:**

|   |     |     |     |
|---|-----|-----|-----|
| <b>Unobligated balance:</b>   |     |     |     |
| 1000 Unobligated balance brought forward, Oct 1 .....                 | 23  | 62  | 13  |
| 1021 Recoveries of prior year unpaid obligations .....                | 7   |     |     |
| 1050 Unobligated balance (total) .....                                | 30  | 62  | 13  |
| <b>Budget authority:</b>  |     |     |     |
| <b>Appropriations, discretionary:</b>                                 |     |     |     |
| 1100 Appropriation .....  | 610 | 595 | 622 |
| 1130 Appropriations permanently reduced .....                         | -1  |     |     |
| 1143 Approp permanently reduced (Sec 527, HR 2055) .....              |     | -1  |     |
| 1160 Appropriation, discretionary (total) .....                       | 609 | 594 | 622 |
| <b>Spending authority from offsetting collections, discretionary:</b> |     |     |     |
| 1700 Collected .....  | 2   | 1   | 2   |
| 1701 Change in uncollected payments, Federal sources .....            | 1   |     |     |
| 1750 Spending auth from offsetting collections, disc (total) .....    | 3   | 1   | 2   |
| 1900 Budget authority (total) .....                                   | 612 | 595 | 624 |
| 1930 Total budgetary resources available .....                        | 642 | 657 | 637 |
| <b>Memorandum (non-add) entries:</b>                                  |     |     |     |
| 1941 Unexpired unobligated balance, end of year .....                 | 62  | 13  |     |

**Change in obligated balance:**

|   |       |       |       |
|---|-------|-------|-------|
| <b>Obligated balance, start of year (net):</b>                    |       |       |       |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....     | 1,240 | 1,120 | 1,025 |
| 3010 Uncollected pymts, Fed sources, brought forward, Oct 1 ..... | -1    | -2    | -2    |
| 3020 Obligated balance, start of year (net) .....                 | 1,239 | 1,118 | 1,023 |
| 3030 Obligations incurred, unexpired accounts .....               | 580   | 644   | 637   |
| 3031 Obligations incurred, expired accounts .....                 | 1     |       |       |
| 3040 Outlays (gross) .....  | -688  | -739  | -552  |
| 3050 Change in uncollected pymts, Fed sources, unexpired .....    | -1    |       |       |
| 3080 Recoveries of prior year unpaid obligations, unexpired ..... | -7    |       |       |
| 3081 Recoveries of prior year unpaid obligations, expired .....   | -6    |       |       |
| <b>Obligated balance, end of year (net):</b>                      |       |       |       |
| 3090 Unpaid obligations, end of year (gross) .....                | 1,120 | 1,025 | 1,110 |
| 3091 Uncollected pymts, Fed sources, end of year .....            | -2    | -2    | -2    |
| 3100 Obligated balance, end of year (net) .....                   | 1,118 | 1,023 | 1,108 |

**Budgetary Resources:**

|   |  |  |    |
|---|--|--|----|
| <b>Budget authority:</b>  |  |  |    |
| <b>Appropriations, mandatory:</b>   |  |  |    |
| 1200 Appropriation .....  |  |  | 1  |
| 1260 Appropriations, mandatory (total) .....  |  |  | 1  |
| <b>Spending authority from offsetting collections, mandatory:</b>                             |  |  |    |
| 1800 Collected .....  |  |  | 10 |
| 1820 Capital transfer of spending authority from offsetting collections to general fund ..... |  |  | -9 |
| 1850 Spending auth from offsetting collections, mand (total) .....                            |  |  | 1  |
| 1900 Budget authority (total) .....   |  |  | 2  |
| 1930 Total budgetary resources available .....  |  |  | 2  |

**Change in obligated balance:**

|   |  |  |    |
|---|--|--|----|
| 3030 Obligations incurred, unexpired accounts ..... |  |  | 2  |
| 3040 Outlays (gross) .....                          |  |  | -2 |

**Budget authority and outlays, net:**

|  |  |  |     |
|--|--|--|-----|
| <b>Mandatory:</b>  |  |  |     |
| 4090 Budget authority, gross .....                         |  |  | 2   |
| <b>Outlays, gross:</b>                                     |  |  |     |
| 4100 Outlays from new mandatory authority .....            |  |  | 2   |
| <b>Offsets against gross budget authority and outlays:</b> |  |  |     |
| <b>Offsetting collections (collected) from:</b>            |  |  |     |
| 4123 Non-Federal sources .....                             |  |  | -10 |
| 4180 Budget authority, net (total) .....                   |  |  | -8  |
| 4190 Outlays, net (total) .....                            |  |  | -8  |

**Status of Guaranteed Loans** (in millions of dollars)

| Identification code 91-4299-0-3-552                                       | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Cumulative balance of guaranteed loans outstanding:</b>                |             |           |           |
| 2210 Outstanding, start of year .....                                     |             |           |           |
| 2251 Repayments and prepayments .....                                     |             |           | -10       |
| <b>Adjustments:</b>   |             |           |           |
| 2261 Terminations for default that result in loans receivable .....       |             |           | -1        |
| 2264 Other adjustments, net .....   |             |           | 69        |
| 2290 Outstanding, end of year .....                                       |             |           | 58        |
| <b>Memorandum:</b>  |             |           |           |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year ..... |             |           | 58        |

**Addendum:**

|  |  |  |     |
|--|--|--|-----|
| <b>Cumulative balance of defaulted guaranteed loans that result in loans receivable:</b> |  |  |     |
| 2310 Outstanding, start of year .....  |  |  |     |
| 2331 Disbursements for guaranteed loan claims .....                                      |  |  | 1   |
| 2351 Repayments of loans receivable .....  |  |  | -8  |
| 2361 Write-offs of loans receivable .....  |  |  | -21 |
| 2364 Other adjustments, net .....  |  |  | 346 |
| 2390 Outstanding, end of year .....  |  |  | 318 |

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 HEAL loans committed prior to 1992. This account is shown on a cash basis. All 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 91-4299-0-3-552         | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Direct obligations:</b>                  |             |           |           |
| 33.0 Investments and loans .....            |             |           | 1         |
| 42.0 Insurance claims and indemnities ..... |             |           | 1         |
| 99.9 Total new obligations .....            |             |           | 2         |

INSTITUTE OF EDUCATION SCIENCES—Continued  
Program and Financing—Continued

| Identification code 91–1100–0–1–503                                  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Budget authority and outlays, net:</b>                            |             |           |           |
| Discretionary:   |             |           |           |
| 4000 Budget authority, gross .....                                   | 612         | 595       | 624       |
| Outlays, gross:  |             |           |           |
| 4010 Outlays from new discretionary authority .....                  | 120         | 49        | 51        |
| 4011 Outlays from discretionary balances .....                       | 568         | 690       | 501       |
| 4020 Outlays, gross (total) .....                                    | 688         | 739       | 552       |
| Offsets against gross budget authority and outlays:                  |             |           |           |
| Offsetting collections (collected) from:                             |             |           |           |
| 4030 Federal sources .....   | –1          | –1        | –2        |
| 4033 Non-Federal sources .....                                       | –1          | .....     | .....     |
| 4040 Offsets against gross budget authority and outlays (total) .... | –2          | –1        | –2        |
| Additional offsets against gross budget authority only:              |             |           |           |
| 4050 Change in uncollected pymts, Fed sources, unexpired .....       | –1          | .....     | .....     |
| 4070 Budget authority, net (discretionary) .....                     | 609         | 594       | 622       |
| 4080 Outlays, net (discretionary) .....                              | 686         | 738       | 550       |
| 4180 Budget authority, net (total) .....                             | 609         | 594       | 622       |
| 4190 Outlays, net (total) .....                                      | 686         | 738       | 550       |

**Research and Statistics:**

*Research, development, and dissemination.*—Funds support a diverse portfolio of investigator-led research and development, evaluation studies, research and development centers, and dissemination activities that provide parents, teachers, and schools with evidence-based information on effective educational practice. Funds requested in 2013 would be used to expand research and evaluation efforts on topics in early childhood, elementary, secondary, and postsecondary education.

*Statistics.*—Funds support the Department's statistical data collection activities, which are conducted by the National Center for Education Statistics (NCES). NCES collects, analyzes, and disseminates statistics on education at all levels, from preschool through postsecondary and adult education, including statistics on international education activities. The 2013 request would allow NCES to continue its on-going portfolio of activities, including collecting and reporting information on sub-baccalaureate education and training for adults, as well as to obtain State-level Program for International Student Assessment (PISA) data.

*Regional educational laboratories.*—Funds support a network of 10 regional laboratories that provide expert advice, including training and technical assistance, to help States and school districts apply proven research findings in their school improvement efforts.

*Assessment.*—Funds support the National Assessment of Educational Progress (NAEP) and the National Assessment Governing Board (NAGB). NAEP administers assessments to samples of students in order to gather reliable information about educational attainment in important academic areas. NAGB is responsible for formulating NAEP policy. The request for 2013 would support the 2013 national and State reading and math assessments at grades 4, 8, and 12, as well as assessments in certain large urban districts, and preparation for future assessments.

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

*Statewide data systems.*—Funds support competitive awards to State educational agencies to foster the design, development, and implementation of longitudinal data systems. In 2013, funding would support systems that include early childhood, postsecondary, and workforce information; awards to public and private agencies to improve data coordination, quality, and use

at the local, State, and national levels; and a special postsecondary and workforce initiative designed to improve the quality of information on students as they move from high school into postsecondary education and training, and then into the workforce.

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

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

| Identification code 91–1100–0–1–503                | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Direct obligations:                                |             |           |           |
| Personnel compensation:                            |             |           |           |
| 11.1 Full-time permanent .....                     | 1           | 1         | 1         |
| 11.3 Other than full-time permanent .....          | .....       | 1         | 1         |
| 11.9 Total personnel compensation .....            | 1           | 2         | 2         |
| 25.1 Advisory and assistance services .....        | 24          | 33        | 32        |
| 25.2 Other services from non-Federal sources ..... | 260         | 240       | 243       |
| 25.5 Research and development contracts .....      | 124         | 109       | 106       |
| 25.7 Operation and maintenance of equipment .....  | .....       | 1         | 1         |
| 41.0 Grants, subsidies, and contributions .....    | 167         | 256       | 250       |
| 99.0 Direct obligations .....                      | 576         | 641       | 634       |
| 99.0 Reimbursable obligations .....                | 2           | 2         | 2         |
| 99.5 Below reporting threshold .....               | 2           | 1         | 1         |
| 99.9 Total new obligations .....                   | 580         | 644       | 637       |

**Employment Summary**

| Identification code 91–1100–0–1–503                        | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| 1001 Direct civilian full-time equivalent employment ..... | 14          | 15        | 15        |

**DEPARTMENTAL MANAGEMENT**

*Federal Funds*

PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of three passenger motor vehicles, **[\$447,104,000] \$463,815,000, of which \$2,211,000, to remain available until expended, shall be for relocation of, and renovation of buildings occupied by, Department staff. (Department of Education Appropriations Act, 2012.)**

**Special and Trust Fund Receipts** (in millions of dollars)

| Identification code 91–0800–0–1–503        | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| 0100 Balance, start of year .....          | .....       | .....     | .....     |
| Receipts:                                  |             |           |           |
| 0220 Contributions .....                   | 1           | .....     | .....     |
| 0400 Total: Balances and collections ..... | 1           | .....     | .....     |
| Appropriations:                            |             |           |           |
| 0500 Program Administration .....          | –1          | .....     | .....     |
| 0799 Balance, end of year .....            | .....       | .....     | .....     |

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

| Identification code 91–0800–0–1–503     | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b> |             |           |           |
| 0001 Program administration .....       | 456         | 446       | 464       |
| 0801 Reimbursable program .....         | 3           | 4         | 4         |
| 0900 Total new obligations .....        | 459         | 450       | 468       |

**Budgetary Resources:**

|  |   |     |     |     |
|--|---|-----|-----|-----|
| Unobligated balance:   |   |     |     |     |
| 1000   | Unobligated balance brought forward, Oct 1 .....              | 2   | 3   | 2   |
| 1021   | Recoveries of prior year unpaid obligations .....             | 1   |     |     |
| 1050   | Unobligated balance (total) .....                             | 3   | 3   | 2   |
| Budget authority:  |   |     |     |     |
| Appropriations, discretionary:                                 |   |     |     |     |
| 1100   | Appropriation .....   | 456 | 447 | 464 |
| 1130   | Appropriations permanently reduced .....                      | -1  |     |     |
| 1143   | Approp permanently reduced (Sec 527, HR 2055) .....           |     | -1  |     |
| 1160   | Appropriation, discretionary (total) .....                    | 455 | 446 | 464 |
| Appropriations, mandatory:                                     |   |     |     |     |
| 1201   | Appropriation (special or trust fund) .....                   | 1   |     |     |
| 1260   | Appropriations, mandatory (total) .....                       | 1   |     |     |
| Spending authority from offsetting collections, discretionary: |   |     |     |     |
| 1700   | Collected .....   | 2   | 3   | 3   |
| 1701   | Change in uncollected payments, Federal sources .....         | 1   |     |     |
| 1750   | Spending auth from offsetting collections, disc (total) ..... | 3   | 3   | 3   |
| 1900   | Budget authority (total) .....                                | 459 | 449 | 467 |
| 1930   | Total budgetary resources available .....                     | 462 | 452 | 469 |
| Memorandum (non-add) entries:                                  |   |     |     |     |
| 1941   | Unexpired unobligated balance, end of year .....              | 3   | 2   | 1   |

**Change in obligated balance:**

|   |  |      |      |      |
|---|--|------|------|------|
| Obligated balance, start of year (net): |  |      |      |      |
| 3000                                    | Unpaid obligations, brought forward, Oct 1 (gross) .....     | 148  | 139  | 130  |
| 3010                                    | Uncollected pymts, Fed sources, brought forward, Oct 1 ..... | -1   | -1   | -1   |
| 3020                                    | Obligated balance, start of year (net) .....                 | 147  | 138  | 129  |
| 3030                                    | Obligations incurred, unexpired accounts .....               | 459  | 450  | 468  |
| 3031                                    | Obligations incurred, expired accounts .....                 | 3    |      |      |
| 3040                                    | Outlays (gross) .....  | -460 | -459 | -455 |
| 3050                                    | Change in uncollected pymts, Fed sources, unexpired .....    | -1   |      |      |
| 3051                                    | Change in uncollected pymts, Fed sources, expired .....      | 1    |      |      |
| 3080                                    | Recoveries of prior year unpaid obligations, unexpired ..... | -1   |      |      |
| 3081                                    | Recoveries of prior year unpaid obligations, expired .....   | -10  |      |      |
| Obligated balance, end of year (net):   |  |      |      |      |
| 3090                                    | Unpaid obligations, end of year (gross) .....                | 139  | 130  | 143  |
| 3091                                    | Uncollected pymts, Fed sources, end of year .....            | -1   | -1   | -1   |
| 3100                                    | Obligated balance, end of year (net) .....                   | 138  | 129  | 142  |

**Budget authority and outlays, net:**

|   |   |     |     |     |
|---|---|-----|-----|-----|
| Discretionary:  |   |     |     |     |
| 4000  | Budget authority, gross .....                             | 458 | 449 | 467 |
| Outlays, gross:   |   |     |     |     |
| 4010  | Outlays from new discretionary authority .....            | 359 | 355 | 363 |
| 4011  | Outlays from discretionary balances .....                 | 98  | 103 | 92  |
| 4020  | Outlays, gross (total) .....                              | 457 | 458 | 455 |
| Offsets against gross budget authority and outlays:     |   |     |     |     |
| Offsetting collections (collected) from:                |   |     |     |     |
| 4030  | Federal sources .....                                     | -3  | -3  | -3  |
| Additional offsets against gross budget authority only: |   |     |     |     |
| 4050  | Change in uncollected pymts, Fed sources, unexpired ..... | -1  |     |     |
| 4052  | Offsetting collections credited to expired accounts ..... | 1   |     |     |
| 4070  | Budget authority, net (discretionary) .....               | 455 | 446 | 464 |
| 4080  | Outlays, net (discretionary) .....                        | 454 | 455 | 452 |
| Mandatory:  |   |     |     |     |
| 4090  | Budget authority, gross .....                             | 1   |     |     |
| Outlays, gross:   |   |     |     |     |
| 4100  | Outlays from new mandatory authority .....                | 1   |     |     |
| 4101  | Outlays from mandatory balances .....                     | 2   | 1   |     |
| 4110  | Outlays, gross (total) .....                              | 3   | 1   |     |
| 4180  | Budget authority, net (total) .....                       | 456 | 446 | 464 |
| 4190  | Outlays, net (total) .....                                | 457 | 456 | 452 |

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

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

counting, 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; legal services; congressional and public relations; and intergovernmental affairs.

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

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

*Reimbursable program.*—Reimbursements to this account are for providing administrative services to other agencies.

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

| Identification code 91-0800-0-1-503 | 2011 actual  | 2012 est. | 2013 est. |     |
|-------------------------------------|--|-----------|-----------|-----|
| <b>Direct obligations:</b>          |  |           |           |     |
| Personnel compensation:             |  |           |           |     |
| 11.1                                | Full-time permanent .....                                  | 199       | 209       | 211 |
| 11.3                                | Other than full-time permanent .....                       | 29        | 14        | 14  |
| 11.5                                | Other personnel compensation .....                         | 4         | 3         | 3   |
| 11.9                                | Total personnel compensation .....                         | 232       | 226       | 228 |
| 12.1                                | Civilian personnel benefits .....                          | 63        | 60        | 61  |
| 13.0                                | Benefits for former personnel .....                        | 2         | 3         |     |
| 21.0                                | Travel and transportation of persons .....                 | 6         | 5         | 5   |
| 23.1                                | Rental payments to GSA .....                               | 42        | 42        | 44  |
| 23.3                                | Communications, utilities, and miscellaneous charges ..... |           | 2         | 3   |
| 24.0                                | Printing and reproduction .....                            | 2         | 1         | 1   |
| 25.1                                | Advisory and assistance services .....                     | 3         | 3         | 3   |
| 25.2                                | Other services from non-Federal sources .....              | 16        | 18        | 18  |
| 25.3                                | Other goods and services from Federal sources .....        | 27        | 25        | 28  |
| 25.7                                | Operation and maintenance of equipment .....               | 52        | 58        | 70  |
| 26.0                                | Supplies and materials .....                               | 1         | 1         | 1   |
| 31.0                                | Equipment .....  | 4         | 1         | 1   |
| 32.0                                | Land and structures .....                                  | 5         | 1         | 1   |
| 99.0                                | Direct obligations .....                                   | 455       | 446       | 464 |
| 99.0                                | Reimbursable obligations .....                             | 3         | 4         | 4   |
| 99.5                                | Below reporting threshold .....                            | 1         |           |     |
| 99.9                                | Total new obligations .....                                | 459       | 450       | 468 |

**Employment Summary**

| Identification code 91-0800-0-1-503 | 2011 actual   | 2012 est. | 2013 est. |       |
|-------------------------------------|---|-----------|-----------|-------|
| 1001                                | Direct civilian full-time equivalent employment ..... | 2,128     | 2,074     | 2,064 |

**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, **[\$102,818,000]** \$105,318,000. (Department of Education Appropriations Act, 2012.)

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

| Identification code 91-0700-0-1-751     | 2011 actual                                | 2012 est. | 2013 est. |     |
|---|--|-----------|-----------|-----|
| <b>Obligations by program activity:</b> |  |           |           |     |
| 0001                                    | Civil rights .....                         | 103       | 103       | 105 |
| <b>Budgetary Resources:</b>             |  |           |           |     |
| Budget authority:                       |  |           |           |     |
| Appropriations, discretionary:          |  |           |           |     |
| 1100                                    | Appropriation .....                        | 103       | 103       | 105 |
| 1160                                    | Appropriation, discretionary (total) ..... | 103       | 103       | 105 |
| 1930                                    | Total budgetary resources available .....  | 103       | 103       | 105 |

OFFICE FOR CIVIL RIGHTS—Continued  
Program and Financing—Continued

| Identification code 91-0700-0-1-751                             | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Change in obligated balance:</b>                             |             |           |           |
| Obligated balance, start of year (net):                         |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....   | 20          | 18        | 19        |
| 3030 Obligations incurred, unexpired accounts .....             | 103         | 103       | 105       |
| 3040 Outlays (gross) .....                                      | -104        | -102      | -103      |
| 3081 Recoveries of prior year unpaid obligations, expired ..... | -1          |           |           |
| Obligated balance, end of year (net):                           |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....              | 18          | 19        | 21        |
| 3100 Obligated balance, end of year (net) .....                 | 18          | 19        | 21        |
| <b>Budget authority and outlays, net:</b>                       |             |           |           |
| Discretionary:  |             |           |           |
| 4000 Budget authority, gross .....                              | 103         | 103       | 105       |
| Outlays, gross:   |             |           |           |
| 4010 Outlays from new discretionary authority .....             | 91          | 88        | 89        |
| 4011 Outlays from discretionary balances .....                  | 13          | 14        | 14        |
| 4020 Outlays, gross (total) .....                               | 104         | 102       | 103       |
| 4180 Budget authority, net (total) .....                        | 103         | 103       | 105       |
| 4190 Outlays, net (total) .....                                 | 104         | 102       | 103       |

The Office for Civil Rights is responsible for ensuring that no person is unlawfully discriminated against on the basis of race, color, national origin, sex, disability, or age in the delivery of services or the provision of benefits in programs or activities of schools and institutions receiving financial assistance from the Department of Education. The authorities under which the Office for Civil Rights operates are Title VI of the Civil Rights Act of 1964 (racial and ethnic discrimination), Title IX of the Education Amendments of 1972 (sex discrimination), section 504 of the Rehabilitation Act of 1973 (discrimination against individuals with a disability), the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and the Boy Scouts of America Equal Access Act of 2002.

Object Classification (in millions of dollars)

| Identification code 91-0700-0-1-751                      | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Direct obligations:                                      |             |           |           |
| Personnel compensation:                                  |             |           |           |
| 11.1 Full-time permanent .....                           | 59          | 59        | 59        |
| 11.3 Other than full-time permanent .....                | 3           | 3         | 3         |
| 11.5 Other personnel compensation .....                  | 1           | 1         | 1         |
| 11.9 Total personnel compensation .....                  | 63          | 63        | 63        |
| 12.1 Civilian personnel benefits .....                   | 17          | 17        | 17        |
| 21.0 Travel and transportation of persons .....          | 1           | 1         | 1         |
| 23.1 Rental payments to GSA .....                        | 9           | 8         | 8         |
| 25.2 Other services from non-Federal sources .....       | 1           | 1         | 1         |
| 25.3 Other goods and services from Federal sources ..... | 3           | 3         | 3         |
| 25.7 Operation and maintenance of equipment .....        | 9           | 10        | 12        |
| 99.9 Total new obligations .....                         | 103         | 103       | 105       |

Employment Summary

| Identification code 91-0700-0-1-751                        | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| 1001 Direct civilian full-time equivalent employment ..... | 619         | 603       | 598       |

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, **[\$59,933,000] \$62,401,000.** (*Department of Education Appropriations Act, 2012.*)

Program and Financing (in millions of dollars)

| Identification code 91-1400-0-1-751                             | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>                         |             |           |           |
| 0001 Inspector General .....                                    | 66          | 65        | 62        |
| <b>Budgetary Resources:</b>                                     |             |           |           |
| Unobligated balance:  |             |           |           |
| 1000 Unobligated balance brought forward, Oct 1 .....           | 11          | 5         |           |
| Budget authority:   |             |           |           |
| Appropriations, discretionary:                                  |             |           |           |
| 1100 Appropriation .....  | 60          | 60        | 62        |
| 1160 Appropriation, discretionary (total) .....                 | 60          | 60        | 62        |
| 1930 Total budgetary resources available .....                  | 71          | 65        | 62        |
| Memorandum (non-add) entries:                                   |             |           |           |
| 1941 Unexpired unobligated balance, end of year .....           | 5           |           |           |
| <b>Change in obligated balance:</b>                             |             |           |           |
| Obligated balance, start of year (net):                         |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....   | 13          | 13        | 20        |
| 3030 Obligations incurred, unexpired accounts .....             | 66          | 65        | 62        |
| 3040 Outlays (gross) .....                                      | -65         | -58       | -60       |
| 3081 Recoveries of prior year unpaid obligations, expired ..... | -1          |           |           |
| Obligated balance, end of year (net):                           |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....              | 13          | 20        | 22        |
| 3100 Obligated balance, end of year (net) .....                 | 13          | 20        | 22        |
| <b>Budget authority and outlays, net:</b>                       |             |           |           |
| Discretionary:  |             |           |           |
| 4000 Budget authority, gross .....                              | 60          | 60        | 62        |
| Outlays, gross:   |             |           |           |
| 4010 Outlays from new discretionary authority .....             | 49          | 47        | 49        |
| 4011 Outlays from discretionary balances .....                  | 16          | 11        | 11        |
| 4020 Outlays, gross (total) .....                               | 65          | 58        | 60        |
| 4180 Budget authority, net (total) .....                        | 60          | 60        | 62        |
| 4190 Outlays, net (total) .....                                 | 65          | 58        | 60        |

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                      | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Direct obligations:                                      |             |           |           |
| Personnel compensation:                                  |             |           |           |
| 11.1 Full-time permanent .....                           | 30          | 29        | 28        |
| 11.3 Other than full-time permanent .....                | 2           | 3         | 1         |
| 11.5 Other personnel compensation .....                  | 3           |           |           |
| 11.9 Total personnel compensation .....                  | 35          | 32        | 29        |
| 12.1 Civilian personnel benefits .....                   | 10          | 11        | 10        |
| 21.0 Travel and transportation of persons .....          | 2           | 2         | 2         |
| 23.1 Rental payments to GSA .....                        | 5           | 6         | 6         |
| 25.1 Advisory and assistance services .....              | 4           | 1         | 1         |
| 25.2 Other services from non-Federal sources .....       | 2           | 4         | 4         |
| 25.3 Other goods and services from Federal sources ..... | 2           | 2         | 2         |
| 25.7 Operation and maintenance of equipment .....        | 5           | 5         | 5         |
| 31.0 Equipment .....                                     | 1           |           | 1         |
| 32.0 Land and structures .....                           |             | 1         | 1         |
| 99.0 Direct obligations .....                            | 66          | 64        | 61        |
| 99.5 Below reporting threshold .....                     |             | 1         | 1         |
| 99.9 Total new obligations .....                         | 66          | 65        | 62        |

**Employment Summary**

| Identification code 91-1400-0-1-751                        | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| 1001 Direct civilian full-time equivalent employment ..... | 324         | 295       | 277       |

**AMERICAN JOBS ACT**

(Legislative proposal, subject to PAYGO)

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

| Identification code 91-0702-4-1-501                  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| <b>Obligations by program activity:</b>              |             |           |           |
| 0001 School modernization .....                      |             | 30,000    |           |
| 0002 Teacher stabilization .....                     |             | 25,000    |           |
| 0003 Strengthening the teaching profession .....     |             | 5,000     |           |
| 0004 Career academies .....                          |             |           | 200       |
| 0005 Community College Initiative .....              |             | 1,333     | 1,333     |
| 0900 Total new obligations (object class 41.0) ..... |             | 61,333    | 1,533     |

**Budgetary Resources:**

|  |  |        |       |
|--|--|--------|-------|
| Budget authority:                              |  |        |       |
| Appropriations, mandatory:                     |  |        |       |
| 1200 Appropriation .....                       |  | 61,333 | 1,533 |
| 1260 Appropriations, mandatory (total) .....   |  | 61,333 | 1,533 |
| 1930 Total budgetary resources available ..... |  | 61,333 | 1,533 |

**Change in obligated balance:**

|   |         |         |        |
|---|---------|---------|--------|
| Obligated balance, start of year (net):                       |         |         |        |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) ..... |         |         | 30,816 |
| 3030 Obligations incurred, unexpired accounts .....           | 61,333  | 1,533   |        |
| 3040 Outlays (gross) .....                                    | -30,517 | -19,577 |        |
| Obligated balance, end of year (net):                         |         |         |        |
| 3090 Unpaid obligations, end of year (gross) .....            |         | 30,816  | 12,772 |
| 3100 Obligated balance, end of year (net) .....               |         | 30,816  | 12,772 |

**Budget authority and outlays, net:**

|   |        |  |        |
|---|--------|--|--------|
| Mandatory:                                      |        |  |        |
| 4090 Budget authority, gross .....              | 61,333 |  | 1,533  |
| Outlays, gross:                                 |        |  |        |
| 4100 Outlays from new mandatory authority ..... | 30,517 |  | 277    |
| 4101 Outlays from mandatory balances .....      |        |  | 19,300 |
| 4110 Outlays, gross (total) .....               | 30,517 |  | 19,577 |
| 4180 Budget authority, net (total) .....        | 61,333 |  | 1,533  |
| 4190 Outlays, net (total) .....                 | 30,517 |  | 19,577 |

**School modernization.**—Funds would provide formula grants to States and school districts for the modernization, renovation, and repair of elementary and secondary school buildings. A portion (\$5 billion) of the funds would be provided to States to modernize community colleges (including tribal colleges).

**Teacher stabilization.**—Funds would support formula grants to States to retain, rehire, and hire early childhood, elementary, and secondary educators, including teachers, guidance counselors, classroom assistants, after-school personnel, tutors, and literacy and math coaches.

**Strengthening the teaching profession.**—Funds would support reforms at each stage of the teaching profession.

**Career academies.**—Funds would support grants to increase the number of students served by career academies.

**Community College Initiative.**—Provides \$8 billion to the Departments of Education and Labor to support State and community college partnerships with businesses to build the skills of American workers.

**HURRICANE EDUCATION RECOVERY**

**Federal Funds**

**HURRICANE EDUCATION RECOVERY**

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

| Identification code 91-0013-0-1-500                             | 2011 actual | 2012 est. | 2013 est. |
|---|-------------|-----------|-----------|
| <b>Change in obligated balance:</b>                             |             |           |           |
| Obligated balance, start of year (net):                         |             |           |           |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) .....   | 92          | 24        |           |
| 3040 Outlays (gross) .....                                      | -28         | -24       |           |
| 3081 Recoveries of prior year unpaid obligations, expired ..... | -40         |           |           |
| Obligated balance, end of year (net):                           |             |           |           |
| 3090 Unpaid obligations, end of year (gross) .....              | 24          |           |           |
| 3100 Obligated balance, end of year (net) .....                 | 24          |           |           |

**Budget authority and outlays, net:**

|  |    |    |  |
|--|----|----|--|
| Discretionary:                                 |    |    |  |
| Outlays, gross:                                |    |    |  |
| 4011 Outlays from discretionary balances ..... | 28 | 24 |  |
| 4190 Outlays, net (total) .....                | 28 | 24 |  |

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

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

|  | 2011 actual | 2012 est. | 2013 est. |
|--|-------------|-----------|-----------|
| Offsetting receipts from the public:   |             |           |           |
| 91-143500 General Fund Proprietary Interest Receipts, not Otherwise Classified .....             | 30          | 20        | 20        |
| 91-271810 Federal Family Education Loan Program, Negative Subsidies .....                        |             | 713       |           |
| Legislative proposal, subject to PAYGO   |             |           | 3,390     |
| 91-271830 Federal Family Education Loan Program, Downward Reestimates of Subsidies .....         | 24,670      | 16,109    |           |
| 91-274130 College Housing and Academic Facilities Loan, Downward Reestimates of Subsidies .....  | 23          | 20        |           |
| 91-278110 Federal Direct Student Loan Program, Negative Subsidies .....                          | 17,031      | 26,656    | 30,596    |
| Legislative proposal, subject to PAYGO   |             | -1,820    | -1,887    |
| 91-278130 Federal Direct Student Loan Program, Downward Reestimates of Subsidies .....           | 8,471       | 1,351     |           |
| 91-278310 Federal Perkins Loan, Negative Subsidies .....   |             |           | 648       |
| 91-279430 TEACH Grant Program, Downward Reestimates of Subsidies .....                           | 6           |           |           |
| 91-291500 Repayment of Loans, Capital Contributions, Higher Education Activities .....           | 19          | 28        | 28        |
| 91-322000 All Other General Fund Proprietary Receipts Including Budget Clearing Accounts .....   | 50          | 47        | 47        |
| General Fund Offsetting receipts from the public .....   | 50,300      | 43,124    | 32,842    |
| Intragovernmental payments:  |             |           |           |
| 91-388500 Undistributed Intragovernmental Payments and Receivables from Cancelled Accounts ..... | -10         | 4         | 4         |
| General Fund Intragovernmental payments .....  | -10         | 4         | 4         |

**GENERAL PROVISIONS**

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

SEC. 302. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan

involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing, or clustering. The prohibition described in this section does not include the establishment of magnet schools.

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

(TRANSFER OF FUNDS)

SEC. 304. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985) which are appropriated for the Department of Education in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: *Provided*, That the transfer authority granted by this section shall not be used to create any new program or to fund any project or activity for which no funds are provided in this Act: *Provided further*, That the Committees on Appropriations of the House of Representatives and the Senate are notified at least 15 days in advance of any transfer.

SEC. 305. The Outlying Areas may consolidate funds received under this Act, pursuant to 48 U.S.C. 1469a, under part A of title V of the ESEA.

SEC. 306. Section 105(f)(1)(B)(ix) of the Compact of Free Association Amendments Act of 2003 (48 U.S.C. 1921d(f)(1)(B)(ix)) shall be applied by substituting ["2012"] "2013" for "2009".

SEC. 307. (a) Notwithstanding any other provision of law, the Secretary is authorized to modify the terms and conditions of gulf hurricane disaster loans to affected institutions pursuant to section 2601 of Public Law 109–234 using the authority provided herein, on such terms as the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget jointly determine are in the best interests of both the United States and the borrowers, and necessary to mitigate the economic effects of Hurricanes Katrina and Rita. Any modification under this section shall not result in any net cost to the Federal Government, as jointly determined by the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget, beginning on the date on which the Secretary modifies a loan under this section.

(b) FEDERAL REGISTER NOTICE.—The Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget, shall jointly publish a notice in the Federal Register prior to any modification of loans under paragraph (a) that—

(1) establishes the terms and conditions governing the modifications authorized by paragraph (a);

(2) includes an outline of the methodology and factors that the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget, will jointly consider in evaluating the modification of the loans made under this title; and

(3) describes how the use of such methodology and consideration of such factors used to determine the modifications will ensure that loan modifications do not result in any net cost to the Federal Government.

(c) FEES.—An affected institution that receives a modification to its disaster loan pursuant to section 2601 of Public Law 109–234 shall pay a fee to the Secretary which shall be credited to the HBCU Hurricane Supplemental Loan Program. Such fees shall remain available without fiscal year limitation to pay the modification costs. The amount of the fee paid shall be equal to the modification cost as jointly determined by the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget, calculated in accordance with section 502 of the Federal Credit Reform Act of 1990, as amended, of such loan. ]

SEC. 308. Section 14006(c)(2) of division A of the American Recovery and Reinvestment Act of 2009 (as amended by section 1832(b) of division B of Public Law 112–10) is amended by inserting before the period, "except that such a State may use its grant funds to make subgrants to public or private agencies and organizations for activities consistent with the purposes of the grant". ]

SEC. 309. (a) FEDERAL PELL GRANT ELIGIBILITY.—

(1) MINIMUM LEVEL.—Section 401(b)(4) of the HEA (20 U.S.C. 1070a(b)(4)) is amended by striking ", except that" and all that follows and inserting a period.

(2) DURATION OF AWARD PERIOD.—Section 401(c)(5) of the HEA (20 U.S.C. 1070a(c)(5)) is amended—

- (A) by striking "18" each place it appears and inserting "12"; and  
(B) by striking the last sentence.

(b) ZERO EXPECTED FAMILY CONTRIBUTION.—Section 479(c) of the HEA (20 U.S.C. 1087ss(c)) is amended—

(1) in paragraph (1)(B), by striking "\$30,000" and inserting "\$23,000"; and

(2) in paragraph (2)(B), by striking "\$30,000" and inserting "\$23,000".

(c) STUDENTS WHO ARE NOT HIGH SCHOOL GRADUATES.—

(1) AMENDMENT.—Section 484(d) of the HEA (20 U.S.C. 1091(d)) is amended—

(A) in the matter preceding paragraph (1), by striking "meet one of the following standards:";

(B) by striking paragraphs (1), (2), and (4); and

(C) in paragraph (3), by striking "(3) The student has" and inserting "have"; and

(2) TRANSITION.—The amendment made by paragraph (1) shall apply to students who first enroll in a program of study on or after July 1, 2012.

(3) CONFORMING CHANGE.—Section 101(a)(1) of the HEA (20 U.S.C. 1001(a)(1)) is amended by striking "section 484(d)(3)" and inserting "section 484(d)".

(d) TEMPORARY ELIMINATION OF INTEREST SUBSIDY DURING STUDENT LOAN GRACE PERIOD.—

(1) Section 428(a)(3)(A)(i)(I) of the HEA (20 U.S.C. 1078(a)(3)(A)(i)(I)) is amended to read as follows:

"(I) which accrues prior to the date the student ceases to carry at least one-half the normal full-time academic workload (as determined by the institution), or".

(2) The amendment made by paragraph (1) shall apply to new Federal Direct Stafford Loans made on or after July 1, 2012 and before July 1, 2014.

(e) REVISED SPECIAL ALLOWANCE CALCULATION.—

(1) REVISED CALCULATION RULE.—Section 438(b)(2)(I) of the HEA (20 U.S.C. 1087–1(b)(2)(I)) is amended by adding at the end the following:

"(vii)REVISED CALCULATION RULE TO REFLECT FINANCIAL MARKET CONDITIONS.—

"(I)CALCULATION BASED ON LIBOR.—For the calendar quarter beginning on April 1, 2012 and each subsequent calendar quarter, in computing the special allowance paid pursuant to this subsection with respect to loans described in subclause (II), clause (i)(I) of this subparagraph shall be applied by substituting 'of the 1-month London Inter Bank Offered Rate (LIBOR) for United States dollars in effect for each of the days in such quarter as compiled and released by the British Bankers Association' for 'of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in such quarter as reported by the Federal Reserve in Publication H-15 (or its successor) for such 3-month period'.

"(II)LOANS ELIGIBLE FOR LIBOR-BASED CALCULATION.—The special allowance paid pursuant to this subsection shall be calculated as described in subclause (I) with respect to special allowance payments for the 3-month period ending June 30, 2012, and each succeeding 3-month period, on loans for which the first disbursement is made on or after January 1, 2000, and before July 1, 2010, if, not later than April 1, 2012, the holder of the loan (or, if the holder acts as eligible lender trustee for the beneficial owner of the loan, the beneficial owner of the loan), affirmatively and permanently waives all contractual, statutory, or other legal rights to a special allowance paid pursuant to this subsection that is calculated using the formula in effect at the time the loans were first disbursed.

"(III)TERMS OF WAIVER.—

"(aa)IN GENERAL.—A waiver pursuant to subclause (II) shall be in a form (printed or electronic) prescribed by the Secretary, and shall be applicable to—

"(AA) all loans described in such subclause that the lender holds solely in its own right under any lender identification number associated with the holder (pursuant to section 487B);

"(BB) all loans described in such subclause for which the beneficial owner has the authority to make an election of a waiver under such subclause, regardless of the lender identification number associated with the loan or the lender that holds the loan as eligible lender trustee on behalf of such beneficial owner; and

"(CC) all future calculations of the special allowance on loans that, on the date of such waiver, are loans described in subitem (AA) or (BB), or that, after such date, become loans described in subitem (AA) or (BB).

"(bb)EXCEPTIONS.—Any waiver pursuant to subclause (II) that is elected for loans described in subitem (AA) or (BB) of item (aa) shall not apply to any loan described in such subitem for which the lender or beneficial owner of the loan demonstrates to the satisfaction of the Secretary that—

"(AA) in accordance with an agreement entered into before the date of enactment of this section by which such lender or owner is governed and that applies to such loans, such lender or owner is not legally permitted to make an election of such waiver with respect to such loans without the approval of one or more third parties with an interest in the loans, and that the lender or owner followed all available options under such agreement to obtain such approval, and was unable to do so; or

"(BB) such lender or beneficial owner presented the proposal of electing such a waiver applicable to such loans associated with an obligation rated by a nationally recognized statistical rating organization (as defined in section 3(a)(62) of the Securities Exchange Act of 1934), and such rating organization provided a written opinion that the agency would downgrade the rating applicable to such obligation if the lender or owner elected such a waiver."

(2) CONFORMING AMENDMENTS.—Section 438(b)(2)(I) of the HEA (20 U.S.C. 1087–1(b)(2)(I)) is further amended—

(A) in clause (i)(II), by striking "such average bond equivalent rate" and inserting "the rate determined under subclause (I) (in accordance with clause (vii))"; and

(B) in clause (v)(III), by striking "(iv), and (vi)" and inserting "(iv), (vi), and (vii)".

(f) REAPPROPRIATION OF MANDATORY SAVINGS.—Section 401(b)(7)(A)(iv) of the HEA (20 U.S.C. 1070a(b)(7)(A)(iv)) is amended to read as follows:

"(iv) to carry out this section—

"(I) \$13,500,000,000 for fiscal year 2011;

"(II) \$13,795,000,000 for fiscal year 2012;

"(III) \$7,587,000,000 for fiscal year 2013;

"(IV) \$588,000,000 for fiscal year 2014;

"(V) \$0 for fiscal year 2015;

"(VI) \$0 for fiscal year 2016;

"(VII) \$1,574,000,000 for fiscal year 2017;

"(VIII) \$1,382,000,000 for fiscal year 2018;

"(IX) \$1,409,000,000 for fiscal year 2019;

"(X) \$1,430,000,000 for fiscal year 2020; and

"(XI) \$1,145,000,000 for fiscal year 2021 and each succeeding fiscal year."

(g) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall take effect on July 1, 2012.

(h) INAPPLICABILITY OF NEGOTIATED RULEMAKING AND MASTER CALENDAR EXCEPTION.—Sections 482(c) and 492 of the HEA (20 U.S.C. 1089(c), 1098a) shall not apply to the amendments made by this section, or to any regulations promulgated under those amendments. **■**

*SEC. 307. (a) The Secretary may reserve not more than 0.5 percent from each appropriation made available in this Act for the accounts identified in subsection (d), with the exception of the appropriation for subpart 1 of part A of title IV of the Higher Education Act of 1965, in order to carry out evaluations of any of the programs or activities that are funded under such accounts.*

*(b) Any funds reserved under this section shall be available for obligation through September 30, 2014.*

*(c) Such funds shall be in addition to any other funds available to the Secretary for evaluation.*

*(d) The accounts referred to in subsection (a) are: "Accelerating Achievement and Ensuring Equity", "Impact Aid", "Education Improvement Programs", "Supporting Student Success", "Indian Student Education", "Innovation and Instructional Teams", "English Learner Education", "Rehabilitation Services and Disability Research", "Career, Technical, and Adult Education", "Student Financial Assistance", "Student Aid Administration", and "Higher Education."*

*(Department of Education Appropriations Act, 2012.)*

