

Rescission Proposal No. R95-7

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

AGENCY: Department of Education	New budget authority.....	\$	<u>1,190,000</u>
BUREAU: Office of Postsecondary Education	(P. L. 103-333)		
Appropriations title and symbol: College housing and academic facilities loans program 9150241	Other budgetary resources..	\$	_____
	Total budgetary resources...	\$	<u>1,190,000</u>
OMB identification code: 91-0241-0-1-502	Amount proposed for rescission.....	\$	<u>168,000</u>
Grant program: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____		
Type of account or fund: <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Multi-year: _____ (expiration date) <input type="checkbox"/> No-Year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____		

JUSTIFICATION: This program provides direct, low-interest-rate loans to postsecondary educational institutions for construction, reconstruction, and renovation of housing and educational facilities. This proposal reflects savings derived from not making new loans. In the FY 1995 appropriations act, \$10 million in new loans was authorized, but only \$168 thousand was provided for loan subsidies. Based on current subsidy calculations, the subsidy provided would support only \$840 thousand in new loans. The proposal would rescind the subsidy and repeal the loan authority rather than restart a terminated program and issue so few new loans. The National Performance Review recommended the elimination of this loan program because providing funds to institutions of higher education for renovation and construction supplants State, local, and private support.

ESTIMATED PROGRAM EFFECT: No material effect. Institutions already provide the resources for this activity in far greater amounts.

OUTLAY EFFECT: (in thousands of dollars):

1995 Outlay Estimate		Outlay Changes					
Without Rescission	With Rescission	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
2,872	2,872	—	—	-8	-50	-42	-34