



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

January 24, 2008

**H.R. 4154**

**A bill to increase insurance limitations on federal insurance for bonds issued by the designated bonding authority for Historically Black Colleges and Universities capital financing**

*As passed by the House of Representatives on November 13, 2007*

H.R. 4154 would raise—to \$1.1 billion—the amount of federal insurance available for bonds issued by the designated bonding authority for the capital financing account for Historically Black Colleges and Universities. The current limit is \$375 million. Based on data from the Department of Education, which operates the insurance program, CBO projects that the subsidy rate for those federal guarantees is approximately 7 percent and that colleges would borrow about \$75 million of these newly authorized funds over the next 5 years. Such subsidy costs are paid from appropriated funds.

CBO estimates that implementing the bill would increase discretionary spending by approximately \$6 million over the 2009-2013 period, assuming the appropriation of the necessary funds. The bill would have no impact on direct spending or revenues.

H.R. 4154 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The language in H.R. 4154 also was included as a provision of H.R. 4137, the Higher Education Amendments of 2007, as ordered reported by the House Committee on Education and Labor on November 15, 2007. The estimated costs for both provisions are identical.

The CBO staff contact for this estimate is Deborah Kalcevic. The estimate was approved by Keith Fontenot, Deputy Assistant Director for Health and Human Resources, Budget Analysis Division.