



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 2, 1999

### **H.R. 1995** **Teacher Empowerment Act**

*As ordered reported by the House Committee on Education and the Workforce  
on June 30, 1999*

#### **SUMMARY**

H.R. 1995 would extend the authorization for the Reading Excellence Act through 2004 and would authorize a new block grant that would consolidate the funding for several education programs. The consolidated programs, which focus on the hiring and development of elementary and secondary school teachers, include Goals 2000, Eisenhower Professional Development, and the "100,000 new teachers" provisions included in the 1999 Department of Education Appropriations Act.

CBO estimates that the bill would provide increased authorizations of \$1.7 billion in 2000 and \$10.5 billion over the 2000-2004 period, assuming that funding is maintained at the initial authorization levels throughout the five-year period. If these amounts are appropriated, H.R. 1995 would result in \$7.3 billion in additional outlays over five years. If funding is assumed to grow each year to keep pace with inflation, the authorizations would total \$11.0 billion and the outlays \$7.5 billion from 2000 through 2004.

H.R. 1995 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs to state or local governments resulting from enactment of this bill would be incurred voluntarily. The budgets of tribal governments would be unaffected by the provisions of this bill.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 1995 is shown in the following table.

Table 1. Estimated Budgetary Effects of H.R. 1995

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004
<b>AUTHORIZATIONS UNDER CURRENT LAW</b>						
Eisenhower Professional Development Program						
Budget Authority/Authorization Level <sup>a</sup>	335	335	0	0	0	0
Estimated Outlays	226	334	318	101	17	0
Eisenhower Professional Development Federal Activities						
Budget Authority/Authorization Level <sup>a</sup>	23	23	0	0	0	0
Estimated Outlays	21	23	17	5	b	0
Goals 2000						
Budget Authority/Authorization Level <sup>a</sup>	461	0	0	0	0	0
Estimated Outlays	462	440	139	23	0	0
Class Size Reduction						
Budget Authority/Authorization Level <sup>a</sup>	1,200	0	0	0	0	0
Estimated Outlays	60	420	420	240	60	0
Reading Excellence						
Budget Authority/Authorization Level <sup>a</sup>	260	260	260	0	0	0
Estimated Outlays	13	104	221	273	104	52
Total Authorizations Under Current Law						
Budget Authority/Authorization Level <sup>a</sup>	2,279	618	260	0	0	0
Estimated Outlays	782	1,321	1,115	642	181	52
<b>PROPOSED CHANGES (Without Adjustments for Inflation)</b>						
Repeals						
Eisenhower Professional Development Program						
Authorization Level	0	-335	0	0	0	0
Estimated Outlays	0	-17	-218	-84	-17	0
Eisenhower Professional Development Federal Activities						
Authorization Level	0	-23	0	0	0	0
Estimated Outlays	0	-6	-12	-4	-b	0
New Program						
Teacher Empowerment						
Authorization Level <sup>c</sup>	0	2,019	2,019	2,019	2,019	2,019
Estimated Outlays	0	106	1,056	1,799	2,139	2,139
Program Extension						
Reading Excellence						
Authorization Level <sup>c</sup>	0	0	0	260	260	260
Estimated Outlays	0	0	0	13	182	234
Total Changes						
Authorization Level <sup>c</sup>	0	1,661	2,019	2,279	2,279	2,279
Estimated Outlays	0	83	825	1,724	2,304	2,373

Continued

Table 1. Continued

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004
<b>AUTHORIZATIONS UNDER H.R. 1995</b>						
Teacher Development/Empowerment						
Authorization Level <sup>c</sup>	2,019	2,019	2,019	2,019	2,019	2,019
Estimated Outlays	769	1,300	1,719	2,260	2,379	2,199
Reading Excellence						
Authorization Level <sup>c</sup>	260	260	260	260	260	260
Estimated Outlays	13	104	221	286	286	286
Total						
Budget Authority/Authorization Level <sup>a, c</sup>	2,279	2,279	2,279	2,279	2,279	2,279
Estimated Outlays	782	1,404	1,940	2,366	2,485	2,425

Notes: Components may not sum to totals due to rounding.

a. The 1999 level is the amount appropriated for that year.

b. Less than \$500,000.

c. Assumes funding is maintained at the fiscal year 2000 level through 2004.

The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

## **BASIS OF ESTIMATE**

H.R. 1995 would amend Title II of the Elementary and Secondary Education Act of 1965 (ESEA) to create a grant program to replace the current Eisenhower Professional Development and Goals 2000 systemic improvement programs. (The latter is currently authorized under the Educate America Act.) In addition, the new program's authorization level reflects the \$1.2 billion in funding appropriated in 1999 for the hiring of additional teachers in order to reduce the size of classes. It would also extend the authorization for the Reading Excellence Program for the 2001-2004 period.

### **Teacher Empowerment**

Under current law, the authorizations for the programs subsumed in the new grant program expire in either 1999 or 2000. The Goals 2000 authorization expired in 1998 but was

automatically extended into 1999 through the General Education Provisions Act (GEPA). The authorization for the Eisenhower Professional Development program ends in 2000, assuming the automatic GEPA extension. Because the authorization for hiring additional teachers was enacted in the 1999 appropriation act, the GEPA extension does not apply and there is no authorization under current law after 1999.

The grant program established by H.R. 1995 would fund activities permitted under the three programs described above, but would allow states and localities more flexibility with regard to how the funds might be used. Among the activities currently permitted under the Eisenhower Professional Development program are peer training and mentoring programs, support for training outside the school, training for parents to become more involved in local educational delivery, and programs to attract teachers from underrepresented populations. Goals 2000 programs are designed to enhance school quality and promote excellence in elementary and secondary schools through the establishment of achievement standards for students, licensing and accreditation standards for teachers, and parental participation in the schools. The funding for additional teachers can be used to hire regular and special education teachers in order to reduce class sizes in grades 1-3, train teachers or help teachers meet state certification requirements, or to provide for other professional development for teachers.

H.R. 1995 would fund these same activities through a block grant. For this purpose, it would authorize appropriations of \$2.019 billion for fiscal year 2000 and such sums as may be necessary for the following four years. The funds would be distributed among the states in a formula similar to those used in its predecessor programs. States would be required to devote at least 95 percent of the grant to localities. Eighty percent of these funds would have to be distributed as formula grants to local school systems, and 20 percent would be provided on a competitive basis, but those funds would have to be disbursed equitably by geographic region in the state.

The bill also would set aside \$15 million of the total block grant to be used to support programs to recruit teachers from nontraditional sources. H.R. 1995 would extend the authorization for the troops-to-teachers program and would allow the Secretary of Education to match up to \$3 for every \$1 spent by the Secretary of Defense and the Secretary of Transportation (with regard to Coast Guard participants) on the program. In recent years, however, no funds have been appropriated to the latter two agencies for this purpose.

CBO estimates that outlays from the new block grant will occur at the same rate as that of the programs it replaces. The new authorization would therefore result in additional outlays of \$83 million in 2000 and \$6.9 billion over the five-year period, if funding is maintained at \$2.019 billion each year. If funding is increased to keep pace with inflation, appropriations would reach \$2.2 billion in 2004 and additional outlays over the five-year period would total \$7.1 billion.

### **Reading Excellence**

Under current law, the Reading Excellence program is authorized at \$260 million and it expires in 2001, assuming the GEPA extension. The reading and literacy grants funded under this program are intended to provide professional development for teachers, establish tutoring programs, and provide family literacy services. Each state can use up to 5 percent of its funding for administrative expenses.

H.R. 1995 would authorize appropriations of such sums as may be necessary for fiscal years 2002 through 2004. CBO estimates that the new authorization would increase outlays by \$13 million in 2002 and \$429 million over the 2002-2004 period, assuming appropriations of \$260 million a year. If funding grows at the rate of inflation, outlays over the three-year period would total \$443 million.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 1995 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would allow states to apply for grants to fund initiatives by local education agencies to hire and retain effective teachers and to develop high-quality professional development programs. Participation in this grant program would be voluntary, as would be any associated costs. The budgets of tribal governments would be unaffected by the provisions of this bill.

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