



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 21, 2012

H.R. 3989 **Student Success Act**

*As ordered reported by the House Committee on Education and the Workforce
on February 28, 2012*

SUMMARY

H.R. 3989 would amend and reauthorize several titles of the Elementary and Secondary Education Act of 1965 (the ESEA, commonly referred to, in its most recently reauthorized form, as No Child Left Behind). The underlying authorizations for those programs have expired, although most have received appropriations since their authorizations have expired. This bill would authorize funding through fiscal year 2018 for various grant programs, including grants for rural school districts and those with high proportions of low-income students, as well as funding for the education of Native Americans, children of migrant workers and other at-risk children, and students learning English. These authorizations would automatically be extended one year through 2019, under the General Education Provisions Act.

CBO estimates that H.R. 3989 would authorize the appropriation of \$16.7 billion in 2013 and \$85.9 billion over the 2013-2017 period. Implementing the bill would have discretionary costs of \$64.0 billion over the 2013-2017 period, assuming appropriation of the estimated amounts. Enacting the bill would have no effect on direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 3990 (the Encouraging Innovation and Effective Teachers Act), also ordered reported by the House Committee on Education and the Workforce on February 28, 2012, would amend and reauthorize additional sections of the ESEA. Together, CBO estimates that H.R. 3989 and H.R. 3990 would authorize the appropriation of approximately \$24 billion for fiscal year 2013. The Congress appropriated a little more than \$24 billion for activities authorized in the ESEA for fiscal year 2012. (More detailed analysis of H.R. 3990 is included in a separate estimate.)

H.R. 3989 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of the bill is shown in the following table. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

	By Fiscal Year, in Millions of Dollars					2013- 2017
	2013	2014	2015	2016	2017	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Title I, Part A: Aid to Local Educational Agencies						
Estimated Authorization Level	16,652	16,894	17,146	17,444	17,794	85,930
Estimated Outlays	333	12,993	16,180	17,087	17,375	63,968
Title I, Part B: National Assessments of Title I						
Estimated Authorization Level	3	3	3	3	3	16
Estimated Outlays	*	2	3	3	3	12
Title V: General Provisions						
Estimated Authorization Level	0	-2	-2	-2	-2	-8
Estimated Outlays	0	-2	-2	-2	-2	-8
Total Changes						
Estimated Authorization Level	16,655	16,895	17,147	17,445	17,795	85,938
Estimated Outlays	333	12,994	16,181	17,088	17,377	63,972

Notes: Some programs received advance appropriations for fiscal year 2013. CBO does not assume advance appropriations in its estimates.

* = less than \$500,000.

Components may not sum to totals because of rounding.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted by October 1, 2012, that the estimated amounts will be appropriated for each year, and that spending will follow historical patterns.

CBO estimates that H.R. 3989 would authorize the appropriation of \$16.7 billion in 2013 and \$85.9 billion over the 2013-2017 period. Implementing the provisions in the bill would cost about \$64 billion over the 2013-2017 period, assuming appropriation of the estimated amounts.

Title I of ESEA—Aid to Local Educational Agencies

Title I of H.R. 3989 would replace title I of the current ESEA with a new title divided in three parts. The bill would authorize the appropriation of \$16.7 billion for fiscal year 2013 and specify that these amounts be adjusted for inflation for each fiscal year through 2018. CBO estimates that the bill would authorize the appropriation of approximately \$85.9 over the 2013-2017 period for title I, almost all of which would be for activities in Part A.

Part A—Improving the Academic Achievement of the Disadvantaged. H.R. 3989 would authorize the appropriation of \$16.7 billion for programs in Part A of title I for fiscal year 2013. Adjusting for inflation, CBO estimates that the bill would authorize the appropriation of \$85.9 billion over the 2013-2017 period and that appropriating those amounts would produce outlays of \$64.0 billion over the same period. This funding would support programs in six new subparts in Part A.

- **Subpart 1—Improving Basic Programs Operated by Local Education Agencies.** The bill would amend and reauthorize funding for grants to local education agencies, school improvement grants, and administrative support. The bill would reserve 91 percent of all the funding provided for Part A for this subpart (approximately \$15.2 billion in fiscal year 2013). The Congress appropriated about \$15 billion for similar activities in fiscal year 2012.
- **Subpart 2—Education of Migratory Children.** H.R. 3989 would make changes to programs that support the education of children of migrant workers. The bill would reserve 2.4 percent of the funding for all of Part A for this subpart (approximately \$400 million for fiscal year 2013). Funding for the education of children of migrants totaled almost \$400 million in fiscal year 2012.
- **Subpart 3—Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At Risk.** The bill would reauthorize programs that support the education of delinquent and at-risk children and reserve approximately 0.3 percent (\$50 million for fiscal year 2013) of funding for Part A for those activities. Funding totaled almost \$50 million for at-risk children for fiscal year 2012.

- Subpart 4—English Language Acquisition, Language Enhancement, and Academic Achievement. The bill would amend the programs that provide support for teaching of the English language to recent immigrants and other nonnative speakers currently authorized under title III of the ESEA. The bill would reserve about 4.4 percent of funding for Part A for these activities in fiscal year 2013 (\$730 million in fiscal year 2013), about the same amount as the Congress appropriated in fiscal year 2012.
- Subpart 5—Rural Education Achievement Program. H.R. 3989 would amend and reauthorize the rural education achievement programs, which provide grants to assist rural school districts in improving teaching and learning outcomes. These programs are authorized under title VI of the ESEA in current law. The bill would reserve 1.1 percent of the total amount provided for Part A (about \$180 million in 2013). Funding for rural education totaled nearly \$180 million in fiscal year 2012.
- Subpart 6—Indian Education. The bill would reauthorize and amend grant programs for Native Americans and Hawaiians and for Alaska Natives currently authorized under title VII of the ESEA. The bill would reserve approximately 0.8 percent (about \$135 million for fiscal year 2013) of all funds available for Part A. Funding for those grants totaled about \$130 million in fiscal year 2012.

Part B—National Assessments of Title I. H.R. 3989 would amend and reauthorize the programs designed to assess the effectiveness of title I, currently authorized under Part E of title I in the ESEA. The bill would transfer those programs to Part B and authorize the appropriation of \$3 million for fiscal year 2013 and specify that this amount be adjusted for inflation each year through fiscal year 2018. CBO estimates that implementing this provision would cost \$12 million over the 2013-2017 period, assuming the appropriation of the estimated amounts. The Congress appropriated \$3 million for evaluations under title I in fiscal year 2012.

Part C—General Provisions. The bill would amend the general provisions specified in Part I of title I of the current ESEA. CBO estimates that amending those provisions would have no impact on federal spending.

Title V of ESEA—General Provisions

Title II of H.R. 3989 would amend the general provisions specified under current law in title IX of the ESEA and transfer them to title V. The bill would require that, within one year of enactment, the Department of Education reduce its workforce by the number of full-time equivalent employees who work in or administer programs that are eliminated by this bill. CBO estimates that implementing title V would reduce discretionary spending by \$8 million over the 2013-2017 period, assuming appropriation actions consistent with the bill.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3989 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Those governments would benefit from grants authorized in the bill for elementary and secondary education. Any costs associated with those grants would be incurred voluntarily as a result of complying with conditions of federal assistance.

PREVIOUS CBO ESTIMATES

On January 4, 2012, CBO transmitted a cost estimate for the Elementary and Secondary Education Reauthorization Act of 2011, as ordered reported by the Senate Committee on Health, Education, Labor, and Pensions on October 20, 2011. CBO estimated that the bill, which also reauthorized the ESEA, would authorize the appropriation of \$25.9 billion for fiscal year 2013.

On March 15, 2012, CBO transmitted a revised estimate of the Elementary and Secondary Education Reauthorization Act of 2011 that supersedes the cost estimate transmitted on January 4, 2012. CBO updated the estimate to reflect the private-sector mandate that was omitted in the initial estimate. The estimated costs of implementing the bill remain unchanged.

On March 21, 2012, CBO transmitted a cost estimate for H.R. 3990, the Encouraging Innovation and Effective Teachers Act, as ordered report by the House Committee on Education and the Workforce on February 28, 2012. CBO estimated that this bill, which amends and reauthorizes sections of the ESEA in addition to those amended by H.R. 3989, would authorize the appropriation of \$38.6 billion over the 2013-2017 period.

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