



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 10, 2012

S. 1262

Native Culture, Language, and Access for Success in Schools Act

As ordered reported by the Senate Committee on Indian Affairs on October 20, 2011

SUMMARY

S. 1262 would amend various laws governing Native American educational activities implemented by the Department of the Interior (DOI) and the Department of Education (ED). Assuming the appropriation of necessary funds, CBO estimates that implementing S. 1262 would cost \$4.0 billion over the 2012-2017 period.

In addition, CBO estimates that enacting S. 1262 would have a negligible impact on direct spending. The staff of the Joint Committee on Taxation (JCT) estimates that the legislation would reduce federal revenues by \$8 million over the 2012-2022 period. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending and revenues.

CBO has reviewed the nontax provisions of S. 1262 and determined they contain 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. The staff of the JCT determined that the tax provisions of S. 1262 contain no intergovernmental or private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1262 is shown in the following table. The costs of this legislation fall within budget functions 450 (community and regional development) and 500 (education, training, employment, and social services).

	By Fiscal Year, in Millions of Dollars						2012- 2017
	2012	2013	2014	2015	2016	2017	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION^a							
Reauthorize ESEA							
Estimated Authorization Level	752	763	774	786	799	815	4,688
Estimated Outlays	15	522	700	764	776	789	3,565
Amend ED and DOI Indian Educational Programs							
Estimated Authorization Level	78	78	79	80	80	81	476
Estimated Outlays	17	65	73	78	79	79	391
Expand Certain Indian Educational Programs							
Estimated Authorization Level	14	14	13	14	14	14	84
Estimated Outlays	4	11	13	13	14	14	68
Total Changes							
Estimated Authorization Level	844	855	866	879	893	910	5,248
Estimated Outlays	35	598	786	856	868	882	4,023

Notes: Amounts may not sum to totals because of rounding.

ESEA = Elementary and Secondary Education Act of 1965; ED = Department of Education;
DOI = Department of the Interior.

- a. In addition, the staff of the Joint Committee on Taxation estimates that enacting the legislation would reduce revenues by \$8 million over the 2012-2022 period. CBO estimates the legislation would have a negligible impact on direct spending.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1262 will be enacted by July 2012, that the necessary amounts will be appropriated in each fiscal year including supplemental amounts for 2012, and that spending will follow historical patterns for existing or similar programs.

Spending Subject to Appropriation

Based on information from DOI and ED, CBO estimates that implementing S. 1262 would cost \$4.0 billion over the 2012-2017 period, assuming appropriation of the necessary funds.

Reauthorize the Elementary and Secondary Education Act of 1965 (Title I). Title I of S. 1262 would amend and reauthorize certain programs in the Elementary and Secondary Education Act of 1965 (the ESEA, commonly referred to as No Child Left Behind). The underlying authorizations for all of those programs have expired but all of the programs below have received an appropriation for 2012. Assuming the appropriation of the necessary amounts, implementing the title would cost \$3.6 billion over the 2012-2017 period, CBO estimates.

- Subtitle A (Improving the Academic Achievement of the Disadvantaged) would reserve funding provided for title I of the ESEA for grants to assist in implementing intervention models at low-performing Native American and Hawaiian schools and to assist in providing education services to Indian children in correctional facilities and juvenile detention. It also would amend a grant program designed to assist children who are neglected or delinquent. CBO estimates that implementing those changes would cost almost \$300 million over the 2012-2017 period.
- Subtitle B (Preparing, Training, and Recruiting High-Quality Teachers and Principals) would amend title II of the ESEA to authorize the appropriation of \$50 million for fiscal year 2012 and such sums as may be necessary for fiscal years 2013 through 2017 for the Indian Educator Scholarship program. This new program would support scholarships to Indians enrolled in postsecondary education who are studying elementary and secondary school administration. CBO estimates that implementing this provision would cost \$232 million over the 2012-2017 period.

The bill also would amend the teacher quality state grant, Troops to Teachers, and mathematics and science partnerships programs. CBO estimates that amending those programs would cost about \$600 million over the 2012-2017 period.

- Subtitle C (Native American Language Programs) would amend title III of the ESEA by authorizing the appropriation of \$15 million for fiscal year 2012 and such sums as may be necessary for fiscal years 2013 through 2017 for grants to school districts, Indian tribes, or other organizations to support Native American language programs. The bill also would permit Native Americans to enter into agreements with states to assume responsibility for administering and implementing certain ESEA programs on tribal lands and receive a portion of funding for those activities.

CBO estimates that implementing those provisions would cost about \$70 million over the 2012-2017 period.

- Subtitle D (Twenty-First Century Schools) would authorize funding for subpart 2 of part A of title IV of the ESEA (National Programs) that support programs for Native American students in elementary and secondary schools related to issues such as drug and alcohol abuse, violence, and pregnancy. CBO estimates that implementing this provision would cost about \$5 million over the 2012-2017 period.
- Subtitle E (Centers for Innovation in Tribally Directed Education) would amend title V of the ESEA to authorize the appropriation of \$3 million for fiscal year 2012 and such sums as may be necessary for fiscal years 2013 through 2017 to support Centers for Innovation in Tribally Directed Education. CBO estimates that implementing subtitle E would cost \$15 million over the 2012-2017 period.
- Part I of Subtitle F (Indian, Native Hawaiian, and Alaska Native Education) would reauthorize grants for Indian education under title VII of the ESEA. The bill would authorize the appropriation of more than \$200 million for fiscal year 2012 and such sums as may be necessary for fiscal years 2013 through 2017 for subparts 1, 2, and 3 of part A of title VII. The bill also would create several new programs, including a grant program to help prepare and recruit teachers and administrators for Native American schools and to assist elementary, secondary, and postsecondary schools to use American Indian, Alaska Native, or Native Hawaiian language as the primary language of instruction. CBO estimates that implementing part I would cost about \$1.0 billion over the 2012-2017 period.

Part II of subtitle F would authorize the appropriation of such sums as may be necessary over the 2012-2017 period for grants to Native Hawaiian education programs. CBO estimates that implementing this provision would cost \$220 million over the 2012-2017 period.

- Subtitle H (General Provisions) would require that 1 percent of all ESEA funding for public school assistance be reserved to provide technical assistance to Indian schools to compete for such assistance. CBO estimates implementing this provision would cost about \$1.1 billion over the 2012-2017 period.

Amend ED and DOI Indian Educational Programs (Title II). Title II would amend several laws related to Indian educational programs within ED and DOI. In total, CBO estimates that implementing title II would cost about \$390 million over the 2012-2017 period, assuming appropriation of the necessary amounts. Components of the spending under title II are as follows:

- Title II would authorize the appropriation of \$25 million annually over the 2012-2017 period to expand grants to tribal educational agencies. CBO estimates that implementing this provision would cost \$135 million over the 2012-2017 period.
- The bill also would amend the Race to the Top and Innovation Fund program in the American Recovery and Reinvestment Act to reserve funds for Indian schools. CBO estimates that implementing this provision would cost about \$85 million over the 2012-2017 period.
- S. 1262 also would amend the Workforce Investment Act of 1998 and authorize grants for an American Indian, Native Hawaiian, and Tribal College or University Adult Education Center and Literacy Grant Program. CBO estimates that implementing this provision would cost \$98 million over the 2012-2017 period.
- The legislation would amend the Higher Education Act of 1965 and authorize the appropriation of \$15 million for fiscal year 2012 and each subsequent year for grants to certain postsecondary institutions to promote the preservation and revitalization of American Indian languages. CBO estimates that implementing this provision would cost \$70 million over the 2012-2017 period.
- Finally, CBO estimates that implementing the other provisions of title II would cost about \$2 million over the 2012-2017 period.

Expand Certain Indian Educational Programs (Title III). Title III would establish or expand certain Indian educational programs. In total, CBO estimates that implementing title III would cost \$68 million over the 2012-2017 period:

- The bill would require the Secretary of Education to expand programs that assist Native American school children in learning their native language, culture, and English. It also would require the Secretary to conduct research on culture- and language-based education. CBO estimates that implementing this provision would cost \$48 million over the 2012-2017 period.
- S. 1262 also would authorize the appropriation of \$2 million for fiscal year 2012 and such sums as may be necessary over the 2013-2018 period for a Center for Indigenous Excellence. CBO estimates that implementing this provision would cost \$12 million over the 2012-2017 period.

- Additionally, S. 1262 would establish a Department of the Interior and Department of Education Joint Oversight Board to coordinate resource distribution and technical assistance for Native American students. CBO estimates that establishing and operating the board would cost \$6 million over the 2012-2017 period.
- Finally, title III would require ED to conduct a study to determine the feasibility of entering into self-governance compacts and contracts with Indian tribal governments that wish to operate public schools within their lands. CBO estimates that implementing this provision would cost \$2 million over the 2012-2017 period.

Direct Spending

The bill would amend the definition of a highly qualified teacher to include certain elementary and secondary school teachers who teach Native American or Hawaiian language, history, or culture. The Department of Education uses this definition to determine whether teachers are eligible to have their student loans forgiven. Expanding that definition would increase the number of individuals eligible for this benefit. CBO estimates that enacting this provision would increase direct spending by a negligible amount over the 2012-2022 period.

S. 1262 also would authorize the Bureau of Indian Education to spend existing funds from schools that the agency manages, regardless of the source of the funds. CBO estimates that enacting this provision would have a negligible net impact on direct spending.

Revenues

Enacting S. 1262 would reduce federal revenues by exempting qualified federal educational benefits to tribal members from the computation of gross income for federal taxes. The staff of the JCT estimates that enacting this provision would reduce revenues by \$8 million over the 2012-2022 period.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in revenues and direct spending that are subject to those pay-as-you-go procedures are shown in the following table.

	By Fiscal Year, in Millions of Dollars												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2017	2012-2022
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	1	1	1	1	1	1	1	1	1	1	3	8
Memorandum:													
Changes in Outlays	0	0	0	0	0	0	0	0	0	0	0	0	0
Changes in Revenues	0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-8

Note: Components may not sum to totals because of rounding.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

CBO has reviewed the nontax provisions of S. 1262 and determined they contain 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 a number of grants for Native American education programs. Any costs to state, local, or tribal education agencies would be incurred voluntarily and would result from complying with conditions of receiving federal assistance. The staff of the JCT determined that the tax provisions of S. 1262 contain no intergovernmental or private-sector mandates as defined in UMRA.

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 would amend and reauthorize the ESEA, would authorize the appropriation of about \$26 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 superseded 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 cost estimates for H.R. 3989, the Student Success Act, and 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 those bills, which also amend and reauthorize the ESEA, would authorize the appropriation of about \$24 billion for fiscal year 2013.

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