



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 26, 2014

S. 2452

Strong Start for America's Children Act

*As ordered reported by the Senate Committee on Health, Education, Labor, and Pensions
on May 14, 2014*

SUMMARY

S. 2452 would authorize three new federal programs at the Departments of Education and Health and Human Services (HHS) to support and expand prekindergarten education and infant and toddler childcare. CBO estimates that the bill would authorize the appropriation of \$6.1 billion for fiscal year 2015 and \$51.5 billion over the 2015-2019 period.

CBO estimates that implementing the bill would cost \$27.7 billion over the 2015-2019 period, assuming the appropriation of the estimated amounts.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 2452 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. In general, the legislation would benefit state, local, and tribal governments and any costs they incur would result from complying with conditions of federal assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

As shown in the following table, the costs of this legislation fall within budget function 500 (education, training, employment, and social services). For this estimate, CBO assumes that spending will follow historical patterns for similar programs.

	By Fiscal Year, in Millions of Dollars					2015- 2019
	2015	2016	2017	2018	2019	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Title I, Subtitle A—Access to Voluntary Prekindergarten for Low- and Moderate-Income Families						
Estimated Authorization Level	1,300	3,250	5,780	7,580	8,960	26,870
Estimated Outlays	26	559	1,962	4,045	6,199	12,790
Title I, Subtotal B—Prekindergarten Development Grants						
Estimated Authorization Level	750	763	778	794	809	3,894
Estimated Outlays	15	300	658	768	783	2,524
Title II—Learning Quality Partnerships						
Estimated Authorization Level	4,000	4,071	4,150	4,232	4,315	20,768
Estimated Outlays	400	1,407	2,833	3,685	4,076	12,401
Total Changes						
Estimated Authorization Level	6,050	8,084	10,708	12,606	14,084	51,532
Estimated Outlays	441	2,266	5,452	8,498	11,057	27,715

Notes: CBO estimates the bill would authorize an additional \$65 billion over the 2020-2024 period and that implementing the bill would cost an additional \$70 billion over that period.

Components may not add to totals because of rounding.

BASIS OF ESTIMATE

S. 2452 would authorize the appropriation of \$6.1 billion for fiscal year 2015, \$51.5 billion over the 2015-2019 period, and an additional \$65 billion over the 2020-2024 period for programs to support and expand prekindergarten education and infant and toddler childcare, CBO estimates. Based on the historical spending patterns of similar programs, CBO estimates that fully implementing the bill would cost about \$28 billion over the 2015-2019 period and an additional \$70 billion over the 2020-2024 period, assuming the appropriation of the estimated amounts.

Title I—Prekindergarten Access

Title I of S. 2452 would authorize the appropriation of \$2.1 billion in fiscal year 2015 and \$30.8 billion over the 2015-2019 period to the Department of Education for two new grant programs designed to expand prekindergarten education.

Subtitle A—Access to Voluntary Prekindergarten for Low- and Moderate-Income Families. Subtitle A would authorize a grant program for states to support the provision of prekindergarten education. States would be required to distribute those funds, under a formula specified in the bill, to local entities that provide prekindergarten education, such as school districts and Head Start programs, based on the concentration of low- and moderate-income families served.

The bill would authorize the appropriation of specific amounts for fiscal years 2015 through 2019 and such sums as may be necessary for fiscal years 2020 through 2023. That authorization would automatically be extended one year by the General Education Provisions Act (GEPA). CBO estimates that this subtitle would authorize the appropriation of \$1.3 billion for fiscal year 2015 and \$26.9 billion over the 2015-2019 period and implementing it would cost \$12.8 billion over the same period, assuming appropriation of the estimated amounts.

Subtitle B—Prekindergarten Development Grants. Subtitle B would authorize a competitive grant program for states that do not receive funding under Subtitle A. States, local governments, and school districts could use those funds to increase their capacity and infrastructure needed to offer high-quality prekindergarten education.

The bill would authorize the appropriation of \$750 million for fiscal year 2015 and such sums as may be necessary for fiscal years 2016 through 2024. That authorization would automatically be extended one year by GEPA. CBO estimates this subtitle would authorize the appropriation of \$3.9 billion over the 2015-2019 period and implementing it would cost \$2.5 billion, assuming appropriation of the estimated amounts.

Title II—Learning Quality Partnerships

Title II of the bill would authorize HHS to provide grants to Early Head Start agencies to partner with childcare providers to improve the quality of the care they provide. Childcare providers that serve infants and toddlers ages 0-3 whose parents have low income would be eligible to participate. The bill would authorize the appropriation of \$4.0 billion in fiscal year 2015 and such sums as may be necessary for fiscal years 2016 to 2024. CBO estimates the bill would authorize the appropriation of \$20.8 billion over the 2015-2019 period and that implementing this subtitle would cost \$12.4 billion over the same period, assuming appropriation of the estimated amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2452 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Grant funds authorized in the bill for early learning programs would benefit state, local, or tribal governments. Any costs those governments incur would result from complying with conditions of federal assistance.

ESTIMATE PREPARED BY:

Federal Costs: Elizabeth Delisle and Justin Humphrey
Impact on State, Local, and Tribal Governments: J'nell L. Blanco
Impact on the Private Sector: John Rodier

ESTIMATE APPROVED BY:

Peter H. Fontaine
Assistant Director for Budget Analysis