



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

February 10, 1999

S. 280

Education Flexibility Partnership Act of 1999

*As reported by the Senate Committee on Health, Education, Labor, and
Pensions on January 28, 1999*

SUMMARY

S. 280 would implement a nationwide policy allowing the Department of Education to delegate to states a portion of its waiver-granting authority. Under this bill, state education agencies could decide whether particular school districts could waive requirements imposed by certain federal regulations. Currently, education flexibility waivers are available to 12 states for demonstration purposes.

CBO estimates that this bill would have no budgetary impact. S. 280 contains no private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs to state and local governments resulting from enactment of the bill would be incurred voluntarily. Tribal governments would not be affected by the provisions of S. 280.

BASIS OF ESTIMATE

S. 280, like the Education Flexibility Partnership Demonstration Act of 1994, would require that states meet two criteria in order to qualify for waivers. First, states must submit an education reform plan as defined by the Goals 2000 program in the Elementary and Secondary Education Act (ESEA). Second, state education agencies must have the ability to modify their own regulatory or statutory requirements to make them consistent with the federal waivers they grant. A recent study conducted by the General Accounting Office finds that only 10 states either clearly or potentially meet these two criteria, in addition to the 12 states currently operating under education flexibility waivers.

The bill would allow states to waive the requirements of seven education programs: titles I, IV, and VI of ESEA; part B of title II of ESEA; subpart 2 of part A of title III of ESEA; part C of title VII of ESEA; and the Carl D. Perkins Vocational and Technical Education Act. The waivers would affect how a state allocates its federal formula grant money among competing districts but would not alter the total amount of a state's federal grant.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 280 contains no private-sector or intergovernmental mandates as defined in UMRA. The bill would allow officials in all 50 states to participate in the education flexibility partnership. Twelve states now participate in the education flexibility demonstration program, which gives state officials the authority to temporarily free individual school districts from certain requirements under specified federal education grant programs. Participation in these programs would be voluntary, as would any associated costs. Tribal governments would not be affected by the provisions of this bill.

ESTIMATE PREPARED BY:

Federal Cost: Josh O'Harra

Impact on State, Local, and Tribal Governments: Susan Sieg

Impact on the Private Sector: Nabeel Alsalam

ESTIMATE APPROVED BY:

Paul N. Van de Water

Assistant Director for Budget Analysis