



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 14, 2001

H.R. 1 **No Child Left Behind Act of 2001**

*As ordered reported by the House Committee on Education and the Workforce
on May 9, 2001*

SUMMARY

Programs under the Elementary and Secondary Education Act of 1965 (ESEA) were authorized through 2000 under the General Education Provisions Act (GEPA). Programs were authorized in 2001 by the Consolidated Appropriations Act (Public Law 106-554). H.R. 1 would reauthorize these programs through 2006. It would also reauthorize parts of the Stuart B. McKinney Act, the Goals 2000: Educate America Act, and the National Education Statistics Act.

CBO estimates that authorizations under the bill relative to current law would total approximately \$23 billion in 2002 and about \$135 billion over the 2002-2006 period, assuming that annual levels are adjusted to keep pace with inflation when specific annual authorizations are not provided. (Without such inflation adjustments, the authorization total would be about \$132 billion over the 2002-2006 period.) CBO estimates that appropriations of the authorized levels would result in additional outlays of \$99 billion over the 2002-2006 period, relative to estimated spending under current law, if inflation adjustments are included (and about \$98 billion without inflation adjustments).

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

The programs reauthorized in this bill would provide grants to state and local education agencies and tribal governments to assist specific populations of students in meeting state performance standards. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs incurred by state, local, or tribal governments would result from complying with conditions of aid.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1 is shown in Table 1. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

TABLE 1. ESTIMATED BUDGETARY EFFECTS OF H.R. 1, THE NO CHILD LEFT BEHIND ACT OF 2001

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
SPENDING SUBJECT TO APPROPRIATION						
With Adjustments For Inflation						
Spending Under Current Law						
Budget Authority/Authorization Level ^a	17,790	9,928	1,233	0	0	0
Estimated Outlays	14,212	15,036	5,101	972	79	10
Total Proposed Changes						
Estimated Authorization Level	0	22,834	24,555	27,526	29,270	30,727
Estimated Outlays	0	1,347	17,480	24,463	27,152	28,952
Spending Under H.R. 1						
Estimated Authorization Level	17,790	32,762	25,788	27,526	29,270	30,727
Estimated Outlays	14,212	16,382	22,581	25,435	27,231	28,962
Without Adjustments For Inflation						
Spending Under Current Law						
Budget Authority/Authorization Level ^a	17,790	9,902	1,183	0	0	0
Estimated Outlays	14,212	15,030	5,086	964	77	10
Total Proposed Changes						
Estimated Authorization Level	0	22,832	24,328	27,014	28,514	29,714
Estimated Outlays	0	1,346	17,462	24,228	26,681	28,234
Spending Under H.R. 1						
Estimated Authorization Level	17,790	32,733	25,511	27,014	28,514	29,714
Estimated Outlays	14,212	16,377	22,548	25,192	26,757	28,243

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

a. The 2001 level is the amount appropriated for that year.

BASIS OF ESTIMATE

H.R. 1 would authorize funding through 2006 for various programs created under ESEA. These programs would generally be reauthorized at specific levels for 2002 and for such sums as may be necessary for 2003 through 2006. Some programs would be authorized at such sums as may be necessary in all years. For these programs, CBO assumes continued funding at their 2001 levels, adjusted for projected inflation in the top panel of Table 1, and without such inflation adjustments in the bottom half of Table 1. In Table 1, spending under current law includes advance appropriations of \$8.7 billion in 2002 for program year 2001-2002. In addition, Impact Aid and Charter Schools are authorized under current law through 2003.

CBO estimates that H.R. 1 would increase authorized levels by \$22.8 billion in 2002 and by \$134.9 billion over the 2002-2006 period assuming that "such sums" amounts provided after 2002 are adjusted for inflation. If the authorized amounts are appropriated, outlays would increase relative to current law by \$1.3 billion in the first year and by \$99.4 billion over the five-year period. (Without inflation adjustments, the increased authorizations would result in outlays of \$98 billion over the five years.)

Table 2 presents CBO's estimates with inflation adjustments for the various components of each title under H.R. 1. CBO's estimate of authorized levels is generally the authorized amount for 2002 with those amounts inflated in later years. (The authorizations for some programs are specified after 2002.) For most existing programs that H.R. 1 would reauthorize, the estimated outlays reflect CBO's current spendout rate assumptions. For new programs or significant revisions to existing programs, an explanation of CBO's estimate is provided below. Because most education programs operate on a forward-funded basis, spending in the first year is consistently slow across most programs, with variation in spending patterns in the subsequent years.

Title I - Improving the Academic Performance of the Disadvantaged

Title I of H.R. 1 would reauthorize and revise programs currently authorized under parts A, B, C, D, and E of Title I of ESEA. It also would introduce new programs for student assessments and reading initiatives. H.R. 1 would authorize a total of \$14.3 billion for 2002 for all programs under title I. CBO estimates the total funding for title I for the 2002-2006 period would be \$86.9 billion, assuming adjustments for inflation, with resulting outlays of \$63.2 billion over those five years.

**TABLE 2. DETAILED EFFECTS OF H.R. 1, THE NO CHILD LEFT BEHIND ACT OF 2001,
WITH ADJUSTMENTS FOR INFLATION**

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Budget Authority/Authorization Level ^a	17,790	9,928	1,233	0	0	0
Estimated Outlays	14,212	15,036	5,101	972	79	10
Proposed Changes:						
Title I - Improving the Academic Performance of the Disadvantaged						
Grants to Local Education Agencies (LEAs)						
Estimated Authorization Level	0	11,500	13,000	14,500	16,000	17,200
Estimated Outlays	0	575	9,275	12,545	14,245	15,730
Reading First						
Estimated Authorization Level	0	900	918	935	953	971
Estimated Outlays	0	27	658	823	929	947
Early Reading First						
Estimated Authorization Level	0	75	76	78	79	81
Estimated Outlays	0	2	55	69	77	79
Even Start						
Estimated Authorization Level	0	275	280	286	291	297
Estimated Outlays	0	8	201	252	284	289
Inexpensive Book Distribution						
Estimated Authorization Level	0	24	24	24	25	25
Estimated Outlays	0	1	16	23	24	25
Education of Migratory Children						
Estimated Authorization Level	0	420	428	436	445	453
Estimated Outlays	0	21	336	419	435	443
Neglected or Delinquent Youth						
Estimated Authorization Level	0	50	51	52	53	54
Estimated Outlays	0	3	40	50	52	53
Comprehensive School Reform						
Estimated Authorization Level	0	260	265	270	275	281
Estimated Outlays	0	13	208	259	269	274
Rural Education						
Estimated Authorization Level	0	300	306	312	318	324
Estimated Outlays	0	15	210	289	310	316

Continued

TABLE 2. Continued.

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
Capital Expense Account						
Estimated Authorization Level	0	6	6	0	0	0
Estimated Outlays	0	*	5	6	1	0
Federal Activities - Evaluations						
Estimated Authorization Level	0	9	9	10	10	10
Estimated Outlays	0	*	7	9	9	9
Federal Activities - Demonstrations of Innovative Practices						
Estimated Authorization Level	0	2	2	2	2	2
Estimated Outlays	0	*	2	2	2	2
Allen J. Ellender Fellowship Program						
Estimated Authorization Level	0	2	2	2	2	2
Estimated Outlays	0	*	1	1	2	2
State Administration Grants						
Estimated Authorization Level	0	10	10	10	11	11
Estimated Outlays	0	1	8	10	10	11
Assistance for Local School Improvement						
Estimated Authorization Level	0	500	510	520	529	540
Estimated Outlays	0	25	400	498	518	528
Subtotal, Title I						
Estimated Authorization Level	0	14,332	15,888	17,437	18,992	20,250
Estimated Outlays	0	692	11,423	15,255	17,169	18,708
Title II - Preparing, Training, and Recruiting Quality Teachers						
Grants to States						
Estimated Authorization Level	0	3,600	3,670	3,741	3,811	3,885
Estimated Outlays	0	180	2,524	3,473	3,720	3,790
Troops to Teachers						
Estimated Authorization Level	0	50	51	52	53	54
Estimated Outlays	0	3	35	48	52	53
National Writing Project						
Estimated Authorization Level	0	10	10	11	11	11
Estimated Outlays	0	1	8	10	11	11

Continued

TABLE 2. Continued.

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
We the People						
Estimated Authorization Level	0	10	10	10	11	11
Estimated Outlays	0	1	8	10	10	11
Cooperative Civic Education and Economic Exchange programs						
Estimated Authorization Level	0	12	13	13	13	13
Estimated Outlays	0	1	10	12	13	13
Subtotal, Title II						
Estimated Authorization Level	0	3,683	3,755	3,827	3,899	3,975
Estimated Outlays	0	186	2,585	3,554	3,805	3,878
Title III - Education of Limited English Proficient and Immigrant Children; Indian and Alaska Native Education						
English Language and Academic Instructional Programs						
Estimated Authorization Level	0	750	765	779	794	809
Estimated Outlays	0	38	526	724	775	790
Indian Education						
Estimated Authorization Level	0	100	102	104	106	108
Estimated Outlays	0	5	80	100	104	106
Special Programs and National Research Activities						
Estimated Authorization Level	0	25	25	26	26	27
Estimated Outlays	0	1	20	25	26	26
Alaska Native Education						
Estimated Authorization Level	0	15	15	16	16	16
Estimated Outlays	0	1	11	14	15	16
Administrative Costs						
Estimated Authorization Level	0	1	1	1	1	1
Estimated Outlays	0	*	1	1	1	1
Early Childhood Development						
Estimated Authorization Level	0	10	10	10	11	11
Estimated Outlays	0	3	10	10	10	11

Continued

TABLE 2. Continued.

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
Tribal Departments or Divisions of Education						
Estimated Authorization Level	0	2	2	2	2	2
Estimated Outlays	0	1	2	2	2	2
Subtotal, Title III						
Estimated Authorization Level	0	903	921	938	956	975
Estimated Outlays	0	48	649	876	933	951
Title IV - Promoting Informed Parental Choice and Innovative Program						
State and Local Innovative Program						
Estimated Authorization Level	0	450	459	468	476	486
Estimated Outlays	0	23	315	434	465	474
Arts in Education						
Estimated Authorization Level	0	29	29	30	30	31
Estimated Outlays	0	1	20	28	30	30
Gifted and Talented						
Estimated Authorization Level	0	8	8	8	8	8
Estimated Outlays	0	1	6	8	8	8
Charter Schools ^b						
Estimated Authorization Level	0	31	31	234	238	243
Estimated Outlays	0	2	22	40	173	227
Magnet Schools						
Estimated Authorization Level	0	125	127	130	132	135
Estimated Outlays	0	6	88	121	129	132
Women's Educational Equity						
Estimated Authorization Level	0	3	3	3	3	3
Estimated Outlays	0	*	2	3	3	3
Subtotal, Title IV						
Estimated Authorization Level	0	645	658	872	889	906
Estimated Outlays	0	33	453	633	808	874

Continued

TABLE 2. Continued.

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
Title V - 21st Century Schools						
Safe Schools						
Estimated Authorization Level	0	475	484	494	503	513
Estimated Outlays	0	24	333	458	491	500
21st Century Community Learning Centers						
Estimated Authorization Level	0	900	918	935	953	971
Estimated Outlays	0	108	722	898	933	951
National Programs						
Estimated Authorization Level	0	60	60	60	60	60
Estimated Outlays	0	3	42	57	60	60
Enhancing Education Through Technology						
Estimated Authorization Level	0	1,000	1,020	1,039	1,059	1,079
Estimated Outlays	0	100	652	965	1,033	1,053
Ready To Learn - Ready To Teach						
Estimated Authorization Level	0	25	25	25	26	26
Estimated Outlays	0	2	16	24	25	26
Character Education						
Estimated Authorization Level	0	25	25	26	26	27
Estimated Outlays	0	3	20	25	26	26
Elementary and Secondary School Counseling						
Estimated Authorization Level	0	31	31	32	32	33
Estimated Outlays	0	4	25	31	32	32
Mentoring						
Estimated Authorization Level	0	50	51	52	53	54
Estimated Outlays	0	2	34	48	52	53
Subtotal, Title V						
Estimated Authorization Level	0	2,565	2,614	2,663	2,712	2,764
Estimated Outlays	0	245	1,844	2,505	2,652	2,701
Title VI - Impact Aid ^b						
Basic Program						
Estimated Authorization Level	0	0	0	937	954	973
Estimated Outlays	0	0	0	843	934	971

Continued

TABLE 2. Continued.

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
Payments for Children with Disabilities						
Estimated Authorization Level	0	0	0	53	54	55
Estimated Outlays	0	0	0	48	53	55
Facilities Maintenance						
Estimated Authorization Level	0	0	0	8	9	9
Estimated Outlays	0	0	0	8	8	9
Construction						
Estimated Authorization Level	0	137	140	156	159	162
Estimated Outlays	0	123	137	154	158	162
Payments for Federal Property						
Estimated Authorization Level	0	0	0	43	44	45
Estimated Outlays	0	0	0	39	43	45
Subtotal, Title VI						
Estimated Authorization Level	0	137	140	1,198	1,220	1,244
Estimated Outlays	0	123	137	1,092	1,197	1,241
Title VII - Accountability						
Achievement in Education Awards						
Estimated Authorization Level	0	40	41	42	42	43
Estimated Outlays	0	1	27	39	41	42
Grants for Independent Assessments and Administration of Assessments Under NAEP						
Estimated Authorization Level	0	69	70	72	73	74
Estimated Outlays	0	2	47	67	71	73
Development and Administration of State Standards and Assessments						
Estimated Authorization Level	0	400	408	416	423	432
Estimated Outlays	0	12	272	386	413	421
Subtotal, Title VII						
Estimated Authorization Level	0	509	519	529	539	549
Estimated Outlays	0	15	346	491	526	536

Continued

TABLE 2. Continued.

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
Title IX - Miscellaneous Provisions						
Homeless Education						
Estimated Authorization Level	0	60	61	62	64	65
Estimated Outlays	0	3	42	58	62	63
Total Proposed Changes						
Estimated Authorization Level	0	22,834	24,555	27,526	29,270	30,727
Estimated Outlays	0	1,347	17,480	24,463	27,152	28,952
Total Spending Under H.R. 1						
Estimated Authorization Level	17,790	32,762	25,788	27,526	29,270	30,727
Estimated Outlays	14,212	16,382	22,581	25,435	27,231	28,962

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

* = less than \$500,000.

- a. The 2001 level is the amount appropriated for that year.
- b. The Charter Schools and Impact Aid programs are currently authorized until 2003. Table 2 shows only new authorizations. See text for a description of total authorizations.

Part A - Basic Program. H.R. 1 would reauthorize the Basic, Concentration, and Targeted Grant Programs currently authorized under Part A of Title I, phase out the capital expense account, add new requirements for states to develop more specific standards and assessments, and require states to report annually on the results of the assessments.

The bill would authorize \$11.5 billion for 2002, \$13 billion for 2003, \$14.5 billion for 2004, \$16 billion for 2005, and \$17.2 billion for 2006 for basic and concentration grants under Part A. The comparable funding for the 2001-2002 academic year is \$8.6 billion.

H.R. 1 also would authorize \$10 million in 2002 for additional state administration grants and \$500 million in 2002 for the Assistance for Local School Improvement program. States would use the funds to assist local educational agencies (LEAs) and schools which are in school improvement status.

H.R. 1 would continue the authorization of the capital expense account. This account funds costs associated with ensuring that Title I services to private-school children are administered

in neutral settings. In response to the 1997 Supreme Court ruling that overturned this requirement, H.R. 1 would phase out funding over two years, authorizing \$6 million annually for 2002 and 2003. The funding level for 2001 is also \$6 million.

The bill would amend Part A of Title I to include more specific standards and assessment requirements for state plans. H.R. 1 would require states to include performance indicators in their plans as well as sanctions and rewards for LEAs. State progress would be measured by each state according to its state plan. It also would require states to assess all students annually in grades 3 through 8 in mathematics and reading, and measure the outcomes of the assessments against the state content and student performance standards established in the state plans, beginning no later than school year 2005-2006.

The bill also would require that states produce annual report cards on student achievement performance at each proficiency level on the state assessments. It would also require states to administer assessments under either the National Assessment of Education Progress (NAEP) or another academic assessment to affirm the quality of state assessments.

In addition, H.R. 1 would establish penalties for states failing to meet the deadlines for creating standards and a system for measuring progress. States that fail to meet the deadlines outlined in the bill would have 25 percent of their funds for both state administration and activities withheld in each year until the Secretary of Education determines the state meets those requirements.

Part B - Student Reading Skills Improvement Grants. H.R. 1 would reauthorize funding for the Even Start Literacy program, currently Part B in Title I of ESEA, and the Inexpensive Book Distribution Program, currently authorized under Part E of Title X of ESEA, and create two new reading programs—the Reading First program and the Early Reading First program.

H.R. 1 would authorize \$900 million in 2002 for the Reading First program. The Reading First program replaces the Reading Excellence program, which is currently authorized under Part C of Title II of ESEA. The Reading Excellence program is funded at \$286 million in 2001. The Reading First program would first provide formula grants to states. States would award grants competitively to LEAs. The program would allow states to apply for grants if funds remain. The Reading Excellence program uses a two-tier competitive grant structure, which has resulted in slow spending in the first two years relative to formula grant or one-tier competitive grant programs. CBO estimates that spending for the Reading First program would be at a rate comparable to spending for other formula grants to states with competitive grants to LEAs.

H.R. 1 also would create a new program for pre-school reading programs. The Early Reading First program would provide competitive grants to LEAs or private organizations

to develop and provide pre-school reading programs. H.R. 1 would authorize \$75 million for the Early Reading First program.

The bill would authorize \$250 million for the Even Start program, the same amount that was appropriated for 2001.

Finally, H.R. 1 would authorize such sums as may be necessary for 2002 through 2006 for the Inexpensive Book Distribution Program. CBO assumes funding of \$24 million in 2002 based on the 2001 funding adjusted for inflation.

Part C - Education of Migratory Children. H.R. 1 would authorize \$420 million in 2002 to continue to fund grants to support the needs of children of migrant workers, currently authorized under Part C of Title I. Funding in 2001 for the Migrant Education program is \$380 million.

Part D - Neglected or Delinquent Youth. H.R. 1 would authorize \$50 million in 2002 to reauthorize grants for education programs for neglected or delinquent youth, compared with the 2001 funding level of \$46 million.

Part E - Federal Evaluations and Demonstrations. H.R. 1 would authorize \$9 million in 2002 for a national assessment of activities authorized under Title I including the implementation of state standards, assessments, and accountability systems.

The bill also would authorize such sums as may be necessary for 2002 through 2006 for Federal Demonstrations of Innovative Practices. CBO assumes continued funding of about \$2 million a year.

H.R. 1 also would reauthorize funding for the Allen J. Ellender Fellowship Program. It would authorize such sums as may be necessary for 2002 through 2006. CBO assumes continued funding of about \$2 million a year.

Part F - Comprehensive School Reform. H.R. 1 would authorize \$260 million in 2002 to provide grants to states and subgrants to LEAs for comprehensive school reform. The program received \$210 million in 2001.

Part G - Rural Education Flexibility and Assistance. H.R. 1 would create a new Rural Education program to replace the Urban and Rural Education Assistance Program, currently authorized under Part J of Title X of ESEA. The bill would authorize the program at \$300 million in 2002, of which \$150 million would be distributed to LEAs for a Rural

Education Flexibility formula grant program, and \$150 million for a Rural Education Assistance program.

The flexibility program would allow LEAs to use the additional funds to carry out several different activities authorized by ESEA. The Rural Education Assistance program would allocate funds to small and low-income rural schools for initiatives to improve student academic achievement including teacher professional development, teacher recruitment, educational technology, and parental involvement. The Urban and Rural Education Assistance Program was not funded in 2001.

Title II - Preparing, Training, and Recruiting Quality Teachers

Title II would authorize a total of \$3.7 billion for 2002 for several initiatives that address teacher hiring, recruitment, and professional development. CBO estimates that implementing this title would cost \$19.1 billion over the 2002-2006 period.

Teacher Quality Training and Recruiting Fund State Grants and Mathematics and Science Partnerships. H.R. 1 would authorize a total of \$3.6 billion to fund both a formula grant to states and the Math and Science Partnership Program. The State Grants program would fund many activities previously authorized under the Eisenhower Professional Development and Class Size Reduction programs, both of which would be discontinued. The combined funding level in 2001 is \$1.9 billion under the Eisenhower Professional Development and the Class Size Reduction programs. CBO assumes a spending rate consistent with the rate of spending for other new formula grant programs.

The Math and Science Partnerships program would replace the existing Eisenhower Regional Mathematics and Science Education Consortia currently authorized in Title XIII, Part C. The Mathematics and Science Partnerships program would provide grants to partnerships of states, local institutions, and institutions of higher education to offer summer and distance education workshops for math and science teachers, establish recruitment strategies, and provide other career development activities.

Troops-to-Teachers. H.R. 1 would authorize \$50 million in 2002 to fund the Troops-to-Teachers program administered by the Department of Defense. The program assists former members of the armed forces to obtain certification or licensure as elementary school teachers, secondary school teachers, or vocational or technical teachers. The program was authorized in 2001 by the Consolidated Appropriations Act (Public Law 106-554) and funding in 2001 was \$3 million.

National Writing Project. H.R. 1 also would reauthorize the National Writing Project, currently authorized in Title X, Part K, and set funding at such sums as may be necessary in 2002 through 2006. CBO assumes funding will continue at the 2001 level adjusted for inflation, or \$10 million in 2002 and \$53 million over the 2002-2006 period.

Cooperative Civic Education and Economic Exchange Programs. H.R. 1 would combine the Civic Education and International Education programs, reauthorize both as Cooperative Civic Education and Economic Exchange programs, and set funding at such sums as may be necessary in 2002 through 2006. CBO assumes funding would continue at the combined funding level of \$12 million in 2002, with a five-year total of \$65 million.

The bill would also reauthorize the We the People Program, currently administered by the Center for Civic Education, providing a separate authorization at such sums as may be necessary. Funding in 2001 was provided as a set-aside within the Civic Education program of \$9.85 million. With inflation, CBO estimates the 2002 authorization would be \$10.1 million, and the five-year total would be \$52 million.

Title III - Education of Limited English Proficient Children; Indian and Alaska Native Education

H.R. 1 would authorize \$903 million for programs in English language instruction, and programs for Indian and Alaska Native education. CBO estimates that implementing this title would cost \$4.7 billion over the 2002-2006 period.

Part A - Education of Limited English Proficient and Immigrant Children. H.R. 1 would authorize \$750 million to fund formula grants to states for English language and academic instructional programs. The block grants would fund programs currently authorized under the Bilingual Education program in Title VII of ESEA. The Bilingual Education Program, Foreign Language Assistance Program, and the Emergency Immigrant Education programs would be eliminated. The total of funding for all three programs in 2001 is \$460 million.

Part B - Indian and Alaska Native Education. H.R. 1 would reauthorize Indian and Alaska Native Education programs currently authorized under Title IX of ESEA. For 2002, the bill would authorize \$100 million for Indian Education grants and \$25 million for special programs and projects to improve educational opportunities for Indian children and national research activities. Indian Education grants were funded at \$93 million in 2001 and special programs and national activities were funded at \$23 million in 2001.

H.R. 1 would authorize \$15 million for 2002 for Alaskan Native Education, the same amount appropriated for 2001.

Bureau of Indian Affairs (BIA) Programs. The Bureau of Indian Affairs within the Department of the Interior also provides educational assistance to Native Indian children. Most BIA programs are permanently authorized at such sums as may be necessary under the Snyder Act of 1921 (Public Law 65-85). CBO assumes continued funding of these programs at their 2001 levels adjusted for inflation. This funding, which totals an estimated \$3.2 billion over the 2002-2006 period, is unaffected by H.R. 1 and is not included in the totals presented in Tables 1 and 2.

H.R. 1 would establish a minimum funding level for administrative cost grants to BIA-run schools. CBO estimates this provision would increase costs by approximately \$1 million in each of the five years.

The Early Childhood Development Program and the Tribal Departments of Education are not permanently authorized. H.R. 1 would reauthorize both of these programs through 2006, with specified levels for 2002 of \$10 million for the Early Childhood Development program and \$2 million for the Tribal Departments of Education. The Early Childhood Development program received \$12 million in 2001 and Tribal Departments received \$2 million in 2001.

Title IV - Promoting Informed Parental Choice and Innovative Programs

Title IV would authorize \$645 million in 2002 for several programs previously authorized under other titles of ESEA. Programs authorized under Title IV include State and Local Innovative Education Programs, Arts in Education, Gifted and Talented, Charter Schools, School Choice Research and Demonstration Educational Opportunity Fund, Magnet Schools, and Women's Educational Equity. CBO estimates that implementing this title would cost \$4 billion over the 2002-2006 period.

State and Local Innovative Education Programs. H.R. 1 also would authorize \$450 million to continue the Innovative Education Program. The program is currently authorized under Title VI of ESEA. This program is funded at \$385 million in 2001.

Arts in Education. The bill would authorize an estimated \$29 million in 2002 for the Arts in Education program currently authorized under ESEA. Funding in 2001 was \$28 million.

Gifted and Talented. H.R. 1 would authorize an estimated \$8 million in 2002 for competitive grants to states for programs that identify and challenge gifted and talented

students under the Gifted and Talented program currently authorized under Title X, Part B of ESEA. Funding in 2001 was \$8 million.

Charter Schools. The bill would reauthorize the Charter School program, currently authorized through 2003 under the Charter School Expansion Act (Public Law 105-278). H.R. 1 would authorize \$225 million for 2002 and extend the authorization through 2006. Funding in 2001 was \$190 million.

Magnet Schools Assistance. H.R. 1 would reauthorize \$125 million for 2002 to continue the Magnet Schools Assistance program currently authorized under Part A of Title V. Funding in 2001 is \$110 million.

Women's Educational Equity. Finally, the bill would authorize \$3 million in 2002 for the Women's Educational Equity program. Funding in 2001 was also \$3 million.

Title V - 21st Century Schools

H.R. 1 would authorize a total of \$2.6 billion in 2002 for Safe Schools state grants, 21st Century Community Learning Centers, School Safety national programs, Enhancing Education Through Technology, Character Education, Elementary and Secondary School Counseling, and mentoring programs. CBO estimates that implementing this title would cost \$13.3 billion over the 2002-2006 period.

Safe Schools. The bill would authorize \$475 million in 2002 for the Safe Schools state grant program currently authorized as the Safe and Drug Free Community Program under Title IV of ESEA. In 2001, total funding for the Safe and Drug Free Community Program and the Safe and Drug Free Community Coordinator Initiative was \$489 million.

21st Century Community Learning Centers. H.R. 1 would authorize \$900 million in 2002 for the 21st Century Community Learning Centers program, currently authorized under Part I of Title X. The program was funded at \$846 million in 2001.

National Programs. The bill would authorize \$60 million in 2002 for national programs, which are currently funded at \$155 million.

Enhancing Education Through Technology. H.R. 1 would authorize a total of \$1.0 billion in 2002 for formula block grants to states to provide assistance to states and localities in implementing innovative technology initiatives. The Enhancing Education Through Technology program would replace many smaller programs currently authorized under

Title III of ESEA including the Literacy Challenge Fund, Innovative Challenge Fund, National Leadership, Technology Leadership, Teacher Training, Community-Based Centers, and Star Schools. The combined funding level in 2001 is \$856 million for those programs. CBO assumes that the rates of spending for this program would be similar to other formula grant programs.

Ready To Learn - Ready To Teach. H.R. 1 would combine the Ready to Learn Television program and the Telecommunication Demonstration Project for Math, reauthorize the program as the Ready To Learn - Ready To Teach program, and authorize \$24.5 million in 2002.

Character Education. H.R. 1 would reauthorize the Character Education program, currently authorized as part of the Fund for the Improvement of Education by Title X of ESEA. The bill would authorize \$25 million for 2002. Funding in 2001 is \$8.2 million.

Elementary and Secondary School Counseling Programs. The bill would reauthorize the Elementary and Secondary School Counseling programs currently authorized under Title X of ESEA (also as part of the Fund for the Improvement of Education). H.R. 1 would create a separate authorization and would authorize such sums as may be necessary for 2002. The program was funded at \$30 million in 2001 and CBO assumes funding would continue at the 2001 level adjusted for inflation. Thus, CBO estimates funding for the programs in 2002 would be \$31 million.

Mentoring Programs. H.R. 1 would create a new competitive grant program to fund LEAs, nonprofit organizations and other agencies or partnerships that create personal mentorship programs for high-need children. It would authorize \$50 million in 2002 and such sums as may be necessary for each of the fiscal years 2003 through 2006. CBO assumes that spending would occur at a rate consistent with other competitive grant programs.

Title VI - Impact Aid

Impact Aid programs were reauthorized in 1999 under the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-398). That law authorized appropriations through 2003. Title VI would authorize \$150 million in 2002 for construction and also extend all Impact Aid authorizations through 2006 to match other programs reauthorized by this bill. CBO estimates that implementing this title would cost \$3.9 billion over the 2002-2006 period.

Title VII - Accountability

H.R. 1 would authorize a total of \$509 million in 2002 for development and administration of state standards and assessments, administration of assessments under the National Assessment of Educational Progress (NAEP) and independent assessments, and achievement awards for states. CBO estimates that implementing this title would cost \$2.6 billion over the 2002-2006 period.

Achievement in Education Awards. H.R. 1 would authorize \$40 million in 2002 for a new Education Award program that would allow the Secretary of Education to award grants to states that make significant progress in overall student achievement, economically disadvantaged students' achievement, and the English proficiency of non-English proficient students. H.R. 1 would also authorize the Secretary to award bonus payments to states that complete the development of state assessments in advance of the deadline. States would make awards to schools that make the most progress in the state.

The bill also would establish penalties for states based on state assessment results. States that fail to make yearly progress for two consecutive years could have their administrative funds reduced up to 30 percent. States that fail to make progress in subsequent years could have up to 75 percent of their administrative funds reduced. CBO expects that this provision would not significantly change spending.

Development of State Standards and Assessments. H.R. 1 would authorize \$400 million in 2002 for the development and administration of state standards and assessments described in title I of this bill.

Grants for Independent Assessments and Administration of State Assessments Under NAEP. The bill also would authorize \$69 million for states to administer assessments of fourth and eighth grade reading and mathematics under NAEP, and to offset the cost of independent assessments described in title I of this bill.

Funding Flexibility for State and Local Education Agencies. H.R. 1 would allow states to transfer up to 50 percent of non-administrative funds between the Teacher Quality, State and Local Innovative Programs, Safe Schools, 21st Century Community Learning Centers, and Enhancing Education Through Technology programs. H.R. 1 would also allow states to transfer funds from these programs into its allocation under title I of this bill. CBO expects that this provision would not significantly change spending.

Title VIII - General Provisions

Flexibility and Coordination. H.R. 1 would allow state educational agencies to consolidate funds for administration of programs. It also would allow state educational agencies to submit a consolidated state plan or application for each of the programs in which the state participates or applies. CBO anticipates that these provisions would have no budgetary effect.

Title IX - Miscellaneous Provisions

The bill would authorize a total of \$60 million in 2002 for education for homeless children and youth and such sums as may be necessary for 2003 through 2006. CBO estimates that implementing this title would cost \$312 million over the 2002-2006 period.

Homeless Education. H.R. 1 would amend and reauthorize Subtitle B of Title VII of the Stewart D. McKinney Homeless Assistance Act, authorizing \$60 million for education for homeless children and youth in 2002. The appropriation for 2001 was \$35 million.

Repeals. H.R. 1 would repeal Parts A and C of Title II, and Title VI of the Goals 2000: Educate America Act; the Troops to Teachers Act of 1999; Titles IX, XI, XII, and XIV of ESEA; and Parts A, B, C, D, F, G, I, J, and L of Title X of ESEA; and sections 13001 and 13002 of Title XIII of ESEA.

Programs that would be repealed in H.R. 1 that do not have similar activities authorized elsewhere in the bill include:

- Native Hawaiian Education (Part B of Title IX),
- Fund for Improvement of Education (Part A of Title X, except counseling services),
- Urban Education (Subpart 1 of Part J of Title X),
- Physical Education for Progress (Part L of Title X),
- Coordinated Services (Title XI),
- School Facilities Infrastructure Improvement Act (Title XII), and
- National Education Goals Panel (Parts A and C of Title II of Goals 2000).

PAY AS YOU GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

The bill would reauthorize certain sections of the Elementary and Secondary Education Act of 1965 and would authorize about \$23 billion in grants to state and local education agencies and tribal governments to support their efforts in 2002 to improve educational opportunities and performance for specific populations of students. The bill contains no intergovernmental mandates as defined in UMRA. In general, any costs to state, local, or tribal governments as a result of enactment of this bill would be incurred voluntarily, as conditions of aid.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill contains no private-sector mandates as defined in UMRA.

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