



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

October 6, 2003

H.R. 3076
Graduate Opportunities in Higher Education Act of 2003

*As ordered reported by the House Committee on Education and the Workforce
on September 25, 2003*

SUMMARY

H.R. 3076 would reauthorize programs under title VII of the Higher Education Act. These programs are currently authorized through 2004 by the General Education Provisions Act (GEPA), and H.R. 3076 would reauthorize them through 2009. The bill also would repeal the Urban Community Service program, which is currently authorized but has not received funding since 1999.

CBO estimates that authorizations under the bill would total \$120 million in 2004 and about \$758 million over the 2004-2009 period, assuming that annual levels are adjusted for inflation. (Without such inflation adjustments, the authorizations would total about \$720 million over the 2004-2009 period.) CBO estimates that appropriations at the estimated levels would result in outlays of \$585 million over the 2004-2009 period, assuming annual adjustments for inflation. (Outlays would be about \$563 million without adjustments for inflation.) Enacting H.R. 3076 would not affect direct spending or receipts.

H.R. 3076 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The grants authorized by the bill would benefit state, local, and tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3076, with inflation adjustments for the various components of each title 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

	2003	2004	2005	2006	2007	2008	2009
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SPENDING SUBJECT TO APPROPRIATION

Authorizations in H.R. 3076							
Javits Fellowships Program							
Estimated Authorization Level	0	30	31	31	32	33	33
Estimated Outlays	0	2	22	28	31	32	32
Graduate Assistance in Areas of National Need							
Estimated Authorization Level	0	35	36	36	37	38	39
Estimated Outlays	0	2	26	32	36	37	38
Thurgood Marshall Legal Education Opportunities							
Estimated Authorization Level	0	5	5	5	5	5	6
Estimated Outlays	0	*	4	5	5	5	5
Funds for the Improvement of Post-Secondary Education							
Estimated Authorization Level	0	40	41	42	43	43	44
Estimated Outlays	0	2	29	37	41	42	43
Demonstration Projects for Students with Disabilities							
Estimated Authorization Level	0	10	10	10	11	11	11
Estimated Outlays	0	1	7	9	10	11	11
Total Authorizations in H.R. 3076							
Estimated Authorization Level	0	120	122	125	128	130	133
Estimated Outlays	0	6	88	111	124	127	130
Less: Amounts Authorized for 2004 Under Current Law							
Authorization Level ^a	n.a.	224	0	0	0	0	0
Estimated Outlays	n.a.	11	152	40	20	0	0
Total Proposed Changes							
Estimated Authorization Level	0	-104	122	125	128	130	133
Estimated Outlays	0	-5	-64	71	104	127	130
Memorandum:							
Total Spending for Title VII of the Higher Education Act Under H.R. 3076							
Budget Authority/Estimated Authorization Level ^a	224	120	122	125	128	130	133
Estimated Outlays ^b	216	218	149	131	124	127	130

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

* = Less than \$500,000.

n.a. = not applicable.

a. The 2003 level is the amount appropriated that year. Under the General Education Provisions Act (GEPA), the affected programs were automatically authorized for 2004 at the 2003 appropriation.

b. Includes outlays from appropriations provided in 2003 and prior years.

BASIS OF ESTIMATE

H.R. 3076 would reauthorize programs under title VII of the Higher Education Act for the 2004-2009 period. These programs would have expired at the end of fiscal year 2003, except for the automatic one-year extension provided by GEPA. The bill also would repeal the authorization for the Urban Community Service program.

Each of the authorizations is a specific amount for 2004 and such sums as may be necessary through 2009. The bill would authorize total appropriations of \$120 million in 2004, \$104 million less than the amounts authorized under GEPA for 2004. CBO estimates that this bill would authorize total funding of \$758 million over the 2004-2009 period, assuming that funding for the "such sums" authorizations specified for years after 2004 is provided at the authorized levels for 2004 adjusted for inflation. The outlays from such appropriations would total \$6 million in 2004 and \$585 million over the six-year period. The estimated outlays reflect historical rates of spending for the affected programs.

Javits Fellowships Program

H.R. 3076 would revise and reauthorize the Javits Fellowships program. The program provides financial support for highly talented students pursuing advanced degrees. It gives fellows stipends to cover living expenses and payments to the degree-granting institution to cover tuition and other expenses. In 2002, the program supported 331 fellows at an average cost of about \$30,200.

The bill would authorize \$30 million in 2004—\$20 million above the GEPA authorized level—and such sums as may be necessary for years 2005 through 2009. CBO estimates the total authorization for the 2004-2009 period would be about \$190 million, assuming adjustments for inflation, with resulting outlays of \$146 million over those six years. The program was funded at \$10 million in 2003.

Graduate Assistance in Areas of National Need

The bill would authorize appropriations for the Graduate Assistance in Areas of National Need program through 2009. The program supplies postsecondary institutions with three-year grants to support graduate students with superior ability who are studying in areas of national needs. To participate, the educational institutions must match 25 percent of the federal grant amount. In 2002, the areas of need designated were the basic sciences, mathematics, engineering, and computer and information sciences. That year the program funded 1,072 fellows at an average cost of \$29,000.

The bill would reauthorize the program at \$35 million in 2004—\$4 million above the GEPA authorization—and such sums as may be necessary for each of the following five years. For this program, CBO estimates the total authorization for the 2004-2009 period would be \$221 million, assuming adjustments for inflation, with resulting outlays of \$171 million over those six years. The 2003 appropriation for the program was \$31 million.

Thurgood Marshall Legal Educational Opportunities

H.R. 3076 would reauthorize the Thurgood Marshall Legal Educational Opportunities program through 2009. Under the program, the Secretary of Education is authorized to grant a single award to the Council on Legal Education Opportunity to administer the program, which is designed to provide information and assistance regarding law school study to minority, low-income, or disadvantaged students.

The bill would authorize the program at \$5 million in 2004—the same level as authorized under GEPA—and such sums as may be necessary for the next five years. The total estimated authorization for the 2004-2009 period would amount to \$32 million and, assuming the funds would be appropriated, result in additional outlays of \$24 million. The program received an appropriation of \$5 million in 2003.

Funds for the Improvement of Postsecondary Education

The bill would extend the authorization of the Funds for the Improvement of Postsecondary Education (FIPSE) program through 2009. The program currently supports two major grant programs: the comprehensive program and the international consortia program. The comprehensive program provides support for activities that address practices in postsecondary education rather than basic research. The international consortia program encourages the exchange of student and faculty among postsecondary institutions from other countries. In addition, the Congress regularly adds grants to specific schools.

H.R. 3076 would extend the FIPSE authorization at \$40 million in 2004 and such sums as may be necessary through 2009. The authorization for 2004 is \$131 million below the appropriation for 2003, which included \$140 million for specific grants to postsecondary institutions. CBO estimates that the bill would authorize appropriations totaling \$253 million over the 2004-2009 period; the resulting outlays would amount to \$195 million over that period.

Urban Community Service Program

H.R. 3076 would repeal the authorization for the Urban Community Service program. Although the program was first authorized at \$20 million for 1999 and such sums as may be necessary for the next four years, its only funding was an appropriation of \$4.6 million in 1999.

Demonstration Projects for Students with Disabilities

The bill would continue the authority of the Secretary of Education to support demonstration projects that are models for reform and improvement of postsecondary education with a focus on students with disabilities. The research areas include teaching and learning productivity, professional development, and students' access, retention, and completion of higher education.

H.R. 3076 would authorize appropriations of \$10 million for the demonstration projects in 2004—\$3 million more than the amount authorized under GEPA—and such sums as may be necessary through 2009. These authorizations are estimated to total \$63 million over the 2004-2009 period, and result in outlays of \$49 million. The appropriation for the demonstration projects in 2003 was \$7 million.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3076 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit state, local, and tribal governments because public and tribal higher educational institutions would be eligible for grants authorized under the bill. Any costs incurred by state, local, or tribal governments would result from complying with the grant conditions.

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