



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 28, 2004

S. 2686

Carl D. Perkins Career and Technical Education Improvement Act of 2004

*As ordered reported by the Senate Committee on Health, Education,
Labor, and Pensions on September 22, 2004*

SUMMARY

S. 2686 would amend the Carl D. Perkins Vocational and Technical Education Act of 1998 and reauthorize secondary and postsecondary vocational education programs through fiscal year 2011. These programs currently are authorized through 2004 by the General Education Provisions Act (GEPA). The bill would authorize appropriations of an estimated \$1.4 billion for these purposes for fiscal year 2005 and an estimated \$10.1 billion for fiscal years 2005 through 2011, assuming adjustments for inflation. Assuming the appropriation of the necessary funds, the resulting outlays would total \$41 million for 2005 and \$8.2 billion for the seven-year period. Enacting bill would not affect direct spending or revenues.

S. 2686 contains no private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA); any costs to state, local, or tribal governments would result from complying with conditions of federal assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated federal budgetary impact of S. 2686 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								
	2004	2005	2006	2007	2008	2009	2010	2011
SPENDING SUBJECT TO APPROPRIATION								
Spending Under Current Law for Vocational Education								
Budget Authority ^a	1,335	0	0	0	0	0	0	0
Estimated Outlays	1,326	1,294	334	67	0	0	0	0
Proposed Changes:								
State Grants								
Estimated Authorization Level	0	1,215	1,239	1,266	1,292	1,321	1,349	1,379
Estimated Outlays	0	36	912	1,173	1,259	1,385	1,313	1,342
National Activities								
Estimated Authorization Level	0	12	12	13	13	13	13	14
Estimated Outlays	0	1	9	12	13	13	13	13
Tribally Controlled Postsecondary Vocational Institutions								
Estimated Authorization Level	0	10	10	10	11	11	11	11
Estimated Outlays	0	*	8	10	10	11	11	11
Occupational and Employment Information								
Estimated Authorization Level	0	9	9	10	10	10	10	10
Estimated Outlays	0	*	7	9	9	10	10	10
Tech Prep Education								
Estimated Authorization Level	0	109	111	113	116	118	121	123
Estimated Outlays	0	3	82	105	113	115	118	120
Total Changes								
Estimated Authorization Level	0	1,355	1,382	1,412	1,441	1,473	1,505	1,538
Estimated Outlays	0	41	1,017	1,309	1,404	1,433	1,464	1,496
Spending under S. 2686 for Vocational Education								
Estimated Authorization Level ^a	1,335	1,355	1,382	1,412	1,441	1,473	1,505	1,538
Estimated Outlays	1,326	1,334	1,351	1,375	1,404	1,433	1,464	1,496

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

* = less than \$500,000.

a. The 2004 amount is the total appropriated that year for vocational and technical education.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2686 will be enacted this fall and that the necessary amounts will be appropriated for each year. Estimated outlays are based on the historical spending of programs authorized by the Carl D. Perkins Vocational Education Act.

The bill would authorize such sums as may be necessary for fiscal years 2005 through 2010 for programs that provide grants and administrative support for career-related education and training. Grants to tribally controlled postsecondary vocational and technical institutions would be authorized at \$10 million for fiscal year 2005 and such sums as may be necessary through 2010. Under the General Education Provisions Act, these authorizations automatically would be extended for an additional year, through 2011.

Based on amounts previously appropriated for these programs (or, amounts explicitly stated in the bill, as applicable), CBO estimates this bill would authorize \$1.4 billion for fiscal year 2005, and \$10.1 billion over the 7-year period. Details of these authorizations are shown on the preceding table. Fiscal year 2004 appropriations for these programs are listed below.

State Grants—\$1,195 million. These formula grants are used for vocational programs in high schools, technical schools, and community colleges.

National Activities—\$12 million. These funds support the collection of data on vocational education performance and research on the effectiveness of vocational and technical education.

Tribally Controlled Institutions—\$7 million. These grants provide funding for career-oriented education and training at tribally-controlled institutions.

Occupational and Employment Information—\$9 million. These funds are used to improve vocational education counseling services and career guidance.

Tech Prep Education—\$107 million. This program provides grants to states to support coordinated programs between secondary and post-secondary vocational education.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2686 contains no private-sector or intergovernmental mandates as defined in UMRA; any costs to state, local, or tribal governments would result from complying with conditions of federal assistance.

PREVIOUS CBO ESTIMATE

On August 12, 2004, CBO transmitted a cost estimate for H.R. 4496, the Vocational and Technical Education for the Future Act, as ordered reported by the House Committee on Education and the Workforce on July 21, 2004. The authorization level for that bill was similar to S. 2686, totaling \$10 billion from 2005 through 2011.

ESTIMATE PREPARED BY:

Federal Costs: Christina Hawley Sadoti and Justin Humphrey
Impact on State, Local, and Tribal Governments: Sarah Puro
Impact on the Private Sector: Ralph Smith

ESTIMATE APPROVED BY:

Peter H. Fontaine
Deputy Assistant Director for Budget Analysis