



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

March 17, 2005

S. 250

**Carl D. Perkins Career and Technical Education
Improvement Act of 2005**

As passed by the Senate on March 10, 2005

SUMMARY

S. 250 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. Under the General Education Provisions Act (GEPA), these authorizations would automatically be extended for one year, to 2012. CBO estimates that the act would authorize appropriations of \$1.4 billion for these purposes for fiscal year 2006 and \$10.0 billion for fiscal years 2006 through 2012, assuming adjustments for inflation. Assuming the appropriation of the necessary funds, the resulting outlays would total \$41 million for 2006 and \$8.1 billion over the seven-year period. The act would not affect direct spending or revenues.

S. 250 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. 250 is presented 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							
	2005	2006	2007	2008	2009	2010	2011	2012
SPENDING SUBJECT TO APPROPRIATION								
Spending Under Current Law for Vocational Education								
Budget Authority ^a	1,333	791	0	0	0	0	0	0
Estimated Outlays	1,334	1,293	333	67	0	0	0	0
Proposed Changes:								
Section 5--State Grants								
Estimated Authorization Level ^b	0	1,213	1,232	1,255	1,278	1,300	1,324	1,348
Estimated Outlays	0	36	924	1,175	1,249	1,272	1,294	1,318
Section 105--National Activities								
Estimated Authorization Level	0	12	12	12	12	13	13	13
Estimated Outlays	0	*	9	12	12	12	13	13
Section 108--Tribally Controlled Postsecondary Vocational Institutions								
Estimated Authorization Level	0	10	10	10	11	11	11	11
Estimated Outlays	0	*	8	10	10	10	11	11
Section 109--Occupational and Employment Information								
Estimated Authorization Level	0	9	9	9	9	10	10	10
Estimated Outlays	0	*	7	9	9	9	10	10
Section 119--Tech-Prep Education								
Estimated Authorization Level	0	108	109	111	113	115	117	119
Estimated Outlays	0	3	81	104	111	113	115	117
Total Changes								
Estimated Authorization Level	0	1,351	1,373	1,398	1,423	1,449	1,475	1,502
Estimated Outlays	0	41	1,027	1,308	1,391	1,416	1,442	1,468
Total Spending Under S. 250 for Vocational Education								
Estimated Authorization Level	1,333	2,142	1,373	1,398	1,423	1,449	1,475	1,502
Estimated Outlays	1,334	1,334	1,361	1,374	1,391	1,416	1,442	1,468

NOTES: Components may not sum to totals due to rounding.

* = less than \$500,000.

- a. The 2005 and 2006 amounts are the totals appropriated for those years.
b. Authorization levels do not assume any advance appropriations.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 250 will be enacted this year and that the necessary amounts will be appropriated for each year. In cases where the authorization is for such sums as may be necessary, beginning in 2006, CBO bases its estimate on the 2005 appropriation adjusted for inflation. Estimated outlays are based on the historical spending of programs authorized by the Carl D. Perkins Vocational Education Act.

State Grants

Section 5 of S. 250 would authorize the appropriation of such sums as may be necessary for state grants for fiscal years 2006 through 2012. CBO estimates that this provision would authorize \$1.2 billion for fiscal year 2006 and \$9 billion for fiscal years 2006 through 2012. (Appropriations for state grants totaled \$1.2 billion in 2005.) Assuming appropriation of the authorized amounts, the resulting outlays would total \$7.3 billion over the same period. These formula grants would be used to support vocational programs in high schools, technical schools, and community colleges.

National Activities

Section 105 would authorize such sums as may be necessary for fiscal years 2006 through 2012 to collect vocational education performance data and to support research on the effectiveness of vocational and technical education. CBO estimates that this section would authorize appropriations of about \$12 million in fiscal year 2006 and \$87 million over the seven-year period. This estimate is based on the 2005 appropriation for national activities, which was \$12 million.

Tribally Controlled Postsecondary Vocational and Technical Institutions

Section 108 would authorize \$10 million in fiscal year 2006 and such sums as may be necessary for fiscal years 2007 through 2012 to fund tribally controlled postsecondary vocational and technical institutions. Assuming that appropriations from 2007 through 2012 would be equal to the 2006 authorization, with adjustments for inflation, CBO estimates this section would authorize \$74 million for fiscal years 2006 through 2012. Tribally controlled postsecondary vocational and technical institutions received \$7 million in funding for fiscal year 2005.

Occupational and Employment Information

Section 109 would authorize the appropriation of such sums as may be necessary for fiscal years 2006 through 2012 to improve vocational education counseling services and career guidance. Authorizations of appropriations are estimated to be \$9 million in fiscal year 2006 and to total \$66 million for the entire seven-year period.

Tech-Prep Education

Section 119 would reauthorize the Tech-Prep Education program at such sums as may be necessary for fiscal years 2006 through 2012. This funding provides grants to states to support transition programs between secondary and postsecondary vocation education. CBO estimates that this section would authorize appropriations of about \$108 million in fiscal year 2006 and \$793 million for the seven-year period. This section would also eliminate the Tech Prep Demonstration Program. In fiscal year 2005, the Congress appropriated \$106 million for Tech Prep Education and \$5 million for the Tech Prep Demonstration Program.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 250 contains no intergovernmental or private-sector mandates as defined by UMRA; any costs to state, local, or tribal governments would result from complying with conditions of federal assistance. The act would change some parameters under which state, local, and tribal governments apply for and receive federal grants for vocational and technical education. Assuming they comply with the conditions of aid, states would not see cuts in allocations through fiscal year 2008 and would be guaranteed at least 95 percent of the prior year's funding level in fiscal years 2009-2011. For programs at tribally controlled colleges, the act would authorize appropriations of \$10 million in fiscal year 2006 and such sums as may be necessary for the succeeding five years.

PREVIOUS CBO ESTIMATE

On March 16, 2005, CBO transmitted a cost estimate for H.R. 366, the Vocational and Technical Education for the Future Act, as ordered reported by the House Committee on Education and the Workforce on March 9, 2005. The authorizations in that bill are similar to those in S. 250, and neither bill would impose any mandates on state, local, or tribal governments or on the private sector.

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