



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 16, 2015

H.R. 10
Scholarships for Opportunity and Results
Reauthorization Act

*As ordered reported by the House Committee on Oversight and Government Reform
on October 9, 2015*

SUMMARY

H.R. 10 would amend and reauthorize the Scholarships for Opportunity and Results Act and would authorize the appropriation of \$60 million for each of fiscal years 2017 through 2021. CBO estimates that enacting H.R. 10 would cost \$240 million over the 2017-2020 period, assuming appropriation of the authorized amounts.

Enacting H.R. 10 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply to this legislation.

CBO estimates that enacting H.R. 10 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

H.R. 10 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. Any costs incurred by the District of Columbia would be incurred voluntarily and would result from complying with conditions of assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 10 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					2016-2020
	2016	2017	2018	2019	2020	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	0	60	60	60	60	240
Estimated Outlays	0	60	60	60	60	240

BASIS OF ESTIMATE

H.R. 10 would authorize the appropriation of \$60 million for each of fiscal years 2017 through 2021. The program is currently authorized through fiscal year 2016 at \$60 million annually. In fiscal year 2015, the Congress appropriated \$45 million for this program.

The bill would direct the funds to be divided equally for the following three purposes:

- To provide scholarships for private-school tuition to parents of students who reside in the District of Columbia and meet certain criteria under the D.C. Opportunity Scholarship Program;
- To improve public education in the District of Columbia; and
- To improve and expand quality public charter schools in the District of Columbia.

Based on historical spending patterns for this program and assuming appropriation of the authorized amounts, CBO projects that enacting the bill would cost \$240 million over the 2017-2020 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM NET DIRECT SPENDING AND DEFICITS:

CBO estimates that enacting H.R. 10 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 10 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The provisions in H.R. 10 apply to grant conditions in the District of Columbia; therefore, they would be voluntary and not mandates as defined by UMRA. An educational entity of the District of Columbia may voluntarily choose to apply to the Department of Education to distribute the grants, but any requirements would be conditions of receiving a federal grant. If low-income students choose to attend private schools, the District of Columbia school system could lose federal funding based on the number of low-income students in the system.

ESTIMATE PREPARED BY:

Federal Costs: Leah Koestner

Impact on State, Local, and Tribal Governments: Jon Sperl

Impact on the Private Sector: Paige Piper-Bach

ESTIMATE APPROVED BY:

H. Samuel Papenfuss

Deputy Assistant Director for Budget Analysis