



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 18, 2015

H.R. 5 **Student Success Act**

*As ordered reported by the House Committee on Education and the Workforce
on February 11, 2015*

SUMMARY

H.R. 5 would amend and reauthorize the Elementary and Secondary Education Act of 1965 (the ESEA, commonly referred to, in its most recently reauthorized form, as No Child Left Behind). The underlying authorizations for those programs have expired, although most have continued to receive appropriations since their authorizations have expired.

This bill would authorize funding through fiscal year 2021 for various grant programs; those authorizations would automatically be extended one year, through 2022, under the General Education Provisions Act. The bill also would amend and reauthorize the McKinney-Vento Homeless Assistance Act, which authorizes grants to assist in the education of homeless children.

CBO estimates that H.R. 5 would authorize the appropriation of \$23.3 billion in 2016 and \$116.5 billion over the 2016-2020 period. Implementing the bill would have discretionary costs of \$87.7 billion over the 2016-2020 period, assuming appropriation of the specified and estimated amounts.

Enacting the bill would have no effect on direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 5 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact 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					2016- 2020
	2016	2017	2018	2019	2020	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Title I: Aid to Local Educational Agencies						
Authorization Level	16,246	16,246	16,246	16,246	16,246	81,229
Estimated Outlays	325	12,672	15,596	16,246	16,246	61,084
Title II: Teacher Preparation and Effectiveness						
Authorization Level	2,788	2,788	2,788	2,788	2,788	13,942
Estimated Outlays	56	1,673	2,510	2,788	2,788	9,815
Title III: Parental Engagement and Local Flexibility						
Authorization Level	2,719	2,719	2,719	2,719	2,719	13,595
Estimated Outlays	54	1,631	2,447	2,719	2,719	9,571
Title IV: Impact Aid						
Authorization Level	1,289	1,289	1,289	1,289	1,289	6,443
Estimated Outlays	1,146	1,176	1,286	1,289	1,289	6,185
Title V: The Federal Government's Trust Responsibility to American Indian, Alaska Native, and Native Hawaiian Education						
Authorization Level	198	198	198	198	198	991
Estimated Outlays	4	174	190	194	194	757
Title VI: General Provisions						
Estimated Authorization Level	-2	-2	-2	-2	-2	-10
Estimated Outlays	-2	-2	-2	-2	-2	-10
Title VII: Homeless Education						
Authorization Level	65	65	65	65	65	325
Estimated Outlays	1	57	62	64	64	248
Total Changes						
Estimated Authorization Level	23,303	23,303	23,303	23,303	23,303	116,515
Estimated Outlays	1,584	17,382	22,089	23,298	23,298	87,651

Notes: Some programs have received advance appropriations for fiscal year 2016; those amounts are not reflected in the table. Instead, the table shows the additional funding that would be authorized for 2016.

Components may not sum to totals because of rounding.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted before the start of fiscal year 2016, that the specified and estimated amounts will be appropriated each year, and that spending will follow historical patterns for the affected programs.

CBO estimates that H.R. 5 would authorize the appropriation of \$23.3 billion in fiscal year 2016 and \$116.5 billion over the 2016-2020 period. Implementing the provisions in the bill would cost about \$87.7 billion over the 2016-2020 period and an additional \$52 billion after 2020, assuming appropriation of the specified and estimated amounts. The Congress appropriated about \$23 billion in fiscal year 2015 for activities similar to those that would be authorized in this bill.

Title I of ESEA—Aid to Local Educational Agencies

Title I of H.R. 5 would replace title I of the current ESEA. The bill would authorize the appropriation of \$16.2 billion for each of fiscal years 2016 through 2021 for activities in part A such as grants for rural school districts and those with high proportions of low-income students, as well as funding for the children of migrant workers and other at-risk children and students learning English. Part B would authorize the appropriation of less than \$1 million each year for studies to assess the effectiveness of title I. CBO estimates that implementing title I would cost about \$61 billion over the 2016-2020 period, subject to appropriation of the authorized amounts.

Specifically, the funding authorized by H.R. 5 would support programs in five new subparts in part A and the assessments under part B:

- **Improving Basic Programs Operated by Local Educational Agencies.** The bill would amend provisions governing grants to local educational agencies, reauthorize funding for those grants, and reserve 91.4 percent of all the funding provided for part A for those grants (approximately \$14.9 billion in each fiscal year). CBO estimates that implementing this provision would cost \$55.9 billion over the 2016-2020 period. The Congress appropriated \$14.4 billion for similar activities in fiscal year 2015.
- **Education of Migratory Children.** H.R. 5 would make changes to programs that support the education of children of migrant workers. The bill would reserve about 2.5 percent of the funding for all of part A for those programs (approximately \$400 million per fiscal year). CBO estimates that implementing this provision would cost \$1.5 billion over the 2016-2020 period. The Congress appropriated \$375 million for similar activities in fiscal year 2015.

- **Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk.** The bill would reauthorize programs that support the education of delinquent and at-risk children and reserve 0.3 percent (about \$50 million) of funding for part A for those activities. CBO estimates that implementing this provision would cost almost \$200 million over the 2016-2020 period. Available funding totaled almost \$50 million for at-risk children for fiscal year 2015.
- **English Language Acquisition, Language Enhancement, and Academic Achievement.** The bill would modify the programs that provide support for teaching the English language to recent immigrants and other nonnative speakers under title III of the ESEA. The bill would reserve 4.6 percent of funding for part A for these activities for each fiscal year (about \$750 million). CBO estimates that implementing this provision would cost about \$2.8 billion over the 2016-2020 period. The Congress appropriated roughly \$740 million for similar activities in fiscal year 2015.
- **Rural Education Achievement Program.** H.R. 5 would modify and reauthorize the rural education achievement programs, which provide grants to assist rural school districts in improving teaching and learning outcomes. The bill would reserve 1.2 percent (almost \$200 million each fiscal year) of the total amount provided for part A for those programs. CBO estimates that implementing this provision would cost more than \$700 million over the 2016-2020 period. The Congress appropriated about \$170 million for similar activities in fiscal year 2015.
- **National Assessments.** H.R. 5 would modify and reauthorize the programs designed to assess the effectiveness of title I, under part E of title I in the ESEA. The bill would transfer those programs to part B and authorize the appropriation of less than \$1 million for each of fiscal years 2016 through 2020. CBO estimates that implementing this provision would cost \$3 million over the 2016-2020 period, assuming the appropriation of the authorized amounts. Available funding for evaluations under title I totaled less than \$1 million in fiscal year 2015.

Title II of ESEA—Teacher Preparation and Effectiveness

H.R. 5 would modify the grant programs designed to support teacher training and improvement under title II of the ESEA and authorize the appropriation of \$2.8 billion for such programs for each of fiscal years 2016 through 2021. The bill would reserve 75 percent of this total each year (about \$2.1 billion) for state grants. H.R. 5 also would replace the current Math and Science Partnership program with the Teacher and School Leader Flexible Grant program and reserve 25 percent of the funding for this title each year for those activities (about \$700 million). CBO estimates that implementing this title would cost about \$9.8 billion over the 2016-2020 period. In fiscal year 2015, the Congress appropriated about \$2.3 billion for state grants and about \$150 million for math and science partnerships.

Title III of ESEA—Parental Engagement and Local Flexibility

H.R. 5 would modify the charter and magnet school programs under title V of the ESEA and transfer them to title III of the ESEA. It also would authorize two grant programs designed to encourage parental engagement in their children’s education and authorize additional funding to support supplemental learning activities for students. The bill would authorize the appropriation of about \$2.7 billion for each of fiscal years 2016 through 2021. Assuming the appropriation of the specified amounts, CBO estimates that implementing those provisions would cost \$9.6 billion over the 2016-2020 period.

Specifically, the title would authorize the following activities:

- **Charter School Program.** H.R. 5 would modify the Charter School Program and the Credit Enhancement for Charter School Initiatives and would authorize the appropriation of \$300 million for each of fiscal years 2016 through 2021. CBO estimates that implementing this provision would cost \$1.1 billion over the 2016-2020 period. In 2015, the Congress appropriated about \$250 million for the Charter School Program (no funding was provided for Credit Enhancement for Charter School Initiatives).
- **Magnet School Assistance.** H.R. 5 would modify the Magnet School Program and would authorize the appropriation of more than \$90 million for each of fiscal years 2016 through 2021. CBO estimates that implementing this provision would cost about \$320 million over the 2016-2020 period, assuming appropriation of the specified amounts. The Congress appropriated \$90 million for magnet schools in 2015.
- **Family Engagement in Education Programs.** The bill also would authorize the appropriation of \$25 million in each of fiscal years 2016 through 2021 for the Family Engagement in Education Programs, which would be similar to the Parental Assistance and Local Family Information Centers in title V of ESEA. CBO estimates that implementing this provision would cost about \$90 million over the 2016-2020 period. No funding was provided for Parental Assistance and Local Family Information Centers in fiscal year 2015.
- **Local Academic Flexible Grant.** Finally, H.R. 5 would authorize a new grant program that would provide funds to school districts to develop supplemental student activities, such as before- or after-school learning, and additional activities that support students, such as adjunct teacher programs and academic-subject-specific programs. The bill would authorize the appropriation of \$2.3 billion for each of fiscal years 2016 through 2021. CBO estimates that implementing this program would cost \$8.1 billion over the 2016-2020 period, assuming appropriation of the specified amounts.

Title IV of ESEA—Impact Aid

Title IV of the bill would amend the impact aid programs that provide funding to assist local education agencies (LEAs) affected by the activities of the federal government, such as those on a military base or Indian reservation. The bill would authorize the appropriation of \$1.3 billion in each of fiscal years 2016 through 2021. CBO estimates that implementing this title would result in discretionary costs of \$6.2 billion over the 2016-2020 period, assuming the appropriation of the authorized amounts. The bulk of that spending (about \$5.8 billion), would be for basic support payments to LEAs to assist in the education of children in areas affected by federal activities. The other \$400 million would be used to construct and maintain schools that educate children in such areas. The Congress appropriated almost \$1.3 billion for impact aid in 2015.

Title V of ESEA—The Federal Government’s Trust Responsibility to American Indian, Alaska Native, and Native Hawaiian Education

The bill would reauthorize and modify grant programs for American Indians, Alaska Natives, and Native Hawaiians. The bill would authorize the appropriation of about \$200 million for fiscal years 2016 through 2021 for those programs. CBO estimates that implementing this provision would cost almost \$760 million over the 2016-2020 period; of that total, about \$500 million would be spent on education programs for American Indians and about \$130 million would be for spent for each of the programs for Alaska Natives and Native Hawaiians. The Congress appropriated about \$190 million for those programs in fiscal year 2015.

Title VI of ESEA—General Provisions

Title VI would amend the general provisions specified under current law in title IX of the ESEA. The bill would require that, within one year of enactment, the Department of Education reduce its workforce by the number of full-time-equivalent (FTE) employees who work in or administer programs that would be eliminated by this bill. CBO estimates that implementing title VI would reduce the numbers of FTE employees by between 15 and 25 each year and would reduce discretionary spending by \$10 million over the 2016-2020 period, assuming appropriation actions consistent with the bill.

Title VII—Homeless Education

Title VII would reauthorize the McKinney-Vento Homeless Assistance Act, which authorizes grants to states to assist in the education of homeless children. The bill would authorize the appropriation of \$65 million for each of fiscal years 2016 through 2021. CBO estimates that implementing this title would cost about \$250 million over the 2016-2020 period, assuming the appropriation of the specified amounts. The Congress appropriated \$65 million for the education of homeless children in fiscal year 2015.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Those governments would benefit from grants authorized in the bill for elementary and secondary education. Any costs associated with the grants would be incurred voluntarily as a result of complying with conditions of federal assistance.

ESTIMATED PREPARED BY:

Federal Costs: Justin Humphrey
Impact on State, Local, and Tribal Governments: J'nell Blanco Suchy
Impact on the Private Sector: Amy Petz

ESTIMATE APPROVED BY:

Peter H. Fontaine
Assistant Director for Budget Analysis