



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 8, 2016

H.R. 5587
Strengthening Career and Technical Education for the 21st Century Act

*As ordered reported by the House Committee on Education and the Workforce
on July 7, 2016*

SUMMARY

H.R. 5587 would amend and reauthorize the Carl D. Perkins Career and Technical Education Act of 2006 through fiscal year 2022. That act funds secondary and postsecondary career and technical education (CTE). Under the General Education Provisions Act, those authorizations would be extended for an additional year, through 2023. The bill would authorize the appropriation of about \$5.9 billion over the 2017-2021 period, and an additional \$1.2 billion in 2022.

CBO estimates that implementing H.R. 5587 would cost \$4.4 billion over the 2017-2021 period, and about \$2.7 billion after 2021, assuming appropriation of the authorized amounts.

Enacting H.R. 5587 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. 5587 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 5587 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.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 5587 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					2017-2021
	2017	2018	2019	2020	2021	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	1,149	1,165	1,181	1,197	1,214	5,906
Estimated Outlays	34	862	1,104	1,176	1,193	4,369

Note: Some programs have received advance appropriations for fiscal year 2017; those amounts are not reflected in this table. Instead, the table shows the additional appropriations that would be authorized for 2017.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 5587 will be enacted near the end of fiscal year 2016. Based on historical spending patterns, and assuming appropriation of the specified amounts, CBO projects that implementing the bill would cost \$4.4 billion over the 2017-2021 period.

H.R. 5587 would:

- Authorize the appropriation of specific amounts each year that increase from about \$1.1 billion in 2017 to a little more than \$1.2 billion in 2022 for grants to states for vocational programs. The bill would provide more flexibility in the uses of funds, expand the number of eligible recipients, and amend performance standards for CTE programs. In 2016, \$1.1 billion was appropriated for those grants.
- Authorize the appropriation of \$8 million for each of fiscal years 2017 through 2022 for the Secretary to award demonstration grants to support CTE programs. The bill also would require the Secretary of Education to consult with the Director of the Institute for Education Sciences for an evaluation of career and technical education activities. In 2016, \$7 million was appropriated for those activities.
- Authorize the appropriation of \$8 million in 2017, and \$9 million in each of fiscal years 2018 through 2022 for tribally controlled CTE programs. In 2016, \$8 million was appropriated for those programs.

PAY-AS-YOU-GO CONSIDERATIONS: None

INCREASE IN LONG-TERM NET DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 5587 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5587 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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