



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

September 4, 1998

**S. 2213**

**Education Flexibility Amendments of 1998**

*As ordered reported by the Senate Committee on Labor and Human Resources  
on July 30, 1998*

**SUMMARY**

Title I of S. 2213 would allow all states to participate in the Education Flexibility Demonstration Program (ED-FLEX) that grants participating educational agencies the ability to waive many federal and state education regulations. Currently, only 12 states participate in the demonstration project. Titles II and III would endow the Oregon Institute of Public Service and Constitutional Studies and establish the Paul Simon Public Policy Institute.

CBO estimates that this bill would cost \$6 million in 1999, subject to appropriation of the necessary funds. Because S. 2213 would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

S. 2213 contains no private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs to state and local governments resulting from enactment of the bill would be incurred voluntarily.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 2213 is shown in the following table.

	By Fiscal Year, in Millions of Dollars				
	1999	2000	2001	2002	2003
Authorizations Under S. 2213					
Authorization Levels	6	0	0	0	0
Estimated Outlays	6	0	0	0	0

The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

### **BASIS OF ESTIMATE**

Title I of this bill would allow state education agencies that participate in ED-FLEX demonstration projects to waive federal and state regulations deemed unnecessary for educational attainment. CBO's analysis, supported by conversations with staff at the Department of Education, suggests that expanding the eligibility for these demonstration projects to educational agencies in all 50 states would not create any new federal costs.

Title II would authorize a grant of \$3 million to endow the Oregon Institute of Public Service and Constitutional Studies. Similarly, Title III of S. 2213 would authorize \$3 million dollars in 1999 to establish the Paul Simon Public Policy Institute at Southern Illinois University. The legislation would make the funds available for the Paul Simon Public Policy Institute available only if the university matches every \$3 of federal funding with \$1 of its own. For the purposes of this estimate, CBO assumes that the university would be able to provide the \$1 million to match the \$3 million in federal funding available. CBO expects the universities to access these funds promptly, thus resulting in \$6 million in outlays in 1999.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 2213 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would allow officials in all 50 states to participate in the Education Flexibility Demonstration Program. Twelve states now participate in this program, which gives state officials the authority to temporarily free individual school districts from certain federal requirements. The bill would also authorize appropriations of \$6 million to endow public policy programs at two public universities. Participation in these programs would be voluntary as would any associated costs.

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