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108TH CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
108–527

PERMANENT AUTHORIZATION OF DISTRICT OF COLUMBIA TUITION ASSISTANCE PROGRAMS

JUNE 8, 2004.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. TOM DAVIS of Virginia, from the Committee on Government Reform, submitted the following

R E P O R T

[To accompany H.R. 4012]

[Including cost estimate of the Congressional Budget Office]

The Committee on Government Reform, to whom was referred the bill (H.R. 4012) to amend the District of Columbia College Access Act of 1999 to permanently authorize the public school and private school tuition assistance programs established under the Act, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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COMMITTEE STATEMENT AND VIEWS

PURPOSE AND SUMMARY

H.R. 4012 amends the District of Columbia College Access Act of 1999 to reauthorize the District of Columbia Tuition Assistance Grant Program.

BACKGROUND AND NEED FOR THE LEGISLATION

In 1999, Congress passed P.L. 106–98, the District of Columbia College Access Act, authorizing the establishment of a Tuition Assistance Grant Program in the Nation's Capital, providing limited financial assistance to D.C. high school graduates pursuing higher education opportunities in colleges and universities in other States. The legislation authorized funding for the Program for five years (FY00—FY05). H.R. 4012 extends the authorization for the Program beyond the FY05 expiration.

LEGISLATIVE HEARINGS

On March 25, 2004, the Committee held a hearing entitled "Maintaining a Level Playing Field for D.C. Graduates: Legislation to Reauthorize the D.C. College Access Act." The purpose of the hearing was to assess the impact that the D.C. College Tuition Assistance Grant Program has had on high school graduates in the Nation's Capital. In addition to D.C. Mayor Anthony Williams, other witnesses at the hearing included Ms. Kelly Valentine, Acting Director of the District of Columbia Tuition Assistance Grant Program; Ms. Argelia Rodriguez, Executive Director of the District of Columbia College Access Program; Mr. Brian Ford a former DCTAG Recipient; and Mr. Anthony Talley, Director of Guidance and Counseling at Washington Math Science Technology Public Charter High School.

SECTION-BY-SECTION

Section 1. Permanent authorization of tuition assistance programs

This section amends the D.C. College Access Act of 1999 by striking "each of the five succeeding fiscal years" and inserting "each succeeding fiscal year" in section 3, the public school program section, and in section 5, the private school program section. Since the legislation authorizes such sums as may be appropriated for the Program on an annual basis, this report instructs the appropriations committee to consider (1) annual increases in tuition costs at the schools most commonly attended by D.C. high school graduates, (2) increases in the number of students participating in the Program, (3) the level of funding necessary to ensure that financial assistance to D.C. high school graduates participating in the Program will not need to be ratably reduced, to the extent practicable, as a result of increasing student enrollment, and (4) inflationary pressures that may impact the ability of District residents to cover costs associated with higher education.

EXPLANATION OF AMENDMENTS

No amendments were adopted in committee.

COMMITTEE CONSIDERATION

On April 1, 2004, the Committee met in open session and ordered reported favorably the bill, H.R. 4012, by voice vote, a quorum being present.

ROLLCALL VOTES

No rollcall votes were held.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch where the bill relates to the terms and conditions of employment or access to public services and accommodations. This bill provides limited financial assistance to D.C. high school graduates pursuing higher education opportunities in colleges and universities in other States. Legislative branch employees and their families, to the extent that they are otherwise eligible for the benefits provided by this legislation, have equal access to its benefits.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Clause 3(c)(4) of rule XIII of the Rules of the House of Representatives requires a statement of general performance goals. The Committee expects that the bill will provide limited financial assistance to D.C. high school graduates pursuing higher education opportunities in colleges and universities in other States.

CONSTITUTIONAL AUTHORITY STATEMENT

Under clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee must include a statement citing the specific powers granted to Congress to enact the law proposed by H.R. 4012. Article I, Section 8, Clauses 17 and 18 of the Constitution of the United States provide Congress the power to enact this law.

FEDERAL ADVISORY COMMITTEE ACT

The Committee finds that the legislation does not establish or authorize the establishment of an advisory committee within the definition of 5 U.S.C. App., Section 5(b).

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104–4) requires a statement whether the provisions of the reported include unfunded mandates. In compliance

with this requirement the Committee has received a letter from the Congressional Budget Office included herein.

COMMITTEE ESTIMATE

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R. 4012. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) of Rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 4012 from the Director of Congressional Budget Office:

H.R. 4012—District of Columbia College Access Act of 2004

Summary: H.R. 4012 would reauthorize the District of Columbia (D.C.) resident tuition support program that was established in 1999. The program assists D.C. students who graduate from D.C. high schools and attend college by paying the difference between in-state and out-of-state tuition at public institutions (up to $10,000 per year0 or up to $2,500 annually for those attending private schools.

Assuming appropriation of the necessary amounts, CBO estimates that H.R. 4012 would result in additional discretionary spending of $106 million over the 2006–2009 period. The bill would not affect direct spending or receipts.

H.R. 4012 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 federal budgetary impact of H.R. 4012 is presented in the following table. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

ESTIMATED BUDGETARY EFFECTS OF H.R. 4012

	By fiscal year, in millions of dollars—					
	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law:						
Estimated Authorization Level [1]	17	17	0	0	0	0
Estimated Outlays	17	17	0	0	0	0
Proposed Changes:						
Public institution tuition grants:						
Estimated Authorization Level	0	0	20	22	23	25
Estimated Outlays	0	0	20	22	23	25

ESTIMATED BUDGETARY EFFECTS OF H.R. 4012—Continued

	By fiscal year, in millions of dollars—					
	2004	2005	2006	2007	2008	2009
Private institution tuition grants:						
Estimated Authorization Level	0	0	2	2	2	2
Estimated Outlays	0	0	2	2	2	2
Administrative costs:						
Estimated Authorization Level	0	0	2	2	2	2
Estimated Outlays	0	0	2	2	2	2
Total changes:						
Estimated Authorization Level	0	0	24	26	28	29
Estimated Outlays	0	0	24	26	28	29
Spending Under H.R. 4012:						
Estimated Authorization Level [1]	17	17	24	26	28	29
Estimated Outlays	17	17	24	26	28	29

[1] The 2004 level is the amount appropriated for that year for the current tuition support program.
Notes.—Components may not sum to totals because of rounding.

Basis of estimate: For this estimate, CBO assumes that H.R. 4012 will be enacted in September 2004 and that the necessary amounts will be appropriated for each year.

CURRENT LAW

Under current law, the D.C. resident tuition support program, administered by the Mayor provides financial assistance to D.C. residents who choose to attend public colleges outside of D.C., private postsecondary institutions in D.C. or in one of the surrounding jurisdictions in Maryland or Virginia, or historically black colleges or universities (HBCUs). The private-school tuition grants are restricted to nonprofit institutions. The overall program is currently authorized through 2005.

The program received appropriations of $17 million annually for fiscal years 2000 through 2004, and is authorized to receive $17 million in appropriations in 2005. The amounts appropriated are paid in full to the District each year, regardless of when the grants are actually disbursed. For academic year 2003–2004, 4,086 students received grants averaging $5,377, for a total of $22 million. (The program drew on unused funds from previous years to make those grants.) The public school program awarded 3,111 grants averaging about $6,400; students in private institutions represented an additional 975 grantees with the average award amounting to about $2,100.

Eligibility for the tuition support is limited to D.C. residents who graduate from high school or receive the equivalent of a secondary school diploma and reside in D.C. for at least 12 consecutive months prior to beginning the freshman year in an eligible institution. For those who wish to attend state-supported public institutions outside of the District, the program provides scholarships equal to the difference between the tuition paid by residents of the state in which the institution is located and the tuition charged to nonresident students, but not to exceed $10,000 annually, with a lifetime limit of $50,000. In addition, it provides a $2,500 maximum annual scholarship—with a lifetime limit of $12,500—for those who choose to attend a private institution in D.C. or in one of the surrounding jurisdictions in Maryland or Virginia. Private HBCUs are included regardless of where they are located. The assistance under each portion of the program is prorated if the stu-

dent is enrolled in a less-than-full-time program. Administrative expenses of operating the program are limited to no more than 7 percent of the total tuition grants.

PROPOSED EXTENSION

H. R. 4012 would permanently authorize the appropriation of such sums as may be necessary for the D.C. resident tuition support program. Based on data from the administrators of the program, the Bureau of the Census, and the U.S. Department of Education, CBO projects that about 3,725 students would receive tuition assistance during academic year 2005–2006 and that this number would climb to over 4,100 students by the 2008–2009 academic year, if sufficient funds were available. CBO projects that the proportion of students attending public institutions would remain near its current 76-percent share. Assuming that out-of-state tuition at public institutions continues to rise at rates somewhat above overall inflation, CBO estimates the average public tuition assistance payment would rise from $6,925 in 2005–2006 to $7,790 by 2008–2009. The average grant in the private school program would grow more slowly—from $2,230 in 2005–2006 to nearly $2,400 by 2008–2009—because many grantees would be at the $2,500 maximum. Consequently, CBO estimates that the amount spent for grants would grow from about $22 million for the 2005–2006 academic year to about $27 million for the 2008–2009 academic year, assuming appropriation of the necessary funds. Assuming that administrative costs equal 7 percent of the total costs, those expenses would climb from $1.7 million in 2006 to $2.1 million in 2009.

Intergovernmental and private-sector impact: H.R. 4012 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal Costs: Paul Cullinan and Michael Carson; Impact on State, Local, and Tribal Governments: Sarah Puro; and Impact on the Private Sector: Nabeel Alsalam.

Estimate approved by: Robert A. Sunshine, Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

DISTRICT OF COLUMBIA COLLEGE ACCESS ACT OF 1999

(Sections 2702 and 2704 of title 38, District of Columbia Code)

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SEC. 3. PUBLIC SCHOOL PROGRAM.

(a) * * *

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(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the District of Columbia to carry out this section

$12,000,000 for fiscal year 2000 and (subject to section 7) such sums as may be necessary for [each of the five succeeding fiscal years] *each succeeding fiscal year*. Such funds shall remain available until expended.

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SEC. 5. PRIVATE SCHOOL PROGRAM.

(a) * * *

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(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the District of Columbia to carry out this section $5,000,000 for fiscal year 2000 and (subject to section 7) such sums as may be necessary for [each of the five succeeding fiscal years] *each succeeding fiscal year*. Such funds shall remain available until expended.

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