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108TH CONGRESS *2d Session*	SENATE	REPORT 108–349

AMENDING 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

R E P O R T

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

TO ACCOMPANY

S. 2347

AMENDING 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



SEPTEMBER 20, 2004.—Ordered to be printed

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Ms. COLLINS, from the Committee on Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 2347]

The Committee on Governmental Affairs, to whom was referred the bill (S. 2536) 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 reports favorably thereon with an amendment and recommends that the bill do pass.

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I. PURPOSE AND SUMMARY

S. 2347 amends the District of Columbia College Access Act of 1999 to reauthorize for five additional years the public school and private school tuition assistance programs established under the Act. As reported by the Senate Committee on Governmental Affairs, S. 2347 amends Public Law 106–98, the District of Columbia College Access Act of 1999.

II. Background and Need for Legislation

The District of Columbia College Access Act of 1999 established the District of Columbia Tuition Assistance Grant (D.C. TAG) Program for District of Columbia residents. The aim of the Program is to afford D.C. high school graduates the opportunity to attend public universities at in-state tuition rates by paying for the difference between in- and out-of-state tuition costs, up to $10,000 per student per school year with a cumulative cap of $50,000 per student. In addition, the law allows D.C. residents attending Historically Black Colleges and Universities (HBCUs) nationwide and private schools in Virginia and Maryland to receive tuition grants under the program of $2,500 per student per school year with a cumulative cap of $12,500 per student.

The statute creating the program was amended in 2002 with the passage of the District of Columbia College Access Improvement Act of 2001. That Act amended the program by: (1) eliminating the requirement that residents of the District of Columbia must continue on to college within three years of high school graduation in order to be eligible for tuition assistance through the College Access Act; (2) expanding the list of eligible institutions to include private Historically Black Colleges and Universities nationwide; (3) expanding the pool of eligible students to include all District of Columbia residents who have resided in the District of Columbia for at least five consecutive years prior to applying for the grant and who are enrolled at an eligible institution as of the date of enactment of this Act; (4) requiring that a dedicated account be established for the resident tuition support program; and (5) clarifying language in the College Access Act regarding the use of administrative funds for the District of Columbia Tuition Assistance Program.[1]

While the program does not require that students meet a means test to qualify for the scholarships, the authorizing legislation does allow the Mayor to apply a means test should the number of applicants exceed the amount of funding provided for the program.

Since its inception, the D.C. TAG Program has disbursed more than $63 million dollars to more than 6,500 students, many of whom are the first in their family to attend college. All current high school students who are D.C. residents are eligible for these scholarships and participation is increasing.

The number of D.C. high school graduates continuing on to college increased from 1,750 in 1998 to 2,230 in 2002, a 28% increase since the Program was created. This represents the highest known level at which District students have attended college.

The original legislation P.L. 106–98 authorized funding for the Program for five years (FY00–FY05). S. 2347 extends the authorization for five additional years.

III. Legislative History

S. 2347, on April 26, 2004, a permanent reauthorization of the District of Columbia College Access Act of 1999, was introduced by Senator Voinovich and cosponsored by Senators Durbin, Jeffords, and Lieberman, and was referred to the Governmental Affairs

[1] Senate Report 107–101, pp. 1–2.

Committee. On May 11, 2004, the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia favorably polled S. 2347 to the full Committee.

On July 21, 2004 by voice vote, the Committee on Governmental Affairs ordered S. 2347 reported favorably with an amendment offered by Senators Voinovich and Collins that modified the reauthorization from a permanent reauthorization to a 5-year extension of the Program. Senators present: Collins, Voinovich, Specter, Fitzgerald, Lieberman, Akaka, Durbin, Carper, and Lautenberg.

IV. SECTION-BY-SECTION ANALYSIS

SECTION 1. 5-YEAR REAUTHORIZATION 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 of the 10 succeeding fiscal years" in section 3, the public school program section, and in section 5, the private school section.

V. EVALUATION OF REGULATORY IMPACT

Paragraph 11(b)(1) of rule XXVI of the Standing Rules of the Senate requires that each report accompanying a bill evaluate "the regulatory impact which would be incurred in carrying out this bill."

The enactment of this legislation will not have significant regulatory impact.

VI. ESTIMATED COST OF LEGISLATION

S. 2347—District of Columbia College Access Act of 2004

Summary: S. 2347 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 he difference between in-state and out-of-state tuition a public institutions (up to $10,000 per year) or up to $2,500 annually for those attending private schools.

Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 2347 would cost $106 million over the 2006–2009 period. The bill would not affect direct spending or receipts.

S. 2347 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no cost on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated federal budgetary impact of S. 2347 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—					
	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

	By fiscal year, in millions of dollars—					
	2004	2005	2006	2007	2008	2009
Proposed Changes:						
Public-institution tuition grants:						
Estimated authorization level	0	0	20	22	23	25
Estimated outlays	0	0	20	22	23	25
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 S. 2347:						
Estimated authorization level[1]	17	17	24	26	28	29
Estimnated outlays	17	17	24	26	28	29

[1] The 2004 level is the amount appropriated for that year for the current tuition support program. The 2005 level is the amount authorized for that year for the current tuition support program.

Note.—Components may not sum to totals because of rounding.

Basis of estimate: For this estimate, CBO assumes that S. 2347 will be enacted this year and that the necessary amounts will be appropriated for each year beginning with fiscal year 2006.

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 student 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

S. 2347 would authorize through fiscal year 2010 the appropriations 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: S. 2347 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Previous CBO estimates: On July 30, 2004, CBO transmitted a cost estimate for H.R. 4012, as ordered reported by the Senate Committee on Governmental Affairs on July 21, 2004. It also would authorize the appropriation of such sums as may be necessary for the tuition support program through fiscal year 2010.

On April 30, 2004, CBO transmitted a cost estimate for H.R. 4012, as ordered reported by the House Committee on Government Reform on April 1, 2004, which would permanently authorize the appropriation of such sums as may be necessary for the program. The cost estimates for the two versions of H.R. 4012 and S. 2347 are identical for the 2006–2009 period.

Estimate prepared by: Federal Costs: Justin Humphrey. Impact on State, Local, and Tribal Governments: Sarah Puro. Impact on the Private Sector: Nabeel Alsalam.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute

or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

DISTRICT OF COLUMBIA CODE

TITLE 38. EDUCATIONAL INSTITUTIONS

Subtitle IX. College Access Assistance

CHAPTER 27. COLLEGE ACCESS ASSISTANCE

§ 38–2702. Public school program

(a) GRANTS.

(1) IN GENERAL.—From amounts appropriated under subsection (i) of this section the Mayor shall award grants to eligible institutions that enroll eligible students to pay the difference between the tuition and fees charged for in-State students and the tuition and fees charged for out-of-State students on behalf of each eligible student enrolled in the eligible institution.

* * * * * * *

(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 § 38–2706) such sums as may be necessary for [each of the five succeeding fiscal years] *each of the 10 succeeding fiscal years.* Such funds shall remain available until expended.

* * * * * * *

§ 38–2704. Private school program

(a) GRANTS.

(1) IN GENERAL.—From amounts appropriated under subsection (f) the Mayor shall award grants to eligible institutions that enroll eligible students to pay the cost of tuition and fees at the eligible institutions on behalf of each eligible student enrolled in an eligible institution. The Mayor may prescribe such regulations as may be necessary to carry out this section.

* * * * * * *

(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 § 38–2706) such sums as may be necessary for [each of the five succeeding fiscal years] *each of the 10 succeeding fiscal years.* Such funds shall remain available until expended.

○