

SENATOR PAUL SIMON STUDY ABROAD FOUNDATION ACT OF 2007

MAY 9, 2007.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. LANTOS, from the Committee on Foreign Affairs,
submitted the following

R E P O R T

[To accompany H.R. 1469]

[Including cost estimate of the Congressional Budget Office]

The Committee on Foreign Affairs, to whom was referred the bill (H.R. 1469) to establish the Senator Paul Simon Study Abroad Foundation under the authorities of the Mutual Educational and Cultural Exchange Act of 1961, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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SUMMARY

H.R. 1469, the Senator Paul Simon Study Abroad Foundation Act of 2007 (the “Act”), authorizes the establishment of the Senator Paul Simon Study Abroad Foundation under the authorities of the Mutual Educational and Cultural Exchange Act of 1961. The Foundation is authorized to be established as a new executive branch

Corporation operated by a Board of Directors, chaired by the Secretary of State and managed by a Chief Executive Officer selected by the Board. The Foundation is authorized to raise funds and to operate a Program to award grants to: United States students for study abroad; nongovernmental institutions that provide and promote study abroad opportunities for United States students in consortium with institutions of higher education; and directly to institutions of higher education.

BACKGROUND AND PURPOSE FOR THE LEGISLATION

The Act seeks to enhance the national security and global competitiveness of the United States by establishing the Senator Paul Simon Study Abroad Foundation, which will work to dramatically increase the number and diversity of United States students studying abroad.

The Act is responsive to the proposals of two bipartisan, congressionally-mandated bodies: First, it follows the recommendation of the National Commission on Terrorist Attacks Upon the United States (The 9/11 Commission) and its successor “9/11 Public Discourse Project,” which urged increased support for scholarship and exchange programs as “our most powerful tool to shape attitudes over the course of a generation.” Second, it effects key recommendations of the Commission on the Abraham Lincoln Study Abroad Fellowship Program (established pursuant to section 104 of the Miscellaneous Appropriations and Offsets Act, 2004 (division H of Public Law 108–199)), which was created, in part, to examine a concept championed for years by the late Senator Paul Simon (D-IL), who had worked with the international education community and congressional leaders to explore how the U.S. Government could work with institutions of higher education to dramatically increase the numbers of American college students studying abroad.

The desperate search for American speakers of Arabic, Farsi, and Pashto after the terrorist attacks of September 11, 2001 was a dramatic demonstration of the need for study abroad by U.S. students in places other than traditional destinations in Western Europe. In the words of the Lincoln Commission: “In today’s world, study abroad is simply essential to the nation’s security.” Furthermore, American business leaders recognize “that they must be able to draw on people with global skills if their corporations are to succeed in a world in which one American job in six is tied to international trade.” (*Report of the Commission on the Abraham Lincoln Study Abroad Fellowship Program, November 2005.*)

The Act is intended to dramatically increase study abroad participation to at least one million college students per year within 10 years of the date of enactment. One million students studying abroad would represent almost 50 percent of the number of degrees (associate’s and bachelor’s) awarded annually by accredited American colleges and universities. Attaining that number would make study abroad a commonplace rather than an exceptional part of college education for American students.

As part of its unique approach, the Act establishes the Senator Paul Simon Study Abroad Foundation as a separate U.S. Government corporation that is free from the bureaucracies and short-term political agendas of other U.S. agencies, and it can raise private sector funds to supplement its work. The Foundation, in-

tended to be a lean and entrepreneurial organization, will leverage broader interest in study abroad by offering competitive grants (to universities, consortiums, and individuals) based on priorities identified by its Board.

The Act also will attempt to transform the demographic composition of participation in study abroad programs to more accurately reflect the demographics of the United States undergraduate population, including students enrolled in community colleges, minority-serving institutions, and institutions serving large numbers of low-income and first-generation students. The final objective of the Program will be to ensure that an increasing portion of study abroad will take place in nontraditional study abroad destinations, with a substantial portion of such increases taking place in developing countries.

The realization of these objectives will significantly enhance the depth and diversity of cultural knowledge that will be integral to continued global leadership by the United States. It will increase the availability of language and cultural expertise needed by United States foreign affairs agencies, corporations, educational institutions, and nongovernmental organizations.

HEARINGS

No hearings on the bill were held.

COMMITTEE CONSIDERATION

On March 27, 2006, the Committee met in open session and ordered favorably reported, the bill, H.R. 1469, without amendment, by unanimous consent, a quorum being present.

VOTES OF THE COMMITTEE

No votes on the bill were taken.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

This legislation authorizes \$80,000,000 per year for the establishment and operation of the Senator Paul Simon Study Abroad Foundation.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, H.R. 1469, the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 12, 2007.

Hon. TOM LANTOS, *Chairman,*
Committee on Foreign Affairs,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1469, the Senator Paul Simon Study Abroad Foundation Act of 2007.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sunita D'Monte, who can be reached at 226-2840.

Sincerely,

PETER R. ORSZAG.

Enclosure

cc: Honorable Ileana Ros-Lehtinen
Ranking Member

H.R. 1469—Senator Paul Simon Study Abroad Foundation Act of 2007.

H.R. 1469 would authorize the establishment of the Senator Paul Simon Study Abroad Foundation to encourage U.S. students to study overseas, particularly in nontraditional destinations such as China, the Middle East, and developing countries. Over 200,000 American students currently study overseas every year, and one of the foundation's objectives would be to increase this number to at least one million within 10 years. The foundation would be directed to make grants to students, nongovernmental organizations, and educational institutions, and to report annually to the Congress.

The bill would authorize the appropriation of \$80 million a year for the foundation and allow it to raise funds and accept gifts and donations. Based on historical spending patterns for similar educational exchange programs, CBO estimates that implementing this legislation would cost \$40 million in 2008 and \$345 million over the 2008–2012 period, subject to the appropriation of the authorized amounts. Any gifts and donations to the foundation would increase governmental receipts and the spending of these receipts would increase direct spending. CBO estimates that initially the foundation would receive and spend gifts and donations of less than \$500,000 a year, but that those amounts could be significant in later years. Thus, the bill would increase both direct spending and receipts, but CBO estimates that the net result would likely be negligible in each year.

H.R. 1469 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. Some public and private colleges and universities would benefit from grants to encourage students to study abroad. Any costs to those schools would be incurred voluntarily as a condition of receiving federal assistance.

The CBO staff contact for this estimate is Sunita D'Monte, who can be reached at 226-2840. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

PERFORMANCE GOALS AND OBJECTIVES

The Act is intended to increase the number and diversity of United States undergraduate students studying abroad, particularly in non-traditional study abroad destinations and the developing world, with the goal of having one million U.S. students studying abroad for credit per year within ten years of enactment.

SECTION-BY-SECTION ANALYSIS AND DISCUSSION

SENATOR PAUL SIMON STUDY ABROAD FOUNDATION ACT OF 2007

Section 1. Short Title.

This section provides that the short title of the Act is the “Senator Paul Simon Study Abroad Foundation Act of 2007.”

Section 2. Findings.

This section contains a number of findings that highlight the need to expand foreign study by U.S. students to equip the U.S. economy and U.S. foreign policy agencies to thrive in an increasingly global economy. The findings highlight the work of the congressionally-chartered Commission on the Abraham Lincoln Study Abroad Fellowship Program which reported to Congress and the President on their determination that “study abroad is one of the major means of producing foreign language speakers and enhancing foreign language learning” and for that reason “is simply essential to the National security.” The findings also document a U.S. deficit in cultural knowledge wherein any given year, only approximately one percent of all students enrolled in United States institutions of higher education study abroad. The findings also cite the Final Report of the National Commission on Terrorist Attacks Upon the United States (The 9/11 Commission Report) which recommended that the United States increase support for “scholarship, exchange, and library programs” and the 9/11 Public Discourse Project, successor to the 9/11 Commission, which noted in its November 14, 2005, status report that this recommendation was “unfulfilled,” and stated that “The U.S. should increase support for scholarship and exchange programs, our most powerful tool to shape attitudes over the course of a generation.”

Section 3. Purposes.

This section specifies the purpose of H.R. 1469 as follows: to significantly enhance the global competitiveness and international knowledge base of the United States by ensuring that more United States students have the opportunity to acquire foreign language skills and international knowledge through significantly enhanced study abroad; to enhance the foreign policy capacity of the United States by significantly expanding and diversifying the talent pool of individuals with non-traditional foreign language skills and cultural knowledge; to ensure that an increasing portion of study abroad will take place in nontraditional study abroad destinations; and to create greater cultural understanding of the United States by exposing foreign students and their families to U.S. students in non-traditional host countries.

Section 4. Definitions.

Section 4 provides definitions for terms used in the text of H.R. 1469.

Section 5. Establishment and Management of the Senator Paul Simon Study Abroad Foundation.

Subsection (a) provides for the establishment within in the executive branch of a corporation, the “Senator Paul Simon Study Abroad Foundation” and provides that the Foundation shall be governed by a Board of Directors, chaired by the Secretary of State; that is given responsibility for carrying out the Act under the authorities of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.). It provides that the Foundation shall be a government corporation as defined in section 103 of title 5, United States Code. Subsection (a) also expresses the intent of Congress that the structure designed by this section will create an entity that will administer a study abroad program that serves the long-term foreign policy and national security needs of the United States while operating independently of short-term political and foreign policy considerations.

Subsection (b) provides that the mandate of the Foundation in administering the study abroad program shall be to advance the objectives and purposes of the Act through responsive, flexible grant-making that will promote access to study abroad opportunities by United States students at diverse institutions of higher education, including two-year institutions, minority-serving institutions, and institutions that serve nontraditional students. The Foundations grant-making will also be designed to promote access to study abroad opportunities by diverse United States students, including minority students, students of limited financial means, and nontraditional students. Additionally, the Foundation will be permitted to raise funds from the private sector to supplement funds made available by the Act and will be committed to minimizing administrative costs and to maximizing the availability of funds under this act.

Subsection (c) provides that there shall be in the Foundation a Chief Executive Officer who shall be responsible for its management and for the appointment of all of its officers. The Chief Executive Officer shall be appointed by the Foundation’s Board of Directors and shall be a leader in higher education, business, or foreign policy, chosen on the basis of a rigorous search. The Chief Executive Officer shall report to and be under the direct authority of the Board. This Officer shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

Subsection (d) provides that the Foundation be governed by a Board of Directors chaired by the Secretary of State (or the Secretary’s designee), which will be subject to meet at the call of the chairperson. The membership of the board also includes the Secretary of Education (or the Secretary’s designee), the Secretary of Defense (or the Secretary’s designee), and the Administrator of the United States Agency for International Development (or the Administrator’s designee), and five other individuals with relevant experience in matters relating to study abroad (such as individuals who represent institutions of higher education, business organiza-

tions, foreign policy organizations, or other relevant organizations). This subsection also specifies that these five individuals shall be appointed by the President, by and with the advice and consent of the Senate. It further specifies that of the five, one individual shall be appointed from among a list of individuals submitted by the majority leader of the House of Representatives; one individual shall be appointed from among a list of individuals submitted by the minority leader of the House of Representatives; one individual shall be appointed from among a list of individuals submitted by the majority leader of the Senate; and one individual shall be appointed from among a list of individuals submitted by the minority leader of the Senate. This subsection also specifies that the Chief Executive Officer of the Foundation shall serve as a nonvoting, ex officio member of the Board.

This subsection also provides that the terms of office for the Secretary of State, the Secretary of Education, the Secretary of Defense and the Administrator of the United States Agency for International Development shall be concurrent with their term of Federal service. This subsection specifies that for the other five members of the Board, the term of appointment is 3 years, with the possibility of being reappointed for an additional three years. This subsection specifies that vacancies in the Board be filled in the manner in which the original appointment was made. This subsection specifies that a majority of the members of Board shall constitute a quorum except during the 135-day period beginning on the date of enactment of the Act, during which any quorum must include at least one of the five individuals appointed by the President.

This subsection specifies that the Secretary of State, the Secretary of Education, the Secretary of Defense, and the Administrator of the United States Agency for International Development will not receive additional pay, allowances, or benefits by reason of their service on the Board. The other five members of the Board, appointed by the President shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under subchapter 1 of chapter 57 of title 5, United States Code. Additionally, these five members shall be paid compensation out of funds made available by the Act at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties as a member of the Board. This subsection specifies however, that these members may not be paid such compensation for more than 90 days in any calendar year.

The Committee expects the President to act promptly in nominating qualified appointees, including those selected from lists provided by Congressional leaders, to the Board. The success of the Foundation in reaching the goals of the Act will depend significantly upon the expertise of the Board members and the direction and support they provide to the Chief Executive Officer and the Foundation.

Section 6. Establishment and Operation of the Program.

Subsection (a) establishes a program, administered by the Foundation to award grants to: United States students for study abroad; nongovernmental institutions that provide and promote study

abroad opportunities for United States students, in consortium with institutions of higher education; and institutions of higher education. Subsection (b) specifies that the objectives of the program are that, within 10 years of the date of enactment of the Act: not less than one million undergraduate U.S. students will study abroad annually for credit; the demographics of study-abroad participation will reflect the demographics of study-abroad participation will reflect the demographics of the United States undergraduate population, including students enrolled in community colleges, minority-serving institutions, and institutions serving large numbers of low-income and first-generation students; and an increasing portion of study abroad will take place in nontraditional study abroad destinations, with a substantial portion of such increases taking place in developing countries.

Subsection (c) further specifies that in administering the program, the Foundation shall take fully into account the recommendations of the Commission on the Abraham Lincoln Study Abroad Fellowship Program (established pursuant to section 104 of the Miscellaneous Appropriations and Offsets Act, 2004 (division H of Public Law 108–199)). As such, grants awarded under the program shall be structured to the maximum extent possible to promote appropriate reforms of higher education in order to remove barriers to participation by students in study abroad. Subsection (d) provides that the Foundation seek an appropriate balance between longer-term study abroad programs, which maximize foreign-language learning and intercultural understanding; and shorter term study abroad programs, which maximize the accessibility of study abroad to non-traditional students.

The Committee expects that the Foundation, in designing its program of grant-making, will closely adhere to the six recommendations of the Commission on the Abraham Lincoln Study Abroad Fellowship Program as specified on pages 25–34 of its Report of November 2005, *Global Competence and National Needs: One Million Students Studying Abroad*, which was submitted to the White House and to Congress. In particular, the Committee believes that if the Foundation is to reach the goals specified by the legislation, it will be critical that grant-making to institutions by the Foundation be used strategically to leverage increased enrollment targets by these institutions for their study abroad programs and by encouraging them, where feasible, to establish as a degree requirement participation in study abroad programs. The Committee also believes strongly that the Foundation in designing its grant-making program must focus on the goal of diversifying students, institutions, and destinations. As such, the Committee expects the Foundation to direct grant-making in a way to encourage more participation in study by underrepresented groups which include: racial/ethnic minorities; males; students majoring in science, engineering, and related disciplines; students attending two-year colleges; and students with disabilities. The Committee also expects that Foundation grant-making resources will be directed at supporting study in areas other than Western Europe. The Foundation should also seek to ensure that resource-rich large research universities and select small liberal arts colleges do not capture a disproportionate share of its grant-making resources, and that instead, a large share of such resources are directed at encouraging

study abroad by students attending institutions where study abroad is not currently a routine practice. The Committee also believes that wise stewardship of Foundation resources requires that grant awards be based on financial need.

The Committee further expects that the vast majority of the Foundation's budget will be directed to students, not to administrative overhead. The Committee is in agreement with the benchmark set in the Report of the Lincoln Commission, which specifies that not less than 88% of the Foundation's funds be provided to students either through individual or institutional grants and that not less than 75% of the funds must flow through institutional grants, rather than individual scholarship grants, in order to address non-financial barriers to study abroad at the campus level and leverage greater participation in study abroad. The Committee understands that a significant portion of the Foundation's resources will be needed to finance a national competition of individual scholarships, in order to give every undergraduate in the United States the opportunity to apply for a grant, regardless of institutional affiliation.

The Committee also strongly believes that the quality of the students' academic experiences is important to the overall success of the program. Students should receive grants only for study abroad programs that carry academic credit toward graduation.

Section 7. Annual Report.

This section mandates that not later than March 31, 2008, and each March 31 thereafter, the Foundation shall submit to the appropriate congressional committees a report on the implementation of the Act during the prior fiscal year. Subsection (b) provides that the report include the total financial resources available to the Foundation during the year, including appropriated funds, the value and source of any gifts or donations accepted; a description of the Board's policy priorities for the year and the bases upon which competitive grant proposals were solicited and awarded to institutions of higher education, nongovernmental institutions, and consortiums; a list of grants made to institutions of higher education, nongovernmental institutions, and consortiums and that includes the identity of the institutional recipient, the dollar amount, and the estimated number of study abroad opportunities provided to United States students by each grant; a description of the bases upon which the Foundation made grants directly to United States students; the number and total dollar amount of grants made directly to United States students by the Foundation; and the total administrative and operating expenses of the Foundation for the year.

Section 8. Powers of the Foundation; Related Provisions.

This section specifies that the powers of the Foundation shall include: perpetual succession unless dissolved by a law enacted after the date of enactment of the Act; use of a seal that will be judicially noticed; the ability to make and perform contracts, grants, and other agreements with any person or government however designated and wherever situated, as may be necessary for carrying out the functions of the foundation; the ability to determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid, including expenses for representa-

tion; the ability to lease, purchase or otherwise acquire, improve, and use such real property wherever situation, as may be necessary for carrying out the functions of the Foundation; the right to accept cash gifts or donations of property (real, personal, or mixed), tangible or intangible, for the purposes of carrying out the provisions of this act; the right to use the U.S. mails in the same manner and on the same conditions as the executive departments; the right to contract with individuals for personal services, who shall not be considered Federal employees for an provision of law administered by the Office of Personnel Management; the ability to hire or obtain passenger motor vehicles; and other unspecified powers as may be necessary and incident to carrying out the Act.

Subsection (b) provides that the foundation shall maintain its principal office in the metropolitan area of Washington, District of Columbia. Subsection (c) provides that the Foundation is subject to the Government Corporation Control Act. Finally, subsection (d) provides that the Inspector General (IG) of the Department of State will serve as the Inspector General of the Foundation. The reporting requirements of Section 7 are intended to provide information that, in addition to helping the Congress to exercise responsible oversight, will assist the State IG in conducting the “reviews, investigations, and inspections of all actions of the operations and activities of the Foundation,” as outlined in this section.

Section 9. General Personnel Authorities.

This section provides that upon request of the Chief Executive Officer, the head of an agency may detail any employee of such agency to the Foundation on a reimbursable basis. The section provides these individuals with reemployment rights. The section also provides hiring authority specifying that of persons employed by the Foundation, not to exceed 30 persons may be appointed, compensated, or removed without regard to civil service laws and regulations. The section also provides that the Chief Executive Officer may fix the basic rate of pay of employees of the Foundation, except that no employee of the Foundation may receive a rate of basic pay that exceeds the rate for level IV of the Executive Schedule.

Section 10. Authorization of Appropriations.

This section specifies that there are authorized to be appropriated to carry out the Act, \$80,000,000 for fiscal year 2008 and each subsequent fiscal year. The Committee intends that this amount should be in addition to any amounts otherwise authorized or made available for exchange programs, including the J. William Fulbright Educational Exchange Program and the Gilman Fellowship Program, administered by the Department of State’s Bureau of Educational and Cultural Affairs.

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 (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

SECTION 5314 OF TITLE 5, UNITED STATES CODE

§ 5314. Positions at level III

Level III of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Solicitor General of the United States.

*	*	*	*	*	*	*
<i>Chief Executive Officer, Senator Paul Simon Study Abroad Foundation.</i>						
*	*	*	*	*	*	*

SECTION 9101 OF TITLE 31, UNITED STATES CODE

§ 9101. Definitions

In this chapter—

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(3) “wholly owned Government corporation” means—

(A) * * *

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(R) *the Senator Paul Simon Study Abroad Foundation.*

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