

DISTRICT OF COLUMBIA COLLEGE ACCESS ACT

MAY 24, 1999.—Ordered to be printed

Mr. BURTON of Indiana, from the Committee on Government Reform, submitted the following

REPORT

[To accompany H.R. 974]

[Including cost estimate of the Congressional Budget Office]

The Committee on Government Reform, to whom was referred the bill (H.R. 974) to establish a program to afford high school graduates from the District of Columbia the benefits of in-State tuition at State colleges and universities outside the District of Columbia, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “District of Columbia College Access Act”.

SEC. 2. ESTABLISHMENT OF SCHOLARSHIP PROGRAM.

There is hereby established the District of Columbia College Access Scholarship Program (hereafter in this Act referred to as the “Program”) under which the Mayor of the District of Columbia shall award scholarships in accordance with section 4 using amounts in the District of Columbia College Access Fund established under section 3.

SEC. 3. DISTRICT OF COLUMBIA COLLEGE ACCESS FUND.

(a) **ESTABLISHMENT.**—There is hereby established on the books of the government of the District of Columbia the District of Columbia College Access Fund (hereafter in this Act referred to as the “Fund”), which shall consist of the following amounts:

- (1) Amounts appropriated to the Fund under law.
- (2) Gifts and bequests.
- (3) Refunds paid under section 4(b)(4).
- (4) Interest earned on the balance of the Fund.

(b) **ADMINISTRATION.**—The Mayor of the District of Columbia shall administer the Fund, in consultation with the Secretary of Education.

(c) **USE OF FUND.**—

(1) **IN GENERAL.**—Amounts in the Fund shall be used solely to award scholarships in accordance with section 4, except that not more than 10 percent of the balance of the Fund with respect to a fiscal year may be used for the administration of the Fund during such year.

(2) **DETERMINATION OF AMOUNT AVAILABLE FOR SCHOLARSHIPS.**—With respect to each academic year for which scholarships may be awarded under this Act, the Mayor shall determine the amount available from the Fund for awarding scholarships.

(d) **INVESTMENT.**—The Mayor shall invest such portion of the Fund as is not in the judgment of the Mayor required to make current payments for scholarships. Such investments shall be in such form as the Mayor considers appropriate.

SEC. 4. ADMINISTRATION OF SCHOLARSHIP PROGRAM.

(a) **APPLICATIONS.**—Any qualified graduate seeking a scholarship under the Program shall submit an application to the Mayor in such form and containing such information as the Mayor may prescribe by regulation. The Mayor shall make applications for scholarships under the Program available not later than October 1 of the academic year preceding the academic year for which the scholarships will be awarded, and shall announce the recipients of scholarships under this section not later than a date determined by the Mayor in consultation with the Secretary of Education.

(b) **AWARDS AUTHORIZED.**—

(1) **AWARDS TO EACH QUALIFIED GRADUATE.**—

(A) **IN GENERAL.**—From the amount available from the Fund under section 3(c)(2) for any academic year, the Mayor shall award scholarships to each qualified graduate submitting an application that is approved pursuant to subsection (a).

(B) **AWARDS TO STUDENTS AT ELIGIBLE PUBLIC INSTITUTIONS BASED ON IN-STATE TUITION.**—Subject to subparagraph (D) and paragraph (2), such scholarship shall provide, for attendance at an eligible public institution located outside the District of Columbia, an amount equal to the difference between—

(i) the amount of the tuition normally charged by that institution to a student who is not a resident of the State in which that institution is located for the program of instruction in which the qualified graduate is enrolled or accepted for enrollment; and

(ii) the amount of the tuition normally charged by that institution to a student who is a resident of such State for such program of instruction, or the amount of the tuition normally charged by that institution to a student who is a resident of the county in which the institution is located for such program of instruction, whichever is less.

(C) **TUITION ASSISTANCE GRANTS TO STUDENTS AT ELIGIBLE PRIVATE INSTITUTIONS.**—Subject to paragraph (2), such scholarship shall provide, for at-

tendance at an eligible private institution, a tuition assistance grant in a uniform amount determined by the Mayor, not to exceed \$3,000 for the academic year.

(D) CAP ON AMOUNT PROVIDED.—The amount of a scholarship provided to an individual under subparagraph (B) for an academic year may not exceed \$10,000.

(2) RATABLE REDUCTION IF FUNDS INSUFFICIENT.—If the amount available from the Fund under section 3(c)(2) for any academic year is not sufficient to pay the scholarship amount determined under paragraph (1) for each qualified graduate submitting an application that is approved pursuant to subsection (a), the amount of such scholarships shall be ratably reduced. If additional sums become available for such academic year, such reduced scholarships shall be increased on the same basis as they were reduced (until the amount allotted equals the amount determined under paragraph (1)).

(3) DISBURSEMENT.—The scholarships awarded under this section shall be disbursed to the eligible institution at which the qualified graduate is enrolled or accepted for enrollment by check or other means that is payable to and requires the endorsement or other certification by such graduate.

(4) REFUNDS.—The Mayor may prescribe such regulations as may be necessary to provide for the refund to the Fund of a portion of the amount awarded under this section in the event a recipient of a scholarship under this section withdraws from an institution during a period of enrollment in which the recipient began attendance.

(c) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to require an institution of higher education to alter the institution's admissions policies or standards in any manner in order for a qualified graduate to receive a scholarship to attend such institution under this Act.

(d) DEFINITIONS.—As used in this section:

(1) QUALIFIED GRADUATE.—The term “qualified graduate” means an individual who—

(A) has been a resident of the District of Columbia for not less than the 12 consecutive months preceding the academic year for which the scholarship is sought;

(B) begins his or her undergraduate course of study within the 3 calendar years (excluding any period of service on active duty in the Armed Forces of the United States, in the Peace Corps or Americorps) of graduating from a secondary school, or receiving the recognized equivalent of a secondary school diploma;

(C) is enrolled or accepted for enrollment in a degree, certificate, or other program (including a program of study abroad approved for credit by the institution at which such student is enrolled) leading to a recognized educational credential at an eligible institution;

(D) if the student is presently enrolled at an institution, is maintaining satisfactory progress in the course of study the student is pursuing, as determined under section 484(c) of the Higher Education Act of 1965 (20 U.S.C. 1091(c));

(E) is a citizen or national of the United States, a permanent resident of the United States, able to provide evidence from the Immigration and Naturalization Service that he or she is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident, or a citizen of the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau;

(F) does not owe a refund on grants previously received under title IV of the Higher Education Act of 1965, and is not in default on any loan made, insured, or guaranteed under such title;

(G) has not completed his or her first undergraduate baccalaureate course of study; and

(H) is not incarcerated.

(2) ELIGIBLE INSTITUTION.—The term “eligible institution” means eligible public institution or an eligible private institution.

(3) ELIGIBLE PUBLIC INSTITUTION.—The term “eligible public institution” means an institution of higher education that—

(A) is established as a State-supported institution of higher education by the State in which such institution is located;

(B) is eligible to participate in student financial assistance programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.); and

(C) has entered into an agreement with the Mayor containing such requirements for the management of funds provided under this Act as the Mayor may specify, including a requirement that the institution use the funds to supplement and not supplant assistance that otherwise would be provided to students from the District of Columbia.

(4) **ELIGIBLE PRIVATE INSTITUTION.**—The term “eligible private institution” means an institution of higher education that—

(A) is located in the District of Columbia, the State of Maryland, or the Commonwealth of Virginia;

(B) is not established as a State-supported institution of higher education by the State in which such institution is located;

(C) is eligible to participate in student financial assistance programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.); and

(D) has entered into an agreement with the Mayor containing such requirements for the management of funds provided under this Act as the Mayor may specify, including a requirement that the institution use the funds to supplement and not supplant assistance that otherwise would be provided to students from the District of Columbia.

(5) **INSTITUTION OF HIGHER EDUCATION.**—The term “institution of higher education” has the meaning given that term under section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

(6) **SECONDARY SCHOOL.**—The term “secondary school” has the meaning given that term under section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

SEC. 5. ADMINISTRATION OF PROGRAM AND FUND.

In carrying out the Program and administering the Fund, the Mayor of the District of Columbia—

(1) shall consult with the Secretary of Education; and

(2) may enter into a contract with a nongovernmental agency to administer the Program and the Fund if the Mayor determines that it is cost-effective and appropriate to do so.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for payment to the Fund such sums as may be necessary for fiscal year 2000 and for each of the 5 succeeding fiscal years.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS FOR UNIVERSITY OF THE DISTRICT OF COLUMBIA.

There is authorized to be appropriated to the University of the District of Columbia for fiscal year 2000 and each of the 5 succeeding fiscal years such sums as may be necessary to enhance educational opportunities for the University.

I. SUMMARY OF LEGISLATION

The District of Columbia College Access Act is intended to permit D.C. residents who are high school graduates to pay in-state tuition rates upon admission to state colleges outside the District of Columbia, and to provide Tuition Assistance Grants for those attending other colleges in Virginia, Maryland, and the District of Columbia. The bill is not intended to alter a college’s admissions policies and standards. High school graduates would have to be District residents for at least one year to qualify for the in-state rate and must begin undergraduate courses within three years of high school graduation, excluding active duty military service. The bill is intended to apply as well to those receiving a recognized equivalent of a secondary high school diploma. A \$3,000 cap is placed on Tuition Assistance Grants to private colleges in the District of Columbia, Virginia, and Maryland. A \$10,000 cap is placed on scholarship awards for the in-state rate at public colleges and universities. Appropriation of sums necessary to the Fund established is authorized for FY 2000 and five succeeding years. The Fund is to be administered by the District of Columbia Mayor’s Office, with

disbursements going directly to the eligible college or university. An appropriation is authorized for the University of the District of Columbia for FY 2000 and each of the five succeeding years in such sums as may be necessary to enhance educational opportunities for the University.

II. BACKGROUND AND NEED FOR THE LEGISLATION

Implicit in the unique status of the District of Columbia, not being a state or part of a state, is that it lacks a university system of higher education as that concept is known in all 50 states. In recent years, Congress and the Administration, in cooperation with local officials, have significantly restructured the relationship between the District and the Federal Government. H.R. 974 is consistent with those efforts.

District high school graduates have few choices in seeking to continue their education in public colleges or universities, and private institutions are out of reach for many. By providing high school graduates who live in the District the opportunity, upon acceptance for admission, to qualify for in-state rates at public colleges and universities, H.R. 974 helps District of Columbia high school graduates continue their education. Having Tuition Assistance Grants in H.R. 974 for those qualifying for private colleges in Virginia, Maryland, and the District, would have a similar effect. Attending college would thus be more feasible and more on a par with opportunities that exist for students in the fifty states.

H.R. 974 will provide an incentive for families to continue residing in the District of Columbia. Since the formation of the District of Columbia Subcommittee in 1995, Congress has made great efforts to stabilize the city's population and tax base. Legislation enacted by the Congress has been intended to enhance population stability in the District. This has included removing costly state functions and the Federally created pension liability; providing a \$5,000 home-buyer credit and other tax benefits; legislation authorizing the MCI Arena and a new, expanded Convention Center; legislation creating a new Water and Sewer Authority; creation of a control board to help stabilize the city's finances; and conducting numerous oversight hearings to help efforts to reform the Metropolitan Police Department and the school system.

At the present time, the University of the District of Columbia is the only low-cost option for higher education in the city. Created in 1977 by combining the District of Columbia Teachers College, the Federal City College, and the Washington Technical Institute into a single system, UDC cannot provide the range of options needed by District residents. H.R. 974 authorizes funds necessary to enhance education at UDC.

Complementary to H.R. 974, an initiative by a leading group of regional foundations and companies will provide sums that will be used to assist District students gain entrance to and be able to attend college. A pilot program at six D.C. public schools is expected to commence in September, 1999. The initiative, known as D.C. CAP, is complementary to H.R. 974. H.R. 974 is strongly supported by those participating in D.C. CAP. Those participating include Mobil Corp., America Online, Fannie Mae, Sallie Mae, US Airways, Lockheed Martin Corp., Bell Atlantic, the Morris and Gwendolyn

Cafritz Foundation, the J. Willard and Alice S. Mariott Foundation, and the Washington Post Company.

H.R. 974 is strongly supported by the Consortium of Universities of the Washington Metropolitan Area, which consists of the following institutions of higher education: American University, The Catholic University of America, Gallaudet University, George Mason University, The George Washington University, Georgetown University, Howard University, Marymount University, Southeastern University, Trinity College, University of the District of Columbia, and University of Maryland College Park.

Support for H.R. 974 has also been expressed by District of Columbia Mayor Anthony Williams and other local officials and leading educators. In addition, expressions of support have been received from the American Association of Community Colleges, Montgomery College, Reverend Jim Dickerson of the New Community Church, Shaw EcoVillage Project co-director Ondine Wilhelm, Executive Director Fred Taylor of "For Love of Children", the Washington, DC Association of Realtors, Manna, Inc. and Manna Community Development Corporation.

H.R. 974 contains an authorization for funds that will allow the District's open admissions institution, the University of the District of Columbia (UDC), to become a funded Historically Black College and University (HBCU) like every other HBCU in the country, UDC is the only publicly funded institution of higher education in the District of Columbia. The District, like most large cities, has a large population that requires access to a publicly funded open admissions institution to go to any institution at all.

Under existing law, UDC is, by definition, a Historically Black University that qualifies for HBCU funds because it meets the three salient requirements: (1) UDC was created from colleges established before 1964; (2) it served primarily black people; and (3) it is an accredited institution. Though technically an HBCU, UDC was, in error, denied the funding benefits of HBCU. In the HBCU provision of Title III, UDC is discussed in the same section as Howard University, and it explicitly indicates that the University receives a direct payment from the Federal Government. This has never been the case. Moreover, the District no longer receives a Federal payment.

Congresswoman Eleanor Holmes Norton, Ranking Member of the District of Columbia Subcommittee, has endeavored to obtain full HBCU status before. Apparently, the only reason that UDC has not previously been included is that funds were needed to be authorized to accompany the request. H.R. 974 authorizes those funds.

H.R. 974 adopts a comprehensive approach to satisfy the needs of the entire spectrum of college-bound D.C. students—those prepared to go out-of-state as well as the larger number of students who will not be able to take advantage of the scholarships provided. A scholarship-only approach would have left the largest number of college-bound D.C. students with access only to a university (UDC) severely injured by the fiscal crisis. There is sufficient funding authorized in H.R. 974 to accommodate both UDC and the scholarships provided.

It is intended that the UDC funds authorized will not be used for operations generally, but will be targeted for urgently needed

infrastructure needs that could not otherwise likely find a place in the D.C. budget for years. Deferred investment has produced damaging results at UDC ranging from elevators that don't work to a technology deficit that will keep students from competing for the abundance of technology jobs that are available in the Washington Metropolitan Region. H.R. 974 will begin to address these vital needs.

III. LEGISLATIVE HEARINGS AND COMMITTEE ACTION

On April 15, 1999, the District of Columbia Subcommittee, on a voice vote, unanimously approved an amendment in the nature of a substitute to H.R. 974 offered by Rep. Tom Davis, Chairman of the District of Columbia Subcommittee. The Subcommittee then approved the bill as amended. On May 19, 1999, the Government Reform Committee, on a voice vote, unanimously voted to approve an amendment in the nature of a substitute to H.R. 974 offered by Rep. Tom Davis, Chairman of the District of Columbia Subcommittee. The Committee then approved the bill, as amended, by voice vote.

IV. COMMITTEE HEARINGS AND WRITTEN TESTIMONY

The Subcommittee did not hold any hearings on H.R. 974.

V. EXPLANATION OF THE BILL AS REPORTED

Section-by-section analysis of H.R. 974, as amended, the District of Columbia College Access Act

Section 1: Short Title. Section 1 establishes the short title as the "District of Columbia College Access Act."

Section 2: Establishes the District of Columbia College Access Scholarship program under which the Mayor shall make awards in accordance with the statute.

Section 3: Subsection (a) establishes the District of Columbia College Access Fund, authorizes it to accept amounts appropriated, gifts, bequests, and interest.

Subsection (b) authorizes the Mayor to administer the Fund in consultation with the Secretary of Education.

Subsection (c) establishes the use of the Fund as one solely to make scholarship awards, with no more than 10 percent to be used for administration, and authorizes the Mayor to determine the annual amount available from the Fund.

Subsection (d) authorizes the Mayor to invest such portion of the Fund not required for scholarships.

Section 4: Administration of Scholarship Program.

Subsection (a) prescribes procedure for making an application to the Mayor for a scholarship and authorizes regulations. Scholarships shall be made available not later than October 1 of the academic year for which an award shall be made, the announcement date to be as determined by the Mayor in consultation with the Secretary of Education.

Subsection (b) authorizes awards to qualified graduates at eligible public institutions based on in-state tuition, and tuition assistance grants to students at eligible private institutions, and provides a cap of \$3,000 on the amount provided for private institu-

tions and a cap of \$10,000 on the amount provided for public institutions. There is a ratable reduction if the funds are insufficient. Disbursements are to the institution. The Mayor may make refunds to the Fund if a recipient withdraws.

Subsection (c) Rule of Construction states that the Act may not be construed to require an institution to alter admissions policies or standards in any manner in order for a qualified graduate to receive a scholarship.

Subsection (d): Definitions. Qualified graduate is one who has been a resident of the District for at least 12 months, begins an undergraduate course of study within at least 3 calendar years of graduating from a secondary school, or receiving the recognized equivalent of a secondary school diploma, excluding military service or service in the Peace Corps or AmeriCorps, is enrolled or accepted to the institution, maintains satisfactory progress, is a citizen, U.S. national, or permanent U.S. resident, or provides documentation of residence with intention of becoming a citizen, does not owe a grant refund, is not in default under the Higher Education Act, has not completed the first course of study, and is not incarcerated.

Eligible public institutions are state-supported, eligible to participate in student financial assistance, have entered into an agreement with the Mayor, including a requirement that any funds received from the Fund shall supplement and not supplant funds otherwise available to enable qualified graduates to attend the institution.

Eligible private institutions are located in the District of Columbia, Virginia, or Maryland, are not established as state-supported, are eligible to participate in student financial assistance programs, and have entered into an agreement with the Mayor.

An institution of higher education is defined in accordance with the Higher Education Act.

A secondary school is defined in accordance with the Elementary and Secondary Education Act.

Section 5: Administration of Program and Fund. Requires the Mayor to consult with the Secretary of Education, to enter into a contract to administer the Fund if cost-effective and appropriate.

Section 6: Authorization of Appropriations. Such sums as may be necessary for fiscal year 2000 and for each of the 5 succeeding fiscal years are authorized.

Section 7: Authorization of Appropriations for University of the District of Columbia. Such sums as may be necessary to enhance educational opportunities for the University is authorized for fiscal year 2000 and each of the 5 succeeding fiscal years.

VI. COMPLIANCE WITH RULE XIII

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the results and findings from committee oversight activities are incorporated in the bill and this report.

VII. BUDGET ANALYSIS AND PROJECTIONS

The budget analysis and projections required by Section 308(a) of the Congressional Budget Office Act of 1974 are contained in the estimate of the Congressional Budget Office. (CBO analysis and projections attached)

VIII. COST ESTIMATE OF THE CONGRESSIONAL BUDGET OFFICE

U.S. CONGRESS,
 CONGRESSIONAL BUDGET OFFICE,
 Washington, DC, May 24, 1999.

Hon. DAN BURTON,
 Chairman, Committee on Government Reform, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 974, the District of Columbia College Access Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Josh O’Harra.

Sincerely,

BARRY B. ANDERSON
 (For Dan L. Crippen, Director).

Enclosure.

H.R. 974—District of Columbia College Access Act

Summary: H.R. 974 would establish two new federal grant programs. Beginning in fiscal year 2000 and for the succeeding five years, the bill would authorize a new college access scholarship program administered by the Mayor of the District of Columbia and would authorize a new federal payment to the University of the District of Columbia (UDC).

Assuming appropriation of the necessary amounts, CBO estimates that H.R. 974 would result in additional discretionary spending of \$117 million in 2000 and \$603 million over the 2000–2004 period. H.R. 974 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

The bill contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) that would affect the District of Columbia. CBO estimates that complying with this mandate would entail no net costs. This bill would have no effect on the budgets of other state, local, or tribal governments. H.R. 974 does not contain any private-sector mandates as defined in UMRA.

Estimated Cost to the Federal Government: The estimated federal budgetary impact of H.R. 974 is presented in the following table. The budgetary impact of this legislation falls within budget function 500. For purposes of this estimate, CBO assumes enactment prior to October 1, 1999.

	By fiscal year, in millions of dollars—					
	1999	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION						
Authorizations under current law:						
Estimated authorization level						
Estimated outlays						
Proposed changes:						
Tuition grants:						
Estimated authorization level		77	78	79	80	81
Estimated outlays		77	78	79	80	81
Federal payments to UDC:						
Estimated authorization level		40	41	42	43	43
Estimated outlays		40	41	42	43	43

	By fiscal year, in millions of dollars—					
	1999	2000	2001	2002	2003	2004
Total proposed changes:						
Estimated authorization level		117	119	120	123	125
Estimated outlays		117	119	120	123	125
Authorizations under H.R. 974:						
Estimated authorization level		117	119	120	123	125
Estimated outlays		117	119	120	123	125

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

BASIS OF ESTIMATE

Tuition assistance

H.R. 974 would establish scholarships, administered by the Mayor, designed to provide financial assistance to District of Columbia (D.C.) residents who choose to attend public colleges outside of D.C. or private colleges in Maryland, Virginia, or D.C. The bill authorizes the appropriation of such sums as may be necessary in 2000 through 2005 to provide those scholarships. All residents of D.C. who begin their first postsecondary school course-of-study within three years of their high school graduation and are not incarcerated would be eligible for scholarships. For those who wish to attend state-supported public institutions outside of D.C., H.R. 974 would provide 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. In addition, the bill would authorize a \$3,000 maximum annual scholarship to those who choose to attend a private institution in Maryland, Virginia, or D.C.

CBO estimates that full-funding of the tuition grants would cost \$77 million in budget authority in fiscal year 2000 and \$395 million over the 2000 to 2004 period. The outlays would be the same, assuming that the appropriations are promptly deposited in the fund to be administered by D.C.'s mayor.

CBO estimates that about 22,000 students would receive tuition assistance under this program in fiscal year 2000. Of this total, about 4,500 would attend public institutions and receive grants averaging \$4,000; 17,000 would attend private institutions and receive grants averaging \$3,000.

To determine the number of D.C. residents eligible for the grants, CBO used the 1996–1997 Integrated Postsecondary Education Data Analysis System (IPEDS). Those data show the distribution of D.C. residents attending their first year of college by institution type and location. CBO assumes that the distributional characteristics observed for freshmen are the same at each undergraduate grade level and applied those distributions to the total number of D.C. residents enrolled in institutions of higher education during the 1996–1997 academic year. To predict enrollment for 2000 and beyond, CBO relied on the growth rates for the national enrollment projections from the National Center for Education Statistics (NCES).

The basic enrollment assumptions were modified in two ways to reflect behavioral responses on the part of students. First, CBO assumed there would be a change in the distribution of students among institutions—that UDC would lose a modest share of its en-

rollment of D.C. residents to two- and four-year public institutions outside of D.C., and private institutions outside of Maryland, Virginia, and D.C. would lose a small share of the enrollment of those students to four-year public colleges and universities outside of D.C.

Second, CBO assumes that one-half of the approximately 24,000 nonresident sophomores, juniors, and seniors currently enrolled in D.C. private institutions will elect to become D.C. residents in order to take advantage of the \$3,000 tuition subsidy. CBO assumes that the residency requirements for qualifying for resident tuition at UDC would be the applicable standard for the new program.

To determine the average tuition grant, CBO used 1996–1997 IPEDS data to determine the average in-state and out-of-state tuition rates by school type. CBO inflated these rates by the College Board’s average estimate of tuition increases to arrive at the tuition costs for 2000. To estimate future tuition increases, CBO used its baseline projections for the Gross Domestic Product (GDP) price index.

Finally, CBO added administrative costs which, under H.R. 974, could equal a maximum of 10 percent of total program costs.

Payments for UDC

H.R. 974 also authorizes such sums as may be necessary over the next six years to make federal payments to UDC to enhance educational opportunities. CBO estimates that the cost of those federal grants to UDC will be \$40 million in 2000 and \$210 million over the 2000–2004 period.

The concept of enhanced educational opportunities is not defined in H.R. 974. In addition, the bill does not establish limits or restrictions on the use of the funds. Enhancements could range from relatively modest changes, such as adding a few course offerings or additional support services, to significantly more substantial improvements, such as providing an additional campus, raising UDC’s quality to the level of the premier public universities in the country, or restoring UDC funding in 2000 to the amounts provided the school in the early 1990s. The latter option, after adjusting for inflation, would exceed \$35 million.

For the purpose of this cost estimate, CBO has estimated that budget authority in fiscal year 2000 for grants to UDC will equal the \$40 million the District of Columbia currently provides UDC in financial support. The outyear estimate reflects the 2000 level with an adjustment for inflation. As in similar federal payments to other universities, estimated outlays equal budget authority in each year.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 974 contains an intergovernmental mandate as defined in UMRA, but CBO estimates that complying with this mandate would entail no net costs. The bill would impose certain administrative requirements on the Mayor of the District of Columbia. Because these requirements would not be conditions of federal assistance, they would be mandates as defined in UMRA. Costs incurred by the District of Columbia in meeting those administrative requirements would be offset by funds provided. H.R. 974 would have

no impact on the budgets of other state, local or tribal governments.

Estimated impact on the private sector: H.R. 974 contains no private-sector mandates as defined in UMRA.

Estimate prepared by: Federal Costs: Josh O'Harra and Deborah Kalcevic. Impact on State, Local, and Tribal Governments: Susan Seig. Impact on the Private Sector: Nabeel Alsalam.

Estimate approved by: James R. Horney, Unit Chief, Budget Analysis Division.

IX. SPECIFIC CONSTITUTIONAL AUTHORITY FOR THIS LEGISLATION

Clause 17 of Article I, Section 8 of the Constitution grants Congress the power to enact this law.

X. COMMITTEE RECOMMENDATION

On May 19, 1999, a quorum being present, the Committee on Government Reform ordered the bill, as amended, favorably reported.

Date: May 19, 1999.

Amendment No. 1.

Description: Amendment in the nature of a substitute to H.R. 974.

Offered by: Mr. Davis of Virginia.

Adopted by voice vote.

Date: May 19, 1999.

H.R. 974, as amended.

Final passage adopted by voice vote.

XI. CONGRESSIONAL ACCOUNTABILITY ACT: PUBLIC LAW 104-1

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(B)(3) of the Congressional Accountability Act (P.L. 104-1).

XII. UNFUNDED MANDATES REFORM ACT: PUBLIC LAW 104-4 SECTION

423

The Committee finds that the legislation does not impose any Federal mandates within the meaning of section 423 of the Unfunded Mandates Reform Act (P.L. 104-4).

XIII. FEDERAL ADVISORY COMMITTEE ACT (5 U.S.C. APP) SECTION 5(b)

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