

**Calendar No. 275**

106TH CONGRESS }  
*1st Session* }

SENATE

{ REPORT  
106-154

DISTRICT OF COLUMBIA COLLEGE ACCESS  
ACT

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REPORT

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE

together with

ADDITIONAL VIEWS

TO ACCOMPANY

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



SEPTEMBER 9, 1999.—Ordered to be printed

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DISTRICT OF COLUMBIA COLLEGE ACCESS ACT OF 1999

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Mr. THOMPSON, from the Committee on Governmental Affairs,  
submitted the following

**REPORT**

[To accompany H.R. 974]

[Including cost estimate of the Congressional Budget Office]

The Committee on Governmental Affairs, to which 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, tuition assistance grants to private colleges in the region and potentially additional funding for the University of the District of Columbia, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

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I. SUMMARY OF LEGISLATION

The District of Columbia College Access Act establishes a program to permit D.C. residents who are recent high school graduates the ability to pay in-state tuition rates upon admission to state colleges in Maryland or Virginia. The federal government will pay the difference between the two rates, creating no additional

cost to state universities. Public university grants may not exceed \$10,000 in any award year, with a total cap of \$50,000 per individual. The total individual cap of \$50,000 allows students to receive the maximum \$10,000 scholarship amount for up to five years.

The program is administered by the Mayor of the District of Columbia, in consultation with the Secretary of Education. The Mayor and the Secretary of Education will enter into a memorandum of agreement which will describe the specifics of the consultative relationship.

The Mayor may expand the geographic scope beyond Maryland and Virginia if, after consulting with the House of Representatives Committee on Government Reform and the Senate Committee on Governmental Affairs, he or she determines that eligible students are experiencing difficulty gaining admission to public universities in Maryland and Virginia because of any preference afforded in-state residents. The Mayor must also consider the estimated cost of a proposed expansion. The General Accounting Office (GAO) will monitor the effect of the program and will report to Congress and the Mayor any findings concerning the difficulty of eligible students gaining admission to Maryland and Virginia public colleges. Funding of \$12 million is authorized in FY 2000 and "such sums as necessary" for each of the five succeeding fiscal years.

The bill also provides tuition assistance grants for students attending private colleges in the District or the adjoining Maryland and Virginia suburbs. Tuition assistance grants for private colleges may not exceed \$2,500 in any award year, with a total cap of \$12,500 per individual. Funding of \$5 million is authorized in FY 2000 and "such sums as necessary" for each of the five succeeding fiscal years.

The admissions policies and standards are not altered for any college or university. High school graduates must begin undergraduate course work within three years of high school graduation, excluding active duty in the military, the Peace Corps or Americorps. Individuals receiving the recognized equivalent of a secondary high school diploma are also eligible.

The bill could also provide additional funding for the University of the District of Columbia (UDC), the District's only public university. UDC, which is designated as a part of the federal historically black colleges and universities (HBCU) program, is funded by the District government. If UDC does not receive funds as a historically black college under the Higher Education Act of 1965, this bill authorizes \$1.5 million for UDC in FY 2000 and "such sums as may be necessary" for each of the five succeeding fiscal years.

The Secretary of Education is directed to assign a department employee or employees to serve as advisor(s) to the Mayor. The Inspector General of the Department of Education has the authority to audit and review this program. Administrative costs may not exceed 7% of the total funds made available.

## II. BACKGROUND AND NEED FOR LEGISLATION

Congress acts as the de facto state legislature for the District of Columbia. This legislation was introduced to address the lack of a university system in the District of Columbia as that concept exists

in all 50 states. The same choices and opportunities simply do not exist for students and parents here as exist elsewhere. This has often lead to an out-migration of population in order to take advantage of the educational opportunities all other Americans enjoy as residents of a particular state. The University of the District of Columbia is the city's only public university. The only low cost option for higher education in the city, UDC was created in 1977 when District of Columbia Teachers College, the Federal City College and the Washington Technical Institute were combined into a single institution. Unfortunately, many do not feel that UDC can provide the necessary range of options for D.C. students.

Congress has made great efforts to stabilize the city's population and tax base. Congress enacted legislation to relieve the District of costly state functions and the federally created pension liability, provide a \$5,000 home buyer credit and other tax benefits, authorize the MCI Arena and a new Convention Center, and create a new Water and Sewer Authority. Congress also created a Financial Authority to help stabilize the city's finances and has conducted numerous oversight hearings to help efforts to reform the Metropolitan Police Department and the school system. The D.C. College Access Act is intended as another step toward stabilizing the city's population while, most importantly, aiding the city's young people.

As a compliment and enhancement to the D.C. College Access Act, 17 private sector companies and foundations (including Mobil Corporation, America Online, Fannie Mae, Sallie Mae, US Airways, Lockheed Martin Corporation, Bell Atlantic, The Morris and Gwendolyn Cafritz Foundation, the J. Willard and Alice S. Marriott Foundation, and The Washington Post) have raised almost \$20 million for the D.C. College Access Program (DC-CAP). DC-CAP is based on the Cleveland Scholarship Program, with the goal of helping the District's public high school students prepare for, enter and graduate from college. The program will provide counsel to help students recognize that college is a realistic option, assist students and parents in working through the complex testing, application and financial aid process, and provide "last dollar" funding. A pilot program is scheduled to begin at six D.C. public high schools in September of 1999, making the first financial awards in June of 2000. The city's remaining public schools will join the program in September of 2000.

### III. LEGISLATIVE HISTORY

Rep. Tom Davis (R-VA), Chairman of the Committee on Government Reform Subcommittee on the District of Columbia and Del. Eleanor Holmes Norton (D-DC), the subcommittee's ranking member introduced H.R. 974. H.R. 974 was approved by voice vote by the House subcommittee on April 15, 1999, approved by voice vote by the full committee on May 19, 1999, and passed in the House of Representatives on May 24, 1999, by voice vote. H.R. 974 was received by the Senate and was referred to the Committee on Governmental Affairs and the Subcommittee on Oversight of Governmental Management, Restructuring, and the District of Columbia.

As passed by the House, H.R. 974 would allow high school graduates who are D.C. residents to qualify for in-state tuition rates at public universities across the nation. The federal government

would pay the difference between the two rates up to \$10,000 a year, creating no additional cost to state universities. The Mayor is authorized to make awards of up to \$3,000 a year for students attending private colleges in the District, Maryland or Virginia. There is a one year residency requirement and no limit on the amount of income students or their families may earn. The program would be administered by the Mayor of the District of Columbia in consultation with the Secretary of Education. The Mayor is authorized to delegate the administration of the program to a non-governmental agency if he or she determines that it would be more efficient to do so. UDC was appropriated an unspecified amount each year "to enhance educational opportunities." Administrative costs may not exceed 10% of the total program costs. If there are insufficient funds to make the grant awards requested, the amount of grant awards would be ratably reduced.

Sen. James Jeffords (R-VT), Chairman of the Committee on Health, Education, Labor and Pensions, introduced a similar D.C. resident tuition support bill, S. 856, Expanded Options in Higher Education for District of Columbia Students Act of 1999. However, while they shared common goals, S. 856 and H.R. 974 differed in many respects. S. 856 would allow high school graduates to qualify for in-state tuition rates at public universities in Maryland and Virginia. Funding of \$20 million is authorized for FY 2000 and "such sums as may be necessary" for each of the 5 succeeding fiscal years. Tuition assistance grants of up to \$2,000 would apply for students who attend a private college in the District or the neighboring Maryland and Virginia counties. Funding of \$10 million is authorized in FY 2000 and "such sums as may be necessary" for each of the 5 succeeding fiscal years. The program would be administered by the Secretary of Education in consultation with the Mayor of the District of Columbia. The Secretary is authorized to delegate the administration of the program to another public or private entity if he or she determines that it would be more efficient. Individuals whose family income exceeds the level at which eligibility for the Hope Scholarship tax credit is set are not eligible to participate. UDC would receive \$1.5 million in FY 2000 and "such sums as may be necessary" for each of the succeeding fiscal years to enable the school to carry out activities authorized under Part B of Title III of the Higher Education Act. S. 856 was referred to the Committee on Governmental Affairs and the Subcommittee on Oversight of Government Management, Restructuring, and the District of Columbia.

On Thursday, June 24, 1999, Sen. George Voinovich chaired a hearing before the Senate Subcommittee on Oversight of Government Management, Restructuring, and the District of Columbia entitled "H.R. 974—The District of Columbia College Access Act and S. 856—Expanded Options in Higher Education for District of Columbia Students Act of 1999". The hearing compared the provisions of the two bills and evaluated the college access proposal.

Three panels were organized to address these issues. Panel I included the bill sponsors, Rep. Tom Davis (R-VA), Del. Eleanor Holmes Norton (D-DC) and Sen. James Jeffords (R-VT). Panel II included District of Columbia Mayor Anthony Williams and Deputy Assistant Secretary for Policy, Planning, and Innovation, with the

Office of Post-Secondary Education at the U.S. Department of Education, Maureen McLaughlin. Panel III included Chairman and Chief Executive Officer for Mobil Corporation, Lucio Noto, President of the University of the District of Columbia, Dr. Julius Nimmons, and Chair of the Government Relations Committee of the Consortium of Universities, Patricia McGuire.

In response to testimony received at the hearing and in an effort to reconcile differences between H.R. 974 and S. 856, Sen. Voinovich drafted an amendment in the nature of a substitute to H.R. 974 which takes provisions from both the House and Senate versions and adds new elements.

*Explanation of Voinovich amendment in the nature of a substitute*

The Voinovich amendment grants the Mayor, in consultation with the Secretary of Education, the authority to administer the tuition assistance program. The Secretary of Education is directed to assign department employees to serve as advisors to the Mayor and provide technical assistance. The Inspector General of the Department of Education has the authority to audit and review this program, and nothing in the amendment precludes the Inspector General of the District of Columbia from exercising broad oversight as well. The Comptroller General of the United States will also monitor the program and analyze whether students had difficulty gaining admission to institutions because of any preference afforded in-state residents, reporting the findings to Congress and the Mayor. The administrative costs for the program are limited to 7% of the total funds made available. The Department of Education believed the 10% cap in the original House bill was excessive.

Originally, H.R. 974 offered eligible students access to public institutions in all 50 states, while S. 856 limited eligible institutions to those in Maryland and Virginia. Proponents of the language in the Senate version believed that access to public institutions in all 50 states would allow District residents greater benefits than residents of the 50 states, encourage students to leave the area and, according to the Department of Education and CBO, cost considerably more. Because neither version would alter the admissions policy of a university, a student is still applying as an out-of-state student. Others felt that allowing students to attend public universities across a larger geographic area would ensure that average and below average students who could ordinarily attend an open admissions state institution, would have a greater opportunity of gaining admission to a public university as an out-of-state applicant. Several recent articles in periodicals have addressed the difficulty of gaining admission to public colleges, even for in-state students. The Voinovich amendment in the nature of a substitute reconciles these two approaches by limiting eligible public institutions to those in Maryland and Virginia to control costs, but allowing the Mayor to expand the geographic scope beyond those two states if it is found that D.C. students are having difficulty gaining admission to Maryland and Virginia public universities simply because of their out-of-state status. In making a determination to expand the geographic scope, the Mayor must consult with the House Committee on Government Reform and the Senate Committee on Gov-

ernmental Affairs, as well as the Secretary of Education. GAO will monitor the effect of the program and will report to Congress and the Mayor any findings concerning the difficulty of eligible students gaining admission to Maryland and Virginia public colleges.

S. 856 included a provision which would make a student ineligible if their family income exceeds the level at which eligibility for the Hope Scholarship tax credit (\$50,000 or less for a single taxpayer, or \$100,000 for a married couple) is set. Senator Jeffords and others believed that federal funds should be targeted to students with the greatest financial need, and should not benefit wealthier families. However, the Voinovich amendment in the nature of a substitute does not include a means test. None of the fifty states has an income test for residents to attend public colleges, and this legislation is intended to afford District residents the same opportunities available to residents of other states, regardless of income. Further, the District desperately needs to attract and maintain a thriving middle class tax base, and the inclusion of a means test runs counter to that goal.

Both H.R. 974 and S. 856 included provisions for UDC. In the past the District government received a federal payment, which excluded UDC from receiving funds under the HBCU formula because the university was funded by the city and there is a "double dipping" federal funds exclusion provision for HBCUs. Del. Eleanor Holmes Norton and the Department of Education have been working to ensure that in the future UDC will consistently receive monies from the HBCU pool of funds. The provision in the Voinovich amendment in the nature of a substitute ensures that if UDC does not receive funds as a HBCU under the Higher Education Act of 1965, UDC will be authorized to receive \$1.5 million in FY 2000 (the approximate amount of its HBCU formula allocation) and "such sums as may be necessary" for each of the 5 succeeding fiscal years.

H.R. 974 and S. 856 were ordered reported by the Committee on Governmental Affairs, Subcommittee on Oversight of Government Management, Restructuring, and the District of Columbia by unanimous consent; the Committee on Governmental Affairs considered H.R. 974 with the amendment in the nature of a substitute offered by Sen. Voinovich at a business meeting on August 3, 1999. Sen. Richard Durbin (D-IL) offered four amendments to the Voinovich amendment in the nature of a substitute.

*Explanation of Durbin amendments to Voinovich amendment in the nature of a substitute*

The first Durbin amendment was approved by voice vote as it was not controversial and included technical corrections and minor policy changes, including language that would ensure that these awards would supplement and not supplant other financial assistance available. The amendment expanded the consultation if the Mayor considers expansion of the geographic coverage of public institutions to include the Secretary of Education, as well as the congressional committees. The amendment also altered the effective date from October 1, 1999 to January 1, 2000. This change clarifies and ensures that monies are available for purposes of administra-



tion, but will not create the expectation of awards being granted until January.

The second amendment was also approved by voice vote; it expands the monitoring and reporting duties of the Comptroller General of the United States to review the impact of this program on the University of the District of Columbia, to analyze the extent to which there are an insufficient number of eligible institutions to which District students can gain access due to caps on the number of out-of-state students an institution will enroll, and a review of significant barriers imposed by academic entrance requirements and the absence of admission programs benefitting minority students.

The third amendment offered and adopted by voice vote prioritizes funding of awards for students if there are insufficient funds and a ratable reduction is instituted. Tuition awards would first be reduced for students who had not previously received funds. If funds were still insufficient, tuition awards would be reduced for all other students, granting the Mayor the authority to adjust awards based on the financial need of the eligible students. This amendment addresses the concerns of means testing proponents by providing the Mayor the authority to prioritize funding based on need if the appropriation is not sufficient to cover the awards of students. Sen. Susan Collins (R-ME) raised some concerns with federally funding an educational program without including some type of financial or means test. Sen. Voinovich, Sen. Joseph Lieberman (D-CT) and Sen. Carl Levin (D-MI) expressed support for extending benefits to District residents similar to the benefits that residents of the fifty states receive and omitting a means test.

The fourth amendment offered addressed an eligibility provision in the Voinovich amendment which would make eligible those students who had graduated from a secondary school after January 1, 1999. The intent of this amendment was to eliminate a phasing-in of the program, allowing eligible students in any undergraduate cohort to apply for benefits under this program from its inception. Sen. Voinovich expressed concerns with the cost of the Durbin amendment and suggested approaching the inception of the new program with caution, considering it a pilot phase. He was opposed to the amendment and Sen. Durbin withdrew it.

The Voinovich amendment in the nature of a substitute to H.R. 974, as amended by the Durbin amendments, was adopted by voice vote. H.R. 974, as amended, was ordered reported by voice vote.

#### IV. SECTION-BY-SECTION ANALYSIS

##### *Sec. 1. Short title*

This Act may be cited as the “District of Columbia College Access Act of 1999”.

##### *Sec. 2. Purpose*

The purpose of this Act is to establish a program that enables college-bound residents of the District of Columbia to have greater choices among institutions of higher education.

*Sec. 3. Public school program*

## (a) GRANTS.—

(1) IN GENERAL.—The Mayor may award grants, from amounts appropriated under subsection (i), to eligible institutions that enroll 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.

(2) MAXIMUM STUDENT AMOUNTS.—An eligible student shall have paid on the student's behalf under this section—

(A) not more than \$10,000 for any 1 award year; and

(B) a total of not more than \$50,000.

(3) PRORATION.—The Mayor may prorate payments of awards for students who attend an eligible institution on a part time basis.

## (b) REDUCTION FOR INSUFFICIENT APPROPRIATIONS.—

(1) IN GENERAL.—If the funds appropriated pursuant to subsection (i) for any fiscal year are insufficient to award a grant in the amount determined under subsection (a) on behalf of each eligible student enrolled in an eligible institution, the Mayor shall—

(A) first, ratably reduce the amount of the tuition payment made on behalf of each student who has not previously received funds under this section; and

(B) if the funds are insufficient after implementing subparagraph (A), ratably reduce the amount of the tuition payments made on behalf of all other students.

(2) ADJUSTMENTS.—The Mayor may adjust the amount of tuition and fee payments made under paragraph (1) based on—

(A) the financial need of the eligible students to avoid undue hardship to the eligible students;

(B) undue administrative burdens on the Mayor.

## (c) DEFINITIONS.—In this section:

(1) ELIGIBLE INSTITUTION.—The term “eligible institution” means an institution that—

(A) is a public institution of higher education located—

(i) in the State of Maryland or the Commonwealth of Virginia; or

(ii) outside the State of Maryland or the Commonwealth of Virginia, but only if the Mayor—

(I) determines that a significant number of eligible students seeking admission to public institutions in the State of Maryland or the Commonwealth of Virginia are experiencing difficulty gaining admission due to any preference afforded in-State residents;

(II) consults with the House Committee on Government Reform, the Senate Committee on Governmental Affairs and the Secretary regarding expansion of the program to include institutions located outside of the State of Maryland or the Commonwealth of Virginia; and

(III) takes into consideration the projected cost of expansion;

(B) is eligible to participate in the student financial assistance programs under title IV of the Higher Education Act of 1965; and

(C) enters into an agreement with the Mayor containing such conditions 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 eligible students from the District of Columbia.

(2) ELIGIBLE STUDENT.—The term “eligible student” means an individual who—

(A) was domiciled in the District of Columbia for 12 consecutive months preceding the beginning of the freshman year at an institution of higher education;

(B) graduated from a secondary school or received the recognized equivalent diploma on or after January 1, 1999;

(C) begins the individual’s undergraduate study within 3 calendar years of subsection (B) (excluding any period of service on active duty in the Armed Forces);

(D) is enrolled or accepted for enrollment, in a degree, certificate, or other program leading to a recognized educational credential at an eligible institution;

(E) is maintaining satisfactory progress in the course of study the student is pursuing;

(F) has not completed the individual’s first undergraduate baccalaureate course of study.

(3) INSTITUTION OF HIGHER EDUCATION.—The term “institution of higher education” has the meaning given the term in Section 101 of the Higher Education Act of 1965.

(4) MAYOR.—The term “Mayor” means the Mayor of the District of Columbia.

(5) SECONDARY SCHOOL.—The term “Secondary School” has the meaning given that term under Section 14101 of the Elementary and Secondary Education Act of 1965.

(6) SECRETARY.—The term “Secretary” means the Secretary of Education.

(d) CONSTRUCTION.—This Act shall not alter the admission policies of an institution of higher education to enable an eligible student to enroll in that institution.

(e) APPLICATIONS.—Each prospective student desiring a tuition payment shall submit an application and any additional information to the eligible institution.

(f) ADMINISTRATION OF PROGRAM.—

(1) IN GENERAL.—The Mayor shall carry out the program in consultation with the Secretary. The Mayor may also enter into agreement with another private or public entity to administer the program if the Mayor determines that doing so is a more efficient way of carrying out the program.

(2) POLICIES AND PROCEDURES.—The Mayor, in consultation with participating institutions, shall develop policies and procedures for the administration of the program.

(3) MEMORANDUM OF AGREEMENT.—The Mayor and the Secretary shall enter into a Memorandum of Agreement that describes—

- (A) the manner in which the Mayor shall consult with the Secretary with respect to administering the program; and
  - (B) any technical or other assistance to be provided to the Mayor by the Secretary for purposes of administering the program.
- (g) MAYOR'S REPORT.—The Mayor shall report to Congress annually regarding—
- (1) the number of eligible students attending each eligible institution and the amount of the grant awards paid to those institutions on behalf of the eligible students;
  - (2) the extent, if any, to which a ratable reduction was made in the amount of tuition and fee payments made on behalf of eligible students; and
  - (3) the progress in obtaining recognized academic credentials of the cohort of eligible students for each year.
- (h) GAO REPORT.—GAO shall monitor the effect of the program on educational opportunities for eligible students. GAO shall also analyze whether eligible students had difficulty gaining admission to eligible institutions because of any preference afforded in-state residents by eligible institutions, and shall report any findings to Congress and the Mayor. In addition the Comptroller General shall—
- (1) determine if there are an insufficient number of eligible institutions to which District of Columbia students can gain admission due to—
    - (A) caps on the number of out-of-State students the institution will enroll;
    - (B) barriers imposed by academic entrance requirements (such as grade point average and standardized scholastic admissions tests); and
  - (2) assess the impact of the program on enrollment at the University of the District of Columbia; and
  - (3) report the findings to Congress and the Mayor.
- (i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the District of Columbia \$12,000,000 for fiscal year 2000 and such sums as may be necessary for each of the 5 succeeding fiscal years.
- (j) EFFECTIVE DATE.—This section shall take effect on January 1, 2000.

*Sec. 4. Assistance to the University of the District of Columbia*

- (a) IN GENERAL.—If the University of the District of Columbia does not receive funds under part B of title III of the Higher Education Act of 1965 for a fiscal year, then the Mayor may provide financial assistance to the UDC to enable the university to carry out authorized activities.
- (b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the District of Columbia \$1,500,000 for fiscal year 2000 and such sums as may be necessary for each of the 5 succeeding fiscal years.
- (c) SPECIAL RULE.—For any fiscal year, the University of the District of Columbia may receive financial assistance pursuant to this section, or pursuant to part B of title III of the Higher Education

Act of 1965, but not pursuant to both this section and such part B.

*Sec. 5. Private school program*

(a) GRANTS.—

(1) IN GENERAL.—The Mayor may award grants, from amounts appropriated under subsection (f), to eligible institutions that enroll 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.

(2) MAXIMUM STUDENT AMOUNTS.—An eligible student shall have paid on the student's behalf under this section—

(A) not more than \$2,500 for any 1 award year; and

(B) a total of not more than \$12,500.

(3) PRORATION.—The Mayor shall prorate payments under this section for students who attend an eligible institution on less than a full-time basis.

(b) REDUCTION FOR INSUFFICIENT APPROPRIATIONS.—

(1) IN GENERAL.—If the funds appropriated pursuant to subsection (i) for any fiscal year are insufficient to award a grant in the amount determined under subsection (a) on behalf of each eligible student enrolled in an eligible institution, the Mayor shall—

(A) first, ratably reduce the amount of the tuition payment made on behalf of each student who has not previously received funds under this section; and

(B) if the funds are insufficient after implementing subparagraph (A), ratably reduce the amount of the tuition payments made on behalf of all other students.

(c) DEFINITIONS.—In this section:

(1) ELIGIBLE INSTITUTION.—The term “eligible institution” means an institution that—

(A) is a private, nonprofit, associate or baccalaureate degree-granting, institution of higher education, the main campus of which is located—

(i) in the District of Columbia;

(ii) in the city of Alexandria, Falls Church, or Fairfax, or the county of Arlington or Fairfax, in the Commonwealth of Virginia, or a political subdivision of the Commonwealth of Virginia located within any such county; or

(iii) in the county of Montgomery or Prince George's in the State of Maryland, or a political subdivision of the State of Maryland located within any such county;

(B) is eligible to participate in the student financial assistance programs; and

(C) enters into an agreement with the Mayor containing such conditions 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 eligible students from the District of Columbia.

(2) **ELIGIBLE STUDENT.**—The term “eligible student” means an individual who meets the requirements of subparagraphs (A) through (F) of section 3(c)(2).

(3) **MAYOR.**—The term “Mayor” means the Mayor of the District of Columbia.

(4) **SECRETARY.**—The term “Secretary” means the Secretary of Education.

(d) **APPLICATION.**—Each prospective student desiring a tuition payment shall submit an application and any additional information to the eligible institution.

(e) **ADMINISTRATION OF PROGRAM.**—

(1) **IN GENERAL.**—The Mayor shall carry out the program in consultation with the Secretary. The Mayor may also enter into agreement with another private or public entity to administer the program if the Mayor determines that doing so is a more efficient way of carrying out the program.

(2) **POLICIES AND PROCEDURES.**—The Mayor, in consultation with participating institutions, shall develop policies and procedures for the administration of the program.

(3) **MEMORANDUM OF AGREEMENT.**—The Mayor and the Secretary shall enter into a Memorandum of Agreement that describes—

(A) the manner in which the Mayor shall consult with the Secretary with respect to administering the program; and

(B) any technical or other assistance to be provided to the Mayor by the Secretary for purposes of administering the program.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the District of Columbia \$5,000,000 for fiscal year 2000 and such sums as may be necessary for each of the 5 succeeding fiscal years.

(g) **EFFECTIVE DATE.**—This section shall take effect on January 1, 2000.

#### *Sec. 6. General requirements*

(a) **PERSONNEL.**—The Secretary shall arrange for the assignment of an individual to serve as an adviser to the Mayor with respect to the programs assisted under this Act.

(b) **ADMINISTRATION EXPENSES.**—The Mayor may use not more than 7 percent of the funds made available for a program under Section 3 or 5 for a fiscal year to pay the administrative expenses of the program under Section 3 or 5 for the fiscal year.

(c) **INSPECTOR GENERAL REVIEW.**—Each of the programs assisted under this Act shall be subject to audit and other review by the Inspector General of the Department of Education.

(d) **GIFTS.**—The Mayor may accept, use, and dispose of donations of services or property for purposes of carrying out this Act.

(e) **FUNDING RULE.**—Notwithstanding Sections 3 and 5, the Mayor may use funds made available—

(1) under Section 3 to carry out Section 5 if the amount of funds made available under Section 3 exceeds the amount of funds awarded under Section 3 during a time period determined by the Mayor; and

(2) under Section 5 to carry out Section 3 if the amount of funds made available under Section 5 exceeds the amount of funds awarded under Section 5 during a time period determined by the Mayor.

(f) **MAXIMUM STUDENT AMOUNT ADJUSTMENTS.**—The Mayor shall establish rules to adjust the maximum student amounts described in Sections 3(a)(2)(B) and 5(a)(2)(B) for eligible students described in Section 3(c)(2) or 5(c)(2) who transfer between the eligible institutions described in Section 3(c)(1) or 5(c)(1).

V. COST ESTIMATE OF THE CONGRESSIONAL BUDGET OFFICE

*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 (UCD).

Assuming appropriation of the necessary amounts, CBO estimates that H.R. 974 would result in additional discretionary spending of \$9 million 2000 and \$72 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 act contains an intergovernmental mandate that would affect the District of Columbia. CBO estimates that complying with this mandate would entail no net costs. This legislation would have no effect on the budgets of other state, local, or tribal governments. H.R. 974 contains no private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated Cost to the Federal Government: The estimated federal budgetary impact of H.R. 974 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. 974

	By fiscal year, in millions of dollars					
	1999	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION						
Tuition Grants:						
Estimated Authorization Level .....		17	10	13	16	17
Estimated Outlays .....		7	10	13	16	17
Federal Payments to UDC:						
Estimated Authorization Level .....		2	2	2	2	2
Estimated Outlays .....		2	2	2	2	2
Total Authorizations Under H.R. 974:						
Estimated Authorization Level .....		19	12	15	18	19
Estimated Outlays .....		9	12	15	18	19

Note: Numbers may not sum to totals due to rounding.

Basis of Estimate: For purposes of this estimate, CBO assumes that H.R. 974 will be enacted prior to October 1, 1999.

*Tuition assistance*

H.R. 974 would establish scholarships, administered by the Mayor, designed to provide financial assistance to District of Co-

lumbia (D.C.) residents who choose to attend public colleges outside of D.C. or private postsecondary institutions in D.C. or in one of the surrounding jurisdictions in Maryland or Virginia. Public institutions initially eligible for the grants would be located in Maryland or Virginia, but the act would allow an extension to other states if the Mayor finds access is limited by preferences afforded in-state residents. The private school tuition grants would be restricted to nonprofit institutions. The act would authorize an appropriation for fiscal year 2000 of \$12 million for the public institution program and \$5 million for the private school program. The authorizations for 2001 through 2005 are for such sums as may be necessary.

Eligibility for the tuition assistance would be limited to individuals who graduate from high school or receive an equivalent of a secondary school diploma after January 1, 1999, reside in D.C. for at least 12 consecutive months prior to beginning the freshman year in a eligible institution, and begin their postsecondary school course-of-study within three years of their high school graduation. 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 non-resident students, but not to exceed \$10,000. In addition, the bill would authorize a \$2,500 maximum annual scholarship for those who choose to attend a private institution in D.C. or in one of the surrounding jurisdictions in Maryland or Virginia. The assistance under each portion of the program would be prorated if the student is enrolled in a less than full-time program.

CBO estimates that H.R. 974 would authorize funding for the tuition grants—including administrative costs—totaling \$74 million over the 2000–2004 period. The outlays would amount to \$64 million over the five-year period. (CBO estimates that the \$17 million authorized for 2000 would be \$10 million more than necessary to fully fund the program that year.)

The act would authorize the tuition grant program to begin awarding grants as soon as January 2000. As a result, CBO estimates that about 1,000 students would begin receiving assistance during the 1999–2000 academic year at a cost of \$1.3 million. CBO estimates that about 2,000 students would receive tuition assistance under this program in academic year 2000–2001. Of this total, about 900 would attend public institutions and receive grants averaging \$3,500; 1,100 would attend private institutions and receive grants averaging \$2,100. By academic year 2004–2005, an estimated 5,600 students would receive tuition assistance—2,500 attending public institutions and 3,100 enrolled at private institutions.

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 edu-



cation 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.

The basic enrollment assumptions were modified to reflect behavioral responses on the part of students. CBO assumed that there would be a small change in the distribution of students among institutions—that UDC would lose a modest share of its enrollment of D.C. residents to two-year and four-year public institutions in Maryland and Virginia, and postsecondary institutions outside of Maryland, Virginia, and D.C. would lose a small share of their enrollment of D.C. residents to four-year public colleges and universities in Maryland and Virginia or to the private institutions covered by the act.

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 Cross Domestic Product price index.

Finally, CBO added administrative costs which, under H.R. 974, could equal a maximum of 7 percent of total program costs.

#### *Payments for UDC*

H.R. 974 also authorizes \$1.5 million annually over the next six years to make federal payments to UDC that would fund activities similar to those authorized under part B of title III of the Higher Education Act of 1965, which provides assistance to historically black colleges and universities. As for similar federal payments to the District of Columbia, 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 in connection with the scholarship program. Because these requirements would not be conditions of federal assistance, they would be mandates as defined in UMRA. A portion of the federal grants for the scholarship program would be available to cover the cost incurred by the District of Columbia in carrying out those administrative requirements, 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.

**Previous CBO Estimate:** On May 24, 1999, CBO produced a cost estimate for H.R. 974 as ordered reported by the House Committee on Government Reform. CBO estimated that, to fully fund the activities authorized by that version of H.R. 974, the Congress would have to provide appropriations of \$117 million for 2000 and \$603 million over the 2000–2004 period.

Under the House version of the bill, the tuition assistance program would cost \$390 million over the first five years. Unlike the Senate-reported legislation, which would restrict the public institu-

tion enrollment only to schools in Maryland and Virginia, the House bill would extend the tuition assistance benefits to D.C. residents enrolled in any public post-secondary institution in the country. Similarly, coverage for the private school assistance under the House version would be available on behalf of a D.C. resident attending a private school anywhere in Maryland, Virginia, or the District of Columbia. Moreover, CBO estimated that about one-half of all nonresident sophomores, juniors, and seniors attending private colleges in D.C. would elect to claim D.C. residency in order to qualify for tuition assistance. Under the Senate version of H.R. 974, CBO estimates that very few nonresident students would file for D.C. residency because the act would require that the student be domiciled in D.C. for 12 continuous months prior to enrolling in the freshman year of an undergraduate baccalaureate degree program.

Estimate Prepared by: Federal Costs: Deborah Kalcevic; Impact on State, Local, and Tribal Governments: Susan Sieg; Impact on the Private Sector: Nabeel Alsalam.

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

SENATE H.R. 974—AS ORDERED REPORTED AUG. 3, 1999—PRELIMINARY STAFF ESTIMATE—  
AUG. 4, 1999

[Discretionary spending—with discretionary inflation]

Authorization levels	By fiscal year, in millions of dollars										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Tuition Grants—Public Colleges:											
Estimated Authorization Level .....		12	6	8	9	10	11	12	12	12	13
Estimated Outlays .....		4	6	8	9	10	11	12	12	12	13
Tuition Grants—Private Colleges:											
Estimated Authorization Level .....		5	6	6	8	8	9	9	9	9	9
Estimated Outlays .....		4	6	6	8	8	9	9	9	9	9
Federal Payments to the University of the District of Columbia:											
Estimated Authorization Level .....		2	2	2	2	2	2	2	2	2	2
Estimated Outlays .....		2	2	2	2	2	2	2	2	2	2
Total:											
Estimated Authorization Level .....		19	14	16	19	20	22	23	23	23	24
Estimated Outlays .....		9	14	16	19	20	22	23	23	23	24

Note: Totals may not add due to rounding.

## VI. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirement of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory and paperwork impact of H.R. 974, as well as the impact of the bill on personal privacy. The Committee finds that the bill will have no significant impact on paperwork or regulatory burdens, or on individual privacy, beyond what may be imposed by existing law.

## VII. ADDITIONAL VIEWS

I support this legislation, which will establish a special program to enable eligible District of Columbia students seeking post-secondary education to choose from a broader network of public institutions with the benefit of subsidized tuition assistance to offset the nonresident cost differential. This legislation is one of President Clinton's priorities for higher education this year, and has attracted considerable support. I applaud the efforts of Subcommittee Chairman Voinovich to evaluate a variety of options, seek input from interested and affected parties, and carefully consider alternative approaches in crafting the compromise proposal approved by the Committee.

However, I am concerned that, as currently designed under our Committee-approved measure, the tuition assistance program for both public and private institutions would be available at the outset to only those students in the first or second years of their college studies. Consequently, this program will not benefit a large segment of currently enrolled undergraduate students or individuals who may be contemplating attending college but who graduated prior to 1999. Under such a phased-in program, it could take several years before a realistic assessment of the actual costs, demands, and impact of a fully operational tuition assistance program could be made.

During full committee markup, I offered an amendment to address this issue. My amendment sought to eliminate the phase-in element so as to allow all four collegiate cohorts (current incoming freshmen through seniors, as well as others within three years of high school graduation or attainment of a recognized high school diploma equivalent) the opportunity to apply for the program. I withdrew the amendment in the hope that continued discussion of this provision could ensue.

The current substitute bill makes eligibility under the program open only to those students who have graduated from high school or received their General Educational Development certificate since January 1, 1999. Otherwise eligible students who are currently enrolled in post-secondary institutions, or those students who desire to pursue post-secondary education and are within 3 years of having graduated from high school, but who graduated prior to January 1, 1999, would not qualify. Some contend that the new and unprecedented nature of this program and the lack of experience on the part of potential administrators dictate a need to proceed cautiously. However, I have reservations about placing such an initial limitation on the group of eligible applicants and about treating the program as a trial undertaking to be phased-in over several years.

The requirement that eligible students must have graduated from high school after January 1, 1999 postpones the true cost of the program until later years. Limiting the eligible students in this

way may encourage the Mayor to expand the program in early years without the ability to continue funding benefits to the full contingent of eligible students in the future. It could create false expectations on the part of students who will rely on the availability of these benefits and their continuation. It also may create a situation in which a ratable reduction for all students may be implemented if funding is insufficient.

Requiring the program to be phased-in and not including enrolled students who graduated prior to January 1999 in the pool of eligible applicants could jeopardize funding of the program in 2000 at the full authorized level of \$17 million, consistent with President Clinton's request. An examination of the estimated costs of the program under the Committee-approved bill as projected by the Congressional Budget Office reflects that the estimated outlay to run the tuition assistance program in its first year is \$7 million, and that not until 2004 would a program designed under the terms of the Committee-approved bill be projected to cost \$17 million.

Because this program will be new and unlike any other, it may be difficult to precisely gauge the behavioral responses of potential beneficiaries. From all accounts, interest in participation is expected to be high. Therefore, it would be most appropriate and advantageous that administrators and Congress be able to ascertain as soon as possible after the program is launched the extent of demand and usage by the full contingent of eligible students, not just those in their first or second years of study. Similarly, assessing the administrative impact of operating a full program will be difficult if it is implemented incrementally. Furthermore, it may be impossible to conduct a valid, first-year evaluation of the practical effect of the provisions governing ratable reductions based on possible fund depletion. There is also the potential for skewed results in program evaluations if the full range of eligible students for whom the program is intended are not permitted to participate immediately.

I trust that we will look carefully at the ramifications of delaying full implementation until later years and the advantages of launching this program without any phase-in restrictions.

As I have also publicly stated, Mayor Williams, the elected Council, and the citizens of the District of Columbia should devote maximum resources and attention to invigorating, enhancing, and sustaining the University of the District of Columbia as a premier flagship public institution of higher learning that will attract and retain the best and brightest students.

Moreover, I must emphasize the importance of the District of Columbia looking ahead to and seriously determining how it can and will invest local funds in this tuition assistance program which is clearly designed to benefit local citizens, rather than allowing the program to be wholly dependent on Federal dollars for its viability.

Finally, I believe it would be prudent for the District to explore the feasibility of becoming a participant in reciprocal arrangements such as the Academic Common Market, an alliance of fifteen States which permit out-of-State students to pay in-State tuition while studying selected academic programs that are not available in their home jurisdiction.

DICK DURBIN.

VIII. CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that H.R. 974, as reported, makes no changes in existing law.

