



# CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 3, 2005

## **H.R. 2123** **School Readiness Act of 2005**

*As ordered reported by the House Committee on Education  
and the Workforce on May 18, 2005*

### **SUMMARY**

H.R. 2123 would reauthorize the Head Start program through 2011. The program was authorized through 2003 by the Coats Human Services Reauthorization Act of 1998 (Public Law 105-285) and has since been extended through annual appropriation acts.

CBO estimates that the bill would authorize the appropriation of \$6.9 billion in 2006 and about \$35.7 billion over the 2006-2010 period, assuming that annual levels are adjusted for inflation when specific annual authorization levels are not provided. (Without such inflation adjustments, the authorizations would total about \$34.5 billion over the 2006-2010 period.) CBO estimates that appropriation of the authorized amounts would result in additional outlays of \$32.3 billion over the 2006-2010 period, assuming annual adjustments for inflation (and about \$31.3 billion without adjustments for inflation). Enacting H.R. 2123 would not affect direct spending or receipts.

H.R. 2123 contains no intergovernmental or private-sector mandates as defined by the Unfunded Mandates Reform Act (UMRA). Any costs to state, local, or tribal governments would result from complying with conditions for receiving federal assistance.

### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 2123 is shown in the following table. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

	By Fiscal Year, in Millions of Dollars					
	2005	2006	2007	2008	2009	2010
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law						
Budget Authority <sup>a</sup>	6,843	1,400	0	0	0	0
Estimated Outlays	6,810	3,735	765	96	14	0
Proposed Changes						
Estimated Authorization Level	0	6,899	7,010	7,142	7,273	7,404
Estimated Outlays	0	3,932	6,755	7,013	7,211	7,342
Total Spending Under H.R. 2123						
Estimated Authorization Level	6,843	8,299	7,010	7,142	7,273	7,404
Estimated Outlays	6,810	7,668	7,520	7,109	7,225	7,342

a. The 2005 level is the amount appropriated for the Head Start program including an advance of \$1.389 billion for the 2004-2005 academic year. The 2006 level is the amount appropriated in an advance appropriation for the 2005-2006 academic year.

## **BASIS OF ESTIMATE**

H.R. 2123 would revise and reauthorize the Head Start program through 2011. For this estimate, CBO assumes that the bill will be enacted near the start of fiscal year 2006, that the estimated amounts shown in the table will be appropriated for each year, and that outlays will follow historical spending patterns.

The Head Start program provides comprehensive child development services to low-income children. Services include education, health, nutrition, and social services with the overall goal of increasing the school readiness of young children in low-income families.

The bill would authorize the appropriation of \$6.9 billion in 2006 and such sums as may be necessary in 2007 through 2011 for the Head Start program. CBO estimates that the total authorizations for the 2006-2010 period would be about \$35.7 billion, assuming adjustments for inflation, with resulting outlays of \$32.3 billion over those five years.

Funding for this program currently is provided on a program-year basis through appropriations in two separate fiscal years: a current fiscal year appropriation and an advance appropriation available October 1 of the next fiscal year. Although the program has been funded by two separate appropriations since 2001, funding does not need to be authorized separately because all of the funds for a program year could be provided in one appropriation.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 2123 contains no intergovernmental or private-sector mandates as defined by UMRA. The bill would authorize \$6.9 million to support Head Start and Early Head Start program activities, including new standards for the education and professional development of teachers serving program participants. Any costs incurred by state, local, or tribal governments would result from complying with conditions for receiving federal assistance.

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