



July 10, 2007

Honorable Paul Ryan
Ranking Member
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

Dear Congressman:

In response to your request of June 27, 2007, the Congressional Budget Office has estimated the potential costs of extending, through 2017, certain provisions or programs that would be established under H.R. 2669, the College Cost Reduction Act of 2007, as reported by the Committee on Education and Labor on June 25, 2007. Amending the bill to provide for those extensions would result in additional outlays from direct spending of \$122 million over the 2008-2012 period and \$15.3 billion over the 2008-2017 period (see attached table).

Specifically, your staff requested estimates for:

- Making the 3.4 percent interest rate on subsidized student loans effective for loans originated after June 2013;
- Providing \$100 million annually for Perkins loans and for Strengthening Historically Black Colleges and Universities and Other Minority Serving Institutions from 2013 through 2017;
- Providing \$50 million each year over the 2009-2017 period for the Centers of Excellence;
- Providing \$15 million annually for both the Incentives and Rewards for Low Tuition and the Cooperative Education Rewards programs for the 2013-2017 period;
- Providing \$30 million each year for the Upward Bound Program over the 2012-2017 period; and

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- Extending the College Access Challenge Grant program through 2017. The funding of \$300 million under the reported version of H.R. 2669 would be provided for the five-year period 2008-2012. CBO has estimated an extension of that program by assuming an additional \$300 million would be provided in 2013 for the 2013-2017 period.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Deborah Kalcevic and Justin Humphrey.

Sincerely,



Peter R. Orszag
Director

Attachment

cc: Honorable John M. Spratt Jr.
Chairman
Committee on the Budget

Honorable George Miller
Chairman
Committee on Education and Labor

Honorable Howard P. "Buck" McKeon
Ranking Member

ESTIMATED IMPACT ON DIRECT SPENDING OF H.R. 2669 WITH POSSIBLE EXTENSIONS

	By Fiscal Year, in Millions of Dollars											2008-	2008-
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2012	2017	
CHANGES IN DIRECT SPENDING													
H.R. 2669, As Reported													
Estimated Budget Authority	-5,355	-615	480	2,070	2,690	655	-800	-880	-990	-1,150	-730	-3,895	
Estimated Outlays	-5,368	-442	176	1,361	2,603	2,117	-206	-303	-372	-481	-1,670	-914	
Possible Extensions:													
Continue Subsidized Borrower Interest Rate at 3.4 Percent for 2013-2017													
Estimated Budget Authority	0	0	0	0	0	1,955	3,340	3,415	3,500	3,590	0	15,800	
Estimated Outlays	0	0	0	0	0	745	2,910	2,980	3,050	3,125	0	12,810	
Perkins Loan Program													
Budget Authority	0	0	0	0	0	100	100	100	100	100	0	500	
Estimated Outlays	0	0	0	0	0	10	97	100	100	100	0	407	
HBCUs and Other Minority- Serving Institutions													
Budget Authority	0	0	0	0	0	100	100	100	100	100	0	500	
Estimated Outlays	0	0	0	0	0	5	73	91	100	100	0	369	
Centers of Excellence													
Budget Authority	0	50	50	50	50	50	50	50	50	50	200	450	
Estimated Outlays	0	3	28	40	50	50	50	50	50	50	120	370	
Incentives and Rewards for Low Tuition and the Cooperative Education Rewards Programs													
Budget Authority	0	0	0	0	0	30	30	30	30	30	0	150	
Estimated Outlays	0	0	0	0	0	27	30	30	30	30	0	147	
Upward Bound Program													
Budget Authority	0	0	0	0	30	30	30	30	30	30	30	180	
Estimated Outlays	0	0	0	0	2	22	27	30	30	30	2	141	
College Access Challenge Grants Program													
Budget Authority	0	0	0	0	0	300	0	0	0	0	0	300	
Estimated Outlays	0	0	0	0	0	45	174	54	27	0	0	300	
Programmatic Interactions													
Budget Authority	0	0	0	0	0	120	195	200	200	200	0	915	
Estimated Outlays	0	0	0	0	0	65	155	175	180	180	0	755	
TOTAL, Possible Extensions													
Estimated Budget Authority	0	50	50	50	80	2,685	3,845	3,925	4,010	4,100	230	18,795	
Estimated Outlays	0	3	28	40	51	969	3,516	3,510	3,567	3,615	122	15,299	
H.R. 2669 with Possible Extensions													
Estimated Budget Authority	-5,355	-565	530	2,120	2,770	3,340	3,045	3,045	3,020	2,950	-500	14,900	
Estimated Outlays	-5,368	-439	204	1,401	2,654	3,086	3,310	3,207	3,195	3,134	-1,548	14,384	

Note: HBCUs = Historically Black Colleges and Universities.
