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SENATE

{ REPORT
110-272

SENATOR PAUL SIMON STUDY ABROAD FOUNDATION
ACT

MARCH 4, 2008.—Ordered to be printed

Mr. BIDEN, from the Committee on Foreign Relations,
submitted the following

REPORT

[To accompany H.R. 1469]

The Committee on Foreign Relations, to which was referred the bill (H.R. 1469) to establish the Senator Paul Simon Study Abroad Foundation under the authorities of the Mutual Educational and Cultural Exchange Act of 1961, having considered the same, reports favorably, with amendments, and recommends that the bill as amended do pass.

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I. PURPOSE

The purpose of the bill is to establish a new governmental foundation to promote and expand study abroad by U.S. university students.

II. COMMITTEE ACTION

H.R. 1469 was introduced on March 12, 2007, by the Chairman and Ranking Member of the Committee on Foreign Affairs (Representatives Lantos and Ros-Lehtinen). It was approved by the House of Representatives on June 5, 2007, by a voice vote. A companion measure, S. 991, was introduced by Senators Durbin and Coleman on March 27, 2007. It currently has 42 cosponsors, includ-

ing a majority of the members of the Committee on Foreign Relations.

On February 13, 2008, the Committee on Foreign Relations ordered H.R. 1469 reported favorably by voice vote, after approving several amendments.

III. DISCUSSION

In the FY 2004 Consolidated Appropriations Act (P.L. 108–199), Congress created the Commission on the Abraham Lincoln Study Abroad Program (Division H, Sec. 104). The purpose of the Commission was to “recommend a program to greatly expand the opportunity for students at institutions of higher education in the United States to study abroad, with a special emphasis on studying in developing nations.”

The Commission, which was chaired by M. Peter McPherson (former President of Michigan State University, and a former Administrator of the U.S. Agency for International Development), issued its report in November 2005. In it, the Commission proposed that the United States send 1 million students abroad to study annually within a decade. To achieve this objective, it proposed a program of grants to students and to institutions of higher education, with initial funding of the Federal program of assistance set at \$50 million in the first year, rising to \$125 million in the fifth year of the program.

The United States is nearly 25 percent of the way toward reaching this objective. In the academic year 2005–06, nearly 225,000 U.S. students studied abroad, an increase of 8.5 percent from the previous year, according to the report “Open Doors 2007,” an annual survey issued by the Institute for International Education (IIE). The IIE survey also indicates that study abroad has increased 150 percent in the last decade, from fewer than 90,000 in 1995–96.

Study abroad by American university students is an important means of broadening the horizons of citizens who will lead the United States in decades to come. In an age of globalization, and in order to remain the world’s leading economic, military, and political power, the United States needs a workforce—for government, business, and other sectors—educated and experienced in foreign languages and cultures. Study abroad is a cost-effective means of helping to provide this “global literacy.”

IV. SECTION-BY-SECTION ANALYSIS

Section 1. Short title

The short title is the Senator Paul Simon Study Abroad Foundation Act of 2007.

Section 2. Findings

This section contains 15 findings that, among other things, summarize the recommendations of the Lincoln Commission and set forth the reasons why the United States should promote study abroad.

Section 3. Purposes

This section contains four purposes of the bill.

Section 4. Definitions

This section contains definitions of terms used in the bill.

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

This section establishes in the executive branch a government corporation named for former Senator Paul Simon, who promoted the idea of government support for study abroad before his death in 2003. The section sets forth a mandate that the Foundation is to promote study abroad opportunities at diverse institutions of higher education, including 2-year institutions, minority-serving institutions, and institutions that serve nontraditional students.

The Foundation will be managed by a Chief Executive Officer who will report to a Board of Directors. The Board will be chaired by the Secretary of State, and will also consist of the Secretary of Education, the Secretary of Defense, the Administrator the U.S. Agency for International Development, and five individuals appointed from the private sector who have relevant experience.

Section 6. Establishment and operation of program

This section establishes a grant program to (1) U.S. students; (2) nongovernmental organizations that provide and promote study abroad; and (3) institutions of higher education. One reason for grants to universities and colleges is to promote reform of curricula, and other reforms, that may pose a barrier to study abroad. The committee wishes to emphasize that the large majority of funds should be used for scholarships. The committee amended the bill approved by the House to express the recommendation—also consistent with the recommendation of the Lincoln Commission—that the Foundation should ensure that not less than 85 percent of the amount awarded to institutions of higher learning be used to award scholarships to students.

Section 7. Annual report

This section requires an annual report by the Foundation to Congress.

Section 8. Power of the Foundation; related provisions

This section provides legal authorities necessary for the operation of the Foundation.

Section 9. General personnel authorities

This section contains personnel authorities necessary for the operation of the Foundation.

Section 10. GAO Review

This section, which the committee added to the House-passed bill, requires a review of the Foundation's operations by the Comptroller General not later than 2 years after enactment of the act. The purpose of this provision is to provide a thorough examination of the Foundation after an initial period to determine that it is operating efficiently, and in a manner consistent with the purposes of the act.

Section 11. Authorization of appropriations

This section authorizes \$80 million in fiscal year 2008, and each subsequent fiscal year.

V. COST ESTIMATE

Pursuant to Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the following cost estimate has been provided by the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 4, 2008.

Hon. JOSEPH R. BIDEN, Jr.,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, DC.

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

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sunita D'Monte.

Sincerely,

ROBERT A. SUNSHINE
(For Peter R. Orszag, Director).

Enclosure.

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

H.R. 1469 would authorize the establishment of the Senator Paul Simon Study Abroad Foundation to encourage U.S. students to study overseas, particularly in nontraditional destinations such as China, the Middle East, and developing countries. Over 200,000 American students currently study overseas every year, and one of the foundation's objectives would be to increase this number to at least 1 million within 10 years. The foundation would be directed to make grants to students, nongovernmental organizations, and educational institutions, and to report annually to the Congress.

The act would authorize the appropriation of \$80 million a year for the foundation and allow it to solicit funds and accept gifts and donations. Based on historical spending patterns for similar educational exchange programs and assuming enactment around the middle of fiscal year 2008, CBO estimates that implementing this legislation would cost \$20 million in 2008 and \$405 million over the 2009–2013 period, subject to the appropriation of the authorized amounts. Any gifts and donations to the foundation would increase governmental receipts and the spending of these receipts would increase direct spending. CBO estimates that initially the foundation would receive and spend gifts and donations of less than \$500,000 a year, but that those amounts could be significant in later years. Thus, the act would increase both direct spending and receipts, but CBO estimates that the net result would likely be negligible in each year.

H.R. 1469 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would

impose no costs on state, local, or tribal governments. Some public colleges and universities would benefit from grants to encourage students to study abroad. Any costs to those schools would be incurred voluntarily as a condition of receiving Federal assistance.

On April 12, 2007, CBO transmitted a cost estimate for H.R. 1469 as ordered reported by the House Committee on Foreign Affairs on March 27, 2007. The two versions of the legislation are similar, but CBO estimates that H.R. 1469 as ordered reported by the Senate Committee on Foreign Relations would have lower costs in 2008 and higher costs in 2009 and 2010, as a result of a later assumed enactment date.

The CBO staff contact for this estimate is Sunita D'Monte. This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.

VI. EVALUATION OF REGULATORY IMPACT

Pursuant to Rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the committee has determined that there is no regulatory impact as a result of this legislation.

VII. CHANGES IN EXISTING LAW

Pursuant to Rule XXVI, paragraph 12 of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman).

31 U.S.C. 9101(C)

TITLE 31. MONEY AND FINANCE

SUBTITLE VI. MISCELLANEOUS

CHAPTER 91. GOVERNMENT CORPORATIONS

9101. DEFINITIONS.

In this chapter—

- (1) "Government corporation" means a mixed-ownership Government corporation and a wholly owned Government corporation.
- (2) "mixed-ownership Government corporation" means—
 - (A) the Central Bank for Cooperatives.
 - (B) the Federal Deposit Insurance Corporation.
 - (C) the Federal Home Loan Banks.
 - (D) the Federal Intermediate Credit Banks.
 - (E) the Federal Land Banks.
 - (F) the National Credit Union Administration Central Liquidity Facility.
 - (G) the Regional Banks for Cooperatives.
 - (H) the Rural Telephone Bank when the ownership, control, and operation of the Bank are converted under section 410(a) of the Rural Electrification Act of 1936 (7 U.S.C. 950(a)).
 - (I) the Financing Corporation.
 - (J) the Resolution Trust Corporation.
 - (K) the Resolution Funding Corporation.
- (3) "wholly owned Government corporation" means—
 - (A) the Commodity Credit Corporation.

(B) the Community Development Financial Institutions Fund.

(C) the Export-Import Bank of the United States.

(D) the Federal Crop Insurance Corporation.

(E) Federal Prison Industries, Incorporated.

(F) the Corporation for National and Community Service.

(G) the Government National Mortgage Association.

(H) the Overseas Private Investment Corporation.

(I) the Pennsylvania Avenue Development Corporation.

(J) the Pension Benefit Guaranty Corporation.

(K) the Rural Telephone Bank until the ownership, control, and operation of the Bank are converted under section 410(a) of the Rural Electrification Act of 1936 (7 U.S.C. 950(a)).

(L) the Saint Lawrence Seaway Development Corporation.

(M) the Secretary of Housing and Urban Development when carrying out duties and powers related to the Federal Housing Administration Fund.

(N) the Tennessee Valley Authority.

[(O) Repealed. Pub. L. 104-134, Title III, § 3117(a), Apr. 26, 1996, 110 Stat. 1321-350]

(P) the Panama Canal Commission.

(Q) the Millennium Challenge Corporation.

[(R) the International Clean Energy Foundation.]

(R) the Senator Paul Simon Study Abroad Foundation.

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