



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 4, 2002
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5203 – Education Affordability Act of 2002

(Rep. Hulshof (R) Missouri)

The Administration strongly supports House passage of H.R. 5203. The Administration is pleased that the House is acting now to make an important part of the President's tax relief plan permanent. This legislation would further two of the President's top priorities – permanently lowering the tax burden on the Nation's families and increasing and improving their educational opportunities.

Making education tax relief permanent is consistent with the President's strong commitment to improving educational opportunities for all students in America, as seen in the "No Child Left Behind Act of 2001," landmark legislation that promotes educational excellence in the Nation's public schools. Providing permanent education tax relief would help many Americans to save for higher education and expenses associated with attendance at elementary and secondary schools, thus improving access to all levels of education.

The Administration also supports allowing the use of Coverdell education savings accounts to pay expenses incurred for academic tutoring, special needs services, books, supplies, and equipment by students who attend home schools. The Administration will work with Congress to clarify that the expansion of Coverdell education savings accounts to home schoolers is limited to these expenses.

The Administration urges quick action in the Congress to make education tax relief permanent and expand these provisions to home schooling families in order to continue the President's education reform agenda.

Pay-As-You-Go-Scoring

Any law that would reduce receipts or increase direct spending is subject to the PAYGO requirements of the Balanced Budget and Emergency Deficit Control Act (BEA) and could cause a sequester of mandatory programs in any fiscal year through 2006. The requirement to score PAYGO costs expires on September 30, 2002, and there are no discretionary caps beyond 2002. The Administration will work with Congress to ensure fiscal discipline consistent with the President's budget and a quick return to a balanced budget. The Administration will also work with Congress to ensure that any unintended sequester of spending does not occur.

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