Fiscal Year 2015 Budget
Summary and Background Information

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For further information on the Department and its activities, visit us at www.ed.gov, or call 1-800-USA-LEARN

The America we want for our kids – a rising America where honest work is plentiful and communities are strong; where prosperity is widely shared and opportunity for all lets us go as far as our dreams and toil will take us – none of it is easy. But if we work together, if we summon what is best in us, with our feet planted firmly in today, but our eyes cast towards tomorrow – I know it's within our reach.

President Barack Obama
January 28, 2014

I. SUMMARY OF THE 2015 BUDGET

In recent years, America's schools have undertaken significant changes and America's students are making positive gains in achievement and other educational outcomes. For example, the Nation's high school graduation rate is at its highest point on record, in large part due to increases since 2007-2008 in the percentage of African-American students (up 5 points) and Hispanic students (up 8 points) receiving diplomas, and steep declines in dropout rates for African-American, Hispanic, and low-income youth.

Last year, math and reading scores for fourth- and eighth-graders reached new highs on the National Assessment of Educational Progress. These positive changes show we are on the right path in improving the quality of our education system. They have been supported through commitments to education such as the $100 billion in education aid from the American Recovery and Reinvestment Act in 2009, continued support for critical formula grant programs for low-income and high-need students, and strategic investments to promote innovation and reform through programs such as the Race to the Top (RTT), Investing in Innovation (i3), School Improvement Grants (SIG), and Promise Neighborhoods.

To help more students afford college and graduate with a degree, the Obama Administration has increased Federal investments in Pell Grants, college tax credits, and affordable loan repayment options. College attendance by minorities has jumped sharply, with 38 percent of African-American students now attending college compared to 30 percent in 2000, and 32 percent of Hispanic students attending college compared to 22 percent in 2000.

The Administration's 2015 Budget builds on these efforts.

The Administration is requesting $68.6 billion in discretionary appropriations for the Department of Education in 2015, an increase of $1.3 billion, or 1.9 percent, more than the 2014 level and almost $3 billion more than in 2013.

The 3-year table below displays the Department's discretionary request without Pell Grants, the discretionary request for the Pell Grant program, and the total discretionary request.

Department of Education Discretionary Appropriations
(in billions of dollars)

	2013	2014	2015 Request	Change from 2014
Discretionary (without Pell Grants)	**$42.9**	**$44.5**	**$45.8**	**+$1.3**
Pell Grants (discretionary request)	**$22.8**	**$22.8**	**$22.8**	**0.0**
Total	**$65.7**	**$67.3**	**$68.6**	**+$1.3**

The overall 2015 Budget also includes mandatory funds for both existing programs and new initiatives. Most of the Department's programs receive discretionary funding that is appropriated annually within the limits established by authorizing legislation and discretionary spending caps. Mandatory funding generally does not require annual appropriations because the authorizing legislation establishes a fixed funding level or a method for calculating automatic appropriations without further congressional action. The largest mandatory programs in the Department's Budget are federally subsidized loans for postsecondary students, the costs of which are estimated based on assumptions about the cost of Federal borrowing, origination fees, repayments, and defaults. Other education programs funded in whole or in part through mandatory appropriations include Pell Grants, Higher Education Aid for Strengthening Institutions, and Vocational Rehabilitation State Grants. New mandatory programs in the 2015 Budget include RESPECT, the State Higher Education Performance Fund, and College Opportunity and Graduation Bonus grants.

From fiscal years 2010-2012, the Department successfully streamlined and consolidated programs to save taxpayer dollars, improve efficiency, reduce administrative burdens, and better serve States, schools, students, and families. Congress eliminated or consolidated 49 ineffective, outdated, or duplicative programs for a total annual savings of more than $1.2 billion, in many instances following the Administration's recommendations. To achieve even greater efficiencies and advance reforms that would improve student outcomes, Congress should enact the Administration's proposal to reauthorize the Elementary and Secondary Education Act (ESEA). Legislation enacted in 2010 also ended the inefficient guaranteed student loan program. The resulting savings were invested in the Pell Grant program to support an increase in the maximum award, which has risen from $4,731 in award year 2008-2009 to $5,730 in award year 2014-2015; in expanding education and training at America's community colleges; and in an expanded income-based repayment program to help borrowers better manage their student loan debt.

Opportunity, Growth, and Security Initiative

In late 2013, through the Bipartisan Budget Act of 2013 (BBA), Congress took an important first step toward replacing the damaging cuts caused by sequestration with longer-term reforms. Recognizing the importance of the 2-year budget agreement Congress reached in December, the President's Budget adheres to the BBA's discretionary funding levels for 2015, giving Congress a roadmap for how to create a budget at those levels that promotes growth and opportunity, enhances national security, and makes important reforms.

However, the BBA levels are not sufficient to expand opportunity to all Americans or to drive the growth our economy needs. The BBA replaced half the sequestration cut for 2014 but just one-fifth of the scheduled cut in the discretionary funding level for 2015. As a result, taking into account unavoidable growth in programs such as veterans' medical care and other factors, the BBA non-defense discretionary funding levels for 2015 are below the levels Congress provided in the bipartisan Consolidated Appropriations Act of 2014. They are also below the 2007 funding levels, adjusted for inflation, even though the need for pro-growth investments in infrastructure, education, and innovation has only increased due to the Great Recession and its aftermath.

For that reason, the Administration's Budget also includes a separate $56 billion Opportunity, Growth, and Security Initiative. The Opportunity, Growth, and Security Initiative, which is split evenly between defense and non-defense funding, recommends additional discretionary investments in 2015 that would spur economic progress, promote opportunity, and strengthen national security.

Moreover, the Opportunity, Growth, and Security Initiative is fully paid for with a balanced package of spending cuts and closed tax loopholes, showing that additional pro-growth investments are easily affordable without increasing the deficit if Congress will enact common-sense spending and tax reforms.

At the Department of Education, the Opportunity, Growth, and Security Initiative would support additional investments of $250 million for Preschool Development Grants, $300 million for the ConnectEDucators initiative, and $200 million for Promise Neighborhoods. All of these funds are in addition to the discretionary requests under the caps.

MAJOR INITIATIVES FOR FISCAL YEAR 2015

The 2015 Budget request for the Department focuses on six priorities: (1) increasing equity and opportunity for all students, (2) strengthening support for teachers and school leaders; (3) expanding high-quality preschool programs; (4) affordability and quality in postsecondary education; (5) promoting educational innovation and improvement; and (6) improving school safety and climate.

Increasing Equity and Opportunity for All Students

Equity in education is vital because equality of opportunity is a core American value that helps form our national identity and gives us our economic strength. All young people in this country must have the chance to learn and achieve. Far too many students, especially in underserved groups and communities, lack access to a quality education, including strong teaching, rigorous coursework, high standards, engaging enrichment activities, safe environments, high-quality preschool, and affordable higher education. The 2015 request includes an emphasis on ensuring that all students—including poor and minority students, students with disabilities, and English Learners—graduate from high school prepared for college and careers. The Administration's signature reform measures, including RTT and ESEA Flexibility, advance this goal through supporting State and local efforts in the implementation of college- and career-ready (CCR) standards and aligned assessments, rigorous accountability systems intended to help close achievement gaps and turn around our lowest-performing schools, and new teacher and leader evaluation and support systems aimed at ensuring that every classroom has an effective teacher and every school an effective principal. However, the Administration recognizes that continuing inequities in the distribution of educational resources—funding,

effective teachers and leaders, access to rigorous coursework, and safe schools—means that not all students are benefiting fully from these reforms. The 2015 request would address these inequities through a combination of new and existing programs.

- $300 million for a new Race to the Top – Equity and Opportunity (RTT-Opportunity) competition centered on improving the academic performance of students in the Nation's highest poverty schools. This proposal would create incentives for States and school districts to make comprehensive changes in how they identify and close opportunity and achievement gaps. Building on previous reforms and existing Federal investments like Title I and Statewide Longitudinal Data Systems, grants would support: (1) developing and implementing systems that integrate data on school-level finances, human resources, and academic achievement; and (2) developing, attracting, and retaining effective teachers and leaders in high-poverty schools. Grants would also fund evidence-based practices, such as increasing access to rigorous coursework and activities that mitigate the effects of concentrated poverty, such as enhancing school climate and culture. Data would be used to identify the greatest disparities in opportunity and performance as well as effective strategies to address them so that all students are prepared for college and careers.

- $14.4 billion for Title I College- and Career-Ready Students and $11.6 billion for Special Education Grants to States to maintain support for students from low-income families attending high-poverty schools and students with disabilities. The 2015 request also continues to protect other key formula programs that target high-need populations, including $723 million for English Learner Education, $375 million for Migrant Students, $48 million for Neglected and Delinquent Children and Youth Education, $65 million for Homeless Children and Youth Education, $124 million for Indian Student Education, $32 million for Native Hawaiian Student Education, $31 million for Alaska Native Student Education, and $170 million for Rural Education programs.

- $1.1 billion for a reauthorized 21st Century Community Learning Centers program to support competitive grants to States, local education agencies (LEAs), nonprofit organizations, or local governmental entities for projects that provide the additional time, support, and enrichment activities needed to improve student achievement, including projects that support expanding learning time by significantly increasing the number of hours in a regular school schedule and by comprehensively redesigning the school schedule for all students in a school.

- $505.8 million for School Turnaround Grants (STG) to maintain strong support for State and local efforts to implement rigorous, locally selected interventions in our lowest-performing schools, including Priority Schools identified through ESEA Flexibility. Interventions are designed to change school climate, culture, and outcomes through improved leadership, more effective teachers, better use of instructional time, more rigorous curricula, and data-driven reforms. Funds would support new grants serving an estimated 170 schools under the reauthorized program.

- $100 million for Promise Neighborhoods, an increase of $43 million, for awards to a new cohort of high-need communities that develop plans combining effective, cradle-to-career services for children and families with comprehensive reforms centered on high-quality schools.

- $70 million for Statewide Longitudinal Data Systems, an increase of $35 million, to support expansion and enhancement of systems that support the integration of data on school-level finances, teacher and leader effectiveness, and academic achievement that can be used to analyze links between the distribution of educational resources and student outcomes, with the overall goal of improving the effectiveness and productivity of our education system.

Strengthening Support for Teachers and School Leaders

The 2015 request provides significant support for teachers and leaders who are doing the hard, daily work of implementing new CCR standards and aligned assessments, turning around our lowest-performing schools, and using new evaluation and support systems to improve their practice. In particular, we are seeking new funding to build educators' capacity to use technology to deliver instruction aligned to new CCR standards, while also continuing to support the Administration's proposal for reauthorizing ESEA teacher and leader programs and renewing our mandatory proposal for the Recognizing Educational Success, Professional Excellence, and Collaborative Teaching (RESPECT) initiative. The 2015 request includes:

- $200 million for a new ConnectEDucators initiative that would help educators transition to using technology and data to personalize learning and improve CCR instruction and assessment. The goal of the ConnectEDucators program is to ensure that teachers and leaders with access to high-speed Internet and devices for students, including those in schools supported through the Administration's ConnectED initiative, are well prepared to use these resources in a way that improves classroom instruction and student learning. Funds would provide support for educators in creating and using high-quality open digital learning resources and content aligned to CCR standards; using mobile devices and digital tools to personalize learning and implement new assessments; analyzing real-time data to understand and improve student outcomes; using technology to personalize student learning and to increase student engagement; and providing remote access to effective educators, such as master teachers, to assist with hard-to-staff schools and subjects.

- $2.3 billion for the new Excellent Instructional Teams program, which would provide both formula grants and competitive awards to help States and LEAs increase the effectiveness of teachers and principals:

  - $2.0 billion for Effective Teachers and Leaders State Grants to provide flexible, formula-based support for States and LEAs that commit to improving their teacher and principal evaluation systems and ensuring that low-income and minority students have equitable access to teachers and principals who are effective at raising student achievement. The request includes a 10 percent national activities set-aside that would allow the Department to build evidence on how best to recruit, prepare, and support effective teachers and school leaders and to invest in efforts to enhance the teaching and leadership professions.

  - $320 million for the Teacher and Leader Innovation Fund to help States and LEAs improve the effectiveness of teachers and leaders in high-need LEAs and schools by reforming teacher and school leader advancement and compensation systems and implementing other innovative personnel strategies to strengthen teacher and school leadership teams.

- $35 million for a transformed School Leadership Program to expand the Department's focus on evidence-based professional development for current school leaders aimed at strengthening essential leadership skills—such as evaluating and providing feedback to teachers, analyzing student data, developing school leadership teams, creating a positive school climate, and supporting instruction aligned to CCR standards.

- $5 billion in one-time 2015 mandatory funds for the RESPECT (Recognizing Educational Success, Professional Excellence, and Collaborative Teaching) grants, to provide targeted support for teachers and school leaders by improving preparation and early career assistance, giving teachers and leaders opportunities to develop and advance as they lead the transition to college- and career-ready standards, and ensuring that teachers have a supportive work environment built around shared collaboration. This request would support up to 1,000 grants to States and districts to invest in needed improvements to the education profession, reaching up to 1.6 million teachers.

Expanding High-Quality Preschool Programs

Last year President Obama committed to expanding educational opportunity for millions of children through a historic new investment that would support universal access to high-quality preschool for all 4-year-olds from low- and moderate-income families, while also creating an incentive for States to serve additional middle-class families. The 2015 Budget renews the President's request for the $75 billion mandatory Preschool for All (P4A) program as the centerpiece of his early learning agenda.

In addition, we would build on the success of winning congressional support for the initial $250 million fiscal year 2014 investment in the Preschool Development Grant (PDG) program by doubling funding for PDG to $500 million in fiscal year 2015. The 2015 request for early learning includes:

- $1.3 billion in 2015 and $75 billion over 10 years in mandatory funding for Preschool for All to support the implementation of high-quality preschool programs that are aligned with elementary and secondary education systems and help ensure that all children arrive in kindergarten ready to learn. The proposal is based on a cost-sharing model that would help States serve all children from low- and moderate-income families, create an incentive for States to expand access to high-quality preschool for additional middle-class families, and promote access to full-day kindergarten.

- $500 million for competitively awarded Preschool Development Grants to help build State and local capacity to implement high-quality preschool programs and to enhance or expand existing programs. An additional $250 million request is proposed as part of the President's Opportunity, Growth, and Security Initiative, for a total discretionary investment of $750 million.

- $441.8 million for the Grants for Infants and Families program under the Individuals with Disabilities Education Act (IDEA), an increase of $3.3 million to help States implement statewide systems of early intervention services for all eligible children with disabilities from birth through age 2 and their families.

- $353.2 million for IDEA Preschool Grants to help States provide a free appropriate public education in the least restrictive environment to all children with disabilities ages 3 through 5 to help ensure that young children with disabilities succeed in school.

These investments would be complemented by funds provided through the Department of Health and Human Services to support voluntary home visiting programs and high-quality infant and toddler care.

Affordability and Quality in Postsecondary Education

In today's economy, a college degree is the surest ticket to the middle class; however, fewer than 1 in 10 students from low-income families complete college. To keep America's economy strong and strengthen the middle class, the 2015 request would help make college affordable and help more Americans obtain a college degree or certificate. The 2015 request also funds a signature initiative to help America's families make informed college choices by working with the higher education community to develop a sensible and constructive college rating system. Each of the proposals below is intended to support the President's goal that America will once again have the highest proportion of college graduates in the world by 2020:

- Rewarding and improving Pell Grant outcomes. The 2015 request provides $7 billion in mandatory budget authority over 10 years for new College Opportunity and Graduation Bonus grants to reward colleges that successfully enroll and graduate a significant number of low- and moderate-income students on time and encourage all institutions to improve their performance. This new initiative would support innovations, interventions, and reforms to further increase college access and success by providing funding to eligible institutions based upon the number of Pell students they graduate on time. In addition, the Budget would expand Pell Grant eligibility to students who are co-enrolled in adult and postsecondary education as part of a career pathway program to allow adults without a high school diploma to gain the knowledge and skills they need to secure a good job, and would promote, on a pilot basis, efforts to improve student persistence and academic success, and accelerate progress towards an affordable, high-quality degree or credential. The Budget also would strengthen academic progress requirements in the Pell Grant program to encourage students to complete their studies on time.

- $4 billion for the State Higher Education Performance Fund would provide mandatory funding through multi-year (4-year) competitive grants to States to support (1) the successful implementation of performance-based policy and funding reforms that encourage and reward college attainment and affordability, as well as institutional innovation and reforms; and (2) maintaining State expenditures on higher education in States with a strong record of investment, or increasing State support in low-investment States. States would be required to match these resources dollar-for-dollar, for a total investment of $8 billion over 4 years.

- $100 million for a First in the World fund, under the Fund for the Improvement of Postsecondary Education, that would make competitive awards to support innovative strategies and practices shown to be effective in improving educational outcomes, including on-time completion rates, and making college more affordable for students and families, particularly for low-income students.

- $75 million for College Success Grants for Minority-Serving Institutions that would provide competitive awards to minority-serving institutions designated under Title III and Title V of the Higher Education Act. Grants would support implementation of sustainable strategies, processes and tools (including technology) to reduce costs and improve outcomes for students. Funding could be used to implement evidence-based approaches and systems, as well as for evaluation and continuous improvement.

- Ensuring that student debt remains affordable, by continuing longstanding Administration efforts to help student borrowers with existing debt to manage their obligations through income-driven repayment plans, including a Pay As You Earn (PAYE) option that caps student loan payments at 10 percent of discretionary income. The Department has contacted struggling borrowers to make sure they are aware of these new plans and ensure that they have the information they need to choose the best one for them. The 2015 request proposes to extend PAYE to all student borrowers and reform PAYE terms to ensure that the program benefits are targeted to the neediest borrowers and safeguard the program for the future.

- Reforming campus-based aid to serve low-income students better. While all Title IV-eligible schools are potentially eligible to participate in the campus-based aid programs—Federal Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study, and Federal Perkins Loans—current allocation practices tend to reward schools for high-tuition prices; ignore the population of Pell-eligible students attending the institutions; and fail to take into account whether institutions offer a good value to students. The 2015 request would reform allocations in the campus-based programs to target those institutions that enroll and graduate higher numbers of Pell-eligible students, provide an affordable education, and offer quality education and training such that graduates can repay their educational debt. The request also would expand annual Perkins lending from the current $1 billion to $8.5 billion while shifting loan administration to the Federal Government.

Promoting Educational Innovation and Improvement

The 2015 request would continue the President's strong emphasis on innovation and partnership to advance reform and improve educational outcomes. The Administration's flagship program in this area remains Investing in Innovation (i3), which continues to build the evidence base for effective educational practices that would help to close America's achievement gap. The 2015 Budget also renews the President's request for new investment in high school redesign and science, technology, engineering and mathematics (STEM) education, while also proposing new initiatives in adult education and career and technical education that would promote innovation and collaboration between secondary and postsecondary education, nonprofit and community partners, business and industry, and researchers and other private sector partners. These investments would be designed to support transformational change in the way our country prepares students and adult learners for college and career success:

- $165 million for Investing in Innovation (i3), an increase of $23.4 million, to maintain strong support for using an evidence-based approach to test new ideas, validate what works, and scale up the most effective approaches in high-need areas, including identifying and supporting effective teachers and leaders, improving low-performing schools, and encouraging parent engagement. The request would provide up to $49.5 million for the Advanced Research Projects Agency for Education (ARPA-ED), an initiative modeled on

similar entities at the Departments of Defense and Energy that would aggressively pursue technological breakthroughs with the potential to improve the effectiveness and productivity of teaching and learning.

- $150 million for a new High School Redesign program to support the transformation of the high school experience by funding competitive grants to school districts and their partners to redesign high schools in innovative ways that better prepare students for college and career success so that all students graduate from high school with college credit and career-related experiences or competencies, obtained through project or problem-based learning, real-world challenges, and organized internships and mentorships. Grantees would work to: (1) align academic content and instructional practices more closely with postsecondary education and careers; (2) personalize learning opportunities to support the educational needs and interests of individual students; (3) provide academic and wrap-around support services for those students who need them; (4) make available high-quality career and college exploration and counseling on options for students after high school graduation; (5) offer multiple opportunities to earn postsecondary credit while still in high school; and (6) strategically use learning time in more meaningful ways, such as through technology, a redesigned school day or calendar, or competency-based progressions.

- $170 million in new funding for a comprehensive STEM Innovation proposal to transform teaching and learning in STEM education in American schools. Scientists and engineers are innovators—developing new industries and opportunities that create jobs and spur economic growth—and we must ensure that our Nation's capacity to innovate and compete is never limited by a shortage of talent in STEM fields. The 2015 Budget proposes a fresh Governmentwide reorganization to enable more strategic investment in STEM education and more effective evaluation of outcomes. The proposed STEM initiative at the Department is a central element of this strategy. Key activities include:

  - $110 million for STEM Innovation Networks to provide competitive awards to LEAs in partnership with institutions of higher education, nonprofit organizations, other public agencies, and businesses to transform STEM teaching and learning by accelerating the adoption of practices in P-12 education that help increase the number of students who seek out and are effectively prepared for postsecondary education and careers in STEM fields.

  - $40 million for STEM Teacher Pathways in support of the President's goal of developing 100,000 new, effective STEM teachers through competitive grants for recruiting, preparing, placing, and supporting talented recent college graduates and mid-career professionals in the STEM fields in high-need schools.

  - $20 million to support the activities of a National STEM Master Teacher Corps, which would identify, refine, and share models to help America's best and brightest math and science teachers make the transition from excellent teachers to school and community leaders and advocates for STEM education. This program would recognize, enlist, and reward a nationwide corps of outstanding STEM educators to help improve STEM teaching and learning in their schools and communities.

- $10 million for a new Non-Cognitive Skills initiative, under the Fund for the Improvement of Education, that would provide competitive grants to district and researcher partnerships to develop and test interventions to improve students' non-cognitive skills in the middle grades. Such skills are foundational to students' academic achievement and life success, and research suggests that they can have as much, if not more, impact on students' grades and perseverance as academic interventions.

- $20 million for a new Adult Skills Challenge program to support partnerships—among States, adult education providers, institutions of higher education, and private organizations, including industry representatives with identified regional or local workforce needs—that build evidence of effectiveness and demonstrate innovative models for transforming our adult education system.

- $1.1 billion for a reauthorized Carl D. Perkins Career and Technical Education (CTE) program, which would strengthen alignment among secondary and postsecondary CTE programs and business and industry while also improving accountability for academic and employability outcomes and the acquisition of technical skills. The Administration's blueprint for the Perkins Act reauthorization is centered on high-quality career and technical education programs that are aligned with CCR standards and with the needs of employers, industry, and labor. In addition, the reauthorization proposal would build on the experience of the i3 program by creating a discretionary fund aimed at promoting innovation and reform in CTE and replicating the success of proven models.

Improving School Safety and Climate

Congress provided significant support in fiscal year 2014 for key elements of President Obama's Now is the Time plan to reduce gun violence, make schools safer, and increase access to mental health services. The Department of Education is working with the Departments of Health and Human Services and Justice to implement this plan effectively, including efforts to strengthen emergency operations plans, create positive school climates, and help break the cycle of violence in communities with pervasive violence. The 2015 request would continue this work:

- $50 million for School Climate Transformation Grants to help create positive school climates that support effective education for all students. Funds would support the use of multi-tiered decisionmaking frameworks, which research shows can help reduce problem behaviors, decrease bullying and peer victimization, improve organizational health and perceptions of school as a safe setting, and increase academic performance in reading and math.

- $45 million for a proposed Successful, Safe, and Healthy Students State and Local Grants program that would award grants to increase the capacity of States, districts, and schools to create safe, healthy, and drug-free environments, particularly in high-poverty schools. States and LEAs would design strategies that best reflect the needs of their students and communities, including programs to (1) improve school climate by reducing drug use, alcohol use, bullying, harassment, or violence; (2) improve students' physical health and well-being through comprehensive services that improve student nutrition, physical activity, and fitness; and (3) improve student's mental health and well-being through expanded access to comprehensive services, such as counseling, health, mental health, and social services.

- $25 million for Project Prevent grants to help LEAs in communities with pervasive violence break the cycle of violence. Research shows that both direct and indirect exposure to community violence can affect children's mental health and development. Funds would support access to school-based counseling services, referral to community-based services for students suffering from trauma or anxiety (including posttraumatic stress disorder), conflict resolution programs, and other school-based strategies to prevent future violence.

II. THE 2015 EDUCATION BUDGET BY PROGRAM AREA

A. HIGH-QUALITY EARLY LEARNING

Overview

The Administration's 2015 Budget request for education reflects President Obama's continuing commitment to strengthening educational outcomes, particularly for children from low-income families, by increasing our Nation's investment in early learning. Since the enactment of No Child Left Behind, Federal, State, and local efforts to improve the performance of our schools and students have produced mostly modest gains, at a time when we need to accelerate the pace of learning and achievement in order to maintain our economic competitiveness and ensure that prosperity is widely shared in our increasingly diverse society.

The Federal role in education has long been dedicated to closing the achievement gaps experienced by students from low-income families, students with disabilities, English Learners, and racial and ethnic minorities. While we have seen some progress in recent years, these gaps remain unacceptably wide, diminishing the life prospects for far too many of our fellow citizens, often denying them their full share of the American dream, and at the same time slowing the growth and progress of our Nation.

We know from research that these achievement gaps often begin well before most children start school. For example, children from low-income families start kindergarten, on average, 12 to 14 months behind their peers in language development and pre-reading skills.

Other research findings provide strong justification for Federal investment in high-quality preschool programs, demonstrating that children who attend high-quality preschool are better prepared for school, less likely to be retained in grade, score higher on reading and math assessments in the elementary grades, and more likely to graduate from high school than children who do not attend such programs. Moreover, these benefits are particularly strong for children from low-income families.

In addition, we know that the educational gains of high-quality preschool lead to solid economic benefits. A review of various long-term studies show that for every $1 invested in high-quality preschool, taxpayers saved an average of more than $7 in future costs due to reduced remedial education costs, increased labor productivity, and reduced crime.

Many States have taken note of these facts and have launched their own efforts to expand the availability of preschool programs. As of 2013, 40 States and the District of Columbia have at least one publicly-funded State preschool program in place. Nevertheless, roughly one-third of 4-year-olds from low-income families are not enrolled in any preschool program, and the high costs of private preschool and the lack of public programs also narrow options for middle class families. Moreover, the quality of existing programs varies widely from State to State, community to community, and provider to provider. Fewer than 3 in 10 4-year-olds are enrolled in high-quality programs.

This is why President Obama began his second term of office by calling on Congress to expand access to high-quality preschool to every child in America through a Federal-State cost-sharing partnership that would guarantee universal access to every 4-year-old from low- and moderate-

income families and create incentives for States to serve additional children from middle class families.

The President's 2015 Budget request includes two proposals to make this vision a reality: a mandatory investment of $75 billion over 10 years in a new Preschool for All program, and a $500 million discretionary investment in Preschool Development Grants.

Preschool for All

	2013	2014	2015 Request
BA in millions	—	—	$1,300.0

The 2015 request includes $1.3 billion to launch a 10-year, $75 billion mandatory investment in the Preschool for All program, which would support State efforts to provide access to high-quality preschool for all 4-year-olds from low- and moderate-income families. This proposal recognizes that high-quality preschool can provide the foundation for children's success in school and help eliminate the school readiness gap between children from low- and higher-income families. The Preschool for All program would award Federal funds as an incentive for States to provide universal access to high-quality preschool, which includes the following elements: (1) high staff qualifications, including a bachelor of arts degree for teachers; (2) professional development for teachers and staff; (3) low staff-child ratios and small class sizes; (4) a full-day program; (5) developmentally appropriate, evidence-based curricula and learning environments that are aligned with State early learning standards; (6) employee salaries that are comparable to K-12 teaching staff; (7) ongoing program evaluation to ensure continuous improvement; and (8) onsite comprehensive services for children. Participating States would be required to contribute non-Federal matching funds, with a reduced match in exchange for serving additional children from middle class families for States that reach benchmarks related to the percentage of children from low- and moderate-income families served.

Allocations to States would be based on States' relative share of 4-year-olds from families at or below 200 percent of the Federal poverty level. States that already provide universal high-quality preschool for 4-year-old children from families at or below 200 percent of the Federal poverty level would be able to use program funds to provide high-quality, full-day kindergarten for children from low- and moderate-income families or, if this is already provided, to provide high-quality preschool programs for 3-year-olds from families at or below 200 percent of the Federal poverty level. The Federal Government would assume a significant share of the program costs in the first years of the program with States gradually assuming more responsibility over time.

Preschool Development Grants

	2013	2014	2015 Request
BA in millions	0.0	$250.0[1]	$500.0

[1] $250.0 million was provided for Preschool Development Grants through the Race to the Top authority in 2014.

The request includes $500 million in discretionary funding for Preschool Development Grants (PDG) to help additional States and communities pave the way for the successful implementation of Preschool for All by creating or expanding high-quality preschool programs that can serve 4-year-olds from low- and moderate-income families. The grants would support States, local education agencies, or local government entities seeking to: (1) build or expand high-quality preschool systems, including investments in facilities, workforce development, and quality infrastructure components such as program standards, monitoring, and evaluation; and (2) scale up high-quality programs in targeted communities that could serve as models for the Preschool for All initiative. The President's Opportunity, Growth, and Security Initiative includes an additional $250 million for the PDG program that, if enacted, would significantly increase Federal support for high-quality preschool programs in fiscal year 2015. The Department currently is designing the 2014 competition for PDG, in consultation with the early learning community and Congress, and will draw on lessons learned from the 2014 competition to guide the most effective use of 2015 PDG funds.

B. ELEMENTARY AND SECONDARY EDUCATION

Overview

The 2015 request for elementary and secondary education programs supports the Administration's comprehensive plan for reauthorizing the Elementary and Secondary Education Act (ESEA), as outlined in "A Blueprint for Reform: The Reauthorization of the Elementary and Secondary Education Act," released in March 2010 and available on the Department of Education Web site at http://www2.ed.gov/policy/elsec/leg/blueprint/blueprint.pdf.

The reauthorization plan recognizes that addressing persisting achievement gaps and helping all children to excel requires more than just tinkering around the edges; rather, we need to rethink the Federal role to support innovation while at the same time leveraging more effective uses of existing resources to improve teaching and learning. The "Blueprint" creates incentives for States, school districts, and schools to make the changes needed to improve educational outcomes so that by 2020 America once again leads the world in college completion.

Race to the Top (RTT) would continue to provide incentives for innovation and reform, with the $300 million 2015 request dedicated to a new Race to the Top – Equity and Opportunity (RTT-Opportunity) competition designed to help States and school districts address continuing inequities in achievement and the distribution of educational resources—funding, effective teachers and leaders, access to rigorous coursework, and safe schools. These differences in resources too often effectively deny equal educational opportunity to poor and minority students. A $165 million request for Investing in Innovation (i3) would maintain strong support for developing, validating, and scaling up effective education practices and strategies, while also launching a new Advanced Research Projects Agency-Education (ARPA-ED) that would have the flexibility to pursue ideas and technologies with the potential to revolutionize the productivity and effectiveness of education systems.

The $14.4 billion request for the CCR students program, which would replace Title I Grants to Local Educational Agencies (LEAs), would remain the foundation of the ESEA under the Administration's reauthorization plan, continuing to help LEAs ensure that some 23 million students in high-poverty schools meet challenging State academic standards and graduate high school ready for college and careers. The reauthorized Title I program also would restructure State accountability systems to target rigorous interventions on a State's lowest-performing schools, with support from the $506 million School Turnaround Grants (STG) program.

The 2015 request provides significant support to teachers and leaders who are doing the hard, daily work of implementing new CCR standards and aligned assessments, turning around our lowest-performing schools, and using new evaluation and support systems to improve their practice. The proposed $200 million ConnectEDucators competition would give new money to districts to improve their educators' ability to take advantage of expanded technological capacity and new digital learning tools to personalize learning and improve CCR-aligned instruction. Formula funds to States and districts through a reauthorized Effective Teachers and Leaders State Grants program would support improving the effectiveness of all educators through better recruitment, preparation, development, and retention. A $320 million request for the competitive Teacher and Leader Innovation Fund would support a new competition spurring innovation in human capital management systems in high-need districts. Additionally, the $35 million request for School Leadership would provide new grants for evidence-based preparation for highly effective school leaders in high-need schools and districts.

Other key initiatives in the 2015 request for elementary and secondary education include $170 million in new funding for STEM Innovation, a comprehensive strategy for improving P-12 STEM instruction through a combination of recruiting and training effective STEM teachers, strengthening instructional practices, and increasing student engagement in STEM subjects; $150 million for a new High School Redesign program that would provide students with challenging and relevant academic and career-related learning experiences that prepare them to transition to postsecondary education and careers; $100 million to expand the Promise Neighborhoods program as part of the Administration's Ladders of Opportunity initiative; and $214 million for a Successful, Safe, and Healthy Students program that supports the President's common-sense proposals to protect our children from gun violence and make our schools safer.

In addition, the President's Opportunity, Growth, and Security Initiative would accelerate the impact of key 2015 budget proposals, by providing an additional $300 million for the ConnectEDucators initiative (for a 2015 total of $500 million), and $200 million for Promise Neighborhoods (for a 2015 total of $300 million).

Race to the Top

	2013	2014	2015 Request
BA in millions	$520.2	0.0[1]	$300.0

[1] $250.0 million was provided for Preschool Development Grants through the Race to the Top authority in 2014.

In 2015, the Administration is requesting $300 million for a new Race to the Top – Equity and Opportunity (RTT-Opportunity) initiative centered on improving the academic performance of students in the Nation's highest poverty schools. The initiative would drive comprehensive change in how States and school districts identify and close longstanding educational opportunity and achievement gaps. There would be two types of required activities.

First, grantees would develop, implement, or enhance data systems for local or State use that integrate information on school-level finances, teacher and principal experience and effectiveness, student coursework, and academic achievement. Grantees would use these data to: (1) identify LEAs, schools, and student groups with the greatest disparities in opportunity and outcomes; (2) develop strategies for addressing these gaps to ensure all students are prepared for college and careers; and (3) measure the success of these strategies and use the results to support continuous program improvement.

Second, grantees would use funds to develop, attract, and retain more effective teachers and leaders in high-need schools, through strategies such as targeted and individualized professional development, career ladder opportunities, financial incentives, strengthening school culture and climate, and educator training and preparation programs, including those focused on developing effective principals trained to foster success and support excellent teachers in high-need schools.

In addition to the required activities, grantees would be expected to address other factors contributing to educational opportunity and achievement gaps. These include, for example, school safety; non-cognitive skills; expanded learning time; fair and appropriate school discipline policies; mental, physical, and social emotional supports; college and career counseling, and

other strategies that mitigate the effects of concentrations of poverty. Grantees could promote evidence-based practices that expand access to rigorous coursework linked to college- and career-ready standards; AP and IB classes; and early college programs in high schools.

Grantees would examine the use and alignment of existing Federal education resources, including Title I, Title II, and Statewide Longitudinal Data Systems to ensure consistency with their RTT-Opportunity plans, and would ensure that State and local funds are distributed fairly by implementing a more meaningful comparability standard, based on actual school-level expenditures, in participating Title I LEAs.

RTT-Opportunity would provide the incentives and resources to States and LEAs committed to taking on this challenge, closing achievement gaps, preparing the 21st century workforce needed to ensure our continued economic competitiveness and prosperity, and delivering on our Nation's promise of equal opportunity for all Americans.

Investing in Innovation Fund (i3)

	2013	2014	2015 Request
BA in millions	$141.6	$141.6	$165.0

The request would support grants under a new ESEA authority based on the existing i3 program, which helps to improve educational outcomes for students by developing, validating, and scaling up effective practices. The program's emphasis on supporting projects with either evidence of effectiveness or a strong research-based framework increases the likelihood that funded projects succeed and that we learn more about what works to improve student achievement and other outcomes. The funding requested for 2015 would allow the Department to continue to build on the success of the program in fostering educational innovation, while growing an evidence base in areas of high need and generating private-sector investment to complement the Federal investment.

Priorities under consideration for 2015 include targeting student attainment in science, technology, engineering, and science (STEM) subjects; supporting high quality education in rural locations; accelerating achievement of students with disabilities or English Learners; and fostering meaningful parent and family engagement.

In addition, the request would support the Advanced Research Projects Agency-Education (ARPA-ED), a new entity modeled after similar agencies in the Department of Defense and Department of Energy that would pursue breakthrough developments in educational technology and tools. Under the request, up to 30 percent of i3 funds would be used for ARPA-ED.

College- and Career-Ready Students

	2013	2014	2015 Request
BA in millions	$13,760.2	$14,384.8	$14,384.8

The request supports the Administration's reauthorization plan for Title I, Part A of the ESEA (Title I Grants to LEAs under current law), which would include changes to the ESEA in the areas of standards and assessments, accountability and support for schools and LEAs, and teacher and leader effectiveness. In general, these changes are consistent with many of the reforms currently being implemented by more than 40 States under RTT or ESEA flexibility. States would adopt statewide standards that build toward college- and career-readiness (CCR) and implement high-quality assessments that are aligned with these CCR standards and capable of measuring individual student growth toward CCR. These new standards and assessments would give families and communities the information they need to determine whether their students are on track to college- and career-readiness and to evaluate their schools' effectiveness.

The reauthorization proposal would replace the adequate yearly progress (AYP) measure in current law, which is based primarily on a single, static snapshot of student proficiency on academic assessments, with a broader measure of school performance that looks at student achievement, student growth, and school progress. Performance targets would be aligned with the objective of ensuring that by 2020 all students are graduating or on track to graduate from high school ready for college and a career. States would differentiate school improvement assistance across schools and, in a shift from current law, local officials would have flexibility to determine the appropriate improvement and support strategies for most schools.

States and LEAs would be required to implement one of four rigorous school turnaround models in the lowest-performing 5 percent of schools in each State as well as research-based, locally determined strategies in schools that fall between the fifth and tenth percentiles in performance. In other schools that are not closing significant, persistent achievement gaps, LEAs would be required to implement data-driven interventions—which could include expanded learning time, supplemental educational services, or other strategies—to support those students who are farthest behind and to help close those achievement gaps.

In addition, both States and LEAs would be required to develop meaningful plans to achieve the equitable distribution of effective teachers and leaders, based on the definitions of effectiveness that each State would be required to develop under the Administration's reauthorization proposal. LEAs would use up to 20 percent of their Title I, Part A allocations to implement effective school improvement strategies and carry out strategies designed to ensure the equitable distribution of effective teachers and school leaders.

Title I funds would continue to be awarded to LEAs through the existing Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants formulas. The ESEA proposal would strengthen Title I "comparability" requirements to ensure that the high-poverty schools in each LEA receive State and local funding for both personnel and non-personnel expenditures comparable to those received by the LEA's low-poverty schools. States would be required to measure and report on resource disparities and to develop a plan to reduce those disparities.

The Administration's reauthorization proposal also would permit the Department to reserve up to 0.5 percent of Title I, Part A formula grant funds under a broad ESEA evaluation authority aimed at supporting the comprehensive evaluation of the implementation, outcomes, impact, and cost-effectiveness of ESEA programs, including the Title I, Part A College- and Career-Ready Students program.

School Turnaround Grants

	2013	2014	2015 Request
BA in millions	$505.8	$505.8	$505.8

The reauthorized School Turnaround Grants program (School Improvement Grants under current law) would play a critical role in the new Title I statewide accountability systems that would be created under the Administration's ESEA reauthorization plan by providing significant resources for LEAs to implement rigorous school intervention models in their lowest-performing schools. While States and LEAs would have new flexibility under the reauthorized ESEA to develop their own improvement strategies and interventions for most schools, they would be required to implement specific, meaningful intervention models in their very lowest-performing schools.

States would receive formula grants and would subgrant most funds to LEAs and their partners to implement fully and effectively the models currently required for persistently lowest-achieving schools under the School Improvement Grants program. LEAs would receive 3-year awards totaling up to $6 million for each identified school and would be eligible for 2 additional years of funding to support a school's ongoing improvement if the school is showing progress. With the exception of the closure model, each of the models allows flexibility for locally designed plans that recognize and meet a broad range of student needs and local circumstances.

States would be permitted to reserve a portion of their allocations to build their capacity to improve low-performing schools, including by developing and implementing effective school quality review teams to assist schools in identifying school needs and in supporting school improvement, and by reviewing and ensuring the effectiveness of external partners. The Department also would be authorized to reserve funds for national activities designed to enhance State, district, and nonprofit capacity to turn around low-performing LEAs and schools.

STEM Innovation

	2013	2014	2015 Request
STEM Innovation Networks			
Innovation Networks	—	—	$110.0
Teacher Pathways	—	—	40.0
Master Teacher Corps	—	—	20.0
Subtotal	—	—	170.0
Effective Teaching and Learning: STEM	—	—	149.7
Mathematics and Science Partnerships	$141.9	$149.7	—
Total	141.9	149.7	319.7

The STEM Innovation initiative is part of a Governmentwide STEM reorganization that would create a fresh framework for delivering STEM education to more students and more teachers more effectively while reducing fragmentation. Specifically, the Department of Education is leading the Administration's efforts to improve P-12 STEM instruction, which includes meeting the President's goal of generating 100,000 effective STEM teachers over the next decade.

The proposed STEM Innovation Networks program would provide competitive awards to LEAs in partnership with institutions of higher education, nonprofit organizations, other public agencies, and businesses to transform STEM teaching and learning by accelerating the adoption of practices in P-12 education that help increase the number of students who seek out and are effectively prepared for postsecondary education and careers in STEM fields. Projects would develop and validate evidence-based practices in a set of "platform schools" and implement them across broader, regional networks of participating schools following validation of effectiveness. Projects would include a wide range of activities—dependent on local needs and available regional and Federal resources—in areas such as increasing student engagement and achievement in STEM subjects; supporting teachers to improve student interest and outcomes in STEM; increasing the opportunities for students to have authentic STEM experiences, both during the school day and in informal settings; creating a system of integrated and strategic support for STEM that is designed for sustainability, replication and scaling up; and increasing opportunities for students and teachers to interact with, learn from, and be inspired by STEM professionals and experts. A key goal of the networks would be to leverage regional STEM assets—such as research facilities, local nonprofits, regional industry partners, human capital assets from STEM professional organizations and IHEs, and the rich array of Federal STEM resources and assets, including information and opportunities generated by the science mission agencies—to promote effective teaching and learning of STEM subjects.

The STEM Teacher Pathways proposal would build on the strong momentum started in the private sector aimed at producing 100,000 new effective and highly effective STEM teachers over the next decade. The new program would provide competitive grants to create or expand high-quality pathways to teacher certification and other innovative approaches for recruiting, preparing, placing and supporting talented recent college graduates and mid-career professionals in the STEM fields in high-need schools.

The request also includes $20 million to support the National STEM Master Teacher Corps, which would identify, recognize, and reward some of the Nation's most talented STEM teachers,

enlisting them in a national network to assist in building local and regional communities of practice that would help transform STEM teaching and learning while raising the profile of the STEM teaching profession.

Finally, the Administration's ESEA reauthorization proposal would create an Effective Teaching and Learning: STEM program that would build on the experience of the current Mathematics and Science Partnerships program, by making formula grants to SEAs to implement a comprehensive strategy for the provision of high-quality STEM instruction and support to students. States would be permitted to reserve up to 20 percent of grant funds for State-level activities to support the development and implementation of a coherent approach to providing high-quality, evidence-based STEM instruction in high-need schools.

High School Redesign

	2013	2014	2015 Request
BA in millions	—	—	$150.0

The proposed High School Redesign program would promote the whole school transformation of the high school experience in order to provide students with challenging and relevant academic and career-related learning experiences that prepare them to transition to postsecondary education and careers. Grantee activities would include (1) redesigning academic content and instructional practices to align with postsecondary education and careers; (2) providing personalized learning opportunities and academic and wrap-around support services; (3) providing high-quality career and college exploration and counseling services; (4) offering opportunities to earn postsecondary credit while still in high school; (5) offering career-related experiences; (6) offering project-based learning; (7) making more strategic use of learning time, which could include effective application of technology, redesigning school calendars, and competency-based progression; and (8) providing evidence-based professional development to educators.

Funds would support competitive grants to LEAs in partnership with institutions of higher education and other entities, such as nonprofits, community-based organizations, businesses, and other industry-related organizations that can help high schools prepare students to apply academic concepts to real world challenges. The new program would give priority to partnerships in areas with limited access to quality career and college opportunities, such as high-poverty or rural LEAs.

Assessing Achievement
(BA in millions)

	2013	2014	2015 Request
State Grants.....	$360.2	$369.1	$369.1
Enhanced Assessment Instruments.....	8.7	8.9	8.9
Total	368.9	378.0	378.0

The request for a reauthorized Assessing Achievement (State Assessments under current law) program would help States pay the costs, including technology-related costs, of developing and implementing assessments aligned with college- and career-ready (CCR) standards. Formula

and competitive funds would support continued implementation of the assessments currently required by the ESEA, as well as the transition to CCR-based standards and assessments that would capture a fuller picture of what students know and are able to do. Grantees also could use funds to develop and implement CCR standards and assessments in other subjects, such as science and history, needed to ensure that all students receive a well-rounded education. Funds also could be used to acquire, and to train teachers and other staff to use, the educational technology needed to implement new assessments. The Department would set aside $8.9 million of the fiscal year 2015 request to support a grant competition to enhance or improve State assessment systems, which could include improving the accessibility of assessments, developing computer-enhanced and/or other new assessments or assessment items, providing high-quality professional development for teachers using assessment data to improve instruction, obtaining technology to help administer or analyze assessments, and/or conducting research to contribute to assessment knowledge and quality.

Excellent Instructional Teams
(BA in millions)

	2013	2014	2015 Request
Effective Teachers and Leaders State Grants	—	—	$2,000.0
Improving Teacher Quality State Grants	$2,337.8	$2,349.8	—
Transition to Teaching	24.7	13.8	—
Teacher Quality Partnership	40.6	40.6	—
School Leadership	27.6	25.8	35.0
ConnectEDucators	—	—	200.0
Teacher and Leader Innovation Fund	—	—	320.0
Teacher Incentive Fund	283.8	288.8	—
Total	2,714.5	2,718.8	2,555.0

The proposed Excellent Instructional Teams initiative would have four components: the Effective Teachers and Leaders State Grants program, ConnectEDucators, the Teacher and Leader Innovation Fund, and School Leadership.

Effective Teachers and Leaders State Grants would provide formula grants to States and districts to increase the effectiveness of teachers and leaders through a variety of activities, including those designed to support the creation of effective teacher career ladders, reform certification and licensure requirements, increase the effectiveness of professional development, and reform teacher and school leader compensation. States would be accountable for improving their teacher and principal evaluation systems and for ensuring that low-income and minority students have equitable access to teachers and principals who are effective at raising student achievement. In addition, the Department would reserve up to 10 percent of the appropriation to recruit, prepare, and support effective teachers and school leaders; fund competitive grants to States and LEAs to improve educator evaluation and licensure systems and develop rigorous accountability systems of educator preparation programs; and to invest in other efforts to enhance the teaching and leadership professions.

ConnectEDucators is a new proposal that complements the President's ConnectED initiative, which would help ensure that all of America's classrooms, including those in high-poverty or rural areas, have access to high-speed broadband and wireless connectivity networks. ConnectEDucators would help provide educators with the skills they need to take full advantage of these high-speed networks and related devices to improve instruction for all students. The new program would provide competitive funds to LEAs and LEA consortia to support educators' use of technology and data to personalize learning and to provide better CCR-aligned instruction. Grant activities would be informed by educator and student needs, based on a needs assessment, and could include coaching to help educators select and use high quality digital content or student data to improve instruction; expanding collaboration, engagement, and communication with parents, teachers, and professional networks; and providing access to experts and effective teachers through online/blending-learning environments in hard-to-staff schools and subjects.

The program would give priority to LEAs that have a minimum level of technological infrastructure, propose to work in LEA consortia, and partner with local and national organizations that would develop resources all LEAs can use. SEAs would also receive foundational formula funds to expand and increase technical capacity.

The proposed Teacher and Leader Innovation Fund would make competitive awards to States and LEAs to improve the effectiveness of teachers and leaders in high-need LEAs and schools by reforming teacher and school leader compensation and career advancement systems and implementing other innovative human capital management strategies.

The request also would provide a small increase for a transformed School Leadership program, allowing the Department to expand efforts to train highly effective leaders for high-need schools and districts.

Effective Teaching and Learning: Literacy
(BA in millions)

	2013	2014	2015 Request
Effective Teaching and Learning: Literacy....	—	—	$183.7
Ready-To-Learn Television.....	$25.8	$25.7	—
Striving Readers	151.4	158.0	—

The Effective Teaching and Learning: Literacy program, proposed as part of the Administration's ESEA reauthorization plan, would provide competitive grants to State educational agencies (SEAs), alone or in partnership with other entities, for comprehensive State and local efforts to improve literacy instruction, especially in high-need schools, for children and youth from preschool through grade 12. The program would build on the revised Striving Readers program, which replaced literacy programs segmented by age and grade level with a more comprehensive program that serves children from birth through grade 12. The reauthorized program would strengthen education for literacy by (1) ensuring that all the elements of a comprehensive literacy program are embedded in State and local strategies; (2) strengthening performance expectations; (3) supporting the identification and scaling-up of innovative methods of teaching reading, writing, and language arts; and (4) giving States and school districts the flexibility to target resources based on identified needs.

Effective Teaching and Learning for a Well-Rounded Education
(BA in millions)

	2013	2014	2015 Request
Effective Teaching and Learning for a Well-Rounded Education	—	—	$25.0
Arts in Education	$23.6	$25.0	—

The Effective Teaching and Learning for a Well-Rounded Education program would support competitive grants to SEAs and high-need LEAs, alone or in partnership with other entities, to develop and expand innovative practices for improving teaching and learning in the arts, health education, foreign languages, civics and government, history, geography, environmental education, economics and financial literacy, and other subjects.

Expanding Educational Options
(BA in millions)

	2013	2014	2015 Request
Expanding Educational Options	—	—	$248.2
Charter Schools Grants	$241.5	$248.2	—

The Administration's Expanding Educational Options proposal includes two authorities: Supporting Effective Charter Schools grants and Promoting Public School Choice grants. The Supporting Effective Charter Schools grants program would make competitive grants to SEAs, charter school authorizers, charter management organizations, LEAs, and other nonprofit organizations to start or expand effective charter and other autonomous public schools; funds would also support charter schools facilities programs. The Promoting Public School Choice grants program would provide competitive grants to LEAs, individually or in a consortium, and to SEAs in partnership with one or more high-need LEAs, to develop and implement a comprehensive choice program that increases the range of high-quality educational options available to students in high-need schools. In fiscal year 2015, the Department would fund only the Supporting Effective Charter Schools program.

Promise Neighborhoods

	2013	2014	2015 Request
BA in millions	$56.8	$56.8	$100.0

The request provides an increase to support new awards to local partnerships to develop and implement comprehensive, neighborhood-based plans for meeting the cradle-to-career educational, health, and social service needs of children in high-poverty communities. The core belief behind Promise Neighborhoods is that providing both effective, achievement-oriented schools and strong systems of support to children and youth in poverty would offer them the best hope for overcoming poverty and building a better life. In coordination with the Department of Housing and Urban Development (HUD), the Department would reserve a portion of 2015 funds for planning grants to communities that intend to apply for funding under both the Promise Neighborhoods and HUD's Choice Neighborhoods programs.

21st Century Community Learning Centers

	2013	2014	2015 Request
BA in millions	$1,091.6	$1,149.4	$1,149.4

The Administration's reauthorization proposal for 21st Century Community Learning Centers would support State and local efforts to implement in-school and out-of-school strategies for providing students (and, where appropriate, teachers and family members), particularly those in high-need schools, the additional time, support, and enrichment activities needed to improve achievement. The Administration's reauthorization proposal would continue to allow funds to be used for before- and after-school programs, summer enrichment programs, and summer school programs, and would also permit States and eligible local entities to use funds to support expanded-learning-time programs as well as full-service community schools. Projects could also provide teachers the time they need to collaborate, plan, and engage in professional development within and across grades and subjects.

Successful, Safe, and Healthy Students
(BA in millions)

	2013	2014	2015 Request
Successful, Safe, and Healthy Students.....	—	—	$214.0
Safe and Drug-Free Schools and Communities National Activities	$61.5	$90.0	—
Elementary and Secondary School Counseling	49.6	49.6	—
Physical Education Program	74.6	74.6	—
Total	185.7	214.2	214.0

Under this proposed consolidation of several narrowly targeted programs, the Department would award grants to increase the capacity of States, districts, and schools to create safe, healthy, and drug-free environments in a comprehensive manner, so that students are able to focus on learning and teachers on teaching. Further, it would provide increased flexibility for States and local educational agencies to design strategies that best reflect the needs of their students and communities, including programs to (1) improve school climate by reducing drug use, alcohol use, bullying, harassment, or violence; (2) improve students' physical health and well-being through comprehensive services that improve student nutrition, physical activity, and fitness; and (3) improve students' mental health and well-being through expanded access to comprehensive services, such as counseling, health, mental health, and social services.

The new program would also include a national activities authority, under which the Department would reserve funds to continue important initiatives that are included in Now Is the Time, the President's common-sense plan to make our schools safer and protect our children from gun violence. These include $50 million for School Climate Transformation Grants and related technical assistance to help schools train their teachers and other school staff to implement evidence-based behavioral intervention strategies to improve school climate; and $25 million for Project Prevent grants to LEAs to help schools in communities with pervasive violence break the cycle of violence. Funds requested under National Activities would also be used to help

LEAs and IHEs recover from emergencies under Project SERV (School Emergency Response to Violence), and for data collection, dissemination, outreach, and related forms of technical assistance for other activities that promote safe and healthy students.

College Pathways and Accelerated Learning
(BA in millions)

	2013	2014	2015 Request
College Pathways and Accelerated Learning	—	—	$74.8
High School Graduation Initiative	$46.3	$46.3	—
Advanced Placement	28.9	28.5	—
Total	75.2	74.8	74.8

This program would focus on increasing graduation rates and improving preparation for college matriculation and success by supporting college-level and other accelerated courses and instruction, including gifted and talented programs, in high-poverty schools. Grantees would implement such strategies as expanding the availability of Advanced Placement and International Baccalaureate courses, dual-enrollment programs that allow students to take college-level courses and earn college credit while in high school, and “early college high schools” that allow students to earn a high school diploma and an Associate’s degree or 2 years of college credit simultaneously. The program would fund accelerated learning opportunities for students across the performance spectrum, including those who exceed proficiency standards, in high-poverty elementary schools. Grants also would support projects that re-engage out-of-school youth or students who are not on track to graduate.

The Department would be authorized to reserve funds to make grants to States to pay for the cost of advanced test fees for students from low-income families.

Magnet Schools Assistance Program

	2013	2014	2015 Request
BA in millions	$91.6	$91.6	$91.6

Under the Magnet Schools Assistance program, the Department makes competitive grants to support high-quality magnet schools in LEAs implementing a desegregation plan. The Administration’s reauthorization proposal would expand and improve options for students and increase diversity by placing a greater emphasis on funding magnet school programs (particularly whole-school programs) or models that have a record of effectiveness in raising student achievement and reducing racial isolation.

Fund for the Improvement of Education

	2013	2014	2015 Request
BA in millions	$38.3	$42.4	$24.3

The Fund for the Improvement of Education (FIE) supports nationally significant activities to improve the quality of elementary and secondary education at the State and local levels and help all students meet challenging State academic achievement standards. The request includes $8 million to support interagency strategies to strengthen services to disconnected youth, $1.3 million to continue the Data Quality Initiative, which helps ensure that program management decisions are based on sound information, and $5 million for a Youth Data Pilot that would enhance communities' tracking of and performance on multiple outcomes for youth. The request also includes $10 million for a new Non-Cognitive Skills initiative that would provide competitive grants to district and researcher partnerships to develop and test interventions that improve students' non-cognitive skills in the middles grades, a time when many students lose interest in, engagement with, and motivation for academic work, increasing the likelihood of dropping out of high school.

English Learner Education

	2013	2014	2015 Request
BA in millions	$693.8	$723.4	$723.4

Currently authorized under Title III of the ESEA, this program awards formula grants to States based on each State's share of the Nation's English Learners (ELs) and recent immigrant students. Grants help States design and implement statewide activities to meet the educational needs of their ELs. The Administration's ESEA reauthorization proposal supports strengthened professional development for educators, improved accountability, and the development and implementation of innovative and effective programs. The proposal also would strengthen the conditions governing States' receipt of formula funds and permit the Department to use more funds for competitive grants in order to support the development and implementation of high-quality programs for ELs, including dual-language and transitional bilingual programs.

Title I State Agency Programs
(BA in millions)

	2013	2014	2015 Request
Migrant Student Education	$372.8	$374.8	$374.8
Neglected and Delinquent Children and Youth Education	47.6	47.6	47.6
Total	420.4	422.4	422.4

Migrant Student Education State Grants provide formula-based assistance in meeting the special educational needs of more than 257,000 children of migrant agricultural workers and fishers, including overcoming the educational disruption and other challenges that result from

repeated moves so that these students meet the same academic standards as other children. The Department also uses a portion of funding to improve inter- and intra-State coordination of migrant education activities, including State exchange of migrant student data records through the Migrant Student Information Exchange system. The Administration's reauthorization proposal would change the State allocation formula so that it better reflects shifts in State counts of migrant students, improve the targeting of services to high-need migrant students, and require States to track and report on the academic achievement of migrant students.

The Title I Neglected and Delinquent Children and Youth Education program provides formula grants to States in order to support education services for neglected and delinquent children and youth in local and State-run institutions, attending community day programs, and in correctional facilities. The request would help an estimated 98,000 neglected and delinquent students return to and complete school and obtain employment after they are released from State institutions.

Homeless Children and Youth Education

	2013	2014	2015 Request
BA in millions	$61.8	$65.0	$65.0

This program provides formula grants to States, which subgrant most funds to local educational agencies for services that help homeless children enroll in, attend, and succeed in school. In addition to academic instruction, the program helps ensure access for these children to preschool programs, special education, and gifted and talented programs. The Administration's reauthorization proposal would improve the funding formula so it better reflects shifts in State counts of homeless students and targets funds where they are most needed. The proposal also would require States to track and report on the academic achievement of homeless students.

Rural Education

	2013	2014	2015 Request
BA in millions	$169.8	$169.8	$169.8

The Rural Education Achievement Program (REAP) authorizes two programs to assist rural school districts in carrying out activities to help improve the quality of teaching and learning in their schools. The Small, Rural School Achievement program provides formula funds to rural school districts that serve small numbers of students, and the Rural and Low-Income School program provides funds to rural school districts that serve concentrations of poor students, regardless of the district's size. Funds appropriated for REAP are divided equally between the two programs. The request would maintain support for rural, often geographically isolated, districts that face significant challenges in meeting ESEA requirements. The Administration's reauthorization proposal would address technical problems with the current authority, extend an existing flexibility authority to all subgrantees, and align the authorized activities with national priorities.

Indian Student Education
(BA in millions)

	2013	2014	2015 Request
Grants to Local Educational Agencies.....	$100.4	$100.4	$100.4
Special Programs for Indian Children.....	18.0	18.0	18.0
National Activities.....	5.6	5.6	5.6
Total	123.9	123.9	123.9

Indian Student Education programs supplement the efforts of State and local educational agencies and Indian tribes to improve educational opportunities for Indian children. The programs link these efforts to broader educational reforms underway in States and localities in order to ensure that Indian students benefit from those reforms and achieve to the same challenging academic standards as other students. The Administration's ESEA reauthorization proposal would simplify the process of identifying eligible Indian students and would give grantees additional flexibility to conduct programs that can improve the achievement of Indian students, including language immersion and language restoration programs and activities aligned with the Administration's broader ESEA reauthorization priorities.

Grants to Local Educational Agencies provide formula grants to local educational agencies and to schools operated and supported by the Department of the Interior's Bureau of Indian Education for activities to improve the educational achievement of Indian students. Special Programs for Indian Children includes: (1) $7.4 million in competitive grants for the American Indian Teacher Corps and the American Indian Administrator Corps to support training of Indians to become teachers and administrators in schools that serve concentrations of Indian children, and (2) $10.4 million for competitive demonstration grants to improve educational opportunities for Indian children in such areas as early childhood education and college preparation.

The request also provides $5.6 million for National Activities, which funds research, evaluation, and data collection designed to fill gaps in our understanding of the educational status and needs of Indians and to identify educational practices that are effective with Indian students.

Native Hawaiian Student Education

	2013	2014	2015 Request
BA in millions	$32.4	$32.4	$32.4

This program supports the provision of supplemental education services to the Native Hawaiian population by awarding competitive grants to eligible applicants for a variety of authorized activities in such areas as teacher training, family-based education, gifted and talented education, special education, higher education, and community-based education learning centers. The reauthorized program would promote greater alignment of these activities with the Administration's broader education reform goals. The program also supports the activities of the Native Hawaiian Education Council, which helps coordinate the educational and related services and programs available to Native Hawaiians.

Alaska Native Student Education

	2013	2014	2015 Request
BA in millions	$31.5	$31.5	$31.5

This program awards competitive grants to eligible applicants to support a variety of authorized activities, including the development and implementation of curricula and educational programs, professional development activities for educators, the development and operation of home instruction programs that help ensure the active involvement of parents in their children's education, family literacy services, student enrichment programs in science and mathematics, and dropout prevention programs. The reauthorized program would promote greater alignment of these activities with the Administration's broader education reform goals and would eliminate the program's statutory earmarks.

Comprehensive Centers

	2013	2014	2015 Request
BA in millions	$48.4	$48.4	$48.4

The Comprehensive Centers provide intensive technical assistance to increase the capacity of State educational agencies (SEAs) to help districts and schools implement ESEA programs and requirements and meet State targets for student achievement. The current system includes 15 regional centers that work with SEAs within specified geographic regions to help them implement ESEA school improvement measures and objectives. In addition, 7 content centers provide in-depth, specialized support in key areas, with separate centers focusing on: (1) standards and assessment, (2) great teachers and leaders, (3) school turnaround, (4) enhancing early learning outcomes, (5) college- and career-readiness and success, (6) building State capacity and productivity, and (7) innovations in learning. Each content center pulls together resources and expertise to provide analyses, information, and materials in its focus area for the regional centers and SEAs.

Impact Aid
(BA in millions)

	2013	2014	2015 Request
Payment for Federally Connected Children:			
Basic Support Payments	$1,093.2	$1,151.2	$1,151.2
Payments for Children with Disabilities	45.9	48.3	48.3
Facilities Maintenance	4.6	4.8	4.8
Construction	16.5	17.4	17.4
Payments for Federal Property	63.4	66.8	0.0
Total	1,223.6	1,288.6	1,221.8

The Impact Aid program provides financial support to school districts affected by Federal activities. The property on which certain children live is exempt from local property taxes, denying districts access to the primary local source of revenue used by most communities to finance education. Impact Aid helps to replace the lost local revenue that would otherwise be available to districts to pay for the education of these children.

The $1.15 billion request for Basic Support Payments would provide formula grants for both regular Basic Support Payments and Basic Support Payments for Heavily Impacted LEAs. The $48.3 million request for Payments for Children with Disabilities would provide formula grants to help eligible districts meet their obligations under the Individuals with Disabilities Education Act to provide a free appropriate public education for federally connected children with disabilities. The $4.8 million request for Facilities Maintenance would fund essential repair and maintenance of the 13 school facilities serving large numbers of military dependents that are owned and operated by the Department of Education, while also supporting the transfer of these schools to local school districts. Under the Administration's ESEA reauthorization proposal, the entire $17.4 million proposed for Construction would be used for competitive grants to the LEAs with the greatest need and would provide sufficient assistance to enable those LEAs to make major repairs and renovations. The Administration requests no funds for Payments for Federal Property because these payments compensate LEAs for lost property tax revenue due to the presence of Federal lands without regard to whether those districts educate any federally connected children.

Training and Advisory Services (Title IV of the Civil Rights Act)

	2013	2014	2015 Request
BA in millions	$6.6	$6.6	$6.6

This program supports 10 regional Equity Assistance Centers, selected competitively, that provide services to school districts on issues related to discrimination based on race, gender, and national origin. Typical activities include disseminating information on successful practices and legal requirements related to nondiscrimination, providing training to educators to develop their skills in specific areas, such as in the identification of bias in instructional materials, and technical assistance on selection of instructional materials. The request would support the first year of funding for a new cohort of Equity Assistance Center grantees, as well as the annual administration of a customer satisfaction survey and an analysis of its results.

Supplemental Education Grants (Compact of Free Association Amendments Act)

	2013	2014	2015 Request
BA in millions	$16.7	$16.7	$16.7

The request would maintain support for Supplemental Education Grants to the Federated States of Micronesia and the Republic of the Marshall Islands, as authorized by the Compact of Free Association Amendments Act of 2003 (P.L. 108-188). Under this program, the Department transfers funds and provides recommendations on the uses of those funds to the Department of the Interior, which makes grants to the FSM and the RMI for educational services that augment the general operations of the educational systems of the two entities.

P.L. 108-188 eliminated RMI and FSM participation in most domestic formula grant programs funded by the Departments of Education, Health and Human Services, and Labor, and created this program to supplement separate education programs under the Compact. The request would allow the RMI and the FSM to support programs that focus on improving the educational achievement of students in the two Freely Associated States.

C. SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Overview

The Administration is committed to providing Americans with disabilities the opportunities and services they need to succeed in school, in the workplace, and in the community. The 2015 Budget funds a wide range of programs that can improve educational, employment, and independent living outcomes for people with disabilities.

The $12.6 billion request for Special Education programs focuses on improving educational and early intervention outcomes for children with disabilities. For the Grants to States program, the Administration is requesting $11.6 billion, an increase of $100 million from fiscal year 2014, to maintain the Federal contribution toward meeting the excess cost of special education at approximately 16 percent of the national average per pupil expenditure (APPE) and provide an estimated average of $1,758 per student for about 6.6 million children ages 3 through 21. The $100 million increase would support new Results Driven Accountability Incentive grants, which would provide competitive grants to States to identify and implement promising, evidence-based reforms that would improve service delivery for children with disabilities while also building State and local capacity to continue to improve outcomes for those children in the long-term.
The request also includes a $3.3 million increase (for a total request of $441.8 million) for the Grants for Infants and Families program to assist States in providing high quality early intervention services to approximately 340,000 infants and toddlers with disabilities and their families. Funding for the Preschool Grants program would be maintained at its 2014 level of $353.2 million.

The $225.1 million request for Special Education National Activities would maintain support for technical assistance, dissemination, training, and other activities that assist States, local educational agencies, parents, and others in improving results for children with disabilities.

For Rehabilitation Services and Disability Research, the Budget provides $3.7 billion to support comprehensive and coordinated vocational rehabilitation and independent living services for individuals with disabilities through research, training, demonstration, technical assistance, evaluation, and direct service programs.

The $3.3 billion request for the Vocational Rehabilitation (VR) State Grants program includes an increase of $33.0 million over the fiscal year 2014 mandatory level to assist States and tribal governments in increasing the participation of individuals with disabilities in the workforce. The request includes the inflation increase specified in the authorizing statute, which would offset the reduction in funds ($32.2 million) resulting from the Administration's proposal to eliminate separate funding authorities for the smaller VR-related programs under the Rehabilitation Act. The Administration believes that the proposed eliminations would reduce duplication of effort and administrative costs, streamline program administration at the Federal and local levels, and improve accountability.

The 2015 request also includes appropriations language that would allow the Secretary to use amounts under the VR State Grants program that would otherwise return to the Treasury to support innovative activities aimed at improving outcomes for individuals with disabilities, including activities under the Promoting Readiness of Minors in Supplemental Security Income (PROMISE) program. The requested language also would provide authority for these funds to remain available for Federal obligation until September 30, 2016.

The Budget also provides $134.5 million for the three independent living programs, the same as the 2014 level. These programs provide independent living services through formula grants to designated State agencies and competitive grants to centers for independent living. The $108 million request for the National Institute on Disability and Rehabilitation Research includes an increase of $4.0 million over the 2014 level for research activities in the employment domain. The Budget also includes $209.8 million for special institutions for persons with disabilities, including $24.5 million for the American Printing House for the Blind, $66.3 million for the National Technical Institute for the Deaf, and $119.0 million for Gallaudet University.

Special Education

Grants to States

	2013	2014	2015 Request
BA in millions	$10,974.9	$11,472.8	$11,572.8
Estimated average Federal share per child (in whole dollars)	$1,674	$1,743	$1,758

The Grants to States program, which is authorized under the Individuals with Disabilities Education Act (IDEA), makes formula grants that help States pay the additional costs of providing special education and related services to children with disabilities aged 3 through 21 years. The request would provide a per-child average of $1,758 for an estimated 6.6 million children with disabilities, which represents a Federal contribution of about 16 percent of the national average per pupil expenditure.

Under the IDEA, States are required to provide a free appropriate public education to all children with disabilities. Services are provided in accordance with individualized education programs that are developed by teams that include the child's parents; a special educator; a representative of the local educational agency; a regular educator, if appropriate; and others. In addition, services must be provided—to the maximum extent appropriate—in the least restrictive environment, which for most children means in classes with children who are not disabled. Students with disabilities also must be included in general State and district-wide assessments, including the assessments required under ESEA, and States must provide appropriate accommodations, where necessary, to enable children with disabilities to participate in these assessments, or alternate assessments for those children who cannot participate in regular assessments.

The request includes $100 million for Results Driven Accountability Incentive grants, which would provide competitive grants to States to implement State Systemic Implementation Plans to improve results for children with disabilities ages birth through 21. These incentive grants would be used by States to identify and implement promising, evidence-based reforms that would improve service delivery for children with disabilities while building State and local capacity to improve long-term outcomes for those children.

The request for Grants to States also includes $15.0 million that would be reserved for technical assistance to improve the capacity of States to meet the data collection requirements of the IDEA.

Preschool Grants

	2013	2014	2015 Request
BA in millions	$353.2	$353.2	$353.2

This program provides formula grants to help States make a free appropriate public education available to all children with disabilities ages 3 through 5. The request would provide an estimated $471 per child for approximately 750,000 children to supplement funds provided under the Grants to States program and help to ensure that young children with disabilities are ready to learn when they enter school.

Grants for Infants and Families

	2013	2014	2015 Request
BA in millions	$419.7	$438.5	$441.8

This program provides formula grants to help States implement statewide systems of early intervention services for infants and toddlers with disabilities and their families, so that State and local agencies identify and serve children with disabilities early in life when interventions can be most effective in improving educational outcomes. The request would enable States to provide high quality early intervention services to approximately 340,000 infants and toddlers with disabilities and their families.

State Personnel Development

	2013	2014	2015 Request
BA in millions	$41.6	$41.6	$41.6

This program provides competitive grants to help States reform and enhance their systems for personnel preparation and professional development in the areas of early intervention, educational, and transition services in order to improve outcomes for children with disabilities. The 2015 request would help cover the cost of approximately 38 new and continuation awards to State educational agencies to improve the knowledge and skills of special education and regular education teachers serving children with disabilities and help recruit and retain highly qualified personnel providing services to children with disabilities.

Technical Assistance and Dissemination

	2013	2014	2015 Request
BA in millions	$44.3[1]	$44.3[1]	$44.3

[1] Excludes $7.58 million for the Special Olympics, which is requested as a separate line item in 2015.

This program funds competitive grants for technical assistance and dissemination of materials based on knowledge gained through research and practice. The request, which is in addition to

the separate $15 million set-aside under the Grants to States program to help States meet data collection requirements, would support continuation costs for projects initiated in previous years

Personnel Preparation

	2013	2014	2015 Request
BA in millions	$83.7	$83.7	$83.7

This program helps ensure that there are adequate numbers of personnel with the skills and knowledge necessary to help children with disabilities succeed educationally. Program activities focus both on meeting the demand for personnel to serve children with disabilities and improving the qualifications of these personnel, with particular emphasis on incorporating knowledge gained from research and practice into training programs. The Department is required to support (1) training for leadership personnel and personnel who work with children with low-incidence disabilities, (2) at least one activity in the broadly defined area of personnel development, and (3) enhanced support for beginning special educators.

Parent Information Centers

	2013	2014	2015 Request
BA in millions	$27.4	$27.4	$27.4

These funds support centers that provide parents with the training and information they need to work with professionals to meet the early intervention and special education needs of their children with disabilities. The request would support new competitive grants and continuation awards for about 106 centers as well as awards to provide technical assistance to the centers.

Educational Technology, Media, and Materials

	2013	2014	2015 Request
BA in millions	$28.0	$28.0	$28.0

This program (formerly known as the Technology and Media Services program) makes competitive awards for research, development, and other activities that promote the use of technology, including universal design features, in providing special education and early intervention services. Funds also support media-related activities, such as providing video description and captioning of films and television for use in classrooms for individuals with visual and hearing impairments and increasing the availability of books in accessible formats for individuals with visual impairments and other print disabilities. The request includes $24.49 million for continuation awards and $3.56 million for new awards.

Special Olympics Education Programs

	2013	2014	2015 Request
BA in millions	$7.58[1]	$7.58[1]	$7.58

[1] Funding was provided under the Technical Assistance and Dissemination program.

This program supports the expansion of Special Olympics and the design and implementation of Special Olympics education programs. The request includes funds to support Project UNIFY, a school-based education program designed to develop teamwork skills and increase awareness and social acceptance of individuals with intellectual disabilities.

Rehabilitation Services and Disability Research

Vocational Rehabilitation (VR) State Grants

	2013	2014	2015 Request
BA in millions	$3,066.2	$3,302.1	$3,335.1

Note: The amount shown for FY 2014 is the mandatory level for the VR State Grants program and does not include the 7.2 percent sequester reduction for mandatory programs that went in to effect October 1, 2013, pursuant to the Budget Control Act of 2011.

This program provides formula grants to State VR agencies to help individuals with disabilities become gainfully employed. These agencies provide a wide range of services to over 1 million individuals with disabilities annually, including vocational evaluation, counseling and guidance, work adjustment, diagnosis and treatment of physical and mental impairments, education and vocational training, job placement, and post-employment services. States that are unable to serve all eligible individuals with disabilities who apply must give priority to individuals with the most significant disabilities. Services are provided according to an individualized plan for employment. In 2013, the VR program helped over 182,000 individuals with disabilities—91 percent with significant disabilities—achieve employment outcomes.

The request for the VR State Grants program reflects the Administration's proposal to eliminate separate funding authorities for the smaller VR-related direct service programs under the Rehabilitation Act in order to reduce duplication of effort and administrative costs, streamline program administration at the Federal and State levels, and improve accountability. The $33 million increase over the fiscal year 2014 mandatory level would offset the reduction in funds resulting from the Administration's proposal. The request also includes $40.5 million for grants to Indian tribes.

Direct service programs proposed for elimination include Supported Employment State Grants and the Migrant and Seasonal Farmworkers program. The Administration is also proposing appropriations language that would override the requirement to reserve the portion of the Training program funds currently provided to State VR agencies to support in-service training for agency personnel. To lessen the potential impact of this proposal, the Administration is also proposing language that would give the Department flexibility to allocate up to $33 million of the

funds provided for the Vocational Rehabilitation State Grants program to States in accordance with a formula determined by the Secretary.

Client Assistance State Grants

	2013	2014	2015 Request
BA in millions	$11.6	$12.0	$12.0

This program makes formula grants to States for activities to inform and advise clients of benefits available to them under the Rehabilitation Act, to assist them in their relationships with service providers, and to ensure the protection of their rights under the Act. The request would support advocacy services for approximately 54,100 individuals with disabilities.

Training

	2013	2014	2015 Request
BA in millions	$33.7	$33.7	$30.2

The Training program makes competitive grants to State and other public or nonprofit agencies and organizations, including institutions of higher education, to help ensure that personnel with adequate skills are available to provide rehabilitation services to persons with disabilities. The request includes a reduction of $3.5 million from the 2014 level, reflecting the elimination of the funding reservation for the In-Service Training program. VR State Grant funds can be used for training State agency personnel, consistent with each agency's Comprehensive System of Personnel Development (CSPD) plan under Title I of the Rehabilitation Act. The proposal would eliminate the administrative costs involved in making small grants each year to State VR agencies under the Training program and improve the efficiency of training delivered under the Rehabilitation Act.

Demonstration and Training

	2013	2014	2015 Request
BA in millions	$5.0	$5.8	$5.8

This program supports competitive grants and contracts to expand and improve the provision and effectiveness of programs and services authorized under the Rehabilitation Act or to further the purposes of the Act in promoting the employment and independence of individuals with disabilities in the community. Funds are used to support model demonstrations, technical assistance, and projects designed to improve program performance and the delivery of VR and independent living services.

The majority of funds (about $4 million) would support new model demonstration grants to assist State VR agencies, in collaboration with their State and local partners, to improve employment outcomes for youths with significant disabilities transitioning from secondary school to postsecondary education and employment. Five-year grants would be awarded to develop and implement model VR strategies and services for youths with significant disabilities that would lead to increased college completion and preparation for employment.

Independent Living
(BA in millions)

	2013	2014	2015 Request
State Grants	$22.1	$22.9	$22.9
Centers	75.8	78.3	78.3
Services for Older Blind Individuals	32.2	33.3	33.3
Total	130.1	134.5	134.5

The Independent Living programs provide services to individuals with disabilities to maximize their independence and productivity and to help them integrate into the mainstream of American society. The State Grant program awards formula grants to States to expand and improve independent living services and to support the operation of centers for independent living. The Centers for Independent Living program makes competitive grants to support a network of independent living services. The formula-based Services for Older Blind Individuals program assists individuals aged 55 or older whose severe visual impairments make competitive employment difficult to obtain, but for whom independent living goals are feasible. The request would directly support 77 designated State units under the State Grants program and 56 grantees under the Services for Older Blind Individuals program.

Protection and Advocacy of Individual Rights (PAIR)

	2013	2014	2015 Request
BA in millions	$17.1	$17.6	$17.6

This formula grant program funds systems in each State to protect and advocate for the legal and human rights of individuals with disabilities, helping them to pursue legal and administrative remedies to secure their rights under Federal law. The PAIR systems also provide information on, and referrals to, programs and services for individuals with disabilities. The request would support advocacy services to approximately 63,100 individuals with disabilities.

National Institute on Disability and Rehabilitation Research

	2013	2014	2015 Request
BA in millions	$103.1	$104.0	$108.0

The National Institute on Disability and Rehabilitation Research (NIDRR) helps improve the lives of persons of all ages with disabilities through a comprehensive and coordinated program of research, demonstration projects, and related activities, including training of persons who provide rehabilitation services or conduct rehabilitation research. NIDRR awards discretionary grants that support Rehabilitation Engineering Research Centers; Rehabilitation Research and Training Centers; Model Systems projects for Spinal Cord Injury, Traumatic Brain Injury (TBI), and Burn Injury; and field-initiated research and development projects. NIDRR funds also support a wide range of additional research, demonstration, and training projects that address diverse issues affecting educational, employment, and independent living opportunities for persons with disabilities. The request includes an increase of $4.0 million more than the

2014 level for research activities in the employment domain. At least $86 million of the request would support continuation costs for grants made in previous years.

Helen Keller National Center for Deaf-Blind Youths and Adults

	2013	2014	2015 Request
BA in millions	$8.7	$9.1	$9.1

This program serves individuals who are deaf-blind, their families, and service providers through a national headquarters center with a residential training and rehabilitation facility and a network of 10 regional offices that provide referral, counseling, training, and technical assistance services. At the request level, the Center would provide direct services for approximately 65 clients in its residential training and rehabilitation program, and serve an estimated 1,500 consumers, 350 families, and 800 agencies and organizations through its regional offices.

Assistive Technology

	2013	2014	2015 Request
BA in millions	$31.1	$33.0	$31.0

Assistive Technology (AT) programs support grants to States to increase access to and funding for assistive technology devices and services for individuals with disabilities of all ages. The request includes $25.7 million for the AT State grant program, $4.3 million for the Protection and Advocacy for Assistive Technology program, and $1.0 million for technical assistance required under the AT Act's National Activities authority. The proposed decrease reflects the elimination of funding for a separate alternative financing program (AFP) that was authorized in the 2014 appropriations act. When Congress reauthorized the AT Act, it eliminated the separate AFP and required States to conduct State financing activities, including alternative financing loan programs, under the AT State grant program. Therefore, no funds are requested in fiscal year 2015 for this duplicative competitive grant program.

Special Institutions for Persons with Disabilities
(BA in millions)

	2013	2014	2015 Request
American Printing House for the Blind.....	$23.2	$24.5	$24.5
National Technical Institute for the Deaf.....	62.0	66.3	66.3
Gallaudet University.....	119.0	119.0	119.0
Total	204.2	209.8	209.8

The American Printing House for the Blind (APH) manufactures and distributes specially adapted educational materials for students who are visually impaired, offers advisory services for consumers and educational agencies, and conducts applied research related to the development of new products. At the request level, APH would provide free educational materials to approximately 60,000 persons with visual impairments at an average per student allotment of $298, continue funding for initiatives to improve its technical assistance and outreach services, and support a variety of new and continuing research projects.

The National Technical Institute for the Deaf (NTID) provides postsecondary technical education and training for students who are deaf as well as graduate education and interpreter training for persons who are deaf or hearing. NTID also conducts research and provides training related to the education and employment of individuals who are deaf. The request would support education and training for approximately 1,260 undergraduate and technical students, 90 graduate students, and 150 interpreters for persons who are deaf.

Gallaudet University offers undergraduate, continuing education, and graduate programs for persons who are deaf and hearing. Gallaudet also maintains and operates the Kendall Demonstration Elementary School and Model Secondary School for the Deaf (MSSD). The request provides $119.0 million for operations, including funds that may be used for the Endowment Grant program. The request would help Gallaudet serve an estimated 1,852 undergraduate and graduate students and 275 elementary and secondary education students in the 2014-15 school year.

D. CAREER, TECHNICAL, AND ADULT EDUCATION

Overview

Programs in the Career, Technical, and Adult Education account provide formula grants to States to support State and community efforts to improve career and technical education, adult education and literacy systems, and competitive grants and contracts for evaluation, performance measurement and improvement, technical assistance, research and development, innovative programs, and other national activities. For 2015, the Administration is proposing to reauthorize the Carl D. Perkins Career and Technical Education Act programs to increase the rigor and relevance of what students learn in school to more closely align programs with the demands of the 21st century economy and workforce while creating stronger linkages between secondary and postsecondary education. The 2015 request also includes $597.7 million for Adult Education programs, including a new $20 million Skills Challenge Grants proposal that would build evidence of effectiveness and demonstrate innovative models for transforming our adult education system.

Career and Technical Education
(BA in millions)

	2013	2014	2015 Request
Career and Technical Education			
State Grants	$1,064.5	$1,117.6	$1,117.6
National Programs	7.4	7.4	7.4
Total	1,071.9	1,125.0	1,125.0

Funds for the CTE program would support the first year of activity under a reauthorized Carl D. Perkins Career and Technical Education Act (Perkins Act). In April 2012, the Administration released "Investing in America's Future: A Blueprint for Transforming Career and Technical Education," which outlined the Administration's proposal for reauthorizing the Perkins Act to help ensure that all CTE programs become viable and rigorous pathways to postsecondary and career success. The Blueprint calls for transforming CTE by promoting:

- Effective alignment between high-quality CTE programs and labor market needs to equip students with 21st-century skills and prepare them for in-demand occupations in high-growth industry sectors;
- Strong collaboration among secondary and postsecondary institutions, employers, and industry partners to improve the quality of CTE programs;
- Meaningful accountability for improving academic outcomes and building technical and employability skills in CTE programs for all students; and
- Increased emphasis on innovation through development and implementation of new practices and models at the local level and systemic reform of State policies and practices.

The request for CTE State Grants includes up to $100 million for a competitive CTE innovation fund, including $10 million for "Pay-for-Success" projects. Initial investments under this set-

aside might include projects to develop programs or strategies to (1) provide services that help disconnected youth access career pathways in high-skill, high-wage jobs; (2) expand the capacity of rural and remote communities to provide access to articulated pathways to industry-recognized postsecondary credentials or degrees for in-demand industry sectors and occupations; or (3) use technology to improve service delivery and provide learning experiences to students through the use of virtual simulations of workplace equipment.

CTE National Programs would support implementation of a reauthorized Perkins Act through research, evaluation, data collection, technical assistance, and other national leadership activities aimed at improving the quality and effectiveness of career and technical education.

Adult Education (Adult Basic and Literacy Education)
(BA in millions)

	2013	2014	2015 Request
Adult Basic and Literacy Education			
State Grants	$564.0	$564.0	$564.0
Skills Challenge Grants	—	—	20.0
National Leadership Activities	10.7	13.7	13.7
Total	574.7	577.7	597.7

Adult Basic and Literacy Education State Grants assist adults without a high school diploma or the equivalent to become literate and obtain the knowledge and skills necessary for postsecondary education, employment, and economic self-sufficiency. The reauthorization of the Adult Education and Family Literacy Act, authorized by Title II of the Workforce Investment Act, provides the opportunity to better align the Adult Education program with Federal job training programs and the postsecondary education system. The request for State Grants includes $70.8 million for the English Literacy/Civics Education set-aside to help States and communities provide adults learning English with expanded access to high-quality English literacy programs linked to civics education.

Funds proposed for National Leadership Activities would continue to support efforts to increase the literacy and workforce skills of adults born in the U.S., as well as the ongoing need to address the English language acquisition, literacy, and workforce skills gaps of the immigrant population. The request would also make additional awards to support reentry education models, an activity launched in fiscal year 2013 through the Promoting Reentry Success through Continuity of Educational Opportunities competition.

The 2015 request also includes a new, $20 million Skills Challenge Grants proposal under National Leadership Activities. This new program would support partnerships—among States, adult education providers, institutions of higher education, and private organizations, including industry representatives with identified regional or local workforce needs—that build evidence of effectiveness and demonstrate innovative models for transforming our adult education system. These partnerships would develop and scale up evidence-based models that combine basic skills education with training so that participants have access to high-quality programs that equip them with the skills necessary to find jobs in high-demand fields or transition into credit-bearing postsecondary education and training. Grantees would also build evidence of effective practices through rigorous evaluations.

E. STUDENT FINANCIAL ASSISTANCE

Overview

The student financial assistance programs provide important resources to students and families to help them achieve their dreams of a postsecondary education. Over the course of his administration, President Obama has focused on targeted investments in and improvements to these programs, including increasing the maximum Pell Grant award by $1,000, creating and extending the American Opportunity Tax Credit, making loans more affordable, and helping borrowers manage debt repayment. Going forward, a new ratings system, currently in development, would improve college transparency and accountability by identifying colleges that provide the best value to students and encouraging all colleges to improve. The 2015 request continues this focus on making college more affordable, driving higher performance, and ensuring that students have the information, resources, and support they need to enroll in college, graduate, and, for those students with education-related loans, repay their student loan debt.

Overall, the 2015 Budget includes both discretionary and mandatory funding that would make available $142.8 billion in new grants, loans, and work-study assistance—an increase of $45.1 billion, or 46 percent, over the amount available in 2008—to help an estimated 12.8 million students and their families pay for college. Key proposals include:

Expanding and Improving the PAYE Repayment Plan

The 2015 Budget proposes to expand the Pay As You Earn (PAYE) plan to all qualified student borrowers beginning in 2015, regardless of when they borrowed. PAYE lowers monthly payments for borrowers who have high loan debt and modest incomes, helping to protect them from unmanageable student loan burdens. The request proposes reforms to PAYE terms to ensure that the program is well-targeted and provides a safeguard against rising tuition at high-cost institutions. Additionally, it makes the PAYE repayment plan the only income-driven repayment plan option for new borrowers as of July 1, 2015.

Supporting and Improving the Pell Grant Program

The Pell Grant program—the cornerstone of Federal efforts to make a postsecondary education affordable for low-income students—is supported by a request of $22.8 billion in discretionary funds as well as $6.4 billion in mandatory funds. Total funding of $29.2 billion would provide Pell Grant awards to nearly 8.9 million students during the 2015-2016 award year, while increasing the maximum Pell Grant award to an expected $5,830. The Budget would make changes to Pell Grant eligibility provisions by strengthening academic progress requirements to encourage students to complete their studies on time. The Budget would also provide Pell Grant eligibility to students who are co-enrolled in adult and postsecondary education as part of a career pathway program to allow adults without a high school diploma to gain the knowledge and skills they need to secure a good job.

Campus-Based Aid

- Reforming the campus-based aid programs by targeting campus-based aid funds to institutions with a demonstrated commitment to providing their students a high-quality education at a reasonable price. The request would revise current allocation formulas for Supplemental Educational Opportunity Grants and Work-Study to reward institutions that enroll and graduate higher numbers of Pell-eligible students while offering an affordable and quality education such that graduates obtain employment and repay their educational debt.

- Reforming and expanding the Perkins Loan program—the third campus-based student aid program—to provide $8.5 billion in new loan volume annually—eight and a half times the current Perkins volume. The expanded program would support Perkins Loans at approximately 2,700 additional postsecondary education institutions, providing more students with increased access to affordable loan funds that carry important protections and benefits. The new Perkins Loan program would address the scheduled expiration of the existing program. Savings from the new program would be reinvested in the Pell Grant program to help maintain the maximum Pell award. Lending authority would be allocated to institutions based on their students' financial needs and their record in enrolling and graduating higher numbers of Pell-eligible students, and offering both an affordable and quality education enabling their graduates to repay their educational debt.

College Opportunity and Graduation Bonus

The Administration's 2015 Budget includes a mandatory College Opportunity and Graduation Bonus proposal that would reward colleges that successfully enroll and graduate a significant number of low- and moderate-income students on time and encourage institutions to improve their performance. Eligible institutions would receive an annual "bonus" grant equal to their number of on-time Pell graduates multiplied by a tiered bonus amount per student, varying by institution type. In addition, this new program would encourage institutions to continue improving their performance by providing a larger bonus amount for additional Pell graduates. Eligibility would be based on Pell students comprising a significant share of an institution's graduating class, graduation rates, and student loan default rates. The estimated total 10-year cost of the College Opportunity and Graduation Bonus proposal is $7 billion. Bonus grants would be used for making key investments and adopting best practices that would further increase college access and success for low-income students, such as by awarding additional need-based financial aid, enhancing academic and student support services, improving student learning and other outcomes while reducing costs, using technology to accelerate improvements, and establishing or expanding accelerated learning opportunities, as well as other innovations, interventions, and reforms.

College Success Grants for Minority-Serving Institutions

The request also would provide $75 million for competitive grants to support institutions that are designated under Title III or Title V of the Higher Education Act as a Historically Black College or University or Minority-Serving Institution, which includes Hispanic Serving Institutions, Predominately Black Institutions, Tribally Controlled Colleges and Universities, Asian American and Native American Pacific Islander-Serving Institutions, Native American-Serving Nontribal Institutions, and Alaska Native and Native Hawaiian Institutions.

Institutions would be able to apply individually or in consortia. Grants would be awarded based on the quality of proposals, including the likelihood that they would result in increased numbers of Pell Grant recipients completing postsecondary education. Grants would support implementation of sustainable strategies, processes and tools, including those based on technology upgrades, to reduce costs and improve outcomes for students, including one or more of the following:

- Partnering with school districts and schools to provide college recruitment, awareness, and preparation activities to enable students to enter and complete postsecondary education.
- Establishing high-quality dual-enrollment programs.
- Implementing evidence-based course redesigns of high enrollment courses to improve student outcomes and reduce costs.
- Providing need-based aid with incentives for on-time completion.
- Providing comprehensive student support services, both academic and non-academic.
- Reducing the need for, and improving the success of, remedial education.

Institutions would be required to establish performance goals for the duration of the grant (4 years), and continued funding would be conditional upon successful progress toward the goals. Funding would be used to implement evidence-based approaches and systems, as well as for evaluation and continuous improvement.

Federal Student Aid and Tax Benefits for College Students

In addition to Pell Grants, low-interest student loans, and the campus-based student aid programs, the Federal Government also provides tax relief to American students and families through several credits, exclusions, and deductions. These benefits, in comparison with the amounts provided by the student financial aid programs, are displayed below.

Federal Assistance to College Students	**Fiscal Year**		**Change**	
	2008	**2015 Request**	**Dollars**	**Percent**
Student Aid Available	$97.7 billion	$142.8 billion	$45.1 billion	46%
Selected Tax Benefits	$7.5 billion	$18.7 billion	$11.2 billion	149%

Student Aid Summary Tables

Budget Authority (dollars in millions)	2013	2014	2015 Request
Pell Grants			
Discretionary funding	$22,778.4	$22,778.4[1]	$22,778.4[1]
Mandatory funding	12,441.2	6,167.0[1]	6,397.0[1]
Subtotal, Pell Grants	35,219.5	28,945.4	29,175.4
Supplemental Educational Opportunity Grants	696.2	733.1	733.1
Work-Study	925.6	974.7	974.7
TEACH Grants [2]	14.8	18.4	17.9
Iraq and Afghanistan Service Grants	0.2	0.3	0.4
Federal Family Education Loans	-6,843.6[3]	-5,676.0[3]	—
Federal Direct Loans	-38,184.5[4]	-14,791.6[4]	-7,156.3[4]
Unsubsidized Perkins Loans	—	—	-827.7[5]
Total	-8,171.8	10,204.3	22,917.5

[1] Amounts appropriated for Pell Grants for 2013, 2014, and 2015 include mandatory funding provided by the Consolidated Appropriations Act, 2012; and the Budget Control Act of 2011. Mandatory funding was also provided in the College Cost Reduction and Access Act, as amended.

[2] For budget and financial management purposes, this program is operated as a credit program under the Federal Credit Reform Act of 1990. Budget authority reflects the estimated net present value of future Federal non-administrative costs for awards made in a given fiscal year. Budget amounts for 2013 and 2014 include new loan subsidy and upward reestimates and exclude downward reestimates. The downward reestimate for 2014 was $13.3 million. The amount for 2015 reflects new loan subsidy.

[3] FFEL budget authority does not include the Liquidating account. The 2013 amount includes a net downward reestimate of -$6.8 billion primarily related to revised interest rates. The 2014 amount includes a net downward reestimate of -$1.7 billion primarily related to revised interest rate assumptions, and a net downward modification of -$4.0 billion as a result of the changes to guaranty agency loan retention and compensation passed in the Bipartisan Budget Act of 2013. These reestimates and modifications reflect the impact of changes on an outstanding FFEL portfolio of over $296 billion.

[4] The 2013 amount includes a net downward reestimate of -$8.2 billion primarily related to revised interest rates. The 2014 amount includes a net upward reestimate of $6.8 billion, primarily related to revised interest rates and increased participation in income-based repayment plans. The 2015 amount includes a net upward modification of $7.2 billion to reflect the budgetary impact of the proposed changes to PAYE. (Reestimates and modifications reflect the impact of changes on an outstanding Direct Loan portfolio of $585 billion.)

[5] Amount in 2015 reflects proposal to create a new Perkins Loan program as a mandatory credit program.

Aid Available to Students (dollars in millions)

	2013	2014	2015 Request
Pell Grants	$32,351.7	$32,958.4	$33,876.7
Supplemental Educational Opportunity Grants	926.1	975.3	975.3
Work-Study	1,100.3	1,158.7	1,158.7
Iraq and Afghanistan Service Grants	0.3	0.3	0.4
New Student Loans:			
Federal Direct Loans	101,255.9	99,647.2	101,554.6
Perkins Loans	1,010.6	1,010.6	1,010.6
Unsubsidized Perkins Loans	—	—	4,113.4
TEACH Grants	93.0	96.3	98.5
Subtotal, Student Loans	102,359.5[1]	100,754.2[1]	106,777.2[1]
Total	136,737.9[2]	135,846.9[2]	142,788.3[2]

[1] In addition, Consolidation Loans for existing borrowers will total $27.5 billion in 2013, $25.4 billion in 2014, and $27.0 billion in 2015.

[2] Shows total aid generated by Department programs, including Perkins Loan capital from institutional revolving funds, and institutional matching funds.

Number of Student Aid Awards
(in thousands)

	2013	2014	2015 Request
Pell Grants	8,861.0	8,711.0	8,854.0
Supplemental Educational Opportunity Grants	1,545.0	1,627.0	1,627.0
Work-Study	655.6	690.4	690.4
Iraq and Afghanistan Service Grants [1]	—	—	—
New Student Loans: [2]			
Federal Direct Loans	20,240.9	19,240.4	19,085.8
Perkins Loans	499.8	499.8	499.8
Unsubsidized Perkins Loans	—	—	766.3
TEACH Grants	32.4	33.7	34.1
Total awards	31,834.9	30,802.5	31,557.6

[1] Less than 1,000 recipients in each year.

[2] In addition, Consolidation Loans for existing borrowers will total 670,000 in 2013, 511,000 in 2014, and 523,000 in 2015.

Number of Postsecondary Students Aided by Department Programs

	2013	2014	2015
Unduplicated Count (in thousands)	13,395	12,852	12,838

Tax Benefits for Postsecondary Students and Their Families

In addition to the Department of Education's grant, loan, and work-study programs, significant support for postsecondary students and their families is available through tax credits and deductions for higher education expenses, including tuition and fees. For example, in fiscal year 2014, the Federal Government will spend an estimated $15.5 billion for the American Opportunity Tax Credit, which provides a credit equaling 100 percent of the first $2,000 of tuition and fees and 25 percent of the remaining tuition and fees, up to a total credit of $2,500; nearly $2 billion for the Lifetime Learning tax credit, a credit of up to $2,000 for undergraduate and graduate tuition and fees; and $1.45 billion for above-the-line deductions for interest paid on postsecondary student loans.

Federal Pell Grant Program

	2013	2014	2015 Request
BA in millions			
Discretionary budget authority	$22,778.4	$22,778.4	$22,778.4
Mandatory budget authority	4,854.2	5,579.0	6,397.0
Definite mandatory funding	7,587.0	588.0	—
Total	35,219.5	28,945.4	29,175.4
Program costs (dollars in millions)	32,396.0	33,002.0	33,921.0
Aid available (dollars in millions)	32,351.7	32,958.4	33,876.7
Recipients (in thousands)	8,861	8,711	8,854
Maximum grant (in whole dollars)			
Discretionary portion	$4,860	$4,860	$4,860
Mandatory add-on	785	870	970
Total	5,645	5,730	5,830
Average grant (in whole dollars)	3,651	3,784	3,826

The Pell Grant program helps ensure financial access to postsecondary education by providing grant aid to low-income undergraduate students. The program is the largest need-based postsecondary student grant program, with individual awards based on the financial circumstances of students and their families. The 2015 discretionary request of $22.8 billion for Pell Grants would continue to make college more affordable for 8.9 million students by supporting the scheduled increase in current law in the maximum Pell award by an estimated $100, from $5,730 in award year 2014-2015, to $5,830 in award year 2015-2016, while also fully funding the program through award year 2016-2017.

In addition to fully funding the Pell program in fiscal year 2015, the Budget proposes making a down payment toward addressing the long-term Pell funding gap by reforming and expanding the Perkins Loan program. The savings associated with this proposal would help offset the growing costs of the Pell Grant program in future years, while still ensuring that aid is available to the neediest college students.

Campus-Based Programs

The Supplemental Educational Opportunity Grants (SEOG), Work-Study, and Perkins Loan programs are called the "campus-based" programs because they make grants directly to participating institutions, which have considerable flexibility to package awards based on the needs of their students. The 2015 request would reform these programs to assist students attending those institutions that enroll and graduate higher numbers of Pell-eligible students and offer an affordable and quality education such that graduates can repay their educational debt.

In addition, the request would expand and reform the Perkins Loan program to significantly increase both lending authority and the number of participating institutions, in part by modifying the formula used to allocate funding to institutions, which currently is based primarily on institutions' longevity in the program.

These reforms, collectively, seek to provide increased access to college by making it more affordable for students with financial need and better targeting resources to institutions that demonstrate success in the areas of access, affordability, completion, and quality, to ensure that students are well-prepared for work and life after graduation.

Supplemental Educational Opportunity Grants

	2013	2014	2015 Request
BA in millions	$696.2	$733.1	$733.1
Aid available (dollars in millions)	$926.1	$975.3	$975.3
Recipients (in thousands)	1,545	1,627	1,627
Average award (in whole dollars)	$599	$599	$599

This program provides grant assistance of up to $4,000 per academic year to undergraduate students with demonstrated financial need. Program funds are allocated to institutions according to a statutory formula and require a 25 percent institutional match. The $733.1 million request would leverage $242 million in institutional matching funds to make available a total of more than $975 million in grants to an estimated 1.6 million recipients. Awards to students are determined at the discretion of institutional financial aid administrators, although schools are required to give priority to Pell Grant recipients and students with the lowest expected family contributions. The request would reform the institutional allocation formula to direct funding toward institutions that enroll and graduate higher numbers of Pell-eligible students, and offer an affordable and quality education such that graduates can repay their educational debt.

Work-Study

	2013	2014	2015 Request
BA in millions	$925.6	$974.7	$974.7
Aid available (dollars in millions)	$1,100.3	$1,158.7	$1,158.7
Recipients (in thousands)	656	690	690
Average award (in whole dollars)	$1,678	$1,678	$1,678

The Work-Study program provides grants to participating institutions to pay up to 75 percent of the wages of eligible undergraduate and graduate students working part-time to help pay their college costs. The school or other eligible employer provides the balance of the student's wages. The Budget proposes to level-fund Work-Study at the 2014 amount – $974.7 million – which, when combined with institutional matching funds, would make available nearly $1.16 billion to an estimated 690,000 recipients. Funds are allocated to institutions according to a statutory formula and individual award amounts to students are determined at the discretion of institutional financial aid administrators. The request would reform the institutional allocation formula to direct funding toward institutions that enroll and graduate higher numbers of Pell-eligible students, and offer an affordable and quality education such that graduates can repay their educational debt.

Perkins Loans

	2013	2014	2015 Request
Perkins Loans (current program):			
Aid available (dollars in millions)	$1,010.6	$1,010.6	$1,010.6
Recipients (in thousands)	500	500	500
Average loan (in whole dollars).....	$2,022	$2,022	$2,022
Unsubsidized Perkins Loans:			
Loan subsidies (BA in millions)	—	—	-$827.7
Aid available (dollars in millions)	—	—	$4,113.4
Recipients (in thousands)	—	—	766
Average loan (in whole dollars).....	—	—	$5,368

The Perkins Loan program provides long-term, low-interest loans to undergraduate and graduate students with demonstrated financial need at roughly 1,700 institutions. Perkins Loan borrowers pay no interest during in-school, grace, and deferment periods, and are charged 5 percent interest during the principal repayment period. Annual borrowing limits are $5,500 for undergraduate students and $8,000 for graduate and professional students.

The Administration is proposing to create a reformed and expanded Perkins Loan program as part of its overall effort to improve and strengthen the campus-based programs. The proposal would provide $8.5 billion in new loan volume annually—eight and a half times the current annual Perkins volume—and reach students at up to 2,700 additional postsecondary education institutions. Savings from this proposal, estimated at $6 billion in outlays over 10 years would be redirected to the Pell Grant program to help maintain the maximum Pell award. These reforms would also address the scheduled expiration of the program. Under the Administration's proposal, Unsubsidized Perkins Loans would carry the same annually-determined fixed interest rate as that proposed for Unsubsidized Stafford Loans. Loan limits for both undergraduate and graduate students would remain the same as in the current Perkins program. The Department of Education, rather than institutions, would service Perkins Loans. Lending authority would be allocated among institutions in the same manner as the other campus-based programs—the request would reform the institutional allocation formula to direct

funding toward institutions that enroll and graduate higher numbers of Pell-eligible students, and offer an affordable and quality education such that graduates can repay their educational debt.

Iraq and Afghanistan Service Grants

	2013	2014	2015 Request
BA in thousands	$236	$285	$355
Aid available (dollars in thousands)	$273	$341	$418
Recipients (in thousands)	* [1]	* [1]	* [1]
Average award (in whole dollars)	$1,678	$1,678	$1,678

[1] Number of recipients estimated to be less than 1,000.

The Iraq and Afghanistan Service Grant program provides non-need-based grants to students whose parent or guardian was a member of the Armed Forces who died in Iraq or Afghanistan as a result of performing military service after September 11, 2001. Students are not required to be eligible for a Pell Grant in order to receive a Service Grant; however, the student must be 24 years old or younger; or, if older than 24, must have been enrolled in an institution of higher education at the time of the parent or guardian's death. Service Grants are equal to the maximum Pell Grant for a given award year, which is projected to be $5,830 for the 2015-2016 award year.

TEACH Grants

	2013	2014	2015 Request
BA in millions	$13.1 [1]	$14.6 [1]	$17.9 [1]
Aid available to students (in millions)	$93.0	$96.3	$98.5
Recipients (in thousands)	32.4	33.7	34.1
Maximum grant (in whole dollars)	$4,000	$4,000	$4,000
Average grant (in whole dollars)	$2,873	$2,861	$2,886

[1] Amounts for 2013 and 2014 include new loan subsidy and upward reestimates, and exclude downward reestimates. The downward reestimate for 2014 was -$13.3 million. The amount for 2015 reflects new loan subsidy.

The TEACH Grant program awards annual grants of up to $4,000 to eligible undergraduate and graduate students who agree to serve as a full-time mathematics, science, foreign language, bilingual education or other English language program, special education, or reading teacher at a high-need school for not less than 4 years within 8 years of graduation. For students who fail to fulfill this service requirement, grants are converted to Direct Unsubsidized Stafford Loans with interest accrued from the date the grants were awarded.

For budget and financial management purposes, the TEACH program is operated as a loan program with 100 percent forgiveness of outstanding principal and interest upon completion of a student's service requirement. Grants are converted to Direct Unsubsidized Stafford Loans if students do not complete the required service. Consistent with the requirements of the Credit

Reform Act of 1990, budget authority for this program reflects the estimated net present value of all future non-administrative Federal costs associated with awards made in a given fiscal year.

Federal Family Education Loans and Direct Loans
(in millions)

	2013	2014	2015 Request
Federal Family Education Loans			
Net modification of existing loans	—	-$4,020.4 [1]	—
Net reestimate of existing loans	-$6,843.6 [2,3]	-1,655.7 [2,3]	—
Total, FFEL program BA	-6,843.6	-5,676.0	—
Federal Direct Loans			
New loans subsidies (BA)	-30,032.8 [2]	-21,585.2 [2]	-$14,399.5 [2]
Net modification of existing loans	—	—	7,243.2 [1]
Net reestimate of existing loans	-8,151.7 [3]	6,793.6 [3]	—
Total, new budget authority	-38,184.5	-14,791.6	-7,156.3
Total, student loans (BA)	-45,028.1	-20,467.6	-7,156.3

[1] Under Credit Reform, costs or savings related to the impact of policy changes on existing loans are reflected in the current year. The amount of 2014 FFEL modification reflects the impact of changes to guaranty agency loan retention and compensation in the Bipartisan Budget Act of 2013. The 2015 Direct Loan modification reflects the impact of the proposed changes to the Pay As You Earn repayment plan.

[2] Total includes amount for Consolidation Loans.

[3] Under Credit Reform, the subsidy amounts are reestimated annually in both Direct Loans and FFEL to account for changes in long-term projections. Reestimates and modifications reflect the impact of changes on outstanding portfolios of $296 billion for FFEL, $90 billion for ECASLA, and $585 billion for Direct Loans.

New loan volume (in millions)	2013	2014	2015 Request
Direct Loans			
Stafford loans	$27,398.0	$26,225.8	$25,984.4
Unsubsidized Stafford loans	55,873.5	54,662.8	55,775.7
PLUS loans	17,984.4	18,758.6	19,794.6
Total	101,255.9 [1]	99,647.2 [1]	101,554.7 [1]
Number of new loans (in thousands)			
Direct Loans			
Stafford loans	8,525	8,069	7,944
Unsubsidized Stafford loans	10,408	9,861	9,824
PLUS loans	1,307	1,310	1,318
Total	20,240 [1]	19,240 [1]	19,086 [1]

[1] In addition, Consolidation Loans for existing borrowers will total $26.7 billion and 670,000 loans in 2013, $25.4 billion and 511,000 loans in 2014, and $27.0 billion and 523,000 loans in 2015.

The Department of Education operates two major student loan programs—the Federal Family Education Loan (FFEL) program and the William D. Ford Federal Direct Loan (Direct Loan) program—but since July 1, 2010, the Department has made new loans only through the Direct Loan program. The legacy FFEL program made loans to students and their families through private lenders. State and private nonprofit guaranty agencies administered the Federal guarantee which protected FFEL lenders against losses related to borrower default, collected on defaulted loans, and provided other services to lenders. Under the Direct Loan program, the Federal Government provides the loan capital and schools disburse loan funds to students. The Department carries out its loan origination and servicing functions under Direct Loans through private contractors. The Direct Loan program features four types of loans:

- Stafford Loans are subsidized, low-interest loans based on financial need. The Federal Government pays the interest while the student is in school and during certain grace and deferment periods. The current interest rate for undergraduate loans made in academic year 2013-2014 is 3.86 percent. As of July 1, 2012, only undergraduate students are eligible for subsidized Stafford loans. Additionally, interest will accrue during a student's grace period for Stafford Loans originated between July 1, 2012 and June 30, 2014.

- Unsubsidized Stafford Loans have a fixed interest rate of 3.86 percent for undergraduate borrowers and 5.41 percent for graduate and professional borrowers in academic year 2013-2014, but the Federal Government does not pay interest for the student during in-school, grace, and deferment periods.

- PLUS Loans are available to parents of dependent undergraduate students, and to graduate and professional students. The interest rate is 6.41 percent in academic year 2013-2014 and the Federal Government does not pay interest during in-school, grace, and deferment periods.

- Consolidation Loans allow borrowers with multiple student loans who meet certain criteria to combine their loans and extend their repayment schedules. The rate for both FFEL and Direct Consolidation Loans is based on the weighted average of loans consolidated rounded up to the nearest 1/8th of 1 percent. The resulting rate for the consolidated loan is then fixed for the life of the loan.

The 2015 Budget proposes to extend Pay As You Earn (PAYE) to all student borrowers and reform the PAYE terms to ensure that program benefits are targeted to the neediest borrowers. The reforms also aim to safeguard the program for the future, including by protecting against institutional practices that may further increase student indebtedness. In addition, to simplify borrowers' experience while reducing program complexity, PAYE would become the only income-driven repayment plan for borrowers who originate their first loan on or after July 1, 2015, which would allow for easier selection of a repayment plan. Students who borrowed their first loans prior to July 1, 2015, would continue to be able to select among the existing repayment plans (for plans for which they now qualify and for loans originated through their current course of study), in addition to the modified PAYE.

The Budget proposes additional changes to PAYE that include:

- Eliminating the standard payment cap under PAYE so that high-income, high-balance borrowers pay an equitable share of their earnings as their income rises;

- Calculating payments for married borrowers filing separately on the combined household Adjusted Gross Income;

- Capping Public Sector Loan Forgiveness (PSLF) at the aggregate loan limit for independent undergraduate students to protect against institutional practices that may further increase student indebtedness, while ensuring the program provides sufficient relief for students committed to public service;

- Establishing a 25-year forgiveness period for borrowers with balances above the aggregate loan limit for independent undergraduate students;

- Preventing payments made under non-income driven repayment plans from being applied toward PSLF to ensure that loan forgiveness is targeted to students with the greatest need; and

- Capping the amount of interest that can accrue when a borrower’s monthly payment is insufficient to cover interest costs, to avoid ballooning loan balances.

F. HIGHER EDUCATION PROGRAMS

Overview

The Administration's 2015 request includes $2.3 billion in discretionary funds for Higher Education Programs to help achieve the President's goal of significantly increasing the percentage of Americans with postsecondary degrees or industry-recognized certificates and return our Nation to First in the World in college attainment so that by 2020 American would once again have the highest proportion of college graduates in the world.

The Administration's Budget invests in innovation at the institutional level through a $175 million request for the Fund for the Improvement of Postsecondary Education (FIPSE). This proposal includes approximately $100 million for First in the World, which would build on the 2014 competition, and continue to support innovative strategies and practices shown to be effective in improving educational outcomes and making college more affordable for students and families. The request also includes $75 million to support a new College Success Grants for Minority-Serving Institutions initiative. These grants would assist Minority-Serving Institutions (MSIs) in developing sustainable strategies, processes and tools—including those based on technology—to reduce costs and improve student outcomes.

The request includes $52.0 million, an increase of $51.4 million, for GPRA data/HEA program evaluation to support pilot and demonstration program studies, postsecondary evaluations, the development and refinement of a college ratings system, and activities to improve program performance measurement.

To help close gaps between racial and socioeconomic groups in college enrollment and degree attainment, the request provides $422.8 million in discretionary funding for the Aid for Institutional Development programs, the same as the 2014 level. The request would strengthen institutions of higher education that serve high proportions of minority and disadvantaged students, including Historically Black Colleges and Universities (HBCUs) and Historically Black Graduate Institutions (HBGIs), by improving their academic programs, institutional capacity, and student support services. The Budget also provides $107.4 million in discretionary funding for the Aid for Hispanic-Serving Institutions programs.

The request would provide $838.3 million to maintain college preparation and completion activities for participants in the Federal TRIO Programs, as well as $301.6 million to assist middle and high school students in preparing for college through Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). These programs are crucial for helping to meet the President's college attainment goal by getting more students into and through postsecondary education.

In addition, the Higher Education request includes $76.2 million, an increase of $4 million over the 2014 level, for the International Education and Foreign Language Studies programs, which help meet the Nation's security and economic needs through the development of expertise in foreign languages and area and international studies. The Budget also provides $29.3 million for merit- and need-based scholarships and fellowships to postsecondary students under Graduate Assistance in Areas of National Need (GAANN) programs.

Title III: Aid for Institutional Development
(BA in millions)

	2013	2014	2015 Request
Strengthening Institutions (SIP)	$76.4	$79.1	$79.1
Strengthening Tribally Controlled Colleges and Universities (TCCUs)	24.4	25.2	25.2
Strengthening Tribally Controlled Colleges and Universities (mandatory TCCUs)	28.5 [1]	27.8 [1]	30.0 [1]
Strengthening Alaska Native and Native Hawaiian-serving Institutions (ANNHs)	12.2	12.6	12.6
Strengthening Alaska Native and Native Hawaiian-serving Institutions (mandatory ANNHs)	14.2 [1]	13.9 [1]	15.0 [1]
Strengthening Historically Black Colleges and Universities (HBCUs)	216.1	223.8	223.8
Strengthening Historically Black Colleges and Universities (mandatory HBCUs)	80.7 [1]	78.9 [1]	85.0 [1]
Strengthening Historically Black Graduate Institutions (HBGIs)	55.9	57.9	57.9
Master's Degree Programs at HBCUs and PBIs (mandatory HBCUs/PBIs)	10.9 [2]	10.7 [2]	—
Strengthening Predominantly Black Institutions (PBIs)	8.8	9.1	9.1
Strengthening Predominantly Black Institutions (mandatory PBIs)	14.2 [1]	13.9 [1]	15.0 [1]
Strengthening Asian American and Native American Pacific Islander-serving Institutions (AANAPISIs)	3.0	3.1	3.1
Strengthening Asian American and Native American Pacific Islander-serving Institutions (mandatory AANAPISIs)	4.7 [1]	4.6 [1]	5.0 [1]
Strengthening Native American-serving nontribal institutions (NASNTIs)	3.0	3.1	3.1
Strengthening Native American-serving nontribal institutions (mandatory NASNTIs)	4.7 [1]	4.6 [1]	5.0 [1]
Minority Science and Engineering Improvement (MSEIP)	9.0	9.0	9.0
Total	566.6	577.4	577.8
Discretionary	408.6	422.8	422.8
Mandatory	158.0	154.5	155.0

[1] Mandatory appropriations provided under Section 371 of the HEA, as amended by the Student Aid and Fiscal Responsibility Act (SAFRA) within the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152). These figures include sequester reductions of 5.1 percent in 2013 and 7.2 percent in 2014 that went into effect October 1, 2013, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

[2] These funds are mandatory appropriations provided under Section 897 of the HEA. These figures include sequester reductions of 5.1 percent in 2013 and 7.2 percent in 2014 that went into effect October 1, 2013, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

The request for Title III maintains support for institutions that serve large percentages of minority and disadvantaged students. Title III funding, which is awarded both competitively and by a formula that directs aid to specified institutions, helps provide equal educational opportunity and strong academic programs for these students and enhances the financial stability of the institutions that serve them. Funds may be used to plan, develop, and implement activities that support faculty development; administrative management; development and improvement of academic programs; joint use of libraries and laboratories; construction, maintenance, and renovation of instructional facilities; student services; and endowment funds.

Strengthening Institutions supports institutions that provide educational opportunities to low-income and minority students. This funding level would support 132 continuation grants and would enable the Department to award new development grants.

Strengthening Tribally Controlled Colleges and Universities (TCCUs) supports 34 Tribal Colleges and Universities located primarily in remote areas not served by other postsecondary education institutions. These institutions offer a broad range of degree and vocational certificate programs to students for whom these educational opportunities would otherwise be geographically and culturally inaccessible. In addition, $30 million in mandatory funds is available under section 371 of the HEA for TCCUs.

Strengthening Alaska Native and Native Hawaiian-serving Institutions supports institutions with undergraduate enrollments that are at least 20 percent Alaska Native and at least 10 percent Native Hawaiian students, respectively. The request would fund approximately 15 new and 3 continuation awards for these institutions, which typically are located in remote areas not served by other institutions. The Department also will use $15 million in fiscal year 2015 mandatory funds to award 12 continuation grants.

Strengthening Historically Black Colleges and Universities supports any accredited, legally authorized HBCU that was established prior to 1964 and which retains a principal mission of educating African-Americans. Fiscal year 2015 funding would support 96 HBCUs. In 2015, $85 million in mandatory funding is available for HBCUs.

Strengthening Historically Black Graduate Institutions supports 24 institutions with schools of law, medical schools, or other graduate programs.

Strengthening Predominantly Black Institutions (PBIs) are primarily urban and rural 2-year colleges that have an enrollment of undergraduate students that is at least 40 percent African-American and that serve at least 50 percent low-income or first-generation college students. The request would support the fifth year of funding for 35 PBI grantees. In addition, $15 million in mandatory funding is available in 2015 for continuation awards to 27 grantees.

Strengthening Asian American and Native American Pacific Islander-serving Institutions supports institutions with undergraduate enrollments that are at least 10 percent Asian American and Native American Pacific Islander. This funding level would support a competition for new awards for institutions serving this diverse population. In addition, mandatory funding of $5 million is available in 2015 to support 11 continuation awards for these institutions.

Strengthening Native American-serving Nontribal Institutions supports institutions that are not designated as TCCUs, yet enroll at least 10 percent Native American students and serve at least 50 percent low-income students. The discretionary request would support a competition for new awards and an additional $5 million in mandatory funds would support 13 continuation grants.

The Minority Science and Engineering Improvement program would fund approximately 14 new grants and 24 continuation grants that support improvement in science and engineering education at predominantly minority institutions and increase the participation of underrepresented ethnic minorities, particularly minority women, in scientific and technological careers.

Aid for Hispanic-Serving Institutions (HSIs)
(BA in millions)

	2013	2014	2015 Request
Developing HSIs	$95.2	$98.6	$98.6
Mandatory Developing HSI STEM and Articulation Programs	94.9 [1]	92.8 [1]	100.0 [1]
Promoting Postbaccalaureate Opportunities for Hispanic Americans			
(Discretionary)	8.5	8.8	8.8
(Mandatory)	10.9 [2]	10.7 [2]	—
Total	209.5	210.9	207.4
Discretionary	103.7	107.4	107.4
Mandatory	105.8	103.5	100.0

[1] These funds are mandatory appropriations provided under the Student Aid and Fiscal Responsibility Act (SAFRA) within the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152). These figures include sequester reductions of 5.1 percent in 2013 and 7.2 percent in 2014 that went into effect October 1, 2013, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

[2] These funds are mandatory appropriations provided under Title VIII, Part AA, Section 898 of the HEA. These figures include sequester reductions of 5.1 percent in 2013 and 7.2 percent in 2014 that went into effect October 1, 2013, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

The Developing Hispanic-Serving Institutions (HSIs) program funds competitive grants to expand and enhance the academic quality, institutional management, fiscal stability, and self-sufficiency of colleges and universities that enroll large percentages of Hispanic students. In 2015, $98.6 million in discretionary funding would support approximately 156 new and continuation awards. In addition, mandatory funds provided under section 371 of the HEA would support 109 continuation awards under the HSI Science, Technology, Engineering, and Mathematics (STEM) and Articulation program.

The Promoting Postbaccalaureate Opportunities for Hispanic Americans program provides funds to eligible HSIs that offer a postbaccalaureate certificate or postbaccalaureate degree-granting program. The program is designed to help Hispanic Americans gain entry into and succeed in graduate study, a level of education in which they are underrepresented. In 2015, $8.8 million in discretionary funding would support 18 new awards.

International Education and Foreign Language Studies (IEFLS)
(BA in millions)

	2013	2014	2015 Request
Domestic Programs	$63.1	$65.1	$69.1
Overseas Programs	7.1	7.1	7.1
Total	70.2	72.2	76.2

These programs support comprehensive language and area study centers within the United States, research and curriculum development, and opportunities for American scholars to study abroad. In addition to promoting general understanding of the peoples of other countries, the Department's international programs also serve important economic, diplomatic, defense, and other national security interests. The request would enable the Department to help maintain the national capacity in teaching and learning less commonly taught languages and associated area studies and to continue to work toward increasing the global competency of all U.S. students. The proposed $4 million increase, or 6 percent, for Domestic Programs in 2015 would support new awards to help American students develop proficiency in critical foreign languages, specifically those spoken in the Asia-Pacific and Sub-Saharan Africa regions, and new institutional mobility grants in Southeast Asia and Sub-Saharan Africa.

Fund for the Improvement of Postsecondary Education (FIPSE)
(BA in millions)

	2013	2014	2015 Request
First in the World Awards	—	$75.0	$100.0
College Success Grants	—	—	75.0
International Consortia	$1.9	—	—
Training for Realtime Writers	1.1	1.1	—
Centers for the Study of Distance Education and Technological Advancements	—	1.5	—
Center for Best Practices to Support Single Parent Students	—	.5	—
Analysis of Federal Regulations and Reporting Requirements on IHEs	—	1.0	—
Other	0.3	0.3	—
Total	3.3	79.4	175.0

FIPSE awards competitive grants to support exemplary, locally developed projects that are models for innovative reform and improvement in postsecondary education. The 2015 request would provide approximately $100 million for the second year of the First in the World (FITW) fund. First in the World provides funding for institutions of higher education to develop and test innovative strategies and practices that improve college completion rates and make college more affordable, particularly for low-income students. In addition, $75 million of the amount requested for FIPSE would be used to support College Success Grants for Minority-Serving Institutions to assist MSIs in developing sustainable strategies to reduce costs and improve student outcomes.

Tribally Controlled Postsecondary Career and Technical Institutions

	2013	2014	2015 Request
BA in millions	$7.7	$7.7	$7.7

The request would fund awards to tribally controlled postsecondary career and technical institutions that meet the program's eligibility requirements to fund instructional and student support services under a reauthorized Carl D. Perkins Career and Technical Education Act.

Special Programs for Migrant Students

	2013	2014	2015 Request
BA in millions	$34.6	$34.6	$34.6

Special Programs for Migrant Students include the High School Equivalency Program (HEP), which funds competitively selected projects to help low-income migrant and seasonal farm workers gain high school diplomas or equivalency certificates, and the College Assistance Migrant Program (CAMP), which makes competitive grants to provide stipends and special services, such as tutoring and counseling, to migrant students who are in their first year of college. HEP and CAMP programs focus on finding and assisting migrant youth who have educational potential but who have not been able—due to limited or inconsistent educational opportunity—to complete high school or go on to postsecondary education. The 2015 request would support approximately 46 HEP projects and 42 CAMP projects, as well as outreach, technical assistance and professional development activities.

Federal TRIO Programs
(BA in millions)

	2013	2014	2015 Request
Talent Search	$128.1	$135.3	$136.4
Upward Bound	249.5	266.7	265.6
Veterans Upward Bound	13.0	13.8	14.1
Upward Bound Math-Science	40.5	43.1	43.1
Educational Opportunity Centers	44.1	46.9	46.9
Student Support Services	281.7	289.6	289.6
McNair Post Baccalaureate Achievement	34.1	35.7	35.7
Staff Training	1.3	1.4	1.4
Evaluation	2.0	2.0	1.7
Administration/Peer Review	1.6	3.7	3.7
Total	796.0	838.3	838.3

The TRIO programs are among the Department's largest investments aimed at getting more students prepared for, into, and through postsecondary education. The request would maintain overall funding at the 2014 level for these college preparation and student support programs, including approximately 2,790 TRIO projects serving middle school, high school, and college students and adults.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

	2013	2014	2015 Request
BA in millions	$286.4	$301.6	$301.6

GEAR UP provides funds to States and partnerships for early college preparation and awareness activities to help low-income elementary and secondary school students prepare for and pursue postsecondary education. Several features of GEAR UP, including targeting entire grades of students, partnering with local organizations and businesses, and matching Federal funds with local contributions, allow projects to serve large numbers of students. The request maintains funding at the 2014 level and would support continuation awards for approximately 37 States and 83 Partnerships in fiscal year 2015.

Graduate Assistance in Areas of National Need (GAANN)

	2013	2014	2015 Request
BA in millions	$29.3	$29.3	$29.3

GAANN provides fellowships, through competitive grants to postsecondary institutions, to graduate students with superior ability and high financial need studying in areas of national need. Participating graduate schools must provide assurances that they would seek talented students from traditionally underrepresented backgrounds. The 2015 request would support approximately 579 fellowships.

Child Care Access Means Parents in School

	2013	2014	2015 Request
BA in millions	$15.1	$15.1	$15.1

This competitive grant program supports the participation of low-income parents in postsecondary education through campus-based childcare services. Grants made to institutions of higher education must be used to supplement childcare services or start a new program, not to supplant funds for current childcare services. The program gives priority to institutions that leverage local or institutional resources and employ a sliding fee scale. The 2015 request would support approximately 148 continuation awards.

GPRA Data/HEA Program Evaluation

	2013	2014	2015 Request
BA in millions	$0.6	$0.6	$52.0

The request would support the collection and analysis of performance data and the evaluation of Higher Education Act programs that either lack funding set-asides to conduct these activities or where such set-asides are not sufficient to cover the costs of the activities. The increase would support pilot and demonstration program studies, the development and refinement of a new college ratings system, and activities to improve program performance measurement.

State Higher Education Performance (SHEP) Fund

	2013	2014	2015 Request
BA in millions	—	—	$4,000.0

The State Higher Education Performance Fund (SHEP) is a proposed competitive grant program for States to support, reform, and improve the performance of their public higher education systems. Building on the President's College Value and Affordability agenda and previous budget proposals, this initiative calls on States to make college more affordable and increase college access and success, especially for low-income students. The SHEP Fund would provide 4-year grants to support (1) the successful implementation of policy and funding reforms that encourage and reward improved college performance, as well as institutional innovation and reforms; and (2) to maintain State expenditures in higher education in States with a strong record of investment or to increase State support in low-investment States.

To be eligible for funding, States would need to adopt critical higher education reform policies and allocate the Federal and State resources under this program to institutions through a performance-based funding program for higher education. Specifically, States would need to:

- Adopt policies to ensure seamless transitions into higher education for all students (including older adults) and among 2-year and 4-year public institutions of higher education through greater alignment with the K-12 system, including guaranteed credit transfers;
- Establish clear postsecondary pathways from the workforce system;
- Allocate State financial aid primarily on the basis of need; and
- Improve transparency to empower students and families with clear and relevant consumer information about the return on investment at colleges and universities and to encourage colleges to improve.

In awarding grants, priority would be given to States with a strong record of investment in higher education, and States that commit to increasing significantly their support for higher education.

For fiscal year 2015, the Administration requests $4 billion in mandatory funding to support the State Higher Education Performance Fund. States would be required to match these resources dollar-for-dollar, for a total of $8 billion over 4 years. Federal and State matching resources would be allocated among institutions based upon a performance formula developed by each

State that meets minimum criteria set by the Secretary of Education, including that funding gaps for under-resourced institutions are not exacerbated in order to ensure all students have a chance to succeed, and would also support the successful implementation of State policy and funding reforms. States would have to set performance goals tied to a timeline, with specific goals for graduating low-income students and making college more affordable. Funds provided through this program could be used to support and scale up effective and innovative practices that improve access and success at public colleges and universities while reducing cost per degree, including:

- Providing comprehensive academic and student support services;
- Allocating need-based aid tied to progress toward completion;
- Providing accelerated learning opportunities and degree pathways, such as dual enrollment;
- Advancing competency-based education; and
- Reforming remedial education, especially for low-income, adult, and other underrepresented students.

Funding to institutions would be conditional upon making satisfactory progress to meet the goals that States establish in their applications. As part of their applications, States would have to submit an implementation plan that identifies which reforms require legislative action, demonstrate participation from all public institutions, and describe a long-term plan for sustainable performance-based funding beyond the grant period. During the grant period, funding levels could also be adjusted (through a higher level of Federal match) to explicitly reward States that commit to larger funding increases to public higher education, including need-based financial aid and reduced net price.

College Opportunity and Graduation Bonus

	2013	2014	2015 Request
BA in millions	—	—	$647.0

This mandatory proposal would reward colleges that successfully enroll and graduate a significant number of low- and moderate-income students on time and encourage all institutions to improve their performance. The new program would provide an annual grant to eligible institutions equal to their number of on-time Pell graduates multiplied by a tiered bonus amount per student: $1,000 for each Pell graduate at 4-year institutions, $700 at 2-year institutions, and $350 at less-than-2-year institutions. In addition, this new program would encourage institutions to continue improving their performance and graduate even more low-income students, by providing a larger bonus amount for additional Pell graduates. Eligibility would be based on Pell students comprising a significant share of an institution's graduating class, as well as on graduation and student loan default rates. The estimated total 10-year cost of the College Opportunity and Graduation Bonus is $7 billion.

Eligible institutions would use their grants to make key investments and adopt best practices that would further increase college access and success for low-income students, such as by awarding additional need-based financial aid, enhancing academic and student support services, improving student learning and other outcomes while reducing costs, using technology

to accelerate improvements, establishing or expanding accelerated learning opportunities, and other innovations, interventions and reforms.

Howard University
(BA in millions)

	2013	2014	2015 Request
General Support	$194.5	$194.5	$194.5
Howard University Hospital	27.3	27.3	27.3
Total	221.8	221.8	221.8

The 2015 request would maintain support for Howard University's academic programs, research programs, construction activities, and the Howard University Hospital at the 2014 level. Howard University has played a historic role in providing access to postsecondary educational opportunities for students from traditionally underrepresented backgrounds, especially African-Americans. The request includes $3.4 million for Howard University's endowment. The direct Federal appropriation accounts for approximately 38 percent of Howard University's operating costs.

Academic Facilities
(BA in millions)

	2013	2014	2015 Request
HBCU Capital Financing Program	$20.2	$55.2	$19.4
CHAFL Federal Administration	0.4	0.4	0.4

These programs support the construction, reconstruction, and renovation of academic facilities at institutions of higher education. The 2015 request for the HBCU Capital Financing Program would support the management and servicing of loan guarantees on previously issued loans, and includes $19.1 million in loan subsidy that would allow the program to guarantee $303.6 million in new loans in 2015. Funds also would be used to continue technical assistance services to help HBCUs increase their fiscal stability and improve their access to capital markets. The Administration is seeking legislative authority to raise the limits on total loan authority and the sub-limits on authority for loans to public and private HBCUs.

Funding for CHAFL Federal Administration is used solely to manage and service existing portfolios of facilities loans and grants made in prior years.

G. INSTITUTE OF EDUCATION SCIENCES

Overview

The Institute of Education Sciences (IES) supports sustained programs of research, evaluation, and statistics to inform and provide solutions to the problems and challenges faced by schools and learners. Investment in research and statistics activities is critical in order to identify effective instructional and program practices, track student achievement, and measure the impact of educational reform. Through its four centers—the National Center for Education Research, the National Center for Education Statistics (NCES), the National Center for Education Evaluation and Regional Assistance, and the National Center for Special Education Research—IES ensures that the Federal investment in education research, statistics, and evaluation is well-managed and relevant to the needs of educators and policymakers.

For 2015, the Administration is seeking $637.2 million for IES activities, an increase of $60.2 million over the 2014 appropriation. This request would enable IES to award approximately $60 - $75 million in new research and development grants in early learning and elementary, secondary, and postsecondary education. NCES would receive an additional $14 million to support State participation in the Program for International Student Assessment (PISA) and to collect administrative National Postsecondary Student Aid Survey (NPSAS) data every 2 years. In addition, the Statewide Longitudinal Data Systems program would receive an additional $35.5 million to make new grants and support the expansion and enhancement of systems that improve the productivity of our education system.

The request would also continue the Administration's commitment to supporting the Regional Educational Laboratories, the Assessment program, and Special Education Studies and Evaluations.

Research, Development, and Dissemination

	2013	2014	2015 Request
BA in millions	$179.9	$179.9	$190.3

The request includes an increase of $10.4 million over the 2014 level to support critical investments in education research, development, dissemination, and evaluation that provide parents, teachers, schools, and policy-makers with evidence-based information on effective educational practices. The request would enable IES to conduct competitions for new awards across education research areas that would support the development and testing of practical approaches to improve education outcomes for all students. Funding would also support the work of the Virtual Learning Laboratory, including a new Research and Development Center on online and blended learning strategies and the development of training programs on the use of "big data" for educational research.

Statistics

	2013	2014	2015 Request
BA in millions	$103.1	$103.1	$122.7

The Department's statistics program—operated primarily through competitively awarded contracts administered by the NCES—provides general statistics about trends in education, collects data to monitor reform and measure educational progress, and informs the IES research agenda. The 2015 request, an increase of $19.7 million from 2014, would support the collection, analysis, and dissemination of education-related statistics in response both to legislative requirements and to the particular needs of data providers, data users, and educational researchers. The increase would provide $6 million to support State participation in a pilot Program for International Student Assessment study that would allow States to benchmark the performance of their 15-year-old students against international standards and $8 million to collect administrative National Postsecondary Student Aid Survey data every 2 years, providing more timely information on educational costs, financial aid, enrollment, and student progress.

Regional Educational Laboratories (RELs)

	2013	2014	2015 Request
BA in millions	$54.4	$54.4	$54.4

The requested funds would be used to support the fourth year of the 5-year REL contracts. The RELs serve as a necessary bridge between the research community and State and local educational agencies by providing expert advice, including training and technical assistance, to bring the latest high quality research and proven practices to the school level. Key priorities include providing technical assistance on data analysis, evaluating programs and strategies, and using data from Statewide Longitudinal Data Systems for research and evaluation to address important issues of policy and practice.

Assessment

	2013	2014	2015 Request
BA in millions	$131.1	$140.2	$132.3

The request would fund the ongoing National Assessment of Educational Progress (NAEP) and the National Assessment Governing Board. NAEP measures and reports on the status of and trends in student learning over time, on a subject-by-subject basis, and makes objective information on student performance available to policymakers, educators, parents, and the public. NAEP is the only nationally representative and continuing assessment of what American students know and can do, and it has become a key measure of our Nation's educational performance. The assessments currently scheduled for 2015 are reading, mathematics, and science.

Research in Special Education

	2013	2014	2015 Request
BA in millions	$47.3	$54.0	$54.0

This program supports discretionary grants and contracts for research to address gaps in scientific knowledge in order to improve special education and early intervention services for infants, toddlers, and children with disabilities. The request provides support for programs of research on families of children with disabilities; technology for special education; developmental outcomes and school readiness of infants, toddlers, and young children with disabilities; educational outcomes in core subject areas for children with disabilities; and social and behavioral outcomes.

Statewide Longitudinal Data Systems

	2013	2014	2015 Request
BA in millions	$36.1	$34.5	$70.0

This program supports competitive awards to State educational agencies to foster the design, development, and implementation of longitudinal data systems that enable States to use data on student learning, teacher performance, and college- and career-readiness to enhance the provision of education and close achievement gaps. Up to $10 million would be used for awards to public or private agencies and organizations to support activities to improve data coordination, quality, and use at the local, State, and national levels. The proposed $35.5 million increase would allow the Department to support $57 million in new grants emphasizing early childhood data linkages, promoting better use of data in analysis and policymaking, and integrating data on school-level finances, teacher and leader effectiveness, and academic achievement.

Special Education Studies and Evaluations

	2013	2014	2015 Request
BA in millions	$10.8	$10.8	$13.4

This program supports studies to assess the implementation of the Individuals with Disabilities Education Act and the effectiveness of State and local efforts to provide special education and early intervention programs and services to infants, toddlers, and children with disabilities. The request would support an oversample of special education students in the Middle Grades Longitudinal Study, an evaluation of Positive Behavioral Interventions and Supports (a school-wide approach to address problem behaviors), and a study of post high school outcomes for youth with disabilities.

III. PROGRAMS PROPOSED FOR CONSOLIDATION OR ELIMINATION

The current Elementary and Secondary Education Act (ESEA) authorizes numerous programs with similar purposes, creating fragmented and inefficient funding streams that often lead to a greater focus on complying with program requirements rather than improving student outcomes. The Administration's reauthorization proposal would consolidate more than three dozen of these programs into 11 new authorities that would allow the Department to direct funding to proven or promising practices while providing greater flexibility to grantees. As of 2013, Congress had eliminated funding for 24 of these programs, but had not provided the more flexible, consolidated program structure proposed by the Administration, which would allow continued support for some of the eliminated activities while reducing duplication and administrative costs and improving program management and accountability. Similarly, the Administration's request would eliminate separate funding authorities for the smaller vocational rehabilitation-related programs authorized under the Rehabilitation Act whose activities can be conducted under the larger Vocational Rehabilitation State Grants program.

Overall, Congress eliminated funding for 49 programs in fiscal years 2010, 2011, and 2012 for a total annual savings of more than $1.2 billion. The table shown below is followed by a brief summary of each program, in alphabetical order, that would be consolidated or eliminated under the 2015 request.

2015 Proposed Discretionary Program Consolidations or Eliminations

Program	(2014 BA in millions)
Advanced Placement	$28.5
Arts in Education	25.0
Charter School Grants	248.2
Credit Enhancement for Charter School Facilities	—
Elementary and Secondary School Counseling	49.6
High School Graduation Initiative	46.3
Impact Aid Payments for Federal Property	66.8
Improving Teacher Quality State Grants	2,349.8
Mathematics and Science Partnerships	149.7
Migrant and Seasonal Farmworkers (Vocational Rehabilitation)	1.2
Model Transition Programs for Students with Intellectual Disabilities into Higher Education	10.4
Physical Education Program	74.6
Ready-to-Learn Television	25.7
Safe and Drug-Free Schools and Communities National Activities	90.0
Striving Readers	158.0
Supported Employment State Grants	27.5
Teacher Incentive Fund	288.8
Teacher Quality Partnership	40.6
Training for Realtime Writers	1.1
Transition to Teaching	13.8
Total	3,695.6

Programs Proposed for Consolidation or Elimination in FY 2015

(2014 BA in millions)

Advanced Placement $28.5

This program supports State and local efforts to increase access to Advanced Placement and International Baccalaureate classes and tests for low-income students. Such activities would be supported under the proposed College Pathways and Accelerated Learning authority.

Arts in Education $25.0

This program supports grants for the development of model arts education programs and for professional development for arts educators. The proposed Effective Teaching and Learning for a Well-Rounded Education authority would support similar activities.

Charter Schools Grants $248.2

This program makes competitive grants to State educational agencies and charter school developers to support the planning, design, initial implementation, and dissemination of information regarding charter schools. A portion of the funding supports State efforts to assist charter schools in obtaining facilities. The proposed Expanding Educational Options authority would continue and expand support for charter and other autonomous public schools.

Credit Enhancement for Charter School Facilities ..... —

This program, currently funded through the Charter Schools appropriation, provides assistance to help charter schools meet their facility needs. The new Expanding Educational Options authority would continue to provide such assistance.

Elementary and Secondary School Counseling $49.6

This program makes competitive grants to assist local educational agencies in developing or expanding elementary and secondary school counseling programs. These activities could be supported under the proposed Successful, Safe, and Healthy Students program.

High School Graduation Initiative $46.3

This program provides assistance to help schools implement comprehensive efforts to increase high school graduation rates. Such activities would be supported under the proposed College Pathways and Accelerated Learning authority, as well as by other reauthorized programs such as Title I College- and Career-Ready Students and School Turnaround Grants.

Impact Aid Payments for Federal Property $66.8

This authority provides payments to local educational agencies without regard to the presence of federally connected children and thus does not necessarily support the provision of educational services for federally connected children.

Programs Proposed for Consolidation or Eliminations in FY 2015, continued

(2014 BA in millions)

Improving Teacher Quality State Grants $2,349.8

This program, which provides funds to States and local educational agencies to develop and support a high-quality teaching force through activities that are grounded in scientifically based research, would be consolidated into the proposed Effective Teachers and Leaders State Grants program, which would support a wide range of activities to improve the effectiveness of teachers and school leaders while also helping to ensure that effective teachers and leaders are equitably distributed across high- and low-poverty schools.

Mathematics and Science Partnerships $149.7

This program, which supports State and local efforts to improve students' academic achievement in mathematics and science by promoting strong teaching skills for elementary and secondary school teachers, would be replaced by the proposed Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics (STEM) program, as part of the STEM Innovation proposal. The new program would provide formula grants to support comprehensive, evidence-based strategies and professional development that aligns Federal, State, and local resources to provide high-quality STEM instruction.

Migrant and Seasonal Farmworkers (Vocational Rehabilitation) $1.2

This program makes comprehensive vocational rehabilitation (VR) services available to migrant and seasonal farmworkers with disabilities, with the goal of increasing their employment opportunities. The Department believes that continuing to provide separate funding for this small, narrowly targeted program is not an efficient way to ensure appropriate and high-quality services for special populations who may be underserved under the VR State grants program.

Model Transition Programs for Students with Intellectual Disabilities
Into Higher Education $10.4

This program supports competitive grants awarded to institutions of higher education or consortia of such institutions to create or expand model comprehensive transition and postsecondary programs for students with intellectual disabilities. In place of this program, the Administration is requesting increased funding for the First in the World fund under the Fund for the Improvement of Postsecondary Education, which can support projects to improve college access and completion for individuals with disabilities.

Physical Education Program $74.6

This program makes grants to local educational agencies and community-based organizations to pay for initiating, expanding, and improving physical education programs for students in kindergarten through 12th grade, activities that would continue to be supported under the proposed Successful, Safe, and Healthy Students program.

Programs Proposed for Consolidation or Eliminations in FY 2015, continued

(2014 BA in millions)

Ready-to-Learn Television $25.7

This program makes competitive awards to support the development and distribution of educational television and video programming and related outreach materials for preschool and elementary school children and their parents that are designed to improve school readiness and academic achievement. Competitive funding for such activities would be available under two new broader programs: Effective Teaching and Learning: Literacy; and Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics (STEM), as part of the STEM Innovation proposal.

Safe and Drug-Free Schools and Communities National Activities..... $90.0

This program supports competitive grants and other discretionary activities to foster a safe, secure, and drug-free learning environment, facilitate emergency management and preparedness, and prevent drug use and violence by students at all educational levels. The proposed Successful, Safe, and Healthy Students program would continue to make funding available for such activities.

Striving Readers $158.0

This program supports efforts to improve the literacy skills (including pre-literacy skills), reading, and writing of students from birth through grade 12. Similar activities would be a key focus of the new Effective Teaching and Learning: Literacy authority.

Supported Employment State Grants..... $27.5

This formula grant program provides supplemental funds to State VR agencies for supported employment services for individuals with the most significant disabilities participating in the VR State Grants program. State VR agencies recognize supported employment as an integral part of the VR State Grants program and a viable employment option for individuals with the most significant disabilities and a separate funding stream is no longer needed. This proposal would reduce duplication of effort and administrative costs, streamline program administration at the Federal and State level, and improve efficiency and accountability.

Teacher Incentive Fund $288.8

This program makes competitive awards to improve student achievement by increasing teacher and principal effectiveness; reform teacher and principal compensation systems so that teachers and principals are rewarded for gains in student achievement; increase the number of effective teachers teaching low-income, minority, and disadvantaged students in hard-to-staff subjects; and create sustainable performance-based compensation systems. These activities would continue to be supported through the proposed Teacher and Leader Innovation Fund.

Programs Proposed for Consolidation or Eliminations in FY 2015, continued

(2014 BA in millions)

Teacher Quality Partnership..... $40.6

This program supports the development and implementation of model teacher preparation and teaching residency programs to improve the quality of teaching in high-need schools and early childhood education programs. Similar activities would be supported under the Excellent Instructional Teams initiative.

Training for Realtime Writers..... $1.1

This program promotes training and placement of individuals as realtime writers. This program is narrowly focused and the Administration believes limited Federal resources should be focused on building evidence of what works to improve postsecondary success under the First in the World fund in the Fund for the Improvement of Postsecondary Education.

Transition to Teaching..... $13.8

This program supports competitive grants to develop and implement comprehensive approaches to training, placing, and supporting teacher candidates through alternative routes to teacher certification or licensure. The proposed set-aside in Effective Teachers and Leaders State Grants would support similar activities.

IV. DEPARTMENTAL MANAGEMENT

History and Background

Congress established the Department of Education as a Cabinet level agency in 1980. Today, the Department supports programs that touch on every area and level of education. The Department's early learning, elementary, and secondary education programs annually serve approximately 16,900 school districts and 50 million students attending more than 98,000 public schools and 28,000 private schools. Department programs also provide grant, loan, and work-study assistance to nearly 13 million postsecondary students.

The Department is responsible for administering education programs authorized by Congress and signed into law by the President. This responsibility involves developing regulations and policy guidance regarding program operations, determining how program funds are awarded to recipients consistent with statutory requirements, and ensuring programs are operated fairly and conform to statutes and laws prohibiting discrimination in federally funded activities. The Department also collects data and conducts research on education to help focus attention on education issues of national importance.

Most Federal funds for education are distributed using one of three methods: a statutory formula based on certain eligibility requirements, such as the number of low-income students in a school district; a competitive process aimed at identifying the most promising proposals or projects targeting a particular educational purpose; or an assessment of financial need, such as the ability of a student or family to pay for college.

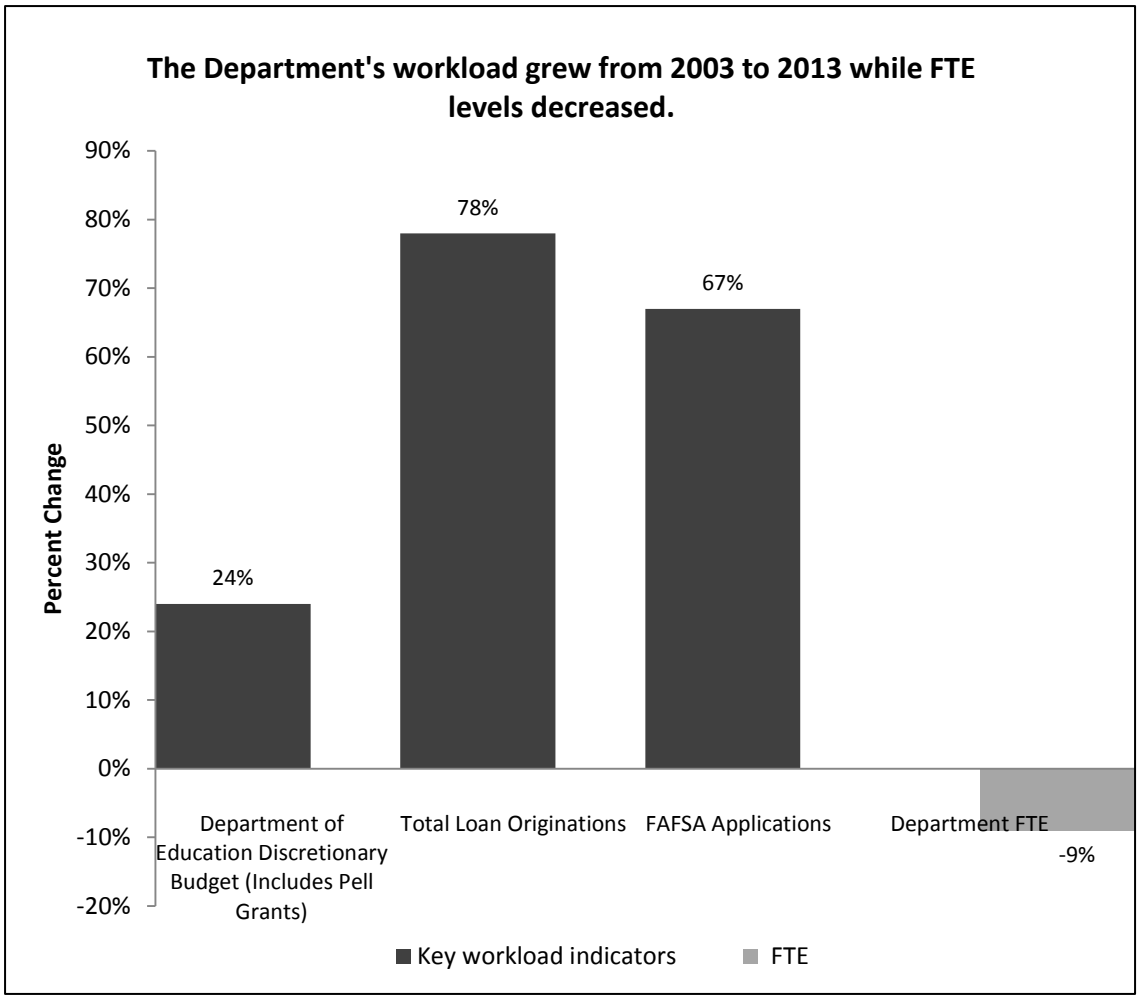
Key programs administered by the Department include Title I of the Elementary and Secondary Education Act (ESEA), which under the President's 2015 request would provide $14.4 billion to help 23 million students in high-poverty schools make progress toward State academic standards; Individuals with Disabilities Education Act Part B Grants to States, which would provide $11.6 billion to help States and school districts meet the special education needs of 6.6 million students with disabilities; Federal Pell Grants, which would make available nearly $33.9 billion in need-based grants to 8.9 million students enrolled in postsecondary institutions; and the postsecondary student loan programs, which would help provide roughly $129 billion in new and consolidated Direct Loans to help students and families pay for college.

The Department's programs and responsibilities have grown substantially over the past decade, reflecting, in part, the implementation of complex new competitive grant programs like RTT and Investing in Innovation (i3). In the postsecondary area, the Ensuring Continued Access to Student Loans Act of 2008 (ECASLA) supported uninterrupted access by students to federally guaranteed student loans throughout the financial crisis, while the SAFRA legislation of 2010 ended Federal subsidies to private lenders. At the same time, the Administration has succeeded in eliminating or consolidating 49 programs that had served their purpose, been proven ineffective, or were more effectively supported through other, broader authorities. These eliminations are saving more than $1.2 billion per year in discretionary appropriations and, as the programs wind down following the completion and close-out of existing awards, will reduce administrative workload and permit the reassignment of staff to other, higher-priority activities.

While the Department is administering fewer programs, it also has taken on new, complex statutory, regulatory, and administrative responsibilities. The Department is now the sole lender for Federal postsecondary student loans and has a portfolio of approximately $1 trillion,

including Federal Family Education Loans (FFEL), ECLASA, and Direct Loans. Laws and Presidential directives such as Homeland Security Presidential Directive 12 and the Federal Information Security Management Act of 2002 have required significant ongoing resources to address physical and information security technology issues. There has been an enhanced focus from the Office of Management and Budget (OMB) on prudent financial management through instruments such as OMB Circular A-123 on internal controls. Out of necessity, the Department has devoted more resources to information technology management, given directives such as OMB Exhibits A-53 on IT investment portfolio and A-300 on the management of capital assets.

Despite the dramatic increase in its workload, the Department has controlled its administrative costs by reducing the number of personnel and improving its acquisition and financial management. The following chart compares the cumulative percentage increases, from 2003 to 2013, in the Department's discretionary budget, total loan originations, and FAFSA applications, with the Department's total decrease in full-time equivalent (FTE) usage.



Salaries and Expenses Overview

	2013	2014	2015 Request
Departmental Management (BA in millions)			
Program Administration	$430.6	$422.9	$442.0[1]
Office of Civil Rights	98.4	98.4	102.0
Office of Inspector General	57.8	57.8	59.2
Student Aid Administration	978.9[2]	1,166.0[2,]	1,446.9
Other	9.8[3]	9.2[3]	8.7[3]
Total	1,575.5	1,754.3	2,058.8
Full-time equivalent employment (FTE)			
Program Administration	1,942	1,934	1,945
Office of Civil Rights	565	558	558
Office of Inspector General	270	253	251
Student Aid Administration	1,296	1,320	1,320
Other	17	19	19
Total	4,090[4]	4,084[4]	4,093[4]

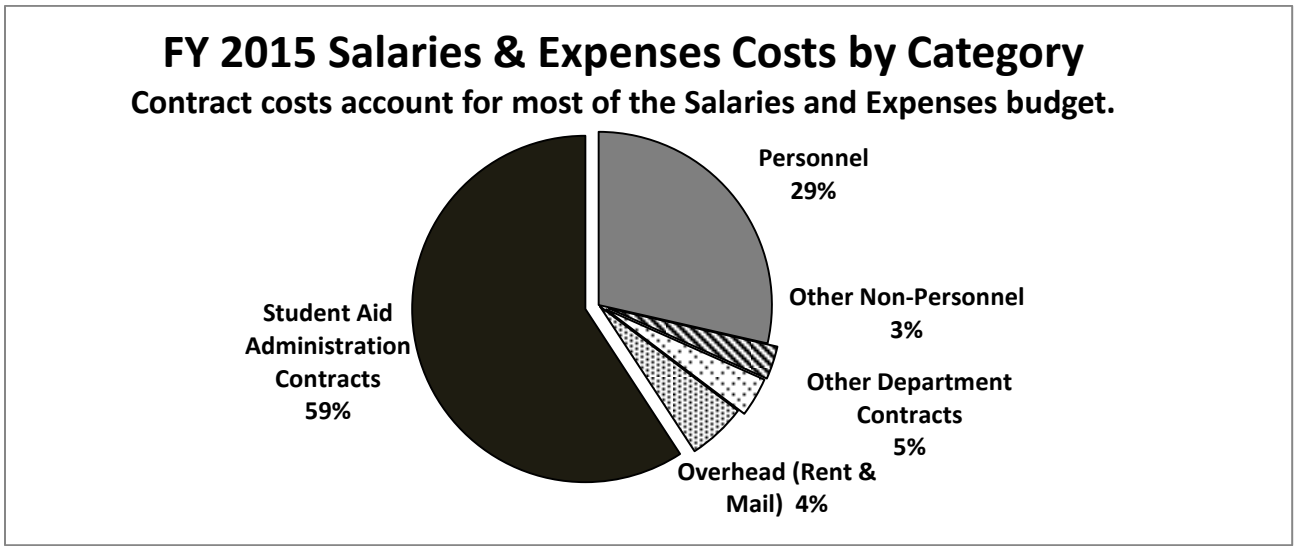
[1] Includes $1.5 million in 2015 for Building Modernization.
[2] Excludes $367.6 million in 2013 and $226.9 million in 2014 in mandatory funds.
[3] Includes small Federal Credit Administration accounts and S&E activities in program accounts.
[4] Actual FTE usage in 2013; target for 2014 and 2015.

The 2015 Budget request for Salaries and Expenses (S&E) would pay the costs of staff, overhead, contracts, and other activities needed to administer and monitor the Department's educational assistance programs. The Department of Education has the smallest staff of the 15 Cabinet agencies, but its discretionary budget alone is the third largest, behind only the Department of Defense and the Department of Health and Human Services. As a result, our administrative funds are approximately 1 percent of the total annual program appropriations and new loan volume administered by the Department. When adjusted for inflation, the Department

of Education's overall administrative budget is about the same as it was 10 years ago, and FTE has declined by 9 percent.

The Department is requesting $2.05 billion for its S&E budget accounts in 2015, an increase of $305 million, or 17.5 percent, over the 2014 level. The Bipartisan Budget Act of 2013 eliminated mandatory funding for servicing costs paid to Not-For-Profit loan servicers. Over 88 percent of the above requested increase is for servicing costs formerly funded by mandatory budget authority. The rest of the requested increase is focused on key priority areas and built-in increases: student aid systems and operational costs necessary to originate, disburse, and manage Pell Grants and Student Loans; necessary upgrades to the Education's Central Automated Processing System (EDCAPS), the Department's core financial system; built-in increases for a proposed 1 percent pay raise in January 2015 and the increased retirement contribution rates starting October 2014; IT security; IT system enhancements; and building modernization costs to reduce the Department's space needs and rental costs.

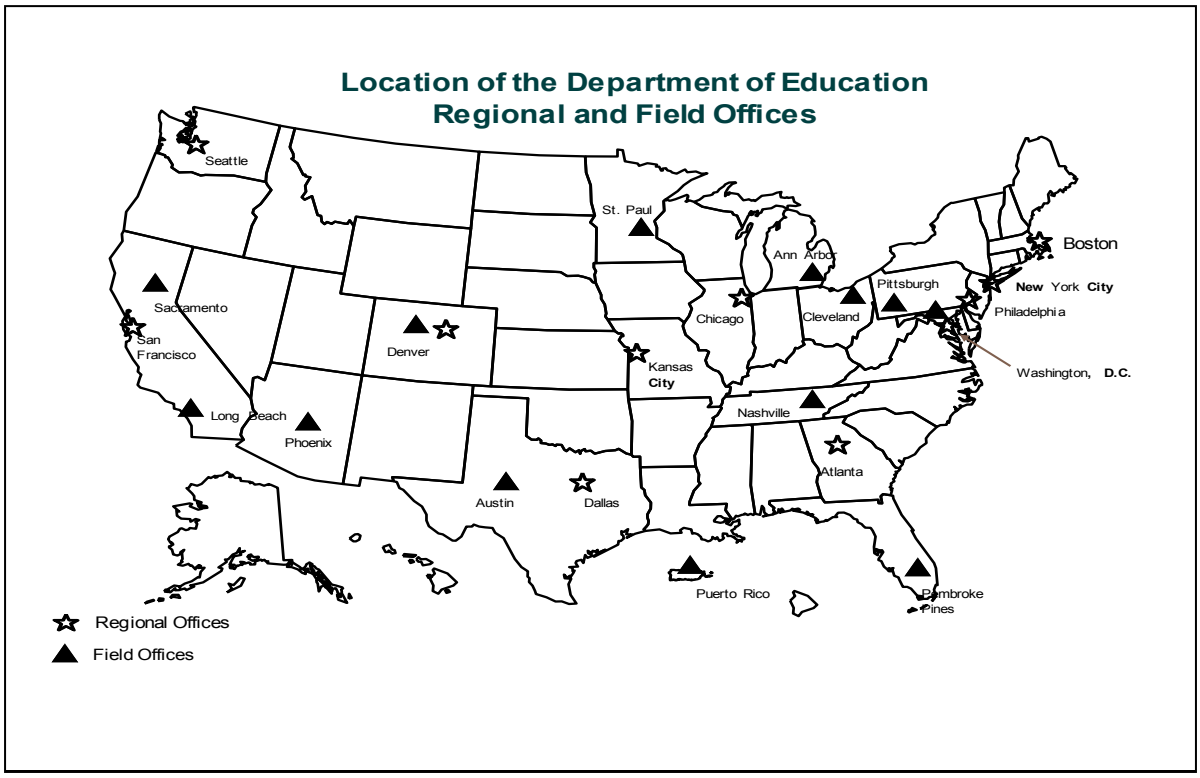
The chart below provides detail on the total Salaries and Expenses request of $2.05 billion by category.



Department Employment

The 2015 request includes funding for 4,093 FTE, a net increase of 9 FTE from the 2014 level of 4,084 FTE. We are seeking increases of 2 FTE for the Institute of Education Sciences and 1 FTE for Policy and Program Studies Services in the Office of Planning, Evaluation and Policy Development in order to enhance the Department's evaluation, research, and data analytic capabilities. Other increases include 4 FTE for the Office of Elementary and Secondary Education (OESE) to address workload needs, especially as OESE transitions to a case management approach for grant administration; 1 FTE for the Office of Safe and Healthy Students in OESE; and 3 FTE for the Office of Innovation and Improvement for a new Office of Science, Technology, Engineering, and Mathematics (STEM) Education. The request also includes a reduction of 2 FTE in the Office of Inspector General.

As shown in the following chart, staff is divided among the Washington, D.C. headquarters, 11 regional offices, and 13 field offices. Most regional and field office staff is located in Federal Student Aid (FSA), the Office of Inspector General (OIG), and the Office for Civil Rights (OCR). FSA regional office personnel conduct reviews of lenders, institutions, and guaranty agencies participating in the student aid programs. OIG staff conducts audits and investigations of Department programs and operations. OCR investigates civil rights complaints and conducts civil rights compliance reviews.



Program Administration

The Program Administration account provides administrative support for most programs and offices in the Department. The 2015 request totals $442.0 million, an increase of $19.1 million, or 4.5 percent, above the 2014 level. The request includes $292.0 million for personnel compensation and benefits to support 1,945 FTE, which reflects an increase of 11 FTE from the 2014 level.

Non-personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, information technology, contractual services, equipment, supplies, and other services. The total request for non-personnel activities in 2015 is $156.4 million, an increase of $13.0 million from the 2014 level of $143.4 million. This increase is needed for: (1) the new Office of STEM Education, which would engage in outreach and technical assistance activities to States and districts in support of the STEM Innovation initiative; (2) built-in increases for a proposed 1 percent pay raise in January 2015 as well as increased FERS contribution rates starting October 2014; (3) continued operations of EDCAPS, the Department's core financial system; and (4) IT spending largely for necessary upgrades to the Department's financial management system software, the redesign and modernization of ED*Facts* to simplify and improve the quality

of K-12 program participation and performance data submitted by States, and enhancements to risk management tools designed to reduce the probability of improper payments.

Student Aid Administration

The Student Aid Administration account provides funds to administer the Federal student financial assistance programs authorized under Title IV of the Higher Education Act (HEA) of 1965, as amended. The Title IV programs, which provide funds to help students and families pay for the cost of education beyond high school, are the Nation's largest source of financial aid for postsecondary students. This account funds functions across the student aid lifecycle, including education for students and families about the process for obtaining aid, processing student financial aid applications, disbursing aid, insuring existing loans, servicing loans, and collecting on defaulted loans.

Ensuring the smooth operation of the complex financial transactions and many participants involved in the student financial aid programs—and safeguarding the interests of both students and Federal taxpayers—is one of the Department's greatest management challenges and highest administrative priorities. Primary responsibility for administering the Federal student financial assistance programs rests with Federal Student Aid, the Office of the Under Secretary, and the Office of Postsecondary Education.

During the 2013-2014 award year, FSA provided approximately $164.2 billion in grant, work-study, and loan assistance, including loan consolidations, to almost 13.4 million postsecondary students and their families. These students attended approximately 6,200 institutions of postsecondary education accredited by dozens of agencies.

SAFRA ended the origination of new loans under the FFEL program and required all new loans to be originated through the Direct Loan (DL) program and serviced by the Department of Education effective July 1, 2010. Although all new lending is made through the DL program, lenders and guaranty agencies continue to service and collect outstanding loans from the FFEL portfolio. In 2013, the Bipartisan Budget Act removed SAFRA language that authorized mandatory budget authority to fund loan servicing performed by Not-For-Profit servicers. The Department currently has 11 loan servicers to service the Department's portfolio of over 31 million borrowers and those contracts are funded with discretionary dollars.

The Student Aid Administration account represents 70 percent of the Department's total discretionary administrative budget. The 2015 request would provide $1.4 billion to administer student aid programs, an increase of $281 million over the 2014 level. Ninety-six percent of the increase results from FSA now funding all loan servicing with discretionary dollars and the anticipated growth in loan volume. In addition to the servicing request, funds are necessary to maintain operations for student aid application processing, origination, disbursement functions, and student aid IT system hosting; and manage the acquisition strategy for FSA's core contracts for origination and disbursement, application processing, and system hosting.

Office for Civil Rights

The Department's Office for Civil Rights (OCR) investigates discrimination complaints, conducts compliance reviews, monitors corrective action plans, and provides technical assistance on civil rights issues. Over the past 5 years, OCR's workload has dramatically increased as civil rights complaints received by the Department have increased from 7,841 in 2011 to an estimated 9,950 in 2015. The 2015 request for OCR is $102.0 million, an increase of $3.6 million over the

2014 level. Most of the requested increase is for the Civil Rights Data Collection (CRDC) and would be used to complete survey activities relating to the data for the 2013-2014 school year, support enhanced data quality activities, publish data through the CRDC Web site, and begin preparations for the 2015-2016 Survey. About $78.0 million of the OCR budget is for staff pay and benefits for its 558 FTE including a proposed 1 percent pay raise in January 2015, as well as increased FERS contribution rates starting October 2014; the remaining $24.0 million covers overhead costs as well as computer equipment, data analysis and reporting activities, travel, and other contractual services.

The requested funds would ensure essential program support to resolve complaints of discrimination filed by the public and to ensure that institutions receiving Federal financial assistance are in compliance with the civil rights laws enforced by OCR. The request also would provide resources for technical assistance to recipients, parents, and students to address civil rights concerns and to prevent problems from arising in the future. OCR provides extensive information on its Internet site, including self-assessment materials for recipients, data on school characteristics, brochures, and other information for the public.

Office of Inspector General

The Office of Inspector General (OIG) conducts audits and investigations of the Department's programs and activities to help ensure accountability for taxpayer-provided funds and to identify management improvements. The 2015 request for the OIG is $59.2 million, an increase of $1.4 million over the 2014 level. Approximately 68 percent of this amount, or $40.6 million, is for personnel compensation and benefits to support a staffing level of 251 FTE, including built-in increases for a proposed 1 percent pay raise in January 2015 and increased FERS contribution rates starting October 2014.

The non-personnel request of $18.6 million includes $1 million to contract for the mandated annual audit of the Department's financial statements. The scope of the audit would include the examination and analysis of account balances, review of applicable financial systems, and evaluation of internal controls and compliance with significant laws and regulations. Additionally, the non-personnel request includes funds to support the Council of Inspectors General on Integrity and Efficiency (CIGIE); and to continue to develop the ability to perform predictive analytics, a new tool to help determine whether accounting anomalies are indicative of fraudulent activity.

APPENDICES

- Summary of Discretionary Funds
- Mandatory Funding in the Department of Education
- Summary of Mandatory Funds
- Advance Appropriations for the Department of Education
- Total Expenditures for Elementary and Secondary Education in the United States
- Detailed Budget Table by Program