

# Fiscal Year 2017 Budget Summary and Background Information

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**For further information on the Department and its activities,  
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*If we want America to lead in the 21<sup>st</sup> century, nothing is more important than giving everyone the best education possible—from the day they start preschool to the day they start their career.*

*President Barack Obama*

## I. SUMMARY OF THE 2017 BUDGET

Over the last 7 years, our Nation has made considerable progress in education: the high school graduation rate has reached an all-time high—82 percent; dropout rates are at historic lows; and, since 2008, more than 1 million additional African-American and Hispanic students have enrolled in college. In addition, more students are graduating from college than ever before. But we know that there is much work left to do to ensure every student—regardless of background, income, race, zip code, disability, or native language—receives a world-class education that prepares him or her to succeed in college, careers, and life.

The 2017 Budget builds on our progress and reflects key developments over the past year, most significantly, enactment of the Every Student Succeeds Act (ESSA), the long overdue reauthorization of the Elementary and Secondary Education Act (ESEA). The reauthorized ESEA embraces many reforms the Administration has long supported, including requiring States to define and set high standards for college- and career-readiness, ensuring that States are held accountable for the success of all students, spurring innovation in education, encouraging States to reduce unnecessary testing, and expanding access to high-quality preschool.

The 2017 request supports implementation of the new law, aiming to secure a strong future for every student by emphasizing three core goals: increasing equity and excellence so all students succeed; providing support for teachers and school leaders; and promoting access, affordability, and completion in higher education. Expanding educational opportunity positions our children for success as adults and promotes economic growth and global competitiveness, which depend on tapping the potential of all Americans.

The 2017 Budget puts a strong focus on equity and excellence at every level of our education system, in every school, beginning with a significant increase for the Title I Grants to Local Educational Agencies program that includes additional targeted resources to help turn around our lowest-performing schools, a critical component in improving educational equity. The Budget also supports continued innovation in education, providing increased funding to develop, test, and scale up new models for teaching and learning and effective approaches to improving educational outcomes for all students. Ensuring educational opportunity for all students also means that each student has access to rigorous coursework that will prepare him or her for the 21<sup>st</sup> century economy. That is why the 2017 request includes a new proposal to give all students access to high-quality computer science (CS) coursework, reflecting the reality that CS is a “new basic” skill, critical for success in college and 21<sup>st</sup> century careers.

When it comes to increasing educational opportunity, teachers are fundamental, yet teachers today often do not have the preparation, support, opportunities for leadership, or the autonomy they need to succeed. Principals also are a major factor in attracting, developing, and retaining excellent teachers and have a significant impact on quality instruction and school culture. It is imperative that we invest in innovative ways to recruit, develop and retain the diverse teachers and leaders our schools and our students need. The 2017 request includes significant new resources to support teachers and school leaders in their efforts to improve achievement and outcomes for every student.

Educational opportunity means not only access to college, but the support needed to persist and graduate with a postsecondary degree that increasingly is the foundation of a middle-class career. For this reason, the 2017 Budget focuses not only on enrollment and affordability, but on completion, and includes proposals to ensure that more students graduate with an affordable, high-quality degree that will set them on the path to a bright future. In addition, college completion is critical for the integrity of Federal student loan programs, because students who drop out of postsecondary education are three times as likely to default on their student loans as those who graduate. Just half of all students who start college at 4-year institutions will complete their degree in a reasonable period of time—and at 2-year schools, it's only about one-third. We also know that just 9 percent of students from the lowest-income quartile earn a bachelor's degree by age 24, compared to 77 percent for the most affluent quartile. The 2017 Budget would promote college completion for low-income students by expanding access to Pell Grants during the summer for those making steady progress toward a degree and increasing the maximum Pell award for students who take at least 15 credits, the number needed to complete 2- and 4-year degrees on time. The Budget also provides continued support for innovation aimed at building the evidence base for what works in helping students complete their degrees.

Our 2017 Budget reflects our commitment to educational and economic opportunity. Now, more than ever before, we must invest in the extraordinary potential of all our children, support the transformative power of teachers, and ensure that students both enter postsecondary education and complete their college degrees.

**The Administration requests \$69.4 billion in discretionary appropriations for the Department of Education in 2017, an increase of \$1.3 billion, or 2 percent, over the 2016 level.**

The 3-year table below displays the Department's 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)

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>	<u>Change from 2016</u>
Discretionary (without Pell Grants)	\$44.4	\$45.6	\$46.9	+\$1.3
Pell Grants (discretionary portion)	<u>\$22.5</u>	<u>\$22.5</u>	<u>\$22.5</u>	<u>0.0</u>
Total	\$66.9 <sup>1</sup>	\$68.1 <sup>1</sup>	\$69.4	+\$1.3

<sup>1</sup> Excludes Preschool Development Grants which is funded through the Department of Health and Human Services in 2017.

The Department's budget also includes mandatory funds. Mandatory funding 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, loan volume, origination fees, repayments, and defaults. In total, discretionary and mandatory funding would make available about \$200 billion in aid to education in fiscal year 2017, of which \$139.7 billion is new postsecondary grants, loans, and work-study assistance—an increase of \$42 billion, or 43 percent, over the amount available in 2008—to help an estimated 12.1 million students and their families pay for postsecondary education and training.

From fiscal years 2010–2015, 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 approximately 50 ineffective, outdated, or duplicative programs for a total annual savings of more than \$1.2 billion, in many instances following the Administration’s recommendations. Legislation enacted in 2010 also ended the guaranteed student loan program, replacing it with the more efficient direct 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 \$5,815 in award year 2016–2017; the 2010 legislation also established mandatory funding to increase the Pell Grant maximum award based on the change in the Consumer Price Index through 2017.

### Major Initiatives for Fiscal Year 2017

This 2017 Budget Request focuses on three major priorities: (1) increasing equity and opportunity for all students; (2) expanding support for teachers and school leaders; and (3) improving access, affordability, and student outcomes in postsecondary education. In addition, the Budget makes a cross-cutting commitment to promote greater use of evidence and data to maximize results for taxpayers and students.

#### Increasing Equity and Opportunity for All Students

Equality of opportunity is a core American value that helps form our national identity, solidify our democracy, and strengthen our economy. But today, vastly disparate student outcomes reflect deep inequities in educational opportunity, particularly among poor and minority students. While we have made significant progress in increasing overall graduation rates, gaps between rates for different student groups continue to persist. We must work to close these achievement gaps, and one way to do so is to increase the availability of resources to improve access to the effective teachers, increase the use of evidence-based practices, and expand the availability of high-quality instruction. The 2017 Budget would provide resources to States and school districts to tailor their own strategies and interventions to meet the needs of students and schools, including the more than 24 million low-income and minority students in high-poverty schools. Key investments include:

- \$15.4 billion for Title I Grants to Local Educational Agencies (LEAs), the cornerstone of the Federal Government’s effort to improve educational opportunity for disadvantaged students. Under the reauthorized program, States, in collaboration with school districts and schools, are developing State-determined college- and career-ready (CCR) standards, goals for closing achievement and graduation rate gaps, new accountability systems based on their CCR standards, and evidence-based improvement plans for low-performing schools. The request also allocates 50 percent of funding above the Title I authorized level, or

\$173.7 million in 2017, to augment local efforts aimed at turning around low-performing schools, which remains an urgent priority in the effort to close achievement gaps.

- \$1.3 billion in mandatory funding in 2017 for Preschool for All, and \$75 billion over 10 years, to support the implementation of universal 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 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. In addition, the Budget includes \$350 million in discretionary funding at the Department of Health and Human Services for the jointly administered Preschool Development Grants program, newly authorized under ESSA. This is a \$100 million increase over the 2016 enacted level to expand the reach of the program that currently supports the expansion of high-quality preschool in 18 States.
- \$12.8 billion for IDEA Formula Grant Programs, to assist States in providing high-quality early intervention services to infants and families ages birth through 3 and help cover the costs of providing special education and related services to children with disabilities ages 3 through 21. This includes \$11.9 billion for IDEA Grants to States, \$403 million for IDEA Preschool Grants to States, an increase of \$35 million over fiscal year 2016, and \$504 million for IDEA Grants for Infants and Families (Part C), an increase of \$45 million over fiscal year 2016. The request would provide an average of \$1,777 for each of the 6.7 million children with disabilities ages 3 to 21 who are estimated to be served in 2017. The Federal contribution under this request toward meeting the excess cost of special education and related services for children ages 3 to 21 would be approximately 16 percent of national average per pupil expenditures. The increase proposed for Part C Grants for Infants and Families includes \$15 million that would be used to make competitive grants to partnerships of public and private entities to support community-based model demonstration projects. These model demonstration projects would focus on expanding early screening, referral, and early intervention services to infants and toddlers eligible for Part C and those who are at-risk, but not eligible for Part C, and their families.
- \$500 million in first-time funding for Student Support and Academic Enrichment Grants, a new program that would provide formula grant funds that may be used to support a wide range of authorized activities to promote a well-rounded education for safe and healthy students, and the effective use of educational technology in schools.
- \$403 million for State Assessments, an increase of \$25 million, to support the pressing needs States have identified for developing and implementing next-generation assessment systems, and fund State and local audits of assessment systems to reduce unnecessary testing, consistent with the Administration's Testing Action Plan.
- \$120 million for a proposed Stronger Together grant program that would support planning and implementation grants for voluntary, community-supported efforts to develop and implement strategies to address the effects of concentrated poverty by increasing socioeconomic diversity in pre-K–12 schools. The Department would make competitive grants to LEAs, alone or in consortia, which have significant achievement gaps and socioeconomic segregation within or across districts. Grantees could use funds to (1) engage in a planning process with robust community engagement on the issue of how to



address socioeconomic segregation or (2) implement a strategy that already has been developed and has community support.

- \$350 million for the Charter Schools program, an increase of \$16.8 million, reflecting the Administration's commitment to building on this program's demonstrated success and strengthening charter school authorizing and oversight practices to expand access to high-quality schools for historically underserved student groups. For fiscal year 2017, in making replication and expansion awards, the Department would target funds on charter management organizations operating schools with racially and socioeconomically diverse student bodies, consistent with the new statutory priorities and the Administration's broader strategy for improving outcomes for low-income students through increased socioeconomic diversity.
- \$115 million for Magnet Schools, an increase of \$18.4 million or almost 19 percent, to support a new competition, under the reauthorized program, through which the Department would prioritize projects that promote meaningful socioeconomic diversity.
- \$4 billion in mandatory funding over 3 years for Computer Science for All State grants that would stimulate and advance comprehensive State efforts to offer rigorous coursework to all students in preschool through grade 12, with a focus on serving students in under-resourced schools and communities (including in rural and urban areas) and improving participation by student groups historically underrepresented in science, technology, engineering, and mathematics (STEM) fields. Grants would support: State plans for ensuring that all high schools offer at least one rigorous computer science course; the development and implementation of State-selected, evidence-based STEM curricula in preschool through grade 8 that lay the groundwork for student success in high school; preparation and professional development for computer science teachers; and increasing access for underserved and disadvantaged students to other rigorous and advanced courses and programs, including Advanced Placement and International Baccalaureate courses and dual or concurrent enrollment programs.
- \$100 million for a proposed Computer Science for All Development Grants program that would promote innovative strategies to provide high-quality instruction and other learning opportunities in computer science (including computer programming and related skills such as computational thinking) in preschool through grade 12. Grants would focus on identifying and testing computer science instructional models that expand access to these opportunities for all students, but particularly for high school students in underserved communities, including in urban and rural areas, or who are from groups historically underrepresented in STEM fields.
- \$180 million for the Education Innovation and Research program, an increase of \$60 million, or 50 percent, for the successor to the Investing in Innovation (i3) program to expand support for evidence-based initiatives to develop, validate, and scale up effective education interventions that will help States and LEAs meet ESEA requirements. In particular, this increase would support greater numbers of the larger Scale-Up awards for activities with a strong evidence base, building on the results of Development and Validation grants made in previous years, significantly expanding the benefits of proven interventions to more schools and students. In addition, a portion of the requested funds would be used to support

activities to be carried out by the proposed Advanced Research Projects Agency-Education (ARPA-ED).

- \$128 million for Promise Neighborhoods, an increase of \$55 million or nearly 75 percent, to support up to 15 new competitive grants to help distressed communities implement a continuum of effective family and community services, strong family supports, and comprehensive education reforms designed to improve the educational and life outcomes for children and youth from birth through college.
- \$80 million for a new Next Generation High Schools program to promote the whole school redesign of the high school experience through competitive grants to LEAs and their partners. The program would support innovative models that personalize teaching and promote active learning for students, and that enable secondary schools to adopt new approaches for engaging, preparing, and inspiring college- and career-ready students. The proposal would focus particularly on school models that are designed to engage and expand opportunities for girls and other groups underrepresented in STEM fields.

#### Expanding Support for Teachers and School Leaders

The Administration's 2017 request includes a set of initiatives to help States, LEAs, institutions of higher education (IHEs), and other partners address all phases of teachers' and school leaders' careers, including innovative approaches to how we recruit, prepare, support, develop, retain, and reward effective teachers and leaders. The Department's investments in this area are also intended to advance a key equity goal: ensuring that all students have access to effective teachers and leaders. In particular, our request emphasizes preparing and rewarding talented teachers who work in high-need districts and schools. Key proposals include:

- \$1 billion for a mandatory RESPECT: Best Job in the World program, which would support the redesign of an estimated 200 high-need schools, based on educator feedback, to create models that transform these schools into the best places to advance a career in education and thereby attract and retain talented and effective teachers and school leaders. The program would make grants to States, which would subgrant funds to LEAs to (1) support locally developed proposals that would increase compensation for effective teachers and school leaders in high-need schools and provide career advancement opportunities for effective teachers; (2) provide the resources, data, and time to help teachers improve instruction and meet student needs; and (3) improve working conditions and create school climates conducive to teaching and learning.
- \$2.25 billion for the reauthorized ESEA Title II, Part A Supporting Effective Instruction State Grants program to support ongoing State and local efforts to ensure that every child has access to effective teachers. Funds may be used to implement educator evaluation systems that provide meaningful feedback and support to teachers and school leaders, prepare educators to implement CCR standards, and attract and retain the best teachers and leaders in high-need schools.
- \$250 million for a reauthorized Teacher and School Leader Incentive Grants program, an increase of \$20 million or almost 9 percent, for awards to States; LEAs, including charter LEAs; the Bureau of Indian Education; and consortia of those entities with nonprofit or for-profit agencies to develop, implement, improve, or expand human capital management

systems and performance-based compensation systems that focus on recruitment, development, and retention of excellent educators in high-need schools in order to raise student academic achievement and close achievement gaps.

- \$125 million for a proposed Teacher and Principal Pathways program, which would make competitive grants to institutions of higher education and other nonprofit entities to support the creation and expansion of high-quality teacher and principal preparation programs. This investment would significantly expand the diversity and number of new teachers and principals who have high-quality, evidence-based training and preparation for their important roles in high-need districts.
- \$30 million for the reauthorized School Leader Recruitment and Support program, an increase of \$13.6 million or 83 percent, to improve the recruitment, preparation, placement, support, and retention of effective principals and other school leaders in high-need schools.
- \$100 million for the reauthorized Supporting Effective Educator Development (SEED) program, an increase of \$6 million over the comparable 2016 level, to expand support for State and local efforts to improve teacher and principal effectiveness and help ensure that all students have equitable access to effective teachers and principals. The program would make grants primarily to institutions of higher education and national nonprofit organizations for projects that provide evidence-based professional development activities and prepare teachers and principals from nontraditional preparation and certification routes to serve in high-need LEAs.
- \$10 million for a proposed Teach to Lead program, based on the initial success of teacher leadership projects executed through the ongoing Teach to Lead initiative, that would provide direct support for teacher-designed, teacher-led projects implementing innovative strategies with the potential for wider impact on improving student outcomes. Projects would be designed to improve student outcomes for all students in high-need schools or target the educational needs of low-achieving students, build the evidence base for effective practices, and potentially leverage more effective use of ESEA formula grant funds.
- A proposal to expand and increase teacher loan forgiveness, by providing up to \$25,000 in loan forgiveness for teachers graduating from an effective preparation program who serve in low-income schools, starting in 2021. This proposal would consolidate various postsecondary assistance programs available for teachers, such as TEACH grants and the current teacher loan forgiveness program, into a single loan forgiveness program.

#### Improving Access, Affordability, and Student Outcomes in Postsecondary Education

At a time when the economy is changing faster than ever before, real opportunity requires that every American have access to the postsecondary education and training needed to find a good-paying job. President Obama believes that we must help many more Americans graduate from college and the Administration is proud of its historic investments in higher education, increasing total aid available to students by over \$65 billion from 2008 to 2017. Continuing to make college more accessible and affordable—including more tuition-free degrees—is part of serving our students better. But far too many students never complete their degree—only 60 percent of those enrolled in a bachelor's degree program complete their education. Even for those who do complete, at least one-third take longer than expected to graduate, forcing them

to carry additional costs and leave school with higher debt burdens. That is why a shift is needed toward a new focus on outcomes in higher education so that both students and the Nation can thrive in the global economy. Accordingly, the Budget focuses on investing in reforms and innovations that will help advance access, affordability, and completion.

- \$1.26 billion in 2017 for America's College Promise, which would create a new partnership with States to make 2 years of community college free for responsible students, letting students earn the first half of a bachelor's degree or an associate degree and earn skills needed in the workforce at no cost. Grants would also be provided to 4-year Historically Black Colleges and Universities (HBCUs) and Minority-Serving Institutions (MSIs) to provide new low-income students, including community college transfers, with up to 2 years at a 4-year college at zero or significantly reduced tuition.
- \$1.33 billion in 2017 for Pell for Accelerated Completion, to allow full-time students the opportunity to earn a third semester of Pell Grants in an academic year, better meeting the diverse needs of today's students and enabling them to finish faster by taking additional courses year-round. Many full-time students exhaust their annual Pell eligibility after just two semesters and, as a result, are unable to pay for summer courses and must wait until the beginning of the next academic year to continue their studies.
- \$689 million for an increase in Pell Grant for students taking at least 15 credits in a semester, to create an incentive for students to take enough credits for on-time degree completion. Under the proposal, students would receive a \$300 increase in their annual Pell Grant if they take 15 credits per semester in an academic year. The higher grant would encourage students to take the credits needed to finish an associate degree in 2 years (60 credits) or a bachelor's degree in 4 years (120 credits). Finishing faster means more students will complete their education at a lower cost and likely with less student debt.
- \$548 million in mandatory budget authority for the College Opportunity and Graduation Bonus program, which would support colleges that successfully enroll and graduate on time a significant number of low- and moderate-income students, and, those colleges that improve their performance on this important metric.
- Full funding for the Pell Grant maximum award (\$5,935 in award year 2017–2018, effectively \$6,235 for those taking at least 15 credit hours per semester) and continuing to index the Pell grant to inflation indefinitely beyond 2017 with mandatory funding to protect and sustain its value for future generations.
- Reforming the campus-based student aid programs to target those institutions that enroll and graduate higher numbers of Pell-eligible students and offer affordable and quality education and training such that graduates can obtain employment and repay their educational debt.
- Expanding postsecondary opportunity to incarcerated individuals eligible for release through the Second Chance Pell proposal that would restore their Pell eligibility, with the goal of helping them get jobs, support their families, turn their lives around, and strengthen their communities.

- Simplifying the FAFSA by eliminating burdensome and unnecessarily complex questions to make it easier for students and families to access Federal student aid and afford a postsecondary education.
- Improving and streamlining income-driven repayment and creating a single, simple, and better targeted plan for borrowers, while helping them manage their debt, as well as simplifying and strengthening teacher loan forgiveness.
- Protecting students and taxpayers by restoring the restriction on the share of a for-profit institution's revenues that can be derived from Federal sources from 90 to 85 percent and including all Federal aid in the calculation.
- \$100 million for the First in the World program for competitive awards to support the development, validation, and scaling up of innovative, promising, and evidence-based strategies to improve postsecondary completion rates for high-need students, as well as rigorous evaluations to test the effectiveness of these strategies when implemented in varied settings and contexts.
- \$30 million for the HBCU and MSI Innovation for Completion Fund, a new competitive grant program to foster innovative, evidence-based, student-centered strategies and interventions to increase the number of low-income students and students of color completing degree programs.
- \$900 million for the Federal TRIO programs to enable the Department to provide funding for nearly 3,000 TRIO projects serving secondary and postsecondary students and adults, while also supporting a new TRIO Demonstration initiative to support the implementation and dissemination of evidence-based college access and success strategies.
- \$607 million for Adult Education to assist adults without a high school diploma, or its equivalent, to become literate and obtain the knowledge and skills necessary for postsecondary education, employment, and economic self-sufficiency.
- \$75 million for the American Technical Training Fund, a new competitive grant program designed to support the development, operation, and expansion of innovative, evidence-based, tuition-free, short-term, or accelerated job training to increase the number of students completing degree programs that enable low-income youth and adults to enter and complete career pathways that lead to jobs in high-demand industries. Programs would be free to participants, and grantees would be required to waive tuition and fees for students on a "first dollar" basis. This initiative would be jointly administered by ED and the Department of Labor.

#### Promoting Greater Use of Evidence and Data

Over the course of this Administration, the Department of Education has pioneered efforts that encourage grantees and practitioners to use evidence and data in ways that improve student outcomes. The Department has launched evidence-based grant programs, such as Investing in Innovation (i3) and First in the World (FITW), and has significantly scaled up the use of evidence-based grantmaking. In close partnership with the Institute of Education Sciences

(IES), grantees and researchers are working together to draw from—and expand—the body of high-quality research about what works in education.

The 2017 Budget would build on these critical initiatives. The request for IES would be used to improve evidence-based decisionmaking at all levels by increasing funding for research awards that build the evidence base for what works in education. The priority projects outlined in the Budget would also increase the transparency of education data, building on the lessons learned from the new College Scorecard, launched in September 2015. The College Scorecard provides students, parents, and other higher education stakeholders with information about college costs, financial aid, and graduation rates at postsecondary institutions. Finally, the Budget would strengthen the Department's dissemination efforts, so that practitioners have greater access to the data and research they need, in digestible formats, to inform everyday decisions. The Budget includes:

- \$209.3 million for the Research, Development, and Dissemination (RDD) program, an increase of \$14.3 million or 7 percent, to expand efforts to identify effective strategies for improving student learning in early childhood, K–12, postsecondary, and adult education and disseminate this information to policymakers and practitioners to empower them to improve student learning and narrow achievement gaps.
- \$125.4 million for the Statistics program, an increase of \$13.4 million or nearly 12 percent, to would allow the Department to collect critical and timely information on a wide range of high-priority policy issues, including student loan repayment and defaults, global competitiveness, and early childhood education.
- Cross-cutting budget support for InformED, an initiative launched in 2016, that builds on the success of the new College Scorecard by making the Department's data and research across the education spectrum more available—and actionable—for internal users and for the public. The 2017 Budget includes \$15 million to support InformED, including funds under Program Administration (\$1.5 million), Statistics (\$.5 million), and Statewide Longitudinal Data Systems (\$13 million) to build new infrastructure to manage the collection, quality, release, and analysis of data in innovative and effective ways.

## II. THE 2017 EDUCATION BUDGET BY PROGRAM AREA

### A. HIGH-QUALITY EARLY LEARNING

#### Overview

The Administration's 2017 Budget renews President Obama's call for universal preschool, supported by a 10-year, \$75 billion mandatory proposal to expand access to high-quality preschool through a Federal-State cost-sharing partnership that would guarantee universal preschool 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 Federal role in education has long been dedicated to closing the achievement gaps often 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 children, often denying them their full share of the American dream, and, at the same time, slowing the growth and progress of our Nation.

It is well-established that these achievement gaps begin before most children start school. For example, studies show that children from low-income families begin kindergarten, on average, 12 to 14 months behind their peers in language development and pre-reading skills. We also know that children who attend high-quality preschool are better prepared for school, less likely to experience grade retention, more likely to 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.

And it's not just children who benefit from the educational gains of high-quality preschool; long-term studies show that for every \$1 invested in high-quality preschool, taxpayers can save nearly \$9 in future costs due to reduced remedial education costs, increased labor productivity, and reduced crime.

In response to such data, many States and communities have launched their own efforts to expand the availability of preschool programs. Nevertheless, roughly one-third of 4-year-olds from low-income families are not enrolled in any preschool program, and the quality of existing programs varies widely. Fewer than 3 out of 10 4-year-olds are enrolled in high-quality programs.

The President's 2017 Budget request includes, in addition to the mandatory Preschool for All proposal, a discretionary Preschool Development Grants program. This program is funded through and administered by the Department of Education in partnership with the Department of Health and Human Services (HHS) from fiscal year 2014 to fiscal year 2016, is now included in the President's 2017 budget request for HHS, consistent with section 9212 of the Every Student Succeeds Act of 2015.

Preschool for All (mandatory)

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	—	—	\$1,300.0

The request includes \$1.3 billion in mandatory funding to launch a 10-year, \$75 billion investment in Preschool for All, a Federal-State partnership that would enable States 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. Preschool for All would award Federal funds as an incentive for States to provide universal access to high-quality preschool for low- and moderate-income 4-year-olds. State Preschool for All initiatives would include the following elements: (1) high qualifications for staff, 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 and development standards; (6) individual accommodations and supports for children; (7) instructional staff salaries that are comparable to those for K–12 instructional staff; (8) ongoing program evaluation to ensure continuous improvement; (9) onsite comprehensive services for children; and (10) evidence-based health and safety standards.

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 already serving all 4-year-olds could use the 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

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$250.0	\$250.0	—

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NOTE: Funds were appropriated under the Fund for the Improvement of Education in fiscal years 2015 and 2016. The Department of Health and Human Services’ request for fiscal year 2017 includes \$350 million for both new and continuing Preschool Development Grant awards.

The Administration is seeking \$350 million for Preschool Development Grants as part of its 2017 request for HHS, consistent with the requirements of the Every Student Succeeds Act of 2015, which transferred the funding for the program to HHS. The request includes \$250 million for the fourth and final year of funding for the 18 current PDG grantees and \$100 million for new awards under the ESSA authority to improve coordination in early learning systems, increase the participation of children from low- and moderate-income households in high-quality preschool, and increase program quality. HHS and ED will work closely together to jointly administer the reauthorized program and will develop a Memorandum of Understanding that includes joint staffing of Preschool Development Grant implementation and ensures a smooth transition for all grantees. The Preschool Development Grants program was first launched in fiscal year 2014, and included grants to create or expand high-quality preschool programs that



serve 4-year-olds from low- and moderate-income families. The program made Development Grants for the purpose of building or expanding high-quality preschool systems and Expansion Grants to scale up high-quality programs in targeted high-need communities that could serve as models for the Preschool for All initiative.

In addition, the Administration's Budget increases funding for special education programs that serve children from birth through age 5. The request includes a \$45 million increase for the Grants for Infants and Families (IDEA, Part C) program to assist States in providing high-quality early intervention services to approximately 352,000 infants and toddlers with disabilities and their families, and a \$35 million increase in the Preschool Grants (IDEA, Part B, Section 619) program to provide special education and related services to children ages 3 through 5. The Administration's request would reserve \$15 million in Part C funds to make competitive grants to partnerships of public and private entities to support community-based model demonstration projects that would focus on expanding early screening, referral, and early intervention services to infants and toddlers eligible for Part C and those who are at-risk, but not eligible for Part C, and their families. The Administration is also requesting additional flexibility to allow LEAs to provide coordinated early intervening services (CEIS) to children ages 3 through 5.

## B. ELEMENTARY AND SECONDARY EDUCATION

### Overview

The 2017 request for elementary and secondary education reflects the reauthorization of the Elementary and Secondary Education Act (ESEA) by the Every Student Succeeds Act of 2015 (ESSA), which reauthorized the ESEA for the first time in 14 years and eliminated many of the prescriptive and obsolete requirements of the previous authorization, the No Child Left Behind Act.

The reauthorized ESEA includes key reforms that the Administration has championed and that many States and districts have implemented in recent years. In particular, the reauthorized law helps to ensure educational opportunity for all students by:

- Holding all students to high academic standards that prepare them for success in college and careers;
- Requiring that, when students fall behind, steps are taken to help them, and their schools, improve, with a particular focus on the lowest-performing 5 percent of Title I schools, high schools with low graduation rates, and schools where subgroups, including students from low-income families, English Learners, students with disabilities, and students of color, are falling behind;
- Empowering State and local decisionmakers to continue to refine their own systems for school improvement;
- Encouraging review and elimination of unnecessary tests, consistent with the Administration's Testing Action Plan, while continuing to require annual, comparable statewide assessments so that parents and educators have the information they need to make sure children are making progress;
- Supporting the replication and expansion of high-performing charter schools for high-need students, including those that emphasize strategies for increasing racial and socioeconomic diversity;
- Authorizing continuation of key reform programs backed by the Administration, include reauthorized versions of the Investing in Innovation (i3) program, the Teacher Incentive Fund, Supporting Effective Educator Development (SEED), and Promise Neighborhoods; and
- Continuing to support meaningful efforts to provide more children with access to high-quality preschool by authorizing Preschool Development Grants, which is funded through HHS and jointly administered by HHS and ED.

The Administration's 2017 request would support these activities as well as other key Administration priorities. For example, the \$15.4 billion request for Title I Grants to Local Educational Agencies (LEAs) includes a \$450 million increase that would support State and local efforts to ensure that all students meet challenging, State-determined college- and career-ready standards. A portion of the increase would provide supplemental funds to address the challenge of turning around the Nation's lowest-performing schools. A \$403 million request for

State Assessments, an increase of \$25 million, would help pay for implementation of the annual assessments required by the ESEA while also supporting State and local audits of assessment systems to reduce unnecessary testing. An \$800 million request for English Language Acquisition State Grants—up \$63 million or 8.5 percent—would support State and local efforts to ensure that English Learners meet the same challenging academic standards as other students. A \$15 million increase for the Education for Homeless Children and Youth program would help school districts meet the needs of homeless students. The request also provides \$500 million in first-time funding for flexible Student Support and Academic Enrichment Grants under a reauthorized Title IV, Part A of the ESEA.

In addition to these increases supporting equal educational opportunity, the 2017 request for elementary and secondary education includes several discretionary grant proposals targeting specific equity-related needs. First, a new Stronger Together initiative would award \$120 million in competitive grants to school districts that are interested in exploring voluntary ways to foster socioeconomic diversity or that already have developed such strategies and are ready to begin implementation. A \$115 million request for Magnet Schools, up more than \$18 million, would support a new competition giving priority to projects that promote socioeconomic diversity. The request also includes \$128 million for the reauthorized Promise Neighborhoods program, an increase of almost \$55 million for new competitive grants to support distressed communities in implementing comprehensive, place-based reforms designed to improve the educational and life outcomes for children and youth from birth through college. A \$30 million increase for Special Programs for Indian Children for the Administration's Native Youth Community Projects would provide dedicated support for similar projects in high-need American Indian and Alaska Native communities.

The 2017 request also provides expanded funding to increase the access of students in high-need districts and schools to effective teachers and leaders and help ensure teachers have the support necessary to be successful in the classroom. The \$1 billion mandatory request for RESPECT: Best Job in the World would support a nationwide effort to dramatically change the ability of high-need schools to attract and retain talented, committed, and accomplished teachers by transforming up to 200 of these schools into the best places to begin and advance a career in education while significantly improving outcomes for students. The reauthorized Teacher and School Leader Incentive Grants program, the successor to the Teacher Incentive Fund, would provide \$250 million to support evidence-based initiatives to strengthen State and local systems for recruiting, developing, and retaining effective teachers and principals in high-need districts and schools. The reauthorized School Leader Recruitment and Support program, the successor to the School Leadership program, would make available \$30 million—an increase of \$13.6 million or 83 percent—to strengthen school leadership. A \$10 million request for the new Teach to Lead program would provide direct support for teacher-designed, teacher-led projects implementing innovative strategies that improve student outcomes. The request also includes \$10 million in first-time funding for the newly authorized STEM Master Teacher Corps program, which would help improve access to high-quality STEM instruction for historically underserved groups of students, such as girls, minorities, low-income students, and students with disabilities.

A key Administration priority for fiscal year 2017 is expanding access to high-quality computer science coursework and instruction in K–12 education. The 2017 request includes \$100 million in discretionary funding for new Computer Science for All Development Grants to districts to promote innovative strategies to provide high-quality instruction and other learning opportunities in computer science (including computer programming and related skills such as computational thinking) in preschool through grade 12, with a priority on expanding access to computer

science for traditionally underrepresented students. A companion new mandatory Computer Science for All program would provide \$4 billion over 3 years to increase access to K–12 computer science and other rigorous STEM coursework by training teachers, expanding access to high-quality instructional materials and online courses, and building effective regional partnerships and collaborations. The request also includes \$80 million for a new Next Generation High Schools program that would promote the whole-school transformation of the high school experience in order to provide students with academic and career-related learning experiences that prepare them to transition to postsecondary education and careers, including careers in STEM fields.

Finally, the \$180 million request for the Education Innovation and Research program, up \$60 million over the 2016 level, would build on the success of its predecessor, the Investing in Innovation (i3) program, in developing, validating, and scaling up effective education practices and strategies. Furthermore, this investment would support implementation of ESSA provisions requiring States and school districts to use evidence-based interventions in schools identified for comprehensive support and improvement and targeted support and improvement.

Title I Grants to Local Educational Agencies

	<u>2015</u>	<u>2016</u>	2017 <u>Request</u>
BA in millions.....	\$14,409.8	\$14,909.8	\$15,359.8

Title I Grants to Local Educational Agencies provide supplemental education funding, especially in high-poverty areas, for local programs that provide extra academic support to help students in high-poverty schools meet challenging State academic standards. The program serves nearly 24 million students in more than half of all public schools, including approximately two-thirds of the Nation’s elementary schools. Title I Grants to LEAs also provide the foundation for the ESEA’s accountability system, which emphasizes State and local responsibilities in the areas of standards and assessments, measuring student academic progress, and supporting school improvement to provide all students equitable access to a high-quality education and close achievement gaps.

The increase proposed for 2017 recognizes the challenges that States, school districts, and schools continue to face in ensuring that more students served under the program meet challenging college- and career-ready standards. In addition, a portion of the funds requested above the program’s authorized funding level would support local efforts to significantly improve outcomes in the lowest-performing schools.

Title I gives local districts and schools flexibility in using Federal funds to support instructional strategies and methods that best meet local needs, including the “targeted assistance” model that supplements the regular education program for individual children deemed most in need of special assistance, or the “schoolwide” model that allows schools to use Title I funds in combination with other Federal, State, and local funds to improve the overall instructional program for all children in a school. Schools in which poor children account for at least 40 percent of enrollment are eligible to operate schoolwide programs, and under the amended ESEA, States also may grant waivers to operate these programs to schools not meeting the schoolwide eligibility requirements. In the 2013–2014 school year, approximately 43,500 schools, or 77 percent of all Title I schools, operated schoolwide programs, which accounted for approximately 95 percent of participating students.

The amended ESEA encourages the use of Title I funds to strengthen the academic program of participating schools, including by establishing preschool programs and dual or concurrent secondary/postsecondary enrollment programs for eligible students and requires ongoing professional development for staff working with disadvantaged students, as well as activities designed to increase parental involvement.

State Assessments

(BA in millions)

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
State Grants .....	\$369.1	\$369.1	\$350.8
Assessment System Audits	0.0	0.0	18.2
Competitive Assessment Grants.....	<u>8.9</u>	<u>8.9</u>	<u>34.0</u>
 Total .....	 378.0	 378.0	 403.0

Annual, high-quality statewide assessments provide parents and educators with the information they need to enable their students to be successful and make progress towards attainment of college- and career-ready academic standards. The request for the reauthorized State Assessments program includes a \$25 million increase that would provide resources to help States efficiently and effectively meet the assessment requirements of the ESEA, which are aimed at ensuring that all students graduate from high school with the knowledge and skills they need to be successful in college and the workplace. While preserving formula grants to States for State Assessments, the ESSA also created a new reservation of funds to help States and LEAs carry out audits of their assessment systems. These audits, which are consistent with the President’s Testing Action Plan, are intended to eliminate unnecessary and low-quality assessments while protecting the vital role that good statewide assessments play in measuring student progress, improving outcomes for all learners, and ensuring equity. The request also includes a significant increase in funding for Competitive Assessment Grants, the successor to the Enhanced Assessment Grants program, to support projects designed to spur innovation in assessment design and delivery and to help States address pressing needs they have identified for developing and implementing the next generation of their assessment systems.

Education Innovation and Research

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$120.0	\$120.0	\$180.0

The Education Innovation and Research (EIR) program, the successor to the Investing in Innovation (i3) program, would continue to support innovative and proven approaches that address persistent education challenges while also building knowledge of what works in education. The EIR program incorporates i3’s tiered-evidence framework that supports larger awards for projects with the strongest evidence base as well as promising earlier-stage projects that are willing to undergo rigorous evaluation. Grantees must provide matching funds equal to 10 percent of their grant award (in cash or in-kind) from Federal, State, local, or private sources. The \$60 million increase proposed for fiscal year 2017 would allow the reauthorized program to fund more high-quality applications not only to build evidence of effectiveness but to demonstrate the feasibility of scaling effective interventions to reach more students and schools. In particular, the increased funding would support larger awards that the Department anticipates making as applicants seek to build on the positive results of i3 Development (early phase) and

Validation (mid-phase) grants made in previous years that are ready to be taken to scale. Increasing the number of Scale Up grants would bring the benefits of proven interventions to more students and schools and help address the growing demand from States, districts, and school leaders for effective tools and strategies that can help close achievement gaps and improve student outcomes. Expanding the number of such proven interventions is critical to meeting the requirement under the reauthorized ESEA that States and school districts use evidence-based interventions in schools identified for comprehensive support and improvement and targeted support and improvement. In addition, a portion of the requested funds would be used to support activities to be carried out by the proposed Advanced Research Projects Agency-Education (ARPA-ED).

RESPECT: Best Job in the World (mandatory)

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	—	—	\$1,000.0

The Administration proposes \$1 billion in one-time mandatory funding for the RESPECT: Best Job in the World (Best Job) initiative, which would support a nationwide effort to dramatically change the ability of high-need schools to attract and retain talented, committed, and accomplished teachers. The goal is to support comprehensive, locally developed efforts to transform up to 200 of these schools into the best places to begin and advance a career in education and thereby improve their ability to provide students with equitable access to effective teachers. The program would award competitive grants of up to \$250 million to State educational agencies (SEAs), which, in turn, would make subgrants to districts with schools identified by SEAs for comprehensive support and improvement under the Elementary and Secondary Education Act. Eligible districts would undertake a needs assessment, including educator and community stakeholder input, aimed at identifying incentives and policies for attracting and retaining effective teachers and school leaders and dramatically changing school environments for students and teachers alike.

Funds would be available for use over a 5-year period and would be targeted to (1) creating advancement opportunities for effective teachers in high-need schools, (2) enhancing teachers’ effectiveness through teacher-led professional development opportunities, and (3) leveraging teacher leadership to improve working conditions and create school climates conducive to teaching and learning. Each of these strategies is aligned with research, the equity goals of the ESEA, and longtime demands for meaningful teacher input in designing and implementing effective education reforms. The program also would include strong evaluation requirements aimed at building the evidence base for effective strategies that could be replicated by non-grantees, consistent with the requirements of the Elementary and Secondary Education Act for the use of evidence-based practices in schools identified for comprehensive support and improvement.

Supporting Effective Instruction State Grants

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$2,349.8	\$2,349.8	\$2,250.0

Supporting Effective Instruction (SEI) State grants provide formula grants to SEAs and subgrants to LEAs to increase student achievement consistent with challenging State academic standards; improve the quality and effectiveness of teachers, principals, and other school

leaders; increase the number of teachers, principals, and other school leaders who are effective in improving student academic achievement in schools; and provide low-income and minority students greater access to effective teachers, principals, and other school leaders. SEAs and LEAs have flexibility to carry out a wide variety of activities, consistent with their specific needs.

States are required to reserve 95 percent of their allocations for subgrants to LEAs, except that they may reserve up to 3 percent of such funds for State-level activities to increase the effectiveness of principals and other school leaders. States may use their 5 percent share of allocations for a variety of activities, including the reform of teacher, principal, and other school leader certification and licensing; helping LEAs design and implement teacher, principal, or other school leader evaluation and support systems that are based, in part, on evidence of student academic achievement, which may include student growth; improving equitable access to effective teachers; creating or improving alternative routes to certification; reforming or improving teacher and principal preparation programs; technical assistance to LEAs; improving professional development; improving State reciprocity of teacher and principal certification or licensing; and training teachers on the appropriate use of student data. LEAs may use funds to develop, implement, and evaluate comprehensive programs and activities to improve teacher and school leader quality, including rigorous and fair evaluation and support systems; implement initiatives to assist in recruiting, hiring, supporting, and retaining effective teachers, especially in low-income schools that particularly need assistance; recruit qualified individuals from other fields; reduce class size; provide high-quality, personalized professional development; and develop feedback mechanisms to improve school working conditions.

Prior to reauthorization, the program included a set-aside of funds authorized through appropriations language for the Supporting Effective Educator Development (SEED) program, which made grants to support teacher and school leader enhancement projects with evidence of effectiveness. This set-aside totaled approximately \$54 million in fiscal year 2015 and \$94 million in fiscal year 2016. The ESSA incorporated a separate authorization for the SEED program, and the reduced funding for Supporting Effective Instruction State Grants in fiscal year 2017 reflects the reallocation of funds to the SEED program.

Supporting Effective Educator Development

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	—	—	\$100.0

The Administration requests \$100 million for the reauthorized SEED program, an increase of \$6 million from the 2016 level. The proposed increase would expand support for State and local efforts to improve teacher and principal effectiveness and ensure that all students have equitable access to effective teachers and principals. More specifically, the program would increase the number of effective teachers and principals by supporting grantees that would provide evidence-based professional development activities or prepare teachers and principals from nontraditional preparation and certification routes to serve in high-need districts and schools. The SEED program previously was funded through an appropriations language set-aside under the Title II, Part A Improving Teacher Quality State Grants program.

Teacher and School Leader Incentive Grants

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$230.0	\$230.0	\$250.0

This program, the successor to the Teacher Incentive Fund, would receive \$250 million under the 2017 request, an increase of \$20 million, to support an estimated 20–40 new grants to LEAs, State agencies, and the BIE for developing, implementing, improving, or expanding human capital management systems as well as performance-based compensation systems in high-need schools. Projects would emphasize the development and implementation of tools, incentives, and systems designed to develop and retain effective teachers, principals, and other school leaders to strengthen instruction and improve student academic outcomes.

School Leader Recruitment and Support

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$16.4	\$16.4	\$30.0

The School Leader Recruitment and Support program, the successor to the School Leadership program, funds activities to improve the recruitment, preparation, placement, support, and retention of effective principals and other school leaders in high-need schools. The 2017 request, which includes an increase of \$13.6 million or 83 percent over the 2016 level, would support grants to LEAs that serve high-need schools, SEAs, and the BIE to develop or implement leadership training programs, provide professional development for principals and other school leaders in high-need schools, and develop other evidence-based programs or activities for principals and other school leaders in such schools.

Teach to Lead

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	0	0	\$10.0

The request would provide resources to build on the Administration’s Teach to Lead initiative by funding teacher-developed and teacher-led projects for improving student learning and school success. Funds would support an award to a nonprofit organization that would design and implement a national competition to make one-time, 3-year grants directly to teachers to support the development, implementation, expansion, and dissemination of projects designed to improve student outcomes for all students in high-need schools or that target the educational needs of low-achieving students.

STEM Master Teacher Corps

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	0	0	\$10.0

This new program responds to the President’s July 2012, call to create a national STEM Master Teacher Corps that would enlist America’s best and brightest science and math teachers to improve STEM education. The request would help States create leadership pathways for excellent STEM educators to improve STEM teaching and learning. Corps members would



build their capacity to be leaders in the field and enhance the professional learning of other STEM teachers; identify and share promising practices in their schools, districts, and States; and help students excel in STEM subjects while taking on coaching and mentorship roles in their schools and communities.

Charter Schools Grants

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$253.2	\$333.2	\$350.0

The request includes a \$17 million increase for the Charter Schools Program, which makes grants to State entities, charter school developers, and nonprofit charter management organizations (CMOs) to support the start-up, replication, and expansion of effective charter schools serving students in preschool through grade 12. The request reflects the Administration’s strong commitment to build on this program’s demonstrated success in supporting effective school models and embraces the focus under the amended ESEA on strengthening charter school authorizing and oversight practices and ensuring access to high-quality schools for historically underserved student groups. The Department would target funding for new replication and expansion awards on CMOs that operate schools with racially and socioeconomically diverse student bodies and have had success in working with chronically low-performing schools, consistent with the newly authorized priorities for these grants and with the Administration’s broader strategy for improving outcomes for low-income students through increased socioeconomic diversity at the school and classroom levels. In addition, the request would expand the program’s national activities authority to include support for emerging partnerships between charter schools and LEAs with strong potential to help improve academic outcomes. Funds also would be used for grants to States and nonprofit entities to improve charter schools’ access to facilities and for national activities.

Stronger Together

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	—	—	\$120.0

The proposed Stronger Together program is a central element of the Administration’s efforts to remove the barriers to learning faced by children living in concentrated poverty through support of voluntary community efforts to increase school socioeconomic diversity in preschool through grade 12. The Department would make competitive grants to LEAs or consortia of LEAs that have significant achievement gaps and socioeconomic segregation within or across districts and that propose either to embark on a planning process to study and develop options for addressing socioeconomic isolation in schools or to implement plans that have already been developed and have community support. Educational service agencies or other regional educational authorities serving such LEAs may also apply for grants.

Funds would support two types of grants: 1-year planning grants that enable grantees to conduct activities, including intensive public engagement, to analyze socioeconomic segregation and develop or refine a plan for increasing socioeconomic diversity in their schools; and multi-year implementation grants for applicants with well-designed plans that have strong community support and include ambitious goals to improve diversity and reduce or eliminate socioeconomic isolation. Implementation grantees could use funds for such activities as: conducting robust community outreach and family engagement activities; revising school

boundary and assignment policies to establish open or controlled school-choice zones spanning a variety of neighborhoods across traditional school district lines; revising school feeder patterns; creating or expanding schools capable of attracting students from diverse backgrounds (including charter and magnet schools); reorganizing or restructuring existing schools, such as through grade reconfiguration, to promote inclusive environments and attract a diverse group of students and families; promoting voluntary public school choice policies that have the effect of diversifying the socioeconomic composition of the grantee’s schools; recruiting, hiring, and training additional teachers and other instructional and support staff; and activities to mitigate within-school segregation, including providing ongoing professional development. Grantees may also choose to pursue or initiate a sustainable transportation plan for bringing students to and from schools of choice.

Magnet Schools Assistance

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$91.6	\$96.6	\$115.0

Under this program, the Department makes competitive 5-year grants to support high-quality magnet schools in LEAs implementing a desegregation plan. The request would support a new competition, under the reauthorized program, through which the Department would prioritize projects that promote meaningful socioeconomic diversity.

Promise Neighborhoods

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$56.8	\$73.3	\$128.0

The request provides an increase of nearly \$55 million to support up to 15 new awards to local partnerships to implement comprehensive, neighborhood-based plans for meeting the cradle-to-career educational, health, and social service needs of children and families in high-poverty communities. The theory of action behind the reauthorized Promise Neighborhoods program is that providing both effective, achievement-oriented schools and strong systems of support to children and youth in poverty offers them the best hope for overcoming poverty and building a better life. The demand for Promise Neighborhoods grants has long exceeded available funding; the request would build on the increase provided by Congress in 2016 and reinforce the Administration’s commitment to combatting deep-rooted educational, social, health, and economic challenges in some of our Nation’s poorest and most distressed communities.

Full-Service Community Schools

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$9.7	\$10.0	\$10.0

The request supports 21 continuation awards for grants awarded in fiscal years 2014 and 2015. This program awards grants to LEAs or the Bureau of Indian Education, in partnership with community-based organizations, nonprofit organizations, or other public or private entities, to provide comprehensive and coordinated academic, social, and health services for students, students’ family members, and community members that will result in improved educational

outcomes for children in neighborhoods with high rates of poverty, childhood obesity, academic failure, and involvement of community members in the justice system.

21<sup>st</sup> Century Community Learning Centers

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$1,151.7	\$1,166.7	\$1,000.0

The request would provide the authorized level of funding to support State and local efforts to implement in-school and out-of-school strategies for providing students, particularly those in high-need schools, the additional time, support, and enrichment activities needed to improve their achievement. Program funds may be used to support activities that are included as part of an expanded learning time program, an evidence-based strategy for improving student achievement.

Student Support and Academic Enrichment Grants

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	—	—	\$500.0

The newly authorized, Title IV, Part A Student Support and Academic Enrichment Grants program would provide flexible grant funds that LEAs may use to improve student outcomes through a wide range of authorized activities supporting a well-rounded education, safe and healthy students, and expanded use of educational technology. Under the statute, the Department would allocate funds to States by a formula based on each State’s share of Title I, Part A funds and States would make subgrants on the same basis to LEAs. LEAs must prioritize activities that support: schools with the greatest needs as determined by the LEA; schools with the highest concentrations of educationally disadvantaged children; schools that are identified for comprehensive support and improvement (i.e., are among the lowest-achieving schools) or implementing targeted support and improvement plans (i.e., have consistently underperforming student subgroups) under Title I of the ESEA as amended by the ESSA; or schools that are identified as persistently dangerous schools. LEAs that receive at least \$30,000 must spend a minimum of 20 percent of their allocations on well-rounded education activities, a minimum of 20 percent on activities to promote safe and healthy students, and a portion of remaining funds on activities promoting the effective use of educational technology.

Because the requested funding level would result in formula-based allocations to the vast majority of LEAs that are insufficient to support meaningful uses of funds, the 2017 request includes appropriations language permitting States to make subgrants to LEAs on a competitive basis, to set a minimum award amount of \$50,000 per year for up to 3 years, and to give priority to projects supporting specific, State-selected authorized activities.

Next Generation High Schools

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	—	—	\$80.0

This 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. Building on the first-ever White House Summit on Next Generation High Schools, this \$80 million proposal would make competitive awards to LEAs in partnership with institutions of higher education and other entities, such as nonprofit and community-based organizations, businesses, and other industry-related organizations.

Next Generation High Schools would provide students with the academic foundation and skills they need to be successful, ensuring that all students in redesigned high schools participate in project- or problem-based learning and have the opportunity to earn early college credit while also engaging in work-related experiences or postsecondary learning opportunities that build career-ready competencies. Accomplishing these goals would help improve longer term outcomes for high school students, including high school graduation rates, rates of enrollment in postsecondary studies without the need to take remedial courses, postsecondary completion rates, and rates of completion of industry-recognized credentials and certifications.

Improving our high schools is a critical step for ensuring that our Nation remains competitive in today's global economy. Today's high school students are tomorrow's engineers, entrepreneurs, and civic leaders who must be critical thinkers and able to find solutions to complex and emerging challenges. High schools must provide them with a rigorous, engaging, and relevant education that prepares them to meet the demands of college and careers.

The Department would give priority to projects that: (1) are designed to improve readiness for postsecondary education and careers in STEM fields, particularly for student groups historically underrepresented in those fields; (2) serve areas with limited access to high-quality college and career opportunities such as high-poverty or rural LEAs; or (3) include partnerships with employers that help students attain career-related credentials.

#### Computer Science for All (mandatory)

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	—	—	\$2,000.0

In recognition that computer science (CS) is now a new basic skill in today's economy, this mandatory proposal, part of a broad-based Administration strategy to ensure access for all students to high-quality instruction in CS, would provide \$4 billion over 3 years to stimulate and advance comprehensive State efforts to offer CS, Science, Technology, Engineering and Math (STEM), and other rigorous coursework to all students, but particularly for student groups historically underrepresented in STEM fields. Computer Science for All grants would be made to States in amounts based, in part, on State shares of Title I Grants to Local Educational Agencies. To receive a grant, a State must submit a high-quality plan that includes ensuring universal access to CS in high schools, implementing a rigorous curriculum and progression of high-quality instruction and other learning opportunities in STEM in preschool through grade 8, preparing and further developing computer science teachers and support staff, and increasing access for underserved and disadvantaged students to other rigorous and advanced courses and programs, including Advanced Placement and International Baccalaureate courses and dual or concurrent enrollment programs.

Participating States would develop ambitious annual targets for increasing the number of course offerings in computer science and related STEM subjects in schools, which must include targets for reducing or eliminating gaps in offerings in underserved communities, as well as goals for

increasing successful student completion of those courses, including goals for addressing gaps in completion for historically underserved groups such as girls, minorities, low-income students, and students with disabilities. States also would be encouraged to partner with one or more institutions of higher education, nonprofit organizations, and other public and private entities, including businesses and industry-affiliated organizations, to ensure alignment of their plans with expectations for college and careers, and leverage other Federal, State, and private resources to implement their projects. States would also be encouraged to expand access to additional STEM subjects and rigorous coursework generally.

Computer Science for All Development Grants

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	—	—	\$100.0

This program, the discretionary companion to the proposed mandatory Computer Science for All program, would help jump-start improving access to computer science and related STEM coursework in districts. The program would promote innovative strategies and replicable models for providing high-quality instruction and other learning opportunities in computer science in preschool through grade 12. Funds would support competitive grants to LEAs, alone, in consortia, or in partnership with their State, or in partnership with institutions of higher education, nonprofit organizations, government agencies, and business or industry-related organizations. Grantees would leverage other Federal, State, local, or private funds to extend the impact of this program. The Department would make awards for up to 5 years, including a planning year, and grantees would use funds to implement curricular and instructional materials aligned to the State’s challenging standards in science and mathematics, recruit and hire instructional personnel, provide professional development, acquire necessary equipment and technology infrastructure, attract underserved students to computer science offerings, and disseminate information about effective instructional practices.

School Safety National Activities

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$70.0	\$75.0	\$90.0

This program, the successor to the Safe and Drug-Free Schools and Communities National Activities program, is a broad discretionary authority that authorizes activities to improve students’ safety and well-being, during and after the school day. The proposed \$15 million increase would support additional Project Prevent grants to help schools in communities with pervasive violence break the cycle of violence as well as a new School Safety and Preparedness grants competition supporting the development and implementation of high-quality school emergency operations plans at the local level. Other funds would be used to help LEAs and IHEs recover from emergencies under Project SERV (School Emergency Response to Violence); for dissemination, outreach, and related forms of technical assistance; for Project Prevent continuation grant awards to LEAs; and for School Climate Transformation Grant continuation awards to SEAs and LEAs.

Comprehensive Literacy Development Grants

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$160.0	\$190.0	\$190.0

This program, the successor to the Striving Readers Comprehensive Literacy program, makes competitive awards to States to support the implementation of comprehensive State literacy plans, primarily through subgrants to LEAs that fund evidence-based pre-literacy and literacy interventions in high-need schools.

Innovative Approaches to Literacy

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$23.1	\$27.0	\$27.0

Funds would support competitive grants to LEAs, consortia of LEAs, the Bureau of Indian Education, or national nonprofit organizations, to promote programs that develop the literacy skills of students in low-income communities. Grantees would develop and implement school library programs and provide high-quality, developmentally appropriate, and up-to-date reading material to children and adolescents in low-income communities.

Ready to Learn Programming

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$25.7	\$25.7	\$25.7

The reauthorized Ready to Learn Programming would support the development and distribution of educational video programming for preschool and elementary school children and their parents, caregivers, and teachers to facilitate student academic achievement. Fiscal year 2017 funds would be used to pay continuation costs for new awards made in fiscal year 2015.

Arts in Education

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$25.0	\$27.0	\$27.0

The reauthorized Arts in Education program supports projects and programs to promote arts education for students, including disadvantaged students, through grants to support development and dissemination of instructional materials and programming and professional development for arts educators.

Javits Gifted and Talented Education

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$10.0	\$12.0	\$12.0

The reauthorized Javits Gifted and Talented Education program supports research, demonstration projects, innovative strategies, and other activities to build and enhance the

capacity of elementary and secondary schools to identify gifted and talented students and meet their special educational needs. The Department makes grant or contract awards to SEAs, LEAs, IHEs, and other public and private agencies and organizations to carry out projects to fulfill this purpose, including an award to one or more IHEs or SEAs to establish a National Research Center for the Education of Gifted and Talented Children.

American History and Civics Academies

	<u>2015</u>	<u>2016</u>	2017 <u>Request</u>
BA in millions.....	—	\$1.8	\$1.8

This program supports efforts to improve the quality of American history and civics education by providing intensive workshops for teachers and students. The Presidential Academies for the Teaching of American History and Civics offer workshops of at least 2 weeks in length to elementary and secondary school teachers to strengthen their knowledge through instruction and interaction with primary scholars and accomplished teachers in these fields. The Congressional Academies for Students of American History and Civics offer similar workshops to secondary school students to enrich their understanding of American history and civics.

English Language Acquisition

	<u>2015</u>	<u>2016</u>	2017 <u>Request</u>
BA in millions.....	\$737.4	\$737.4	\$800.4

This program awards formula grants to States based on each State’s share of the Nation’s English Learners (ELs) and recent immigrant students. States must develop, in meaningful consultation with geographically diverse districts, statewide entrance and exit procedures for EL status, and must also ensure that districts annually assess the English proficiency of the EL students they serve. Schools use the funds to implement evidence-based language instruction educational programs designed to help EL students attain English language proficiency. The program also awards grants to schools operated predominantly for Native American and Alaska Native students and supports national activities, including professional development for teachers of ELs and a clearinghouse of research-based information about instructional methods, strategies, and programs for ELs. The proposed \$63 million increase would help States and school districts meet the educational needs of the growing numbers of EL students enrolled in their schools, including meeting challenging State academic content and student academic achievement standards. The 2017 request includes funding for a pilot to identify effective multi-generational approaches to improving literacy.

Title I State Agency Programs

(BA in millions)

	<u>2015</u>	<u>2016</u>	2017 <u>Request</u>
Migrant Education .....	\$374.8	\$374.8	\$374.8
Neglected and Delinquent Education.....	<u>47.6</u>	<u>47.6</u>	<u>47.6</u>
Total .....	422.4	422.4	422.4

Migrant Education

State Grants provide formula-based assistance in meeting the educational needs of children of migrant agricultural workers and fishers, including overcoming educational disruption and other challenges resulting from repeated moves, so that these students can meet the same academic standards expected of all children. A total of 347,634 children and youth qualified for services under the program in school year 2013–2014, and States reported serving 235,388 of those children and youth. The Department 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. A key change for the program as reauthorized by the Every Student Succeeds Act requires that funds be distributed to States based on current data starting in fiscal year 2017.

Neglected and Delinquent Education

This Title I 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 90,000 neglected and delinquent students return to and complete school and obtain employment after they are released from State institutions.

Education for Homeless Children and Youths

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$65.0	\$70.0	\$85.0

This program, which is authorized by the McKinney-Vento Homeless Assistance Act as amended by the ESSA, provides formula grants to States, which subgrant most funds to LEAs for services and activities that help homeless children enroll in, attend, and succeed in school, such as preschool programs, enriched supplemental instruction, before- and after-school programs, transportation, and health care referrals. States may reserve funds for State-level activities, including implementing a comprehensive State plan for the education of these children. The \$15 million increase proposed for 2017 reflects the Administration’s commitment, consistent with the authorization level in the ESSA, to help States and LEAs address the 45 percent increase in the number of enrolled homeless students reported by States since 2008. The requested increase would help ensure that States and LEAs can provide the services needed to improve educational outcomes for homeless children and youth, who face significant barriers to success.

Rural Education

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$169.8	\$175.8	\$175.8

The reauthorized Rural Education Achievement Program (REAP) supports two programs to help rural school districts carry out activities to 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.

Indian Education

BA in millions

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
Grants to Local Educational Agencies .....	\$100.4	\$100.4	\$100.4
Special Programs for Indian Children .....	18.0	38.0	68.0
National Activities .....	<u>5.6</u>	<u>5.6</u>	<u>6.6</u>
 Total .....	 123.9	 143.9	 174.9

Indian Education programs supplement the efforts of States, LEAs, 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 help ensure that Indian students benefit from those reforms and achieve to the same challenging academic standards as other students.

Grants to Local Educational Agencies provide formula grants to LEAs 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. The request for Special Programs for Indian Children includes a \$30 million increase to expand the Administration’s Native Youth Community Projects initiative, which makes awards to high-need American Indian and Alaska Native communities to ensure the college- and career-readiness of Indian students by supporting projects that implement culturally relevant and coordinated strategies that are informed by evidence and data and address the greatest in- and out-of-school barriers facing students. The request also provides \$6.6 million for National Activities, which funds grants to support Native language immersion programs; State-Tribal Education Partnership grants to build the capacity of tribal education agencies; and research, evaluation, and data collection activities 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 Education

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$32.4	\$33.4	\$33.4

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 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 Education

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$31.5	\$32.5	\$32.5

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.

Comprehensive Centers

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$48.4	\$51.4	\$55.4

The Comprehensive Centers provide intensive technical assistance to increase the capacity of State educational agencies 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 along with 7 Content Centers that provide indepth, specialized support in key areas. The program currently funds 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. The 2016 appropriations act authorized the provision of assistance to the Bureau of Indian Education and provided \$1.5 million to establish a new comprehensive center (authorized by the ESSA) on students at risk of not attaining full literacy skills due to a disability; these activities would be continued in fiscal year 2017. The request would support a new cohort of centers to be selected through a competitive process in fiscal year 2017 that will reflect changing priorities and new demands resulting from the reauthorization of the ESEA. The increase would partially restore program funding to the 2009 level to provide more intensive and coordinated assistance to SEAs as well as to the Bureau of Indian Education.

Impact Aid

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
Payment for Federally Connected Children:			
Basic Support Payments .....	\$1,151.2	\$1,168.2	\$1,168.2
Payments for Children with Disabilities .....	48.3	48.3	48.3
Facilities Maintenance.....	4.8	4.8	71.6
Construction .....	17.4	17.4	17.4
Payments for Federal Property .....	<u>66.8</u>	<u>66.8</u>	<u>0.0</u>
Total .....	1,288.6	1,305.6	1,305.6

The reauthorized Impact Aid program provides financial assistance to school districts affected by Federal activities. The presence of certain children living on Federal property across the country can place a financial burden on the LEAs that educate them because such property is

exempt from local property taxes, denying LEAs access to the primary source of revenue used by most communities to finance education. Impact Aid helps replace the lost local revenue that would otherwise be available to LEAs to pay for the education of these children.

The \$1.17 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 \$71.6 million request for Facilities Maintenance, reflecting the reallocation of \$66.8 million in funds previously provided for Payments for Federal Property, would allow the Department to make nearly all repairs and upgrades to the 11 remaining schools for which it retains financial responsibility, thus clearing the way for transfer of these schools to the LEAs that operate them. The entire \$17.4 million request 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

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$6.6	\$6.6	\$6.6

This program supports regional Equity Assistance Centers, selected competitively, that provide services to school districts on issues related to discrimination based on race, gender, national origin, and religion. 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 second 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

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$16.7	\$16.7	\$16.7

The request would maintain support for Supplemental Education Grants to the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI), 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 fiscal year 2017 Budget supports a wide range of programs that can improve educational, employment, and independent living outcomes for people with disabilities.

The \$13.1 billion request for Special Education programs focuses on improving educational and developmental outcomes for children with disabilities. The Administration is committed to ensuring that all children, including children with disabilities, have an equal opportunity to participate in a high-quality education; are expected to perform to high levels; and to the maximum extent possible, are prepared to lead productive, independent lives. For the Grants to States program, the Administration is requesting \$11.9 billion, level with the fiscal year 2016 appropriation, to maintain the Federal contribution toward meeting the excess cost of special education at approximately 16 percent of the national average per pupil expenditure and provide an estimated average of \$1,777 per student for about 6.7 million children ages 3 through 21. This funding would support special education and related services and provide resources to States and local educational agencies (LEAs) to focus on improving results for children with disabilities.

Funding for the Preschool Grants program would be increased by \$35 million (for a total request of \$403.2 million) to provide special education and related services to children ages 3 through 5. Under the current statute, LEAs may reserve up to 15 percent of the funds they receive under Part B of the Individuals with Disabilities Education Act (IDEA) to provide coordinated early intervening services (CEIS) to children in grades kindergarten through 12. Early intervention can reduce the need for costlier services later in a child's life, and this may be especially true for services provided during early childhood. The Administration, therefore, is requesting additional flexibility to allow LEAs to use funds reserved under the IDEA to provide CEIS to children ages 3 through 5. In addition, to encourage LEAs to expand the age range of students eligible for CEIS, the Administration is requesting a waiver of some reporting requirements in order to reduce burden on LEAs who opt to exercise this flexibility for children 3 through 5.

The request also includes a \$45 million increase (for a total request of \$503.6 million) for the Grants for Infants and Families (Part C) program to assist States in providing high-quality early intervention services to approximately 352,000 infants and toddlers with disabilities and their families. The Administration's request would reserve \$15 million to make competitive grants to partnerships of public and private entities to support community-based model demonstration projects. These model demonstration projects would focus on expanding early screening, referral, and early intervention services to infants and toddlers eligible for Part C and those who are at-risk, but not eligible for Part C, and their families.

The \$237.1 million request for Special Education National Activities would maintain support for technical assistance, dissemination, training, and other activities that assist States, LEAs, parents, and others in improving results for children with disabilities. The request for the Technical Assistance and Dissemination program includes a \$10 million increase to support grants to substantially increase the Administration's investment in model demonstration projects to build the evidence-base for promising practices in critical areas such as interventions for students with autism that require intensive services and support.

For Rehabilitation Services, the Budget provides \$3.5 billion to support comprehensive and coordinated vocational rehabilitation services for individuals with disabilities through training, demonstration, and technical assistance; as well as other direct service programs to help individuals with disabilities to live more independently in their communities. In July 2014, the Rehabilitation Act was reauthorized by Title IV of the Workforce Innovation and Opportunity Act (WIOA). WIOA supports the Nation's primary programs and investments in employment services, workforce development, adult education, and vocational rehabilitation.

People with disabilities represent a vital and integral part of our society, and the Administration remains committed to ensuring that individuals with disabilities have the opportunities to compete for and enjoy high-quality employment in the 21<sup>st</sup> century global economy. The \$3.4 billion request for the Vocational Rehabilitation (VR) State Grants program includes an increase of \$6.8 million over the fiscal year 2016 mandatory level, consistent with the inflation increase specified in the authorizing statute, to assist States and tribal governments in increasing the participation of individuals with disabilities in the workforce. As an integral partner of the workforce development system, the VR program is the primary Federal vehicle for assisting individuals with disabilities, particularly individuals with the most significant disabilities, to prepare for, obtain, retain, or advance in high-quality employment.

The 2017 request also includes appropriations language that would allow the Department 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. The requested language also would provide authority for these funds to remain available for Federal obligation until September 30, 2018.

The Administration requests \$30.5 million for the Supported Employment State Grants program, an increase of \$3 million over the 2016 level, to assist State agencies in meeting the new challenges and opportunities resulting from WIOA. WIOA made several significant changes to this program in order to maximize the potential of individuals with the most significant disabilities, particularly youth, which require ongoing supports to achieve competitive integrated employment.

The \$35.3 million request for the Independent Living Services for Older Individuals who are Blind program, a \$2.0 million (6 percent) increase over the 2016 level, would assist States in meeting an anticipated increase in the demand for program services.

The Budget includes \$216.7 million for special institutions for persons with disabilities, including \$25.4 million for the American Printing House for the Blind, \$70.0 million for the National Technical Institute for the Deaf, and \$121.3 million for Gallaudet University.

## Special Education

### Grants to States

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$11,497.8	\$11,912.8	\$11,912.8
Estimated average Federal share per child (in whole dollars).....	\$1,717	\$1,777	\$1,777

The Grants to States program, which is authorized under the 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, level with the fiscal year 2016 appropriation, would provide a per-child average of \$1,777 for an estimated 6.7 million children with disabilities, which would maintain the 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 LEA; 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 with the most significant cognitive disabilities who cannot participate in regular assessments.

The request for Grants to States also includes \$21.0 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

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	\$353.2	\$368.2	\$403.2

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 \$535 per child for approximately 753,000 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.

The request also includes appropriations language that would allow LEAs to expand the age range of children who are eligible to receive coordinated early intervening services to include children ages 3 through 5. In addition, in order to reduce burden on LEAs who opt to exercise this flexibility, the Administration is requesting a waiver of some reporting requirements for LEAs that exercise this flexibility.

Grants for Infants and Families

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$438.6	\$458.6	\$503.6

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 352,000 infants and toddlers with disabilities and their families.

The request also includes \$15 million to make competitive grants to partnerships of public and private entities to support community-based model demonstration projects. These model demonstration projects would focus on expanding early screening, referral, and early intervention services to infants and toddlers eligible for Part C and those who are at-risk, but not eligible for Part C, and their families.

State Personnel Development

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
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 2017 request would help cover the cost of approximately 41 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

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$44.3 <sup>1</sup>	\$44.3 <sup>1</sup>	\$54.3

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<sup>1</sup> Excludes \$7.6 million for the Special Olympics in 2015 and \$10.1 million in 2016, which is requested as a separate line item in 2017.

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 \$21 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.

The request includes an increase of \$10 million for grants to substantially increase the Administration's investment in model demonstration projects to build the evidence-base for



promising practices in critical areas such as interventions for students with autism that require intensive services and support.

### Personnel Preparation

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
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

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
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 104 centers as well as awards to provide technical assistance to the centers.

### Educational Technology, Media, and Materials

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$28.0	\$30.0	\$30.0

This 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 related 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 \$16.3 million for continuation awards and \$13.7 million for new awards.

### Special Olympics Education Programs

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$7.6 <sup>1</sup>	\$10.1 <sup>1</sup>	\$10.1

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<sup>1</sup> Funds were 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

### Vocational Rehabilitation (VR) State Grants

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$3,091.6	\$3,391.8 <sup>1</sup>	\$3,398.6

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<sup>1</sup> The amount shown for fiscal year 2016 is the mandatory level for the VR State Grants program and does not include the 6.8 percent sequester reduction for mandatory programs that went in to effect October 1, 2015, pursuant to the Budget Control Act of 2011. The reduced fiscal year 2016 amount is \$3,161.1 million.

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 nearly one 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 implementing the changes to Titles I and IV of WIOA, the Department is working with its partners in the Federal workforce development system to improve employment outcomes for individuals with disabilities, particularly individuals with significant disabilities and youth with disabilities.

The Department's request would assist States and tribal governments to increase the participation of individuals with disabilities in the workforce. Giving workers with disabilities the supports and the opportunity to acquire the skills they need to pursue in-demand jobs and careers is critical to growing our economy. The requested increase (\$6.8 million over the fiscal year 2016 mandatory level) is consistent with the inflation adjustment specified in the authorizing statute (1.7 percent for 2017). In 2015, the VR program helped approximately 184,000 individuals with disabilities—94 percent with significant disabilities—achieve employment outcomes. Of the amount requested for VR State grants, \$43.1 million would be set aside to support an anticipated 86 continuation grants under the American Indian Vocational Rehabilitation Services program in 2017.

### Supported Employment State Grants

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$27.5	\$27.5	\$30.5

This formula grant program provides supplemental funds to State VR agencies for supported employment services for individuals with the most significant disabilities. The amendments made to this program under WIOA reflect supported employment's important role in increasing

competitive integrated employment opportunities for such individuals, particularly youth with the most significant disabilities. The requested increase would help State agencies offset the increased costs associated with meeting the new challenges and opportunities resulting from WIOA.

#### Client Assistance State Grants

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$13.0	\$13.0	\$13.0

This program makes formula grants to States for activities to inform and advise clients of the 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 45,500 individuals with disabilities.

#### Training

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$30.2	\$30.2	\$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.

#### Demonstration and Training

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$5.8	\$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. All of the funds requested would be used to support the continuation costs of projects awarded in previous fiscal years, including approximately \$3.3 million to continue support for the Career Pathways Model Projects awarded in fiscal year 2015.

#### Independent Living Services for Older Blind Individuals

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$33.3	\$33.3	\$35.3

The Independent Living Services for Older Blind Individuals program assists individuals aged 55 or older whose severe visual impairments make competitive employment difficult to obtain. Funds are provided under a formula to State VR agencies to provide services designed to help eligible individuals to adjust to their blindness by increasing their ability to care for their

individual needs. In fiscal year 2014, the program served approximately 60,000 individuals with severe visual impairments. The requested increase would assist States in meeting an anticipated increase in the demand for program services in 2017. Under proposed rules amending VR State Grants program regulations (published in the Federal Register on April 16, 2015), the Department proposed to eliminate uncompensated outcomes, including homemaker outcomes, from the definition of the term “employment outcome.” While the national percentage of homemaker outcomes is small (about 3 percent), some State VR agencies, particularly those serving only individuals who are blind and visually impaired, have a greater percentage of homemaker outcomes than others. While the Department has proposed a transition period to offset the impact of this change, the Department anticipates that many of these individuals would be referred for services under this program.

Protection and Advocacy of Individual Rights

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$17.7	\$17.7	\$17.7

The Protection and Advocacy of Individual Rights (PAIR) 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 55,600 individuals with disabilities.

Helen Keller National Center for Deaf-Blind Youths and Adults

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$9.1	\$10.3	\$10.3

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. The funds requested would provide direct services for approximately 85 clients at the Center’s residential training and rehabilitation program and serve an estimated 1,710 consumers, 443 families, and 861 agencies and organizations through its regional offices.

Special Institutions for Persons with Disabilities

(BA in millions)

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
American Printing House for the Blind .....	\$24.9	\$25.4	\$25.4
National Technical Institute for the Deaf .....	67.0	70.0	70.0
Gallaudet University .....	<u>120.3</u>	<u>121.3</u>	<u>121.3</u>
Total .....	212.2	216.7	216.7

### American Printing House for the Blind

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 62,528 persons with visual impairments at an average per student allotment of \$304, continue funding for initiatives to improve its technical assistance and outreach services, and support a variety of new and continuing research projects.

### National Technical Institute for the Deaf

The National Technical Institute for the Deaf (NTID) provides postsecondary technical education and training for students who are deaf or hard of hearing, 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 or hard of hearing. The request would support education and training for approximately 1,220 students enrolled in undergraduate and graduate programs.

### Gallaudet University

Gallaudet University offers undergraduate, graduate, and continuing education programs for individuals who are deaf or hard of hearing, and for hearing students wishing to pursue careers in fields related to deafness. Gallaudet also maintains and operates the Kendall Demonstration Elementary School and Model Secondary School for the Deaf. The request provides \$121.3 million for operations, including funds that may be used for the Federal Endowment Grant program. The request would help Gallaudet serve an estimated 1,684 undergraduate and graduate students and 265 elementary and secondary education students in the 2016-2017 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 (CTE) and adult education and literacy systems. The Department also awards competitive grants and contracts under both CTE and adult education for evaluation, performance measurement and improvement, technical assistance, research and development, innovative programs, and other national activities. For 2017, the Administration is requesting \$1.2 billion, an increase of \$77 million or almost 7 percent over the 2016 level, to support its proposal to reauthorize the Carl D. Perkins Career and Technical Education Act. This proposal would increase the rigor and relevance of what students learn in school to more closely align programs with the demands of the 21<sup>st</sup> century economy and workforce while creating stronger linkages between secondary and postsecondary education. The 2017 request also provides \$606.7 million for Adult Education programs, including an \$11 million increase for National Leadership Activities supporting implementation of the programs as reauthorized by the Workforce Innovation and Opportunity Act of 2014 (WIOA).

#### Career and Technical Education (BA in millions)

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
State Grants .....	\$1,117.6	\$1,117.6	\$1,192.6
National Programs .....	<u>7.4</u>	<u>7.4</u>	<u>9.4</u>
Total .....	1,125.0	1,125.0	1,202.0

The request provides \$1.2 billion, an increase of \$77 million or almost 7 percent, for activities under the Administration's proposal to reauthorize the 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 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:

- 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;
- Effective alignment between high-quality CTE programs and labor market needs to equip students with 21<sup>st</sup> century skills and prepare them for in-demand occupations in high-growth industry sectors; and
- Increased emphasis on innovation through a new CTE Innovation Fund that would support the development and implementation of new practices and models at the local level as well as systemic reform of State policies and practices.

The request provides \$75 million for a new American Technical Training Fund (ATTF), under the proposed CTE Innovation Fund authority, that would support the development, operation, and expansion of innovative, evidence-based, tuition-free, short-term or accelerated job training programs in high-demand fields that provide a path to the middle class for low-income individuals. Projects would emphasize strong employer partnerships, work-based learning opportunities, accelerated training, and flexible scheduling to accommodate part-time work. These types of training programs are critical to providing a pathway to the middle class for hard-working individuals who need to gain technical skills and postsecondary credentials to obtain employment in high-wage industries. Programs would be free to participants and grantees would be required to waive tuition and fees for students on a “first dollar” basis. The ATTF would be jointly administered with the Department of Labor to help ensure that projects are well-integrated into the workforce system.

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. The \$9.4 million request includes a \$2 million increase to provide technical assistance and evaluation support for ATTF projects.

Adult Education  
(BA in millions)

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
Adult Basic and Literacy Education			
State Grants.....	\$569.0	\$582.0	\$582.0
National Leadership Activities.....	<u>13.7</u>	<u>13.7</u>	<u>24.7</u>
Total .....	582.7	595.7	606.7

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 Adult Education and Family Literacy Act is authorized by WIOA, which promotes alignment of the Adult Education programs with Federal job training programs and the postsecondary education system. The State Grants program includes a statutory set-aside for English Literacy/Civics Education 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 and to promote reentry education. The proposed \$11 million increase would be used to support State-based efforts to improve adult education standards and assessments and to carry out data collection activities, as well as to improve the interoperability of data systems and the accuracy and timeliness of reporting to meet WIOA requirements.

## 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. Since 2009, the Obama Administration has made historic investments in student financial aid that have helped ensure college stays within the reach of American families, including ending the inefficient guaranteed student loan program and reinvesting the savings into making college more affordable; strengthening and expanding the Pell Grant program; increasing the maximum Pell Grant award by more than \$1,000; creating and extending the American Opportunity Tax Credit, worth \$10,000 over 4 years of college; and making loans more affordable. President Obama also helped borrowers manage their education debt by improving and expanding income-driven repayment, allowing nearly 7 million additional borrowers to cap their loan payments at 10 percent of their income through the Pay As You Earn and related plans. Still, far too many students never complete their degree—only 60 percent of those enrolled in a bachelor's degree program complete their education. Even for those who do complete, at least one-third take longer than expected to graduate, forcing them to carry additional costs and leave school with higher debt burdens. The consequences of not completing college are especially severe for students who leave school with debt; borrowers who drop out of college face a three times greater risk of defaulting on their student loans compared with those who graduate.

That is why the Administration has doubled down on its efforts toward a new higher education focus on degree completion, in addition to college access and affordability, seeking to help shift incentives at every level to focus on student success, not just on access. Accordingly, the 2017 request continues providing critical investments to improve college access, affordability, and student outcomes, and also includes new initiatives to support and encourage higher college completion rates.

Overall, the 2017 Budget for postsecondary student aid includes both discretionary and mandatory funding that would make available \$139.7 billion in new grants, loans, and work-study assistance—an increase of \$42.0 billion, or 43 percent, over the amount available in 2008—to help an estimated 12.1 million students and their families pay for college. Furthermore, the 2017 Budget proposes key reforms to provide both institutional and student supports and incentives for on-time and accelerated degree attainment, making college more affordable and accessible, and student loan repayment easier, as well as protecting students and taxpayers. In particular, the Budget includes proposals to (1) support and encourage low-income students to complete their studies on time or faster and to reward those who take more courses; (2) reform the campus-based student aid programs to reward success for low-income students; (3) fully fund, expand, strengthen, and sustain the value of the Pell grant; (4) further simplify the application for Federal student aid; (5) reform and streamline income-driven repayment and teacher loan forgiveness; and (6) protect students and taxpayers from predatory colleges. The specifics of these reform proposals are discussed below.

#### Pell for Accelerated Completion

Currently, full-time students who want to accelerate their studies but exhaust their Pell Grant eligibility during an award year are unable to receive Pell aid for additional coursework during an institution's academic calendar—such as a summer semester. The Budget proposes to reinstate year-round Pell Grant eligibility, allowing students the opportunity to earn a third semester of Pell Grant support during an academic year if they have already completed a full-



time course load of 24 credits. Eligible students will be able to receive up to 150 percent of their regular Pell Grant award, allowing students to complete their degrees and enter the workforce or graduate education on time or even faster.

#### On-Track Pell Bonus

Under current law, a student who is enrolled in 12 semester hours (or the equivalent) during a term is considered full-time for Federal student aid purposes and is eligible for a maximum Pell grant. Assuming two standard terms during a Pell Grant award year, students pursuing a 2-year/4-year degree and enrolled at 12 semester hours per term cannot graduate within 2-4 years and those who take more credits cannot obtain more Pell aid within the same award year. To bolster incentives for on-time completion, the Budget proposes to provide an additional \$300 Pell bonus award to reward recipients who take 15 credits per semester in an award year. The Budget also proposes again to strengthen academic progress requirements in the Pell Grant program to encourage students to complete their studies on time.

#### Reform Campus-Based Aid to Better Serve Low-Income Students

Some of the more than 6,000 institutions of higher education that participate in the Federal Pell Grant and/or Federal Student Loan programs also participate in one or more of the Federal Campus-Based Aid programs: Federal Supplemental Educational Opportunity Grants, Federal Work-Study, and Federal Perkins Loan programs. While all schools are eligible to participate in the campus-based aid programs, antiquated statutory formulas with stringent hold-harmless provisions have resulted in institutions receiving allocations that reward them for high tuition prices, do not reflect the population of Pell-eligible students attending the institutions, and fail to consider whether the institutions are a good value for students. The President's 2017 Budget proposes to reform Federal allocations in the campus-based programs to allocate grants to those institutions that enroll and graduate higher numbers of Pell-eligible students and offer affordable and quality education and training such that graduates can obtain employment and repay their educational debt.

#### Perkins Loan Program Modernization and Expansion

The Budget proposes to modernize and expand the Perkins Loan program into a new Unsubsidized Perkins Loan program, which would provide \$8.5 billion in loans annually, allocating lending authority among institutions on the basis of the extent to which institutions enroll and graduate higher numbers of Pell-eligible students and offer affordable and quality education such that graduates can repay their educational debt. This reform would replace the current program, which was recently reauthorized through the end of September 2017, and be in effect for the 2017–2018 school year. When fully implemented, the new Perkins loan program would provide eight and a half times the current Perkins loan volume and expand institutional participation by up to an additional 2,900 postsecondary institutions.

The Department would administer the new Perkins Loan program as a direct loan program; however, institutions would continue to have discretion over award aid to students. Modernizing and expanding the program would give more students increased access to Federal student loans that carry important protections and benefits, including income-based repayment plans and loan forgiveness options.

### Protecting Pell Grants

Pell Grants are considered to be the foundation of a student's financial aid package, to which other forms of aid are added. This Budget would fully fund the Pell program in 2017, with a maximum award of \$5,935—effectively \$6,235 for those taking at least 15 credit hours per semester—and protect the value of Pell Grants from eroding due to the expiration of indexing set to occur in the 2018 award year and beyond. To this end, this Budget proposes to permanently continue indexing the Pell Grant program for inflation. The Budget also proposes moving Iraq and Afghanistan Service Grants into the Pell Grant program to avoid further award reductions as a result of sequestration and ensure our veterans' children receive a full, non-sequestered aid award. Extending inflationary increases to Pell Grants would cost \$33 billion over 10 years, helping 9 million students keep up with the rising cost of education within a decade.

### Second Chance Pell

The Budget proposes to reinstate access to Pell Grant aid for eligible incarcerated students in Federal and State penal institutions. Under this proposal, incarcerated individuals who otherwise meet Title IV eligibility requirements and are eligible for release could access Pell Grants to pursue postsecondary education and training. Research published in 2013 from the RAND Corporation titled "Evaluating the Effectiveness of Correctional Education" suggests that inmates who participate in correctional education programs have (1) lower odds (43 percent) of recidivating; and (2) higher odds (13 percent) of obtaining employment post-release than those who do not participate in correctional education. Expanding postsecondary opportunity to incarcerated individuals eligible for release through the Second Chance Pell proposal would restore their Pell eligibility with the goals of helping them get jobs, support their families, turn their lives around, and strengthen their communities.

### FAFSA Simplification

The Department of Education has taken administrative steps to improve the Federal financial aid process. Today, more than 99 percent of the Free Application for Federal Student Aid (FAFSA) applications are submitted online. The online FAFSA uses skip-logic, which allows applicants to skip questions that do not pertain to them, to expedite completion. On average, students complete the online FAFSA in approximately 20 minutes, one-third of the time it took 7 years ago. Moreover, among 2014–2015 applicants who filed their taxes, 58 percent of independent students and 46 percent of parents of dependent students—or over 6 million students and parents overall—had used the IRS Data Retrieval Tool (DRT) to access and automatically transfer their IRS tax return information into the FAFSA.

In September 2015, President Obama announced significant changes in the process for filing FAFSAs starting in the 2017 award year. Applicants will be able to access and submit the FAFSA for the 2017 award year starting in October 2016, 3 months earlier than the current process would allow. In addition, applicants will submit "prior-prior" income information, meaning that 2015 income information, already available in October through the data retrieval tool, will be used to inform aid decisions for the 2017 award year. Both of these changes will streamline the student aid process and provide families with an earlier picture of their aid eligibility.

Despite these improvements, the FAFSA requires some applicants to complete over 100 questions to determine their eligibility for Federal student aid. This complexity discourages

many eligible students from applying for aid—an estimated 2 million students who would have qualified for a Pell Grant failed to complete the application. The FAFSA could be made more understandable and easier for applicants to complete by removing data elements pertaining to assets and additional types of income, and by relying primarily on information readily available in Federal tax returns. That is why the President's 2017 Budget proposes additional and significant FAFSA simplification by removing questions regarding savings, investments, and net worth, which rarely affect the actual aid award but significantly lengthen the application for some families. Additionally, untaxed income and exclusions from income data that are not reported to the IRS would no longer be collected. To prevent resulting decreases of aid awards, the Budget also proposes adjustments to the Expected Family Contribution for certain categories of applicants.

### Reform and Streamline Repayment Plan Options

Since President Obama took office, the Administration has improved and expanded the protections of income-driven repayment through both legislative changes and administrative actions. Today, all existing Direct Loan student borrowers can limit the amount of their loan payments to 10 percent of their income, and those payments are limited to 20 years (25 years for some graduate borrowers).

In addition, the Office of Federal Student Aid has conducted, and continues to implement, significant outreach efforts to inform student loan borrowers of their repayment options, including the protections of Pay As You Earn (PAYE) and related income-driven repayment plans. This effort has paid off—participation in income-driven repayment plans has more than doubled over the past 2 years.

Despite these efforts, choosing and enrolling in the right repayment plan is complicated by the numerous repayment plans authorized and required by law to be offered to borrowers. Thus, the Administration continues to seek to work with Congress to create a single, simple, and better targeted income-driven repayment plan.

The 2017 Budget would reform and streamline PAYE and related repayment plans to ensure that program benefits are better targeted and safeguard the program for the future by protecting against institutional practices that may further increase student indebtedness. The proposal would create a single PAYE plan for loans originated on or after July 1, 2017, similar to the Revised PAYE (REPAYE) plan. This would simplify borrowers' experience and allow for easier selection of a repayment plan, while reducing program complexity and targeting benefits to ensure program effectiveness. Students who borrowed their first loans prior to July 1, 2017, would continue to be able to select among the existing repayment plans for loans borrowed to fund their current course of study, though loans they borrow for future degrees would be under the new terms.

### Strengthen and Streamline Teacher Loan Forgiveness

The Administration is committed to ensuring all students, especially those in high-needs schools, have access to effective teachers. To meet this commitment, we must attract more talented people into the teaching profession, and reward them for the hard, daily work of improving student learning outcomes in our lowest-performing schools. The Budget proposes to expand and increase teacher loan forgiveness, providing up to \$25,000 in forgiveness for teachers graduating from an effective preparation program who serve in low-income schools, starting in 2021. This proposal would simplify existing postsecondary assistance available for

teachers, such as TEACH grants and the current teacher loan forgiveness program, by consolidating them into a single, more generous loan forgiveness program, incentivizing more individuals to teach in our neediest schools and encouraging them to stay. Current programs have either entirely back-loaded benefits (teachers are eligible for lump sum forgiveness after 5 years of teaching) or entirely front-loaded (grants that may convert to loans if students fail to fulfill a 4-year teaching requirement) and have proved insufficient to incentivize individuals to join and remain in the teaching profession. The new program would reward teachers in high-need schools with forgiveness up to \$10,000, while those who graduated from effective teacher preparation programs, as determined by States, would be eligible to receive up to \$25,000. This new program would reward job retention by forgiving increasing shares of student loan balances, awarded at 10 percent per year for teachers starting years 2–3, 20 percent for starting years 4–5, and 40 percent for starting year 6.

### Protect Students and Taxpayers

The Budget proposes several reforms aimed at ensuring student aid dollars are spent prudently. The Budget proposes to include all Federal educational programs, including Department of Defense Tuition Assistance and Department of Veterans Affairs GI Bill Benefits, in the 90/10 calculation as part of the administration of Title IV Federal student aid at proprietary (for-profit) institutions. This proposal will discourage aggressive, and sometimes predatory and deceptive, marketing and recruitment of veterans and servicemembers who receive non-Title IV educational aid. Currently, for institutions participating in Federal student aid programs, no more than 90 percent of revenue can come from Federal student loans and grants. Additionally, the budget proposes to revert the 90 percent benchmark back to the original 85 percent in the calculation. The intent of this requirement is simple: quality for-profit programs should be able to secure funding that is not solely from the Federal Government and thus show that they are able to bring in students willing to spend their own funds. The Budget also will prevent additional Pell disbursements to recipients who repeatedly enroll and obtain aid but do not earn any academic credits.

### Federal Student Aid and Tax Benefits for College Students

In addition to Pell Grants, subsidized and low-interest student loans, and the campus-based student aid programs, the Federal Government provides significant 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. The Administration proposes to expand, simplify and better target education tax benefits, building on its success in creating the American Opportunity Tax Credit.

<b>Federal Assistance to College Students</b>	<b>2008</b>	<b>2017 Request</b>	<b>Change in Dollars</b>	<b>Change in Percent</b>
Student Aid Available	\$97.7 billion	\$139.7 billion	\$42.0 billion	+43%
Selected Tax Benefits	\$7.5 billion	\$17.7 billion	\$10.2 billion	+136%

Student Aid Summary Tables

<u>Budget Authority</u> (dollars in millions)	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
Pell Grants			
Discretionary funding .....	\$22,475.4	\$22,475.4	\$22,475.4
Mandatory funding .....	<u>5,152.9</u>	<u>5,804.4</u> <sup>1</sup>	<u>7,629.0</u> <sup>1</sup>
Subtotal, Pell Grants .....	<u>27,628.3</u>	<u>28,279.8</u>	<u>30,104.4</u>
Supplemental Educational Opportunity Grants .....	733.1	733.1	733.1
Work-Study .....	989.7	989.7	989.7
TEACH Grants <sup>2</sup> .....	-15.3	10.6	12.3
Iraq and Afghanistan Service Grants .....	0.4	0.5	— <sup>3</sup>
Federal Family Education Loans .....	-3,293.6 <sup>4</sup>	-1,074.7 <sup>4</sup>	—
Federal Direct Loans .....	17,303.2 <sup>5</sup>	-671.6 <sup>5</sup>	-8,292.5 <sup>5</sup>
Unsubsidized Perkins Loans .....	<u>—</u>	<u>—</u>	<u>-640.3</u> <sup>6</sup>
Total .....	43,345.8	28,267.3	22,906.6

<sup>1</sup> Amounts appropriated for Pell Grants for 2016 and 2017 include mandatory funding provided in the Higher Education Act, as amended, to fund both the base maximum award and add-on award.

<sup>2</sup> 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. The 2015 amount includes a net downward reestimate of \$31.2 million. The 2016 amount includes a net downward reestimate of \$1.8 million. The amount for 2017 reflects new loan subsidy.

<sup>3</sup> Budget authority for the Iraq and Afghanistan Service Grants (IASG) program is displayed as part of the Pell Grant program, reflecting Budget policy to moving IASG into the Pell Grant program. In 2017, budget authority for this program is projected to be \$495,000.

<sup>4</sup> FFEL budget authority does not include the Liquidating account. The 2015 amount includes a net downward reestimate of -\$3.3 billion primarily related to revised deferment assumptions. The 2016 amount includes a net downward reestimate of -\$1.2 billion primarily related to updated deferment assumptions and an upward modification of \$152 million to reflect the increase in guaranty agency reinsurance from 95 percent to 100 percent as included in the Consolidated Appropriations Act, 2016. These reestimates and modifications reflect the impact of changes on an outstanding FFEL portfolio of over \$253 billion.

<sup>5</sup> The 2015 amount includes a net upward reestimate of \$12.3 billion, primarily related to revised interest rates and increased participation in income-driven repayment plans, and a net upward modification of \$9.3 billion, to reflect the budgetary impact of the proposed changes to PAYE. The 2016 amount includes a net upward reestimate of \$7.7 billion, primarily related to revised prepayment assumptions and increased participation in income-driven repayment plans. (reestimates and modifications reflect the impact of changes on an outstanding Direct Loan portfolio of \$801 billion).

<sup>6</sup> Amount in 2017 reflects proposal to create a new Perkins Loan program as a mandatory credit program.

<u>Aid Available to Students</u> (dollars in millions)	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
Pell Grants	\$28,528.7	\$28,282.6	\$30,975.4
Supplemental Educational Opportunity Grants.....	925.2	925.2	925.2
Work-Study .....	1,125.4	1,125.4	1,125.4
Iraq and Afghanistan Service Grants .....	0.4	0.5	— <sup>1</sup>
New Student Loans:			
Federal Direct Loans .....	95,205.0	96,917.9	101,636.3
Perkins Loans .....	1,171.5	871.6	871.6
Unsubsidized Perkins Loans .....	—	—	4,113.4
TEACH Grants .....	<u>86.8</u>	<u>88.5</u>	<u>96.4</u>
Subtotal, Student Loans .....	96,463.3 <sup>2</sup>	97,878.0 <sup>2</sup>	106,717.7 <sup>2</sup>
Total .....	127,043.0 <sup>3</sup>	128,211.7 <sup>3</sup>	139,743.7 <sup>3</sup>

<sup>1</sup> Aid available for the Iraq and Afghanistan Service Grants (IASG) program is displayed as part of the Pell Grant program, reflecting Budget policy to moving IASG into the Pell Grant program. In 2017, aid available for this program is projected to be \$572,000.

<sup>2</sup> Consolidation Loans for existing borrowers will total \$46.0 billion in 2015; \$48.8 billion in 2016; and \$48.4 billion in 2017.

<sup>3</sup> Shows total aid generated by Department programs, including Perkins Loan capital from institutional revolving funds, and institutional matching funds.

<u>Number of Student Aid Awards</u> (in thousands)	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
Pell Grants .....	7,670.0	7,679.0	7,719.0
Supplemental Educational Opportunity Grants.....	1,547.0	1,547.0	1,547.0
Work-Study .....	674.2	674.2	674.2
Iraq and Afghanistan Service Grants .....	— <sup>1</sup>	— <sup>1</sup>	— <sup>1</sup>
New Student Loans: <sup>2</sup>			
Federal Direct Loans .....	17,910.5	17,677.7	18,175.5
Perkins Loans .....	539.4	401.3	401.3
Unsubsidized Perkins Loans .....	—	—	714.0
TEACH Grants .....	<u>30.1</u>	<u>30.7</u>	<u>31.3</u>
Total awards .....	28,371.2	28,009.9	29,262.3

<sup>1</sup> Less than 1,000 recipients in each year.

<sup>2</sup> Excludes Consolidation Loans for existing borrowers will total 790,000 in 2015; 809,000 in 2016; and 785,000 in 2017.

Number of Postsecondary Students Aided by Department Programs

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Unduplicated Count (in thousands) .....	11,974	11,833	12,078

Federal Pell Grant Program

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions:			
Discretionary budget authority .....	\$22,475.4	\$22,475.4	\$22,475.4
Mandatory budget authority .....	5,152.9	5,804.4	6,306.0
Definite mandatory funding .....	—	—	<u>1,323.0</u>
Total	27,628.3	28,279.8	30,104.4
Program costs (dollars in millions) .....	\$28,567.0	\$28,321.0	\$31,014.0
Aid available (dollars in millions) .....	\$28,528.7	\$28,282.6	\$30,975.4
Recipients (in thousands) .....	7,670	7,679	7,719
Maximum grant (in whole dollars)			
Discretionary portion .....	\$4,860	\$4,860	\$4,860
Mandatory add-on .....	<u>915</u>	<u>955</u>	<u>1,075</u>
Total	5,775	5,815	5,935
Average grant (in whole dollars) .....	\$3,720	\$3,683	\$4,013

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 2017 discretionary request of \$22.5 billion for Pell Grants would continue to make college more affordable for an estimated 7.7 million students by supporting the scheduled increase in current law in the maximum Pell award by the Consumer Price Index to an estimated \$5,935 in award year 2017–2018, effectively \$6,235 for those taking at least 15 credit hours per semester.

In addition to fully funding the maximum award in fiscal year 2017, the Budget proposes to permanently index the maximum award for inflation beyond 2017. The Budget also proposes several new Pell initiatives to expand access to postsecondary education and promote student completion:

- **Pell for Accelerated Completion:** The Budget proposes to reinstate year-round Pell Grant and allow students the opportunity to earn a third semester of Pell during an academic year if they have already completed a full-time course load of 24 credits.
- **On-Track Pell Bonus:** The Budget promotes on-time completion by increasing the Pell Grant by an additional \$300 for students taking at least 15 credit hours per semester, the number of credits typically required for on-time completion.
- **Second Chance Pell:** To help incarcerated individuals successfully transition out of prison and back into the classroom or the workforce, the Budget proposes to reinstate access to Pell Grant aid for incarcerated students eligible for release in Federal and State penal institutions.

### Campus-Based Aid Programs

Supplemental Educational Opportunity Grants (SEOG), Work-Study, and Perkins Loan programs are called the “campus-based aid” programs because they make grants directly to participating institutions, which have considerable flexibility to package awards based on the needs of their students. The 2017 request would reform Federal allocations in the campus-based programs to target resources to those institutions that enroll and graduate higher numbers of Pell-eligible students, and offer affordable and quality education and training such that graduates can obtain employment and 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 antiquated formula that is based primarily on institutions’ longevity in the programs.

These reforms, collectively, seek to provide increased access to a quality and affordable higher education and ensure that students are well-prepared for work and life after graduation. The reforms will make postsecondary education more affordable for students with financial need and will reward institutions that demonstrate success in access, affordability, and completion, especially for low-income students.

### Supplemental Educational Opportunity Grants

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions .....	\$733.1	\$733.1	\$733.1
Aid available (dollars in millions) .....	\$925.2	\$925.2	\$925.2
Recipients (in thousands) .....	1,547	1,547	1,547
Average award (in whole dollars).....	\$598	\$598	\$598

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 \$192.1 million in institutional matching funds to make available an estimated total of \$925.2 million in grants to nearly 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 Federal allocations in the SEOG program to target grants to those institutions that enroll and graduate higher numbers of Pell-eligible students and offer affordable and quality education and training such that graduates can obtain employment and repay their educational debt.

### Work-Study

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions .....	\$989.7	\$989.7	\$989.7
Aid available (dollars in millions) .....	\$1,125.4	\$1,125.4	\$1,125.4
Recipients (in thousands) .....	674	674	674
Average award (in whole dollars).....	\$1,669	\$1,669	\$1,669

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 2016 amount—\$989.7 million—which, when combined with institutional matching funds, would make available a little over \$1.1 billion to an estimated 674,000 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 target grants to those institutions that enroll and graduate higher numbers of Pell-eligible students and offer affordable and quality education and training such that graduates can obtain employment and repay their educational debt.

### Perkins Loans

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
Perkins Loans (current program):			
Aid available (dollars in millions) .....	\$1,171.5	\$871.6	\$871.6
Recipients (in thousands) .....	539	401	401
Average loan (in whole dollars).....	\$2,172	\$2,172	\$2,172
Unsubsidized Perkins Loans:			
Loan subsidies (BA in millions) .....	—	—	-\$640.3
Aid available (dollars in millions) .....	—	—	\$4,113.4
Recipients (in thousands) .....	—	—	714
Average loan (in whole dollars).....	—	—	\$5,761.0

The Perkins Loan program provides long-term, low-interest loans to undergraduate and graduate students with demonstrated financial need at roughly 1,500 institutions. Perkins Loan borrowers pay no interest during in-school, grace, and deferment periods, and are charged 5 percent interest. Annual borrowing limits are \$5,500 for undergraduate students and \$8,000 for graduate and professional students. The Perkins Loan program was recently extended through September 30, 2017, by the Federal Perkins Loan Program Extension Act of 2015.

The Budget proposes to modernize and expand the Perkins Loan program into a new Unsubsidized Perkins Loan program which would provide \$8.5 billion in loans annually. This reform would replace the current program, and be in effect for the 2017–2018 school year. When fully implemented, the new Perkins loan program would provide eight and a half times the current Perkins loan volume and expand institutional participation by up to an additional 2,900 postsecondary institutions.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in thousands .....	\$369	\$453	0
Aid available (dollars in thousands) .....	\$410	\$477	0
Recipients (in thousands) .....	(1)	(1)	—
Average award (in whole dollars).....	\$4,881	\$4,918	0

<sup>1</sup> Number of recipients estimated to be less than 100.

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 \$5,815 for the 2016–2017 award year.

The 2017 Budget proposes moving Iraq and Afghanistan Service Grants (IASG) to the Pell Grant program to avoid further award reductions as a result of sequestration and ensure our veterans' children receive a full, non-sequestered aid award. As a result of sequestration, the current IASG program has, since award year 2012–2013, annually reduced the maximum grant for which recipients are eligible. This policy would allow these students to receive the full, equivalent Pell Grant (which is not subject to sequestration).

TEACH Grants

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions .....	-\$15.3 <sup>1</sup>	\$10.6 <sup>1</sup>	\$12.3 <sup>1</sup>
Aid available to students (in millions) .....	\$86.8	\$88.5	\$96.4
Recipients (in thousands) .....	30.1	30.7	31.3
Maximum grant (in whole dollars) .....	\$4,000	\$4,000	\$4,000
Average grant (in whole dollars) .....	\$2,881	\$2,881	\$3,077

<sup>1</sup> The 2015 amount includes a net downward reestimate of \$31.2 million. The 2016 amount includes a net downward reestimate of \$1.8 million. The amount for 2017 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 full-time teachers in mathematics, science, foreign language, bilingual education, special education, or reading 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.

The 2017 Budget proposes to strengthen and streamline teacher loan forgiveness, up to \$25,000 in forgiveness for teachers graduating from an effective preparation program who serve in low-income schools, starting in 2021. This proposal would simplify existing postsecondary assistance available to teachers, such as TEACH grants and the current teacher loan forgiveness program, by consolidating them into a single, more generous loan forgiveness program, incentivizing more individuals to teach in our neediest schools and encouraging them to stay on the job. The Budget proposes to allow undergraduate students who receive a TEACH Grant in the 2020–2021 academic year to continue to receive annual awards throughout their undergraduate enrollment, up to a lifetime maximum of \$16,000.

### Federal Family Education Loans and Direct Loans

(BA in millions)

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
<u>Federal Family Education Loans</u>			
Net modification of existing loans .....	—	\$151.6 <sup>1</sup>	—
Net reestimate of existing loans .....	-3,293.6 <sup>2,3</sup>	-1,226.3 <sup>2,3</sup>	—
Total, FFEL program BA.....	-3,293.6	-1,074.7	—
<u>Federal Direct Loans</u>			
New loans subsidies (BA).....	-4,333.0 <sup>2</sup>	-8,364.9 <sup>2</sup>	-8,292.5 <sup>2</sup>
Net modification of existing loans .....	9,307.2 <sup>1</sup>	—	—
Net reestimate of existing loans .....	12,329.0 <sup>3</sup>	7,693.3 <sup>3</sup>	—
Total, new budget authority .....	17,303.2	-671.6	-8,292.5
Total, student loans (BA) .....	14,009.6	-1,746.3	-8,292.5

<sup>1</sup> Under Credit Reform, costs or savings related to the impact of policy changes on existing loans are reflected in the current year. The 2016 FFEL modification reflects a cost associated with policy changes passed in the Consolidated Appropriations Act, 2016. The 2015 Direct Loan modification reflects the cost of expanding and reformulating the Pay As You Earn repayment plan.

<sup>2</sup> Total includes amount for Consolidation Loans.

<sup>3</sup> 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 \$253 billion for FFEL, \$77 billion for ECASLA, and \$801 billion for Direct Loans.

<u>New loan volume (in millions)</u>	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
<b>Direct Loans</b>			
Stafford loans .....	\$23,658.5	\$23,161.8	\$23,507.2
Unsubsidized Stafford loans .....	51,583.0	52,456.8	55,482.5
Parent PLUS loans .....	11,372.3	12,132.8	12,812.2
Grad PLUS loans .....	<u>8,591.2</u>	<u>9,166.5</u>	<u>9,834.4</u>
Total	95,205.0 <sup>1</sup>	96,917.9 <sup>1</sup>	101,636.3 <sup>1</sup>
 <b>Number of new loans (in thousands)</b>			
<b>Direct Loans</b>			
Stafford loans .....	7,297	7,068	7,157
Unsubsidized Stafford loans .....	9,191	9,105	9,454
Parent PLUS loans .....	900	958	990
Grad PLUS loans .....	<u>522</u>	<u>546</u>	<u>574</u>
Total .....	17,910 <sup>1</sup>	17,677 <sup>1</sup>	18,175 <sup>1</sup>

<sup>1</sup> Consolidation Loans for existing borrowers will total \$46.0 billion and 790,000 loans in 2015, \$48.8 billion and 809,000 loans in 2016, and \$48.4 billion and 785,000 loans in 2017.

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, guaranteed by the Federal Government and administered by State and private nonprofit guaranty agencies. 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 with fixed interest rates that are set annually:

- **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 2015–2016 is 4.29 percent. As of July 1, 2012, only undergraduate students are eligible for subsidized Stafford loans.
- **Unsubsidized Stafford Loans** have a fixed interest rate of 4.29 percent for undergraduate borrowers and 5.84 percent for graduate and professional borrowers in academic year 2015-2016. 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 6.84 percent in academic year 2015–2016 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 1/8<sup>th</sup> of 1 percent. The resulting rate for the consolidated loan is then fixed for the life of the loan.

The 2017 Budget would reform and streamline PAYE and related repayment plans to ensure that program benefits are better targeted and safeguard the program for the future by protecting against institutional practices that may further increase student indebtedness. The proposal would create a single PAYE plan for loans originated on or after July 1, 2017, similar to the Revised PAYE (REPAYE) plan. This would simplify borrowers' experience and allow for easier selection of a repayment plan, while reducing program complexity and targeting benefits to ensure program effectiveness (students who borrowed their first loans prior to July 1, 2017, would continue to be able to select among the existing repayment plans for loans borrowed to fund their current course of study, though loans they borrow for future degrees would be under the new terms.). A single PAYE plan would:

- Calculate loan payments at 10 percent of discretionary income, and eliminate the standard repayment cap, requiring high-income, high-balance borrowers to pay an equitable share of their earnings as their incomes rise;
- Forgive the remaining loan balance after 20 years of qualifying payments for borrowers with only undergraduate debt, and after 25 years for borrowers with graduate debt, to ensure that high-debt graduate borrowers, who may have higher incomes later in the repayment period, are more likely to repay their debt;
- Calculate payments for married borrowers filing separately on the combined household Adjusted Gross Income to ensure that married couples' payments are based on their true ability to pay;
- Cap the amount of interest that can accrue when a borrower's monthly payment is insufficient to cover the interest to avoid ballooning loan balances;
- Cap Public Sector Loan Forgiveness (PSLF) at \$57,500 to protect against institutional practices that may further increase student indebtedness, while ensuring the program provides generous relief for students committed to public service; and
- Prevent 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.

## F. HIGHER EDUCATION PROGRAMS

### Overview

The Administration's 2017 request includes \$2.2 billion in discretionary funds for Higher Education Programs aimed at increasing the percentage of Americans with postsecondary degrees or credentials to achieve the President's goal of leading the world in college attainment.

The request includes two signature mandatory Administration proposals, America's College Promise and the College Opportunity and Graduation Bonus, to help expand college access and success. America's College Promise would help ensure all Americans have the opportunity to pursue and succeed in higher education, with a goal of making 2 years of college as universal as high school, by letting millions of responsible students earn the first half of a bachelor's degree and the skills needed to succeed in the workforce at no cost. In the 2017 request, America's College Promise also would provide grants to 4-year Historically Black Colleges and Universities (HBCUs) and Minority-Serving Institutions (MSIs) to offer newly enrolled low-income students, including community college transfers, with up to 2 years at zero or significantly reduced tuition. The Budget would provide \$61 billion in mandatory outlays over 10 years to this program. The College Opportunity and Graduation Bonus program would recognize and provide a bonus to high-performing colleges that enroll and graduate a significant number of low- and moderate-income students, as demonstrated by high graduation rates for Pell Grant recipients and low cohort default rates, and encourage all institutions to improve their performance through a new investment of \$5.7 billion in mandatory outlays over the next 10 years.

The Administration's Budget also invests in innovation and building evidence of what works in postsecondary education at the institutional level through a \$100 million request for the First in the World program (FITW), funded in the Fund for the Improvement of Postsecondary Education (FIPSE). The requested funding would expand the FITW program to include scale-up grants to support implementation of strategies proven to improve outcomes for high-need students as well as the rigorous evaluation of such strategies. Of the amount requested for FITW, up to 30 percent would be set aside to support the implementation of projects at HBCUs and MSIs.

The request includes \$125 million for the Teacher and Principal Pathways proposal, which is designed to help institutions of higher education (IHEs) and nonprofit organizations, working closely with school districts, carry out the important work of teacher and principal preparation. Promoting a variety of high-quality pathways into teaching and school leadership is an essential component of the Administration's strategy for ensuring that new teachers and principals receive the training they need to serve in high-need schools and for addressing inequities in access to effective and highly effective educators.

To help close gaps among racial and socioeconomic groups in college enrollment and degree attainment, the request provides \$462.2 million in discretionary funding for the Aid for Institutional Development programs, the same as the 2016 appropriations level. The request would strengthen institutions of higher education that serve high proportions of minority and low-income students, including HBCUs and Historically Black Graduate Institutions (HBGIs), by improving their academic programs, institutional capacity, and student support services. The Budget also provides \$117.5 million in discretionary funding for the Aid for Hispanic-Serving Institutions program.

The request also includes \$30 million for the HBCU and MSI Innovation for Completion Fund, a new competitive grant program designed to support innovative and evidence-based, student-centered strategies and interventions to increase the number of low-income students and students of color who complete degree programs at HBCUs and MSIs. These institutions enroll a significant proportion of individuals from underserved and under-represented populations who are from low-income backgrounds or who are first-generation college students. Promoting academic success and degree completion for students at HBCUs and MSIs is critical to the work it will take to once again lead the world in college attainment.

The request would provide \$900 million to support college preparation and completion activities for participants in the Federal TRIO Programs. Of this amount, up to \$20 million would be used to support a new TRIO Demonstration initiative designed to give existing grantees the opportunity to compete for increased funding to implement and evaluate additional, evidence-based, college access and success strategies, and support dissemination of strategies that prove to be effective at scale to all TRIO grantees. Additionally, the request includes \$322.8 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 to helping meet the President's 2020 college attainment goal by getting more students into and through postsecondary education.

In addition, the Higher Education request includes \$67.3 million, a decrease of \$4.9 million below the 2016 appropriation, for the International Education and Foreign Language Studies (IEFLS) 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, as well as \$11.8 million for model comprehensive transition programs through the Model Transition Programs for Students with Intellectual Disabilities (TPSID) program.

#### America's College Promise (mandatory)

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	—	—	\$1,257.3

The mandatory President's America's College Promise proposal would make community college free for responsible students, enabling them to earn a certificate, an associate's degree, or up to 2 years' worth of credits towards a bachelor's degree without paying any tuition and fees. The new grant program would provide funding to States that agree to waive tuition and fees in high-quality programs at community colleges for responsible students, increase their own investment through matching funds, allocate a significant portion of State funding based on performance, and undertake a set of key reforms to help more students complete at least 2 years of college.

Reflecting America's higher education model of shared responsibility, everyone will have to do their part: (1) States must invest more in public higher education and training; (2) community colleges must strengthen their programs and improve student outcomes; and (3) students must take responsibility for their education, attend at least half-time, and earn good grades, to stay on track to graduate. In the 2017 request, America's College Promise would also provide grants to 4-year HBCUs and MSIs to offer newly enrolled low-income students, including community

college transfers, with up to 2 years at zero or significantly reduced tuition. Participating HBCUs and MSIs would also engage in key reforms and innovations to improve student outcomes.

HBCUs and MSIs play a unique role in creating and advancing educational opportunities for many of our Nation's first-generation, low-income, and underrepresented postsecondary students, which is essential to building our Nation's economy and strengthening the American middle class. This investment will encourage more students to successfully complete a bachelor's degree by enrolling as new students (direct pathways) or transferring from community college (transfer pathways).

To be eligible to participate, HBCUs and MSIs would need serve a significant share of low-income students (at least 35 percent share of enrollment), implement promising and evidence-based reforms and innovative practices to improve student outcomes, including completion rates, and, in order to serve transfer students, have guaranteed transfer and admission articulation agreements with community colleges. Students who are eligible to receive a Federal Pell Grant and who meet the criteria above would be eligible to have their tuition waived or significantly reduced. The total cost of the America's College Promise proposal is estimated at \$60.8 billion in mandatory outlays over 10 years.

College Opportunity and Graduation Bonus (mandatory)

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	—	—	\$547.8

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. Eligible institutions may receive a grant that would support innovation, interventions, and reforms to further increase college access and success based upon the number of Pell Grant recipients they graduate on time. The 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, varying by institution type. In addition, this program would encourage institutions to continue improving their performance and graduate even more low-income students, by providing a significantly 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. Over the next decade, the Budget provides \$5.7 billion in mandatory outlays for the College Opportunity and Graduation Bonus program.



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

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
Strengthening Institutions Program (SIP) .....	\$80.5	\$86.5	\$86.5
Strengthening Tribally Controlled Colleges and Universities (TCCUs) .....	25.7	27.6	27.6
Strengthening Tribally Controlled Colleges and Universities (mandatory TCCUs) .....	27.8 <sup>1</sup>	28.0 <sup>1</sup>	30.0 <sup>1</sup>
Strengthening Alaska Native and Native Hawaiian-serving Institutions (ANNHs).....	12.8	13.8	13.8
Strengthening Alaska Native and Native Hawaiian-serving Institutions (mandatory ANNHs) .	13.9 <sup>1</sup>	14.0 <sup>1</sup>	15.0 <sup>1</sup>
Strengthening Historically Black Colleges and Universities (HBCUs) .....	227.5	244.7	244.7
Strengthening Historically Black Colleges and Universities (mandatory HBCUs) .....	78.8 <sup>1</sup>	79.2 <sup>1</sup>	85.0 <sup>1</sup>
Strengthening Historically Black Graduate Institutions (HBGIs).....	58.8	63.3	63.3
Strengthening Predominantly Black Institutions (PBIs).....	9.2	9.9	9.9
Strengthening Predominantly Black Institutions (mandatory PBIs).....	13.9 <sup>1</sup>	14.0 <sup>1</sup>	15.0 <sup>1</sup>
Strengthening Asian American- and Native American Pacific Islander-serving Institutions (AANAPISIs).....	3.1	3.3	3.3
Strengthening Asian American- and Native American Pacific Islander-serving Institutions (mandatory AANAPISIs).....	4.6 <sup>1</sup>	4.7 <sup>1</sup>	5.0 <sup>1</sup>
Strengthening Native American-serving nontribal institutions (NASNTIs).....	3.1	3.3	3.3
Strengthening Native American-serving nontribal institutions (mandatory NASNTIs).....	4.6 <sup>1</sup>	4.7 <sup>1</sup>	5.0 <sup>1</sup>
Minority Science and Engineering Improvement (MSEIP) .....	<u>9.0</u>	<u>9.6</u>	<u>9.6</u>
Total .....	573.4	606.7 <sup>1</sup>	617.2
Discretionary .....	429.8	462.2 <sup>1</sup>	462.2
Mandatory .....	143.7	144.5	155.0

<sup>1</sup> Mandatory appropriations are provided under Section 371 of the HEA, as amended by P.L. 111-152. These amounts include sequester reductions of 7.3 percent in 2015 and 6.8 percent in 2016 that went into effect October 1, 2014, and October 1, 2015, respectively, 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 low-income 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 student services, interventions that promote degree completion, and faculty development; administrative management; development and improvement of academic programs; joint use of libraries and laboratories; construction, maintenance, and renovation of instructional facilities; and endowment funds.

The Strengthening Institutions Program supports institutions that provide educational opportunities to low-income and minority students. The 2017 request would support 164 continuation grants and would enable the Department to award 12 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 discretionary request would support continuation awards and enable the Department to conduct a competition for new 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 2017 mandatory funds to award new and continuation grants.

Strengthening Historically Black Colleges and Universities (HBCUs) supports any accredited, legally authorized HBCU that was established prior to 1964 and which retains a principal mission of educating African-Americans. Fiscal year 2017 funding would support 97 HBCUs. In 2017, \$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) makes awards to 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 approximately 39 continuation awards. In addition, \$15 million in mandatory funding is available in 2017 for continuation awards to 23 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. The 2017 request would support 10 continuation awards for institutions serving this diverse population. In addition, mandatory funding of \$5 million is available in 2017 to support approximately 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 7 continuation awards and an additional \$5 million in mandatory funds would support approximately 11 continuation awards.

The Minority Science and Engineering Improvement program would fund approximately 12 new grants and 29 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)

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
Developing HSIs (Discretionary) .....	\$100.2	\$107.8	\$107.8
Mandatory Developing HSI STEM and Articulation Programs.....	92.7 <sup>1</sup>	93.2 <sup>1</sup>	100.0 <sup>1</sup>
Promoting Postbaccalaureate Opportunities for Hispanic Americans (Discretionary).....	9.0	9.7	9.7
Total .....	201.9	210.7	217.5
Discretionary .....	109.2	117.5	117.5
Mandatory .....	92.7	93.2	100.0

<sup>1</sup> Mandatory appropriations are provided under Section 371 of the HEA, as amended by P.L. 111-152. These amounts include sequester reductions of 7.3 percent in 2015 and 6.8 percent in 2016 that went into effect October 1, 2014, and October 1, 2015, respectively, 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 2017, \$107.8 million in discretionary funding would support approximately 200 new and continuation awards. In addition, mandatory funds provided under section 371 of the HEA would support approximately 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. The amount requested would support 19 continuation awards.

HBCU and Minority-Serving Institutions (MSIs) Innovation for Completion Fund

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
BA in millions.....	0	0	\$30.0

The Administration requests \$30 million for a new HBCU and MSI Innovation for Completion Fund designed to support innovative and evidence-based, student-centered strategies and interventions to increase the number of low-income students and students of color completing degree programs at HBCUs and minority-serving institutions. Priority would be given to applicants that commit to leveraging other Federal funding, especially funding provided under Titles III and V of the HEA, to complement and support the activities proposed under this new

grant program. In addition, the program would give priority to strategies and interventions for which there is strong or moderate evidence of effectiveness.

International Education and Foreign Language Studies (IEFLS)

(BA in millions)

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
Domestic Programs.....	\$65.1	\$65.1	\$65.1
Overseas Programs .....	<u>7.1</u>	<u>7.1</u>	<u>2.2</u>
Total.....	72.2	72.2	67.3

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. All funds requested in fiscal year 2017 for the IEFLS programs would support continuation grants and fellowships.

Fund for the Improvement of Postsecondary Education (FIPSE)

(BA in millions)

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
First in the World (FITW) Awards.....	\$60.0	—	\$96.5
Centers of Excellence for Veteran Student Success.....	5.0	—	—
National Center for Information and Technical Support for Postsecondary Disabilities.....	2.5	—	—
Other/FITW Evaluation.....	<u>2.2</u>	<u>—</u>	<u>3.5</u>
Total.....	69.7 <sup>1</sup>	—	100.0

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<sup>1</sup> Includes \$1.9 million of funding the Department reprogrammed to FIPSE from other sources in the Higher Education Account. These funds, which would have otherwise lapsed, were used to make a partial award to an applicant that should have initially been funded but was not, due to an administrative error.

FIPSE awards competitive grants to support projects that are models for innovative reform and improvement in postsecondary education. The 2017 request would provide a total of \$100 million for the First in the World (FITW) program. FITW is a competitive grant program, modeled after Investing in Innovation, designed to support the development, validation, scaling up, and dissemination of innovative solutions and evidence for what works to effectively address college affordability and completion challenges for high-need students; including, but not limited to, adult learners, working students, part-time students, students from low-income backgrounds, students of color, students with disabilities, and first-generation college students. FITW builds evidence for what works in postsecondary education by supporting the implementation of innovative solutions and rigorous evaluation at increasing levels of scale to test the effectiveness of particular strategies. Increased funding in FITW would build on the 2014 and

2015 competitions by providing larger grants to support scaling up of evidence-based strategies, and rigorous evaluation at scale, to help determine whether these strategies work in varied settings and with a wide range of students. The Administration plans to set aside up to 30 percent of the funds available for the competition to support the implementation of projects at HBCUs and MSIs.

#### Tribally Controlled Postsecondary Career and Technical Institutions

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$7.7	\$8.3	\$8.3

The request would support 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

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$37.5	\$44.6	\$44.6

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 earn 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 not been able—due to limited or inconsistent educational opportunity—to complete high school or go on to postsecondary education. Funds would support services to approximately 5,200 participants under HEP projects and 1,800 participants under CAMP projects, as well as outreach, technical assistance, and professional development activities.

#### Federal TRIO Programs

(BA in millions)

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
Talent Search.....	\$135.1	\$155.0	\$149.1
Upward Bound .....	263.4	275.0	273.4
Veterans Upward Bound .....	13.5	16.7	14.0
Upward Bound Math-Science .....	43.1	49.4	44.0
Educational Opportunity Centers .....	46.9	56.1	50.2
Student Support Services .....	297.3	303.8	303.4
McNair Post Baccalaureate Achievement.....	33.3	35.2	38.0
Staff Training .....	1.5	2.5	2.5
TRIO Demonstration .....	—	—	20.0
Evaluation .....	2.0	2.0	2.0
Administration/Peer Review .....	<u>3.7</u>	<u>4.3</u>	<u>3.4</u>
Total.....	839.8	900.0	900.0

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 funding at the 2016 level and enable the Department to support nearly 3,000 TRIO projects serving middle school, high school, and college students and adults, while also launching a new TRIO Demonstration initiative designed to give existing grantees the opportunity to compete for increased funding to implement and evaluate additional, evidence-based college access and success strategies, and support dissemination of strategies that prove to be effective at scale to all TRIO grantees.

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

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$301.6	\$322.8	\$322.8

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 2016 level and would support new and continuation awards for approximately 39 States and 94 Partnerships in fiscal year 2017.

Graduate Assistance in Areas of National Need (GAANN)

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
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 2016 request would support approximately 609 fellowships.

Model Transition Programs for Students with Intellectual Disabilities (TPSID)

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$11.8	\$11.8	\$11.8

TPSID supports competitive grants awarded to institutions of higher education or consortia of such institutions to create or expand high-quality, inclusive model comprehensive transition and postsecondary programs for students with intellectual disabilities. The 2017 request would support 25 continuation awards, as well as a Coordinating Center that provides technical assistance to institutions with transition programs.

Child Care Access Means Parents in School

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
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 2017 request would support approximately 85 continuation awards.

Teacher and Principal Pathways

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	—	—	\$125.0

The proposed Teacher and Principal Pathways program is designed to help institutions of higher education and nonprofit organizations, working closely with school districts, carry out the important work of teacher and principal preparation. Promoting a variety of high-quality pathways into teaching and school leadership is an essential component of the Administration's strategy for ensuring that new teachers and principals receive the training they need to serve in high-need schools and for addressing inequities in access to effective and highly effective educators for poor and minority students. The 2017 request would support approximately 35 competitive grants to create and expand high-quality teacher and principal preparation programs.

Howard University

(BA in millions)

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
General Support.....	\$194.5	\$194.5	\$194.5
Howard University Hospital.....	<u>27.3</u>	<u>27.3</u>	<u>27.3</u>
Total.....	221.8	221.8	221.8

Howard University is a congressionally chartered HBCU that plays an important role in providing disadvantaged individuals, particularly Blacks or African Americans, with access to a high-quality postsecondary education. The 2017 request would maintain support at the 2016 level for Howard University's academic and research programs, serving approximately 10,700 undergraduate, graduate, and professional students and the Howard University Hospital. Federal support for the Hospital enables provision of medical, dental, and other health-related education, research, and training opportunities for graduate and professional students. The request includes \$3.4 million for Howard University's endowment, which is designed to assist the University in increasing its financial strength and independence.

Academic Facilities  
(BA in millions)

	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
HBCU Capital Financing Program .....	\$19.4	\$20.5	\$20.5
CHAFL Federal Administration .....	0.4	0.4	0.5

These programs support the construction, reconstruction, and renovation of academic facilities at institutions of higher education. The 2017 request for the HBCU Capital Financing Program would support the management and servicing of loan guarantees on previously issued loans, and includes \$20 million in loan subsidy that would allow the program to guarantee \$286 million in new loans in 2017. 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, statistics, and evaluation to study and provide solutions to the problems and challenges faced by schools, teachers, 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 rigorous and relevant to the needs of educators and policymakers.

For 2017, the Administration is seeking \$693.8 million for IES activities, an increase of \$75.8 million over the 2016 appropriation. This request would enable IES to award approximately \$55.5 million in new research and development grants in early learning, elementary, secondary, postsecondary, and adult education in 2017, including research focused on issues related to students with disabilities. NCES would receive an additional \$13.4 million to support a wide range of activities, including re-initiating the Early Childhood Longitudinal Study Birth Cohort, developing a study on college loan performance, collecting additional data through the Teaching and Learning International Survey, supporting the My Brother's Keeper initiative, and creating P–12 and postsecondary information hubs. The Statewide Longitudinal Data Systems program would receive an additional \$46.5 million to make new grants to support the expansion of existing systems to provide near real-time information to policymakers on the impact of various education strategies, as well as to support enhanced national activities to improve data coordination, quality, and use.

The request also would provide an increase for dissemination activities through an investment in Data Quality Initiatives (DQIs) to improve the Department's program performance data and reporting. Finally, the request would continue the Administration's commitment to supporting the Assessment, Regional Educational Laboratories, and Special Education Studies and Evaluations programs.

#### Research, Development, and Dissemination

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$179.9	\$195.0	\$209.3

The request includes an increase of \$14.3 million over the 2016 appropriation to support critical investments in education research, development, dissemination, and evaluation that provide parents, teachers, schools, and policymakers with evidence-based information on effective educational practices. The request would enable IES to sustain its efforts to produce and support the use of evidence-based practices in the field and in the Department, make approximately \$52.3 million in new research awards, and provide an increase of \$2.0 million to make enhancements to dissemination activities by investing in Data Quality Initiatives to improve the Department's program performance data and reporting.

Statistics

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$103.1	\$112.0	\$125.4

The Department's Statistics program—operated primarily through competitively awarded contracts administered by NCES—provides general statistics about trends in education, collects data to monitor reform and measure educational progress, and informs the IES research agenda. The 2017 request, an increase of \$13.4 million from the 2016 appropriation, would support the collection, analysis, and dissemination of education-related statistics in response to both legislative requirements and to the particular needs of data providers, data users, and educational researchers. The increase would provide \$7.1 million to re-initiate the Early Childhood Longitudinal Study Birth Cohort, \$2.5 million to support a study on student loan repayment and defaults, \$2.8 million to collect additional data through the Teaching and Learning International Survey, \$0.5 million to support statistical work on the My Brother's Keeper initiative, and \$0.5 million to support P–12 and postsecondary information hubs.

Regional Educational Laboratories (RELs)

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$54.4	\$54.4	\$54.4

The RELs serve as a necessary bridge between the research community and State and local educational agencies by building the capacity of States and districts to conduct and use research in order to bring the latest high-quality research and proven practices to the school level. RELs work in conjunction with other Department technical assistance centers to support State and district education priorities. Key REL activities include providing technical assistance on data analysis, evaluating programs and strategies, and analyzing State and district data to inform educational improvement. The requested funds would be used to support the first-year activities for 9 of the 10 RELs under new 5-year contracts. RELs Southwest is on a different schedule and will be competed in fiscal year 2017.

Assessment

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$137.2	\$157.2	\$156.7

The request would fund the ongoing National Assessment of Educational Progress (NAEP) and the National Assessment Governing Board (NAGB). 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. As the largest nationally representative and continuing assessment of what American students know and can do, NAEP has become a key measure of our Nation's educational performance. The request would support NAGB in formulating policy guidelines for NAEP and fund the sampling and data collection; pilot testing; item development; and scoring, analysis, and reporting of NAEP assessments.

Research in Special Education

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$54.0	\$54.0	\$54.0

These funds support a comprehensive program of special education research designed to expand the knowledge and understanding of infants, toddlers, and children with disabilities; answer questions about how children with disabilities develop and learn; and learn how best to support their development through improved teaching and special education and related services. Continued investment in such long-term programs of research is necessary to accumulate empirical knowledge and develop evidence-based practices and policies that will result in improved academic achievement, social and emotional well-being, behavior, and physical development for children with disabilities.

Statewide Longitudinal Data Systems

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$34.5	\$34.5	\$81.0

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 \$18 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 \$46.5 million increase would allow the Department to support \$34.7 million in new grants and ensure that data are available to answer key policy questions in such core areas as financial and resource equity and teacher preparation, compensation, and advancement. The increase would also support InformED by funding State data liaisons and a Support and Service Center to support SEAs with the collection and reporting of high-quality data.

Special Education Studies and Evaluations

	<u>2015</u>	<u>2016</u>	<u>2017 Request</u>
BA in millions.....	\$10.8	\$10.8	\$13.0

This program supports studies to assess the implementation of the Individuals with Disabilities Education Act (IDEA) 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 evaluation of preschool special education practices, a study of State and local implementation of IDEA, a study of post-high school outcomes for youth with disabilities, and the Middle Grades Longitudinal Study.

### III. PROGRAMS PROPOSED FOR ELIMINATION

#### Proposed Discretionary Program Eliminations

The 2017 request continues the Administration’s commitment to eliminating funding for programs that have achieved their original purpose, duplicate other programs, are narrowly focused, or unable to demonstrate effectiveness. Overall, Congress eliminated funding for approximately 50 programs since fiscal year 2010 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 eliminated under the 2017 request.

#### Programs Proposed for Elimination in FY 2017

	(2016 BA in millions)
Impact Aid Payments for Federal Property .....	\$66.8
Teacher Quality Partnership .....	43.1
Total .....	109.9

(2016 BA in millions)

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.

Teacher Quality Partnership..... \$43.1

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. The 2017 Budget replaces this program with the broader and more flexible Teacher and Principal Pathways program, funded at \$125 million.

## 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 18,200 school districts and 50 million students attending more than 98,000 public and 32,000 private schools. Department programs also provide grant, loan, and work-study assistance to more than 12 million postsecondary students at more than 6,000 institutions of higher education.

The Department is responsible for administering education programs authorized and funded 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.

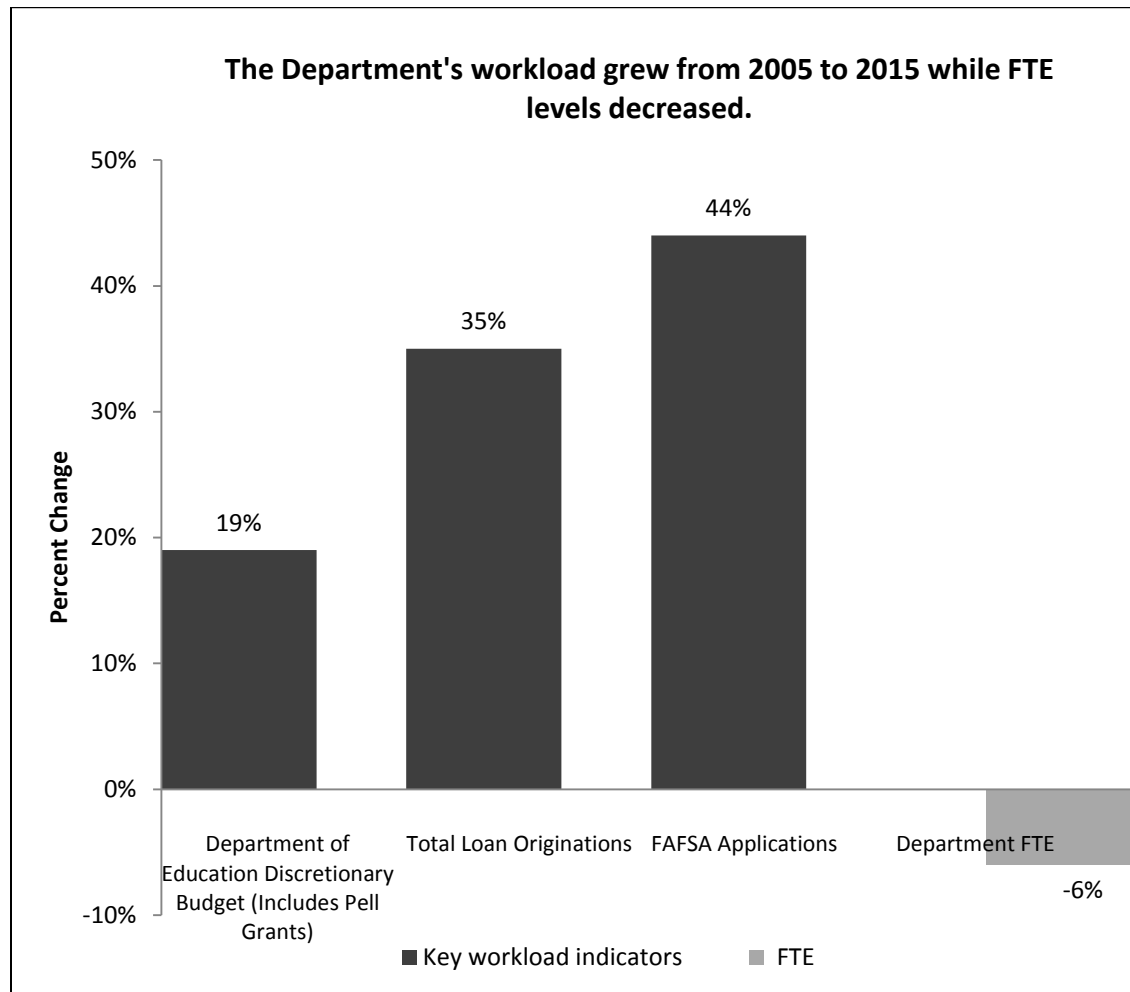
Most Federal funds for education are distributed using one of three methods: a statutory formula based on certain eligibility requirements, such as the number of low-income students in a school district; a competitive process aimed at identifying the most promising proposals or projects targeting a particular 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), for which the Department's 2017 request would provide \$15.4 billion to help approximately 24 million students in high-poverty schools make progress toward State academic standards; and \$11.9 billion for Part B Grants to States under the Individuals with Disabilities Education Act to help States and school districts meet the special education needs of 6.7 million students with disabilities. The Department also administers over 80 competitive grant programs that support efforts by States, school districts, institutions of higher education, nonprofit organizations, and other entities to strengthen excellence and equity at all levels of our education system, including efforts to address the needs of students and families in high-poverty schools and communities through innovative, locally developed solutions that expand educational opportunity, enhance teaching and learning, and improve student outcomes. Key programs also include Federal Pell Grants, which would make available \$31.0 billion in need-based grants to 7.7 million students enrolled in postsecondary institutions; and the postsecondary student loan programs, which would help provide roughly \$150 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. Some of the growth has resulted from legislation that added responsibilities or changed requirements, including the Student Aid and Fiscal Responsibility Act (SAFRA), which created 100 percent Direct Lending, the Workforce Innovation and Opportunity Act (WIOA), the DATA Act, and the Federal Information Technology Reform Act. Carrying out the existing Higher Education Act and making sure institutions comply with regulations to protect student and taxpayer interests has meant more workload. In addition, the reauthorization of the ESEA by the Every Student Succeeds Act will significantly increase demands on the Department to

establish rules, develop and disseminate program guidance, and provide substantial technical assistance to SEAs and LEAs to ensure a smooth transition to and implementation of the new statute. Other workload has also increased as the Department strives to improve its oversight of its programs and data. For example, the Office for Civil Rights has seen a surge in discrimination complaints received; Inspector General and other external audits have resulted in more follow-up; there has been a dramatic increase in the collection, use, and analysis of data; and we have placed a high priority on maintaining security of data systems and focusing on prudent financial and information technology management.

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 2005 to 2015, 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

<u>Departmental Management</u> (BA in millions)	<u>2015</u>	<u>2016</u>	<u>2017</u> <u>Request</u>
Program Administration	\$418.26 <sup>1</sup>	\$432.00 <sup>2</sup>	\$474.83 <sup>2</sup>
Office for Civil Rights	100.00	107.00	137.71
Office of Inspector General	57.79	59.26	61.94
Student Aid Administration	1,393.42 <sup>3</sup>	1551.85	1,631.99
Other	<u>9.28<sup>4</sup></u>	<u>9.28<sup>4</sup></u>	<u>8.83<sup>4</sup></u>
Total	1,978.75	2,159.39	2,315.30

Full-time equivalent employment (FTE)

Program Administration	1,912 <sup>1</sup>	1,880	1,901
Office for Civil Rights	540	589	753
Office of Inspector General	236	244	244
Student Aid Administration	1,375	1,537	1,621
Other	<u>18</u>	<u>19</u>	<u>19</u>
Total	4,081 <sup>5</sup>	4,269 <sup>5</sup>	4,538 <sup>5</sup>

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<sup>1</sup> Excludes \$4.74 million transferred to the Department of Health and Human Services for necessary administrative expenses per Section 491 of the Workforce Innovation and Opportunity Act, P.L. 113-128. Includes \$12.0 million transferred to the account under the transfer authority included in Section 304 of the Department of Education Appropriations Act, 2015.

<sup>2</sup> Includes \$1.0 million in 2016 and \$24.48 million in 2017 for Building Modernization.

<sup>3</sup> Excludes \$3.5 million transferred using the Department's transfer authority to the Program Administration account.

<sup>4</sup> Includes small Federal Credit Administration accounts and S&E activities in program accounts.

<sup>5</sup> Actual FTE usage in 2015; target for 2016 and 2017.

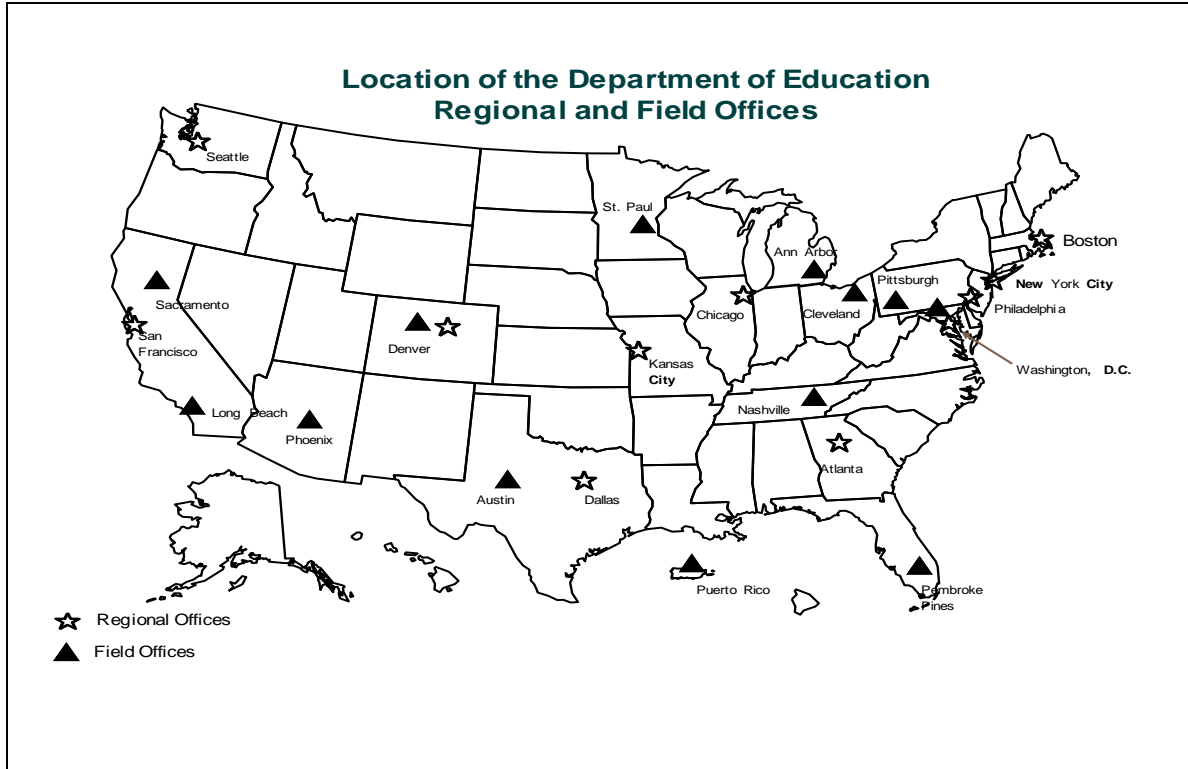
The 2017 Budget request for Salaries and Expenses (S&E) would pay the costs of staff, overhead, contracts, and other activities needed to administer and monitor the Department's educational assistance programs. The Department of Education has the smallest staff of the 15 Cabinet agencies, but its discretionary budget alone is the third largest, behind only the Department of Defense and the Department of Health and Human Services. As a result, the Department's administrative funds are approximately 1 percent of the total annual program appropriations and new loan volume administered by the Department.

The Department is requesting \$2.32 billion for its S&E budget accounts in 2017, an increase of \$156 million, or 7 percent, over the 2016 level. Two-fifths of the requested increase is for servicing costs necessary to manage the Department's \$1.2 trillion loan portfolio, as well as costs associated with awarding and transitioning to a new loan servicing contract. An additional one-quarter of the requested increase is for the proposed pay increases and an additional 269 FTE to (1) handle increased investigative workload; (2) bolster enforcement and oversight of the Title IV programs; and (3) implement key priorities including InformED, WIOA implementation, and student privacy. The Department would use 15 percent of its proposed increase for the renovation of Department-occupied buildings to help reduce the overall space footprint. The Department is expecting to achieve rent savings in 2017 after the Department reduces its footprint in 2016 by moving over 800 employees into smaller spaces. As a result of the move and greater reliance on telework, ED will no longer occupy space in three rented buildings. Requested funds in 2017 will allow the Department to shrink its footprint even further. The rest of the requested increase is focused on key priority areas including: student aid systems and operational costs necessary to originate, disburse, and manage Pell Grants and Student Loans; IT security to prevent potential security breaches; and IT infrastructure.

### Department Employment

The 2017 request includes funding for 4,538 FTE, a net increase of 269 FTE from the 2016 level of 4,269 FTE. Of the requested increase, the Department is seeking 21 additional FTE in Program Administration. More specific detail is explained in the Program Administration section. The request also includes an increase of 164 FTE in the Office for Civil Rights (OCR) to address staffing shortages and increased workload associated with Title IX investigations regarding sexual violence on college campuses. The increased FTE will ensure more robust monitoring efforts and reduce the time needed to resolve discrimination complaint cases. Additionally, an increase of 84 FTE in Student Aid Administration will bolster Federal Student Aid's capacity to provide adequate Title IV enforcement and oversight for its contracts and loan servicing activities, its oversight of institutions, and Clery Act and Borrower Defense work.





### Program Administration

The Program Administration account provides administrative support for most programs and offices in the Department. The 2017 request totals \$474.8 million, an increase of \$42.8 million, or 10 percent, above the 2016 level. The request includes \$287.3 million for personnel compensation and benefits to support 1,901 FTE, an increase of \$5.1 million from the 2016 level of \$282.2 million.

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 2017 is \$163.0 million, an increase of \$14.2 million from the 2016 level of \$148.8 million. Additionally, the request includes \$24.5 million for Building Modernization to support the renovation of Department-occupied buildings to help reduce the overall space footprint, an increase of \$23.5 million over the 2016 level.

The overall increase of \$42.8 million is needed for: (1) improvements to the Department's IT security to ensure the integrity of Department of Education data as well as to prevent potential IT security breaches; (2) 21 new FTE to address staffing shortages and high-priority initiatives, including InformED, WIOA implementation, and student privacy; (3) personnel compensation and benefits increases, including a proposed 1.6 percent pay raise in January 2017; (4) necessary spending to transition from the current network services and IT infrastructure contract (Education Department Utility for Communications, Applications and Technical Environment (EDUCATE)), which expires in November 2017, to a new contract; (5) developing a new Impact Aid System to replace the current antiquated system that is dangerously past its lifecycle, potentially jeopardizing timely awards to more than 1,100 Impact Aid recipients; and (6) costs associated with renovation of Department-occupied buildings to help reduce the overall space footprint.

The requested 2017 increase includes pay and non-pay resources to implement InformED. InformED is the Department's groundbreaking effort to transform how the Department makes information available—and actionable—for internal users and for the public, building on lessons learned from the new College Scorecard. The InformED initiative would apply these lessons across the education spectrum, from early childhood to adult education. With intuitive tools for decisionmaking tailored to different audiences, new InformED “information hubs” would pull together the Department's diverse array of data and studies on a particular topic, and allow open data access to help unlock answers to pressing education questions and needs. Many offices play a role in the data lifecycle, and functions would be spread across the following offices: the Office of the Chief Information Officer, the Institute of Education Sciences, and the Office of Planning, Evaluation, and Policy Development.

### Student Aid Administration

The Student Aid Administration account provides funds to administer the Federal student financial assistance programs. The Higher Education Act Title IV programs, which provide funds to help students and families pay for the cost of education and training 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: educating students and families about the process for obtaining aid and student loan repayment options; processing student financial aid applications; disbursing aid; servicing loans; collecting on defaulted loans; and enforcement and oversight of the Title IV programs.

Ensuring the smooth operation of the complex financial transactions and assisting the 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.

In fiscal year 2017, FSA will provide \$139.7 billion in Title IV assistance to almost 12.1 million postsecondary students and their families. These students attend more than 6,000 active institutions of postsecondary education accredited by dozens of agencies.

SAFRA ended the origination of new loans under the Federal Family Education Loan (FFEL) program; since July 1, 2010, all new loans are originated and serviced through the Direct Loan (DL) program administered by the Department of Education. 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 addition to the significant number of FFEL loans serviced by the Department. The Department currently contracts with 12 loan servicers to service the Department's portfolio of approximately 42 million borrowers.

The Student Aid Administration account represents 70 percent of the Department's total discretionary administrative budget. The 2017 request would provide \$1.6 billion to administer student aid programs, an increase of \$80.1 million over the 2016 level. Seventy-four percent of the increase is due to higher servicing costs, which result from growth in the number of borrowers and more borrowers in repayment. In addition, \$13.6 million of the requested increase includes staff pay and benefits for 1,621 FTE (a requested increase of 84 FTE), including a proposed 1.6 percent pay raise. These staff will bolster FSA's capacity to take enhanced enforcement action against high-risk institutions participating in Title IV

programs. The Enforcement Office (EO) will work with multiple Federal and State agencies to identify potential misconduct or high-risk conduct of institutions, proactively use enforcement tools to gather information, and fully use available actions to seek remedies. The EO will also include enforcement as it relates to the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act and the Drug-Free Schools and Communities Act. Finally, the EO will ensure that students who have been affected by misrepresentation or otherwise defrauded by their institutions will have access to a transparent and fair loan discharge process. Lastly, the request includes funds necessary to maintain operations for student aid application processing, origination and disbursement functions, and student aid IT system hosting; manage the acquisition strategy for FSA's core contracts for application processing and student loan servicing; and improve data collection, reporting, and dissemination of student aid information to the public.

### 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 6 years, OCR's workload has dramatically expanded as civil rights complaints received by the Department have increased from 6,933 in 2010 to an estimated 10,900 in 2016. At the same time, OCR's staffing has actually decreased, increasing the number of complaints per staff to 26. Despite the increase in complaints and decrease in staffing, OCR has managed to meet its performance goals for percentage of complaints resolved within 180 days. However, because of the recent increased complaint volume, the number of cases that have been pending more than 180 days has increased from 315 at the end of fiscal year 2009, to 1,311 at the end of 2015. The level of unresolved cases has been growing at a dangerously fast pace. Many of these cases, such as those addressing sexual violence and school discipline, are both more complex and more high profile. As a result of inadequate staffing, the length of time these cases go without resolution has increased. In order to meet its performance goals, OCR also has been forced to limit the number of discretionary enforcement activities it undertakes. For example, the number of compliance reviews initiated by OCR has decreased 80 percent since 1995 from 96 to 19 in 2015. To address this issue, the Administration is requesting a significant increase in FTE for OCR.

The 2017 request for OCR is \$137.7 million, an increase of \$30.7 million over the 2016 level. About \$19.0 million, or 62 percent, of the requested increase is for staff pay and benefits for 753 FTE (a requested increase of 164 FTE), as well as a proposed 1.6 percent pay raise in January 2017. An increase of \$5.2 million is for information technology services, including contracts for the Civil Rights Data Collection (CRDC), which will be used to support the 2015–2016 data analysis and 2017–2018 CRDC data collections and provide resources for technical assistance to school districts on preparing and submitting accurate data. The remaining \$6.1 million will cover overhead costs including increases in rent, Information Technology security, communications, background investigations and physical security. 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.

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. In March 2014, the Department of Education released the CRDC data from the 2011–2012 school year—a massive undertaking that produced a comprehensive snapshot of civil rights data from the Nation's 97,000 public schools and its 16,500 school districts, representing 49 million

students. It was the first comprehensive look at civil rights data from every public school in the country in nearly 15 years. For the first time, State-, district- and school-level information is accessible to the public in a searchable online database at [crdc.ed.gov](http://crdc.ed.gov).

Furthermore, data from the 2011–2012 CRDC formed the foundation for OCR's guidance on and related investigations into the inequitable and discriminatory administration of school discipline. These data have spurred educators to initiate systemic changes in discipline policies, and several States and districts have begun to focus more on alternative measures to suspension and expulsion. In addition to progress on school discipline, the 2011–2012 data has provided important information about the access to high-quality preschool and other early education options, allowing the Department to make informed, data-based policy decisions in an area that is an Administration priority.

#### 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 2017 request for the OIG is \$61.9 million, an increase of \$2.7 million over the 2016 level. Approximately 67 percent of this amount, or \$41.3 million, is for personnel compensation and benefits to support a staffing level of 244 FTE, including a proposed 1.6 percent pay raise in January 2017.

The non-personnel request of \$20.6 million includes \$1.1 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; and to continue to develop the ability to perform predictive analytics, a tool to identify patterns of fraud and risk, allowing the OIG to better target audit and investigative work.

## 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](#)