

Fiscal Year 2018 Budget Summary and Background Information

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“We must enrich the mind and the souls of every American child. Education is the civil rights issue of our time. I am calling upon members of both parties to pass an education bill that funds school choice for disadvantaged youth, including millions of African American and Latino children. These families should be free to choose the public, private, charter, magnet, religious, or home school that is right for them.”

President Donald Trump

I. SUMMARY OF THE 2018 BUDGET

The President’s commitment to improving education grew out of his conviction that for too long our education system has tolerated an unacceptable achievement gap between disadvantaged and minority students and their more privileged peers. It is clear that top-down, Washington-directed education reform has not worked, despite discretionary spending quadrupling at the Department of Education from fiscal year 1989 to fiscal year 2016, rising from \$17.1 billion to \$68.3 billion.

The President’s Budget Request would refocus on the Department’s mission of supporting States, school districts, and postsecondary institutions in their efforts to provide a high-quality education to all our students. The 2018 President’s Budget would provide robust funding for the President’s top priority of ensuring that every child has the opportunity to attend a high-quality school selected by his or her parents, maintain strong support for the Nation’s most vulnerable students, simplify funding for college, continue to build evidence around educational innovation, and streamline Department programs consistent with a limited Federal role in education.

Consistent with the reauthorization of the Elementary and Secondary Education Act by the Every Student Succeeds Act, the 2018 request recognizes the primary role of States and school districts in turning around failing schools, improving classroom instruction, and closing achievement gaps. The achievement gaps in education result in hundreds of billions of dollars of lost economic potential every year and this disparity disproportionately harms minority students. Currently, more than 40 percent of African-American male students do not graduate from high school.

The 2018 Budget places power in the hands of parents and families. Research shows that increasing school options can have positive effects on students generally, and an even greater impact on poor and minority students. If we truly want to provide better education to underserved communities, then we must start by giving parents and students the power to select high-quality schools that meet their needs.

The President requests \$59 billion in discretionary appropriations for the Department of Education in fiscal year 2018, a \$9 billion or 13 percent reduction below the 2017 annualized Continuing Resolution (CR) level. The request includes \$1.4 billion to support new investments in public and private school choice. A full-year 2017 appropriation was not enacted at the time the fiscal year 2018 Budget was prepared; therefore, the Budget is built off of the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the Continuing Resolution. The Department of Education Appropriations Act, 2017, provides \$68.2 billion in discretionary funding, a decrease of \$67.6 million, or 0.1 percent, below the 2016 level.

The 3-year table below displays the 2018 President’s Request without Pell Grants, the 2018 discretionary request for the Pell Grant program, and the 2018 total discretionary request.

Department of Education Discretionary Appropriations
(in billions of dollars)

	<u>2016</u>	<u>2017 Annualized CR</u>	<u>2018 Request</u>	<u>Change from 2017</u>
Discretionary (without Pell Grants)	\$45.8	\$45.7	\$36.5	-\$9.2
Pell Grants (discretionary portion)	<u>\$22.5</u>	<u>\$22.4</u>	<u>\$22.4</u>	<u>0.0</u>
Total	\$68.3	\$68.2	\$59.0	-\$9.2

The Department's Budget also includes mandatory funds. In general, mandatory funding does not require an annual appropriation because 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 \$193.1 billion in aid to education in fiscal year 2018, of which \$134.2 billion would fund new postsecondary grants, loans, and work-study assistance to help an estimated 12.2 million students and their families pay for postsecondary education and training.

Major Initiatives for Fiscal Year 2018

The 2018 Budget Request focuses on five major priorities: (1) providing robust funding for the President's top priority of ensuring that every child has the opportunity to attend a high-quality school selected by his or her parents; (2) maintaining strong support for the Nation's neediest students; (3) preparing students and simplifying funding for postsecondary education; (4) continuing to build evidence around educational innovation; and (5) streamlining Department programs consistent with a limited Federal role in education.

Improving School Choice

President Trump believes that one of the best ways to improve equity in our schools is to give parents the information and options necessary to make the best choices for their children's education. School choice increases equity for our Nation's students and families by placing power in the hands of parents and families to choose schools that are best for their children. The 2018 request would expand choice through the following initiatives that represent a down payment on the President's goal of investing \$20 billion annually in public and private school choice:

- A \$1 billion increase for the Title I Grants to Local Educational Agencies (LEAs) program, dedicated to Furthering Options for Children to Unlock Success (FOCUS) grants, for a proposed fiscal year 2018 Title I total of \$15.9 billion. The proposed FOCUS grants would provide supplemental awards to school districts that agree to adopt weighted student funding combined with open enrollment systems that allow Federal, State, and local funds to follow students to the public school of their choice.
- A \$250 million increase for the Education Innovation and Research program for competitive awards for applicants to provide scholarships for students from low-income families to attend

the private school of their choice and to build the evidence base around private school choice.

- A \$167 million increase for the Charter Schools program to strengthen significant State efforts to start new charter schools or expand and replicate existing high-performing charter schools while providing up to \$100 million to meet the growing demand for charter school facilities.

Maintaining Support for the Nation's Most Vulnerable Students

In addition to increased funding and new incentives for expanding choices for students and parents, the 2018 request maintains strong support for longstanding State formula grant programs that help States and school districts meet the educational needs of poor and minority students, students with disabilities, English learners (ELs), homeless students, migrant students, and neglected and delinquent students. Support for key programs includes:

- Level funding of \$14.9 billion for the core Title I Grants to LEAs program to support State and local efforts to ensure that more than 25 million students in high-poverty schools have access to rigorous coursework and teaching.
- \$12.7 billion to maintain the Federal investment in the Individuals with Disabilities Education Act formula grant programs, which help support services for the 6.8 million children with disabilities nationwide and States in their ongoing work to design and implement program improvement efforts under the Department's Results Driven Accountability framework.
- \$736.0 million for the English Language Acquisition program to implement effective language instruction educational programs designed to help ELs attain English language proficiency. The program also awards grants that support professional development for teachers of ELs and a clearinghouse of research-based information about instructional methods, strategies, and programs for ELs.
- \$374.0 million for Migrant Education to provide formula-based assistance to meet the educational needs of children of migrant agricultural workers and fishers who may experience educational disruption and other challenges resulting from repeated moves.
- \$175.5 million for Rural Education to help both small and low-income rural school districts address the unique challenges of providing a high-quality education in rural areas that often lack access to many of the educational resources found in larger urban and suburban districts.
- \$143.7 million for Indian Education Grants to supplement the efforts of States, LEAs, and Indian tribes to improve educational opportunities for Indian children so that they can achieve the same academic outcomes as other students.
- \$69.9 million for Education for Homeless Children and Youths to provide State formula grants to help homeless children enroll in, attend, and succeed in school. Grants fund such services as preschool programs, enriched supplemental instruction, before- and after-school programs, transportation, and health care referrals.

- \$47.5 million for Neglected and Delinquent Education to provide State formula grants 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.

Preparing Students and Simplifying Funding for Postsecondary Education

The President's 2018 Request would continue support for Federal programs that help prepare low-income and minority students for postsecondary education, targeted student financial aid programs that help students and families pay rising college costs, and programs that strengthen postsecondary institutions serving large proportions of minority students. As Congress prepares to reauthorize the Higher Education Act, the Department looks forward to working with them to address student debt and higher education costs while accelerating student completion rates and reducing the complexity of student financial aid. Key strategies include:

- Simplifying student loan programs and student loan repayment by replacing five different income-driven repayment plans with a single plan aimed at prioritizing effective loan repayment for undergraduate borrowers. To support this ambitious proposal, and to generate savings to help put the Nation on a more sustainable fiscal path, the Budget proposes a package of targeted reforms along with the elimination of Public Service Loan Forgiveness and subsidized student loans.
- Safeguarding and strengthening the Pell Grant program by level funding the discretionary appropriation and supporting year-round Pell, which will increase aid available by \$16.3 billion over 10 years. The Budget also proposes the cancellation of \$3.9 billion from unobligated carryover funding; this cancellation will have no effect on students and will leave the Pell program on sound footing.
- Eliminating the Federal Supplemental Educational Opportunity Grant program, a less well-targeted method of delivering need-based aid than the Pell Grant program. This reduction will save \$732.0 million from the 2017 annualized CR level.
- Providing \$808.3 million for the Federal TRIO Programs and \$219.0 million for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), resulting in savings of \$193.1 million from the 2017 annualized CR level. Reductions focus on areas for which there is limited evidence of effectiveness and that can be supported with other resources. The Budget would fully support GEAR UP continuation awards.
- Providing \$492.2 million for Historically Black Colleges and Universities, Minority-Serving Institutions, and Hispanic-Serving Institutions through the Higher Education Act Titles III and V programs that help to close gaps among racial and socioeconomic groups in college enrollment and degree attainment by improving these institutions' academic programs, institutional capacity, and student support services.
- Reducing Federal Work-Study by \$487.8 million while reforming the program by limiting eligibility to undergraduate students who would benefit most.

Building Evidence Around Innovation

The Department builds evidence around educational innovation through reliable data, strong research, and rigorous evaluations that can both improve programmatic decision making at the Federal level and, more importantly, help States and school districts identify what works to

improve student outcomes. The 2018 Budget provides strong support for activities in which evidence plays a critical role, including:

- \$616.8 million for the Institute of Education Sciences for continued research, evaluation, and statistics to help educators, policymakers, and other stakeholders improve outcomes for all students.
- \$370.0 million for Education Innovation and Research to expand evidence-based initiatives to develop, validate, and scale up effective education interventions that help States and LEAs meet ESEA requirements. The 2018 request includes an increase of \$250 million to support a competition to develop and evaluate projects that operate private school scholarship programs.
- \$42.0 million for Supporting Effective Educator Development to provide continuation awards for evidence-based professional development activities and support for teachers and principals from nontraditional preparation and certification routes who serve in high-need LEAs.

Streamlining Existing Programs

The President's 2018 Budget eliminates or reduces funding for more than 30 discretionary programs that do not address national needs, duplicate other programs, are ineffective, or are more appropriately supported with State, local, or private funds. These eliminations and reductions would decrease taxpayer costs by \$9 billion. Major eliminations in the 2018 Budget include:

- Supporting Effective Instruction State grants (Title II-A), a savings of \$2.3 billion. The program is proposed for elimination because evidence shows that the program is poorly structured to support activities that have a measurable impact on improving student outcomes. It also duplicates other ESEA program funds that may be used for professional development.
- 21st Century Community Learning Centers program, a saving \$1.2 billion. The program lacks strong evidence of meeting its objectives, such as improving student achievement. Based on program performance data from the 2014-2015 school year, more than half of program participants had no improvement in their math and English grades and nearly 60 percent of participants attended centers for fewer than 30 days.
- Comprehensive Literacy Development Grants/Striving Readers, the elimination of which will save \$189.6 million. This program has limited impact (only 5-8 State grants are expected in the final cohort) and duplicates activities that may be supported with other Federal, State, local, and private funds.

II. THE 2018 EDUCATION BUDGET BY PROGRAM AREA

A. ELEMENTARY AND SECONDARY EDUCATION

Overview

The 2018 request for elementary and secondary education reflects the reauthorization of the Elementary and Secondary Education Act (ESEA) by the Every Student Succeeds Act (ESSA). ESSA 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 recognizes that the primary responsibility for creating, improving, and sustaining public education systems lies with States and local school districts. Consequently, the new law builds on State and local reform efforts in recent years that help to ensure educational opportunity for all students. Key provisions include:

- Holding all students to high academic standards that prepare them for success in college and careers;
- Requiring that, when students and schools fall behind, steps are taken to help them 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 decision makers to continue to refine their own systems for school improvement; and
- 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.

The Administration's 2018 request maintains funding for essential formula grant programs that serve as the foundation of the ESEA's focus on disadvantaged student groups that often struggle to meet challenging State academic standards, graduate high school, and transition successfully to a postsecondary education or a career path, including students from low-income families, English learners, students with disabilities, homeless students, and Native American students.

At the same time, the request includes three proposals designed to help deliver on President Trump's commitment to ensure that every child has the opportunity to attend a high-quality school selected by his or her parents:

- A \$1 billion increase for the Title I Grants to LEAs program, for a total of \$15.9 billion in fiscal year 2018, dedicated to Furthering Options for Children to Unlock Success (FOCUS) grants. The proposed FOCUS grants would provide supplemental awards to school districts that agree to adopt weighted student funding combined with open enrollment systems that allow Federal, State, and local funds to follow students to the public school of their choice.

- A \$250.2 million increase for the Education Innovation and Research program for competitive awards to applicants that propose to provide scholarships that allow students from low-income families to attend the private school of their choice, including both secular and religious private schools.
- A \$167.5 million increase for the Charter Schools Program to expand significantly efforts to start up new charter schools or expand and replicate existing high-quality schools to meet the growing demand for charter school facilities.

The 2018 request also streamlines and refocuses the Federal investment in ESEA programs by eliminating funding for 13 programs totaling \$3.9 billion that are duplicative, ineffective, or more appropriately supported through State, local, or private funding sources.

Title I Grants to Local Educational Agencies

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$14,909.8	\$14,881.5	\$15,881.5

Title I Grants to Local Educational Agencies provides 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 more than 25 million students in nearly 60 percent of all public schools. Title I Grants to LEAs also provides the foundation for the accountability system under ESEA, which emphasizes State and local responsibilities in the areas of standards and assessments, measuring student academic progress, reporting on performance, and supporting school improvement to provide all students equitable access to a high-quality education and close achievement gaps.

The request would maintain support for the regular Title I program while providing up to \$1 billion to support crucially needed, locally driven efforts to make public school choice a meaningful reality for more students, especially the poor and minority students who are the focus of Title I. Specifically, the proposed Furthering Options for Children to Unlock Success (FOCUS) grants would support LEAs in establishing or expanding student-centered systems that: (1) differentiate funding based on student characteristics, providing disadvantaged students more funding on a per-pupil basis than other students; (2) offer a range of viable school options and enable the Federal, State, and local funds to follow students to the public school of their choice; (3) make school performance and funding data easily accessible to parents; and (4) empower school leaders to use funds flexibly to address student and community needs. Under the Administration’s proposal, LEAs (including consortia of LEAs) that commit to developing and implementing these funding and open enrollment systems would be eligible for grants, which the Department would administer under the Flexibility for Equitable Per-Pupil Funding (Flexibility) authority in Title I, Part E of the ESEA.

Using funds pooled for evaluation under section 8601 of the ESEA, the Department would rigorously evaluate the implementation of FOCUS grants, including their impact on the equitable distribution of funding, the availability of public school choice options, the demographic distribution of students, and student achievement and other academic outcomes, such as high school graduation rates. To assist grantees in implementing their projects, the request includes authority for the Department to reserve up to \$10 million for national activities including technical assistance and information dissemination.

Education Innovation and Research

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$120.0	\$119.8	\$370.0

The Education Innovation and Research (EIR) program, the successor to the Investing in Innovation (i3) program, would support the creation, development, implementation, replication, and scaling up of evidence-based, field-initiated innovations designed to improve student achievement and attainment for high-need students. The proposed \$250 million increase would support efforts to test and build evidence for the effectiveness of private school choice as a strategy for (1) expanding school choices for parents who wish to send their children to high-quality private schools; (2) improving educational outcomes for students from low-income families; and (3) increasing competition in order to improve the quality and performance of all schools. The Department also would continue to support innovation through an open EIR competition for projects that would develop and expand the evidence base for effective interventions and innovations responding to other education needs. Increasing the evidence base in education will support States and school districts implement the new ESEA requirements to use evidence-based interventions in schools identified for comprehensive support and improvement or implementing targeted support and improvement plans. Further, an expanded evidence base will ensure that States and LEAs have the tools they need to address the persistent challenges in their lowest-performing schools.

Charter Schools Grants

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$333.2	\$332.5	\$500.0

Through grants to State entities, charter school developers, and charter school management organizations, Charter Schools Grants support the startup of new charter schools and the replication and expansion of high-quality charter schools serving students in prekindergarten through grade 12. Funds also support grants to improve charter schools' access to facilities and information dissemination and evaluation activities.

The request would make significant new resources available for Charter Schools Grants in 2018 and is a central element of the Administration's efforts to empower States and communities to increase the number of high-quality educational options available to meet the varied needs of students and their families, particularly those from underprivileged backgrounds. The request would expand funding for charter school developers, including through subgrants from State entities and through grants directly from the Department, to increase the number of available charter school seats and help reduce the number of students on charter school waiting lists. The request would also enable new, cost-effective investment of Federal funds in efforts to help charter schools obtain affordable, high-quality facilities through grants that improve charter schools' access to credit and that promote the establishment of dedicated State funding streams. Finally, the request would support a strengthened set of national activities, such as new grants through which experts would disseminate information on priority topics, which may include effective models of collaboration and information-sharing between high-performing charter schools and other public schools.

State Assessments

(BA in millions)

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
State Grants	\$369.1	\$369.1	\$369.1
Competitive Assessment Grants.....	<u>8.9</u>	<u>8.2</u>	<u>8.2</u>
Total	378.0	377.3	377.3

Annual, high-quality, statewide assessments aligned to challenging State academic standards will continue to play a key role in helping schools support student learning under the reauthorized Title I program while also serving as a critical element of the statewide accountability systems that each State must establish under the ESEA, as amended. The request includes \$369.1 million to be distributed via formula to assist States in implementing the assessments required under Title I, along with \$8.2 million for Competitive Assessment Grants 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.

Supporting Effective Educator Development

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$94.0	\$93.8	\$42.0

The Administration requests \$42 million for the SEED program, which funds teacher and school leader enhancement projects that have evidence of success. The SEED program previously was funded through an appropriations language set-aside under the Title II, Part A Improving Teacher Quality State Grants program. The 2018 request is a reduction of nearly \$52 million from the 2017 annualized CR level, but would be sufficient to pay the continuation costs of awards made in 2017.

Teacher and School Leader Incentive Grants

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$230.0	\$229.6	\$199.6

This program, the successor to the Teacher Incentive Fund, would receive nearly \$200 million under the 2018 request, a decrease of \$30 million, to support continuation costs of awards made in 2016 and 2017 for developing, implementing, improving, or expanding human capital management systems as well as performance-based compensation systems in high-need schools. In addition, the Department would use up to 1 percent of the funds for technical assistance and evaluation.

Magnet Schools Assistance

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$96.6	\$96.5	\$96.5

Under this program, the Department makes competitive 5-year grants to support high-quality magnet schools in LEAs implementing a desegregation plan and to increase educational

options for parents and families. The request would support approximately 40 continuation awards.

Promise Neighborhoods

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$73.3	\$73.1	\$60.0

The request would support an estimated 10 continuation awards from the 2016 and 2017 competitions to local partnerships that are implementing 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 Promise Neighborhoods program provides effective, achievement-oriented schools and strong systems of support to children and youth in poverty, offering them the best hope for overcoming poverty and building a better life. In particular, the request supports an estimated four continuation awards from the 2017 competition that will prioritize grants to rural areas and areas that have been disproportionately impacted by the opioid epidemic or by high crime rates.

School Safety National Activities

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$75.0	\$74.9	\$74.9

This program, the successor to the Safe and Drug-Free Schools and Communities National Activities program, authorizes activities to improve students’ safety and well-being both during and after the school day. The 2018 request includes funds to pay continuation costs for activities begun in prior years to foster safe, secure, and drug-free learning environments and to facilitate emergency management and preparedness. Supported programs include School Climate Transformation grants to help schools implement evidence-based strategies to improve conditions for learning, Project Prevent grants to help schools in communities with pervasive violence to break the cycle of violence, and Promoting Student Resilience grants to LEAs in communities that have experienced significant civil unrest to help address the comprehensive behavioral and mental health needs of students. The request also includes funds for Project SERV (School Emergency Response to Violence) to support education-related services to LEAs and institutions of higher education in which the learning environment has been disrupted due to a violent or traumatic crisis.

English Language Acquisition

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$737.4	\$736.0	\$736.0

This program awards formula grants to States based on each State’s share of the Nation’s English learners and recent immigrant students. States must develop, in meaningful consultation with geographically diverse districts, statewide entrance and exit procedures for EL status, and also must ensure that districts annually assess the English proficiency of the EL students they serve. Schools use this funding to implement effective language instruction educational programs designed to help English learners 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.

Title I State Agency Programs
(BA in millions)

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
Migrant Education	\$374.8	\$374.0	\$374.0
Neglected and Delinquent Education.....	<u>47.6</u>	<u>47.5</u>	<u>47.5</u>
Total	422.4	421.6	421.6

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. In the 2015-16 school year, 312,695 children were identified as eligible under the program, and States and local entities provided services to 216,489 migrant students during the regular school year and 95,728 during the summer or intersessions. 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.

Neglected and Delinquent Education

This program provides formula grants to States 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 80,000 neglected and delinquent students continue their studies while in State institutions and prepare them to return to and complete school and obtain employment.

Education for Homeless Children and Youths

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$70.0	\$69.9	\$69.9

This program, which is authorized by the McKinney-Vento Homeless Assistance Act as amended, 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.

Rural Education

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$175.8	\$175.5	\$175.5

The 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>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
Grants to Local Educational Agencies	\$100.4	\$100.2	\$100.2
Special Programs for Indian Children	38.0	37.9	37.9
National Activities	<u>5.6</u>	<u>5.6</u>	<u>5.6</u>
Total	143.9	143.7	143.7

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 to help ensure that these reforms benefit Indian students, enabling them to master the same challenging academic standards as other students by better meeting their educational and cultural needs.

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 support for the Native Youth Community Projects (NYCP) initiative, which makes awards to high-need American Indian and Alaska Native communities to ensure the college- and career-readiness of Indian students. NYCP grants support 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 supports National Activities, which fund 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 provide critical information on the educational status and needs of Indian students and to identify effective practices in the education of Indian students.

Comprehensive Centers

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$51.4	\$51.3	\$51.3

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 as well as meet State targets for student achievement. The current system includes 15 regional Centers that work with SEAs 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. It also provided \$1.5 million to establish a new comprehensive center focusing on

students at risk of not attaining full literacy skills due to a disability; these activities would be continued in fiscal year 2018. The request would support a new cohort of centers to be selected through a competitive process in fiscal year 2018 that will reflect changing priorities and new demands resulting from the reauthorization of the ESEA.

Impact Aid

(BA in millions)

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
Payments for Federally Connected Children:			
Basic Support Payments	\$1,168.2	\$1,166.0	\$1,166.0
Payments for Children with Disabilities	48.3	48.2	48.2
Facilities Maintenance.....	4.8	4.8	4.8
Construction	17.4	17.4	17.4
Payments for Federal Property	<u>66.8</u>	<u>66.7</u>	<u>0.0</u>
Total.....	1,305.6	1,303.1	1,236.4

The 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 request for Basic Support Payments would provide formula grants for both regular Basic Support Payments and Basic Support Payments for Heavily Impacted LEAs. The request for Payments for Children with Disabilities would support 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 request for Facilities Maintenance would fund essential repair and maintenance of the nine school facilities serving large numbers of military dependents that are owned and operated by the Department of Education, while also supporting the transfer of these schools to local school districts. The entire 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>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$6.6	\$6.6	\$6.6

This program supports four 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 programs. The request would support the third year of funding for a 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>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</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.

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.

Preschool Development Grants

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$250.0	\$249.5	—

NOTE: Funds were appropriated under the Fund for the Improvement of Education in fiscal year 2016 and under the fiscal year 2017 annualized Continuing Resolution.

The request does not include additional funding for Preschool Development Grants, reflecting the anticipated completion of the fiscal year 2014 cohort of grantees in fiscal year 2017 and the consolidation of the program with early learning activities at the Department of Health and Human Services (HHS), consistent with the transfer of the program to HHS by the Every Student Succeeds Act.

B. 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 2018 Budget supports a wide range of programs that can improve educational, employment, and independent living outcomes for people with disabilities.

The \$12.9 billion request for Special Education programs focuses on improving educational and developmental outcomes for children with disabilities. The Administration is committed to ensuring that, regardless of where they go to school, 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 2017 annualized Continuing Resolution level, to maintain the Federal contribution toward meeting the excess cost of special education. Grants cover 15 percent of the national average per pupil expenditure and provide an estimated average of \$1,742 per student for about 6.8 million children ages 3 through 21. This funding would support States and local educational agencies (LEAs) as they work to improve results for children with disabilities. Funding for the Grants for Infants and Families and Preschool Grants programs would be maintained at the 2017 annualized CR level.

The \$226.7 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 earmark for Special Olympics Education programs would be eliminated.

For Rehabilitation Services, the Budget provides \$3.6 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.

The Administration remains committed to ensuring that individuals with disabilities have the opportunities to compete for and enjoy high-quality employment in the 21st century global economy. The \$3.5 billion request for the Vocational Rehabilitation (VR) State Grants program includes an increase of \$54.4 million over the fiscal year 2017 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 in 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 2018 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, 2019.

No funds are requested for fiscal year 2018 for the Supported Employment State Grants program. The Administration recognizes that supported employment can be an effective strategy in assisting individuals with the most significant disabilities to obtain competitive employment in integrated settings. However, the Administration believes that a separate supplemental grant program is not necessary for the provision of supported employment services and the proposed elimination would reduce unnecessary administrative burden and streamline program administration at the Federal and State levels. The increase requested for the VR State Grants program also would help to reduce the impact of the loss of these supplemental funds.

Funding for the remaining programs in the Rehabilitation Services account would be maintained at the 2017 annualized CR level.

The Budget includes \$216.3 million for special institutions for persons with disabilities, including \$25.4 million for the American Printing House for the Blind, \$69.9 million for the National Technical Institute for the Deaf, and \$121.0 million for Gallaudet University.

Special Education

Grants to States

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$11,912.8	\$11,890.2	\$11,890.2
Estimated average Federal share per child (in whole dollars).....	\$1,738	\$1,742	\$1,742

The Grants to States program, which is authorized under the Individuals with Disabilities Education Act (IDEA), makes formula grants that help States pay the additional costs of providing special education and related services to children with disabilities aged 3 through 21 years. The request, level with the fiscal year 2017 annualized Continuing Resolution level, would provide a per-child average of \$1,742 for an estimated 6.8 million children with disabilities, which would maintain the Federal contribution of about 15 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 and 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 appropriately accommodate children with disabilities so they can 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 \$21.5 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>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$368.2	\$367.5	\$367.5

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 \$482 per child for approximately 763,000 children to supplement funds provided under the Grants to States program and help to ensure that young children with disabilities are ready to learn when they enter school.

Grants for Infants and Families

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$458.6	\$457.7	\$457.7

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.

State Personnel Development

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>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 2018 request would cover the cost of continuation awards to State educational agencies to improve the knowledge and skills of special education and regular education teachers serving children with disabilities. It would also help recruit and retain highly qualified personnel providing services to children with disabilities.

Technical Assistance and Dissemination

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$44.3 ¹	\$44.3 ¹	\$44.3

¹ Excludes \$10.1 million for Special Olympics in 2016 and 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 \$21.5 million set-aside under the Grants to States program to help States meet

data collection requirements, would support continuation costs for projects initiated in previous years.

Personnel Preparation

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$83.7	\$83.5	\$83.5

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>2016</u>	2017 <u>Annualized CR</u>	2018 <u>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 continuation awards for about 103 centers as well as awards to provide technical assistance to the centers.

Educational Technology, Media, and Materials

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$30.0	\$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.

Rehabilitation Services

Vocational Rehabilitation (VR) State Grants

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$3,161.1	\$3,398.6 ¹	\$3,452.9

¹ The amount shown for fiscal year 2017 is the mandatory level for the VR State Grants program and does not include the 6.9 percent sequester reduction for mandatory programs that went into effect October 1, 2016, pursuant to the Budget Control Act of 2011. The reduced fiscal year 2017 amount is \$3,164.1 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. Services include vocational evaluation, counseling and guidance, work adjustment, diagnosis and treatment of physical and mental impairments, education and vocational training, job placement, and post-employment assistance. 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 (\$54.4 million over the fiscal year 2017 mandatory level) is consistent with the inflation adjustment specified in the authorizing statute (1.6 percent for 2018). In 2016, the VR program helped approximately 186,715 individuals with disabilities—94 percent with significant disabilities—achieve employment outcomes. Of the amount requested for VR State grants, \$43.0 million would be set aside to support an anticipated 88 continuation grants under the American Indian Vocational Rehabilitation Services program in 2018.

Client Assistance State Grants

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>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 35,000 individuals with disabilities.

Training

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$30.2	\$30.1	\$30.1

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>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$5.8	\$5.8	\$5.8

This program supports competitive grants and contracts to expand and improve 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.

Independent Living Services for Older Blind Individuals

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$33.3	\$33.3	\$33.3

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 2015, the program served approximately 60,435 individuals with severe visual impairments.

Protection and Advocacy of Individual Rights

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>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 51,200 individuals with disabilities.

Helen Keller National Center for Deaf-Blind Youths and Adults

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$10.3	\$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 serve an estimated 1,600 consumers, 450 families, and 985 agencies and organizations through its regional offices and provide direct services for approximately 65 clients at the Center’s residential training and rehabilitation program and serve.

Special Institutions for Persons with Disabilities
(BA in millions)

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
American Printing House for the Blind	\$25.4	\$25.4	\$25.4
National Technical Institute for the Deaf	70.0	69.9	69.9
Gallaudet University	<u>121.3</u>	<u>121.0</u>	<u>121.0</u>
Total	216.7	216.3	216.3

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 63,357 persons with visual impairments at an average per student allotment of \$299, 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 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 support for operations, including funds that may be used for the Federal Endowment Grant program.

C. 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 2018, the Administration is requesting \$976.9 million to support CTE programs under the Carl D. Perkins Career and Technical Education Act (Perkins Act). The 2018 request also provides \$500.0 million for Adult Education programs.

Career and Technical Education

(BA in millions)

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
State Grants	\$1,117.6	\$1,115.5	\$949.5
National Programs	<u>7.4</u>	<u>7.4</u>	<u>27.4</u>
Total	1,125.0	1,122.9	976.9

The request provides \$949.5 million for the Career and Technical Education (CTE) State Grants program, a decrease of approximately \$166 million from the fiscal year 2017 annualized Continuing Resolution level. CTE is an important component of the President's job creation agenda, as employers who develop or expand operations in the United States will require qualified workers to fill those new jobs.

Although a decrease is necessary to align with overall Budget priorities, the request would continue to provide significant flexible formula grant funds that support State and local efforts to implement high-quality CTE programs, such as programs of study (non-duplicative CTE courses that progress from the secondary to the postsecondary level and lead to a credential, certificate, or an associate or baccalaureate degree), dual enrollment programs, and career pathways that help students attain the credentials or certificates they need to gain employment in high-skill and high-demand occupations. The Administration plans to work with Congress to reform and improve this program through the upcoming Perkins Act reauthorization.

The \$27.4 million request for CTE National Programs provides an increase of \$20 million that would support a competition to promote the development, enhancement, implementation, or expansion of innovative CTE programs in science, technology, engineering, and mathematics (STEM) fields. The remaining funds would continue to support more effective State and local implementation of CTE programs under the Act.

Adult Education
(BA in millions)

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
Adult Education State Grants.....	\$582.0	\$580.8	\$485.8
National Leadership Activities.....	<u>13.7</u>	<u>13.7</u>	<u>13.7</u>
Total	595.7	594.5	500.0

The request provides \$485.8 million for Adult Education State Grants, \$95 million below the fiscal year 2017 annualized Continuing Resolution level. The request reflects the tough decisions needed to achieve the President's goal of increasing support for national security and public safety without adding to the Federal budget deficit. States and providers across the country are still working to implement changes in adult education requirements made as a result of the enactment of WIOA in July 2014; future decisions regarding the program will be informed by the statutorily required program evaluation and performance data based on the full implementation of WIOA. The program assists 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. Funds proposed for National Leadership Activities would continue to support efforts to increase the literacy and workforce skills of adults.

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.

D. STUDENT FINANCIAL ASSISTANCE

Overview

The student financial assistance programs support students in their pursuit of a postsecondary education. The fiscal year 2018 Budget for postsecondary student aid includes both discretionary and mandatory funding that would make available \$134.2 billion in new grants, loans, and work-study assistance to help an estimated 12.2 million students and their families pay for college.

The fiscal year 2018 Budget for the Federal student aid programs focuses on simplifying funding for college, while continuing to help make college more affordable. The Budget includes proposals that address student debt by simplifying student loan repayment and redirecting inefficiencies in the student loan program to prioritize expedited debt relief for undergraduate borrowers. The Budget supports reinstating incentives that will help students accelerate progress toward their degrees by attending school year-round, thereby increasing their likelihood of on-time completion. These proposals would support congressional efforts to reauthorize the Higher Education Act to address student debt and higher education costs while accelerating student completion rates and reducing the complexity of student financial aid. Specific policy proposals include:

Protect Pell Grants

Pell Grants are the foundation of low-income students' financial aid packages, to which other forms of aid are added. This Budget would fully fund the Pell program in 2018, with a maximum award of \$5,920.

Support Year-Round Pell

To create more flexibility in how students can use Pell Grants, the Budget also supports year-round Pell Grant eligibility. This would allow students the opportunity to earn a third semester of Pell Grant support during an award year, boosting Pell Grant aid disbursed by \$1.5 billion in award year 2018 to approximately 900,000 students. Year-round Pell would also help incentivize students to complete their degrees faster, which can help them reduce their loan debt and enter the workforce sooner.

Simplify Campus-Based Aid Programs

Most of the roughly 6,500 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. While all schools are eligible to participate in Campus-Based Aid programs, antiquated statutory formulas with stringent hold-harmless provisions have resulted in institutional allocations that are not well targeted to the neediest students. The President's 2018 Budget proposes to reform student eligibility in the Federal Work-Study program to ensure funds go to the undergraduate students who would benefit the most. The President's 2018 Budget also proposes to eliminate funding for the Federal Supplemental Educational Opportunity Grant program, which is largely duplicative of the Pell Grant program and does not deliver need-based aid in the most targeted method.

Simplify Student Loan Repayment and Student Loan Programs

In recent years, income-driven repayment (IDR) plans, which offer borrowers the option of making affordable monthly payments based on factors such as income and family size, have grown in popularity. However, choosing and enrolling in the right repayment plan is overly complicated by the numerous repayment plans authorized and required by law to be offered to borrowers.

The 2018 Budget proposes to greatly simplify student loan repayment by consolidating five IDR plans into a single plan. The single IDR plan would set a borrower's monthly payment at 12.5 percent of discretionary income, while eliminating the standard repayment cap to ensure that high-income, high-balance borrowers make payments commensurate with their income. Married borrowers who file separately would have their payments determined based on both their and their spouse's income. For borrowers with undergraduate student debt only, any balance remaining after 15 years of repayment would be forgiven. For borrowers with any graduate debt, any balance remaining after 30 years of repayment would be forgiven.

While retaining teacher loan forgiveness programs in order to incentivize more high-quality teachers to teach in high-need schools and subjects, the Budget proposes eliminating inefficient subsidies to help put the Nation on a more sustainable fiscal path and prioritize expedited debt relief for undergraduate borrowers. These proposals include eliminating Public Service Loan Forgiveness, Subsidized Stafford loans, and the payment of Account Maintenance Fees to guaranty agencies. As a result of these proposals, all new undergraduate student loans would be unsubsidized. These proposals would also help simplify the student loan programs.

All policies for student loans would apply to loans originated on or after July 1, 2018, with an exception for students who borrowed their first loans prior to July 1, 2018, and who are borrowing to complete their current course of study. These policies together would save approximately \$143 billion over 10 years.

Increase Higher Education Accountability

Earning a college degree is one of the most important investments students can make in their future and remains a gateway to the middle class. Federal student grants and loans play a key role in helping students afford to enroll in and successfully complete college. However, some colleges lack adequate incentives to support their students in graduating, finding a good job, and repaying their loans. A better system would create shared responsibility for success among students, schools, and the Federal Government to ensure students do not take on debt that they cannot afford to repay—leaving taxpayers on the hook for the costs of loan default or forgiveness. The Administration looks forward to working with Congress to address these issues.

Student Aid Summary Tables

Budget Authority (dollars in millions)

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
Pell Grants			
Discretionary funding	\$22,475.4	\$22,432.6	\$22,432.6
Mandatory funding ¹	<u>4,840.4</u>	<u>7,897.7</u>	<u>7,055.0</u>
Subtotal, Pell Grants	27,315.7	30,330.3	29,487.6
Federal Supplemental Educational Opportunity			
Grants	733.1	731.7	0.0
Federal Work-Study	989.7	987.8	500.0
TEACH Grants ²	11.9	153.3	24.6
Iraq and Afghanistan Service Grants	0.4	0.4	0.5
Federal Family Education Loans ³	-1,074.7	10,785.8	-443.4
Federal Direct Loans ⁴	<u>-1,472.1</u>	<u>26,833.5</u>	<u>-10,662.8</u>
Total	26,503.9	69,822.8	18,906.4

¹ Amounts appropriated for Pell Grants for 2017 and 2018 include mandatory funding provided in the Higher Education Act (HEA), as amended, to fund both the base maximum award and add-on award. The HEA did not provide mandatory funding for the base award in 2016; the increase in mandatory funding from 2016 to 2017 reflects an increase in the add-on award provided for in the HEA. The decrease in mandatory funding from 2017 to 2018 primarily reflects a decrease in definite mandatory funding as shown in the following Federal Pell Grant table.

² For budget and financial management purposes, this program is operated as a credit program under the Federal Credit Reform Act of 1990. Budget authority reflects the estimated net present value of future Federal non-administrative costs for awards made in a given fiscal year. The 2016 amount includes a net downward reestimate of \$1.8 million. The 2017 amount includes a net upward reestimate of \$138.4 million due primarily to updated data, which indicate more students will complete their service requirements than previously assumed (resulting in fewer grants being converted to loans). The amount for 2018 reflects new loan subsidy.

³ FFEL budget authority does not include the Liquidating account. The FFEL reestimates include ECASLA reestimates. The 2016 amount includes a net downward reestimate of -\$1.1 billion primarily related to updated interest rate assumptions. The 2017 amount includes a net upward reestimate of \$10.8 billion primarily related to a \$3.5 billion upward change due to updated collection rate assumptions. The 2018 amount reflects a modification cost of the policy proposal to eliminate Account Maintenance Fees. The reestimates and modification reflect the impact of changes on an outstanding FFEL portfolio of \$232 billion. FFEL reestimates and modifications account for 4.8 percent of the total outstanding portfolio.

⁴ The 2016 amount includes a net upward reestimate of \$7.7 billion, primarily related to a \$4.2 billion upward change due to increased participation in income-driven repayment plans and a \$2.8 billion upward change due to revised prepayment assumptions. The 2017 amount includes a net upward reestimate of \$28.4 billion, primarily related to a \$14.6 billion upward change due to revised collection rate assumptions and a \$8.1 billion upward change due to increased participation in income-driven repayment plans. Model assumptions affecting the 2016 cohort were also updated. These technical assumptions were not updated in the 2017 Budget due to the requirement in the Federal Credit Reform Act that estimates be based on current assumptions, as defined in section 250(c)(9) of the Balanced Budget and Emergency Deficit Control Act of 1985. A modification of \$364 million is also included to reflect new closed school regulations. The reestimates reflect the impact of changes on an outstanding Direct Loan portfolio of \$903 billion). Direct Loan reestimates for 2017 account for 3.2 percent of the total outstanding portfolio.

<u>Aid Available to Students</u> (dollars in millions)	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
Pell Grants	\$26,861.9	\$26,899.3	\$28,806.6
Federal Supplemental Educational Opportunity Grants	992.9	991.0	0.0
Federal Work-Study	1,096.1	1,094.0	553.7
Iraq and Afghanistan Service Grants	0.4	0.5	0.6
New Student Loans:			
Federal Direct Loans	95,462.1	97,449.1	104,760.7
Perkins Loans	782.2	782.2	0.0
TEACH Grants	<u>91.0</u>	<u>92.8</u>	<u>101.2</u>
Subtotal, Student Loans	96,335.3 ¹	98,324.1 ¹	104,861.9 ¹
Total	<u>125,286.6²</u>	<u>127,308.8²</u>	<u>134,222.7²</u>

Note: Numbers may not add due to rounding.

¹ Consolidation Loans for existing borrowers will total \$45.6 billion in 2016; \$46.9 billion in 2017; and \$48.2 billion in 2018.

² 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>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
Pell Grants	7,213.0	7,143.0	7,281.0
Supplemental Educational Opportunity Grants.....	1,530.2	1,527.3	0.0
Work-Study	634.9	633.7	332.6
Iraq and Afghanistan Service Grants.....	0.1	0.1	0.1
New Student Loans: ¹			
Federal Direct Loans	17,320.8	17,480.4	15,670.5
Perkins Loans	315.5	253.5	0.0
TEACH Grants	<u>31.5</u>	<u>32.2</u>	<u>32.8</u>
Total awards	27,046.1	27,070.1	23,317.0

Note: Numbers may not add due to rounding.

¹ Excludes Consolidation Loans. Number of Consolidation Loans will total 813 million in 2016; 821 million in 2017; and 826 million in 2018.

Number of Postsecondary Students Aided by Department Programs

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Unduplicated Count (in thousands)	11,869	11,899	12,220

Federal Pell Grant Program

	2016	2017 Annualized CR	2018 Request
BA in millions			
Discretionary budget authority	\$22,475.4	\$22,432.6	\$22,432.6
Mandatory budget authority	4,840.4	6,323.7	5,985.0
Definite mandatory funding.....	—	1,574.0	1,070.0
Total	27,315.7	30,330.3	29,487.6
Program costs (dollars in millions)	\$26,898.0	\$26,935.0	\$28,843.0
Aid available (dollars in millions)	\$26,861.9	\$26,899.3	\$28,806.6
Recipients (in thousands).....	7,213	7,143	7,281
Maximum grant (in whole dollars)			
Discretionary portion.....	\$4,860	\$4,860	\$4,860
Mandatory add-on.....	955	1,060	1,060
Total	5,815	5,920	5,920
Average grant (in whole dollars)	\$3,724	\$3,766	\$3,956

Note: Numbers may not add due to rounding.

The Federal 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 2018 discretionary request of \$22.4 billion for Pell Grants would continue to make college more affordable for an estimated 7.3 million students by keeping the maximum award at \$5,920.

In addition to fully funding the maximum award in fiscal year 2018, the Budget supports year-round Pell eligibility.

Campus-Based Aid Programs

Federal Supplemental Educational Opportunity Grants (FSEOG), Federal 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. To simplify campus-based aid, the 2018 Budget would eliminate funding for the FSEOG program and reform the Federal Work-Study program to ensure funds go to undergraduate students who would benefit most. The Perkins Loan program is scheduled to end September 30, 2017, after which no new loans will be made available.

Federal Supplemental Educational Opportunity Grants

	2016	2017 Annualized CR	2018 Request
BA in millions	\$733.1	\$731.7	0
Aid available (dollars in millions)	\$992.9	\$991.0	0
Recipients (in thousands)	1,530	1,527	0
Average award (in whole dollars).....	\$649	\$649	0

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. 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 eliminate funding for this program which is largely duplicative of the Pell Grant program and does not deliver need-based aid in the most targeted way.

Federal Work-Study

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions	\$989.7	\$987.8	\$500.0
Aid available (dollars in millions)	\$1,096.1	\$1,094.0	\$553.7
Recipients (in thousands)	635	634	333
Average award (in whole dollars).....	\$1,726	\$1,726	\$1,665

The Federal 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 another eligible employer provides the balance of the student's wages. The Budget proposes to reduce Federal Work-Study to \$500.0 million—a level which, when combined with institutional matching funds, would make available more than \$550 million to an estimated 332,600 recipients. Funds are allocated to institutions according to a statutory formula and individual award amounts are determined at the discretion of institutional financial aid administrators. The request would reform the program to ensure funds go to undergraduate students who would benefit most.

Perkins Loans

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
Aid available (dollars in millions)	\$782.2	\$782.2	0
Recipients (in thousands)	316	253	0
Average loan (in whole dollars).....	\$2,479	\$3,086	0

The Perkins Loan program provides long-term, low-interest loans to undergraduate and graduate students with demonstrated financial need at roughly 1,400 institutions. Perkins Loan borrowers pay no interest during in-school, grace, and deferment periods, and are charged 5 percent interest thereafter. Annual borrowing limits are \$5,500 for undergraduate students and \$8,000 for graduate students. The Perkins Loan program was extended through September 30, 2017, by the Federal Perkins Loan Program Extension Act of 2015. However, authority to make new loans to graduate students was only extended through September 30, 2017. No new loans will be made available in fiscal year 2018.

Iraq and Afghanistan Service Grants

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in thousands	\$384	\$442	\$499
Aid available (dollars in thousands)	\$432	\$484	\$559
Recipients (in thousands)	(1)	(1)	(1)
Average award (in whole dollars).....	\$4,909 ²	\$4,990 ²	\$5,375 ²

¹ Number of recipients estimated to be less than 500.

² Average award amounts for 2016 and 2017 reflect impact of sequestration. Sequestration is not expected in 2018.

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. Of those dependents of deceased service men and women, students who fall below the financial criteria for the Pell Grant program are eligible for a maximum Pell Grant and those who do not are eligible to receive a Service Grant. Additionally, students 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 \$5,920 for the 2017–2018 award year.

TEACH Grants

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$11.9 ¹	\$153.3 ¹	\$24.6 ¹
Aid available to students (in millions).....	\$91.0	\$92.8	\$101.2
Recipients (in thousands)	31.5	32.2	32.8
Maximum grant (in whole dollars)	\$4,000	\$4,000	\$4,000
Average grant (in whole dollars)	\$2,885	\$2,885	\$3,084

¹ The 2016 amount includes a net downward reestimate of \$1.8 million. The 2017 amount includes a net upward reestimate of \$138.4 million. The amount for 2018 reflects new loan subsidy.

The TEACH Grant program awards annual grants of up to \$4,000 to eligible undergraduate and graduate students who, within 8 years of graduation, 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. 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. The 2017 annualized CR level differs from 2016 and 2018 significantly due to the inclusion of \$138.4 million for an upward reestimate to reflect updated data, indicating more students will complete their service requirements than previously assumed, resulting in fewer grants being converted to loans.

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

Federal Family Education Loans and Direct Loans

(BA in millions)

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
<u>Federal Family Education Loans¹</u>			
Net modification of existing loans	\$151.6	—	\$-443.4 ²
Net reestimate of existing loans.....	<u>-1,226.3^{3,4}</u>	<u>\$10,785.8^{3,4}</u>	—
Total, FFEL program BA	-1,074.7	10,785.8	-443.4
<u>Federal Direct Loans</u>			
New loans subsidies (BA).....	-9,165.4 ³	-1,961.1 ³	-10,662.8 ²
Net modification of existing loans	—	364.4 ²	—
Net reestimate of existing loans	<u>7,693.3⁴</u>	<u>28,430.2⁴</u>	—
Total, new budget authority.....	-1,472.1	26,833.5	-10,662.8
Total, student loans (BA).....	-2,546.8	37,619.3	-11,106.2

¹ FFEL budget authority does not include the liquidating account.

² Under Credit Reform, costs or savings related to the impact of enacted policy changes on existing loans are reflected in the current year. The 2018 FFEL modification reflects a cost associated with the policy proposal to eliminate payment of Account Maintenance Fees to guaranty agencies.

³ Total includes amount for Consolidation Loans.

⁴ 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 \$232 billion for FFEL, \$70 billion for ECASLA, and \$903 billion for Direct Loans. Total reestimates and modifications in 2017 account for 3.3 percent of the total outstanding portfolio.

<u>New loan volume (in millions)</u>	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
<u>Direct Loans:</u>			
Stafford loans	\$22,423.5	\$22,564.6	\$14,527.8
Unsubsidized Stafford loans	50,642.9	51,650.5	64,439.5
Parent PLUS loans	12,934.3	13,342.7	14,307.7
Grad PLUS loans	<u>9,461.3</u>	<u>9,891.1</u>	<u>11,485.8</u>
Total	95,462.0 ¹	97,448.9 ¹	104,760.8 ¹

Number of new loans (in thousands)

<u>Direct Loans:</u>			
Stafford loans	6,894	6,934	4,081
Unsubsidized Stafford loans	8,859	8,955	9,899
Parent PLUS loans	1,005	1,020	1,070
Grad PLUS loans	<u>562</u>	<u>572</u>	<u>620</u>
Total	17,320 ¹	17,481 ¹	15,670 ¹

¹ Consolidation Loans for existing borrowers will total \$45.6 billion and 813,000 loans in 2016, \$47 billion and 821,000 loans in 2017, and \$48.2 billion and 826,000 loans in 2018.

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, with loans guaranteed by the Federal Government and administered by State and private nonprofit guaranty agencies. To generate savings to help put the Nation on a more sustainable fiscal path, the 2018 Budget proposes to eliminate payments of Account Maintenance Fees to 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 award year 2016–2017 is 3.76 percent. As of July 1, 2012, only undergraduate students are eligible for subsidized Stafford loans.
- Unsubsidized Stafford Loans have a fixed interest rate of 3.76 percent for undergraduate borrowers and 5.31 percent for graduate and professional borrowers in award year 2016-2017. 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 6.31 percent in academic year 2016–2017, 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 one-eighth of 1 percent. The resulting rate for the consolidated loan is then fixed for the life of the loan.

E. HIGHER EDUCATION PROGRAMS

Overview

The Administration's 2018 request includes \$1.7 billion in discretionary funds for Higher Education Programs aimed at improving student achievement and increasing access to a high-quality education for all students.

To foster more and better opportunities in higher education for communities that are often underserved, the request provides \$492.2 million in discretionary funding for programs that serve high proportions of minority students. The request maintains \$375.0 million for such institutions through the Aid for Institutional Development programs and \$117.2 million in discretionary funding for the Aid for Hispanic-Serving Institutions programs. The request would strengthen institutions of higher education, including Historically Black Colleges and Universities (HBCUs) and Historically Black Graduate Institutions (HBGIs), by improving their academic programs, institutional capacity, and student support services. The request does not fund the Strengthening Institutions program, which is duplicative of other program funding for institutional support activities.

The request would provide \$808.3 million in fiscal year 2018 for the Federal TRIO programs, \$90 million less than the fiscal year 2017 annualized Continuing Resolution level. The request maintains support for programs focused on assisting middle school, high school, and college students in moving through the academic pipeline toward college completion and that have shown evidence of effectiveness or are designed to support strategies for which there is a growing body of evidence. The request includes \$219 million, \$103.1 million less than the 2017 annualized CR level, to assist middle and high school students in preparing for college through Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). There is limited evidence that this program is effective in achieving its ultimate objectives of increasing high school graduation and college enrollment rates for students in high-poverty schools. At the level requested, the Department can fully fund continuation awards.

The Budget also provides \$11.8 million for model comprehensive transition programs through the Model Transition Programs for Students with Intellectual Disabilities (TPSID) program. In addition, the Administration requests \$5.8 million for the Graduate Assistance in Areas of National Need (GAANN) programs, a \$23.5 million decrease from the fiscal year 2017 annualized CR level. The request reflects the Administration's intent to refocus the Department's resources on programs designed to help students move through the academic pipeline toward college completion.

The Administration's request for fiscal year 2018 eliminates funding for a number of Higher Education Programs that duplicate other programs, are more appropriately supported with State, local, institutional, or private funds, are outside of the Department's core mission, or have not shown evidence of effectiveness. These programs include the Strengthening Institutions Program, International Education and Foreign Language Studies programs, Teacher Quality Partnership, and Child Care Access Means Parents in School.

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

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
Strengthening Institutions Program (SIP)	\$86.5	\$86.4	—
Strengthening Tribally Controlled Colleges and Universities (TCCUs)	27.6	27.5	\$27.5
Strengthening Tribally Controlled Colleges and Universities (mandatory TCCUs)	28.0 ¹	27.9 ¹	30.0 ¹
Strengthening Alaska Native and Native Hawaiian-serving Institutions (ANNHs).....	13.8	13.8	13.8
Strengthening Alaska Native and Native Hawaiian-serving Institutions (mandatory ANNHs)	14.0 ¹	14.0 ¹	15.0 ¹
Strengthening Historically Black Colleges and Universities (HBCUs)	244.7	244.2	244.2
Strengthening Historically Black Colleges and Universities (mandatory HBCUs)	79.2 ¹	79.1 ¹	85.0 ¹
Strengthening Historically Black Graduate Institutions (HBGIs).....	63.3	63.2	63.2
Strengthening Predominantly Black Institutions (PBIs).....	9.9	9.9	9.9
Strengthening Predominantly Black Institutions (mandatory PBIs).....	14.0 ¹	14.0 ¹	15.0 ¹
Strengthening Asian American- and Native American Pacific Islander-serving Institutions (AANAPISIs)	3.3	3.3	3.3
Strengthening Asian American- and Native American Pacific Islander-serving Institutions (mandatory AANAPISIs).....	4.7 ¹	4.7 ¹	5.0 ¹
Strengthening Native American-serving nontribal institutions (NASNTIs).....	3.3	3.3	3.3
Strengthening Native American-serving nontribal institutions (mandatory NASNTIs).....	4.7 ¹	4.7 ¹	5.0 ¹
Minority Science and Engineering Improvement (MSEIP)	<u>9.6</u>	<u>9.6</u>	<u>9.6</u>
Total	606.7	605.6	529.9
Discretionary	462.2	461.3	374.9
Mandatory	144.5 ¹	144.3 ¹	155.0 ¹

¹ Mandatory appropriations are provided under Section 371 of the HEA, as amended by P.L. 111-152. These amounts include sequester reductions of 6.8 percent in 2016 and 6.9 percent in 2017 that went into effect October 1, 2015, and October 1, 2016, 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.

Strengthening Tribally Controlled Colleges and Universities (TCCUs) supports 35 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 in fiscal year 2018.

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 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 2018 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 2018 funding would support 97 HBCUs. In 2018, \$85 million in mandatory funding is available for HBCUs.

Strengthening Historically Black Graduate Institutions supports 24 postgraduate 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 35 continuation awards. In addition, \$15 million in mandatory funding is available in 2018 for continuation awards to 24 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 2018 request would support 10 continuation awards for institutions serving this diverse population. In addition, mandatory funding of \$5 million is available in 2018 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 15 new grants and 23 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>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
Developing HSIs (discretionary)	\$107.8	\$107.6	\$107.6
Mandatory Developing HSI STEM and Articulation Programs.....	93.2 ¹	93.1 ¹	100.0 ¹
Promoting Postbaccalaureate Opportunities for Hispanic Americans (discretionary)	<u>9.7</u>	<u>9.6</u>	<u>9.6</u>
Total	210.7	210.3	217.2
Discretionary	117.5	117.2	117.2
Mandatory	93.2 ¹	93.1 ¹	100.0 ¹

¹ Mandatory appropriations are provided under Section 371 of the HEA, as amended by P.L. 111-152. These amounts include sequester reductions of 6.8 percent in 2016 and 6.9 percent in 2017 that went into effect October 1, 2015, and October 1, 2016, 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 fiscal year 2018, discretionary funding would support approximately 200 new and continuation awards. In addition, mandatory funds provided under section 371 of the HEA would support approximately 91 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.

Tribally Controlled Postsecondary Career and Technical Institutions

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$8.3	\$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>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$44.6	\$44.5	\$44.5

Special Programs for Migrant Students include the High School Equivalency Program (HEP), which funds competitively selected projects to help low-income migrant and seasonal farmworkers 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 5,700 participants under HEP projects and 2,500 participants under CAMP projects, as well as outreach, technical assistance, and professional development activities.

Federal TRIO Programs

(BA in millions)

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
Talent Search.....	\$150.3	\$148.6	\$148.6
Upward Bound	270.5	292.7	292.7
Veterans Upward Bound	13.8	15.2	15.2
Upward Bound Math-Science	44.3	46.5	46.5
Educational Opportunity Centers	55.9	54.5	0
Student Support Services	328.3	291.4	298.3
McNair Post Baccalaureate Achievement.....	28.6	40.0	0
Staff Training.....	2.7	2.7	2.5
Evaluation	1.8	2.8	2.7
Administration/Peer Review.....	<u>3.7</u>	<u>3.8</u>	<u>1.8</u>
Total.....	900.0	898.3	808.3

The TRIO programs are among the Department's largest investments aimed at getting more students prepared for, into, and through postsecondary education. The request would maintain support for programs that are focused on assisting middle school, high school, and college students in moving through the academic pipeline toward college completion and that have shown some evidence of effectiveness or are designed to support strategies in areas for which there is a growing body of evidence. The request does not include funding for the McNair Postbaccalaureate Achievement or Educational Opportunity Centers (EOC) programs. There is limited evidence of effectiveness for both of these programs. In addition, McNair is a high cost-per-participant program that serves relatively few students, and EOC offers very "low touch" services that can be provided through other programs like TRIO Talent Search and Adult Education State Grants. Colleges and universities can also use institutional resources to support these objectives. The request includes appropriations language to amend the HEA by restoring the Department's flexibility to conduct rigorous program evaluations for the primary purpose of assessing the effectiveness of these programs using random assignment methodologies. At the level requested, the Department could support nearly 2,700 TRIO projects.

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

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$322.8	\$322.1	\$219.0

The Administration's 2018 request includes \$219 million for GEAR UP, a decrease of \$103.1 million. GEAR UP provides funds for State grants and Partnership grants to support early college preparation and awareness activities to help low-income elementary and secondary school students prepare for and pursue postsecondary education. There is limited rigorous evidence that the program is effective in increasing high school graduation and college enrollment rates for program participants. The request would support new and continuation awards for approximately 32 States and 80 Partnership awards in fiscal year 2018.

Graduate Assistance in Areas of National Need (GAANN)

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$29.3	\$29.2	\$5.8

The Administration's 2018 request includes \$5.8 million for GAANN, a decrease of approximately \$23.5 million. Through competitive grants to postsecondary institutions, GAANN provides fellowships to graduate students with superior ability and high financial need studying in areas of national need. Fellowships supported under GAANN are more appropriately supported through other Federal programs, as well as through institutional and other non-Federal resources. The funds requested would fully cover the continuation awards of grantees that were successful in the 2015 competition.

Model Transition Programs for Students with Intellectual Disabilities into Higher Education (TPSID)

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>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 2018 request would support 25 continuation awards, as well as a Coordinating Center that provides technical assistance to institutions with transition programs.

Howard University
(BA in millions)

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
General Support.....	\$194.5	\$194.1	\$194.1
Howard University Hospital.....	<u>27.3</u>	<u>27.3</u>	<u>27.3</u>
Total.....	221.8	221.4	221.4

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 2018 request would maintain support at the 2017 annualized CR level for Howard University’s academic and research programs, serving approximately 9,600 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>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
HBCU Capital Financing Program	\$20.5	\$20.4	\$20.4
CHAFL Federal Administration	0.4	0.4	0.4

These programs support the construction, reconstruction, and renovation of academic facilities at institutions of higher education. The 2018 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 \$314 million in new loans in 2018. 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 College Housing Administration Facilities Loans (CHAFL) Federal Administration is used solely to manage and service existing portfolios of facilities loans and grants made in prior years.

F. 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 challenges faced by schools, teachers, and learners. Investment in research, statistics, and evaluation 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 (NCER), the National Center for Education Statistics (NCES), the National Center for Education Evaluation and Regional Assistance (NCEE), and the National Center for Special Education Research (NCSEER)—IES ensures the Federal investment in education research, statistics, and evaluation is of high quality and relevant to the needs of educators and policymakers. The President’s fiscal year 2018 Budget requests \$616.8 million for IES activities, the same as the 2017 annualized Continuing Resolution level.

Research, Development, and Dissemination

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$195.0	\$194.6	\$194.6

The request supports 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 \$34.9 million in new research awards, and continue disseminating information about what works in education to States and localities.

Statistics

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$112.0	\$111.8	\$111.8

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 2018 request 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.

Regional Educational Laboratories (RELs)

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$54.4	\$54.3	\$54.3

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 second-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 2018.

Assessment

	<u>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$157.2	\$156.9	\$156.9

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>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$54.0	\$53.9	\$53.9

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>2016</u>	2017 <u>Annualized CR</u>	2018 <u>Request</u>
BA in millions.....	\$34.5	\$34.5	\$34.5

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. The request would support continuation costs of grants awarded in 2015; up to \$6 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.

Special Education Studies and Evaluations

	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u> <u>Request</u>
BA in millions.....	\$10.8	\$10.8	\$10.8

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, the Middle Grades Longitudinal Study, and special education reports from the What Works Clearinghouse.

III. PROGRAMS PROPOSED FOR ELIMINATION

A. Proposed Discretionary Program Eliminations

The 2018 request supports the Administration’s commitment to eliminating funding for programs that have achieved their original purpose, duplicate other programs, are narrowly focused, or are unable to demonstrate effectiveness. The fiscal year 2018 Budget eliminates funding for 22 programs, in addition to 6 programs that were eliminated in the reauthorization of the Elementary and Secondary Education Act (ESEA), for an annual savings of \$5.8 billion. The table shown below is followed by a brief summary of each program, in alphabetical order, for which funding would be eliminated under the 2018 request.

Programs Proposed for Elimination in FY 2018

	(2017 BA in millions)
21 st Century Community Learning Centers.....	\$1,164.5
Alaska Native Education	32.4
American History and Civics Academies	1.8
Arts in Education	26.9
Child Care Access Means Parents in School	15.1
Comprehensive Literacy Development Grants/Striving Readers	189.6
Federal Supplemental Educational Opportunity Grants	731.7
Full-Service Community Schools	10.0
Impact Aid Payments for Federal Property	66.7
Innovative Approaches to Literacy	26.9
International Education and Foreign Language Studies Domestic Programs.....	65.0
International Education and Foreign Language Studies Overseas Programs.....	7.0
Javits Gifted and Talented Education	12.0
Native Hawaiian Education	33.3
Preschool Development Grants	249.5
Ready to Learn Programming.....	25.7
School Leader Recruitment and Support	16.3
Special Olympics Education Programs.....	10.1
Strengthening Institutions.....	86.4
Supported Employment State Grants	27.5
Supporting Effective Instruction States Grants	2,251.6
Teacher Quality Partnerships.....	43.0
 Total	 \$5,093.1

(2017 BA in millions)

21st Century Community Learning Centers..... \$1,164.5

This program makes formula grants to States, which awards local subgrants to support before-school, after-school, and summer school programs that provide safe spaces and opportunities for academic enrichment for nearly 2 million students at roughly 11,500 centers. This program lacks strong evidence of meeting its objectives, such as improving student achievement.

Alaska Native Education \$32.4

This program supports supplemental education services for a very high-need student population facing unique challenges in obtaining a high-quality education. The Alaska Native Education program largely duplicates services that may be funded through the \$260 million in other Federal elementary and secondary programs that support Alaska as well as State, local, and private funds.

American History and Civics Academies \$1.8

This program supports efforts to improve the quality of American history and civics education through grants for intensive workshops for teachers and students and for evidence-based instructional methods and professional development programs. The program has limited impact, with American History and Civics Academies grants reaching only a small number of teachers and students (each academy may serve no more than 300 teachers or students annually).

Arts in Education \$26.9

This program supports arts education projects and programs for children and youth, with special emphasis on serving students from low-income families and students with disabilities. Arts in Education has limited impact and funds activities that are more appropriately supported with other Federal, State, local, and private funds.

Child Care Access Means Parents in School (CCAMPIS) \$15.1

The CCAMPIS program subsidizes campus-based child care services for low-income parents in postsecondary education programs. While the CCAMPIS program provides an important service that benefits low-income student parents, subsidizing expenses associated with child care is not consistent with the Department's core mission. The Administration maintains funding for existing child care programs within the Department of Health and Human Services.

Comprehensive Literacy Development Grants/Striving Readers \$189.6

This program awards competitive grants to States, which make competitive subgrants to local entities to improve literacy instruction from birth through grade 12. The program has limited impact (only 6 State grants in most recent cohort) and duplicates activities that may be supported with other Federal, State, local, and private funds.

Federal Supplemental Educational Opportunity Grants \$731.7

This program allocates money to institutions using a statutory formula; the institutions then use the money to award need-based aid to students. This program duplicates the Pell Grant program and its allocation formula is not targeted efficiently, basing most of the allocation on prior allocation levels.

Full-Service Community Schools \$10.0

This program supports projects that involve a school as the locus for the provision of comprehensive academic, social, and health services that respond to the needs of students, their families, and community members. The program has limited impact and largely duplicates

activities that are more appropriately supported through other Federal, State, local, and private funds.

Impact Aid Payments for Federal Property..... \$66.7

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. Most districts that receive these payments have been funded for 40 years or more—sufficient time to adjust to the removal of Federal property from their tax rolls.

Innovative Approaches to Literacy Program..... \$26.9

This program makes competitive grants to improve literacy through support of school libraries, professional development for school librarians, and the provision of high-quality books to children and adolescents in low-income communities. School districts and schools that choose to focus on libraries and the provision of free books as part of their early literacy strategies may use Title I funds for this purpose.

International Education and Foreign Language Studies Domestic Programs \$65.0

This program is designed to strengthen the capability and performance of American education in foreign languages and in international studies. This program supports activities that are better advanced by other agencies whose primary mission is national security.

International Education and Foreign Language Studies Overseas Programs..... \$7.0

This program improves secondary and postsecondary teaching and research concerning other cultures and languages, training of specialists, and the American public's general understanding of the peoples of other countries. This program supports activities that are better advanced by other agencies whose primary mission is national security.

Javits Gifted and Talented Education..... \$12.0

This program supports research and other activities to build local capacity to identify gifted and talented students and meet their special educational needs. Limited Federal education dollars should be focused on our most disadvantaged children, and programs for gifted and talented students can be supported with State, local, and private funds.

Native Hawaiian Education \$33.3

This program supports supplemental education services for a very high-need student population facing unique challenges in obtaining a high-quality education. The program largely duplicates services that may be funded through the \$127 million in other Federal elementary and secondary programs that support Hawaii as well as State, local, and private funds.

Preschool Development Grants \$249.5

The Preschool Development Grants (PDG) competition supports State efforts to (1) build or enhance a preschool program infrastructure that would enable the delivery of high-quality preschool services to children, and (2) expand high-quality preschool programs in targeted

communities that would serve as models for expanding preschool to all 4-year-olds from low- and moderate-income families. The Consolidated Appropriations Act, 2017, provided funding for PDG through the Department of Health and Human Services.

Ready to Learn Programming \$25.7

This program supports the development and dissemination of high-quality educational television programming. The program is less relevant and necessary with the rise of the internet and the increasing number of private providers that create and disseminate programming, online games, and “apps” that are both educational and entertaining.

School Leader Recruitment and Support Program \$16.3

This program funds activities to improve the recruitment, preparation, placement, support, and retention of effective principals and other school leaders in high-need schools. This small program has limited impact and effectiveness and duplicates other Federal funds that may be used to support local efforts to recruit, train, and retain effective school leaders.

Special Olympics Education Programs \$10.1

This program supports a directed grant award to a not-for-profit organization. Funds are used to expand the Special Olympics and the design and implementation of Special Olympics education programs. Such activities are better supported with other Federal, State, local, or private funds.

Strengthening Institutions..... \$86.4

This program provides funds that may be used to support a wide variety of institutional support activities, including construction, maintenance, renovation, and improvement of instructional facilities. The program duplicates activities that may be supported with other Federal funds, including \$492 million in the Higher Education Act Title III and V grant programs.

Supported Employment State Grants..... \$27.5

Through this formula grant program, State Vocational Rehabilitation (VR) agencies receive supplemental funds to assist consumers with the most significant disabilities in achieving the employment outcome of supported employment. As supported employment is now an integral part of the Vocational Rehabilitation State Grants program, there is no longer a need for a separate funding stream to ensure the provision of such services.

Supporting Effective Instruction State Grants..... \$2,251.6

This program provides formula grants to SEAs and subgrants to LEAs to increase student achievement, primarily through professional development for teachers and class-size reduction. The Title II-A program is largely duplicative; virtually all other ESEA formula grant funds (e.g., Title I, Title III), as well as funding from competitive grant programs, may be used for teacher or staff professional development.

Teacher Quality Partnerships..... \$43.0

The TQP program supports partnerships that enhance professional development activities and training for current and prospective teachers and staff. The statute places unnecessary burden on grantee activities, limiting their ability to design the programs that work best for local schools.

B. Programs No Longer Authorized by ESEA

In addition to programs proposed for elimination, 6 Department programs were either struck or repealed as a result of the reauthorization of the Elementary and Secondary Education Act (ESEA). The elimination or repeal of these programs saves the Department \$729.4 million in 2018. While these programs were eliminated under ESSA, they were funded under the fiscal year 2017 annualized CR. The table shown below is followed by a brief summary of each program, in alphabetical order.

Programs No Longer Authorized in FY 2018

	(2017 BA in millions)
Advanced Placement	\$28.4
Elementary and Secondary School Counseling.....	49.5
Mathematics and Science Partnerships.....	152.4
Non-Cognitive Skills Initiative.....	3.0
Physical Education Program	46.9
School Improvement Grants	449.1
 Total	 \$729.4

(2017 BA in millions)

Advanced Placement (AP) \$28.4

This program provides grants to eligible entities to enable them to increase the participation of low-income students in both pre-AP and AP courses and tests.

Elementary and Secondary School Counseling..... \$49.5

This program provides funding to local educational agencies to establish or expand elementary and secondary school counseling programs, with special consideration given to applicants that can demonstrate the greatest need for counseling services in the schools to be served, propose the most innovative and promising approaches, and show the greatest potential for replication and dissemination.

Mathematics and Science Partnerships \$152.4

The program supports projects to improve math and science education through partnerships, which include, at a minimum, a high-need local educational agency and the mathematics, science, or engineering department of an institution of higher education.

Non-Cognitive Skills Initiative \$3.0

This program provides competitive grants to district and researcher partnerships to develop and test interventions that improve students' non-cognitive skills in the middle school grades, a time

when many students lose interest in, engagement with, and motivation for academic work, thereby increasing the likelihood of their dropping out of high school.

Physical Education Program \$46.9

This program provides grants to local educational agencies and community-based organizations to initiate, expand, or enhance physical education programs, including before-school, after-school, and summer programs for students in kindergarten through 12th grade.

School Improvement Grants..... \$449.1

This program authorizes grants to State educational agencies that are used to make competitive subgrants to local educational agencies that demonstrate the greatest need for the funds and the strongest commitment to use the funds to provide adequate resources in order to substantially raise the achievement of students in their lowest-performing schools.

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 every area and level of education. The Department's early learning, elementary, and secondary education programs annually serve approximately 18,260 school districts and more than 50 million students attending more than 98,000 public and 33,000 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: (1) a statutory formula based on certain eligibility requirements, such as the number of low-income students in a school district; (2) a competitive process aimed at identifying the most promising proposals or projects targeting a particular educational purpose; or (3) 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 Administration's fiscal year 2018 request would provide \$15.9 billion to help more than 25 million students in high-poverty schools make progress toward State academic standards; \$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 6.8 million students with disabilities; Federal Pell Grants, which would make available \$28.8 billion in need-based grants to 7.3 million students enrolled in postsecondary institutions; and the postsecondary student loan programs, which would help provide roughly \$153 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 SAFRA Act, which created 100 percent Direct Lending, the Workforce Innovation and Opportunity 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 a greater workload. In addition, the reauthorization of the ESEA by the Every Student Succeeds Act significantly increased demands on the Department to 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.

Salaries and Expenses Overview
(dollars in millions)

<u>Departmental Management</u>	<u>2016</u>	<u>2017 Annualized CR</u>	<u>2018 Request</u>
Program Administration.....	\$432.0 ¹	\$431.2	\$438.0
Office for Civil Rights.....	107.0	106.8	106.8
Office of Inspector General	59.3	59.1	61.1
Student Aid Administration.....	1,551.9	1,548.9	1,697.7
Other	<u>9.3²</u>	<u>9.3²</u>	<u>9.3²</u>
Total	2,159.4	2,155.3	2,312.9
 <u>Full-Time Equivalent Employment (FTE)</u>			
Program Administration.....	1,888	1,776	1,699
Office for Civil Rights.....	563	569	523
Office of Inspector General	228	237	237
Student Aid Administration.....	1,453	1,555	1,524
Other	<u>18</u>	<u>19</u>	<u>19</u>
Total	4,150 ³	4,156 ³	4,002 ³

¹ Includes \$1.0 million in for Building Modernization.

² Includes small Federal Credit Administration accounts and S&E activities in program accounts.

³ Actual FTE usage in FY 2016; targets for FY 2017 and FY 2018.

The fiscal year 2018 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. Despite having the third largest discretionary budget of all Cabinet-level agencies behind only the Department of Defense and the Department of Health and Human Services, the Department of Education has the fewest staff. 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 \$2.31 billion for its S&E budget accounts in fiscal year 2018, an increase of \$158 million, or 7.3 percent, over the fiscal year 2017 annualized CR level. Eighty-seven percent of the requested increase, or \$136.6 million, is for servicing costs necessary to manage the Department's approximately \$1.3 trillion loan portfolio, and the remaining 13 percent of the requested increase is for enhanced IT security, critical IT infrastructure needs, continued audit and investigative work, and additional security costs for the Secretary. The fiscal year 2018 request includes funding for 4,002 FTE, a decrease of 154 FTE from the fiscal year 2017 annualized CR level of 4,156 FTE.

Program Administration

The Program Administration account provides administrative support for most programs and offices in the Department. The fiscal year 2018 request totals \$438.0 million, a total increase of \$6.8 million, or 1.6 percent, above the fiscal year 2017 annualized CR level. The request includes \$270.0 million for personnel compensation and benefits to support 1,699 FTE, a decrease of \$6.2 million from the fiscal year 2017 annualized CR level of \$276.2 million.

Non-personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, information technology (IT) services and security, contractual services, equipment, supplies, and other services. The total request for non-personnel activities in fiscal year 2018 is \$168.0 million, an increase of \$13.0 million from the fiscal year 2017 annualized CR level of \$155.0 million.

The overall increase of \$6.8 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) the upgrade of the Department's core financial system from Oracle version 11i to Oracle Release 12 because the current system is on extended support at a premium cost to Department and presents security risks to the Department's data; (3) personnel compensation and benefits increases related to a proposed 1.9 percent pay raise in January 2018; (4) necessary spending to transition to new computer network services and IT infrastructure contracts; and (5) development of a new Impact Aid System to replace the current system that is dangerously past its lifecycle, potentially jeopardizing timely awards to more than 1,100 Impact Aid recipients.

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 supports 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 ensuring 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 while 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 (FSA), the Office of the Under Secretary, and the Office of Postsecondary Education.

In fiscal year 2018, FSA will provide \$134.2 billion in new Federal student aid grants and loans (excluding Direct Consolidation Loans) to almost 12.2 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 owned by the Government and serviced by the Department. The Department currently contracts with 9 servicers to service the Department's portfolio of approximately 42 million borrowers.

The Student Aid Administration account represents 73 percent of the Department's total discretionary administrative budget. The fiscal year 2018 request would provide \$1.7 billion to

administer student aid programs, an increase of \$148.8 million over the fiscal year 2017 annualized CR level. Ninety-two percent of the increase is due to higher servicing costs, which result from growth in the number of borrowers and shifts of existing borrowers from in-school to more expensive in-repayment, statuses. In addition, the fiscal year 2018 request includes funds necessary to maintain operations for student aid application processing, origination and disbursement functions, and student aid IT system hosting; and to enhance IT security.

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. Since fiscal year 2006, the number of complaints nearly tripled through fiscal year 2016, while the number of investigative staff increased only by 5 percent over the same period. The FTE level is projected to be 523 in fiscal year 2018.

The fiscal year 2018 request for OCR is \$106.8 million, the same as the fiscal year 2017 annualized CR level. About \$77.5 million, or 73 percent, of the request is for staff pay and benefits for 523 FTE, as well as a proposed 1.9 percent pay raise in January 2018. The remaining \$29.3 million is for non-pay projects and includes \$4.1 million for information technology services, including contracts for the Civil Rights Data Collection (CRDC) and for pre-collection and collection activities for 2017-18 CRDC data collections. 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.

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 fiscal year 2018 request for the OIG is \$61.1 million, an increase of \$2.0 million over the fiscal year 2017 annualized CR level. Approximately 67 percent of this amount, or \$40.8 million, is for personnel compensation and benefits to support a staffing level of 237 FTE, including a proposed 1.9 percent pay raise in January 2018.

The non-personnel request of \$20.3 million includes \$2.0 million to contract for the mandatory 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 with a tool to identify patterns of fraud and risk, allowing the OIG to better target audit and investigative work.

APPENDICES

- [Summary of Discretionary Funds](#)
- [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](#)