

FY 2019 PRESIDENT'S BUDGET

DEPARTMENT OF EDUCATION

2/12/2018



“The President’s Budget request expands education freedom for America’s families while protecting our nation’s most vulnerable students....The Budget also reflects our commitment to spending taxpayer dollars wisely and efficiently by consolidating and eliminating ineffective Federal programs that are better handled at the state or local level. I look forward to working with Congress to pass a Budget that puts students first and returns power in education to where it belongs: with states, districts and families.”

- Secretary of Education, Betsy DeVos



FY 2019 Budget Themes

- Providing better choices for more families to attend a high-quality school.
- Supporting high-quality special education services to children with disabilities.
- Creating new and alternative pathways to successful careers for students.
- Promoting innovation and reform around STEM education.
- Implementing school-based opioid abuse prevention strategies.
- Making the Department more efficient while limiting the Federal role in education.



The FY 2019 President's Budget provides:

\$63.2 billion in discretionary funding, a \$3.6 billion or 5 percent decrease below the 2017 enacted level.

\$129.8 billion in new postsecondary grants, loans, and work-study assistance to help an estimated **11.5 million students and their families** pay for college.

The Budget also supports:

Higher Education Act reauthorization proposals to address student debt and higher education costs, while reducing the complexity of student financial aid.

Reauthorization of the Perkins Career and Technical Education Act that would promote and expand apprenticeships, consistent with the President's Executive Order.



Non-Defense Discretionary Cap Deal Addendum

The FY 2019 Budget reallocated funds from non-defense to defense to pay for the Administration's National Security and National Defense Strategies.

As a result of the 2-year cap deal, which raises the non-defense discretionary spending caps, the President is adding back funding to ED's FY 2019 Budget request. This addendum includes:

Impact Aid Basic Support Payments: +\$525 million; total of \$1.189 billion.

TRIO: +\$400 million; total of \$950 million.

School Choice: +\$500 million; total of \$1.0 billion.

Work Study: +\$300 million; total of \$500 million.

Elimination of the Pell Rescission of \$1.6 billion in unobligated balances in the Pell Grant program.



More Choices for More Families

\$1 billion for a new Opportunity Grants program that would expand both private and public school choices, particularly for students from low-income families or attending schools identified for improvement under the Elementary and Secondary Education Act.

\$500 million for the Charter Schools program to strengthen 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.



High-Quality Special Education Services to Children with Disabilities

\$12.8 billion to maintain the Federal investment in the Individuals with Disabilities Education Act State formula grant program to help offset the cost of providing special education and related services to approximately 6.8 million children with disabilities.

\$222 million for discretionary grants to States, institutions of higher education, and other organizations to support a variety of activities to help ensure that high-quality special education and related services are available to meet the unique needs of children with disabilities and their families.



More Pathways to Successful Careers

Expanding the Pell Grant program to cover short-term programs. The Department's fiscal year 2019 Budget proposes to expand Pell Grant recipients' eligibility to include high quality short-term programs that provide students with a credential, certification, or license in an in-demand field, with sufficient guardrails in place to balance students' needs with protecting taxpayers' interests.

Perkins Reauthorization: the Budget includes level funding of **\$1.1 billion for Career and Technical Education (CTE) State Grants** to support a Perkins Act reauthorization proposal that would increase support for high school CTE programs, promote and expand apprenticeships, prioritize CTE STEM programs (especially in high school), and target services to disadvantaged students.



Promoting Innovation and Reform in STEM Education

Consistent with the Presidential Memorandum on STEM education, the Budget includes \$200 million in new grants to improve STEM education.

\$180 million for Education Innovation and Research for competitive grants that would support evidence-based innovations designed to improve student achievement in STEM fields, including computer science.

\$20 million to support innovative **Career and Technical Education** programs in STEM fields, including computer science, through awards to consortia of secondary and postsecondary providers that would work with employers and local workforce agencies to ensure that these programs are aligned with regional workforce and labor market needs.



Implementation of School-based Opioid Abuse Prevention Strategies

\$42 million for School Climate Transformation grants to support the use of multi-tiered behavioral frameworks that can help school districts implement evidence-based strategies designed to mitigate the impacts of the opioid epidemic on students and schools.

\$1 million for technical assistance and resources to help schools and postsecondary institutions **address the opioid epidemic.**



Making the Department More Efficient While Reducing the Federal Role in Education

Eliminates, streamlines, or reduces funding for 39 discretionary programs that do not address national needs, duplicate other programs, are ineffective, or are more appropriately supported with State, local, or private funds, decreasing taxpayer costs by \$6.7 billion.

Streamlines and consolidates programs to achieve management efficiencies, focus Federal investments on activities supported by evidence, and reduce the Federal role in education. Examples include transitioning TRIO to a single State formula and **merging six duplicative HEA Title III and V competitive grant authorities into a single institutional formula.**

Supports Federal Student Aid (FSA) in undertaking **a monumental student loan servicing upgrade.** FSA is reorganizing its fragmented servicing and operating infrastructure in order to provide an innovative, world-class financial services experience for its customers.



Federal Student Aid's Next Generation Financial Services Environment

FEBRUARY 12, 2018

Federal Student Aid (FSA) has one of the largest consumer loan portfolios in the world. We should deliver for our customers on par with world-class financial services.

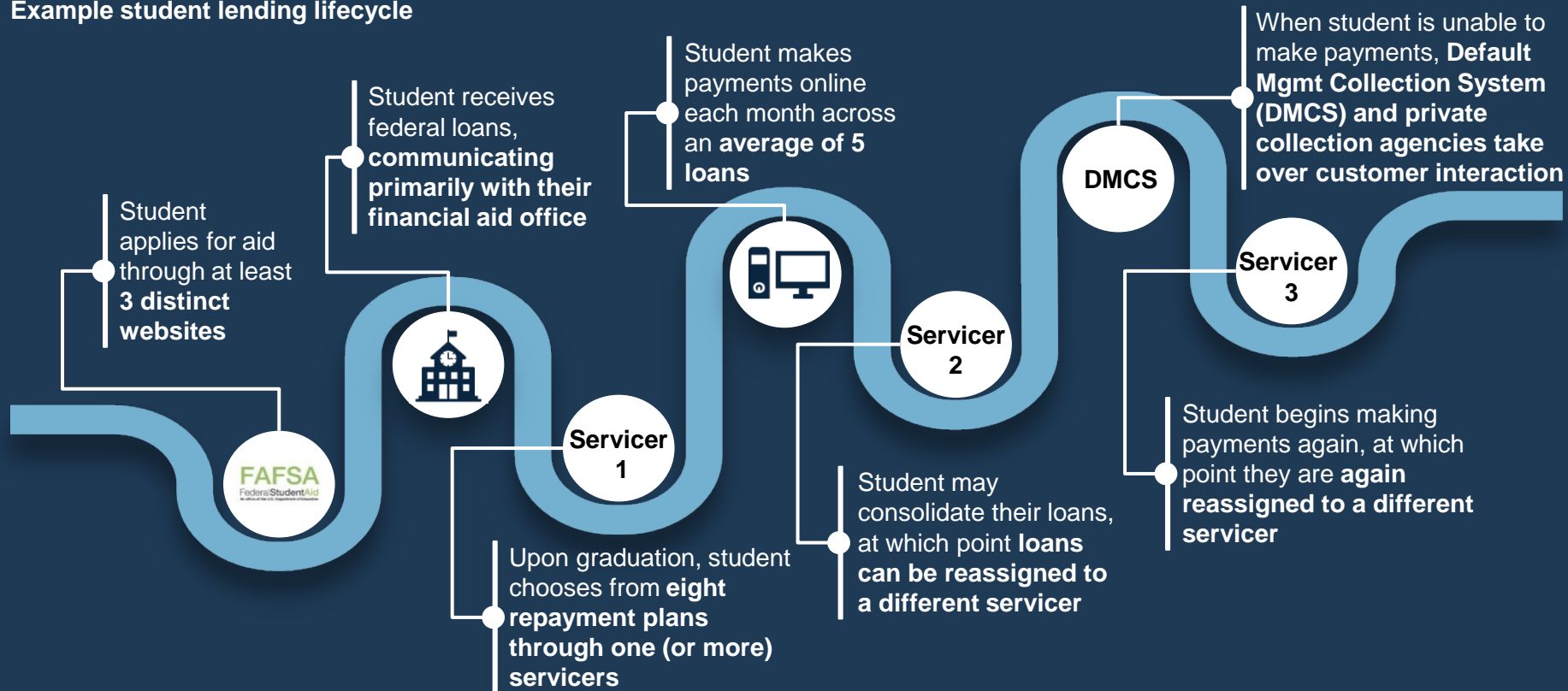
To do that, **we have defined the Next Generation Financial Services Environment** with four primary goals:

- 1. World-class customer experience**, grounded in a mobile-first, mobile-complete, and mobile-continuous environment, to improve customer outcomes
- 2. Greater operational flexibility** to allow us to more rapidly integrate new capabilities and features
- 3. Reduce complexity**, improve the stability and resiliency of our systems, and provide more cost-efficient solutions
- 4. Improve repayment outcomes** and overall portfolio performance



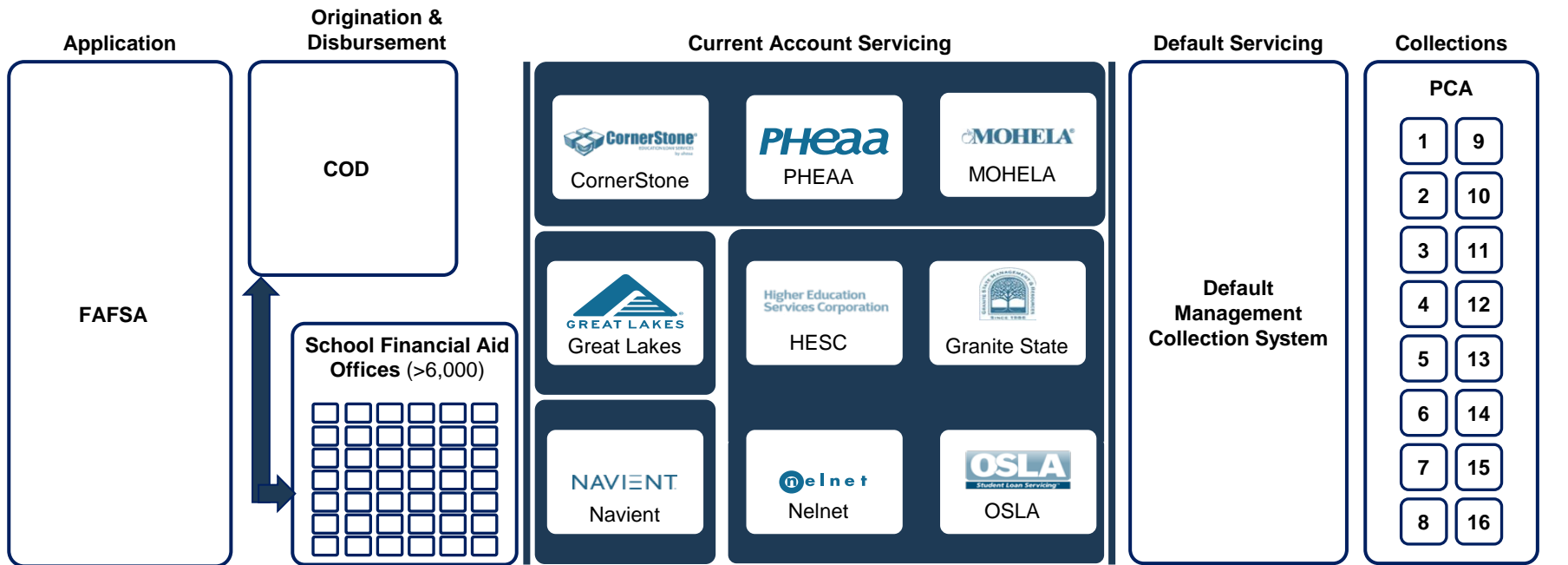
Customers interface with multiple brands throughout the student lending lifecycle, creating a fragmented experience

Example student lending lifecycle

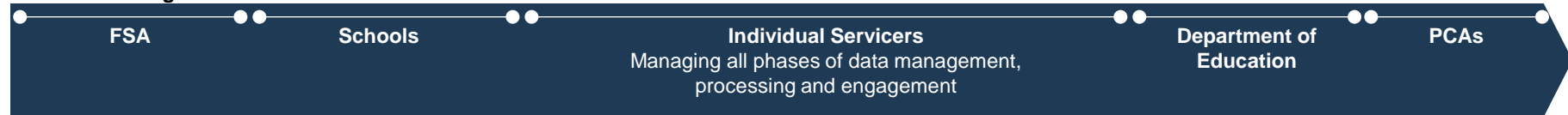


Today's fragmented customer experience is driven by a diverse vendor landscape

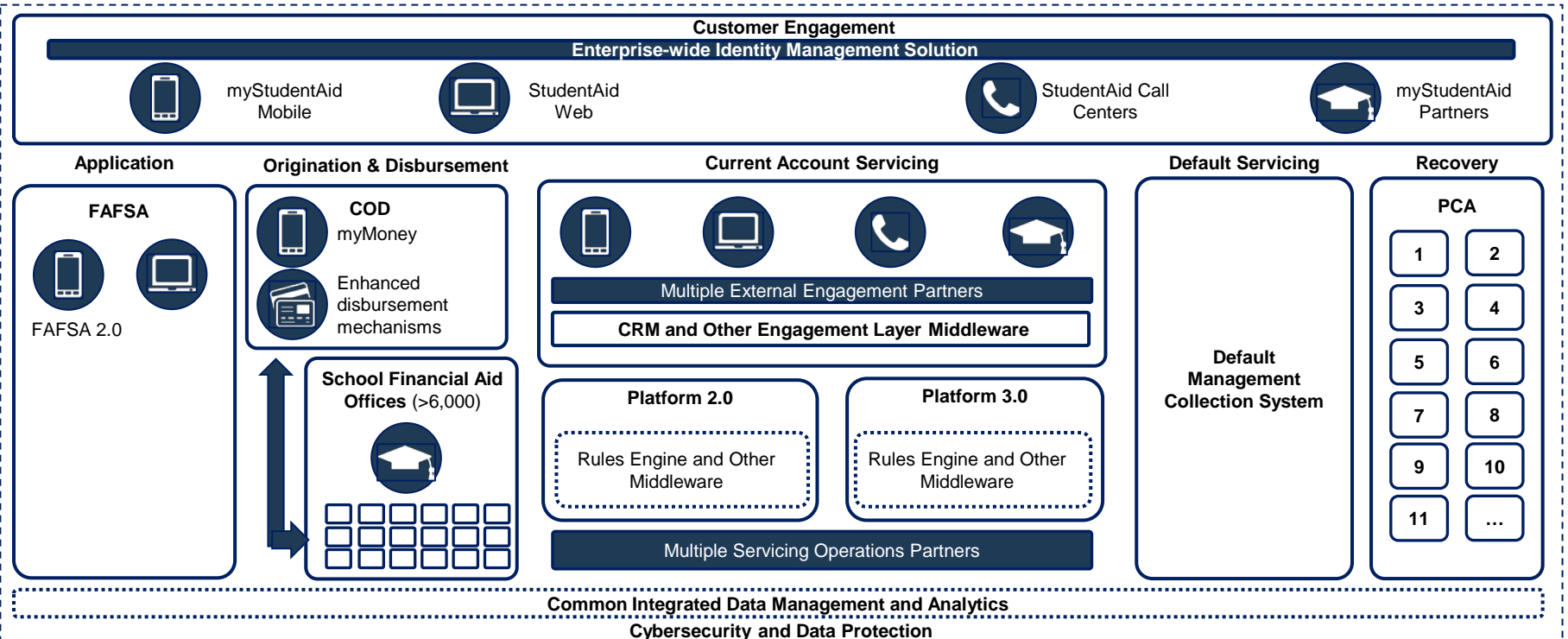
■ Servicer platforms (4 total), details follow



Customer-facing brand



FSA is moving to a more integrated technical and operational architecture to allow FSA to be the front-facing brand for its customers and provide a world-class customer experience



Customer-facing brand

