



DEPARTMENT OF EDUCATION

Highlights:

- The Department of Education promotes excellence and access to opportunity in elementary, secondary, and postsecondary education. The Department focuses its mission on supporting States and school districts in their efforts to provide high-quality education to all students, on streamlining and simplifying funding for college, and on expanding access to new postsecondary options.
- The Budget maintains funding for essential K-12 formula grant programs that support the Nation's neediest students, while also delivering on the President's commitment to ensure that every child has the opportunity to attend a high-quality school that meets their unique educational needs.
- The Budget proposes to ensure students can successfully pursue various pathways of postsecondary education and training. The Budget invests in career and technical education, streamlines student loan repayment, and offers the opportunity to use Pell Grants for high-quality, short-term training.
- The Budget requests \$59.9 billion for the Department of Education, a \$7.1 billion or 10.5-percent decrease from the 2017 enacted level.

The President's 2019 Budget:

Quality education exists when parents have a voice in choosing their child's K-12 schools and students have the tools they need to succeed. Decades of investments and billions of dollars in spending have shown that an increase in funding does not guarantee high-quality education. While the Budget reduces the overall Federal role in education, the Budget makes strategic investments to support and empower families and improve access to postsecondary education, ensuring a future of prosperity for all Americans.

K-12 Education

The Budget request for elementary and secondary education reflects the restoration of local control in education provided by the Congress in 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 recognized that the primary responsibility for creating, improving, and sustaining education systems lies with States and local school districts. The Budget builds on these principles by ensuring the Department focuses on returning decision-making power back to States and districts and by giving parents more control over addressing their child's unique education needs.

The Budget maintains funding for essential formula grant programs that support the Nation's neediest students, including those in low-income communities and students with disabilities. The Budget also streamlines and refocuses the Federal investment in K-12 education by eliminating funding for 17 programs totaling \$4.4 billion that are duplicative, ineffective, or more appropriately supported through State, local, or private funds.

Empowers Families to Choose the Schools that are Best for Their Children. The Budget invests \$1.1 billion in school choice programs to expand the range of high-quality public and private school options for students, putting more decision-making power in the hands of parents and families. This investment serves as a down payment toward achieving the President's goal of an annual Federal investment of \$20 billion—for a total of an estimated \$100 billion when including matching State and local funds—in school choice funding. The Budget requests \$500 million to establish a new school choice grant program to support a wide range of innovative approaches to school choice. These include expanding existing private school choice programs to serve more low-income and at-risk students, developing new private school choice models, or supporting school districts' efforts to adopt student-based budgeting and open enrollment policies that enable Federal, State and local funding to follow the student to the public school of his or her choice. In addition, States and districts would have opportunities to leverage funding from Title I grants to support public school choice. The Budget requests \$500 million to fund the opening, expansion, and replication of high-quality public charter schools and the financing of charter school facilities. The Budget invests \$98 million to expand the number of public magnet schools, which offer specialized curricula and instructional programming. In addition, the Tax Cut and Jobs Act expands school choice by enabling families to use 529 savings plans to pay for private school tuition and home schooling costs.

Provides High-Quality Special Education Services to Children with Disabilities. To support State and local education agencies in providing high-quality special education services to more than 6.8 million children with disabilities, the Budget maintains the Federal investment in the Individuals with Disabilities Education Act (IDEA) formula and discretionary grant programs. The Budget invests \$12.8 billion for IDEA formula grants to States to support special education and early intervention services. In addition, the Budget requests \$222 million for discretionary grants to States, institutions of higher education, and other nonprofit organizations to support research, demonstrations, technical assistance and dissemination, and personnel preparation and development. These investments would ensure that high-quality special education and related services would meet the unique needs of children with disabilities and their families.

Supports Implementation of School-based Opioid Abuse Prevention Strategies. The opioid crisis has devastated families across the United States and strained the capacity of schools in affected communities to meet the academic and mental health needs of their students. To address these issues, the Budget invests \$43 million for School Climate Transformation grants to help school districts implement multi-tiered, evidence-based strategies to prevent opioid misuse and address associated behavioral and academic challenges through interventions such as trauma counseling, violence prevention, and targeted academic support. This funding would also support technical assistance centers that develop and provide opioid abuse prevention and treatment resources that would be publicly available to all schools and institutions of higher education.

Higher Education

The Budget continues support for Federal programs that help prepare low-income and minority students for postsecondary education, targeted student financial aid that helps students and families pay rising college costs, and programs that strengthen postsecondary institutions serving large proportions of minority students. The Budget also includes proposals that address student debt by

simplifying student loan repayment and redirecting inefficiencies in the student loan program to prioritize debt relief for undergraduate borrowers. These proposals would support congressional efforts to reauthorize the Higher Education Act to address student debt and higher education costs while reducing the complexity of student financial aid.

Requires Colleges and Universities to Have Shared Accountability for Repayment of Federal Student Loans. Investing in higher education generally provides strong value for students and taxpayers. However, some institutions consistently fail to deliver a quality education that enables students to successfully repay Federal student loans—leaving borrowers and taxpayers holding the bill. A better system would require postsecondary institutions accepting taxpayer funds to share a portion of the financial risk associated with student loans, in consideration of the actual loan repayment rate to ensure that the substantial taxpayer investment in higher education continues to provide strong value for students and the economy. The Administration looks forward to working with the Congress to address these issues.

Reforms Student Loan Programs. In recent years, income-driven repayment (IDR) plans, which offer student borrowers the option of making affordable monthly payments based on factors such as income and family size, have grown in popularity. However, the numerous IDR plans currently offered to borrowers overly complicate choosing and enrolling in the right plan. The Budget proposes to streamline student loan repayment by consolidating multiple IDR plans into a single plan. The single IDR plan would cap a borrower's monthly payment at 12.5 percent of discretionary income. For undergraduate borrowers, 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.

To support this streamlined pathway to debt relief for undergraduate borrowers, and to generate savings that help put the Nation on a more sustainable fiscal path, the Budget eliminates the Public Service Loan Forgiveness program, establishes reforms to guarantee that all borrowers in IDR pay an equitable share of their income, and eliminates subsidized loans. To further improve the implementation and effectiveness of IDR, the Budget proposes auto-enrolling severely delinquent borrowers and instituting a process for borrowers to consent to share income data for multiple years. To facilitate these program improvements and to reduce improper payments, the Budget proposes to streamline the Department of Education's ability to verify applicants' income data held by the Internal Revenue Service. These student loan reforms would reduce inefficiencies and waste in the student loan program, and focus assistance on needy undergraduate student borrowers instead of high-income, high-balance graduate borrowers. All student loan proposals would apply to loans originating on or after July 1, 2019, except those provided to borrowers to finish their current course of study.

Expands Pell Grant Eligibility for Short-Term Programs. There are many paths to a successful career in addition to a four-year degree. The Budget expands Pell Grant eligibility to include high-quality short-term programs. This would help low-income and out-of-work individuals access training programs that can equip them with skills to secure well-paying jobs in high-demand fields more quickly than traditional two-year or four-year degree programs.

Improves Grantmaking and Maintains Support for Minority-Serving Institutions (MSIs) and Historically Black Colleges and Universities (HBCUs). The Budget maintains important investments to support improvements in academic quality, institutional management and capacity, infrastructure, and student support services for MSIs and HBCUs. In particular, the Budget proposes to improve grantmaking by consolidating six MSI programs into a \$147.9 million formula grant, providing funds more institutions can count on and yielding program management efficiencies. The Budget continues to recognize the extraordinary contributions of HBCUs and requests more than

\$642 million to support HBCU-focused programs that strengthen their capacity to provide the highest quality education.

Invests in Evidence-Based Postsecondary Preparation Programs. The Budget proposes to restructure and streamline the TRIO and GEAR UP programs by consolidating them into a \$550 million State formula grant. These grants would support evidence-based postsecondary preparation programs designed to help low-income students progress through the pipeline from middle school to postsecondary opportunities. Given the statutory prohibition limiting the Department's ability to evaluate overall TRIO program effectiveness using the most rigorous methodologies, as well as budget constraints, the Budget supports a restructuring of the programs that leverages evidence-based activities and allows States more flexibility in meeting the unique needs of their students.

Supports a Reauthorized Higher Education Act (HEA). The Administration looks forward to working with the Congress to encourage colleges, universities, and other educational institutions to offer every student an accessible, affordable, and innovative education tailored to their needs that prepares them for lifelong learning and success. The Administration's principles for an HEA reauthorization include:

- expand Pell Grant eligibility for short-term programs;
- reform Federal student loan and repayment options;
- recalibrate the grant allocation process;
- ensure institutional accountability;
- reduce regulatory burdens;
- improve transparency;
- offer administrative updates and financial flexibility; and
- promote free speech on college campuses.

Workforce

In today's rapidly changing economy, it is more important than ever to prepare workers to fill both existing and newly created jobs and to prepare workers for the jobs of the future. The U.S. education system must provide access to affordable and quality education and training that includes career and vocational tracks. The Budget supports reforms to programs that would help students graduate with the skills necessary to secure high-paying jobs in today's workforce and contribute to the Nation's robust economy.

Supports Career and Technical Education (CTE). As part of the Administration's commitment to supporting the Nation's workforce, the Budget maintains \$1.1 billion in funding for CTE. This investment recognizes that students should have access to a full menu of postsecondary educational options including certificate programs, community colleges, and apprenticeships. At the secondary and postsecondary levels, CTE prepares students with the skills necessary to succeed in a broad array of careers and provides an alternate pathway to a traditional four-year degree. The Administration also looks forward to working with the Congress to reauthorize the Carl D. Perkins Act. The Administration's principles for Perkins reauthorization include ensuring that CTE programs prepare students for careers in science, technology, engineering, and mathematics fields and other high-demand areas; promoting partnerships between schools, businesses, and other community organizations; and expanding access to apprenticeship and other work-based learning.

Revamps Federal Work Study to Emphasize Workforce Development. The Budget proposes to reform the Federal Work Study program to support workforce and career-oriented training opportunities for low-income undergraduate students, not just subsidized employment as a means of financial aid, in order to create pathways to high-paying jobs. The program would allocate funds to schools based in part on enrollment of Pell recipients. Schools could fund individual students through subsidized employment, paid internships, or other designs, so long as the placements were career or academically relevant. Schools could also fund broader programs that serve multiple students that expose students to or build their preparedness for careers.

Promotes Science, Technology, Engineering, and Mathematics (STEM) Education. Consistent with the 2017 Presidential Memorandum on STEM education, the Budget provides a path forward to direct at least \$200 million to STEM education. Supporting STEM education is imperative to better equip America's young people with the relevant knowledge and skills that would enable them to secure high-paying, stable jobs throughout their careers. As the role of technology grows in driving the American economy, many jobs will increasingly require skills in STEM. The Budget supports STEM education through a variety of programs including those that test and replicate what works in education and a new, \$20 million grant program for STEM-focused career and technical education programs.

"As part of my Administration's commitment to supporting American workers and increasing economic growth and prosperity, it is critical that we educate and train our future workforce to compete and excel in lucrative and important STEM fields."

STEM Presidential Memorandum
September 25, 2017

Modernizes and Makes Government More Efficient. The Budget reflects a number of reform proposals aimed at streamlining the Department of Education's internal organization and improving the Department's services to States, districts, postsecondary institutions, and the public, while reducing its workforce.

The Budget 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. The Next Generation Financial Services Environment at FSA will start with a mobile-first, mobile-complete engagement layer for all customer interactions that will link with an integrated but nimble new system. Integrated into every aspect of this modernization effort will be state-of-the-art cybersecurity protection. This technical reorganization and modernization effort will provide better service for the over 40 million customers served by FSA, including students and institutions, across the student loan lifecycle. The new environment will help increase awareness and understanding of Federal student aid opportunities and responsibilities, improve FSA's operational flexibility, and enhance cost and operational efficiency, producing better outcomes for students and taxpayers.

Reduces Waste: Streamlines or Eliminates Ineffective or Redundant Programs. The Budget eliminates funding for 29 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 would decrease taxpayer costs by \$5.9 billion and include the Supporting Effective Instruction State Grants, 21st Century Community Learning Centers, and Federal Supplemental Educational Opportunity Grant programs.

The Budget also reduces funding or consolidates 13 programs to yield program management efficiencies, focus on activities that are supported by the highest levels of available evidence, and empower

States and local entities to meet the unique needs of their students. These efficiencies for programs such as those supporting Minority Serving Institutions, TRIO, GEAR UP, and Federal Work Study would reduce costs by \$1.8 billion and support more targeted and effective uses of Federal resources. Overall, the Budget reduces waste in 41 discretionary programs, saving taxpayers more than \$7.7 billion.