

U.S. DEPARTMENT OF EDUCATION
FISCAL YEAR 2020 BUDGET SUMMARY

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“We reaffirm our commitment to ensuring that all Americans have access to an affordable, high-quality education. To maintain our country's competitiveness, our students deserve a good education that empowers them with the knowledge, skills, and character necessary to reach their full potential. Each student is unique, with their own distinct experiences, needs, learning styles, and dreams. Thus, education must be customized and individualized as there is no single approach to education that works for every student.”

-President Donald J. Trump

I. SUMMARY OF THE 2020 BUDGET REQUEST

The President's fiscal year 2020 Budget Request (the Request) includes \$64.0 billion in new discretionary Budget Authority for the Department of Education, a \$7.1 billion or a 10.0 percent reduction below the fiscal year 2019 appropriation.¹ The Request also includes the cancellation of \$2.0 billion of unobligated balances in the Pell Grant program.

The 2020 Request promotes fiscal discipline and supports priorities to improve the quality of education and prepare students for the workforce of the 21st century. The Request would implement fundamental reforms aimed at reducing the size and scope of the Federal role in education, while empowering States, communities, and parents to improve the performance of our schools and postsecondary institutions. As such, the Request eliminates funding for 29 programs that do not address national needs, duplicate other programs, are ineffective, or are more appropriately supported with State, local, or private funds. These proposals yield management efficiencies and would decrease taxpayer costs by \$6.7 billion.

While the Request reduces the overall Federal role in education, it makes strategic investments to support and empower families to select the best educational options for their children, to improve teacher quality, to ensure students learn in a safe environment, and to improve access to postsecondary education, promoting a future of prosperity for all Americans. The Request demonstrates the Department's commitment to supporting State efforts to serve vulnerable students, ensuring all students have equal access to high-quality schools, protecting their paths to world-class educations, and empowering local educators to deliver for our students.

The most transformative education proposal in the President's Budget Request is not a part of the Department of Education's fiscal year 2020 budget, but rather is proposed in the request for the Department of Treasury. It is a federal tax credit for voluntary donations to State-designed scholarship programs for elementary and secondary students, capped at \$5.0 billion per year. This tax credit is available to individuals and domestic businesses. The donations will empower States to offer scholarships that can be used on a wide range of public and private educational activities. States, not the federal government, will determine family eligibility requirements and allowable uses of scholarship funds. Because it is a tax credit, it will not divert a single dollar away from public schools or teachers.

The Request maintains funding for essential K-12 formula grant programs that support the Nation's neediest students and delivers on the President's commitment to ensure that all children have the

¹ The Administration's Request also includes mandatory funds, which do not require an appropriation. The Request level does not include rescissions or Changes in Mandatory Programs (CHIMPs).

opportunity to attend a high-quality school that meets their unique educational needs. The Request includes proposals to ensure students can successfully pursue additional postsecondary pathways, including new investments in career, technical, and adult education. The Request streamlines and improves student loan repayment and provides for the use of Pell Grants for high-quality, short-term postsecondary programs. In addition, the proposals 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 and holding institutions of higher education accountable.

MAJOR INITIATIVES FOR FISCAL YEAR 2020

The Request emphasizes six major priorities:

- 1) Increase access to school choice;
- 2) Support high-need students through essential formula grant programs;
- 3) Protect students by promoting safe and secure schools;
- 4) Elevate the teaching profession through innovation;
- 5) Promote workforce development for the 21st century; and
- 6) Streamline and improve postsecondary aid programs.

1. INCREASE ACCESS TO SCHOOL CHOICE

President Trump believes that a child's future should not be determined by his or her parents' income or zip code. No child should be limited to a school that fails to meet his or her needs. Family access to a wide range of high-quality educational choices, including strong public, charter, magnet, private, online, parochial, and home school options must be expanded. Communities must be enabled to provide a robust range of schooling options, to ensure that all students can thrive in school and are prepared for success.

The fiscal year 2020 President's Budget Request includes proposals to expand school choice:

- \$500.0 million for the Charter Schools Program, an increase of \$60.0 million over the fiscal year 2019 appropriation, to support State and local efforts to establish new charter schools, replicate and expand existing high-performing charter schools, and help charter schools access high-quality facilities;
- \$107.0 million for the Magnet Schools program, the same as the fiscal year 2019 appropriation, to increase educational options for students and families through the creation of high-quality magnet schools in local educational agencies (LEAs) implementing desegregation plans;
- \$50.0 million for Student-Centered Funding Incentive Grants to help districts participate in flexibility agreements under Title I, Part E (Flexibility for Equitable Per-Pupil Funding) and implement more transparent funding systems where Federal, State, and local dollars follow each student; and
- Raising the Direct Student Services set-aside in Title I from 3 percent to 5 percent to encourage States to leverage more Title I funds to support public-school choice. A few States are already using this set-aside to allow students to take advantage of advanced coursework or career preparation classes not available in their assigned schools.

The President's 2020 Budget also would increase funding for the DC Opportunity Scholarship program, which awards scholarships that allow K-12 students from low-income families in our Nation's capital to attend private schools.

Together, these policies create a comprehensive approach to providing all students—particularly disadvantaged students—with greater opportunities to attend a high-quality school. They are designed to focus education funds on the needs of students, rather than those of systems, school districts, or adults.

2. SUPPORT HIGH-NEED STUDENTS THROUGH ESSENTIAL FORMULA GRANT PROGRAMS

The Request maintains funding for essential formula grant programs that support the Nation’s neediest students. These programs 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 American Indian/Alaska Native students. Specifically, the Department of Education Request includes:

- \$15.9 billion in Title I grants, maintaining an historic level of funding for a program that provides critical additional support to students in high-poverty schools. Title I—which serves approximately 25 million students in nearly 60 percent of all public schools—is the foundation for State-developed accountability systems under the reauthorized Elementary and Secondary Education Act (ESEA); and
- \$1.4 billion for Impact Aid programs to support school districts that educate federally-connected children, such as those living on military bases and Indian lands.

In addition, the Request demonstrates strong support for the Individuals with Disabilities Education Act (IDEA) formula and discretionary grant programs. The Request invests:

- \$13.2 billion for IDEA formula grants to States to support special education and early intervention services for more than 7 million children with disabilities; and
- \$225.6 million for competitively awarded grants 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 meet the unique needs of children with disabilities and their families.

3. PROTECT STUDENTS BY PROMOTING SAFE AND SECURE SCHOOLS

The Administration is committed to ensuring students are able to learn in a safe and secure school environment. After the tragedy in Parkland, Florida, the President established the Federal Commission on School Safety (FCSS). The FCSS published a report in December 2018, which provided recommendations to enhance school safety measures, including prevention, protection, mitigation, response, and recovery activities. While States and local communities have lead responsibility for developing and implementing the best strategies for continuing to ensure schools are safe places, the President’s 2020 Budget provides significant resources to support those efforts. For example, the Budget provides the Departments of Education, Justice, and Health and Human Services a total of approximately \$700 million for school safety related activities. Specifically, the Department of Education Request includes:

- \$200.0 million for School Safety National Activities to provide grants for States and school districts and related technical assistance to develop school emergency operation plans, offer counseling and emotional support in schools with pervasive violence, and implement evidence-based practices for improving behavioral outcomes; of which

- \$100 million will be used for a new School Safety State Grant program to help build State and local capacity to develop and implement interventions that enhance school safety, including recommendations from the Final Report of the FCSS.

4. ELEVATE THE TEACHING PROFESSION THROUGH INNOVATION

The Administration believes in supporting teachers by recognizing the importance of the profession and providing compensation aligned with the value and impact teachers have on future generations. Further, the Administration is committed to ensuring teachers have access to high-quality professional development opportunities that meet their individual needs and positively impact student outcomes. The Request includes:

- \$300.0 million for Education Innovation and Research, an increase of \$170.0 million over the fiscal year 2019 appropriation, which would focus on supporting a rigorously evaluated demonstration of teacher-driven professional development. Under the proposed demonstration, teachers would receive stipends so that they can select training opportunities that are tailored to their unique needs; and
- \$200.0 million for the Teacher and School Leader Incentive Grant program to improve teacher induction and recognize and reward teaching excellence. This program would support performance-based compensation systems and human capital management systems that focus on: (1) high-quality mentoring or residencies for novice teachers; and (2) increased compensation for effective teachers, particularly in high-need fields and subjects, such as computer science.

5. PROMOTE WORKFORCE DEVELOPMENT FOR THE 21ST CENTURY

In today’s rapidly changing economy, students need to prepare not only for existing and newly created jobs, but future jobs as well. Meeting this challenge requires access to multiple education pathways that begin earlier in a student’s educational experience. The Administration believes students should have the opportunity to identify individual interests and strengths and align career goals accordingly.

The Administration prioritizes science, technology, engineering, and math (STEM), including computer science, because those skills drive solutions to complex industry problems. The Request funds activities that help prepare students—in particular, women and minorities who are underrepresented in these fields—for the growing role technology plays in driving the American economy. The Administration also believes expanding apprenticeships and reforming ineffective education and workforce development programs will help more Americans to obtain relevant skills and high-paying jobs. Apprenticeships provide paid, relevant workplace experiences and opportunities to develop valued skills while pursuing fulfilling careers.

The Request includes proposals to promote multiple pathways to successful careers while minimizing costs to students and families:

- \$1.3 billion for Career and Technical Education (CTE) State Grants to promote and improve career and technical education (CTE) in high schools, technical schools, and community colleges;
- \$20.0 million for CTE National Programs—an increase \$12.6 million over the fiscal year 2019 appropriation—aimed to improve the quality and effectiveness of CTE programs across states, including by supporting the newly authorized Innovation and Modernization grants that focus on STEM fields, particularly computer science; and a

- \$60.0 million increase for Adult Education National Activities for Fast-Track Pre-Apprenticeships for Low-Skilled Adults. This proposal supports State efforts to create pre-apprenticeship programs that increase the number of adults who are able to meet the basic entrance requirements of apprenticeship programs.

In addition, the Request includes a legislative proposal to double the American Competitiveness and Improvement Act fee for the H-1B visa program to train American workers to fill jobs in occupations and industries that employ foreign workers with H-1B visas. Under the proposal, 15 percent of the revenue generated through the H-1B fees would be allocated to support CTE State Grants.

6. STREAMLINE AND IMPROVE POSTSECONDARY AID PROGRAMS

The Federal student aid programs provide grant, loan, and work-study assistance to help students afford a postsecondary education, find employment in today's workforce, and realize the lifelong benefits of a postsecondary education. The Request includes proposals that simplify funding for college, address the needs of today's students, reform student loan programs to prioritize debt relief for borrowers struggling to repay, and enhance customer service for borrowers, and generate savings for the nation through redirecting inefficiencies. Specific proposals include:

- Consolidation of multiple Income-Driven Repayment (IDR) plans into a single plan. The single IDR plan would cap borrowers' monthly payments at 12.5 percent of discretionary income. Any remaining balances for undergraduate and graduate borrowers are forgiven after 180 months and 30 years, respectively;
- Expansion of Pell Grant program eligibility to students enrolled in high-quality short-term programs that lead to a credential, certification, or license in an in-demand field;
- Increase institutional accountability by requiring postsecondary institutions accepting taxpayer funds to share a portion of the financial responsibility associated with student loans;
- Reform the Federal Work-Study program to support workforce and career-oriented opportunities for low-income undergraduate students instead of merely providing subsidized employment as a means of financial aid; and
- \$1.8 billion for NextGen Servicing and Processing Environment, a monumental student loan servicing upgrade undertaken by Federal Student Aid (FSA). The goal of this technical reorganization and modernization effort is to provide better service throughout the student loan lifecycle for FSA's approximately 42 million borrowers and the institutions they attend. FSA's Next Generation Financial Services 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.

II. THE 2020 EDUCATION BUDGET BY PROGRAM AREA

A. ELEMENTARY AND SECONDARY EDUCATION

OVERVIEW

The Elementary and Secondary Education Act (ESEA) recognizes that the primary responsibility for creating, improving, and sustaining public education systems lies with States and local school districts. Consequently, the 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 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 American Indian/Alaska Native students.

At the same time, the Request includes 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, including:

- An expansion of the Direct Student Services set-aside in Title I from 3 percent to 5 percent to encourage States to leverage more Title I funds to support educational options, including ensuring that disadvantaged students attending a public school identified for improvement under the ESEA have the opportunity to transfer to another, higher-performing school;
- \$500.0 million for the Charter Schools Program—an increase of \$60.0 million over the 2019 appropriation—to significantly increase efforts to start up new charter schools or expand and replicate existing high-quality charter schools and to assist charter school operators in accessing facilities; and
- \$107.0 million for the Magnet Schools program, the same as the 2019 appropriation, to increase educational options for students and families through the creation of high-quality magnet schools in LEAs implementing desegregation plans.

The Request also streamlines and refocuses the Federal investment in ESEA programs by eliminating \$5.1 billion in funding for 16 programs that are duplicative, ineffective, or more appropriately supported through State, local, or private funding sources.

TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Title I Grants to Local Educational Agencies	\$15,759.8	\$15,859.8	\$15,859.8

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 approximately 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 maintains strong support for the program, with fiscal year 2020 funds supporting full State and local implementation of the reauthorized ESEA based on approved consolidated State plans.

The Request also proposes to expand the Title I Direct Student Services set-aside from 3 percent to 5 percent to encourage States to leverage Title I funds to support expanded educational options for disadvantaged students, including the option for students in schools identified for improvement to transfer to a higher-performing school. In addition, funds could be used for academic tutoring; coursework not normally available in a student's school, including Advanced Placement or other postsecondary level courses; career and technical education coursework that leads to an industry-recognized credential; and personalized learning.

STUDENT-CENTERED FUNDING INCENTIVE GRANTS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Student-Centered Funding Incentive Grants	--	--	\$50.0

The proposed Student-Centered Funding Incentive Grants are intended to spur LEAs to participate in agreements under ESEA Title I, Part E, which authorizes the Department to give LEAs flexibility to consolidate Federal funds together with State and local funds in student-centered funding systems based on weighted per-pupil allocations. Student-Centered Funding Incentive Grants would help demonstrate the viability of moving from traditional school finance systems to weighted student funding models and the potential impact of those models on improving student outcomes while reducing LEA red tape. These grants would be available to up to 10 LEAs for activities related to refining and implementing these systems, which could include temporary payments to individual schools to offset reduced funding and allow for a smooth transition to these systems. The Department could also use a portion of funds for grants to LEAs committed to seeking flexibility to assist them in developing and preparing for the implementation of student-centered funding systems that meet the terms of an agreement.

EDUCATION INNOVATION AND RESEARCH

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Education Innovation and Research	\$120.0	\$130.0	\$300.0

The Education Innovation and Research (EIR) program, the successor to the Investing in Innovation (i3) program, supports the creation, development, implementation, replication, and scaling up of evidence-based innovations designed to improve student achievement and attainment for high-need students. The Request includes \$200.0 million for demonstration projects to improve the quality and effectiveness of classroom instruction by empowering teachers to select their own professional development activities, along with \$100.0 million for field-initiated projects that would promote innovation and reform in science, technology, engineering, and mathematics (STEM) education, including computer science.

TEACHER AND SCHOOL LEADER INCENTIVE GRANTS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Teacher and School Leader Incentive Grants	\$200.0	\$200.0	\$200.0

The Teacher and School Leader Incentive Grants program makes competitive awards to help develop, implement, improve, or expand human capital management systems or performance-based compensation systems. The Request proposes \$200.0 million for the program, including \$110.0 million for new awards that would support (1) high-quality mentoring or residencies for novice teachers or (2) increased compensation for effective teachers, particularly in high-need fields and subjects, such as science, technology, engineering, and mathematics (STEM).

CHARTER SCHOOLS GRANTS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Charter Schools Grants	\$400.0	\$440.0	\$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 new resources available for Charter Schools Grants in 2020, supporting an estimated 340 new or expanded charter schools, 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 also significantly expand cost-effective investments 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 increasing charter school options for Native American communities and in opportunity zones.

MAGNET SCHOOLS ASSISTANCE

(BA in millions)	<u>2018</u>	<u>2019</u>	2020 <u>Request</u>
Magnet Schools Assistance	\$105.0	\$107.0	\$107.0

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 36 continuation awards.

STATE ASSESSMENTS

(BA in millions)	<u>2018</u>	<u>2019</u>	2020 <u>Request</u>
State Assessment Grants	\$369.1	\$369.1	\$369.1
Competitive Assessment Grants	8.9	8.9	8.9
Total	378.0	378.0	378.0

The Request would help States continue to administer aligned assessment systems as part of their ongoing implementation of the Every Student Succeeds Act. Annual, high-quality, statewide assessments aligned to challenging State academic standards are a critical element of the statewide accountability systems that each State must establish under the Act, providing parents and educators with information they need to enable students to be successful and make progress towards attainment of State-determined college- and career-ready academic standards. State assessments also help identify schools that are succeeding and schools where challenges remain in improving academic achievement and closing achievement gaps. The Request provides funding for both Grants for State Assessments and the separately authorized Competitive Grants for State Assessments program, which supports activities to improve State assessment systems.

SCHOOL SAFETY NATIONAL ACTIVITIES

(BA in millions)	<u>2018</u>	<u>2019</u>	2020 <u>Request</u>
School Safety National Activities	\$90.0	\$95.0	\$200.0

This program authorizes activities to improve students' safety and well-being. Funds are requested in 2020 to expand support for building State and local capacity to develop and implement interventions that enhance school safety. The proposed \$105.0 million increase would provide flexible resources that States can use to carry out school safety-related activities that draw on the recommendations of the Federal

Commission on School Safety in areas of prevention, protection and mitigation, and response and recovery. The Request includes appropriations language that would permit the Secretary to award \$100.0 million of the School Safety National Activities appropriation as formula grants to States and authorize States to use those funds for a wide range of State-level school safety activities consistent with the purposes of ESEA Section 4108, which provides broad discretion to States to carry out programs to support safe and healthy students. The second \$100.0 million would support continuation awards for multi-year projects begun in 2019 or prior years, and Project SERV (School Emergency Response to Violence), which provides services to local educational agencies and institutions of higher education in which the learning environment has been disrupted due to a violent or traumatic incident.

ENGLISH LANGUAGE ACQUISITION

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
English Language Acquisition	\$737.4	\$737.4	\$737.4

This program awards formula grants to States based on each State’s share of the Nation’s English learners (ELs) and recent immigrant students. States must develop, in meaningful consultation with geographically diverse districts, statewide entrance and exit procedures for EL status, and 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 ELs 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.

MIGRANT EDUCATION

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Migrant Education	\$374.8	\$374.8	\$374.8

State Grants provide formula-based assistance in meeting the educational needs of children of migratory 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 2016-2017 school year, 302,361 children were identified as eligible under the program, and States and local entities provided services to 223,763 migratory students during the performance period (regular school year and summer/intersession). The Department uses a portion of funding to improve inter- and intra-State coordination of migrant education activities, including State exchange of migratory student data records through the Migrant Student Information Exchange system.

NEGLECTED AND DELINQUENT EDUCATION

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Neglected and Delinquent Education	\$47.6	\$47.6	\$47.6

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 67,000 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

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Education for Homeless Children and Youths	\$85.0	\$93.5	\$93.5

This program, which is authorized by the McKinney-Vento Homeless Assistance Act, as amended, provides formula grants to States. States 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. Approximately 1.3 million students were identified as homeless in school year 2016-17.

RURAL EDUCATION

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Rural Education	\$180.8	\$180.8	\$180.8

Based on 2016 data from the National Center for Education Statistics, 28 percent of the Nation's public schools were located in rural areas, with 19 percent of all public school students enrolled at these schools. 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>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Grants to Local Educational Agencies	\$105.4	\$105.4	\$105.4
Special Programs for Indian Children	68.0	68.0	64.0
National Activities	6.9	6.9	6.9
Total	180.2	180.2	176.2

Note: Numbers may not add due to rounding.

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 by the Department of the Interior's Bureau of Indian Education for activities to improve the educational achievement of Indian students. Funds would support supplemental educational services to a disadvantaged population that is heavily affected by poverty and low educational attainment, providing an average estimated per-pupil payment of \$229 for nearly 460,000 eligible American Indian and Alaska Native elementary and secondary students nationwide.

The request for Special Programs for Indian Children includes support for competitive awards for projects to improve the college- and career-readiness of Native youth, as well as professional development grants for training Native American teachers and administrators for employment in schools with high proportions of Indian students.

The Request also supports National Activities, which fund grants to support Native language immersion programs; State-Tribal Education Partnership grants to create and build the capacity of Tribal educational 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.

IMPACT AID

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Payments for Federally Connected Children:			
Basic Support Payments	\$1,270.2	\$1,301.2	\$1,301.2
Payments for Children with Disabilities	48.3	48.3	48.3
Facilities Maintenance	4.8	4.8	4.8
Construction	17.4	17.4	17.4
Payments for Federal Property	73.3	74.3	0.0
Total	1,414.1	1,446.1	1,371.8

Note: Numbers may not add due to rounding.

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 a key 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 would provide significant support for the education of almost 800,000 federally connected children in over 1,000 school districts while maintaining the fiscal discipline required to meet the President’s overall goal of increasing support for national security and public safety without adding to the Federal budget deficit.

Basic Support Payments support federally connected children through 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

(BA in millions)	<u>2018</u>	<u>2019</u>	2020
			<u>Request</u>
Training and Advisory Services	\$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 fifth year of funding for the current Equity Assistance Center grantees, as well as the annual administration of a customer satisfaction survey and an analysis of its results.

SUPPLEMENTAL EDUCATION GRANTS

(BA in millions)	<u>2018</u>	<u>2019</u>	2020 <u>Request</u>
Supplemental Education Grants	\$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.

B. SPECIAL EDUCATION AND REHABILITATION 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 Request supports a wide range of programs that can improve educational, employment, and independent living outcomes for people with disabilities.

The \$13.5 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 \$12.4 billion, consistent with the fiscal year 2019 appropriation, to maintain the Federal contribution toward meeting the excess cost of special education at the highest level in history. Grants would cover 13 percent of the national average per pupil expenditure and provide an estimated average of \$1,758 per child for about 7.0 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 fiscal year 2019 appropriation.

The \$225.6 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 Administration requests \$3.7 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.

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 \$3.6 billion request for the Vocational Rehabilitation (VR) State Grants program includes an increase of \$88.1 million over the fiscal year 2019 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.

Consistent with the President's fiscal year 2019 Budget request, no funds are requested for fiscal year 2020 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.

For the Helen Keller National Center, the Administration requests \$10.3 million to support comprehensive services for individuals with deaf-blindness to enhance their potential for employment and help them live independently.

Funding for the remaining programs in the Rehabilitation Services account would be maintained at the 2019 appropriation level.

The Request includes \$216.7 million for Special Institutions for Persons with Disabilities, including \$25.4 million for the American Printing House for the Blind, \$70.0 million for the National Technical Institute for the Deaf, and \$121.3 million for Gallaudet University.

i. SPECIAL EDUCATION

GRANTS TO STATES

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
Grants to States	\$12,277.8	\$12,364.4	\$12,364.4
Estimated average Federal share per child (in whole dollars)	\$1,775	\$1,770	\$1,758

The Grants to States program, which is authorized under the Individuals with Disabilities Education Act (IDEA), makes formula grants that help States pay the additional costs of providing special education and related services to children with disabilities aged 3 through 21 years. The Request would provide a per-child average of \$1,758 for an estimated 7.0 million children with disabilities, setting the Federal contribution to about 13 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.

PRESCHOOL GRANTS

(BA in millions)	<u>2018</u>	<u>2019</u>	2020 <u>Request</u>
Preschool Grants	\$381.1	\$391.1	\$391.1

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 \$506 per child for approximately 773,600 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

(BA in millions)	<u>2018</u>	<u>2019</u>	2020 <u>Request</u>
Grants for Infants and Families	\$470.0	\$470.0	\$470.0

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 389,000 infants and toddlers with disabilities and their families.

STATE PERSONNEL DEVELOPMENT

(BA in millions)	<u>2018</u>	<u>2019</u>	2020 <u>Request</u>
State Personnel Development	\$38.6	\$38.6	\$38.6

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 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 personnel who are qualified to provide services to children with disabilities.

TECHNICAL ASSISTANCE AND DISSEMINATION

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Technical Assistance and Dissemination	\$44.3	\$44.3	\$44.3

This program funds competitive grants for technical assistance and dissemination of materials based on knowledge gained through research and practice. The Request would support continuations costs for projects initiated in previous years and approximately \$1.2 million in new awards.

PERSONNEL PREPARATION

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Personnel Preparation	\$83.7	\$87.2	\$87.2

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

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Parent Information Centers	\$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 awards for about 93 centers as well as approximately 5 awards to provide technical assistance to the centers.

EDUCATIONAL TECHNOLOGY, MEDIA, AND MATERIALS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Educational Technology, Media, and Materials	\$28.0	\$28.0	\$28.0

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.

ii. REHABILITATION SERVICES

VOCATIONAL REHABILITATION STATE GRANTS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Vocational Rehabilitation (VR) State Grants	\$3,225.0 ¹	\$3,522.0 ¹	\$3,610.0

¹The amount shown for fiscal year 2018 reflects the 6.6 percent reduction that went into effect on October 1, 2017. The amount shown for fiscal year 2019 is the mandatory level for the VR State Grants program and does not include the 6.2 percent sequester reduction for mandatory programs that went into effect October 1, 2018, pursuant to the Budget Control Act of 2011. The reduced fiscal year 2019 amount is \$3,303.6 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.

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 support 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 (\$88.1 million over the fiscal year 2019 mandatory level) is consistent with the inflation adjustment specified in the authorizing statute (2.5 percent for 2020). In 2018, the VR program helped approximately 170,000 individuals with disabilities—94 percent with significant disabilities—achieve employment outcomes. Of the amount requested for VR State grants, \$44.1 million would be set aside to support approximately 88 grants, including 58 continuation tribal grants, 30 new tribal awards, and a technical assistance training grant under the American Indian VR Services program in 2020.

CLIENT ASSISTANCE STATE GRANTS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Client Assistance State Grants	\$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 34,500 individuals with disabilities.

TRAINING

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Training	\$29.4	\$29.4	\$29.4

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

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Demonstration and Training	\$5.8	\$5.8	\$5.8

This program supports competitive grants and contracts to expand and improve services in promoting the employment and independence of individuals with disabilities in the community. The majority of funds are used to support model demonstrations and technical assistance to improve the delivery and effectiveness of VR services.

INDEPENDENT LIVING SERVICES FOR OLDER BLIND INDIVIDUALS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Independent Living Services for Older Blind Individuals	\$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 2017, the program served approximately 56,849 individuals with severe visual impairments.

PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
Protection and Advocacy of Individual Rights	\$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 46,000 individuals with disabilities.

HELEN KELLER NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
Hellen Keller National Center for Deaf-Blind Youths and Adults	\$12.5	\$13.5	\$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, 475 families, and 985 agencies and organizations through its regional offices, and provide direct services for approximately 63 consumers at the Center's residential training and rehabilitation program.

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
American Printing House for the Blind	\$27.4	\$30.4	\$25.4
National Technical Institute for the Deaf	73.0	77.5	70.0
Gallaudet University	128.0	134.4	121.3
Total	228.4	242.3	216.7

For fiscal year 2020, the Administration requests \$216.7 million for Special Institutions, a decrease of \$25.6 million from the fiscal year 2019 appropriation and the same as the fiscal year 2019 request level. The Request would provide substantial resources to maintain operations and programs for these institutions, while also maintaining the fiscal discipline necessary to support the President's goal of increasing support for national security and public safety without adding to the Federal budget deficit.

The funds will be used to support a wide range of activities that help strengthen educational and employment opportunities for persons with disabilities.

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.

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 programs. NTID also conducts research and provides training related to the education and employment of individuals who are deaf or hard of hearing. The Department maintains a contract with the Rochester Institute of Technology in Rochester, New York, for the operation of NTID. The request provides support for operations, including funds that may be used for the Federal Endowment Grant program.

GALLAUDET UNIVERSITY

Gallaudet University (University) offers bilingual (i.e., American Sign Language and English) 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. The University also operates the Laurent Clerc National Deaf Education Center (Clerc Center), which includes two accredited demonstration schools serving deaf and hard of hearing elementary and secondary students: the Kendall Demonstration Elementary School and the Model Secondary School for the Deaf. Through its National Mission programs, the Clerc Center is responsible for conducting research related to deaf education and for the provision of training and technical assistance to professionals and families around the country. The Request provides support for operations of the University and the Clerc Center, 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 national activities authorities for evaluation, performance measurement and improvement, technical assistance, research and development, innovative programs, and other national activities. For 2020, the Administration is requesting \$1.3 billion to support CTE programs under the recently reauthorized Carl D. Perkins Career and Technical Education Act (Perkins Act). The Request also provides \$559.6 million for Adult Education programs.

Expand Innovation and Modernization Grants

The Request includes \$20.0 million for CTE National Programs aimed at improving the quality and effectiveness of CTE programs across states, including by supporting the newly authorized Innovation and Modernization grants that focus on science, technology, engineering, and mathematics (STEM) fields, particularly computer science.

Increase H-1B Visa Fee to support CTE

The Request includes authorizing legislation to double the American Competitiveness and Workforce Improvement Act (ACWIA) fee for the H-1B visa program in order to help train American workers and close the skills gap. The increased revenue would provide additional funding for the Department of Labor (DOL) job training grants to support apprenticeships. Under the proposal, the allocations for DOL job training grants; DOL foreign language certifications; National Science Foundation (NSF) Innovative Technology Experiences for Students and Teachers programs; and Department of Homeland Security processing costs would remain the same. The NSF allocation for STEM scholarships would decrease in order to support a new allocation for CTE State Grants.

Create Pre-Apprenticeships for Low-Skilled Adults.

The Request includes a \$60.0 million increase for Adult Education National Leadership Activities to support State efforts to create pre-apprenticeship programs that increase the number of adults who are able to meet the basic entrance requirements of apprenticeship programs.

CAREER AND TECHNICAL EDUCATION

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
State Grants	\$1,192.6	\$1,262.6	\$1,262.6
National Programs	7.4	7.4	20.0
Total	1,200.0	1,270.0	1,282.6

The Request provides \$1.3 billion for the Career and Technical Education (CTE) State Grants program, the same as the fiscal year 2019 appropriation. The Request supports the President's workforce development agenda and would fund the first year of full implementation of the Perkins Act as amended and reauthorized by the Strengthening Career and Technical Education for the 21st Century Act.

The \$20.0 million request for CTE National Programs provides an increase of \$12.6 million to support grants under the newly authorized Innovation and Modernization authority focusing on science, technology, engineering, and mathematics (STEM) fields, including computer science.

ADULT EDUCATION

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Adult Education State Grants	\$617.0	\$642.0	\$485.8
National Leadership Activities	13.7	13.7	73.7
Total	630.7	655.7	559.6

Note: Numbers may not add due to rounding.

The Adult Education and Family Literacy Act was reauthorized by the Workforce Innovation and Opportunity Act (WIOA), which promotes alignment of the Adult Education programs with Federal job training programs and the postsecondary education system.

The Request provides \$485.8 million for Adult Education State Grants, \$156.1 million below the fiscal year 2019 appropriation. 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. Additionally, the Request includes \$60.0 million to support State efforts to create pre-apprenticeship programs that increase the number of adults who are able to meet the basic entrance requirements of apprenticeship programs.

D. STUDENT FINANCIAL ASSISTANCE

OVERVIEW

The Federal student aid programs provide grant, loan, and work-study assistance to help students afford a postsecondary education, find employment in today's workforce, and realize the lifelong benefits of a higher education. The Request for student financial assistance includes both discretionary and mandatory funding that would make available \$131 billion in new Federal student aid to help nearly 12 million students and their families pay for college.

The Administration's principles for reforming the Higher Education Act include reducing the complexity of student financial aid; encouraging responsible borrowing; focusing accreditation on student outcomes; aligning education to the needs of the workforce; increasing institutional accountability; and emphasizing program completion. The Request includes proposals that address student debt by streamlining student loan repayment and redirecting inefficiencies to prioritize debt relief for undergraduate borrowers. Additionally, the Request supports expanding Pell Grant eligibility for short-term programs, and reforming the existing Federal Work-Study program to support workforce and career-oriented training opportunities for low-income undergraduate students. These proposals are part of the Administration's commitment to reforming higher education through legislation and regulatory reform. The Administration looks forward to working with Congress to encourage institutions to offer accessible, affordable, and innovative education that prepares students for lifelong learning and success. Specific policy proposals include:

Expand Pell Grant Eligibility to Short-Term Programs

Americans are often unable to access education and training programs that would provide them with the skill needed to secure well-paying jobs in high-demand fields. Postsecondary programs that could help address this problem are often not eligible to receive federal student aid due to time and program length requirements. Federal law should facilitate, not impede, students getting the skills they need to secure well-paying jobs. To that end, the Request proposes to expand Pell Grant eligibility to students enrolled in high-quality short-term programs that lead to a credential, certification, or license in a high-demand field.

Reform Campus-Based Aid Programs

Most of the roughly 6,000 institutions of postsecondary 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. Consistent with the President's call to bolster effective workforce development programs, the Request proposes to reform the Federal Work-Study (FWS) program from a model that mostly provides subsidized employment for campus-based jobs through federal aid for higher income undergraduate and graduate students. Instead, the Budget proposes to move FWS towards a program that supports workforce and career-oriented opportunities for low-income undergraduate students. The Request also proposes to reform the institutional allocation formula in order to focus scarce funds on schools based in part on enrollment of Pell recipients. Schools could fund individual undergraduate students through subsidized employment, paid internships, or other placements without limitation on the type of organization where the placement occurs, provided those placements are career or academically relevant. Institutions would also have greater flexibility—similar to the current Job Location and Development authority—to fund programs or initiatives to assist with internship or job placement.

The Request 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 effectively deliver need-based aid to the neediest students.

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 statutory and regulatory repayment plans required to be offered to borrowers.

The Request proposes to greatly 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, 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 180 months of repayment would be forgiven. For borrowers with any graduate debt, any balance remaining after 30 years of repayment would be forgiven. To further improve and simplify loan repayment, the Request 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 Request proposes to streamline the Department of Education's ability to verify applicants' income data held by the Internal Revenue Service.

While retaining teacher loan forgiveness programs in order to incentivize more high-quality teachers to teach in high-need schools and subjects, the Request proposes eliminating inefficiencies in the student loan program to prioritize 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, 2020, with an exception for students who borrowed their first loans prior to July 1, 2020, and who are borrowing to complete their current course of study. These policies together would save approximately \$207 billion over 10 years.

Increase Higher Education Accountability

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 responsibility associated with student loans. The Administration plans to work with the Congress to address these issues.

STUDENT AID SUMMARY TABLES

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
Pell Grants			
Discretionary funding	\$22,475.4	\$22,475.4	\$22,475.4
Mandatory funding ¹	<u>7,311.4</u>	<u>7,127.0</u>	<u>7,292.0</u>
Total, Pell Grants	29,786.7	29,602.4	29,767.4
Federal Supplemental Educational Opportunity Grants.....	840.0	840.0	0.0
Federal Work-Study	1,130.0	1,130.0	500.0
TEACH Grants ²	74.9	33.0	29.9
Iraq and Afghanistan Service Grants ³	0.3	0.3	0.0
Federal Family Education Loans ⁴	2,309.7	1,562.6	-501.0
Federal Direct Loans ⁵	<u>-15,259.9</u>	<u>27,327.1</u>	<u>483.5</u>
Grand Total, Student Aid	18,881.8	60,495.5	29,312.8

Note: Numbers may not add due to rounding.

¹ Amounts appropriated for Pell Grants for 2018, 2019, and 2020 include mandatory funding provided in the Higher Education Act), as amended, to fund both the base maximum award and add-on award.

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 2018 amount includes a net upward reestimate of \$44.8 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 2019 amount includes a net upward re-estimate of \$4.0 million. The amount for 2020 reflects new loan subsidy.

³ The Iraq and Afghanistan Service Grants (IASG) program is displayed as part of the Pell Grant program in 2020, reflecting Budget policy to move IASG into the Pell Grant program. In 2020, projected costs for this award are projected to be \$284,000.

⁴ Federal Family Education Loan (FFEL) budget authority does not include the Liquidating account. The FFEL reestimates include the Ensuring Continued Access to Student Loans Act (ECASLA) reestimates. The 2018 amount includes a net upward reestimate of \$2.3 billion. The 2019 amount includes a net upward reestimate of \$1.6 billion. The 2020 amount reflects a modification savings due to the policy proposal to eliminate Account Maintenance Fees paid to guaranty agencies. The reestimate for 2019 reflects the impact of changes on an outstanding FFEL plus ECASLA portfolio of \$248 billion, accounting for 0.6 percent of this total outstanding portfolio.

⁵ The 2018 amount includes a net downward reestimate of -\$11.5 billion. The 2019 amount includes a net upward reestimate of \$26.3 billion, due primarily to updated default and collection assumptions as well as increased borrower participation in higher-cost Income Driven Repayment (IDR) plans, and technical changes to how loans in IDR plans are modeled. The Direct Loans 2018 and 2019 BA amounts also reflect upward modifications of \$350 million in each year as passed by Congress to support a temporary expansion of Public Service Loan Forgiveness (TEPSLF). The 2019 reestimate reflects the impact of changes on an outstanding Direct Loan portfolio of \$1,084 billion. The Direct Loan net reestimate shown in 2019 accounts for approximately 2.4 percent of the total DL outstanding portfolio at the end of FY 2018.

AID AVAILABLE TO STUDENTS

(dollars in millions)

	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
Pell Grants	\$28,026.2	\$29,747.0	\$30,097.0
Federal Supplemental Educational Opportunity Grants	1,130.9	1,130.9	0.0
Federal Work-Study	1,239.4	1,239.4	548.4
Iraq and Afghanistan Service Grants ¹	0.3	0.3	0.0
New Student Loans:			
Federal Direct Loans	95,864.3	98,181.8	100,214.5
TEACH Grants	<u>89.0</u>	<u>95.8</u>	<u>97.2</u>
Total, Aid Available to Students	126,350.1²	130,395.3²	130,957.2²
Unduplicated Count of Postsecondary Students Aided by Department Programs(in thousands)	10,718	11,011	11,850

Note: Numbers may not add due to rounding.

¹ The Iraq and Afghanistan Service Grants (IASG) program is displayed as part of the Pell Grant program in 2020, reflecting Budget policy to move IASG into the Pell Grant program.

² Consolidation Loans for existing borrowers will total \$41.6 billion in 2018; \$45.3 billion in 2019; and \$46.4 billion in 2020.

³ Shows total aid generated by Department programs.

NUMBER OF STUDENT AID AWARDS

(in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
Pell Grants	6,557.0	6,997.0	7,250.0
Supplemental Educational Opportunity Grants	1,699.8	1,699.8	0.0
Work-Study	704.4	704.4	322.4
Iraq and Afghanistan Service Grants ¹	0.1	0.1	0.0
New Student Loans: ²			
Federal Direct Loans	15,607.3	15,774.4	15,909.9
TEACH Grants	<u>31.5</u>	<u>31.8</u>	<u>32.1</u>
Total, Number of Student Aid Awards	24,600.0	25,207.4	23,514.4

Note: Numbers may not add due to rounding.

¹ The Iraq and Afghanistan Service Grants (IASG) program is displayed as part of the Pell Grant program in 2020, reflecting Budget policy to move IASG into the Pell Grant program.

² Excludes Consolidation Loans. Number of Consolidation Loans will total 693,000 in 2018; 757,000 in 2019; and 755,000 in 2020.

FEDERAL PELL GRANT PROGRAM

	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
BA in millions			
Discretionary budget authority	\$22,475.4	\$22,475.4	\$22,475.4
Mandatory budget authority	5,977.4	5,757.0	5,889.0
Definite mandatory funding	<u>1,334.0</u>	<u>1,370.0</u>	<u>1,403.0</u>
Total	29,786.7	29,602.4	29,767.4
Maximum grant (in whole dollars)			
Discretionary portion	\$5,035	\$5,135	\$5,135
Mandatory add-on	<u>1,060</u>	<u>1,060</u>	<u>1,060</u>
Total	6,095	6,195	6,195
Program costs (dollars in millions)	\$28,059.0	\$29,782.0	\$30,133.3
Aid available (dollars in millions)	\$28,026.2	\$29,747.0	\$30,097.0
Average grant (in whole dollars)	\$4,274	\$4,251	\$4,149
Recipients (in thousands)	6,557	6,997	7,250

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 2020 discretionary request of \$22.5 billion for Pell Grants would continue to make college more affordable for an estimated 7.3 million students by fully funding the maximum award of \$6,195.

In addition, the Request proposes to expand Pell Grant eligibility to students enrolled in high-quality short-term programs that lead to a credential, certification, or license in a high-demand field.

Campus-Based Aid Programs

Federal Supplemental Educational Opportunity Grants (FSEOG) and Federal Work-Study 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 the complex array of student aid programs, the Request would eliminate funding for the FSEOG program. The Request would also reform the Federal Work-Study program to use the funding to support workforce and career-oriented training opportunities for low-income undergraduate students.

FEDERAL WORK-STUDY

	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
BA in millions	\$1,130.0	\$1,130.0	\$500.0
Aid available (dollars in millions)	\$1,239.4	\$1,239.4	\$548.4
Average award (in whole dollars).....	\$1,760	\$1,760	\$1,701
Recipients (in thousands)	704	704	322

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 Request proposes to reduce Federal Work-Study to \$500.0 million—a level which, when combined with institutional matching funds, would make available more than \$548 million to an estimated 1,701,000 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 dramatically reform the Federal Work-Study program to allocate funding to institutions enrolling high numbers of Pell Grant recipients that would support workforce and career-oriented training opportunities for low-income undergraduate students.

IRAQ AND AFGHANISTAN SERVICE GRANTS

	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
BA in thousands	\$329	\$317	0
Aid available (dollars in thousands)	\$320	\$307	0
Average award (in whole dollars).....	\$5,160 ¹	\$5,293 ¹	0
Recipients	(2)	(2)	0

¹.Average award amounts for 2018 and 2019 reflect impact of sequestration

² Number of recipients estimated to be less than 500.

The Iraq and Afghanistan Service Grant (IASG) 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 \$6,195 for the 2019–2020 award year.

As a result of sequestration, the current IASG program has, since award year 2012-2013, annually reduced the maximum grant for which recipients are eligible. The Request proposes moving the IASG program to the Pell Grant program. This change will help to ensure the children of our fallen service members receive a full aid award, exempt from cuts due to sequestration.

TEACH GRANTS

	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
BA in millions	\$74.9 ¹	\$33.0 ¹	\$29.9 ¹
Aid available to students (in millions)	\$89.0	\$95.8	\$97.2
Maximum grant (in whole dollars)	\$4,000	\$4,000	\$4,000
Average grant (in whole dollars)	\$2,823	\$3,010	\$3,023
Recipients (in thousands)	31.5	31.8	32.1

¹ The 2018 amount includes a net upward reestimate of \$44.8 million. The 2019 amount includes a net upward reestimate of \$4.0 million. The amount for 2020 reflects new loan subsidy.

The TEACH Grant program awards annual grants of up to \$4,000 to eligible undergraduate and graduate students who agree to serve, within 8 years of graduation, 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 2018 budget authority amount differs from the 2019 and 2020 levels significantly due to the inclusion of \$44.8 million for an upward reestimate to reflect updated data. The Administration projects that 66 percent of students receiving TEACH Grants will have their grants 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>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
<u>Federal Family Education Loans</u> ¹			
Net modification of existing loans	—	—	\$-501.0 ²
Net reestimate of existing loans	<u>2,309.7</u> ^{3,4}	<u>\$1,562.6</u> ^{3,4}	—
Total, FFEL program BA.....	2,309.7	1,562.6	-501.0
<u>Federal Direct Loans</u>			
New loans subsidies (BA)	-4,141.9 ³	666.7 ³	-483.5 ³
Net modification of existing loans	419.7	350.0 ²	—
Net reestimate of existing loans	<u>--11,537.7</u> ⁴	<u>26,310.4</u> ⁴	—
Total, new budget authority	-15,259.9	27,327.1	-483.5
Total, student loans (BA)	-12,950.2	28,889.7	-984.5

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 2020 FFEL modification reflects a savings associated with the policy proposal to eliminate payment of Account Maintenance Fees to guaranty agencies. The 2018 and 2019 DL modifications include \$350 million appropriated in each fiscal year to support a temporary expansion of Public Service Loan Forgiveness (TEPSLF). The 2018 modification also includes \$61 million for costs associated with the administrative action to forgive certain accrued interest on denied borrower defense claims and \$9 million for hurricane relief to affected borrowers.

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 \$191 billion for FFEL, \$57 billion for ECASLA, and \$1,084 billion for Direct Loans. Total reestimates and modifications shown in 2019 account for approximately 2 percent of the total outstanding portfolio at the end of fiscal year 2018.

New Loan Volume

(in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Direct Loans:			
Stafford loans	\$21,223.2	\$21,372.0	\$13,304.2
Unsubsidized Stafford loans	50,807.7	51,897.1	60,817.2
Parent PLUS loans.....	13,018.0	13,614.1	14,204.9
Grad PLUS loans.....	<u>10,815.4</u>	<u>11,298.6</u>	<u>11,888.2</u>
Total	95,864.3¹	98,181.8¹	100,214.5¹

Number of New Loans

(in thousands)			
Direct Loans:			
Stafford loans	6,051	6,092	4,245
Unsubsidized Stafford loans	8,019	8,102	10,047
Parent PLUS loans.....	935	963	985
Grad PLUS loans.....	<u>602</u>	<u>617</u>	<u>633</u>
Total	15,607¹	15,774¹	15,910¹

¹ Consolidation Loans for existing borrowers will total \$41.6 billion and 693,000 loans in 2018, \$45.3 billion and 757,000 loans in 2019, and \$46.4 billion and 755,000 loans in 2020.

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 Request 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 low-interest loans with annual and aggregate limits available to undergraduate students 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 2018–2019 is 5.05 percent.
- Unsubsidized Stafford Loans are low-interest loans with annual and aggregate limits available to undergraduate and graduate students, regardless of financial need. The Federal Government does not pay interest for the student during in-school, grace, and deferment periods. The interest rate is 5.05 percent for undergraduate borrowers and 6.00 percent for graduate and professional borrowers in award year 2018-2019.

- PLUS Loans are available to parents of dependent undergraduate students, and to graduate and professional students. There is no annual or aggregate limit on the amount that can be borrowed other than the cost of attendance minus other student financial aid. The interest rate is 7.6 percent in award year 2018–2019, 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.

The Request proposes eliminating inefficiencies in the student loan program to prioritize debt relief for undergraduate borrowers.

E. HIGHER EDUCATION PROGRAMS

OVERVIEW

The Request includes \$1.5 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 \$811.6 million for programs that serve high proportions of minority students. This includes \$185.2 million for Minority-Serving Institutions (MSIs) and \$626.4 million for programs that focus on Historically Black Colleges and Universities (HBCUs), consistent with the President's Executive Order on HBCUs, which calls for efforts to strengthen the capacity of HBCUs to provide the highest-quality education and to provide opportunities for HBCU participation in Federal programs.

The Request includes important investments to support improvements in academic quality, institutional management and capacity, infrastructure, and student support services for MSIs and HBCUs. The Request provides \$401.4 million for such institutions through the Higher Education Act (HEA) Title III Aid for Institutional Development programs. These funds would support five programs (i.e., Strengthening HBCUs; Strengthening Historically Black Graduate Institutions (HBGIs); Strengthening Master's Degree Programs at HBCUs; Strengthening Tribally Controlled Colleges and Universities (TCCUs); and the Minority Science and Engineering Improvement (MSEIP) program as separate line items in the budget.

The Request also includes \$147.9 million for the Consolidated MSI Grant program, a proposal that would streamline grantmaking by consolidating six MSI programs, including the HEA Title V Aid for Hispanic-Serving Institutions programs, that have similar purposes and activities, into a single institutional formula grant program, providing funds more institutions can count on, yielding program management efficiencies, and targeting funds to institutions that serve their students well. The Request does not fund the Strengthening Institutions program, which is duplicative of other program funding for institutional support activities.

The Request supports activities focused on assisting disadvantaged students move through the academic pipeline from middle school through college completion while shifting power from the Federal Government to the States. In particular, the Request would provide \$950.0 million in fiscal year 2020 for the Federal TRIO programs. Similar to the 2019 request, the Administration is again proposing to transition the Federal TRIO Programs from a series of competitive grant programs to a State formula program. This proposal would shift authority and responsibility from the Federal Government to the States, improve alignment between Federal resources and need, and enable the Department to re-allocate limited staff resources and expertise from competition-related activities to grant monitoring, performance improvement, and program evaluation.

The Request includes no funds for Gaining Early Awareness Readiness for Undergraduate Programs (GEAR UP), but many of the activities currently supported under GEAR UP can be supported through the Administration's proposal for TRIO – both programs support activities to help low-income and other disadvantaged students progress through the academic pipeline from middle school through college. Under the proposal, the Department would continue to fully fund all TRIO continuation awards during the transition to a State formula grant program. Therefore, the request would maintain funding for all TRIO continuation awards in fiscal year 2020, with the remaining funds allocated through the formula.

The Request also provides \$11.8 million for model comprehensive transition programs through the Model Transition Programs for Students with Intellectual Disabilities program and \$15.1 million for the Child Care Access Means Parents in School program.

To help fund evidence building to improve postsecondary education, the Request also proposes through appropriations language a new HEA pooled evaluation authority to improve data collection and conduct rigorous research and evaluations of the Department's postsecondary programs. The pooled evaluation authority is modeled after the successful authority incorporated into the Elementary and Secondary Act by the Every Student Succeeds Act of 2015. The authority would permit the Department to reserve up to 0.5 percent of funding appropriated for each HEA program, with the exception of the Pell Grant program and the Student Aid Administration account.

The Request 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, GEAR UP, Graduate Assistance in Areas of National Need, Fund for the Improvement of Postsecondary Education, and Teacher Quality Partnership.

AID FOR INSTITUTIONAL DEVELOPMENT

(BA in millions)	2018	2019	2020 Request
Strengthening Institutions Program (SIP)	\$98.9	\$99.9	--
Strengthening Tribally Controlled Colleges and Universities (TCCUs)	31.5	31.9	27.6
Strengthening Tribally Controlled Colleges and Universities (mandatory TCCUs)	28.0 ¹	28.1 ¹	--
Strengthening Alaska Native and Native Hawaiian-serving Institutions (ANNHs)	15.8	15.9	--
Strengthening Alaska Native and Native Hawaiian-serving Institutions (mandatory ANNHs)	14.0 ¹	14.1 ¹	--
Strengthening Historically Black Colleges and Universities (HBCUs)	279.6	282.4	282.4
Strengthening Historically Black Colleges and Universities (mandatory HBCUs)	79.4 ¹	79.7 ¹	--
Strengthening Historically Black Graduate Institutions (HBGIs)	72.3	73.0	73.0
Strengthening HBCU Master's Program	8.6	8.7	8.7
Strengthening Predominantly Black Institutions (PBIs)	11.4	11.5	--
Strengthening Predominantly Black Institutions (mandatory PBIs)	14.0 ¹	14.1 ¹	--
Strengthening Asian American- and Native American Pacific Islander-serving Institutions (AANAPISIs)	3.8	3.9	--
Strengthening Asian American- and Native American Pacific Islander-serving Institutions (mandatory AANAPISIs)	4.7 ¹	4.7 ¹	--
Strengthening Native American-serving nontribal institutions (NASNTIs)	3.8	3.9	--
Strengthening Native American-serving nontribal institutions (mandatory NASNTIs)	4.7 ¹	4.7 ¹	--
Minority Science and Engineering Improvement (MSEIP)	11.0	11.1	9.6
Total	681.5	687.5	401.4
Discretionary	536.7	542.1	401.4
Mandatory	144.8	145.4	--

¹ Mandatory appropriations are provided under Section 371 of the HEA, as amended by P.L. 111-152. These amounts include sequester reductions of 6.6 percent in 2018 and 6.2 percent in 2019 that went into effect October 1, 2017, and October 1, 2018, respectively, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

The request for Aid for Institutional Development (Title III) continues to support 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.

Specifically, for fiscal year 2020, the Administration requests a total of \$401.4 million for the Strengthening HBCUs program, Strengthening HBGIs program, Strengthening HBCU Master's Program, Strengthening TCCUs, and MSEIP.

- Strengthening 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 2020 funding would support 97 HBCUs.
- Strengthening HBGIs supports 24 postgraduate institutions with schools of law, medical schools, or other graduate programs.
- Strengthening HBCU Master's Program supports 18 HBCUs, specified in Section 723 of the HEA, determined to be making a substantial contribution to graduate education opportunities for Black Americans at the master's level in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines.
- Strengthening 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.
- The MSEIP program would fund approximately 8 new grants and 33 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.

In addition, the Administration is proposing a new \$147.9 million Consolidated MSI Grant program that would consolidate six programs into a single institutional formula grant program, including two programs currently authorized in HEA Title V and the following four programs currently authorized in HEA Title III: Strengthening Alaska Native and Native Hawaiian-serving Institutions program, Strengthening Predominantly Black Institutions program, Strengthening Asian American and Native American Pacific Islander-serving Institutions program, Strengthening Native American-serving Nontribal Institutions program. The proposed consolidation reflects the Administration's emphasis on improving and simplifying the grant allocation process by eliminating and/or reducing a number of programs with similar purposes and redundant activities, improving alignment between Federal resources and need, and enabling the Department to re-allocate limited staff resources and expertise from competition-related activities to grant monitoring and performance improvement. The proposal envisions an initial phase-in period during which time Department would honor and fully fund continuation awards in these programs. The funding for these continuation awards is included in the Consolidated MSI Grant section.

AID FOR HISPANIC-SERVING INSTITUTIONS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
Developing Hispanic-Serving Institutions (HSIs) (discretionary)	\$123.2	\$124.4	--
Mandatory Developing HSI STEM and Articulation Programs	93.4 ¹	93.8 ¹	--
Promoting Postbaccalaureate Opportunities for Hispanic Americans (discretionary)	11.1	11.2	--
Total	227.6	229.4	--
Discretionary	134.2	135.6	--
Mandatory	93.4 ¹	93.8 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 6.6 percent in 2018 and 6.2 percent in 2019 that went into effect October 1, 2017, and October 1, 2018, respectively, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

For fiscal year 2020, the Administration is proposing changes in how funds are administered to eligible institutions of higher education defined as HSIs. Currently, the Higher Education Act (HEA) authorizes numerous Title III and Title V programs that have similar purposes and activities; each program conducts its own competition for new awards. Rather than investing significant Department and MSI staff time and resources into running multiple competitions, the Administration's fiscal year 2020 budget proposes a Consolidated MSI Grant program, which would consolidate six existing Title III/V programs, including Developing HSIs and Promoting Postbaccalaureate Opportunities for Hispanic Americans (PPOHA), into a single new authority that would continue to provide funding for institutions that specifically serve large numbers of minority students. HSIs make up the majority of institutions that would be served through this proposed program. The proposal envisions an initial phase-in period during which time Department would honor and fully fund continuation awards in these programs. The funding for continuation awards for the Developing HSIs and PPOHA is included in the Consolidated MSI Grant section.

CONSOLIDATED MINORITY-SERVING INSTITUTIONS (MSI) GRANT

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
Consolidated MSI Grant Formula Allocation	--	--	\$43.9
Developing Hispanic-Serving Institutions	--	--	72.1
Promoting Postbaccalaureate Opportunities for Hispanic Americans	--	--	11.0
Strengthening ANNHs	--	--	9.3
Strengthening PBIs	--	--	11.5
Strengthening AANAPISIs	--	--	.3
Strengthening NASNTIs	--	--	--
Total	--	--	147.9

The Administration is proposing a new \$147.9 million Consolidated MSI Grant program that would consolidate six programs currently authorized in Titles III and V of the HEA into a single institutional formula grant program. The proposed consolidation of these programs (i.e., Strengthening Alaska Native and Native Hawaiian-serving Institutions program; Strengthening Predominantly Black Institutions program; Strengthening Asian American and Native American Pacific Islander-serving Institutions program; Strengthening Native American-serving Nontribal Institutions program; Developing Hispanic Serving Institutions; and Promoting Postbaccalaureate Opportunities for Hispanic Americans) reflects the Administration’s emphasis on improving and simplifying the grant allocation process by eliminating and reducing a number of programs with similar purposes and redundant activities, improving alignment between Federal resources and need, and enabling the Department to re-allocate limited staff resources and expertise from competition-related activities to grant monitoring and performance improvement. Under the proposal, institutions that meet the current eligibility requirements for at least one of the six programs would receive formula allocations. The Administration is also considering a requirement for institutions to meet a minimum Pell graduation rate threshold to maintain eligibility for funding. During the transition to the proposed program, the Department would fully support continuation awards under the six programs proposed for consolidation. These funding amounts are reflected in the table.

TRIBALLY CONTROLLED POSTSECONDARY CAREER AND TECHNICAL INSTITUTIONS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
Tribally Controlled Postsecondary Career and Technical Institutions	\$9.5	\$9.6	\$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 the reauthorized Carl D. Perkins Career and Technical Education Act.

SPECIAL PROGRAMS FOR MIGRANT STUDENTS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020 Request</u>
Special Programs for Migrant Students	\$44.6	\$44.6	\$44.6

The Special Programs for Migrant Students includes the High School Equivalency Program (HEP), which funds competitively selected projects to help low-income migratory and seasonal farmworkers and fishers 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 migratory students who are in their first year of college. HEP and CAMP programs focus on finding and assisting migratory 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 4,869 participants under HEP projects and 2,119 participants under CAMP projects, as well as outreach, technical assistance, and professional development activities.

FEDERAL TRIO PROGRAMS

(BA in millions)	2018	2019	2020 Request
Talent Search	\$158.3	\$184.4	\$165.5
Upward Bound	355.6	344.5	344.5
Veterans Upward Bound	18.4	19.2	19.2
Upward Bound Math-Science	67.7	63.7	63.7
Educational Opportunity Centers	51.7	54.1	54.1
Student Support Services	304.2	336.4	24.1
McNair Post Baccalaureate Achievement	48.1	50.1	50.1
Staff Training	3.1	3.2	0.0
State Formula Distribution	--	--	226.7
Evaluation	0.7	0.0	2.0
Administration/Peer Review	2.3	4.3	0.0
Total	1,010.0	1,060.0	950.0

Note: Numbers may not add due to rounding.

The Federal TRIO programs are among the Department's largest investments aimed at getting more students prepared for, into, and through postsecondary education. The request would transition the Federal TRIO Programs from a series of competitive grant programs to a single State formula program. This proposal would shift authority and responsibility from the Federal Government to the States, improve alignment between Federal resources and need, and enable the Department to re-allocate limited staff resources from competition-related activities to grant monitoring, performance improvement, and program evaluation. Under this transition, the request maintains support for continuation awards for all current TRIO grantees, with the remaining funds distributed to States through the proposed formula. Finally, the proposal would remove the current statutory provisions limiting the Department's ability to rigorously evaluate the effectiveness of the TRIO programs.

MODEL TRANSITION PROGRAMS FOR STUDENTS WITH INTELLECTUAL DISABILITIES INTO HIGHER EDUCATION

(BA in millions)	2018	2019	2020 Request
Model Transition Programs for Students with Intellectual Disabilities into Higher Education (TPSID)	\$11.8	\$11.8	\$11.8

The TPSID program 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 Request would support approximately 25 new awards, as well as a Coordinating Center that provides technical assistance to institutions with transition programs.

CHILD CARE ACCESS MEANS PARENTS IN SCHOOL

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Child Care Access Means Parents in School (CCAMPIS)	\$50.0	\$50.0	\$15.1

The Request includes \$15.1 million for the CCAMPIS program. This competitive grant program supports the participation of low-income parents in postsecondary education through campus-based childcare services. Grants made to institutions of higher education must be used to supplement childcare services or start a new program, not to supplant funds for current childcare services. The program gives priority to institutions that leverage local or institutional resources and employ a sliding fee scale.

HOWARD UNIVERSITY

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
General Support	\$205.2	\$209.2	\$194.5
Howard University Hospital	27.3	27.3	27.3
Total	232.5	236.5	221.8

Howard University is a congressionally chartered HBCU that plays an important role in providing disadvantaged individuals, particularly Blacks or African-Americans, with access to a high quality postsecondary education. The 2020 request would provide support for Howard University's academic and research programs, serving 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>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
HBCU Capital Financing Program	\$30.5	\$40.5	\$40.5
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 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 \$212 million in new loans in 2020 and \$20 million for previously granted loan deferments in fiscal year 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, the National Center for Education Statistics, the National Center for Education Evaluation and Regional Assistance, and the National Center for Special Education Research—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 Administration requests \$521.6 million for IES activities, \$93.9 million less than the fiscal year 2019 appropriation. The Request includes no funds for the Regional Education Laboratories and the Statewide Longitudinal Data Systems.

RESEARCH, DEVELOPMENT, AND DISSEMINATION

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Research, Development, and Dissemination	\$192.7	\$192.7	\$187.5

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, fund new research awards, and continue disseminating information about what works in education to States and localities.

STATISTICS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Statistics	\$109.5	\$109.5	\$112.5

The Department's Statistics program—operated primarily through competitively awarded contracts administered by National Center for Education Statistics—provides general statistics about trends in education, collects data to monitor reform and measure educational progress, and informs the IES research agenda. The 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. The Request also includes \$3 million to support the Privacy Technical Assistance Center, which serves as a valuable resource center to State and local educational agencies, the postsecondary community, and other parties engaged in building and using education data systems on issues related to privacy, security, and confidentiality of student records.

ASSESSMENT

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Assessment	\$156.7	\$158.7	\$156.7

The Request would fund the ongoing National Assessment of Educational Progress (NAEP) and the National Assessment Governing Board (NAGB). NAEP measures and reports on the status of and trends in student learning over time on a subject-by-subject basis and makes objective information on student performance available to policymakers, educators, parents, and the public. As the largest nationally representative and continuing assessment of what American students know and can do, NAEP has become a key measure of our Nation's educational performance. NAGB formulates policy for NAEP.

RESEARCH IN SPECIAL EDUCATION

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Research in Special Education	\$56.0	\$56.0	\$54.0

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.

SPECIAL EDUCATION STUDIES AND EVALUATIONS

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020</u> <u>Request</u>
Special Education Studies and Evaluations	\$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 impact study that will focus on the effectiveness of a promising strategy to support the transition of students with disabilities beyond high school, a study of State and local implementation of IDEA, an impact evaluation of training in multi-tiered systems of support for reading in early elementary school, a longitudinal study of post-high school outcomes for youth with disabilities, and special education reports from the What Works Clearinghouse.

III. PROGRAMS PROPOSED FOR ELIMINATION

The 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 Request eliminates 29 programs, for an annual savings of \$6.7 billion compared to the fiscal year 2019 appropriation. The table below identifies each program—in alphabetical order—and respective funding (i.e., fiscal year 2019 Budget Authority). A brief summary of each program follows the table.

	2019 BA (in millions)
21 st Century Community Learning Centers	\$1,221.7
Alaska Native Education	35.5
American History and Civics Education	4.8
Arts in Education	29.0
Comprehensive Centers	52.0
Comprehensive Literacy Development Grants	190.0
Federal Supplemental Educational Opportunity Grants	840.0
Full-Service Community Schools	17.5
Fund for the Improvement of Postsecondary Education	5.0
Gaining Early Awareness and Readiness for Undergraduate Programs	360.0
Graduate Assistance in Areas of National Need	23.0
Impact Aid Payments for Federal Property	74.3
Innovative Approaches to Literacy	27.0
International Education and Foreign Language Studies Domestic Programs	65.1
International Education and Foreign Language Studies Overseas Programs	7.1
Javits Gifted and Talented Education	12.0
Native Hawaiian Education	36.4
Promise Neighborhoods	78.3
Ready to Learn Programming	27.7
Regional Educational Laboratories	55.4
Special Olympics Education Programs	17.6
Statewide Family Engagement Centers	10.0
Statewide Longitudinal Data Systems	32.3
Strengthening Institutions	99.9
Student Support and Academic Enrichment Grants	1,170.0
Supported Employment State Grants	22.5
Supporting Effective Educator Development	75.0
Supporting Effective Instruction State Grants	2,055.8
Teacher Quality Partnership	43.1
Total	\$6,688.0

21st Century Community Learning Centers

\$1,221.7

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 approximately 1.4 million students at roughly 9,600 centers. This program lacks strong evidence of meeting its objectives, such as improving student achievement.

Alaska Native Education

\$35.5

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 approximately 1.4 million students at roughly 9,600 centers. This program lacks strong evidence of meeting its objectives, such as improving student achievement.

American History and Civics Education

\$4.8

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

\$29.0

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.

Comprehensive Centers

\$52.0

The program supports dissemination and technical assistance activities designed to improve the implementation of ESEA programs and help teachers and administrators use effective teaching methods and assessment tools. Such activities can be paid for directly by States and school districts, as part of their ESEA implementation plans, through programs such as Title I Grants to LEAs and Title I funds reserved for school improvement.

Comprehensive Literacy Development Grants **\$190.0**

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 11 State grants in the most recent cohort) and duplicates activities that may be supported with other Federal, State, local, and private funds. In particular, the \$15.9 billion Title I Grants to LEAs program provides funding to 14,000 school districts in all 52 States that may be used for evidence-based reading instruction.

Federal Supplemental Educational Opportunity Grants **\$840.0**

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 **\$17.5**

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.

Fund for the Improvement of Postsecondary Education **\$5.0**

This program provides assistance to support institutional reforms and strategies designed to improve institutional effectiveness and to expand postsecondary opportunities. The Administration believes that the awards made under the FIPSE - Open Textbook Pilot in fiscal years 2018 and 2019 are sufficient to provide a meaningful demonstration of the potential for open source textbooks to improve the quality of instruction while generating significant savings for students.

Gaining Early Awareness and Readiness for Undergraduate Programs **\$360.0**

This program provides funds to States and Partnerships for early college preparation and awareness activities to help low-income middle and high school students prepare to pursue postsecondary education. Many of the activities supported under GEAR UP can be supported through the Administration's request for a new State formula authority under the Federal TRIO Programs, and similar activities can also be supported through ESEA Title I Grants to LEAs.

Graduate Assistance in Areas of National Need **\$23.0**

GAANN provides fellowships, through competitive grants to postsecondary institutions, to graduate students with superior ability and high financial need studying in areas of national need. This program supports activities that are more appropriately supported through other Federal, State, local, and private funds.

Impact Aid Payments for Federal Property **\$74.3**

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 **\$27.0**

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 **\$65.1**

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 **\$7.1**

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. Programs for gifted and talented students are more appropriately supported with other Federal, State, local, and private funds.

Native Hawaiian Education

\$36.4

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

Promise Neighborhoods

\$78.3

This program supports 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. Previous cohorts have struggled to effectively implement all program components, improve outcomes across the broad range of program goals, and build sufficient capacity to maintain program beyond the initial 5-year grant period. In addition, the program duplicates activities that may be supported by other Federal, State, local, or private funds, including schoolwide programs under Title I Grants to LEAs.

Ready to Learn Programming

\$27.7

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.

Regional Educational Laboratories

\$55.4

This program supports dissemination and technical assistance activities that are duplicative of existing investments in areas of training, technical assistance, and professional development to build State capacity to provide high-quality education. Past surveys and evaluations suggest that the technical assistance currently provided through this program may be underutilized or not relevant to State and district needs.

Special Olympics Education Programs

\$17.6

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.

Statewide Family Engagement Centers

\$10.0

This program provides funding to statewide organizations to establish centers that (1) carry out programs that promote parent and family engagement in education or (2) provide comprehensive training and technical assistance to SEAs, LEAs, schools, and organizations that support partnerships between families and schools. Most ESEA formula programs include requirements for State and local consultation with parents and other activities to promote parent and family involvement for the purpose of improving student achievement and other outcomes; consequently, there is little need for a separate State-level family engagement program with a much more limited impact.

Statewide Longitudinal Data Systems

\$32.3

This program provides competitive grants to State educational agencies to enable them to design, develop, and implement Statewide longitudinal data systems to efficiently and accurately collect, manage, and analyze individual student data. The program, which was intended to supplement other State or local funds, has fulfilled its original purpose and is no longer necessary.

Strengthening Institutions

\$99.9

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 the proposed Consolidated MSI Grant program.

Student Support and Academic Enrichment Grants

\$1,170.0

This program provides funding intended to improve academic achievement by increasing the capacity of States and LEAs to provide students with access to a well-rounded education and improve school conditions and the use of technology. The activities authorized under this program generally can be supported with funds from other sources, including similarly flexible funds provided under the \$15.9 billion Title I Grants to LEAs program. In addition, most local formula awards under this program are too small to have a meaningful impact.

Supported Employment State Grants

\$22.5

Through this formula grant program, State Vocational Rehabilitation 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 Educator Development

\$75.0

The program supports teacher recruitment, training, placement, and ongoing professional development, all of which are core responsibilities for States, school districts, and institutions of higher education and can be supported with other Federal, State, and local funding.

Supporting Effective Instruction State Grants

\$2,055.8

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) may be used for teacher or staff professional development.

Teacher Quality Partnership (TQP)

\$43.1

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.

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 18,377 school districts and more than 55 million students attending more than 98,000 public and 34,000 private schools. Department programs also provide grant, loan, and work-study assistance to approximately 12 million postsecondary students at over 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 Department's fiscal year 2020 request would provide \$15.9 billion to help approximately 25 million students in high-poverty schools make progress toward State academic standards; and \$12.4 billion for the Individuals with Disabilities Education Act Part B Grants to States to help States and school districts meet the special education needs of 7 million students with disabilities. Key programs also include Federal Pell Grants, which would make available \$30.1 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 \$147 billion in new and consolidated Direct Loans to help students and families pay for college.

The Department's programs and responsibilities have grown substantially over the past decade. Some of the growth has resulted from legislation that added responsibilities or changed requirements, including the Student Aid and Fiscal Responsibility Act (SAFRA) that created 100 percent Direct Lending, the Workforce Innovation and Opportunity Act (WIOA), and the Federal Information Technology Acquisition Reform Act (FITARA). In addition, oversight of the Department student loan and grant programs continues to grow. The Elementary and Secondary Education Act, as amended by the Every Student Succeeds Act (ESSA), requires ED to provide assistance and flexibility to states and school districts to ensure a smooth implementation of the new statute. ED's workload also has increased as ED strives to improve its oversight of its programs and data.

SALARIES AND EXPENSES OVERVIEW

Departmental Management

(BA in millions)	<u>2018</u>	<u>2019</u>	<u>2020 Request</u> ¹
Program Administration	\$430.0	\$430.0	\$447.0
Office for Civil Rights	117.0	125.0	125.0
Office of Inspector General	61.1	61.1	63.4
Student Aid Administration	1,679.0	1,679.0	1,812.0
Other ²	8.8	8.6	8.6
Total	2,295.9	2,303.7	2,456.0

Full-Time Equivalent Employment (FTE)

(whole numbers)			
Program Administration	1,585	1,626	1,626
Office for Civil Rights	534	625	619
Office of Inspector General	224	241	248
Student Aid Administration	1,436	1,480	1,480
Other ²	16	18	18
Total ³	3,795	3,990	3,991

¹ Includes \$13.5 million for Building Modernization.

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

³ Actual FTE usage in FY 2018; target for FY 2019 and FY 2020.

The Department is requesting \$2.5 billion for its S&E budget accounts in fiscal year 2020, an increase of \$152.3 million, over the fiscal year 2019 appropriation. The increase focuses on key departmental policy and management priorities. These include continued 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. It also includes the transition to the Next Generation Financial Services Environment; continual operations for student aid application processing, origination and disbursement functions; and student aid IT system hosting. Funding is also requested for building modernization and renovation activities which will reduce the Department's future rent costs by moving out of existing space.

In fiscal year 2020, the Department's budget supports 3,991 Full-Time Equivalents (FTE) Employment, a net increase of 1 FTE above the fiscal year 2019 appropriation. The request reflects an increase of 7 FTE for the Office of Inspector General and a decrease of 6 FTE for the Office for Civil Rights.

PROGRAM ADMINISTRATION

The Program Administration account provides administrative support for most programs and offices in the Department. The fiscal year 2020 request totals \$447.0 million, an increase of \$17.0 million, above the fiscal year 2019 appropriation. The Request includes \$261.4 million for personnel compensation and

benefits to support 1,626 FTE, an increase of \$1.2 million above the fiscal year 2019 level of \$260.2 million.

Salaries and Expenses 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 2020 is \$185.6 million, an increase of \$15.8 million from the fiscal year 2019 appropriation of \$169.8 million. Approximately 71 percent of the total non-personnel request is to cover Program Administration's share of the Department's centralized services. The centralized services request totals \$136.2 million for fiscal year 2020, an increase of \$9.6 million over the fiscal year 2019 appropriation.

The overall account increase of \$15.8 million is primarily needed for: (1) building modernization and renovation activities with a goal of reducing the Department's future rent costs and; (2) continued 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. The request for non-personnel activities to support Building Modernization in fiscal year 2020 is \$13.5 million; no funds were provided in fiscal year 2019.

The Department requests that the Program Administration Salaries and Expenses account be allowed the flexibility to use the authority of the IT Working Capital Funds authorized by the Modernizing Government Technology (MGT) Act in 2018. The authority would enable ED to transfer one year administrative funds to an account with a three year period of availability for use on IT modernization. The anticipated transfer amount for fiscal year 2020 is \$5 million.

STUDENT AID ADMINISTRATION

The Student Aid Administration account provides funds to administer the Federal student aid programs authorized under Title IV of the Higher Education Act. These 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 2020, FSA will provide \$131 billion in new Federal student aid grants and loans (excluding Direct Consolidation Loans) to approximately 12 million postsecondary students and their families. These students attend over 6,000 institutions of higher education.

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, private lenders continue to service and collect outstanding non-defaulted loans from the FFEL portfolio, while guaranty agencies and the Department continue to service and collect loans assigned to the Federal Government. The Department currently contracts with nine servicers to service the Department's portfolio of over 42 million borrowers.

The Student Aid Administration (SAA) account represents 74 percent of the Department's total discretionary administrative budget. The Administration requests \$1.8 billion for fiscal year 2020 in the

Student Aid Administration account to administer the Federal student aid programs, an increase of \$133.0 million above fiscal year 2019 appropriation. The requested funds are necessary to manage and service the student loan portfolio, including: anticipated increases in loan volume and costs associated with transitioning to the Next Generation Financial Services Environment, maintaining operations for student aid application processing, origination and disbursement functions, student aid information technology (IT) system hosting, and enhancing IT security.

The Request 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 cyber security protection. The end goal of this technical reorganization and modernization effort will be to provide better service for FSA's over 40 million customers, including students and institutions, across the student aid 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.

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 2007, the number of complaints doubled through fiscal year 2018, while the number of investigative staff decreased by 10 percent over the same period. The FTE level is projected to be 619 in fiscal year 2020.

The fiscal year 2020 request for OCR is \$125.0 million, which is level funded to fiscal year 2019 appropriation. About \$93.0 million, or 74.3 percent, of the request is for staff pay and benefits for 619 FTE. The remaining \$32.0 million is for non-pay projects and includes \$3.6 million for information technology services, including the contract for the Civil Rights Data Collection. 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 2020 request for the OIG is \$63.4 million, an increase of \$2.3 million over the fiscal year 2019 appropriation. Approximately 67 percent of this amount, or \$42.6 million, is for personnel compensation and benefits to support a staffing level of 248 FTE.

The non-personnel request of \$20.8 million includes \$1.2 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 OIG to better target its audit and investigative work.

V. APPENDICES

- A. [Detailed Budget Table by Program](#)
- B. [Summary of Discretionary Funds](#)
- C. [Summary of Mandatory Funds](#)
- D. [Total Expenditures for Elementary and Secondary Education in the United States](#)