

Fiscal Year 2016 Budget  
Summary and Background Information

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Summary of Mandatory Funds

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*For the sake of our national identity and the health of our economy, every single young person should be able to look forward to a future that holds promise. And when so many States and districts have put in place the building blocks to sustain educational progress, when so many educators are working so hard to raise the bar for their students and support them in getting there, reversing course would be a terrible mistake.*

*Secretary Arne Duncan*

## I. SUMMARY OF THE 2016 BUDGET

The 2016 Department of Education budget request would continue to strengthen the building blocks of educational success in our States, school districts, and schools. States and school districts have made considerable progress in putting in place college- and career-ready standards and aligned assessments, turning around low-performing schools, and developing and implementing educator preparation, support, and evaluation systems. The signs of progress are clear: the high school graduation rate is the highest on record and students are making academic gains. But, many challenges remain.

The Budget places particular emphasis on four areas: increasing equity and opportunity for all students; expanding high-quality early learning programs; supporting teachers and school leaders; and improving access, affordability and student outcomes in postsecondary education. In addition, it makes a cross-cutting commitment to using and developing evidence in order to maximize results for taxpayers and students.

The outcomes of our education system continue to reflect unacceptable inequities in the distribution of resources, including funding, high-quality teaching, and challenging coursework. Schools with many poor students are more likely to be under-resourced schools. In addition, students of color have less access to rigorous coursework. Only 57 percent of Black students and two-thirds of Hispanic students attend a high school where the full range of college preparatory math and science courses are offered. For this reason, the Budget includes a strong commitment to equity in education, including: a \$1 billion increase for Title I, the leading program for children in poverty; closing the “comparability loophole” in Title I over time; and adding education resources for at-risk children across the Budget. The Budget also makes an investment in Next Generation High Schools that will help launch high schools that will be laboratories for cutting-edge teaching and learning and include a strong emphasis on expanding the participation of underrepresented student groups in science, technology and mathematics subjects and fields.

Unequal access to education starts early and too many children, especially those from low-income families, continue to lack access to the high-quality preschool needed to ensure that they arrive in kindergarten ready to learn. The United States has fallen behind many countries in providing access to preschool education, and currently ranks just 25<sup>th</sup> in the world in its enrollment of 4-year-olds. The President’s 2016 request continues to propose transformational new investments in preschool: \$75 billion in mandatory funding over 10 years for Preschool for All to reach all low- and moderate-income students; system-building through a \$500 million expansion of Preschool Development Grants; and increased support for early education for children with disabilities. These increases are complemented by significant new investments in the Department of Health and Human Service’s Budget for child care, Early Head Start, Head Start, and evidence-based home visiting.

Teaching is one of the most important and challenging careers, and of all the school-related factors that impact student academic performance, great teachers matter most. Yet teachers

today do not have the support, the opportunities, or the autonomy they need to succeed. This is why the 2016 Budget invests heavily in educators, including an expansion and overhaul of Federal support for teacher preparation; promoting State and local initiatives to strengthen systems for recruiting, developing, and retaining effective teachers and school leaders; and a large-scale new mandatory investment in broad-based reform in the teaching profession based on proven models, from the District of Columbia to Finland and Singapore.

Today, more than ever, Americans need more knowledge and skills to meet the demands of a growing global economy, and should be able to secure a quality education without accumulating crippling student loan debt. While the total aid available to postsecondary students has grown dramatically over the past 6 years, helping to ensure that more students are graduating college than ever before, a significant opportunity gap remains. America's College Promise would make 2 years of community college free for responsible students, letting them earn the first half of a bachelor's degree and earn skills needed in the workforce at no cost. Coupled with a continuation of historic investments in Pell Grants, including indexing the maximum award to inflation beyond 2017; simplifying the Free Application for Federal Student Aid (FAFSA); and reforming and streamlining income-based repayment for student borrowers, the Budget is designed to take bold steps to make college affordable and to advance needed reforms to modernize and improve the Federal student aid programs.

Increased resources cannot improve outcomes for students unless the resources are spent well. The Obama Administration has long been committed to building and using evidence of what works to inform policy and resource allocation and to better support efforts at our Nation's schools, colleges, and universities to provide a world-class education to all Americans. This Budget continues that commitment by increasing funding for programs that provide additional resources for interventions that either are based on evidence of success or help build evidence of what works in education, notably Investing in Innovation (i3) for K-12 and First in the World for higher education. The request also expands incentives for the use of evidence in existing programs, ranging from the Leveraging What Works initiative for K-12 formula programs to targeted increases in the School Improvement Grants and the postsecondary TRIO programs. Finally, the Budget strongly funds the infrastructure for evaluation in the Institute of Education Sciences.

As we celebrate the 50<sup>th</sup> anniversary of the Nation's cornerstone education law, the Elementary and Secondary Education Act of 1965 (ESEA), the Department still operates under the outdated and obsolete No Child Left Behind Act of 2001 (NCLB). The 2016 President's Budget continues the Administration's longstanding commitment to provide States and school districts with resources and tools to continue and expand the hard work of implementing their State-developed accountability systems that hold all students to high expectations, including raising standards, supporting teachers and school leaders, and improving low-performing schools. While ESEA flexibility has facilitated this work by enabling more than 40 States to partner with the Federal Government to move beyond the constraints of NCLB, the 2016 President's Budget includes proposed changes in key areas of the law designed to accelerate State and local reforms—particularly in the way we recruit, train, support, and reward our educators—with or without ESEA reauthorization.

**The Administration requests \$70.7 billion in discretionary appropriations for the Department of Education in 2016, an increase of \$3.6 billion, or 5.4 percent, over the 2015 level.**

The 3-year table below displays the Department's request without Pell Grants, the discretionary request for the Pell Grant program, and the total discretionary request.

Department of Education Discretionary Appropriations  
(in billions of dollars)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>	<u>Change from 2015</u>
Discretionary (without Pell Grants)	\$44.5	\$44.7	\$48.3	+\$3.6
Pell Grants (discretionary portion)	<u>\$22.8</u>	<u>\$22.5</u>	<u>\$22.5</u>	<u>0.0</u>
<u>Total</u>	\$67.3	\$67.1 <sup>1</sup>	\$70.7 <sup>1</sup>	+\$3.6

<sup>1</sup> The totals may not add due to rounding

The Department's budget also includes mandatory funds. Mandatory funding does not require annual appropriations because authorizing legislation establishes a fixed funding level or a method for calculating automatic appropriations without further congressional action. The largest mandatory programs in the Department's Budget are federally subsidized loans for postsecondary students, the costs of which are estimated based on assumptions about the cost of Federal borrowing, origination fees, repayments, and defaults. In total, discretionary and mandatory funding would make available almost \$200 billion in aid to education in fiscal year 2016, of which \$148.2 billion is new grants, loans, and work-study assistance—an increase of \$50.5 billion, or 52 percent, over the amount available in 2008—to help an estimated 13.2 million students and their families pay for postsecondary education and training.

From fiscal years 2010–2015, the Department successfully streamlined and consolidated programs to save taxpayer dollars, improve efficiency, reduce administrative burdens, and better serve States, schools, students, and families. Congress eliminated or consolidated approximately 50 ineffective, outdated, or duplicative programs for a total annual savings of more than \$1.2 billion, in many instances following the Administration's recommendations. Legislation enacted in 2010 also ended the guaranteed student loan program, replacing it with the more efficient direct loan program. The resulting savings were invested in the Pell Grant program to support an increase in the maximum award, which has risen from \$4,731 in award year 2008–2009 to \$5,775 in award year 2015–2016; the 2010 legislation also established mandatory funding to increase the Pell Grant maximum award based on the change in the Consumer Price Index through 2017.

### Major Initiatives for Fiscal Year 2016

This 2016 Budget request focuses on four major priorities: (1) equity and opportunity for all students; (2) high-quality early learning programs; (3) support for educators; and (4) improving access, affordability, and student outcomes in postsecondary education. The Budget continues to make a cross-cutting commitment to using and developing evidence in order to maximize results for taxpayers and students.

## Increasing Equity and Opportunity for All Students

Equality of opportunity is a core American value that helps form our national identity, solidify our democracy, and strengthen our economy. Far too many students, especially in disadvantaged groups and communities, lack access to a high-quality education, including: strong teaching, rigorous coursework, high standards, engaging enrichment activities, safe environments, high-quality preschool, and affordable higher education. All young people in this country must have the chance to learn and achieve. To close this resource and opportunity gap, the 2016 request provides a \$2.7 billion or almost 12 percent increase for ESEA programs, including a \$1 billion increase for Title I Grants to Local Educational Agencies (LEAs)—the cornerstone of the Federal effort to ensure that all students—including poor and minority students, students with disabilities, and English Learners—graduate from high school prepared for college and careers. Key investments include:

- \$15.4 billion for Title I Grants to Local Educational Agencies, a \$1 billion increase, that provides much needed support to school districts and schools that have been serving a greater number of students from low-income families in recent years and also working to implement new college- and career-ready (CCR) standards and aligned assessments, close achievement gaps, turn around their lowest-performing schools, and use new educator evaluation systems to improve instruction and provide better support to teachers. The request also would help build State capacity to carry out these critical reforms by increasing the State-level set-aside of Title I funds from 1 percent to 3 percent.
- A new Equity and Outcomes Pilot for up to 10 participating Title I LEAs would promote more equitable and effective uses of Federal formula grant funds. Applicants would demonstrate a commitment to equitably distributing State, local, and Federal dollars—based on actual expenditures—to their highest poverty schools. In exchange, they would be allowed to use Title I and other Federal formula funds more flexibly at the district level to support comprehensive, evidence-based plans to improve achievement and outcomes for their lowest-achieving students in their high-poverty schools.
- \$11.7 billion for the IDEA Grants to States program, a \$175 million increase, to make 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, under the Individuals with Disabilities Education Act (IDEA). The request would provide a per-child average of \$1,768 for an estimated 6.6 million children with disabilities, which would maintain the Federal contribution at approximately 16 percent of the national average per-pupil expenditure.
- \$131 million for the Office for Civil Rights (OCR), an increase of \$30.7 million, for an additional 200 full-time employees to help ensure that the Department's Office for Civil Rights has the resources to respond to complaints of discrimination and to ensure that Federal grantees follow civil rights laws. These cases include complaints of sexual assault, discriminatory disciplinary practices, and inequitable access to educational resources including effective educators, rigorous coursework, and safe and healthy facilities. This work is crucial to the larger equity agenda of the Department.

- \$773 million for English Language Acquisition grants, an increase of \$36 million, to provide increased support to States as they help the significant growing number of English Learners in U.S. schools attain English language proficiency and become college- and career-ready.
- \$555.8 million for School Improvement Grants (SIG), a \$50 million increase that would be targeted to States that demonstrate a strong commitment to using SIG funds for evidence-based interventions, with new funds being used only for subgrants to LEAs that propose to implement proven interventions or school closures.
- \$375 million for Charter Schools, an additional \$122 million to significantly increase the expansion and replication of high-quality charter schools in high-need communities. The request also proposes new authority for State educational agency (SEA) grantees to make subgrants to charter management organizations and other nonprofit organizations to replicate and expand charter schools with demonstrated records of success in improving student achievement.
- \$300 million for Investing in Innovation (i3), an increase of \$180 million that recognizes the importance of evidence-based grantmaking to develop, validate, and scale up effective education practices and strategies. In particular, this increase would support greater numbers of the larger Scale-Up awards for activities with a strong evidence base, building on the results of Development and Validation grants made in previous years and significantly expanding the benefits of proven interventions to more schools and students. Grantees would be permitted to use State and local funds to meet the program's matching requirements.
- \$125 million for a new Next Generation High Schools program to promote the whole school transformation of high school education to provide students with challenging and relevant academic and career-related learning experiences that prepare them to transition to postsecondary education and careers. Funds would support competitive grants to LEAs in partnership with institutions of higher education and other entities, such as nonprofit and community-based organizations, businesses, and other industry-related organizations that can help high schools prepare students to apply academic concepts to real world challenges.
- \$150 million for Promise Neighborhoods, a \$93 million increase, to support new awards to local partnerships to develop and implement comprehensive, neighborhood-based plans for meeting the cradle-to-career educational, health, and social service needs of children and families in high-poverty communities.
- \$100 million for a Leveraging What Works competition to create an incentive for LEAs to rethink their use of Federal formula grant funds, in combination with State and local resources, to support the innovative use of comprehensive, evidence-based strategies to improve student outcomes while continuing to focus Federal resources on serving high-need students.
- \$53 million for Native Youth Community Projects, a \$50 million increase to support community-driven strategies to improve the college- and career-readiness of Native youth by focusing on the unique educational needs of American Indian and Alaska Native (AI/AN)

children. This program is a centerpiece among Administration investments across multiple Agencies designed to support a new and integrated approach to addressing barriers to success for Native youth.

### Expanding High-Quality Early Learning Programs

The 2016 Budget renews President Obama's historic call for universal preschool through the mandatory Preschool for All proposal, which would create a Federal-State cost-sharing partnership that would guarantee access to high-quality preschool for every 4-year-old from low- and moderate-income families while also creating incentives for States to serve children from middle class families. The President's 2016 Budget request also includes complementary discretionary proposals designed to lay the groundwork for Preschool for All by building and enhancing preschool systems and expanding access to high-quality preschool models.

- \$75 billion over 10 years in mandatory funding for Preschool for All to support the implementation of universal high-quality preschool programs that are aligned with elementary and secondary education systems and help ensure that all children arrive in kindergarten ready to learn. The proposal would help States serve all children from low- and moderate-income families, create an incentive for States to expand access to high-quality preschool for additional middle-class families, and promote access to full-day kindergarten.
- \$750 million for the Preschool Development Grants program, a \$500 million increase to build on the successful launch of this program in 2014 with awards to 18 States. This additional funding would support new awards to nearly every State that submits a high-quality application, helping to build State and local capacity to implement and expand high-quality preschool programs in an estimated total of 40 States.
- \$504 million for the IDEA Grants for Infants and Families program, a \$65 million increase, to assist States in providing high-quality early intervention services to approximately 340,000 infants and toddlers with disabilities and their families. The Administration is proposing to reserve \$15 million of this increase for Pay for Success pilots to expand early screening and early intervention services to infants and toddlers who would not otherwise qualify for services under Part C of the IDEA in their State.
- \$403 million for IDEA Preschool Grants, a \$50 million increase, to provide special education and related services to children ages 3 through 5. Under the current statute, LEAs may reserve up to 15 percent of the funds they receive under Part B of the IDEA to provide coordinated early intervening services (CEIS) to children in grades kindergarten through 12. The Administration is requesting additional flexibility to allow LEAs to provide CEIS to children ages 3 through 5. The Administration is also requesting authority to waive CEIS reporting requirements for children ages three through five in order to reduce burden on LEAs that opt to exercise this flexibility.

These programs and policies are part of a comprehensive approach to early learning that includes an expansion of the Department of Health and Human Services' Head Start program, increased investments in Early Head Start to provide high-quality infant and toddler care, support for evidence-based voluntary home visiting programs, and an historic investment in ensuring that all low- and moderate-income families with young children have access to quality child care.

## Increasing Support for Teachers and School Leaders

The 2016 request provides significant support for teachers and leaders who are doing the hard, daily work of implementing new CCR standards and aligned assessments, turning around our lowest-performing schools, and using new evaluation and support systems to improve their practice. The 2016 request includes:

- \$2.3 billion for Improving Teacher Quality State Grants, that would support ongoing State and local efforts to improve teacher and principal effectiveness and help ensure that all students have equitable access to effective and highly effective teachers and principals, particularly in high-need LEAs, schools, fields, and subjects. The request would also expand the current 2.3 percent reservation for the Supporting Effective Educator Development (SEED) program to 5 percent of the total appropriation for Improving Teacher Quality State Grants.
- \$1 billion in 2016, and a total of \$5 billion over 5 years, for a new, mandatory Teaching for Tomorrow (TFT) program that would provide funds to States or districts willing to make meaningful transformations in their approaches to recruiting, training, supporting, retaining, and advancing highly effective teachers throughout their careers. States and school districts would submit high-quality plans including strategies that are based on or build evidence of effectiveness.
- \$350 million for Excellent Educators Grants, an expansion of existing efforts to support comprehensive human capital systems that effectively use teacher and principal evaluation, with multiple measures including student learning, to develop, support, reward, and advance effective teachers and principals. States and school districts would use the requested funds to develop and implement innovative approaches to professional development and support, career advancement, and compensation based on analyses of local needs. This program would build on and replace the Teacher Incentive Fund; the request is an increase of \$120 million over the 2015 level for the antecedent program.
- \$138.8 million for a proposed Teacher and Principal Pathways consolidation that would support the creation or expansion of high-quality pathways into the teaching and school leadership professions. The grants would support institutions of higher education and nonprofit organizations that commit to working closely with school districts to carry out the important work of teacher and principal preparation. This proposal would consolidate and replace the School Leadership, Teacher Quality Partnership, and Transition to Teaching programs.
- \$200 million for an improved Educational Technology State Grants program to help high-need districts take advantage of basic technology infrastructure, much of which is provided through President Obama's ConnectED initiative funded by the Federal Communications Commission's E-rate program, to implement exemplary models for using technology to help teachers and school leaders improve instruction and personalize learning. A portion of the request also would be used to build State capacity to provide technical assistance to help school districts use technology to improve instruction and to build evidence and replicate effective local practices.

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

In today's economy, a postsecondary credential is the key to entering the middle class. By 2020, an estimated two-thirds of new job openings will require some college. However, fewer than 1 in 10 students from low-income families complete college. To keep America's economy strong and strengthen the middle class, the 2016 request would help make college affordable and help more Americans attain a college degree or certificate. The 2016 request funds a signature initiative, America's College Promise, to make 2 years of community college free for responsible students, letting students earn the first half of a bachelor's degree and earn skills needed in the workforce at no cost. Each of the proposals below is intended to support the President's goal that America will once again have the highest proportion of college graduates in the world.

- \$1.36 billion in 2016 for America's College Promise, a \$60.3 billion investment over 10 years, which creates a new partnership with States to help them eliminate tuition and fees in high-quality programs for responsible students, while promoting key reforms to help more students complete at least 2 years of college.
- Fully funding and indexing the Pell Grant maximum award to inflation beyond 2017 to protect and sustain its value for students and families.
- Simplifying the Free Application for Federal Student Aid by removing data elements pertaining to assets and additional types of income and by relying primarily on information readily available in Federal tax returns, making it more understandable and easier for applicants to complete.
- Reforming and streamlining income-driven repayment by creating a single, simple, and better targeted plan that reduces complexity and simplifies borrowers' experience, while helping them manage their debt.
- Reforming and expanding the Perkins Loan program to provide \$8.5 billion in new loan volume annually, eight and a half times Perkins volume in recent years, allocating lending authority among institutions on the basis of the extent which institutions enroll and graduate higher numbers of Pell-eligible students and offer affordable and quality education such that graduates can repay their educational debt. The Perkins program expires at the end of fiscal year 2015, though some students can continue to receive loans through a narrow grandfathering provision. The new Perkins Loan program would address the scheduled expiration of the existing program and provide more students with increased access to affordable loan funds that carry important protections and benefits. Savings from the new program would be reinvested in student aid spending, specifically in extending Consumer Price Indexing of the maximum Pell Grant award beyond 2017.
- Rewarding colleges for results through the College Opportunity and Graduation Bonus program, which would provide \$7.0 billion in mandatory budget authority over 10 years to support colleges that successfully enroll and graduate a significant number of low- and moderate-income students on time and encourage all institutions to improve their performance.

- \$1.6 billion to administer student aid programs, an increase of \$185 million over the 2015 level. Ninety-four percent of the increase is based on current loan servicing projections that reflects expected increases in loan volume, the aging of the student loan portfolio as more borrowers move into repayment, and renegotiated servicing contracts with pricing and incentives to improve customer service and keep borrowers current and in a payment plan that makes their debt manageable. Funds are necessary to maintain operations for student aid application processing, origination, disbursement functions, and student aid IT system hosting; manage the acquisition strategy for Federal Student Aid's (FSA) core contracts for application processing and system hosting; and improve reporting and dissemination of data to the public.
- \$860 million for the Federal TRIO programs, a \$20 million increase, to enable the Department to maintain funding for approximately 2,800 TRIO projects serving middle school, high school, and college students and adults, while also supporting a new TRIO Demonstration initiative designed to give existing grantees the opportunity to compete for increased funding to implement and evaluate additional, evidence-based, college access and success strategies and support dissemination of strategies that prove to be effective at scale to all TRIO grantees.
- \$200 million for the First in the World program, under the Fund for the Improvement of Postsecondary Education, a \$140 million increase, for competitive awards to support scaling up of innovative, promising, and evidence-based strategies to improve postsecondary completion rates and rigorous evaluation to test the effectiveness of these strategies when implemented in varied settings and when delivered to a wide range of students. The Administration plans to set aside up to 30 percent of the funds available (approximately \$60 million at the requested level) for the competition to support the implementation of projects at Minority Serving Institutions.
- \$200 million for a proposed American Technical Training Fund, to expand innovative, high-quality technical training programs that use evidence-based practices, have strong employer partnerships, include work-based learning opportunities, provide accelerated training, and are scheduled to accommodate part-time work. Programs would be designed to help high-potential, low-wage workers gain the skills for employment in growing fields with significant numbers of middle-class jobs that local employers are trying to fill such as energy, information technology, and advanced manufacturing. This initiative would be jointly administered by the Departments of Education and Labor to help ensure that the projects are well integrated into the workforce system.
- \$589 million for Adult Education to assist adults without a high school diploma, or the equivalent, to become literate and obtain the knowledge and skills necessary for postsecondary education, employment, and economic self-sufficiency. The Adult Education and Family Literacy Act, authorized as Title II of the Workforce Innovation and Opportunity Act, promotes better alignment of the Adult Education program with Federal job training programs and the postsecondary education system.
- \$30 million for Government Performance and Results Act (GPRA) Data/Higher Education Act (HEA) Program Evaluation to support the collection and analysis of performance data and the evaluation of Higher Education Act programs that either lack funding set-asides to conduct these activities or where such set-asides are not sufficient to cover the costs of the

activities. The Department would use \$29 million to conduct research, evaluations, and demonstrations to test approaches for promoting postsecondary access, program completion, and high-quality, affordable education programs and \$1 million for activities to improve Higher Education program data quality and performance measurement.

## II. THE 2016 EDUCATION BUDGET BY PROGRAM AREA

### A. HIGH-QUALITY EARLY LEARNING

#### Overview

The Administration’s 2016 Budget renews President Obama’s call for universal preschool, supported by a 10-year, \$75 billion proposal to expand access to high-quality preschool through a Federal-State cost-sharing partnership that would guarantee universal access to every 4-year-old from low- and moderate-income families and create incentives for States to serve additional children from middle class families.

The Federal role in education has long been dedicated to closing the achievement gaps often experienced by students from low-income families, students with disabilities, English Learners, and racial and ethnic minorities. While we have seen some progress in recent years, these gaps remain unacceptably wide, diminishing the life prospects for far too many of our fellow citizens, often denying them their full share of the American dream, and, at the same time, slowing the growth and progress of our Nation.

It is well-established that these achievement gaps begin well before most children start school. For example, studies show that children from low-income families start kindergarten, on average, 12 to 14 months behind their peers in language development and pre-reading skills. We also know that children who attend high-quality preschool are better prepared for school, less likely to experience grade retention, score higher on reading and math assessments in the elementary grades, and more likely to graduate from high school than children who do not attend such programs. Moreover, these benefits are particularly strong for children from low-income families.

And it’s not just children who benefit from the educational gains of high-quality preschool; multiple long-term studies show that for every \$1 invested in high-quality preschool, taxpayers saved from \$7 to \$10 in future costs due to reduced remedial education costs, increased labor productivity, and reduced crime.

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

The President’s 2016 Budget request includes two proposals designed to improve access to high-quality preschool for all children from low- and moderate-income families.

#### Preschool for All

	<u>2014</u>	<u>2015</u>	2016 <u>Request</u>
BA in millions.....	—	—	\$1,300.0

The 2016 request includes \$1.3 billion to launch a 10-year, \$75 billion mandatory investment in Preschool for All, a new Federal-State partnership that would support State efforts to provide access to high-quality preschool for all 4-year-olds from low- and moderate-income families.

This proposal recognizes that high-quality preschool can provide the foundation for children’s success in school and help eliminate the school readiness gap between children from low- and higher-income families. The Preschool for All program would award Federal funds as an incentive for States to provide universal access to high-quality preschool, which includes the following elements: (1) high staff qualifications, including a bachelor of arts degree for teachers; (2) professional development for teachers and staff; (3) low staff-child ratios and small class sizes; (4) a full-day program; (5) developmentally appropriate, evidence-based curricula and learning environments that are aligned with State early learning and development standards; (6) individual accommodations and supports for children; (7) instructional staff salaries that are comparable to those for K-12 instructional staff; (8) ongoing program evaluation to ensure continuous improvement; (9) onsite comprehensive services for children; and (10) evidence-based health and safety standards.

Allocations to States would be based on States’ relative share of 4-year-olds from families at or below 200 percent of the Federal poverty level. States that already provide universal high-quality preschool for such children would be able to use program funds to provide high-quality, full-day kindergarten for children from low- and moderate-income families or, if this is already provided, to provide high-quality preschool programs for 3-year-olds from families at or below 200 percent of the Federal poverty level. The Federal Government would assume a significant share of the program costs in the first years of the program with States gradually assuming more responsibility over time.

Preschool Development Grants

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
<u>BA in millions.....</u>	\$250.0 <sup>1</sup>	\$250.0 <sup>1</sup>	\$750.0

<sup>1</sup> Appropriated under Race to the Top in fiscal year 2014 and under the Fund for the Improvement of Education in fiscal year 2015

The request includes \$750 million in discretionary funding for Preschool Development Grants, a significant expansion of the program—launched successfully in fiscal year 2014 with awards to 18 States—that would allow the Department to make competitive awards to nearly every State that submits a high-quality application. This program, which is jointly administered with the Department of Health and Human Services, paves the way for the successful implementation of Preschool for All by creating or expanding high-quality preschool programs that serve 4-year-olds from low- and moderate-income families. The grants support States seeking to: (1) build or expand high-quality preschool systems, including investments in workforce development and quality infrastructure components such as program standards, monitoring, and evaluation; and (2) scale up high-quality programs in targeted high-need communities that could serve as models for the Preschool for All initiative. The request also would expand the national activities reservation to 5 percent, in part to support proposed Pilots in Integrated Programming for Early Results (PIPER) in five to six communities that would test innovative approaches to strengthening the effectiveness of early learning interventions and improving the transitions of children from preschool into kindergarten through third grade.

## B. ELEMENTARY AND SECONDARY EDUCATION

### Overview

The 2016 request for elementary and secondary education includes \$26 billion for programs authorized under the Elementary and Secondary Education Act (ESEA), an increase of \$2.7 billion, or 11.8 percent, over the 2015 level. The foundation of this new investment is a \$1 billion increase for Title I Grants to Local Educational Agencies (LEAs), the cornerstone of Federal efforts to ensure that all students, including poor and minority students, students with disabilities, and English Learners, graduate from high school prepared for college and careers. Additional increases to support these goals include \$438 million for programs aimed at supporting teachers in the classroom while improving professional practice in science, technology, engineering, and mathematics (STEM); a \$180 million increase for Investing in Innovation (i3) to dramatically expand the use of evidence to close achievement gaps and improve other student outcomes; and nearly \$122 million in additional funding to expand the number of high-quality charter schools serving students in high-need communities.

The \$15.4 billion request for Title I Grants to LEAs reflects the increased numbers of students from low-income families that school districts and schools have been serving in recent years while, at the same time, they have been working to implement new college- and career-ready (CCR) standards and aligned assessments, close achievement gaps and turn around their lowest-performing schools, and use new educator evaluation systems to provide better support to teachers and improve instruction. The request also includes \$556 million for School Improvement Grants, a \$50 million increase that would expand support for States giving priority to evidence-based interventions to turn around persistently low-performing schools.

The \$300 million request for Investing in Innovation (i3), an increase of \$180 million, recognizes the essential, proven role of this pioneering program in developing, validating, and scaling up effective education practices and strategies. In particular, this increase would support greater numbers of the larger Scale-up awards that the Department anticipates making as applicants seek to build on the results of Development and Validation grants made in previous years, significantly expanding the benefits of proven interventions to more schools and students.

The 2016 request provides additional support for increasing the access of students in high-need districts and schools to highly effective teachers, ensuring teachers have the support necessary to be successful in the classroom, building the pipeline of effective teachers and principals, and helping teachers take full advantage of educational technology to implement effectively the new CCR standards and aligned assessments. The \$1 billion mandatory request for Teaching for Tomorrow (TFT) grants would fund competitive grants to assist States in dramatically improving teacher recruitment, selection, and early career supports, and support States and districts in increasing the retention of excellent teachers and implementing innovative, evidence-based models for induction, mentoring, evaluation, and support to improve teacher performance and increase access to effective teachers for all students. Building on lessons learned from the Teacher Incentive Fund, the \$350 million request for Excellent Educators Grants would support evidence-based initiatives to strengthen State and local systems for recruiting, developing, and retaining effective teachers and principals in high-need districts and schools. The new \$138.8 million Teacher and Principal Pathways proposal would support evidence-based investments in IHEs and nonprofit organizations, working closely with school districts, to carry out the important work of teacher and principal preparation. The \$200 million Educational Technology State Grants request would create exemplary models of support for teachers and

principals to ensure educators have the skills and tools to use technology effectively to improve instruction and personalize learning, while also building State capacity to identify and scale effective local practices to other districts.

The 2016 request also includes significant investments in effective and innovative schools, including a \$122 million increase for the Charter Schools Program and \$125 million for a STEM-focused Next Generation High School proposal designed to transform the high school experience for the 21<sup>st</sup> century, in part through closer links to postsecondary, research, and business partners in the public, private, and non-profit sectors. The Administration also would create an incentive, through a \$100 million Leveraging What Works competition, for LEAs to rethink their use of Federal formula grant funds, in combination with State and local resources, to support the innovative use of comprehensive, evidence-based strategies to improve student outcomes. Finally, the request reflects the Administration’s commitment to building ladders of opportunity for all children in every one of our communities, nearly tripling support (to \$150 million) for the Promise Neighborhoods program and dramatically expanding the Native Youth Community Projects initiative launched in fiscal year 2015, providing an additional \$50 million to support community-based solutions to educational and other challenges confronting youth in Native American communities.

Title I Grants to Local Educational Agencies

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$14,384.8	\$14,409.8	\$15,409.8

Title I Grants to Local Educational Agencies provide supplemental education funding, especially in high-poverty areas, for local programs that provide extra academic support to help raise the achievement of students at risk of educational failure or, in the case of schoolwide programs, to help all students in high-poverty schools meet challenging State academic standards. The program serves nearly 24 million students in 84 percent of school districts and more than half of all public schools, including 68 percent of the Nation’s elementary schools. Title I Grants to LEAs also provide the foundation for the ESEA’s accountability system, which emphasizes State and local responsibilities in the areas of standards and assessments, measuring student academic progress, supporting school improvement, and improving teacher quality.

The increase proposed for 2016 recognizes the challenges that States, school districts, and schools have faced in recent years in ensuring that an increasing number of students served under the program meet challenging new college- and career-ready standards (CCR). The request also would build State capacity, through an increase in the State-level set-aside of Title I funds from 1 percent to 3 percent, to support critical reforms, primarily under the ESEA flexibility requests that more than 40 States are implementing in the areas of CCR standards and aligned assessments, rigorous systems of differentiated accountability, support for low-performing schools, and educator evaluation systems.

Title I gives local districts and schools considerable flexibility in using Federal funds to support instructional strategies and methods that best meet local needs, including the “targeted assistance” model that supplements the regular education program for individual children deemed most in need of special assistance, or the “schoolwide” model that allows schools to use Title I funds in combination with other Federal, State, and local funds to improve the overall instructional program for all children in a school. Schools in which poor children account for at least 40 percent of enrollment are eligible to operate schoolwide programs, and in the

2012–2013 school year approximately 40,632 schools, or 74 percent of all Title I schools, operated these programs, which accounted for approximately 94 percent of participating students.

The ESEA encourages the use of Title I funds for effective educational practices grounded in scientifically based research. Schools must further ensure that services provided with Title I funds supplement the regular instruction that students would receive in the absence of Title I funds, such as by extending the school day, week, or year. The request includes strengthened comparability requirements that would help ensure that these supplemental Title I funds are added to an equitable base of State and local resources in the high-poverty schools that Title I serves. Schools also must provide ongoing professional development for staff working with disadvantaged students and carry out activities designed to increase parental involvement. Additionally, Title I funds may be used to support high-quality preschool programs for eligible children and joint professional development for school staff and other early childhood educators.

The Administration also is proposing an Equity and Outcomes Pilot for up to 10 participating Title I LEAs that would promote a more equitable and efficient use of funds. Grantees would commit to demonstrating that they are equitably distributing State, local, and Federal dollars—based on actual expenditures—to their highest poverty schools. In exchange, they would be allowed to use Title I and other Federal formula funds more flexibly at the district level to support comprehensive, evidence-based plans to improve achievement and outcomes for their lowest-achieving students in their high-poverty schools. Grantees also would report on student outcomes linked to expenditures at the school level to ensure that investments serve the lowest-achieving students effectively.

Finally, the request includes a modification of the appropriations language authority allowing the Department to reserve up to 0.5 percent of funds appropriated for all ESEA programs to support the comprehensive evaluation of the implementation, outcomes, impact, and cost-effectiveness of any individual ESEA programs. The Department would seek appropriations language allowing it to reserve funds from Titles I and III, which currently are excluded from this “pooled evaluation” authority, except that any reservation of Title I Grants to LEAs funds would be limited to 0.1 percent of the appropriation.

School Improvement Grants

	<u>2014</u>	<u>2015</u>	2016 <u>Request</u>
BA in millions.....	\$505.8	\$505.8	\$555.8

School Improvement Grants (SIG) continue to play a critical role in efforts to implement rigorous interventions in the Nation’s lowest-performing schools. Formula funds would be used by SEAs primarily to continue subgrants made with prior-year funds under new program requirements that reflect 2014 and 2015 appropriations language and lessons learned from 4 years of SIG implementation. These requirements, among other things, allow LEAs to implement additional intervention models, including an evidence-based, whole-school reform model; an alternative State-determined model; and a model that includes a focus on supporting early learning as an improvement strategy in the early elementary grades.

The requested increase would provide additional support to States that demonstrate a strong commitment to using SIG funds for evidence-based interventions, with new funds being used only for subgrants to LEAs that propose to implement proven interventions or school closures.

The Department would give priority to SEAs that commit to serving high schools with persistently low graduation rates. The Department also would continue to use up to 5 percent of funds for a range of capacity-building national activities, which may include rapid-cycle evaluation of the effectiveness of promising interventions.

Investing in Innovation (i3)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$141.6	\$120.0	\$300.0

This program supports innovative and proven approaches that address persistent education challenges while also building knowledge of what works in education. The i3 program uses a tiered-evidence framework to direct larger awards to projects with the strongest evidence base and supports promising projects that are willing to undergo rigorous evaluation. Grantees use funds to: (1) scale up strategies for which there is strong evidence (Scale-Up grants); (2) validate and expand efforts for which there is moderate evidence (Validation grants); or (3) develop and test promising approaches for which there is evidence of promise or a strong theory, but for which efficacy has not been systematically studied (Development grants). All i3 grantees are required to obtain matching funds from the private sector (matching requirements also correspond to funding tiers) to grow support for their efforts and increase their project's potential for sustainability.

The request would significantly expand support for a program that has demonstrated considerable success in identifying, validating, and scaling up evidence-based interventions and practices with great promise for helping to meet the toughest challenges in the American education system. In particular, the increase would support the greater numbers of Scale-Up grants that the Department expects to make based on the successful outcomes of Development and Validation grants made in previous years, bringing the benefits of proven interventions to more students and schools and addressing the growing demand from States, districts, and school leaders for effective tools and strategies that can help close achievement gaps and improve student outcomes.

The request also proposes allowing Federal, State, or local public funds to be used as matching funds, rather than limiting matching funds to private sources, to create an incentive to leverage existing education funding, including Federal formula funding, in support of evidence-based practices. Finally, the request would allow the Department to reserve up to \$50 million for a new Advanced Research Projects Agency-Education (ARPA-ED) to pursue development of breakthrough educational technology and tools that result in improvements for all students.

Teaching for Tomorrow

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	—	—	\$1,000.0

Excellent Educators Grants

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$288.8	\$230.0	\$350.0

The Administration’s request for Excellent Educators Grants (currently the Teacher Incentive Fund) would support evidence-based State and local initiatives to strengthen systems for recruiting, developing, and retaining effective teachers and school leaders in high-need districts and schools. States and school districts would use the requested funds to develop and implement innovative approaches to professional development and support, career advancement, and compensation based on analyses of local needs.

Teacher and Principal Pathways

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	—	—	\$138.8

The proposed Teacher and Principal Pathways programs are designed to help institutions of higher education and nonprofit organizations, working closely with school districts, carry out the important work of teacher and principal preparation. These programs would build on and replace current Department efforts under the School Leadership, Teacher Quality Partnership, and Transition to Teaching programs. Key elements of the proposed consolidation include greater flexibility for applicants and a stronger emphasis on the use of evidence-based practices in teacher and principal preparation.

Improving Teacher Quality State Grants

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$2,349.8	\$2,349.8	\$2,349.8

The request would support ongoing State and local efforts to improve teacher and principal effectiveness and help ensure that all students have equitable access to effective and highly effective teachers and principals. States and their LEAs are strengthening how they recruit and prepare new teachers and school leaders, how they use evaluation to provide meaningful support to teachers and school leaders, and how they keep the best teachers and leaders in schools in order to elevate the overall quality of instruction and improve student achievement. Teachers and principals are working hard to implement rigorous new college- and career-ready standards and assessments that will help improve student knowledge and preparation for success in higher education and the workforce. The request would provide funds to address educator needs by fostering teacher and principal collaboration and the creation of excellent instructional teams through efforts to recruit, prepare, evaluate, support, and retain effective teachers, principals, and other school leaders, especially in high-need LEAs, schools, fields, and subjects.

The request would also expand the current 2.3 percent reservation for the Supporting Effective Educator Development (SEED) program to 5 percent of the total appropriation for Improving Teacher Quality State Grants. Under the SEED program, the Department makes grants to national nonprofit organizations to support teacher and school leader enhancement projects with evidence of effectiveness and conducts related national leadership activities.

Educational Technology State Grants

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	—	—	\$200.0

The Administration’s request would help ensure teachers and leaders have the skills and tools to use technology effectively to improve instruction and personalize learning. States would make competitive subgrants to high-need districts that have basic technology infrastructure to support exemplary models for using technology, including practices that incorporate evidence on effective technology-based instruction to improve student outcomes and those that help build the evidence base on such instruction. A portion of the request also would be used to build State capacity to help districts use technology to improve instruction, as well as to identify and scale effective local practices to other districts in the State.

Mathematics and Science Partnerships

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$149.7	\$152.7	\$202.7

The Administration proposes a strengthened Mathematics and Science Partnerships program that would promote reforms in science, technology, engineering, and mathematics (STEM) education that are more cohesive than under current law and can better leverage local STEM assets, be more responsive to local STEM industry needs, and reach more students. Funds would be used for formula grants to States, which would be authorized to reserve a portion of their grants to support comprehensive State STEM education improvement plans in prekindergarten through grade 12. States would use remaining funds to make subgrants to eligible partnerships for an expanded range of allowable activities, including developing and increasing the use of evidence-based practices and providing students with opportunities for authentic STEM experiences in formal and informal settings.

The Department would be permitted to reserve up to \$25 million to make competitive grants directly to eligible partnerships that leverage local and regional resources and assets to carry out the expanded activities above, which could also include rigorous programs of STEM study that involve inquiry-, project-, and work-based learning as well as advanced coursework, including dual enrollment and other options for high school students to earn credit toward a postsecondary certificate or degree. The Department would also reserve up to 5 percent of funds for national activities, including a STEM Virtual Learning Network to accelerate identification and adoption of effective STEM education practices.

Charter Schools Grants

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$248.2	\$253.2	\$375.0

Through grants to SEAs, charter school developers, charter management organizations (CMOs), and other nonprofit organizations, the Charter Schools Grants program supports the start-up, replication, and expansion of effective charter schools in States with charter school laws. The request reflects the Administration’s strong desire to build on this program’s demonstrated success in supporting models of school reform that are effective in improving student outcomes. The request also includes new authority for SEA grantees to make

subgrants to CMOs and other nonprofit organizations to replicate and expand charter schools with demonstrated records of success in improving student achievement and attainment. The Department would prioritize support for the expansion of effective options for students attending high schools with persistently low graduation rates. Funds would also be used for grants to States and nonprofit entities to improve charter schools' access to facilities and for national activities.

Next Generation High Schools

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	—	—	\$125.0

This proposal would promote the whole school transformation of the high school experience in order to provide students with challenging and relevant academic and career-related learning experiences that prepare them to transition to postsecondary education and careers. Key elements would include: (1) redesigned academic content and instructional practices to align with postsecondary education and careers; (2) personalized learning opportunities and academic and wrap-around support services; (3) high-quality career and college exploration and counseling services; (4) opportunities to earn postsecondary credit while still in high school; (5) career-related experiences; (6) project-based learning; (7) more strategic use of learning time, which could include effective application of technology, redesigning school calendars, and competency-based progression; and (8) evidence-based professional development for educators.

Funds would support competitive grants to LEAs in partnership with institutions of higher education and other entities, such as nonprofit and community-based organizations, businesses, and other industry-related organizations that can help high schools prepare students to apply academic concepts to real world challenges. The Department would place a strong focus on projects designed to improve readiness for college and careers in STEM fields, particularly for student groups historically underrepresented in those fields.

Promise Neighborhoods

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$56.8	\$56.8	\$150.0

The request provides an increase to support new awards to local partnerships to develop and implement comprehensive, neighborhood-based plans for meeting the cradle-to-career educational, health, and social service needs of children and families in high-poverty communities. The core belief behind Promise Neighborhoods is that providing both effective, achievement-oriented schools and strong systems of support to children and youth in poverty would offer them the best hope for overcoming poverty and building a better life. In coordination with the Department of Housing and Urban Development (HUD), the Department would reserve a portion of 2016 funds for planning grants to communities that intend to apply for funding under both the Promise Neighborhoods and HUD's Choice Neighborhoods programs.

State Assessments

(BA in millions)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
State Grants .....	\$369.1	\$369.1	\$378.0
Enhanced Assessment Instruments .....	<u>8.9</u>	<u>8.9</u>	<u>25.0</u>
Total .....	378.0	378.0	403.0

The request for State Assessments would provide additional resources to States to support the effective implementation of assessments that are aligned to CCR standards that will help ensure that all students graduate from high school with the knowledge and skills they need to be successful in college and the workplace. A State could also use these funds to strengthen the capacity of LEAs and schools to provide all students the opportunity to increase their educational achievement, including conducting reviews of local assessments in an effort to eliminate redundancy and to ensure that they are of high-quality, maximize instructional goals, and are designed to help students achieve State standards. The Department would set aside \$25 million to support projects designed to help States address pressing needs they have identified for developing and implementing their assessments, which could include providing high-quality professional development for teachers using assessment data to improve instruction and meet student needs, helping parents understand how assessments provide information about their children's academic achievement and needs; developing computer-based or other new assessments or assessment items; using technology to help administer or analyze assessments; developing tools to help analyze the quality, alignment, and uses of assessments; or conducting research to contribute to assessment knowledge and quality.

Ready-To-Learn Television

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$25.7	\$25.7	\$25.7

The Ready-To-Learn Television program would support the development and distribution of educational video programming for preschool and elementary school children and their parents, caregivers, and teachers to facilitate student academic achievement. Fiscal year 2016 funds would be used to pay continuation costs for new awards planned for fiscal year 2015.

Striving Readers

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$158.0	\$160.0	\$160.0

Funds would be used for new awards under a re-focused program of competitive grants to LEAs that would support evidence-based literacy programs and interventions in high-need schools. Grantees would have flexibility to target interventions based on local needs, but must serve at least two grades to increase the program's impact within selected schools, and may propose school-wide interventions. Grantees also must propose interventions that: (1) meet the moderate evidence of effectiveness standard in the Education Department General

Administrative Regulations (EDGAR), and (2) are aligned with the State’s college- and career-ready English language arts standards.

Arts in Education

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$25.0	\$25.0	\$25.0

The Arts in Education program supports model projects and programs to integrate arts education into the regular elementary school and secondary school curriculum, through grants to support model development and dissemination and professional development for arts educators.

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

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$1,149.4	\$1,151.7	\$1,151.7

The request would support State and local efforts to implement in-school and out-of-school strategies for providing students (and, where appropriate, teachers and family members), particularly those in high-need schools, the additional time, support, and enrichment activities needed to improve student achievement. The Administration’s proposal would continue to allow funds to be used for before- and after-school programs, summer enrichment programs, and summer school programs, and would also permit States and eligible local entities to use funds to support expanded-learning-time programs during school hours.

Safe and Drug-Free Schools and Communities National Activities

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$90.0	\$70.0	\$90.0

This program supports competitive grants and other discretionary activities to foster a safe, secure, and drug-free learning environment; facilitate emergency management and preparedness; and prevent drug use and violence by students. The requested increase would support new LEA School Climate Transformation Grant awards, along with related technical assistance, to help schools train their teachers and other school staff to implement evidence-based behavioral intervention strategies to improve school climate. Funds also would support continuation awards for activities launched in fiscal year 2014 under the President’s Now Is The Time initiative to make our schools safer and protect our children from gun violence, including \$15 million for Project Prevent grants to LEAs to help schools in communities with pervasive violence break the cycle of violence.

Elementary and Secondary School Counseling

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$49.6	\$49.6	\$49.6

This program provides grants to LEAs to establish or expand elementary school and secondary school counseling programs, with the first \$40 million in appropriated funds reserved for elementary school programs. The presence of counselors in schools provides benefits for both students and teachers by helping to create a safe school environment, improve teacher effectiveness and classroom management, increase academic achievement, and promote student well-being and healthy development. The 2016 request would allow approximately 149 school districts to hire or train qualified school counselors, school psychologists, child and adolescent psychiatrists, and school social workers to provide students with beneficial counseling services, as well as to support the development of innovative strategies for providing school counseling services that show potential for replication and dissemination.

Physical Education

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$74.6	\$47.0	\$60.0

This program awards competitive grants to LEAs and community-based organizations to help cover the costs of initiating, expanding, and improving physical education programs (including after-school programs) for students in kindergarten through 12th grade, in order to make progress toward meeting State standards for physical education. Funds may be used to provide equipment and support to enable students to participate in physical education activities and for training and education for teachers and staff. The request would enable the program to continue 66 grants and make approximately 68 new awards, which would support implementation of community-wide strategies to increase child fitness, address the serious issue of childhood obesity, and help children develop more healthy lifestyles.

Advanced Placement

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$28.5	\$28.5	\$28.5

The Advanced Placement programs support State and local efforts to increase access to Advanced Placement, International Baccalaureate, and other approved advanced courses and tests for students from low-income families. Under the Test Fee program, the Department makes noncompetitive awards to States to cover all or part of the cost of advanced placement tests for these students. The Administration expects that the number of advanced placement tests taken by students from low-income families will continue to increase in 2016 and future years. To minimize the impact of limited Federal funding on students, the Department intends to issue regulations requiring States receiving Test Fee grants to provide matching funds. If implemented, these regulations would allow the Department to specify the minimum amount of matching funds a State must provide, based in part on available Federal resources, in the annual notice inviting applications for Test Fee grants.

In addition, the Department intends to set its maximum 2016 per-test contribution under the Test Fee program such that a portion of the request is available for new grants under the Incentive program. The Administration will also seek appropriations language allowing Incentive program funds to be used for activities expanding access to accelerated learning options beyond AP and IB programs and that allow students to take college-level courses (including courses in career

and technical education) and earn college credit while in high school, including dual-enrollment programs and early college high schools.

Magnet Schools Assistance

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$91.6	\$91.6	\$91.6

Under this program, the Department makes competitive 3-year grants to support high-quality magnet schools in LEAs implementing a desegregation plan. The request would support a new competition, through which the Department would continue to prioritize projects that promote education in science, technology, engineering, and mathematics.

Fund for the Improvement of Education (FIE)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$42.4	\$48.0	\$41.9

This authority supports nationally significant activities to improve the quality of elementary and secondary education at the State and local levels and help all students meet challenging State academic achievement standards. The request includes \$5 million to support interagency strategies to strengthen services to disconnected youth; \$1.3 million to continue the Data Quality Initiative, which helps ensure that program management decisions are based on sound information; and \$5 million for a Youth Data Pilot that supports communities in linking education and child welfare or other data systems to support early warning indicator systems. The request also includes \$10 million for a Non-Cognitive Skills initiative that would provide competitive grants to district and researcher partnerships to develop and test interventions that improve students’ non-cognitive skills—such as collaborative problem solving and resilience—in the middle school grades, a time when many students lose interest in, engagement with, and motivation for academic work, increasing the likelihood of dropping out of high school.

Leveraging What Works

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	—	—	\$100.0

This new program would make competitive awards that would create an incentive for LEAs to rethink their use of Federal formula grant funds, in combination with State and local resources, to support the innovative use of comprehensive, evidence-based strategies to improve student outcomes. The program would reward both the use of evidence-based practices as well as efforts to build our knowledge of “what works” in our classrooms and schools. To receive an award, LEAs would commit to use grant funds, in combination with existing Federal formula funds and State and local resources, for activities for which there is moderate or strong evidence of effectiveness, based on the standards in the EDGAR. Applicants also would agree to report annually on per-pupil expenditures and student outcomes in a manner that supports the calculation of return on investment for selected interventions.

English Language Acquisition

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$723.4	\$737.4	\$773.4

This program awards formula grants to States based on each State’s share of the Nation’s English Learners (ELs) and recent immigrant students. The proposed \$36 million increase would help States and school districts meet the educational needs of the growing numbers of EL students enrolled in their schools, including meeting challenging State academic content and student academic achievement standards. Funds are distributed to States based on a formula that takes into account the number of immigrant and EL students in each State.

States must develop annual measurable achievement objectives for EL students that measure their success in achieving English language proficiency and meeting challenging State academic content and achievement standards. Schools use the funds to implement evidence-based language instruction educational programs designed to help LEP students achieve these standards.

Title I State Agency Programs

(BA in millions)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
Migrant Education .....	\$374.8	\$374.8	\$374.8
Neglected and Delinquent Education .....	<u>47.6</u>	<u>47.6</u>	<u>47.6</u>
Total .....	422.4	422.4	422.4

Migrant Education

State Grants provide formula-based assistance in meeting the educational needs of more than 200,000 children of migrant agricultural workers and fishers, including overcoming educational disruption and other challenges resulting from repeated moves, so that these students can meet the same academic standards expected of all children. The Department uses a portion of funding to improve inter- and intra-State coordination of migrant education activities, including State exchange of migrant student data records through the Migrant Student Information Exchange system.

Neglected and Delinquent Education

This Title I program provides formula grants to States in order to support education services for neglected and delinquent children and youth in local and State-run institutions, attending community day programs, and in correctional facilities. The request would help an estimated 98,000 neglected and delinquent students return to and complete school and obtain employment after they are released from State institutions.

Education for Homeless Children and Youths

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$65.0	\$65.0	\$71.5

Education for Homeless Children and Youths provides formula grants to States, which subgrant most funds to local educational agencies for services and activities that help homeless children enroll in, attend, and succeed in school, such as preschool programs, enriched supplemental instruction, before- and after-school programs, transportation, and health care referrals. States may reserve funds for State-level activities, including implementing a comprehensive State plan for the education of these children. The \$6.5 million increase proposed for 2016 reflects the fact that while program funding has remained flat since fiscal year 2010, the number of enrolled homeless students reported by States increased by a third between fiscal years 2010 and 2013 (the most recent year for which data are available), from 939,903 students to 1,258,182 students. The requested increase would help ensure that States and LEAs can provide the services needed to improve educational outcomes for homeless children and youth.

Rural Education

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$169.8	\$169.8	\$169.8

The Rural Education Achievement Program (REAP) authorizes 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>2014</u>	<u>2015</u>	<u>2016 Request</u>
Grants to Local Educational Agencies .....	\$100.4	\$100.4	\$100.4
Special Programs for Indian Children .....	18.0	18.0	68.0
National Activities .....	<u>5.6</u>	<u>5.6</u>	<u>5.6</u>
Total .....	123.9	123.9	173.9

Indian Student Education programs supplement the efforts of State and local educational agencies and Indian tribes to improve educational opportunities for Indian children. The programs link these efforts to broader educational reforms underway in States and localities in order to ensure that Indian students benefit from those reforms and achieve to the same challenging academic standards as other students.

Grants to Local Educational Agencies provide formula grants to LEAs and to schools operated and supported by the Department of the Interior’s Bureau of Indian Education for activities to improve the educational achievement of Indian students. The request for Special Programs for Indian Children includes: (1) \$52.9 million for new and continuing Native Youth Community Project awards to ensure the college- and career-readiness of Indian students by supporting projects that implement culturally relevant and coordinated strategies that are informed by evidence and data and address the greatest in- and out-of-school barriers facing students, (2) \$8.0 million for new and continuing grant awards to support projects in the areas of early childhood and secondary-to-postsecondary-education transition, and (3) \$6.4 million to continue competitive grants for the American Indian Teacher Corps and the American Indian Administrator Corps to support training of Indians to become teachers and administrators in schools that serve concentrations of Indian children. The request also provides \$5.6 million for National Activities, which funds State-Tribal Education Partnership (STEP) grants to tribal education agencies (TEAs), and research, evaluation, and data collection designed to fill gaps in our understanding of the educational status and needs of Indians and to identify educational practices that are effective with Indian students.

Education for Native Hawaiians

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$32.4	\$32.4	\$33.4

This program supports the provision of supplemental education services to the Native Hawaiian population by awarding competitive grants to eligible applicants for a variety of authorized activities in such areas as teacher training, family-based education, gifted and talented education, special education, higher education, and community-based education learning centers. The program also supports the activities of the Native Hawaiian Education Council, which helps coordinate the educational and related services and programs available to Native Hawaiians.

Alaska Native Education Equity

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$31.5	\$31.5	\$32.5

This program awards competitive grants to eligible applicants to support a variety of authorized activities, including the development and implementation of curricula and educational programs, professional development activities for educators, the development and operation of home instruction programs that help ensure the active involvement of parents in their children’s education, family literacy services, student enrichment programs in science and mathematics, and dropout prevention programs.

Comprehensive Centers

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$48.4	\$48.4	\$55.4

The Comprehensive Centers provide intensive technical assistance to increase the capacity of State educational agencies to help districts and schools implement ESEA programs and

requirements and meet State targets for student achievement. The current system includes 15 regional Centers that work with SEAs within specified geographic regions to help them implement ESEA school improvement measures and objectives. In addition, seven Content Centers provide indepth, specialized support in key areas, with separate Centers focusing on: (1) standards and assessment, (2) great teachers and leaders, (3) school turnaround, (4) enhancing early learning outcomes, (5) college- and career-readiness and success, (6) building State capacity and productivity, and (7) innovations in learning. The request would provide additional resources to the Centers to better address State needs, partially restoring program funding to the 2009 level, to provide more intensive and coordinated assistance to SEAs as well as to the Bureau of Indian Education.

### Impact Aid

(BA in millions)

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
Payment for Federally Connected Children:			
Basic Support Payments .....	\$1,151.2	\$1,151.2	\$1,151.2
Payments for Children with Disabilities .....	48.3	48.3	48.3
Facilities Maintenance.....	4.8	4.8	71.6
Construction .....	17.4	17.4	17.4
Payments for Federal Property .....	<u>66.8</u>	<u>66.8</u>	<u>0.0</u>
Total .....	1,288.6	1,288.6	1,288.6

The Impact Aid program provides financial assistance to school districts affected by Federal activities. The presence of certain children living on Federal property across the country can place a financial burden on the LEAs that educate them because such property is exempt from local property taxes, denying LEAs access to the primary source of revenue used by most communities to finance education. Impact Aid helps replace the lost local revenue that would otherwise be available to LEAs to pay for the education of these children.

The \$1.15 billion request for Basic Support Payments would provide formula grants for both regular Basic Support Payments and Basic Support Payments for Heavily Impacted LEAs. The \$48.3 million request for Payments for Children with Disabilities would provide formula grants to help eligible districts meet their obligations under the Individuals with Disabilities Education Act to provide a free appropriate public education for federally connected children with disabilities. The \$71.6 million request for Facilities Maintenance would allow the Department to make nearly all repairs and upgrades to the 12 remaining schools for which it retains financial responsibility, thus clearing the way for transfer of these schools to the LEAs that operate them. The entire \$17.4 million request for Construction would be used for competitive grants to the LEAs with the greatest need and would provide sufficient assistance to enable those LEAs to make major repairs and renovations. The Administration requests no funds for Payments for Federal Property because these payments compensate LEAs for lost property tax revenue due to the presence of Federal lands without regard to whether those districts educate any federally connected children.

Training and Advisory Services (Title IV of the Civil Rights Act)

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
BA in millions.....	\$6.6	\$6.6	\$6.6

This program supports 10 regional Equity Assistance Centers, selected competitively, that provide services to school districts on issues related to discrimination based on race, gender, and national origin. Typical activities include disseminating information on successful practices and legal requirements related to nondiscrimination, providing training to educators to develop their skills in specific areas, such as in the identification of bias in instructional materials, and technical assistance on selection of instructional materials. The request would support the first year of funding for a new cohort of Equity Assistance Center grantees, as well as the annual administration of a customer satisfaction survey and an analysis of its results.

Supplemental Education Grants (Compact of Free Association Amendments Act)

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
BA in millions.....	\$16.7	\$16.7	\$16.7

The request would maintain support for Supplemental Education Grants to the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI), as authorized by the Compact of Free Association Amendments Act of 2003 (P.L. 108-188). Under this program, the Department transfers funds and provides recommendations on the uses of those funds to the Department of the Interior, which makes grants to the FSM and the RMI for educational services that augment the general operations of the educational systems of the two entities.

P.L. 108-188 eliminated RMI and FSM participation in most domestic formula grant programs funded by the Departments of Education, Health and Human Services, and Labor, and created this program to supplement separate education programs under the Compact. The request would allow the RMI and the FSM to support programs that focus on improving the educational achievement of students in the two Freely Associated States.

## C. SPECIAL EDUCATION AND REHABILITATIVE SERVICES

### Overview

The Administration is committed to providing Americans with disabilities the opportunities and services they need to succeed in school, in the workplace, and in the community. The fiscal year 2016 Budget supports a wide range of programs that can improve educational, employment, and independent living outcomes for people with disabilities.

The \$12.8 billion request for Special Education programs focuses on improving educational and early intervention outcomes for children with disabilities. The Administration is committed to ensuring that all children, including children with disabilities, have an equal opportunity to participate in a high-quality education; are expected to perform to high levels; and to the maximum extent possible, are prepared to lead productive, independent lives. For the Grants to States program, the Administration is requesting \$11.7 billion, an increase of \$175 million from fiscal year 2015, to maintain the Federal contribution toward meeting the excess cost of special education at approximately 16 percent of the national average per pupil expenditure and provide an estimated average of \$1,768 per student for about 6.6 million children ages 3 through 21. The \$175 million increase would support special education and related services and provide additional resources to States and local educational agencies (LEAs) to focus on improving results for children with disabilities.

Funding for the Preschool Grants program would be increased by \$50 million (for a total request of \$403.2 million) to provide special education and related services to children ages 3 through 5. Under the current statute, LEAs may reserve up to 15 percent of the funds they receive under Part B of the Individuals with Disabilities Act (IDEA) to provide coordinated early intervening services (CEIS) to children in grades kindergarten through 12. Early intervention can reduce the need for costlier services later in a child's life, and this may be especially true for intervening services provided during early childhood. The Administration, therefore, is requesting additional flexibility to allow LEAs to provide CEIS to children ages 3 through 5. In addition, to encourage LEAs to expand the age range of students eligible for CEIS, the Administration is requesting a waiver of some reporting requirements in order to reduce burden on LEAs who opt to exercise this flexibility for children 3 through 5.

The request also includes a \$65 million increase (for a total request of \$503.6 million) for the Grants for Infants and Families (Part C) program to assist States in providing high-quality early intervention services to approximately 340,000 infants and toddlers with disabilities and their families. The Administration's request would reserve \$15 million of this increase for Pay for Success pilots to expand early screening and early intervention services to infants and toddlers who would not otherwise qualify for services under Part C of the IDEA in their State.

The \$235.1 million request for Special Education National Activities would maintain support for technical assistance, dissemination, training, and other activities that assist States, LEAs, parents, and others in improving results for children with disabilities. The request for the Technical Assistance and Dissemination program includes a \$10 million increase to support Results Driven Accountability Implementation grants. These competitive grants to States would provide targeted support to identify and implement promising, evidence-based reforms that would improve service delivery for children with disabilities while also building State and local capacity to continue to improve outcomes for those children in the long-term.

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

People with disabilities represent a vital and integral part of our society, and the Administration remains committed to ensuring that individuals with disabilities have the opportunities to compete for and enjoy high quality employment in the 21<sup>st</sup> century global economy. The \$3.4 billion request for the Vocational Rehabilitation (VR) State Grants program includes an increase of \$56.7 million over the fiscal year 2015 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. WIOA strengthened the alignment of the VR program with other components of the workforce development system to ensure a coordinated and streamlined system. As an integral partner in this system, the VR program is the primary Federal vehicle for assisting individuals with disabilities, particularly individuals with the most significant disabilities, to prepare for, obtain, retain, or advance in high-quality employment.

The 2016 request also includes appropriations language that would allow the Department to use amounts under the VR State Grants program that would otherwise return to the Treasury to support innovative activities aimed at improving outcomes for individuals with disabilities. The requested language also would provide authority for these funds to remain available for Federal obligation until September 30, 2017.

The Administration requests \$30.5 million for the Supported Employment State Grants program, an increase of \$3 million over the 2015 level to assist State agencies in meeting the new challenges and opportunities resulting from WIOA. WIOA made several significant changes to this program in order to maximize the potential of individuals with the most significant disabilities, particularly youth, which require ongoing supports to achieve competitive integrated employment.

Section 491 of WIOA transferred several programs from the Department's Office of Special Education and Rehabilitative Services to the Administration for Community Living in the Department of Health and Human Services. Consequently, the Department's 2016 request does not include funds for the State Independent Living Services program, the Centers for Independent Living program, programs under the Assistive Technology Act of 1998 (including the Alternative Financing Program), and the National Institute on Disability and Rehabilitation Research.

The Budget includes \$212.2 million for special institutions for persons with disabilities, including \$24.9 million for the American Printing House for the Blind, \$67.0 million for the National Technical Institute for the Deaf, and \$120.3 million for Gallaudet University.

## Special Education

### Grants to States

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$11,472.8	\$11,497.8	\$11,672.8
Estimated average Federal share per child (in whole dollars).....	\$1,743	\$1,742	\$1,768

The Grants to States program, which is authorized under the IDEA, makes formula grants that help States pay the additional costs of providing special education and related services to children with disabilities aged 3 through 21 years. The request, an increase of \$175 million over fiscal year 2015, would provide a per-child average of \$1,768 for an estimated 6.6 million children with disabilities, which would maintain the Federal contribution of about 16 percent of the national average per pupil expenditure.

Under the IDEA, States are required to provide a free appropriate public education to all children with disabilities. Services are provided in accordance with individualized education programs that are developed by teams that include the child's parents; a special educator; a representative of the local educational agency; a regular educator, if appropriate; and others. In addition, services must be provided, to the maximum extent appropriate, in the least restrictive environment, which for most children means in classes with children who are not disabled. Students with disabilities also must be included in general State and district-wide assessments, including the assessments required under ESEA, and States must provide appropriate accommodations, where necessary, to enable children with disabilities to participate in these assessments, or alternate assessments for those children who cannot participate in regular assessments.

The request for Grants to States also includes \$17.0 million that would be reserved for technical assistance to improve the capacity of States to meet the data collection requirements of the IDEA.

### Preschool Grants

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$353.2	\$353.2	\$403.2

This program provides formula grants to help States make a free appropriate public education available to all children with disabilities ages 3 through 5. The request would provide an estimated \$541 per child for approximately 745,000 children to supplement funds provided under the Grants to States program and help to ensure that young children with disabilities are ready to learn when they enter school.

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

Grants for Infants and Families

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$438.5	\$438.6	\$503.6

This program provides formula grants to help States implement statewide systems of early intervention services for infants and toddlers with disabilities and their families, so that State and local agencies identify and serve children with disabilities early in life when interventions can be most effective in improving educational outcomes. The request would enable States to provide high-quality early intervention services to approximately 340,000 infants and toddlers with disabilities and their families.

The request also includes \$15 million for Pay for Success projects which would support expanded early screening, early intervention, and other services for infants and toddlers with disabilities and at-risk infants and toddlers who would otherwise not qualify for services under Part C of the IDEA in their State. The Pay for Success model relies on private investors, who provide the capital necessary to expand or create promising programs in exchange for performance-based payments tied to the achievement of targeted outcomes, and permits the Government to fund only those programs that meet or exceed expectations.

State Personnel Development

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$41.6	\$41.6	\$41.6

This program provides competitive grants to help States reform and enhance their systems for personnel preparation and professional development in the areas of early intervention, educational, and transition services in order to improve outcomes for children with disabilities. The 2016 request would help cover the cost of approximately 39 new and continuation awards to State educational agencies to improve the knowledge and skills of special education and regular education teachers serving children with disabilities and help recruit and retain highly qualified personnel providing services to children with disabilities.

Technical Assistance and Dissemination

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$44.3 <sup>1</sup>	\$44.3 <sup>1</sup>	\$54.3

<sup>1</sup> Excludes \$7.58 million for the Special Olympics, which is requested as a separate line item in 2016.

This program funds competitive grants for technical assistance and dissemination of materials based on knowledge gained through research and practice. The request, which is in addition to the separate \$17 million set-aside under the Grants to States program to help States meet data collection requirements, would support continuation costs for projects initiated in previous years.

The request includes an increase of \$10 million to support Results Driven Accountability Implementation grants, which would provide competitive grants to States to build capacity to implement State Systemic Implementation Plans to improve results for children with disabilities

ages birth through 21. These implementation grants would be used by States to identify and implement promising, evidence-based reforms that would improve service delivery for children with disabilities while building State and local capacity to improve long-term outcomes for those children.

#### Personnel Preparation

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$83.7	\$83.7	\$83.7

This program helps ensure that there are adequate numbers of personnel with the skills and knowledge necessary to help children with disabilities succeed educationally. Program activities focus both on meeting the demand for personnel to serve children with disabilities and improving the qualifications of these personnel, with particular emphasis on incorporating knowledge gained from research and practice into training programs. The Department is required to support (1) training for leadership personnel and personnel who work with children with low-incidence disabilities, (2) at least one activity in the broadly defined area of personnel development, and (3) enhanced support for beginning special educators.

#### Parent Information Centers

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$27.4	\$27.4	\$27.4

These funds support centers that provide parents with the training and information they need to work with professionals to meet the early intervention and special education needs of their children with disabilities. The request would support new competitive grants and continuation awards for about 103 centers as well as awards to provide technical assistance to the centers.

#### Educational Technology, Media, and Materials

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$28.0	\$28.0	\$28.0

This program (formerly known as the Technology and Media Services 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 early intervention services. Funds also support media-related activities, such as providing video description and captioning of films and television for use in classrooms for individuals with visual and hearing impairments and increasing the availability of books in accessible formats for individuals with visual impairments and other print disabilities. The request includes \$21.3 million for continuation awards and \$6.7 million for new awards.

Special Olympics Education Programs

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$7.58 <sup>1</sup>	\$7.58 <sup>1</sup>	\$7.58

<sup>1</sup> Funds were provided under the Technical Assistance and Dissemination program.

This program supports the expansion of Special Olympics and the design and implementation of Special Olympics education programs. The request includes funds to support Project UNIFY, a school-based education program designed to develop teamwork skills and increase awareness and social acceptance of individuals with intellectual disabilities.

## Rehabilitation Services

Vocational Rehabilitation (VR) State Grants

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$3,064.3	\$3,335.1 <sup>1</sup>	\$3,391.8

<sup>1</sup> The amount shown for fiscal year 2015 is the mandatory level for the VR State Grants program and does not include the 7.3 percent sequester reduction for mandatory programs that went in to effect October 1, 2013, pursuant to the Budget Control Act of 2011. The reduced fiscal year 2015 amount is \$3,091.6 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 over 1 million individuals with disabilities annually, including vocational evaluation, counseling and guidance, work adjustment, diagnosis and treatment of physical and mental impairments, education and vocational training, job placement, and post-employment services. States that are unable to serve all eligible individuals with disabilities who apply must give priority to individuals with the most significant disabilities. Services are provided according to an individualized plan for employment. In implementing the changes to Titles I and IV of WIOA, the Department is working with its partners in the Federal workforce development system to improve employment outcomes for individuals with disabilities, particularly individuals with significant disabilities and youth with disabilities.

The Department's request would assist States and Tribal governments to increase the participation of individuals with disabilities in the workforce. Giving workers with disabilities the supports and the opportunity to acquire the skills that they need to pursue in-demand jobs and careers is critical to growing our economy. The requested increase (\$56.7 million over the fiscal year 2015 mandatory level) is consistent with the inflation adjustment specified in the authorizing statute (1.7 percent for 2016). Of the amount requested for VR State grants, \$41.2 million would be set aside to support grants under the American Indian Vocational Rehabilitation Services program. In 2014, the VR program helped over 183,000 individuals with disabilities—92 percent with significant disabilities—achieve employment outcomes.

Supported Employment State Grants

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$27.5	\$27.5	\$30.5

This formula grant program provides supplemental funds to State VR agencies for supported employment services for individuals with the most significant disabilities. The amendments made to this program under WIOA reflect supported employment’s important role in increasing competitive integrated employment opportunities for such individuals, particularly youth with the most significant disabilities. The requested increase would help State agencies offset the increased costs associated with meeting the new challenges and opportunities resulting from WIOA.

Client Assistance State Grants

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$12.0	\$13.0	\$13.0

This program makes formula grants to States for activities to inform and advise clients of 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 55,400 individuals with disabilities.

Training

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$33.7	\$30.2	\$30.2

The Training program makes competitive grants to State and other public or nonprofit agencies and organizations, including institutions of higher education, to help ensure that personnel with adequate skills are available to provide rehabilitation services to persons with disabilities. The decreased level of support in fiscal years 2015 and 2016 reflects the elimination of the funding set-aside for the In-Service Training program, which was eliminated under WIOA. VR State Grant funds can be used for training State agency personnel, consistent with each agency’s Comprehensive System of Personnel Development plan under Title I of the Rehabilitation Act.

Demonstration and Training

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$5.8	\$5.8	\$5.8

This program supports competitive grants and contracts to expand and improve the provision and effectiveness of programs and services authorized under the Rehabilitation Act or to further the purposes of the Act in promoting the employment and independence of individuals with disabilities in the community. Funds are used to support model demonstrations, technical assistance, and projects designed to improve program performance and the delivery of VR and independent living services. All of the funds requested would be used to support the continuation costs of projects awarded in previous fiscal years, including approximately

\$3.6 million to continue support for the Career Pathways Model Projects to be awarded in fiscal year 2015.

Independent Living Services for Older Blind Individuals

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$33.3	\$33.3	\$33.3

The Independent Living Services for Older Blind Individuals program assists individuals aged 55 or older whose severe visual impairments make competitive employment difficult to obtain, but for whom independent living goals are feasible. 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 2013, the program served over 60,000 with severe visual impairments.

Protection and Advocacy of Individual Rights (PAIR)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$17.6	\$17.6	\$17.7

This 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 60,100 individuals with disabilities.

Helen Keller National Center for Deaf-Blind Youths and Adults

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$9.1	\$9.1	\$9.8

This program serves individuals who are deaf-blind, their families, and service providers through a national headquarters center with a residential training and rehabilitation facility and a network of 10 regional offices that provide referral, counseling, training, and technical assistance services. The funds requested would provide direct services for approximately 65 clients at the Center's residential training and rehabilitation program, and serve an estimated 1,500 consumers, 350 families, and 800 agencies and organizations through its regional offices. The \$713,000 increase requested for fiscal year 2016 would support one-time renovation projects to address safety and infrastructure needs and help to upgrade facilities to comply with the American with Disabilities Act.

Special Institutions for Persons with Disabilities  
(BA in millions)

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
American Printing House for the Blind .....	\$24.5	\$24.9	\$24.9
National Technical Institute for the Deaf .....	66.3	67.0	67.0
Gallaudet University .....	<u>119.0</u>	<u>120.3</u>	<u>120.3</u>
Total .....	209.8	212.2	212.2

American Printing House for the Blind (APH)

The APH manufactures and distributes specially adapted educational materials for students who are visually impaired, offers advisory services for consumers and educational agencies, and conducts applied research related to the development of new products. At the request level, APH would provide free educational materials to approximately 60,000 persons with visual impairments at an average per student allotment of \$298, continue funding for initiatives to improve its technical assistance and outreach services, and support a variety of new and continuing research projects.

National Technical Institute for the Deaf (NTID)

The NTID provides postsecondary technical education and training for students who are deaf as well as graduate education and interpreter training for persons who are deaf or hearing. NTID also conducts research and provides training related to the education and employment of individuals who are deaf. The request would support education and training for approximately 1,195 undergraduate and technical students, 90 graduate students, and 147 interpreters for persons who are deaf.

Gallaudet University

Gallaudet University offers undergraduate, continuing education, and graduate programs for persons who are deaf and hearing. Gallaudet also maintains and operates the Kendall Demonstration Elementary School and Model Secondary School for the Deaf. The request provides \$120.3 million for operations, including funds that may be used for the Endowment Grant program. The request would help Gallaudet serve an estimated 1,831 undergraduate and graduate students and 275 elementary and secondary education students in the 2015–2016 school year.

D. CAREER, TECHNICAL, AND ADULT EDUCATION

Overview

Programs in the Career, Technical, and Adult Education account provide formula grants to States to support State and community efforts to improve career and technical education, adult education and literacy systems, and competitive grants and contracts for evaluation, performance measurement and improvement, technical assistance, research and development, innovative programs, and other national activities. For 2016, the Administration is requesting \$1.3 billion to support its proposal to reauthorize the Carl D. Perkins Career and Technical Education Act programs. This proposal would increase the rigor and relevance of what students learn in school to more closely align programs with the demands of the 21<sup>st</sup> century economy and workforce while creating stronger linkages between secondary and postsecondary education. The 2016 request also includes \$588.7 million for Adult Education programs.

Career and Technical Education  
(BA in millions)

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
State Grants .....	\$1,117.6	\$1,117.6	\$1,317.6
National Programs .....	<u>7.4</u>	<u>7.4</u>	<u>9.4</u>
Total .....	1,125.0	1,125.0	1,327.0

Funds for the Career and Technical Education (CTE) State Grants program would support the first year of activity under a reauthorized Carl D. Perkins Career and Technical Education Act (Perkins Act). In April 2012, the Administration released “Investing in America’s Future: A Blueprint for Transforming Career and Technical Education,” which outlined the Administration’s proposal for reauthorizing the Perkins Act to help ensure that all CTE programs become viable and rigorous pathways to postsecondary and career success. The Blueprint calls for transforming CTE by promoting:

- Strong collaboration among secondary and postsecondary institutions, employers, and industry partners to improve the quality of CTE programs;
- Meaningful accountability for improving academic outcomes and building technical and employability skills in CTE programs for all students; and
- Effective alignment between high-quality CTE programs and labor market needs to equip students with 21<sup>st</sup>-century skills and prepare them for in-demand occupations in high-growth industry sectors; and
- Increased emphasis on innovation through a new CTE Innovation Fund that would support the development and implementation of new practices and models at the local level as well as systemic reform of State policies and practices.

The request provides \$200 million for a new American Technical Training Fund within the proposed CTE Innovation Fund that would support the development, operation, and expansion of innovative, evidence-based job training programs in high-demand fields that provide a path to the middle class for low-income individuals. Programs would emphasize strong employer

partnerships, work-based learning opportunities, accelerated training, and flexible scheduling to accommodate part-time work. These features would help workers gain the skills for employment in growing fields with significant numbers of middle-class jobs that local employers are trying to fill, such as energy, IT, and advanced manufacturing. The Department would make grant awards to institutions of higher education, local educational agencies serving high school students, or non-accredited training providers, in consortia with industry organizations, employers, workforce investment boards, and economic development agencies. The Fund would be jointly administered with the Department of Labor to help ensure that projects are well-integrated into the workforce system.

CTE National Programs would support implementation of a reauthorized Perkins Act through research, evaluation, data collection, technical assistance, and other national leadership activities aimed at improving the quality and effectiveness of career and technical education. The request includes a \$2 million increase to provide technical assistance and evaluation support for projects under the American Technical Training Fund.

Adult Education  
(BA in millions)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
Adult Basic and Literacy Education			
State Grants.....	\$564.0	\$569.0	\$569.0
National Leadership Activities.....	<u>13.7</u>	<u>13.7</u>	<u>19.7</u>
Total .....	577.7	582.7	588.7

Adult Basic and Literacy Education State Grants assist adults without a high school diploma or the equivalent to become literate and obtain the knowledge and skills necessary for postsecondary education, employment, and economic self-sufficiency. The Adult Education and Family Literacy Act, which was reauthorized in July 2014 as Title II of the Workforce Innovation and Opportunity Act, promotes better alignment of the Adult Education program with Federal job training programs and the postsecondary education system. The reauthorized State Grants program includes a statutory set-aside for English Literacy/Civics Education to help States and communities provide adults learning English with expanded access to high-quality English literacy programs linked to civics education.

Funds proposed for National Leadership Activities would continue to support efforts to increase the literacy and workforce skills of adults born in the U.S., as well as the ongoing need to address the English language acquisition, literacy, and workforce skills gaps of the immigrant population and to promote reentry education. The proposed \$6 million increase would be used to support State-based efforts to improve adult education standards and assessments and to carry out data collection activities during the first year of full implementation of the reauthorized Adult Education programs.

## E. STUDENT FINANCIAL ASSISTANCE

### Overview

The student financial assistance programs provide important resources to students and families to help them achieve their dreams of a postsecondary education. Over the course of his Administration, President Obama has focused on targeted investments in and improvements to these programs, ending student loan subsidies for private financial institutions and banks and delivering \$60 billion in savings to students and their families, including increasing the maximum Pell Grant award by more than \$1,000, creating and extending the American Opportunity Tax Credit, making loans more affordable, and helping borrowers manage their education debt. President Obama also took action to make student loans more affordable by proposing regulations in 2012 and 2014 to allow nearly 7 million additional Federal Direct student loan borrowers the opportunity to cap their student loan payments at 10 percent of their discretionary income and have any remaining balance forgiven after 20 years of payments. He also proposed new strategies designed to target the PAYE plan to struggling borrowers. The 2016 request continues this focus on improving college affordability, access and student outcomes, and driving higher performance in postsecondary education.

Overall, the 2016 Budget for postsecondary student aid includes both discretionary and mandatory funding that would make available \$148.2 billion in new grants, loans, and work-study assistance—an increase of \$50.5 billion, or 52 percent, over the amount available in 2008—to help an estimated 13.2 million students and their families pay for college. Key proposals include:

#### Continuing Pell Grant Inflationary Increases

The College Cost Reduction and Access Act of 2007, as amended, provides the mandatory funds needed to index the maximum Pell Grant award to inflation through the 2017–18 award year (fiscal year 2017), after which these adjustments are set to expire. The Budget would continue to index Pell Grants to inflation after 2017, consistent with Administration policy to ensure that students have access to a maximum Pell award that keeps up with inflation. Extending inflationary increases to Pell Grants would cost \$30 billion over 10 years.

#### FAFSA Simplification

The Department of Education has taken administrative steps to greatly improve the Federal financial aid process. Today, more than 99 percent of Free Application for Federal Student Aid (FAFSA) applications are submitted online. The online FAFSA uses skip-logic, which allows applicants to skip questions that are not pertinent, expediting completion. On average, students complete the online FAFSA in 20 minutes, down from over an hour in 2009. Moreover, more than 65 percent of students and more than 50 percent of parents with available data use the IRS Data Retrieval Tool, which allows students and parents to access and transfer their IRS tax return information into the FAFSA.

Despite these improvements, the FAFSA requires some applicants to complete over 100 questions to determine their eligibility for Federal student aid, and this complexity discourages many eligible students from applying for aid: an estimated 2 million students who would have qualified for a Pell Grant failed to complete the application. The FAFSA could be further shortened and simplified by removing data elements pertaining to assets and additional types of income and by relying primarily on information readily available in Federal tax returns,

making it more understandable and easier for applicants to complete. That is why the President's 2016 Budget proposes additional and significant FAFSA simplification by removing questions regarding savings, investments, and net worth. Additionally, untaxed income and exclusions from income data that are not reported to the IRS would no longer be collected. Together with the retrieval tool, this would remove up to 30 questions from the FAFSA, thereby reducing the FAFSA approximately by a third. To prevent resulting decreases of aid awards, the Budget also proposes adjustments to the Expected Family Contribution for certain categories of applicants.

### Reforming and Streamlining Income-Driven Repayment

In October 2011, the Administration announced the Pay As You Earn (PAYE) initiative to accelerate the new terms of the Income-Based Repayment (IBR) plan as modified in the Health Care and Education Reconciliation Act, and in 2012 those benefits were extended to certain eligible borrowers through regulation. In 2014, the President announced his intent to expand similar benefits to all Direct Loan student borrowers, regardless of when they borrowed, and also to include new features to target the plan to struggling borrowers. The Department will be conducting negotiated rulemaking on these proposals in 2015. By the end of calendar year 2015, all student borrowers would be eligible for some type of income-driven repayment plan that caps student loan payments at 10 percent of their discretionary income and forgives any remaining balance after 20 years of payments. However, the Administration continues to work with Congress to create a single, simple, and better targeted income-driven program that would ensure that program benefits are targeted to the neediest borrowers, safeguard the program for the future, and simplify borrowers' experience while reducing program complexity. The Budget recommends using any resulting savings from its 2016 proposal to help students and expand college access, including by indexing the maximum Pell Grant award to inflation beyond 2017. The 2016 Budget would simplify income-driven repayment by making modified PAYE the only income-driven repayment plan for borrowers who originate their first loan on or after July 1, 2016. Students who borrowed their first loans prior to July 1, 2016, would continue to be able to select among the existing repayment plans (for plans for which they now qualify and for loans originated through their current course of study), in addition to the modified PAYE.

### Reforming Campus-Based Aid

Some of the roughly 7,000 institutions of higher education that participate in the Federal Pell Grant and/or Federal Student Loan programs also participate in one or more of the Federal Campus-based Aid programs: Federal Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study, and Federal Perkins Loan programs. While all schools are eligible to participate in the campus-based aid programs, antiquated formulas with stringent hold-harmless provisions have resulted in institutions receiving allocations that reward schools for high tuition prices, bear little relation to the population of Pell-eligible students attending the institutions, and fail to consider whether institutions are a good value for students. The President's 2016 Budget proposes to reform Federal allocations in the campus-based programs to target those institutions that enroll and graduate higher numbers of Pell-eligible students, and offer affordable and quality education and training such that graduates can obtain employment and repay their educational debt.

In addition to reforming the allocation of lending authority, the Budget proposes to expand the Perkins Loan program into a new Unsubsidized Perkins Loan program which would provide \$8.5 billion in loans annually and replace the current program (which expired in 2014 and was extended for 1 year under the General Education Provisions Act). When fully implemented, the

new Perkins loan program would provide more than eight and a half times the current Perkins loan volume and expand institutional participation by up to an additional 2,700 postsecondary institutions. Savings resulting from this reform will be reinvested in student aid spending, specifically to continue indexing the maximum Pell Grant award to inflation beyond 2017.

### Strengthening the Pell Grant Program

The Budget proposes to make several small reforms to strengthen and protect the Pell Grant program while promoting student responsibility:

- First, it would strengthen academic progress requirements in the Pell Grant program in order to encourage students to complete their studies on time.
- Second, it would allow those students enrolled in eligible career pathways programs who recently had the Ability to Benefit provision restored to receive the maximum Pell Grant award, which would allow adults without a high school diploma to gain the knowledge and skills they need to secure a good job. The 2015 expansion made these students eligible only for partial Pell awards.
- Third, it would limit the receipt of additional Pell disbursements by recipients who repeatedly enroll in postsecondary programs and obtain aid but do not earn any academic credits.
- Fourth, the Budget would move Iraq and Afghanistan Service Grants to the Pell Grant program to avoid further award reductions as a result of sequestration and ensure our veterans' children receive the full, non-sequestered Pell award for which they are eligible.

### Ensure Student Aid Resources are Used Well

The Budget proposes to include other Federal educational programs, such as Department of Defense Tuition Assistance and Department of Veterans Affairs GI Bill Benefits, in the 90/10 calculation in the administration of Title IV Federal student aid at proprietary (for-profit) institutions. Currently, for institutions participating in Federal student aid programs, no more than 90 percent of revenue can come from Federal student loans and grants.

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

In addition to Pell Grants, low-interest student loans, and the campus-based student aid programs, the Federal Government provides significant tax relief to American students and families through several credits, exclusions, and deductions. These benefits, in comparison with the amounts provided by the student financial aid programs, are displayed below. The Administration proposes to expand, simplify and better target education tax benefits, building on its success in creating the American Opportunity Tax Credit.

Federal Assistance to College Students	2008	2016 Request	Change in Dollars	Change in Percent
Student Aid Available	\$97.7 billion	\$148.2 billion	\$50.5 billion	52%
Selected Tax Benefits	\$7.5 billion	\$19.9 billion	\$12.4 billion	165%

Student Aid Summary Tables

<u>Budget Authority</u> (dollars in millions)	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
Pell Grants			
Discretionary funding ... ..	\$22,778.4 <sup>1</sup>	\$22,475.4	\$22,475.4
Mandatory funding ... ..	<u>5,423.5<sup>1</sup></u>	<u>6,079.5<sup>1</sup></u>	<u>6,460.4<sup>1</sup></u>
Subtotal, Pell Grants ... ..	<u>28,201.8</u>	<u>28,554.9</u>	<u>28,935.7</u>
Supplemental Educational Opportunity Grants ... ..	733.1	733.1	733.1
Work-Study ... ..	974.7	989.7	989.7
TEACH Grants <sup>2</sup> ... ..	18.4	14.3	11.7
Iraq and Afghanistan Service Grants ... ..	0.3	0.3	<u>—<sup>3</sup></u>
Federal Family Education Loans ... ..	-5,676.0 <sup>4</sup>	-3,293.6 <sup>4</sup>	—
Federal Direct Loans ... ..	-15,715.1 <sup>5</sup>	25,647.5 <sup>5</sup>	-14,011.8 <sup>5</sup>
Unsubsidized Perkins Loans ... ..	<u>—</u>	<u>—</u>	<u>-876.9<sup>6</sup></u>
Total ... ..	8,537.2	52,646.1	15,781.2

<sup>1</sup> Amounts appropriated for Pell Grants for 2014 include mandatory funding provided by the Consolidated Appropriations Act, 2012. Mandatory funding was also established in the College Cost Reduction and Access Act, as amended.

<sup>2</sup> For budget and financial management purposes, this program is operated as a credit program under the Federal Credit Reform Act of 1990. Budget authority reflects the estimated net present value of future Federal non-administrative costs for awards made in a given fiscal year. Budget amounts for 2014 and 2015 include new loan subsidy and upward reestimates and exclude downward reestimates. The downward reestimate for 2014 was \$13.3 million, and for 2015 was \$31.2 million. The amount for 2016 reflects new loan subsidy.

<sup>3</sup> Budget authority for the Iraq and Afghanistan Service Grants (IASG) program is displayed as part of the Pell Grant program, reflecting Budget policy to consolidate IASG into the Pell Grant program. In 2016, budget authority for this program is projected to be \$396,000.

<sup>4</sup> FFEL budget authority does not include the Liquidating account. The 2014 amount includes a net downward reestimate of -\$1.7 billion primarily related to revised interest rate assumptions, and a net downward modification of -\$4.0 billion as a result of the changes to guaranty agency loan retention and compensation passed in the Bipartisan Budget Act of 2013. The 2015 amount includes a net downward reestimate of -\$3.3 billion primarily related to revised deferment assumptions. These reestimates and modifications reflect the impact of changes on an outstanding FFEL portfolio of over \$275 billion.

<sup>5</sup> The 2014 amount includes a net upward reestimate of \$6.8 billion, primarily related to revised interest rate assumptions and increased participation in income-driven repayment plans. The 2015 amount includes a net upward reestimate of \$21.8 billion, primarily related to revised interest rates and increased participation in income-driven repayment plans, and a net upward modification of \$9.3 billion, to reflect the budgetary impact of the proposed changes to PAYE. The 2016 request includes a net downward modification of -\$804 million, to reflect the budgetary impact of the proposed expansion of PAYE (reestimates and modifications reflect the impact of changes on an outstanding Direct Loan portfolio of \$694 billion).

<sup>6</sup> Amount in 2016 reflects proposal to create a new Perkins Loan program as a mandatory credit program.

<u>Aid Available to Students</u> (dollars in millions)	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
Pell Grants	\$30,998.1	\$31,326.8	\$32,113.1
Supplemental Educational Opportunity Grants....	976.5	976.5	976.5
Work-Study .....	1,158.5	1,176.4	1,176.4
Iraq and Afghanistan Service Grants .....	0.3	0.3	<u>—</u> <sup>1</sup>
New Student Loans:			
Federal Direct Loans .....	100,815.7	103,915.2	109,160.4
Perkins Loans .....	1,010.3	1,010.3	613.0
Unsubsidized Perkins Loans .....	—	—	4,113.4
TEACH Grants .....	<u>91.6</u>	<u>80.4</u>	<u>94.3</u>
Subtotal, Student Loans .....	101,917.5 <sup>2</sup>	105,005.9 <sup>2</sup>	113,981.2 <sup>2</sup>
<u>Total .....</u>	<u>135,051.0<sup>3</sup></u>	<u>138,486.0<sup>3</sup></u>	<u>148,247.2<sup>3</sup></u>

<sup>1</sup> Aid available for the Iraq and Afghanistan Service Grants (IASG) program is displayed as part of the Pell Grant program, reflecting Budget policy to consolidate IASG into the Pell Grant program. In 2016, aid available for this program is projected to be \$476,000.

<sup>2</sup> Consolidation Loans for existing borrowers will total \$34.6 billion in 2014; \$26.6 billion in 2015; and \$27.8 billion in 2016.

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

<u>Number of Student Aid Awards</u> (in thousands)	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
Pell Grants	8,173.0	8,237.0	8,376.0
Supplemental Educational Opportunity Grants ...	1,629.5	1,629.5	1,629.5
Work-Study .....	692.5	703.1	703.1
Iraq and Afghanistan Service Grants <sup>1</sup> .....	—	—	—
New Student Loans: <sup>2</sup>			
Federal Direct Loans .....	19,583.6	19,770.6	20,434.8
Perkins Loans .....	501.6	501.6	313.3
Unsubsidized Perkins Loans .....	—	—	730.6
TEACH Grants .....	<u>32.5</u>	<u>30.6</u>	<u>33.4</u>
<u>Total awards .....</u>	<u>31,298.8</u>	<u>31,360.8</u>	<u>31,723.6</u>

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

<sup>2</sup> Consolidation Loans for existing borrowers will total 686,000 in 2014; 488,000 in 2015; and 503,000 in 2016.

Number of Postsecondary Students Aided by Department Programs

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Unduplicated Count (in thousands) .....	12,770	13,150	13,235

Federal Pell Grant Program

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
BA in millions			
Discretionary budget authority .....	\$22,778.4	\$22,475.4	\$22,475.4
Mandatory budget authority .....	4,835.5	6,079.5	6,460.0
Definite mandatory funding .....	<u>588.0</u>	<u>—</u>	<u>—</u>
Total .....	28,201.8	28,554.9	28,935.7
Program costs (dollars in millions) .....	\$31,039.0	\$31,368.0	\$32,155.4
Aid available (dollars in millions) .....	\$30,998.1	\$31,326.8	\$32,113.1
Recipients (in thousands).....	\$8,173	\$8,237	\$8,376
Maximum grant (in whole dollars)			
Discretionary portion.....	\$4,860	\$4,860	\$4,860
Mandatory add-on.....	<u>870</u>	<u>915</u>	<u>1,055</u>
Total	5,730	5,775	5,915
Average grant (in whole dollars) .....	\$3,792	\$3,803	\$3,833

The Pell Grant program helps ensure financial access to postsecondary education by providing grant aid to low-income undergraduate students. The program is the largest need-based postsecondary student grant program, with individual awards based on the financial circumstances of students and their families. The 2016 discretionary request of \$22.5 billion for Pell Grants would continue to make college more affordable for 8.4 million students by supporting the scheduled increase in current law in the maximum Pell award by the Consumer Price Index from \$5,775 in award year 2015–2016, while also fully funding the program through award year 2017–2018.

In addition to fully funding the Pell program in fiscal year 2016, the Budget proposes reinvesting savings from the reformed and expanded Perkins Loan program and the legislative savings from reforming income-based repayment plans in student aid spending, and specifically, in extending CPI indexing of the maximum Pell Grant award beyond 2017.

### Campus-Based Programs

The Supplemental Educational Opportunity Grants (SEOG), Work-Study, and Perkins Loan programs are called the “campus-based” programs because they make grants directly to participating institutions, which have considerable flexibility to package awards based on the needs of their students. The 2016 request would reform these programs to target awards to those institutions that enroll and graduate higher numbers of Pell-eligible students and offer an affordable and quality education such that graduates can repay their educational debt.

In addition, the request would expand and reform the Perkins Loan program to significantly increase both lending authority and the number of participating institutions, in part by modifying the formula used to allocate funding to institutions, which currently is based primarily on institutions’ longevity in the program.

These reforms, collectively, seek to provide increased access to college and ensure that students are well-prepared for work and life after graduation by making postsecondary education more affordable for students with financial need through better targeting of Federal resources to institutions that demonstrate success in the areas of access, affordability, and completion.

### Supplemental Educational Opportunity Grants

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
BA in millions .....	\$733.1	\$733.1	\$733.1
Aid available (dollars in millions) .....	\$976.5	\$976.5	\$976.5
Recipients (in thousands) .....	1,629	1,629	1,629
Average award (in whole dollars).....	\$599	\$599	\$599

This program provides grant assistance of up to \$4,000 per academic year to undergraduate students with demonstrated financial need. Program funds are allocated to institutions according to a statutory formula and require a 25 percent institutional match. The \$733.1 million request would leverage \$243.4 million in institutional matching funds to make available an estimated total of \$976.5 million in grants to 1.6 million recipients. Awards to students are determined at the discretion of institutional financial aid administrators, although schools are required to give priority to Pell Grant recipients and students with the lowest expected family contributions. The request would reform the institutional allocation formula to direct funding toward institutions that (1) enroll and graduate higher numbers of Pell-eligible students, and (2) offer an affordable and quality education such that graduates can repay their educational debt.

Work-Study

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
BA in millions .....	\$974.7	\$989.7	\$989.7
Aid available (dollars in millions) .....	\$1,158.5	\$1,176.4	\$1,176.4
Recipients (in thousands) .....	692	703	703
Average award (in whole dollars).....	\$1,673	\$1,673	\$1,673

The Work-Study program provides grants to participating institutions to pay up to 75 percent of the wages of eligible undergraduate and graduate students working part-time to help pay their college costs. The school or other eligible employer provides the balance of the student's wages. The Budget proposes to level-fund Work-Study at the 2015 amount—\$989.7 million—which, when combined with institutional matching funds, would make available nearly \$1.2 billion to an estimated 703,000 recipients. Funds are allocated to institutions according to a statutory formula and individual award amounts to students are determined at the discretion of institutional financial aid administrators. The request would reform the institutional allocation formula to direct funding toward institutions that (1) enroll and graduate higher numbers of Pell-eligible students, and (2) offer an affordable and quality education such that graduates can repay their educational debt.

Perkins Loans

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
Perkins Loans (current program):			
Aid available (dollars in millions) .....	\$1,010.3	\$1,010.3	\$613.0
Recipients (in thousands) .....	502	502	313
Average loan (in whole dollars).....	\$2,014	\$2,014	\$1,957
Unsubsidized Perkins Loans:			
Loan subsidies (BA in millions) .....	—	—	-\$876.9
Aid available (dollars in millions) .....	—	—	\$4,113.4
Recipients (in thousands) .....	—	—	731
Average loan (in whole dollars).....	—	—	5,630

The Perkins Loan program provides long-term, low-interest loans to undergraduate and graduate students with demonstrated financial need at roughly 1,500 institutions. Perkins Loan borrowers pay no interest during in-school, grace, and deferment periods, and are charged 5 percent interest during the principal repayment period. Annual borrowing limits are \$5,500 for undergraduate students and \$8,000 for graduate and professional students. The authorization for the current program expired in 2014 and was extended for 1 year under the General Education Provisions Act.

The Administration is proposing to create a reformed and expanded Perkins Loan program as part of its overall effort to improve and strengthen the campus-based programs. The proposal would provide \$8.5 billion in new loan volume annually—more than eight and a half times the current annual Perkins volume—and serve students at up to 2,700 additional postsecondary education institutions. Savings from this proposal, estimated at \$6 billion in outlays over 10 years would be redirected to the Pell Grant program to continue indexing the maximum Pell

award beyond 2017. Under the Administration's proposal, Unsubsidized Perkins Loans would carry the same annually-determined fixed interest rate as that proposed for Unsubsidized Stafford Loans. Loan limits for both undergraduate and graduate students would remain the same as in the current Perkins program. The Department of Education, rather than institutions, would service Perkins Loans. Lending authority would be allocated among institutions in the same manner as the other campus-based programs—the request would reform the institutional allocation formula to direct funding toward institutions that (1) enroll and graduate higher numbers of Pell-eligible students, and (2) offer an affordable and quality education such that graduates can repay their educational debt.

### Iraq and Afghanistan Service Grants

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in thousands .....	\$294	\$340	\$0
Aid available (dollars in thousands) .....	\$331	\$376	\$0
Recipients (in thousands) .....	(1)	(1)	—
Average award (in whole dollars).....	\$4,940	\$5,013	\$0

<sup>1</sup> Number of recipients estimated to be less than 1,000.

The Iraq and Afghanistan Service Grant program provides non-need-based grants to students whose parent or guardian was a member of the Armed Forces who died in Iraq or Afghanistan as a result of performing military service after September 11, 2001. Students are not required to be eligible for a Pell Grant in order to receive a Service Grant; however, the student must be 24 years old or younger; or, if older than 24, must have been enrolled in an institution of higher education at the time of the parent or guardian's death. Service Grants are equal to the maximum Pell Grant for a given award year, which is \$5,775 for the 2015–2016 award year. The 2016 Budget proposes consolidate this program into the Pell Grant program so that awards for these deserving recipients will no longer be subject to the effects of sequestration.

### TEACH Grants

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$18.4 <sup>1</sup>	\$14.3 <sup>1</sup>	\$11.7 <sup>1</sup>
Aid available to students (in millions) .....	\$91.6	\$80.4	\$94.3
Recipients (in thousands) .....	32.5	30.6	33.4
Maximum grant (in whole dollars) .....	\$4,000	\$4,000	\$4,000
Average grant (in whole dollars) .....	\$2,815	\$2,633	\$2,825

<sup>1</sup> Amounts for 2014 and 2015 include new loan subsidy and upward reestimates, and exclude downward reestimates. The downward reestimate for 2014 was -\$13.3 million, and for 2015 was -\$31.2 million. The amount for 2016 reflects new loan subsidy.

The TEACH Grant program awards annual grants of up to \$4,000 to eligible undergraduate and graduate students who agree to serve as a full-time mathematics, science, foreign language, bilingual education or other English language program, special education, or reading teacher at a high-need school for not less than 4 years within 8 years of graduation. For students who fail to fulfill this service requirement, grants are converted to Direct Unsubsidized Stafford Loans with interest accrued from the date the grants were awarded.

For budget and financial management purposes, the TEACH program is operated as a loan program with 100 percent forgiveness of outstanding principal and interest upon completion of a student's service requirement. Grants are converted to Direct Unsubsidized Stafford Loans if students do not complete the required service. Consistent with the requirements of the Credit Reform Act of 1990, budget authority for this program reflects the estimated net present value of all future non-administrative Federal costs associated with awards made in a given fiscal year.

### Federal Family Education Loans and Direct Loans

(in millions)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
<u>Federal Family Education Loans</u>			
Net modification of existing loans .....	-\$4,020.4 <sup>1</sup>	—	—
Net reestimate of existing loans .....	<u>-1,655.7</u> <sup>2,3</sup>	<u>-3,293.6</u> <sup>2,3</sup>	—
Total, FFEL program BA .....	-5,676.1	-3,293.6	—
<u>Federal Direct Loans</u>			
New loans subsidies (BA) .....	-22,508.7 <sup>2</sup>	-5,501.8 <sup>2</sup>	-\$13,207.7 <sup>2</sup>
Net modification of existing loans .....	—	9,307.2	-804.1 <sup>1</sup>
Net reestimate of existing loans .....	<u>6,793.6</u> <sup>3</sup>	<u>21,842.1</u> <sup>3</sup>	—
Total, new budget authority .....	-15,715.1	25,647.5	-14,011.8
<u>Total, student loans (BA) .....</u>	<u>-21,391.2</u>	<u>22,353.9</u>	<u>-14,011.8</u>

<sup>1</sup> Under Credit Reform, costs or savings related to the impact of policy changes on existing loans are reflected in the current year. The amount of 2014 FFEL modification reflects the impact of changes to guaranty agency loan retention and compensation in the Bipartisan Budget Act of 2013. The 2015 and 2016 Direct Loan modifications reflect the impact of the proposed changes to the Pay As You Earn repayment plan.

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

<sup>3</sup> Under Credit Reform, the subsidy amounts are reestimated annually in both Direct Loans and FFEL to account for changes in long-term projections. Reestimates and modifications reflect the impact of changes on outstanding portfolios of \$275 billion for FFEL, \$84 billion for ECASLA, and \$694 billion for Direct Loans.

<u>New loan volume (in millions)</u>	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
<b>Direct Loans</b>			
Stafford loans .....	\$26,199.9	\$26,346.0	\$26,954.5
Unsubsidized Stafford loans .....	55,562.5	57,502.3	60,982.8
Parent PLUS loans .....	10,786.6	11,361.4	11,978.4
Grad PLUS loans .....	<u>8,266.7</u>	<u>8,705.5</u>	<u>9,244.7</u>
Total.....	100,815.7 <sup>1</sup>	103,915.2 <sup>1</sup>	109,160.4 <sup>1</sup>
 <u>Number of new loans (in thousands)</u>			
<b>Direct Loans</b>			
Stafford loans .....	8,134	8,141	8,321
Unsubsidized Stafford loans .....	10,086	10,213	10,637
Parent PLUS loans .....	849	880	913
Grad PLUS loans .....	<u>514</u>	<u>537</u>	<u>564</u>
Total.....	19,583 <sup>1</sup>	19,771 <sup>1</sup>	20,435 <sup>1</sup>

<sup>1</sup> Consolidation Loans for existing borrowers will total \$34.6 billion and 686,000 loans in 2014, \$26.6 billion and 488,000 loans in 2015, and \$27.8 billion and 503,000 loans in 2016.

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. State and private nonprofit guaranty agencies administered the Federal guarantee which protected FFEL lenders against losses related to borrower default, collected on defaulted loans, and provided other services to lenders. 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:

- **Stafford Loans** are subsidized, low-interest loans based on financial need. The Federal Government pays the interest while the student is in school and during certain grace and deferment periods. The current interest rate for undergraduate loans made in academic year 2014-2015 is 4.66 percent. As of July 1, 2012, only undergraduate students are eligible for subsidized Stafford loans.
- **Unsubsidized Stafford Loans** have a fixed interest rate of 4.66 percent for undergraduate borrowers and 6.21 percent for graduate and professional borrowers in academic year 2014-2015, but the Federal Government does not pay interest for the student during in-school, grace, and deferment periods.
- **PLUS Loans** are available to parents of dependent undergraduate students, and to graduate and professional students. The interest rate is 7.21 percent in academic year 2014–2015 and the Federal Government does not pay interest during in-school, grace, and deferment periods.
- **Consolidation Loans** allow borrowers with multiple student loans who meet certain criteria to combine their loans and extend their repayment schedules. The rate for both FFEL and Direct Consolidation Loans is based on the weighted average of loans consolidated rounded

up to the nearest 1/8<sup>th</sup> of 1 percent. The resulting rate for the consolidated loan is then fixed for the life of the loan.

The 2016 Budget would reform and streamline income-driven repayment to ensure that program benefits are targeted to the neediest borrowers and to safeguard the program for the future, including by protecting against institutional practices that may further increase student indebtedness. The most substantial change would be to simplify income-driven repayment by making a modified PAYE the only income-driven repayment plan for borrowers who originate their first loan on or after July 1, 2016. This would simplify borrowers' experience and allow for easier selection of a repayment plan, while reducing program complexity and targeting benefits to ensure program effectiveness. Students who borrowed their first loans prior to July 1, 2016 would continue to be able to select among the existing repayment plans (for plans for which they now qualify and for loans originated through their current course of study), in addition to the modified PAYE, which includes the following reforms:

- Calculating payments for married borrowers filing separately on the combined household Adjusted Gross Income;
- Establishing a 25-year forgiveness period for borrowers with balances above the aggregate loan limit (\$57,500) for independent undergraduate students;
- Eliminating the standard payment cap so that high-income, high-balance borrowers pay an equitable share of their earnings as their income rises;
- Capping the amount of interest that can accrue when a borrower's monthly payment is insufficient to cover the interest to avoid ballooning loan balances.

The Budget also proposes the reforms above as legislative changes for future loans, in addition to the following changes:

- Capping Public Sector Loan Forgiveness (PSLF) at the aggregate loan limit for independent undergraduate students to protect against institutional practices that may further increase student indebtedness, while ensuring the program provides sufficient relief for students committed to public service; and
- Preventing payments made under non-income driven repayment plans from being applied toward PSLF to ensure that loan forgiveness is targeted to students with the greatest need.

## F. HIGHER EDUCATION PROGRAMS

### Overview

The Administration's 2016 request includes \$2.1 billion in discretionary funds for Higher Education Programs aimed at increasing the percentage of Americans with postsecondary degrees or credentials to achieve the President's goal of leading the world in college attainment.

The Administration's Budget invests in innovation and building evidence of what works in postsecondary education at the institutional level through a \$200 million request for the First in the World program (FITW), funded in the Fund for the Improvement of Postsecondary Education (FIPSE). Increased funding in FITW would build on the 2014 and 2015 competitions by providing larger grants to support the implementation and rigorous evaluation of promising and evidence-based strategies at scale. Of the amount requested for FITW, up to 30 percent would be set aside to support the implementation of projects at Minority Serving Institutions.

The request includes \$30 million for GPRA data/Higher Education Act (HEA) program evaluation, of which \$29 million would be used to conduct research, evaluations, and demonstrations to test approaches for promoting postsecondary access, program completion, and high-quality, affordable education programs and \$1 million would be used for activities to improve Higher Education program data quality and performance measurement the collection and analysis of performance data and the evaluation of HEA programs.

To help close gaps among racial and socioeconomic groups in college enrollment and degree attainment, the request provides \$429.8 million in discretionary funding for the Aid for Institutional Development programs, the same as the 2015 level. The request would strengthen institutions of higher education that serve high proportions of minority and disadvantaged students, including Historically Black Colleges and Universities (HBCUs) and Historically Black Graduate Institutions (HBGIs), by improving their academic programs, institutional capacity, and student support services. The Budget also provides \$110.8 million in discretionary funding for the Aid for Hispanic-Serving Institutions programs.

The request would provide \$859.8 million to support college preparation and completion activities for participants in the Federal TRIO Programs. Of this amount, up to \$20 million would be used to support a new TRIO Demonstration initiative designed to give existing grantees the opportunity to compete for increased funding to implement and evaluate additional, evidence-based, college access and success strategies and support dissemination of strategies that prove to be effective at scale to all TRIO grantees. Additionally, the request includes \$301.6 million to assist middle and high school students in preparing for college through Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). These programs are crucial for helping to meet the President's 2020 college attainment goal by getting more students into and through postsecondary education.

In addition, the Higher Education request includes \$76.2 million, or \$4 million more than the 2015 level, for the International Education and Foreign Language Studies programs, which help meet the Nation's security and economic needs through the development of expertise in foreign languages and area and international studies. The Budget also provides \$29.3 million for merit- and need-based scholarships and fellowships to postsecondary students under Graduate Assistance in Areas of National Need (GAANN) programs, as well as \$11.8 million for model comprehensive transition programs through the Model Transition Programs for Students with Intellectual Disabilities (TPSID) program.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
Strengthening Institutions (SIP) .....	\$79.1	\$80.5	\$80.5
Strengthening Tribally Controlled Colleges and Universities (TCCUs) .....	25.2	25.7	25.7
Strengthening Tribally Controlled Colleges and Universities (mandatory TCCUs) .....	27.8 <sup>1</sup>	27.8 <sup>1</sup>	30.0 <sup>1</sup>
Strengthening Alaska Native and Native Hawaiian-serving Institutions (ANNHs).....	12.6	12.8	12.8
Strengthening Alaska Native and Native Hawaiian-serving Institutions (mandatory ANNHs) .	13.9 <sup>1</sup>	13.9 <sup>1</sup>	15.0 <sup>1</sup>
Strengthening Historically Black Colleges and Universities (HBCUs).....	223.8	227.5	227.5
Strengthening Historically Black Colleges and Universities (mandatory HBCUs).....	78.9 <sup>1</sup>	78.8 <sup>1</sup>	85.0 <sup>1</sup>
Strengthening Historically Black Graduate Institutions (HBGIs).....	57.9	58.8	58.8
Master's Degree Programs at HBCUs and PBIs (mandatory) .....	10.7 <sup>2</sup>	—	—
Strengthening Predominantly Black Institutions (PBIs).....	9.1	9.2	9.2
Strengthening Predominantly Black Institutions (mandatory PBIs).....	13.9 <sup>1</sup>	13.9 <sup>1</sup>	15.0 <sup>1</sup>
Strengthening Asian American and Native American Pacific Islander-serving Institutions (AANAPISIs).....	3.1	3.1	3.1
Strengthening Asian American and Native American Pacific Islander-serving Institutions (mandatory AANAPISIs).....	4.6 <sup>1</sup>	4.6 <sup>1</sup>	5.0 <sup>1</sup>
Strengthening Native American-serving nontribal institutions (NASNTIs).....	3.1	3.1	3.1
Strengthening Native American-serving nontribal institutions (mandatory NASNTIs).....	4.6 <sup>1</sup>	4.6 <sup>1</sup>	5.0 <sup>1</sup>
Minority Science and Engineering Improvement (MSEIP) .....	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
Total .....	577.4	573.4 <sup>1</sup>	584.8
Discretionary .....	422.8	429.8 <sup>1</sup>	429.8
Mandatory .....	154.5	143.7	155.0

<sup>1</sup> Mandatory appropriations are provided under Section 371 of the HEA, as amended by the Student Aid and Fiscal Responsibility Act (SAFRA) within the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152). These figures include sequester reductions of 5.1 percent in 2013 and 7.2 percent in 2014 that went into effect October 1, 2013, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

<sup>2</sup> These funds are mandatory appropriations provided under Section 897 of the HEA. These figures include sequester reductions of 5.1 percent in 2013 and 7.2 percent in 2014 that went into effect October 1, 2013, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

The request for Title III maintains support for institutions that serve large percentages of minority and disadvantaged 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 faculty development; administrative management; development and improvement of academic programs; joint use of libraries and laboratories; construction, maintenance, and renovation of instructional facilities; student services; and endowment funds.

Strengthening Institutions supports institutions that provide educational opportunities to low-income and minority students. The 2016 request would support 137 continuation grants and would enable the Department to award new development grants.

Strengthening Tribally Controlled Colleges and Universities (TCCUs) supports 34 Tribal Colleges and Universities located primarily in remote areas not served by other postsecondary education institutions. These institutions offer a broad range of degree and vocational certificate programs to students for whom these educational opportunities would otherwise be geographically and culturally inaccessible. In addition, \$30 million in mandatory funds is available under section 371 of the HEA for TCCUs.

Strengthening Alaska Native and Native Hawaiian-serving Institutions supports institutions with undergraduate enrollments that are at least 20 percent Alaska Native and at least 10 percent Native Hawaiian students, respectively. The discretionary request would support continuation awards for these institutions, which typically are located in remote areas not served by other institutions. The Department also will use \$15 million in fiscal year 2016 mandatory funds to award new and continuation grants.

Strengthening Historically Black Colleges and Universities supports any accredited, legally authorized HBCU that was established prior to 1964 and which retains a principal mission of educating African-Americans. Fiscal year 2016 funding would support 96 HBCUs. In 2016, \$85 million in mandatory funding is available for HBCUs.

Strengthening Historically Black Graduate Institutions supports 24 institutions with schools of law, medical schools, or other graduate programs.

Strengthening Predominantly Black Institutions (PBIs) makes awards to primarily urban and rural 2-year colleges that have an enrollment of undergraduate students that is at least 40 percent African-American and that serve at least 50 percent low-income or first-generation college students. The request would support approximately 35 new awards. In addition, \$15 million in mandatory funding is available in 2016 for continuation awards to 27 grantees.

Strengthening Asian American and Native American Pacific Islander-serving Institutions supports institutions with undergraduate enrollments that are at least 10 percent Asian American and Native American Pacific Islander. The 2016 request would support 8 continuation awards for institutions serving this diverse population. In addition, mandatory funding of \$5 million is available in 2016 to support approximately 11 new awards for these institutions.

Strengthening Native American-serving Nontribal Institutions supports institutions that are not designated as TCCUs, yet enroll at least 10 percent Native American students and serve at least 50 percent low-income students. The discretionary request would support 8 continuation awards and an additional \$5 million in mandatory funds would support approximately 13 new grants.

The Minority Science and Engineering Improvement program would fund approximately 12 new grants and 25 continuation grants that support improvement in science and engineering

education at predominantly minority institutions and increase the participation of underrepresented ethnic minorities, particularly minority women, in scientific and technological careers.

Aid for Hispanic-Serving Institutions (HSIs)

(BA in millions)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
Developing HSIs .....	\$98.6	\$100.2	\$100.2
Mandatory Developing HSI STEM and Articulation Programs.....	92.8 <sup>1</sup>	92.7 <sup>1</sup>	100.0 <sup>1</sup>
Promoting Postbaccalaureate Opportunities for Hispanic Americans (Discretionary) .....	8.8	8.9	10.6
(Mandatory) .....	<u>10.7</u> <sup>2</sup>	<u>—</u>	<u>—</u>
Total .....	210.9	201.9	210.8
Discretionary .....	107.4	109.1	110.8
Mandatory .....	<u>103.5</u>	<u>92.7</u>	<u>100.0</u>

<sup>1</sup> These funds are mandatory appropriations provided under the Student Aid and Fiscal Responsibility Act (SAFRA) within the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152). These figures include sequester reductions of 5.1 percent in 2013 and 7.2 percent in 2014 that went into effect October 1, 2013, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

<sup>2</sup> These funds are mandatory appropriations provided under Title VIII, Part AA, Section 898 of the HEA. These figures include sequester reductions of 5.1 percent in 2013 and 7.2 percent in 2014 that went into effect October 1, 2013, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

The Developing Hispanic-Serving Institutions (HSIs) program funds competitive grants to expand and enhance the academic quality, institutional management, fiscal stability, and self-sufficiency of colleges and universities that enroll large percentages of Hispanic students. In 2016, \$100.2 million in discretionary funding would support approximately 158 new and continuation awards. In addition, mandatory funds provided under section 371 of the HEA would support 109 new awards under the HSI Science, Technology, Engineering, and Mathematics (STEM) and Articulation program.

The Promoting Postbaccalaureate Opportunities for Hispanic Americans (PPOHA) program provides funds to eligible HSIs that offer a postbaccalaureate certificate or postbaccalaureate degree-granting program. The program is designed to help Hispanic Americans gain entry into and succeed in graduate study, a level of education in which they are underrepresented. The amount requested is needed to pay third year continuation costs of 19 continuation grants awarded in fiscal 2014 with the final year of PPOHA mandatory funding.

International Education and Foreign Language Studies (IEFLS)  
(BA in millions)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
Domestic Programs.....	\$65.1	\$65.1	\$67.1
Overseas Programs .....	<u>7.1</u>	<u>7.1</u>	<u>9.1</u>
Total.....	72.2	72.2	76.2

These programs support comprehensive language and area study centers within the United States, research and curriculum development, and opportunities for American scholars to study abroad. In addition to promoting general understanding of the peoples of other countries, the Department's International Programs also serve important economic, diplomatic, defense, and other national security interests. The request would enable the Department to help maintain the national capacity in teaching and learning less commonly taught languages and associated area studies and to continue to work toward increasing the global competency of all U.S. students. The proposed \$2 million increase, or 3 percent, for Domestic Programs in 2016 would support new awards to help American students develop proficiency in critical foreign languages, specifically those spoken in the Asia-Pacific and Sub-Saharan Africa regions. The proposed \$2 million increase, or 28 percent, for Overseas Programs in 2016 would improve the capacity of school districts to teach global competencies by providing opportunities for groups of K-12 teachers, principals, and administrators from a single district to study a different culture and/or a global issue together through summer study abroad.

Fund for the Improvement of Postsecondary Education (FIPSE)  
(BA in millions)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
First in the World Awards.....	\$74.6	\$58.0	\$195.0
Centers for the Study of Distance Education and Technological Advancements.....	1.5	—	—
Training for Realtime Writers .....	1.1	—	—
Center for Best Practices to Support Single Parent Students.....	0.5	—	—
Centers of Excellence for Veteran Student Success.....	—	5.0	—
National Center for Information and Technical Support for Postsecondary Disabilities.....	—	2.5	—
Analysis of Federal Regulations and Reporting Requirements on IHEs .....	1.0	—	—
Other/FITW Evaluation.....	<u>0.7</u>	<u>2.3</u>	<u>5.0</u>
Total.....	79.4	67.8	200.0

FIPSE awards competitive grants to support projects that are models for innovative reform and improvement in postsecondary education. The 2016 request would provide a total of \$200 million for the third year of the First in the World (FITW) program. FITW is a competitive grant program, modeled after Investing in Innovation (i3), designed to identify innovative solutions to persistent and widespread challenges to completion in postsecondary education, particularly those that affect adult learners, working students, part-time students, students from low-income backgrounds, students of color, and first-generation students. FITW builds

evidence for what works in postsecondary education by supporting the implementation of innovative solutions and rigorous evaluation at increasing levels of scale to test the effectiveness of particular strategies. Increased funding in FITW would build on the 2014 and 2015 competitions by providing larger grants to support scaling up of promising and evidence-based strategies, and rigorous evaluation at scale, to help determine whether these strategies work in varied settings and with a wide range of students. The Administration plans to set aside up to 30 percent of the funds available for the competition to support the implementation of projects at Minority Serving Institutions.

#### Tribally Controlled Postsecondary Career and Technical Institutions

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$7.7	\$7.7	\$7.7

The request would fund awards to tribally controlled postsecondary career and technical institutions that meet the program's eligibility requirements to fund instructional and student support services under a reauthorized Carl D. Perkins Career and Technical Education Act.

#### Special Programs for Migrant Students

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$34.6	\$37.5	\$44.6

Special Programs for Migrant Students include the High School Equivalency Program (HEP), which funds competitively selected projects to help low-income migrant and seasonal farm workers earn high school diplomas or equivalency certificates, and the College Assistance Migrant Program (CAMP), which makes competitive grants to provide stipends and special services, such as tutoring and counseling, to migrant students who are in their first year of college. HEP and CAMP programs focus on finding and assisting migrant youth who have not been able—due to limited or inconsistent educational opportunity—to complete high school or go on to postsecondary education. The 2016 request provides a \$7.1 million increase in recognition of strong program performance supported by improvements in the areas of data quality and program management over the past several years. Funds would support approximately 45 HEP projects and 52 CAMP projects, as well as outreach, technical assistance, and professional development activities.

#### Federal TRIO Programs

(BA in millions)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
Talent Search.....	\$134.6	\$135.1	\$134.7
Upward Bound .....	264.8	265.4	265.4
Veterans Upward Bound .....	13.7	13.8	13.8
Upward Bound Math-Science .....	43.1	43.1	43.1
Educational Opportunity Centers .....	46.9	46.9	46.9
Student Support Services .....	281.7	297.5	297.5
McNair Post Baccalaureate Achievement.....	46.0	30.3	30.7
Staff Training.....	1.5	1.5	1.4

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
TRIO Demonstration	—	—	\$20.0
Evaluation .....	\$2.0	\$2.0	2.0
Administration/Peer Review .....	<u>3.8</u>	<u>4.1</u>	<u>4.3</u>
Total.....	838.3	839.8	859.8

The TRIO programs are among the Department's largest investments aimed at getting more students prepared for, into, and through postsecondary education. The request would provide a \$20 million increase over the 2015 level and would enable the Department to maintain funding for approximately 2,800 TRIO projects serving middle school, high school, and college students and adults, while also supporting a new TRIO Demonstration initiative designed to give existing grantees the opportunity to compete for increased funding to implement and evaluate additional, evidence-based, college access and success strategies and support dissemination of strategies that prove to be effective at scale to all TRIO grantees.

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

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$301.6	\$301.6	\$301.6

GEAR UP provides funds to States and partnerships for early college preparation and awareness activities to help low-income elementary and secondary school students prepare for and pursue postsecondary education. Several features of GEAR UP, including targeting entire grades of students, partnering with local organizations and businesses, and matching Federal funds with local contributions, allow projects to serve large numbers of students. The request maintains funding at the 2015 level and would support continuation awards for approximately 37 States and 82 Partnerships in fiscal year 2016.

#### Graduate Assistance in Areas of National Need (GAANN)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$29.3	\$29.3	\$29.3

GAANN provides fellowships, through competitive grants to postsecondary institutions, to graduate students with superior ability and high financial need studying in areas of national need. Participating graduate schools must provide assurances that they would seek talented students from traditionally underrepresented backgrounds. The 2016 request would support approximately 609 fellowships.

#### Model Transition Programs for Students with Intellectual Disabilities (TPSID)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$10.4	\$11.8	\$11.8

TPSID supports competitive grants awarded to institutions of higher education or consortia of such institutions to create or expand high-quality, inclusive model comprehensive transition and postsecondary programs for students with intellectual disabilities. The 2016 request would support 27 continuation awards, as well as a Coordinating Center that provides technical assistance to institutions with transition programs.

Child Care Access Means Parents in School

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$15.1	\$15.1	\$15.1

This competitive grant program supports the participation of low-income parents in postsecondary education through campus-based childcare services. Grants made to institutions of higher education must be used to supplement childcare services or start a new program, not to supplant funds for current childcare services. The program gives priority to institutions that leverage local or institutional resources and employ a sliding fee scale. The 2016 request would support approximately 86 continuation awards.

GPRA Data/HEA Program Evaluation

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$0.6	0.0	\$30.0

The request would support the collection and analysis of performance data and the evaluation of Higher Education Act programs that either lack funding set-asides to conduct these activities or where such set-asides are not sufficient to cover the costs of the activities. The Department would use \$29 million to conduct research, evaluations, and demonstrations to test approaches for promoting postsecondary access, program completion, and high-quality, affordable education programs and \$1 million for activities to improve Higher Education program data quality and performance measurement.

America’s College Promise

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	—	—	\$1,364.8

The mandatory President's America’s College Promise proposal would make community college free for responsible students, enabling them to earn a certificate, an associate’s degree or up to 2 years’ worth of credits towards a bachelor’s degree without paying any tuition and fees. Everyone will be required to do their part:

- **Shared Responsibility With States:** Federal funding would cover about three-quarters of the average cost of community college. Allocation of the Federal portion would be based, in part, on a formula that includes both student enrollment and outcomes such as program completion or transfer to 4-year institutions. States that choose to participate would be expected to contribute the remaining funds necessary to eliminate community college tuition for eligible students. States must also commit to continue existing investments in higher education; coordinate high schools, community colleges, and

4-year institutions to reduce the need for remediation and repeated courses; and allocate a significant portion of funding based on performance, not enrollment alone.

- **High-Quality Community Colleges:** Community colleges would be expected to offer programs that either: are academic programs that fully transfer to local public 4-year colleges and universities, giving students a chance to earn half of the credit they need for a 4-year degree; or, are occupational training programs with high graduation rates and that lead to degrees and certificates that are in demand among employers. Colleges must also adopt promising and evidence-based institutional reforms and innovative practices to improve student outcomes.
- **Student Responsibility:** Students who attend at least half-time, maintain a 2.5 GPA while in college, and make steady progress toward completing their program would have their tuition eliminated. The program would eliminate tuition and fees for all eligible students for a maximum of 3 years. Students with AGI \$200,000 and above would not be eligible.

The total cost of the mandatory America's College Promise proposal is estimated at \$60.3 billion over 10 years.

#### College Opportunity and Graduation Bonus

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	—	—	\$647.0

This mandatory proposal would reward colleges that successfully enroll and graduate a significant number of low- and moderate-income students on time and encourage all institutions to improve their performance. Eligible institutions may receive a grant that will support innovation, interventions, and reforms to further increase college access and success based upon the number of Pell Grant recipients they graduate on time. The new program would provide an annual grant to eligible institutions equal to their number of on-time Pell graduates multiplied by a tiered bonus amount per student, varying by institution type. In addition, this new program would encourage institutions to continue improving their performance and graduate even more low-income students, by providing a larger bonus amount for additional Pell graduates. Eligibility would be based on Pell students comprising a significant share of an institution's graduating class, as well as on graduation and student loan default rates. Over the next decade, the Budget provides \$7.0 billion in budget authority for the College Opportunity and Graduation Bonus program.

Howard University  
(BA in millions)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
General Support.....	\$194.5	\$194.5	\$194.5
Howard University Hospital.....	<u>27.3</u>	<u>27.3</u>	<u>27.3</u>
Total.....	221.8	221.8	221.8

The 2016 request would maintain support for Howard University's academic programs, research programs, construction activities, and the Howard University Hospital at the 2015 level. Howard University has played a historic role in providing access to postsecondary educational opportunities for students from traditionally underrepresented backgrounds, especially African-Americans. The request includes \$3.4 million for Howard University's endowment. The direct Federal appropriation accounts for approximately 36 percent of Howard University's operating costs.

Academic Facilities  
(BA in millions)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
HBCU Capital Financing Program .....	\$19.4	\$19.4	\$19.4
CHAFL Federal Administration .....	0.4	0.4	0.5

These programs support the construction, reconstruction, and renovation of academic facilities at institutions of higher education. The 2016 request for the HBCU Capital Financing Program would support the management and servicing of loan guarantees on previously issued loans, and includes \$19.1 million in loan subsidy that would allow the program to guarantee \$286 million in new loans in 2016. Funds also would be used to continue technical assistance services to help HBCUs increase their fiscal stability and improve their access to capital markets. The Administration is seeking legislative authority to raise the limits on total loan authority and the sub-limits on authority for loans to public and private HBCUs.

Funding for CHAFL Federal Administration is used solely to manage and service existing portfolios of facilities loans and grants made in prior years.

## G. INSTITUTE OF EDUCATION SCIENCES

### Overview

The Institute of Education Sciences (IES) supports sustained programs of research, statistics, and evaluation to inform and provide solutions to the problems and challenges faced by schools, teachers, and learners. Investment in research and statistics activities is critical in order to identify effective instructional and program practices, track student achievement, and measure the impact of educational reform. Through its four centers—the National Center for Education Research, the National Center for Education Statistics (NCES), the National Center for Education Evaluation and Regional Assistance, and the National Center for Special Education Research—IES ensures that the Federal investment in education research, statistics, and evaluation is rigorous and relevant to the needs of educators and policymakers.

For 2016, the Administration is seeking \$675.9 million for IES activities, an increase of \$101.9 million over the 2015 appropriation. This request would enable IES to award approximately \$60 million in new research and development grants in early learning, elementary, secondary, postsecondary, and adult education in 2016, including research focused on issues related to students with disabilities. NCES would receive an additional \$21.7 million to support a wide range of activities, including collecting administrative National Postsecondary Student Aid Survey (NPSAS) data every 2 years, re-initiating the Early Childhood Longitudinal Study Birth Cohort (ECLS-B), and developing a study on college loan performance. The National Assessment of Educational Progress (NAEP) would receive an additional \$20.6 million to maintain the current schedule of assessments, transition to digital-based assessments and expand the Trial Urban District Assessment (TUDA) in 2017, and conduct assessments at grades 8 and 12 in U.S. history, civics, and geography in 2018. In addition, the Statewide Longitudinal Data Systems program would receive an additional \$35.5 million to make new grants and support the expansion of existing systems to provide near real-time information to policymakers on the impact of various education strategies.

The request also would provide an increase for the What Works Clearinghouse (WWC) to expand dissemination efforts to better meet the needs of practitioners and policymakers and to accelerate study reviews to help ensure that State education authorities (SEAs), local educational authorities (LEAs), schools, and practitioners have access to the most up-to-date evidence. In addition, the request would continue the Administration's commitment to supporting the Regional Educational Laboratories and Special Education Studies and Evaluations.

#### Research, Development, and Dissemination

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$179.9	\$179.9	\$202.3

The request includes an increase of \$22.4 million over the 2015 level to support critical investments in education research, development, dissemination, and evaluation that provide parents, teachers, schools, and policy-makers with evidence-based information on effective educational practices. The request would enable IES to launch three new grant competitions: low-cost, quick-turnaround randomized control trials; research networks focused on critical problems of education practice; and the pathways to education research training program. At

the request level, IES would be able to support \$6 million in new research on early childhood education. In addition, the increase would allow IES to expand What Works Clearinghouse (WWC) activities, including increasing the number and pace of study reviews.

### Statistics

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$103.1	\$103.1	\$124.7

The Department’s statistics program—operated primarily through competitively awarded contracts administered by NCES—provides general statistics about trends in education, collects data to monitor reform and measure educational progress, and informs the IES research agenda. The 2016 request, an increase of \$21.7 million from 2015, would support the collection, analysis, and dissemination of education-related statistics in response to both legislative requirements and to the particular needs of data providers, data users, and educational researchers. The increase would provide \$8.7 million to re-initiate the Early Childhood Longitudinal Study Birth Cohort, \$2 million to support an international study of early childhood education, \$4 million to collect administrative National Postsecondary Student Aid Survey data every 2 years, \$2 million to support the School Survey on Crime and Safety and the School Crime Supplement, \$4 million to support a study on student loan repayment and defaults, and \$1 million to support statistical work on the My Brother’s Keeper initiative.

### Regional Educational Laboratories (RELs)

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$54.4	\$54.4	\$54.4

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

### Assessment

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$140.2	\$137.2	\$157.4

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 a nationally representative and continuing assessment of what American students know and can do, NAEP has become a key measure of our Nation’s educational performance. The requested funding for NAEP would allow for the 2017 4<sup>th</sup> and 8<sup>th</sup> grade national and State assessments in reading and math to transition to a digital-based platform, the expansion of the

Trial Urban District Assessment to an additional 10 urban school districts, and the administration assessments in U.S. history, civics, and geography at grades 8 and 12 in 2018.

#### Research in Special Education

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$54.0	\$54.0	\$54.0

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

#### Statewide Longitudinal Data Systems

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$34.5	\$34.5	\$70.0

This program supports competitive awards to State educational agencies to foster the design, development, and implementation of longitudinal data systems that enable States to use data on student learning, teacher performance, and college- and career-readiness to enhance the provision of education and close achievement gaps. Up to \$6 million would be used for awards to public or private agencies and organizations to support activities to improve data coordination, quality, and use at the local, State, and national levels. The proposed \$35.5 million increase would allow the Department to support \$58 million in new grants to improve data systems and ensure that data are available to answer key policy questions in such core areas as financial and resource equity and teacher preparation, compensation, and advancement.

#### Special Education Studies and Evaluations

	<u>2014</u>	<u>2015</u>	<u>2016 Request</u>
BA in millions.....	\$10.8	\$10.8	\$13.0

This program supports studies to assess the implementation of the Individuals with Disabilities Education Act (IDEA) and the effectiveness of State and local efforts to provide special education and early intervention programs and services to infants, toddlers, and children with disabilities. The request would support an evaluation of preschool special education practices, a study of State and local implementation of IDEA, an impact evaluation of multi-tiered systems of support for behavior, and a study of post high school outcomes for youth with disabilities.

### III. PROGRAMS PROPOSED FOR CONSOLIDATION OR ELIMINATION, OR FOR TRANSFER

#### A. Proposed Discretionary Program Consolidations or Elimination

The 2016 request continues the Administration’s commitment to eliminating or consolidating funding for programs that have achieved their original purpose, duplicate other programs, are narrowly focused, or unable to demonstrate effectiveness. Overall, Congress eliminated funding for approximately 50 programs since fiscal year 2010 for a total annual savings of more than \$1.2 billion. The table shown below is followed by a brief summary of each program, in alphabetical order, that would be consolidated or eliminated under the 2016 request.

#### Programs Proposed for Consolidation or Elimination in FY 2016

	(2015 BA in millions)
Evaluation (Education for the Disadvantaged).....	\$0.7
Impact Aid Payments for Federal Property .....	66.8
School Leadership .....	16.4
Teacher Quality Partnership .....	40.6
Transition to Teaching.....	<u>13.7</u>
 Total .....	 138.2

(2015 BA in millions)

Evaluation (Education for the Disadvantaged) ..... \$0.7

These funds are used to carry out objective measurement and systematic analyses of the Title I Grants to Local Educational Agencies program, the Federal Government’s largest investment in elementary and secondary education. The 2016 requests proposes to fund these activities through an expansion of the ESEA pooled evaluation authority first authorized in the fiscal year 2014 appropriations act for the Department of Education and continued in fiscal year 2015.

Impact Aid Payments for Federal Property..... \$66.8

This authority provides payments to local educational agencies without regard to the presence of federally connected children and thus does not necessarily support the provision of educational services for federally connected children.

School Leadership ..... \$16.4

This program, which provides funds to States and local educational agencies to develop and support a high-quality teaching force through activities that are grounded in scientifically based research, would be consolidated into the more flexible Teacher and Principal Pathways proposal.

Teacher Quality Partnership..... \$40.6

This program, which would be consolidated into the more flexible Teacher and Principal Pathways proposal, supports the development and implementation of model teacher

preparation and teaching residency programs to improve the quality of teaching in high-need schools and early childhood education programs.

Transition to Teaching..... \$13.7

This program, which would be consolidated into the more flexible Teacher and Principal Pathways proposal, supports competitive grants to develop and implement comprehensive approaches to training, placing, and supporting teacher candidates through alternative routes to teacher certification or licensure.

B. Programs Being Transferred to HHS in 2015

On July 22, 2014, President Obama signed into law the Workforce Innovation and Opportunity Act (WIOA). Under WIOA, the National Institute on Disability and Rehabilitation Research, as well as specified functions of the Independent Living and the Assistive Technology units in the Rehabilitation Services Administration are transferred from the Office of Special Education and Rehabilitative Services in the U.S. Department of Education to the Administration for Community Living in the U.S. Department of Health and Human Services. The table below is followed by a brief summary of each program, in alphabetical order, that would transfer to HHS in 2015.

Programs being transferred to HHS in FY 2015

	(2014 BA in millions)
Assistive Technology Programs.....	\$33.0
Centers for Independent Living.....	78.3
Independent Living State Grants .....	22.9
National Institute on Disability and Rehabilitation Research .....	<u>104.0</u>
 Total .....	 238.2

Assistive Technology Programs ..... \$33.0

Assistive Technology programs support grants to States to increase access to and funding for assistive technology devices and services for individuals with disabilities of all ages.

Centers for Independent Living ..... \$78.3

The Independent Living programs provide services to individuals with disabilities to maximize their independence and productivity and to help them integrate into the mainstream of American society. The Centers for Independent Living program makes competitive grants to support a network of independent living services.

Independent Living State Grants..... \$22.9

The Independent Living programs provide services to individuals with disabilities to maximize their independence and productivity and to help them integrate into the mainstream of American society. The State Grant program awards formula grants to States to expand and improve independent living services and to support the operation of centers for independent living.

National Institute on Disability and Rehabilitation Research..... \$104.0

The National Institute on Disability and Rehabilitation Research (NIDRR) helps improve the lives of persons of all ages with disabilities through a comprehensive and coordinated program of research, demonstration projects, and related activities, including training of persons who provide rehabilitation services or conduct rehabilitation research.

## IV. DEPARTMENTAL MANAGEMENT

### History and Background

Congress established the Department of Education as a Cabinet level agency in 1980. Today, the Department supports programs that touch on every area and level of education. The Department's early learning, elementary, and secondary education programs annually serve approximately 16,900 school districts and 50 million students attending more than 98,000 public schools and 28,000 private schools. Department programs also provide grant, loan, and work-study assistance to nearly 13 million postsecondary students.

The Department is responsible for administering education programs authorized and funded by Congress and signed into law by the President. This responsibility involves developing regulations and policy guidance regarding program operations, determining how program funds are awarded to recipients consistent with statutory requirements, and ensuring programs are operated fairly and conform to statutes and laws prohibiting discrimination in federally funded activities. The Department also collects data and conducts research on education to help focus attention on education issues of national importance.

Most Federal funds for education are distributed using one of three methods: a statutory formula based on certain eligibility requirements, such as the number of low-income students in a school district; a competitive process aimed at identifying the most promising proposals or projects targeting a particular educational purpose; or an assessment of financial need, such as the ability of a student or family to pay for college.

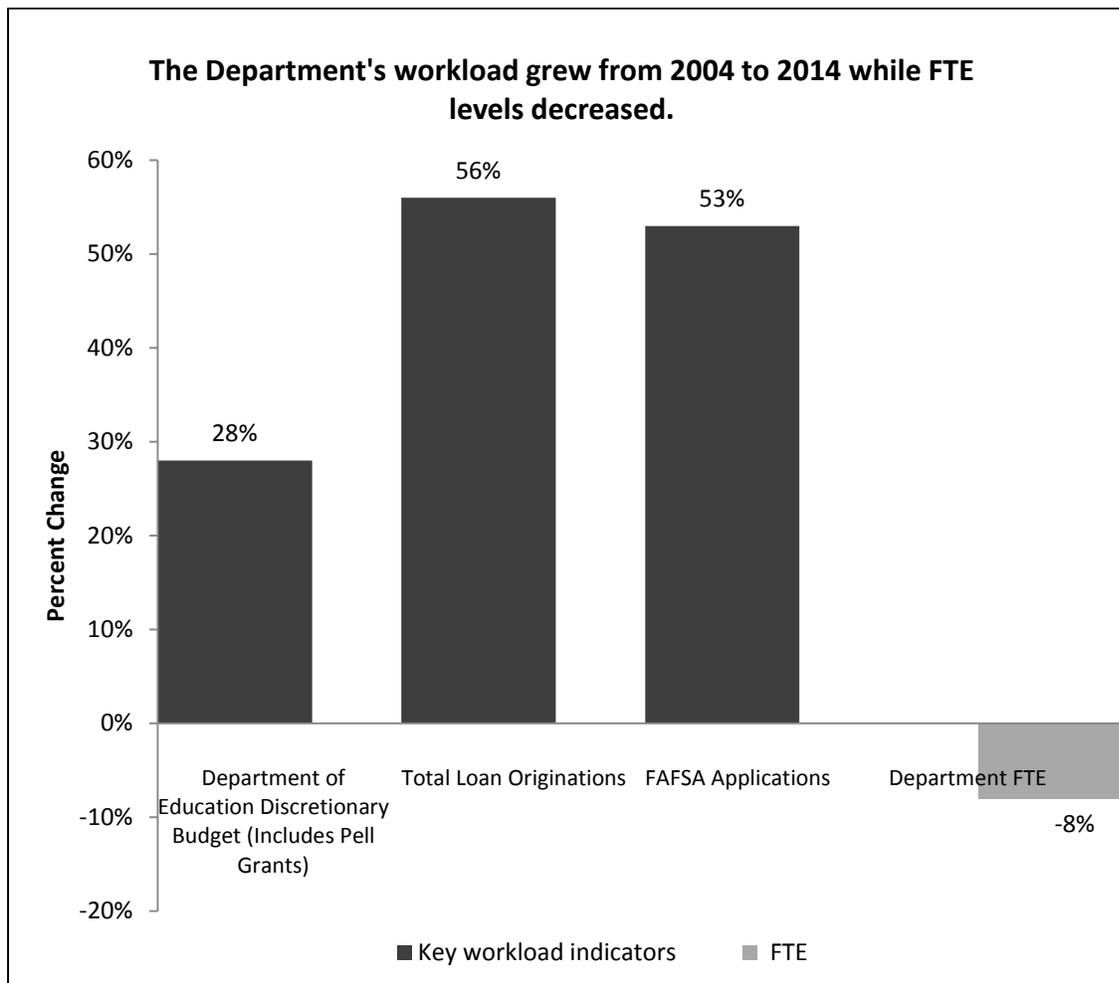
Key programs administered by the Department include Title I of the Elementary and Secondary Education Act (ESEA), which under the President's 2016 request would provide \$15.4 billion to help almost 24 million students in high-poverty schools make progress toward State academic standards; the Individuals with Disabilities Education Act Part B Grants to States, which would provide \$11.7 billion to help States and school districts meet the special education needs of 6.6 million students with disabilities; Federal Pell Grants, which would make available nearly \$32.1 billion in need-based grants to 8.4 million students enrolled in postsecondary institutions; and the postsecondary student loan programs, which would help provide roughly \$137 billion in new and consolidated Direct Loans to help students and families pay for college.

The Department's responsibilities have grown substantially over the past decade, reflecting, in part, the implementation of complex new competitive grant programs like Investing in Innovation. In the postsecondary area, the Ensuring Continued Access to Student Loans Act of 2008 (ECASLA) supported uninterrupted access by students to federally guaranteed student loans throughout the financial crisis, while SAFRA (Student Aid and Fiscal Responsibility Act), Title II, Part A of the Health Care Education Reconciliation Act, 2010, ended Federal subsidies to private lenders and created 100 percent Direct Lending. The Department has also taken on new, complex statutory, regulatory, and administrative responsibilities. The Department is now the sole lender for Federal postsecondary student loans and has a portfolio of more than \$1.1 trillion, including Federal Family Education Loans (FFEL), ECASLA, and Direct Loans. The Department's investigative responsibilities have also grown significantly, as evidenced by the growth in civil rights-related complaints.

Laws and Presidential directives such as Homeland Security Presidential Directive 12 and the Federal Information Security Management Act of 2002 have required significant ongoing

resources to address physical and information security technology issues. There has been an enhanced Governmentwide focus on prudent financial management through instruments such as OMB Circular A-123 on internal controls. The Department has also significantly increased the dollars it invests in computer security to ensure that sensitive data on students, borrowers, and the Department's State, local, and institutional partners' information are protected.

Despite the dramatic increase in its workload, the Department has controlled its administrative costs by reducing the number of personnel and improving its acquisition and financial management. The following chart compares the cumulative percentage increases, from 2004 to 2014, in the Department's discretionary budget, total loan originations, and FAFSA applications, with the Department's total decrease in full-time equivalent (FTE) usage.



## Salaries and Expenses Overview

<u>Departmental Management</u> (BA in millions)	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Request</u>
Program Administration	\$422.91	\$411.00 <sup>1</sup>	\$474.09 <sup>2</sup>
Office for Civil Rights	98.36	100.00	130.69
Office of Inspector General	57.79	57.79	59.26
Student Aid Administration	1,166.0 <sup>3</sup>	1,396.92	1,581.85
Other	<u>9.28<sup>4</sup></u>	<u>9.28<sup>4</sup></u>	<u>8.89<sup>4</sup></u>
Total	1,754.34	1,974.99	2,254.78

Full-time equivalent employment (FTE)

Program Administration	1,898	1,861 <sup>1</sup>	1,961
Office for Civil Rights	544	554	754
Office of Inspector General	249	241	244
Student Aid Administration	1,320	1,350	1,350
Other	<u>16</u>	<u>19</u>	<u>19</u>
Total	4,027 <sup>5</sup>	4,025 <sup>5</sup>	4,328 <sup>5</sup>

<sup>1</sup> The 2015 Appropriation for the Program Administration account does not reflect two anticipated transfers. The first would transfer funds to the Department of Health and Human Services for necessary administrative expenses per Section 491 of the Workforce Innovation and Opportunity Act, P.L.113-128. The second would avoid potential furloughs of staff by using the Department's authority to transfer up to 1 percent of another discretionary appropriation as long as the receiving appropriation does not increase by more than 3 percent, with the sending appropriation(s) to be determined.

<sup>2</sup> Includes \$13.8 million in 2016 for Building Modernization.

<sup>3</sup> Excludes \$1 million in Health Education Assistance Loan (HEAL) program transfer from HHS and excludes \$226.8 million in mandatory funds.

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

<sup>5</sup> Actual FTE usage in 2014; target for 2015 and 2016. Target for 2015 does not reflect two anticipated transfers as detailed in footnote 1. With transfers, FTE target for 2015 is expected to be approximately 4,114.

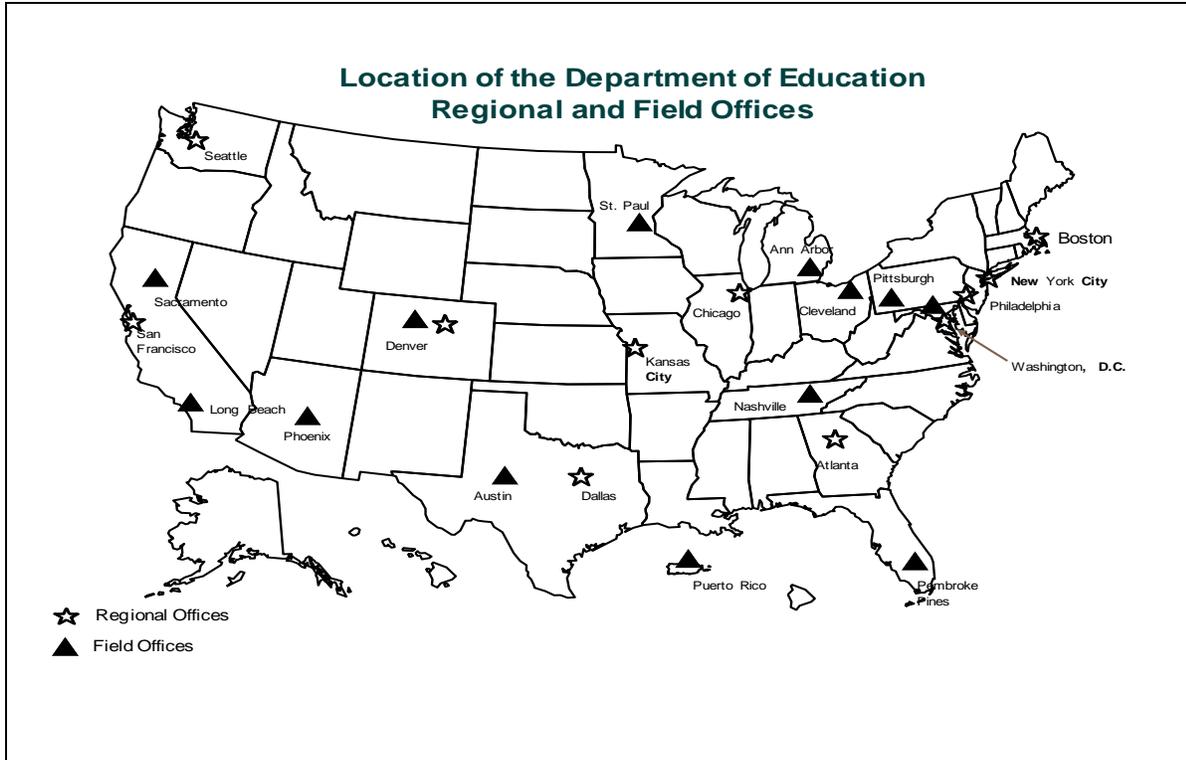
The 2016 Budget request for Salaries and Expenses (S&E) would pay the costs of staff, overhead, contracts, and other activities needed to administer and monitor the Department's educational assistance programs. The Department of Education has the smallest staff of the 15 Cabinet agencies, but its discretionary budget alone is the third largest, behind only the Department of Defense and the Department of Health and Human Services. As a result, the Department's administrative funds are approximately 1 percent of the total annual program appropriations and new loan volume administered by the Department. When adjusted for inflation, the Department of Education's overall administrative budget is about the same as it was 10 years ago, while FTE has declined by 8 percent.

The Department is requesting \$2.25 billion for its S&E budget accounts in 2016, an increase of \$280 million, or 14.2 percent, over the 2015 level. Approximately 62 percent of the requested increase is for servicing costs based on current loan servicing projections. An additional 23 percent of the requested increase is for fixed increases (e.g., actual and proposed pay increases, increased retirement contribution rates effective October 2015, GSA-mandated increases in rental costs) that must be covered, as well as a necessary increase of 303 FTE to 1) handle increased investigative workload (especially in the areas of sexual assault on college campuses and school discipline), and 2) provide adequate staffing based on current workload. The rest of the requested increase is focused on key priority areas: student aid systems and operational costs necessary to originate, disburse, and manage Pell Grants and Student Loans; implementation of the Workforce Innovation and Opportunity Act of 2014 and DATA Act additional reporting requirements; IT security; IT system enhancements; and building modernization costs to reduce the Department's space needs and rental costs.

The chart above provides detail on the total Salaries and Expenses request of \$2.25 billion by category.

### Department Employment

The 2016 request includes funding for 4,328 FTE, a net increase of 303 FTE from the 2015 level of 4,025 FTE. Of the requested increase, the Department is seeking 51 additional FTE in Program Administration (the balance of the requested increase of 100 FTE in 2016 in Program Administration is accounted for by the reduction of 40 FTE in 2016 per the transfer of staff to the Department of Health and Human Services and the FTE impacts in 2015 of the anticipated use of the Department's transfer authority). This increase is needed to staff areas of high priority. More specific detail is explained in the **Program Administration** request. The request also includes an increase of 200 FTE in the Office for Civil Rights (OCR) to address staffing shortages and the increased workload to address increased Title IX investigations regarding sexual violence on college campuses. The increased FTE will allow for a better ratio of cases per staff, which will ensure more robust monitoring efforts and reduce the time needed to resolve cases. Additionally, an increase of 3 FTE in the Office of Inspector General (OIG) is requested for continual support on audit, investigation, and inspection activities.



### Program Administration

The Program Administration account provides administrative support for most programs and offices in the Department. The 2016 request totals \$474.1 million, an increase of \$63.1 million, or 15 percent, above the 2015 level. The request includes \$293.1 million for personnel compensation and benefits to support 1,961 FTE.

Non-personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, information technology, contractual services, equipment, supplies, and other services. The total request for non-personnel activities in 2016 is \$167.2 million, an increase of \$28.2 million from the 2015 level of \$139.0 million. This increase is needed for: (1) 51 new FTE to address staffing shortages and high priority initiatives; (2) built-in increases for a proposed 1.3 percent pay raise in January 2016, one additional paid day, and an increased Federal Employees Retirement System (FERS) contribution rate starting in October 2015; (3) support for a recently established STEM Office to expand outreach and technical assistance activities to States and districts to support the STEM Innovation initiatives; (4) enhancing and reengineering the Department's management of student privacy, including compliance with Family Educational Rights and Privacy Act (FERPA) and the Protection of Pupil Rights Amendment (PPRA); (5) implementation of the Workforce Innovation and Opportunity Act of 2014 and DATA Act additional reporting requirements; and (6) several Administration priorities that will strive to dramatically improve the Department's effectiveness in improving educational outcomes, interacting with the public, and providing technical assistance to grantees.

### Student Aid Administration

The Student Aid Administration account provides funds to administer the Federal student financial assistance programs. The Higher Education Act Title IV programs, which provide funds to help students and families pay for the cost of education and training beyond high school, are the Nation's largest source of financial aid for postsecondary students. This account funds functions across the student aid lifecycle, including: educating students and families about the process for obtaining aid and student loan repayment options; processing student financial aid applications; disbursing aid; servicing loans; and collecting on defaulted loans.

Ensuring the smooth operation of the complex financial transactions and many participants involved in the student financial aid programs—and safeguarding the interests of both students and Federal taxpayers—is one of the Department's greatest management challenges and highest administrative priorities. Primary responsibility for administering the Federal student financial assistance programs rests with Federal Student Aid, the Office of the Under Secretary, and the Office of Postsecondary Education.

During the 2014–2015 award year, FSA provided approximately \$169.6 billion in grant, work-study, and loan assistance, including loan consolidations, to 12.8 million postsecondary students and their families. These students attended approximately 6,200 institutions of postsecondary education accredited by dozens of agencies.

SAFRA ended the origination of new loans under the FFEL program and required all new loans, as of July 1, 2010, to be originated and serviced through the Direct Loan (DL) program and serviced by the Department of Education. Although all new lending is made through the DL program, lenders and guaranty agencies continue to service and collect outstanding loans from the FFEL portfolio. In 2013, the Bipartisan Budget Act removed SAFRA language that authorized mandatory budget authority to fund loan servicing performed by Not-For-Profit servicers. The Department currently has 13 loan servicers to service the Department's portfolio of nearly 30 million borrowers.

The Student Aid Administration account represents 70 percent of the Department's total discretionary administrative budget. The 2016 request would provide \$1.6 billion to administer student aid programs, an increase of \$185 million over the 2015 level. Ninety-four percent of the increase is due to higher servicing costs, due to increases in the number of borrowers, the aging of the student loan portfolio as more borrowers move into repayment, and renegotiated servicing contracts with pricing and incentives to improve customer service and keep borrowers current and in a payment plan that makes their debt manageable. In addition to the servicing request, funds are necessary to maintain operations for student aid application processing, origination, disbursement functions, and student aid IT system hosting; manage the acquisition strategy for FSA's core contracts for application processing and system hosting; and improve data collection, reporting, and dissemination to the public.

### Office for Civil Rights

The Department's Office for Civil Rights (OCR) investigates discrimination complaints, conducts compliance reviews, monitors corrective action plans, and provides technical assistance on civil rights issues. Over the past 6 years, OCR's workload has dramatically expanded as civil rights complaints received by the Department have increased from 6,933 in 2010 to an estimated 10,200 in 2016. At the same time, OCR's staffing has actually decreased, increasing the number of complaints per staff to 28 and creating a backlog of 630 pending complaints open for

more than 180 days. OCR estimates that the complaints-to-staff ratio needs to decrease to roughly 19 cases per staff to eliminate this backlog and keep up with the projected level of complaints. To address this issue, OCR is requesting a significant increase in FTE.

The 2016 request for OCR is \$130.7 million, an increase of \$30.7 million over the 2015 level. About \$26.3 million, or 86 percent, of the requested increase is for staff pay and benefits for 754 FTE (a requested increase of 200 FTE), as well as a proposed 1.3 percent pay raise in January 2016, one additional paid day, and an increased FERS contribution rate starting in October 2015. An increase of \$2.1 million is for information technology services including contracts for the Civil Rights Data Collection (CRDC), which will be used to support the 2015–16 and 2017–18 CRDC data collections and provide resources for technical assistance to school districts on preparing and submitting accurate data. The remaining \$2.3 million will cover overhead costs as well as computer equipment, data analysis and reporting activities, travel, and other contractual services. The requested funds would ensure essential program support to resolve complaints of discrimination filed by the public and to ensure that institutions receiving Federal financial assistance are in compliance with the civil rights laws enforced by OCR.

OCR provides extensive information on its Internet site, including self-assessment materials for recipients, data on school characteristics, brochures, and other information for the public. The Department of Education recently released the CRDC data from the 2011–2012 school year, a massive undertaking that produced a comprehensive snapshot of civil rights data from the Nation's 97,000 public schools and its 16,500 school districts, representing 49 million students. It is the first comprehensive look at civil rights data from every public school in the country in nearly 15 years. For the first time, State-, district- and school-level information is accessible to the public in a searchable online database at [crdc.ed.gov](http://crdc.ed.gov).

#### 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 2016 request for the OIG is \$59.3 million, an increase of \$1.5 million over the 2015 level. Approximately 69 percent of this amount, or \$41.0 million, is for personnel compensation and benefits to support a staffing level of 244 FTE, including built-in increases for a proposed 1.3 percent pay raise in January 2016, one additional paid day, and an increased FERS contribution rate starting in October 2015.

The non-personnel request of \$18.3 million includes \$1 million to contract for the mandated annual audit of the Department's financial statements. The scope of the audit would include the examination and analysis of account balances, review of applicable financial systems, and evaluation of internal controls and compliance with significant laws and regulations. Additionally, the non-personnel request includes funds to support the Council of Inspectors General on Integrity and Efficiency (CIGIE); and to continue to develop the ability to perform predictive analytics, a tool to identify patterns of fraud and risk, allowing the OIG to better target audit and investigative work.

## APPENDICES

- [Summary of Discretionary Funds](#)
- [Mandatory Funding in the Department of Education](#)
- [Summary of Mandatory Funds](#)
- [Advance Appropriations for the Department of Education](#)
- [Total Expenditures for Elementary and Secondary Education in the United States](#)
- [Detailed Budget Table by Program](#)