



## **U.S. DEPARTMENT OF EDUCATION**

Under the President’s leadership, we have turned our economy around and created 14 million jobs. Our unemployment rate is below five percent for the first time in almost eight years. Nearly 18 million people have gained health coverage as the Affordable Care Act has taken effect. And we have dramatically cut our deficits by almost three-quarters and set our Nation on a more sustainable fiscal path.

Yet while it is important to take stock of our progress, this Budget is not about looking back at the road we have traveled. It is about looking forward and making sure our economy works for everybody, not just those at the top. It is about choosing investments that not only make us stronger today, but also reflect the kind of country we aspire to be – the kind of country we want to pass on to our children and grandchildren.

The Budget makes critical investments in our domestic and national security priorities while adhering to the bipartisan budget agreement signed into law last fall, and it lifts sequestration in future years so that we continue to invest in our economic future and our national security. It also drives down deficits and maintains our fiscal progress through smart savings from health care, immigration, and tax reforms.

The Budget shows that the President and the Administration remain focused on meeting our greatest challenges – including accelerating the pace of innovation to tackle climate change and find new treatments for devastating diseases; giving everyone a fair shot at opportunity and economic security; and advancing our national security and global leadership – not only for the year ahead, but for decades to come.

The U.S. Department of Education works with states, communities, teachers, education institutions and others to promote student achievement, from preschool through higher education, and to help ensure that all students have access to a high-quality education so they can reach their full potential. This is critical for our national competitiveness – if all Americans have the opportunity to live up to their full potential, our economy will thrive and our citizens can secure sustainable careers that lead to productive lives.

To support this mission, the Budget provides \$69.4 billion in discretionary funding for the Department of Education in 2017, an increase of \$1.3 billion, or 2 percent, over the 2016 enacted level, adjusted for comparability. The Budget also proposes \$139.7 billion in new mandatory spending and reforms over the next decade. While investing in all areas of education, the Budget emphasizes three in particular: (1) increasing equity and excellence; (2) providing support for teachers and school leaders; and (3) promoting access, affordability, and completion in higher education.



In addition, the Budget makes a cross-cutting commitment to using and developing evidence and data to maximize results for students and taxpayers. As a part of this effort, InformED, launched in 2016 and expanded in the 2017 Budget, will provide access to the Department's data on a range of education-related topics, with intuitive and user-friendly tools, to help inform decision-making.

### **Funding Highlights:**

The President's FY 2017 Budget provides \$69.4 billion in discretionary funding and \$139.7 billion in new mandatory funding for the U.S. Department of Education. The Budget supports the implementation of the Every Student Succeeds Act, which embraces many of the reforms the Administration has long supported to improve outcomes for all students. It also makes crucial investments that build on the Administration's work to advance educational equity and excellence, support teachers and school leaders, and promote college affordability and completion. These include:

- Investing \$15.4 billion in Title I Grants to Local Educational Agencies (LEAs), to support efforts to provide equitable access to high-quality education and ensure strong support for improving low performing schools.
- Ensuring access to high-quality preschool programs for 4-year-olds with \$1.3 billion in mandatory funding in 2017 and \$75 billion over 10 years for the President's landmark Preschool for All proposal.
- Creating a new Computer Science for All initiative supported by \$4 billion in mandatory funding and \$100 million in discretionary funding.
- Helping ensure equitable access to effective teachers and school leaders for low-income and minority students in high-need schools by investing \$1 billion in mandatory funds for the new RESPECT: Best Job in the World program to support a nationwide effort to attract and retain effective teachers in high-need schools, and \$2.8 billion in discretionary funding to support teachers and principals at every phase of their careers.
- Supporting access to a well-rounded education through the Student Support and Academic Enrichment block grant.
- Investing in the Stronger Together program, which encourages the voluntary development and support of innovative, ambitious plans to increase socioeconomic diversity through community-supported strategies.
- Funding for the Education, Innovation, and Research program for innovative preschool through 12th grade reform, and for the First in the World initiative, to advance innovative solutions and evidence for college opportunity and completion for high-need students.
- Supporting two years of free community college for responsible students through a \$60.8 billion mandatory investment in America's College Promise over the next ten years; this proposal will also provide low-income students who attend Historically Black Colleges



and Universities and Minority Serving Institutions with up to two free years of college or significantly reduced tuition.

- Improving the Pell Grant program by allowing students to take courses year-round to stay on track or accelerate progress toward a degree; increasing the Pell Grant by \$300 for students taking at least 15 credit hours per semester to promote on-time completion; and lifting the restriction on providing Pell Grants to incarcerated individuals eligible for release.

### **Reforms:**

- Simplifying the FAFSA so families can more easily access resources that help pay for college, and helping student loan borrowers manage their debt by streamlining and better targeting income-driven repayment plans.
- Promoting greater use of evidence, evaluation, and data across the Department's programs to identify what works best to support student success throughout the education pipeline.
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### ***Increasing Equity and Excellence***

While the nation has made significant progress in increasing overall high school graduation rates, gaps between different student groups persist. There are many ways to close achievement gaps -- one key strategy is to improve resource equity. Today, there remain unacceptable inequities in the distribution of resources, including money, effective teaching, student support services, and challenging coursework. For example, children from low-income families are less likely to be enrolled in preschool than their more affluent peers – 41 percent compared to 61 percent, respectively. 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 prep coursework is offered compared to 71 percent of white students. Our nation's new education law, the Every Student Succeeds Act, builds on the progress that States, schools, and educators have made to deliver on the promise of education as a fundamental civil right—true to the intent of the original Elementary and Secondary Education Act signed by President Lyndon Johnson in 1965. The Budget reflects funding where States and school districts most need resources to bring the promise of the law to life, advancing equity and excellence, including:

- \$15.4 billion 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. A portion of the increase would be reserved to support State and local school improvement activities.



- Historic investments in high-quality preschool anchored by President Obama’s Preschool for All proposal, which would provide mandatory funding for universal high-quality preschool programs for all 4-year-olds from low- and moderate-income families. In addition, the budget includes, for the Department of Health and Human Services, \$350 million in discretionary funding for the jointly administered Preschool Development Grants program, a \$100 million increase over the 2016 enacted level, to expand the reach of the program that currently supports 18 states’ efforts to expand high-quality preschool. In addition, preschool and early intervention services for children with disabilities through IDEA Preschool Grants and the IDEA Infants and Families program together receive an \$80 million increase over the 2016 enacted level.
- \$120 million for a new Stronger Together Grants program, which would encourage the development of innovative, ambitious plans to increase socioeconomic diversity through voluntary, community-supported strategies, and expand existing efforts in States and communities.
- \$350 million for Charter School Grants, an increase of \$17 million over the 2016 enacted level, and \$115 million for Magnet Schools Assistance, an increase of \$18 million over the 2016 enacted level, to support the Department’s ongoing commitment to the expansion of high-quality schools and public school choice options. Magnet and charter schools can be important components of comprehensive strategies to increase socioeconomic diversity, and these programs will help reinforce the goals of the new Stronger Together initiative.
- \$4 billion in mandatory funding over three years for the new Computer Science for All program, which would support state efforts to expand access for all students to computer science instruction and programs of study. The budget also includes the \$100 million discretionary Computer Science for All Development Grants program for school districts, which would promote innovative strategies to provide high-quality instruction and other learning opportunities in computer science.
- \$180 million for the Education Innovation and Research program, an increase of \$60 million over the 2016 enacted level for its predecessor, the Investing in Innovation program, to support the creation, development, implementation, replication, and scaling up of evidence-based, field-initiated innovations designed to improve achievement and attainment for high-needs students.
- \$128 million for Promise Neighborhoods, an increase of \$55 million, to support communities that seek to break the intergenerational cycle of poverty through a continuum of coordinated services from birth through college.
- \$11.9 billion for Grants to States under the Individuals with Disabilities Education Act (IDEA Part B) to support special education and related services and help States and LEAs improve results for children with disabilities.
- \$500 million for the new Student Support and Academic Enrichment grants to support States and districts in providing students with access to a well-rounded education, strengthening school conditions for learning, and improving the effective use of technology.



- \$800 million, an increase of \$63 million over the 2016 enacted level, for English Language Acquisition grants for English learners.
- \$138 million, an increase of \$31 million over the 2016 enacted level, for more vigorous enforcement of our Nation’s civil rights laws by the Department’s Office for Civil Rights, which ensures equal access to education.
- \$53 million, a \$30 million increase over the 2016 enacted level, for Native Youth Community Projects, which support community-driven, comprehensive strategies to improve the college- and career-readiness of Native youth.

### ***Providing Support for Teachers and School Leaders***

Of all the school-related factors that impact student academic performance, great teachers matter most. Yet, teachers today too often do not have the preparation, support, opportunities for leadership, or the autonomy they need to succeed. Principals also have a significant impact on school culture and student outcomes and are a major factor in attracting, developing and retaining excellent teachers. The Budget invests in efforts to recruit, develop and retain the teachers and leaders our students need. Investments include:

- A new RESPECT: Best Job in the World program that would make a one-time, \$1 billion mandatory investment to support a nationwide effort to attract and retain effective teachers in high-need schools by increasing compensation and paths for advancement, implementing teacher-led development opportunities to improve instruction, and creating working conditions and school climates conducive to student success.
- \$250 million for the Teacher and School Leader Incentive Program to support efforts to develop, implement, improve, or expand human capital management systems or performance-based compensation systems in schools in ways that attract, develop and retain talented, committed, and accomplished teachers in high-need schools.
- \$125 million for the proposed Teacher and Principal Pathways program for grants to institutions of higher education and nonprofit organizations, working closely with school districts, to create or expand high-quality pathways into the teaching profession, particularly into high-needs schools and high-need subjects such as science, technology, engineering and math (STEM).
- \$100 million for Supporting Effective Educator Development to support nonprofits that provide evidence-based professional development activities and prepare teachers and principals from nontraditional preparation and certification routes to serve in high-need LEAs.
- \$30 million for the School Leader Recruitment and Support program to improve the recruitment, preparation, placement, support, and retention of effective principals and other school leaders in high-need schools.
- \$10 million for Teach to Lead grants to build on the promising work begun through the Department’s “Teach to Lead” convenings. The proposal would provide direct support to



teachers that develop innovative reforms with the potential for wider impact on improving student outcomes.

- A streamlined and expanded initiative to provide up to \$25,000 in student loan forgiveness for teachers graduating from an effective preparation program who serve in low-income schools, starting in 2021. This proposal would consolidate various postsecondary assistance options available for teachers, such as TEACH grants and the current teacher loan forgiveness program, into a single loan forgiveness program in which the benefit increases over time as teachers stay in high-needs schools.

### ***Expanding Access, Affordability, and Completion in Higher Education***

Higher education is one of the clearest paths to the middle class. At a time when jobs can go anywhere in the world, skills and education will determine success for individuals and for nations. Yet, far too many students do not go to college, or never complete their degree. The Budget builds on the Administration's efforts to make college more affordable and accessible while putting forward important new initiatives to promote college completion. Students who do not complete their degrees are less likely to succeed in the labor market and have student loan default rates that are three times higher than those who graduate. To support college access, affordability, and completion, the Budget includes proposals that:

- Provide \$60.8 billion in mandatory funding over the next decade for America's College Promise (ACP), which would create a new partnership with States to make two years of community college free for responsible students, letting students earn the first half of a bachelor's degree or an associate degree and earn skills needed in the workforce at no cost. ACP would also provide grants to four-year HBCUs and MSIs to provide new low-income students, including community college transfers, with up to two years of college at zero or significantly reduced tuition.
- Support and encourage on-time degree attainment through Pell for Accelerated Completion to provide year-round Pell availability to low-income students taking a full course load who have exhausted their award.
- Increase the Pell Grant by an additional \$300 through the On-Track Pell Bonus for students taking at least 15 credit hours per semester in an academic year, the number of credits typically required for on-time completion.
- Foster innovative and evidence-based, student-centered strategies and interventions to increase the number of low-income students completing degree programs through the \$30 million HBCU/MSI Innovation for Completion Fund competitive grant program.
- Reward colleges that successfully enroll and graduate a significant number of low-income students on time and encouraging all institutions to improve their performance through the new College Opportunity and Graduation Bonus program.
- Reform the campus-based student aid programs to ensure funds are allocated to schools that provide a quality education at a reasonable price, particularly to their low-income students.



- Fund fully the Pell Grant maximum award (estimated to be \$5,935 in award year 2017/18, including an inflationary adjustment, and \$6,235 for those taking at least 15 credits).
- Continue to index the Pell Grant to inflation indefinitely beyond the 2017 award year with mandatory funding to protect and sustain its value for future generations.
- Expand postsecondary opportunity to incarcerated individuals eligible for release through the Second Chance Pell proposal that would restore their Pell eligibility with the goals of helping them get jobs, support their families, turn their lives around, and strengthen their communities.
- Simplify the FAFSA by eliminating burdensome and unnecessarily complex questions to make it easier for students and families to access federal student aid and afford a postsecondary education.
- Improve and streamline income-driven repayment plans and create a single, simple, and better targeted plan for borrowers that will help them manage their debt, as well as simplify and strengthen teacher loan forgiveness programs.
- Support implementation and rigorous evaluation of promising and evidence-based strategies that can support student success at scale through a \$100 million First in the World initiative.
- Protect students and taxpayers by lowering the share of a for-profit institution's revenues that can be derived from federal sources from 90 to 85 percent, the original ratio.
- Support the development, operation, and expansion of tuition-free, innovative, evidence-based, short-term, or accelerated job training programs in high-demand fields such as healthcare, manufacturing and IT through \$75 million for the American Technical Training Fund. This initiative will be jointly administered by ED and the Department of Labor (DOL).