ASSOCIATION OF PUBLIC & LAND-GRANT UNIVERSITIES

APLU Analysis of the FY2018 President's Budget Request (PBR)

Department of Education (ED)

The budget request would provide $59 billion in discretionary funding for the Department of Education, $9 billion (13 percent) below the FY2017 level.

The budget slightly cuts the discretionary appropriation of the Pell Grant program from $22.475 billion to $22.432 billion, which is sufficient funding to retain the maximum Pell Grant of $5,920. The proposal would rescind $3.9 billion from the Pell Grant program's surplus. On campus-based aid, the PBR would eliminate the Federal Supplemental Educational Opportunity Grant program, slash Federal Work-Study from $990 million to $500 million and allow the Perkins Loan Program to expire. The request would change the Federal Work-Study program to ensure "funds go to undergraduate students who would benefit the most." Presently, the program benefits undergraduate and graduate students.

Under the PBR, TRIO would receive $808 million, a $142 million cut from FY2017, and GEAR UP would receive $219 million, a $121 million cut from FY2017. Within TRIO, Educational Opportunity Centers and the McNair Post Baccalaureate Achievement would be eliminated. Per the PBR, "there is limited evidence of effectiveness for both of these programs." The Graduate Assistance in Areas of National Need (GAANN) program would be cut from $28 million to $5.8 million, and according to the proposal, "the funds requested would fully cover the continuation awards of grantees that were successful in the 2015 competition."

The PBR requests $616.8 million for the Institute of Education Sciences which would match the FY2016 level, restoring $12 million which was cut in FY2017. The PBR assumed flat funding in FY2017 as the baseline.

The budget request also eliminates both the domestic and overseas components of the International Education and Foreign Language Studies (Title VI and Fulbright-Hays) programs, characterizing them as duplicative of programs within agencies with a primary mission of protecting national security, and asserting that such agencies are better equipped to support the international education objectives.

The PBR proposes a consolidation of five income-driven repayment plans into one plan which would set monthly payments at 12.5 percent of discretionary income while eliminating the standard repayment cap. Undergraduate borrowers would be eligible for forgiveness after 15 years while graduate students would be eligible after 30 years of repayment. The plan would raise monthly payments for some borrowers (from 10 percent to 12.5 percent) but would reduce the time to forgiveness for undergraduates from 20 years to 15. The plan would be a significant setback for graduate students. The PBR would also eliminate the Public Service Loan Forgiveness Program. Loan policy changes would apply to loans originated on or after July 1, 2018 with the exception of students who previously borrowed and are still borrowing to complete their current course of study. The administration also expresses interest in working with Congress on risk sharing.

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