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MEMORANDUM

FROM: CCSSO
 DATE: March 16, 2017
 SUBJECT: Administration FY2018 “Skinny” Budget

Today, the Trump Administration released their fiscal year [\(FY\) 2018 “skinny” budget](#). This budget proposal is intended to be a slimmed-down version of the more traditional Presidential budget proposal which is expected to be released in early May. This memorandum is intended to focus on funding for the U.S. Department of Education (ED), as well as select programs in the Departments of Labor (DOL), Health and Human Services (HHS) and other agencies.

Top Line Overall Budget Numbers

The Administration’s budget proposes \$1.15 trillion in overall discretionary spending for FY2018. More specifically, the budget proposes \$603 billion for defense/security spending and \$462 billion for non-defense discretionary¹ (NDD) spending. This equals \$54 billion in additional defense/security spending for FY2018 over what is presently envisioned under the budget caps put in place by the FY2011 Budget Control Act (as amended). This \$54 billion in additional defense/military spending is accomplished by reducing the NDD amount below the 2018 budget caps for this category by the same amount. These budget caps (which are in law) would need to be adjusted to reflect this higher level of defense spending, or sequestration² would be automatically triggered.

Top-Line ED, DOL, HHS and Other Agency Numbers

The Administration proposes reductions of \$9.2 billion, \$2.5 billion and \$12.6 billion in spending for the ED, DOL and HHS, respectively, compared to current funding³ for these agencies.

Agency Level funding (in billions)

	ED	DOL	HHS
FY 2017 CR level	68.2	12.2	77.7
FY 2018 proposal	59	9.6	65.1
Difference in amount	-9.2	-2.5	-12.6
Percentage Difference	-13.5%	-20.7%	-16.2%

The Administration also proposes to eliminate funding for the Corporation for National and Community Service, the Corporation for Public Broadcasting, the Institute of Museum and Library Sciences, the National Endowment for the Arts and the National Endowment for the

¹ NDD spending includes everything that is not related to DOD and Homeland Security funding.

² Sequestration, or more properly referred to as Budget Sequestration, is the requirement affirmed by the Budget Control Act of 2011 that requires the Administration to withhold appropriations when they total more than caps on defense/security spending and NDD spending allowed under the BCA, as amended. In implementing sequestration, the Administration would be required to institute an across-the-board cut to reduce spending levels to the specific spending cap.

³ Since 2017 appropriations have not been enacted for the vast majority of Federal Agencies, the budget compares funding levels to a “2017 CR/Enacted level.”

Humanities. The budget proposal does not speak to funding for the National Science Foundation.

Department of Education

The budget mostly discusses cuts to specific ED programs but also stipulates that some programs be increased while others are largely maintained. The ED portion of the budget calls for:

- \$1.4 billion in additional spending for school-choice-related initiatives, including \$168 million in increased funding for the charter school program under ESEA, \$250 million for a new private school choice program and a \$1 billion increase for Title I (which the budget indicates would be “dedicated to encouraging districts to adopt a system of student-based budgeting and open enrollment that enables Federal, State and local funding to follow the student to the public school of his or her choice”). No other specific details are provided in the budget on these matters.
- IDEA funding to be largely maintained at current levels.
- The elimination of funding for:
 - Title II, Part A of ESEA – the Supporting Effective Instruction (-\$2.4 billion)
 - 21st Century Community Learning Centers (-\$1.17 billion) – the budget states that the program lacks strong evidence of meeting its objectives.
 - Supplemental Educational Opportunity Grants (SEOG) (-\$733 million) – the budget states that SEOG is a less targeted way to deliver need-based aid than the Pell Grant program.
- Canceling \$3.9 billion of the current Pell Grant surplus. In January 2017, CBO estimated that the surplus for the Pell Grant program would be \$10.6 billion in FY 2017.
- Maintaining funding for Historically Black Colleges and Universities and Minority Serving Institutions at \$492 million – it is unclear from this total if this also applies to funding for Hispanic Serving Institutions.
- Reductions in Work Study, GEAR UP and TRIO programs (cumulative reduction of -\$193 million for GEAR UP and TRIO).
- Elimination or reductions in over 20 categorical programs (specifically listing the Striving Readers (-\$190 million), Teacher Quality Partnership (-\$43.1 million), Impact Aid Payments for Federal Property (-\$66.8) and International Education (-\$65 million) programs).

The ED portion of the budget does not speak to funding for Career and Technical Education programs, the Institute of Educational Sciences, the Title IV Student Support and Academic Enrichment Grants program, or the National Center for Education Statistics.

The table below depicts funding levels for programs where specific information is provided.

Program	FY2017 CR Level	FY2018 Proposal	\$ Difference
Title I	\$14.9 billion	\$15.9 billion	\$1 billion
Charter Schools	\$333 million	\$501 million	\$168 million
Private School Choice Program	N/A	\$250 million	
Title II, Part A	\$2.350 billion	\$0	-\$2.350 billion
21 st Century Community Learning Centers	\$1.117 billion	\$0	-\$1.117 billion
SEOG	\$733 million	\$0	-\$733 million

Department of Labor

The budget mostly discusses reductions in spending to DOL programs. Some of the highlights of the DOL budget include:

- Decreases in support for Federal job training and employment service formula grants, stating that this will be “shifting more responsibility for funding these services to States, localities and employers.”
- Elimination of the Senior Community Service Employment Program.
- Closing Job Corps Centers that do a poor job educating and preparing students for jobs.
- An expansion for States of apprenticeship approaches for preparing workers for jobs.

Additional details on the above highlights are not provided in the budget document released today.

Department of Health and Human Services

The budget discusses both increases and cuts to HHS programs. Most notably, the budget calls for a reduction of \$5.8 billion for the National Institutes of Health, including calling for a major reorganization of the NIH's Institutes and Centers. The budget documents do not speak to funding for the Head Start program, the Child Care Development Block Grant, or Preschool Development Grants.