

INSIDE HIGHER ED

Trump Seeks Billions in Cuts

Congressional appropriators have rejected previous White House calls to cut student aid. New budget plan also backs congressional deal on "risk sharing" for colleges.

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President Trump called for a \$7.1 billion cut to funding at the Education Department with a proposed budget that retreads familiar higher education ideas for this White House.

The **budget proposal** released on Monday asks Congress to open Pell Grants to “high-quality” short-term programs, eliminate Public Service Loan Forgiveness and subsidized student loans, and streamline income-driven repayment programs for student borrowers. It also called for deep cuts to scientific research.

The budget also said the Trump administration hoped to work with Congress on advancing an accountability system that puts colleges on the hook for student loan repayment outcomes. But although the White House highlighted “risk sharing” for colleges in a preview of the budget, it didn’t offer any details of what that system should look like.

The proposal marks the **third straight year** that President Trump has asked Congress for major cuts to education spending -- the proposal would mean a 12 percent cut for the Education Department from fiscal year 2019 -- and to overall discretionary expenditures. But Congress has responded to his two previous budgets by ignoring calls for cuts and instead appropriating new funds for programs like TRIO, GEAR UP and Pell Grants.

"Congress and the administration have not been synced up or on the same page around the total funding number for the department," said James Blew, assistant secretary for planning, evaluation and policy development at the Education Department.

Blew acknowledged that Congress in the last two cycles actually increased the budget where the White House had sought cuts. But he said the Trump administration was asking for reductions again because it believes in a need to rein in discretionary funding for the department.

The budget emphasized the administration's focus on multiple pathways to higher education. In addition to opening up Pell money to short-term programs, it asked Congress to direct new funding to vocational education and apprenticeship programs.

The White House also called for reforming the formula used to allocate Federal Work-Study funds to reflect the number of students receiving need-based aid at an institution. It also would cut the program's funding by more than 55 percent.

Higher education groups were quick to criticize the proposal for its cuts to student aid programs. The Institute for College Access and Success said the White House budget would reduce spending on student loans by \$207 billion over 10 years as a result of higher loan payments and the elimination of subsidized loans and PSLF. The budget proposal also called for freezing the maximum Pell Grant award and eliminating the Supplemental Education Opportunity Grant, another need-based aid program.

"These deep cuts overshadow otherwise worthwhile changes, such as automatically enrolling distressed borrowers in income-driven repayment, automating the annual income recertification process and modernizing student loan servicing," said James Kvaal, president of TICAS, in a written statement. "As college remains more crucial for economic opportunity than ever before and costs continue to rise, these proposals move in the exact opposite direction that students and our economy need."

Congressional Republicans have backed many of the proposals in the new White House budget, including the elimination of PSLF and overhauling Federal Work-Study. But Trump's income-driven repayment program would

differ on important details from a plan outlined by Senator Lamar Alexander, the GOP chairman of the Senate education committee.

Alexander, who is making a **push to reauthorize** the Higher Education Act before retiring in two years, has argued for adopting a single income-driven repayment plan that would have borrowers pay 10 percent of their income and forgive the balance after 20 years. President Trump's proposal would cap monthly payments at 12.5 percent of borrowers' discretionary income and forgive the remaining balance after 15 years and 30 years, respectively, for undergraduate and graduate student borrowers.

Alexander has also argued for an accountability system that would assess all college programs using a loan repayment rate metric. It's not clear how the White House's thinking on "risk sharing" matches that loan repayment framework offered by Alexander, who also sits on the Senate appropriations committee.

"I appreciate the president's budget suggestions and will carefully consider his recommendations as Congress begins the process to fund the federal government for the next fiscal year," he said in a written statement.

The White House proposal included suggested cuts of 9 percent for the National Science Foundation and 12 percent for the National Institutes of Health. Peter McPherson, president of the Association of Public and Land-grant Universities, said those cuts "would begin to cede American strength in science and innovation to our global competitors, slow the search for cures and make it more challenging for students to access higher education and climb the economic ladder."

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