

Trump Administration's Budget Outline: Impact on Higher Education

By Don Sutherland

Last Wednesday, the Trump Administration released its preliminary [budget outline](#). That document, referred to as the “skinny budget,” did not provide very detailed numbers and excluded both revenue and mandatory spending programs. According to that document, the U.S. Department of Education was slated for a 13.5% reduction in spending from \$68.2 billion for FY 2017 to a proposed \$59.0B for FY 2018.

While some Higher Education programs were slated to receive funding at levels similar to their [FY2017 figures](#), others faced reductions, some of which were uncertain.

A summary follows:

- **Aid to Hispanic-Serving Institutions:** Uncertain. This is a separate program from Title III and no mention is made in the Trump Administration's budget outline. Further, the allocated figure for Title III funding is approximately the same as the FY 2017 figure, meaning that the budget outline did not group Aid to Hispanic-Serving Institutions into that category, which it said would be held constant at the FY 2017 level. In FY 2017, Aid to Hispanic-Serving Institutions amounted to \$117.5 million.
- **Federal Work Study:** Funding would be reduced “significantly.” During FY 2017, Work Study funding was approximately \$990 million and, including institutional matching, total Work Study funding for students was about \$1.1 billion.
- **Pell Grant Program:** No funding change.
- **Supplemental Educational Opportunity Grant (SEOG) Program:** Elimination of the program. Estimated funding reduction: \$732 million. Estimated total impact on students (includes the 25% institutional match): \$915 million.
- **Title III Program Funding for Various Minority-Serving Institutions:** Maintain current level of funding.
- **TRIO and GEAR UP:** Funding would be reduced by nearly 16% to a combined figure of \$1.027 billion.

Additional “categorical programs” would be reduced or eliminated, some of which could impact Higher Education. In addition, reductions elsewhere in the budget could also have an impact on Higher Education.

Overall, the budgetary reductions, particularly in cases where institutional matching is involved, could have the largest impact on colleges and universities whose financial resources are constrained. Institutions with significant financial resources would be in a stronger position to partially offset the reductions. Those with limited resources might find it difficult to do so, which could make it more difficult for them to recruit and retain the students who depend either the SEOG or Federal Work Study Program to help them finance their college attendance.