

## **An Economy Built to Last and a World-Class Education for Our Children**

We now face a make-or-break moment for the middle class and those trying to reach it. After decades of eroding middle-class security as those at the very top saw their incomes rise as never before and after a historic recession that plunged our economy into a crisis from which we are still fighting to recover, it is time to construct an economy that is built to last. The President's 2013 Budget is built around the idea that our country does best when everyone gets a fair shot, does their fair share, and plays by the same rules. We must transform our economy from one focused on speculating, spending, and borrowing to one constructed on the solid foundation of educating, innovating, and building. That begins with putting the Nation on a path to living within our means – by cutting wasteful spending, asking all Americans to shoulder their fair share, and making tough choices on some things we cannot afford, while keeping the investments we need to grow the economy and create jobs. The Budget targets scarce federal resources to the areas critical to growing the economy and restoring middle-class security: education and skills for American workers, innovation and manufacturing, clean energy, and infrastructure. The Budget is a blueprint for how we can rebuild an economy where hard work pays off and responsibility is rewarded.

To ensure that every child has access to a world-class education, the 2013 Budget will:

**Support High-Quality Early Childhood Programs.** Because effective investment in early childhood is so critical to children's ability to reach their full potential and the Nation's future economic health, the Budget includes over \$8 billion for Head Start and Early Head Start to serve approximately 962,000 children and families, maintaining the historic expansion undertaken with Recovery Act funds, and supporting implementation of new regulations to strengthen Head Start by requiring low-performing programs to compete for funding for the first time. The Budget similarly includes over \$6 billion for the Child Care and Development Fund, an additional \$825 million, to support 1.5 million children with child care subsidies. At the same time, the Budget invests an additional \$300 million in improved quality, and prepares children for success in school. It also proposes principles for child care reform that focus on improving quality, protecting health and safety, and strengthening early learning. The Budget also supports deepening the Administration's investment in Race to the Top Early Learning Challenge, a program that in 2011 awarded nine grants to States committed to ambitious efforts to build statewide systems of high-quality early learning and development programs intended to close the school readiness gap.

**Invest in the Next Generation of Scientists and Engineers.** Students need to be able to solve problems, apply appropriate technologies, and design solutions – skills honed by science, technology, engineering, and mathematics (STEM) education. We have seen other nations eclipse ours in preparing their children in these critical fields. To enable our students to thrive, schools need effective STEM educators. The Budget includes \$80 million in the Department of Education to expand promising and effective models of teacher preparation and funds a jointly administered mathematics education initiative, with \$30 million from the Department of Education and \$30 million from the National Science Foundation, to support evidence-based approaches to improve student learning at the K-12 and undergraduate levels. These programs

will be developed in conjunction with a Government-wide effort to improve the impact of Federal investments in math and science education by ensuring that all programs supporting K-12 and undergraduate education adhere to consistent standards of effectiveness.

**Encourage Innovation and Support Success in Education.** The Budget funds several efforts that give States and school districts the flexibility to compete for funding to develop innovative approaches or further improve and expand effective programs that achieve better outcomes for their students. Specifically, the Budget provides \$150 million to continue the Investing in Innovation program to test, validate, and scale up effective approaches to student learning; \$355 million to expand educational options by helping grow effective charter schools, magnet schools, and other innovative and autonomous public schools that achieve positive results and give parents more choices; and \$850 million in new funding for the successful Race to the Top (RTT) program to continue driving comprehensive reform at the State and district level.

**Reform Elementary and Secondary School Education.** Too often, education funds are allocated based on factors that are not tied to success or the goals we need to reach to educate our children for active citizenship and for the jobs of tomorrow. The Administration has advanced a reauthorization proposal for the Elementary and Secondary Education Act (ESEA) that would support a bold restructuring of K-12 funding by focusing all funding around the Nation's most critical educational goals and consolidating narrow programs into broader authorities. Specifically, we want to encourage States to adopt higher, clearer standards; to support dramatic improvements in the quality of assessments; and to recognize and reward schools for helping students make important gains. Our proposal also offers new flexibility for successful States and districts to pursue solutions to help all students graduate from high school, college- and career-ready.

**Grant Flexibility in Exchange for Smart Reforms.** To build on the successful reforms leveraged by the first RTT competition, the Department recently invited States to apply for Elementary and Secondary Education Act (ESEA) waivers in exchange for a commitment to implement comprehensive reforms. The Budget maintains investments in key programs that States can use to advance these reforms. For example, States and districts will have new flexibility to use Title I funds that were previously required to be reserved for supplemental educational services, public school choice, and professional development to support locally determined, rigorous interventions in schools.

**Drive Comprehensive State and District-Level Education Improvement.** The Budget provides \$850 million for RTT, a program that has enabled States to implement systemic reforms in five fundamental areas: implementing rigorous standards and assessments; using data to improve instruction and decision-making; recruiting and retaining effective teachers and principals; turning around the lowest-performing schools; and improving State systems of early learning and care. In 2011, RTT was expanded to include the Early Learning Challenge grant competition, a joint effort with the Department of Health and Human Services (HHS), designed to support the States with the most ambitious plans to ensure that high-needs children from birth to age five enter kindergarten ready to succeed. In 2012, the Administration is building on the State-level progress of RTT by launching a district-level competition to support reforms best executed at the local level. In 2013, RTT will be poised to deepen our investments in these various areas and address the unmet demand of States and districts that have demonstrated a

commitment to implementing comprehensive and ambitious reform. Additional resources will be provided for the Race to the Top Early Learning Challenge, to be paired with new investments by HHS in improving child care quality and preparing children for success in school.

**Eliminate and Consolidate Narrow Education Programs.** Over the years, numerous small programs have been created to deliver education funding, yet many of them have not been evaluated for efficacy or have not been proven to make a difference. We have a responsibility to spend every dollar as effectively as possible. The President's Budget consolidates 38 K-12 authorities into 11 new programs that emphasize using competition to allocate funds, giving communities more choices around activities, and using rigorous evidence to fund what works. The Administration's proposal also includes provisions to ensure that new grant competitions result in an equitable geographic distribution of funds nationwide, including to rural communities.

**Attract, Prepare, Support, and Reward Great Teachers.** The Budget provides \$400 million in the Teacher and Leader Innovation Fund, a competitive grant program to transform teacher and leader evaluation systems to reward strong teaching and support improvement, and \$2.5 billion for an overhauled teacher quality formula grant, including a 25 percent set-aside to build evidence on ways to best recruit, prepare and support effective teachers and principals. The President is also asking for a new \$5 billion competitive program that will challenge states and districts to work with their teachers and unions to comprehensively reform the teaching profession by: reforming colleges of education and raising the bar for entry into the profession; creating new career ladders and ensuring that earnings are tied more closely to performance; establishing more leadership roles and responsibilities for teachers; improving professional development and time for collaboration among teachers; creating evaluation systems based on multiple measures, including data on student achievement; reshaping tenure to raise the bar, protect good teachers, and promote accountability.

**Prepare Students for College.** The Budget includes \$100 million for Promise Neighborhoods, an initiative modeled after the Harlem Children's Zone, which aims to improve college going rates by combining a rigorous K-12 education with a full network of supportive services in an entire neighborhood. This initiative would support comprehensive programs that address the needs of children and youth in a targeted area from before they are born until they attend college.

**Increase Funding for the Education of Children with Disabilities.** The Budget provides \$11.6 billion for the Individuals with Disabilities Education Act (IDEA) Grants to States to provide a high quality education and help offset State and local education costs for children with disabilities. The Budget also provides a \$20 million (five percent) increase for the IDEA Infants and Families Program to provide the youngest children a good start. In addition, the Budget provides \$30 million, a \$28 million increase over 2012, for PROMISE (Promoting Readiness of Minors in SSI) – a four agency joint pilot, to fund and evaluate innovative approaches to improving outcomes of children receiving Supplemental Security Income and their families.

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