

An Economy Built to Last and Security for Women and Girls

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 construct an economy that is built to last and provide security for women and girls, the 2013 Budget will:

Support Evidence-Based Teen Pregnancy Prevention. Because the President believes that more progress must be made on reducing the number of unplanned pregnancies, the Budget provides \$260 million for teen pregnancy prevention and related efforts. A \$105 million initiative targets funds for grants to community-based and faith-based organizations that implement the evidence-based models that have been proven to work in reducing teen pregnancy -- models that provide medically accurate, age-appropriate, and complete information on contraception and sexual health. The model will also fund and rigorously evaluate programs that are promising but not yet proven. In addition, CDC will receive \$16 million for teen pregnancy prevention to fund a five-year project to promote the use of evidence-based teen pregnancy prevention programs. Through these projects, CDC estimates that over 100 program implementation partners will reach over 13,000 youth. Enhanced referral networks will lead youth in target communities to the over 50 clinics with enhanced, teen-friendly clinical services. Programs will track teen birth rates in all 10 intervention communities and comparison communities and CDC will conduct an in-depth evaluation to determine program impact. This program supports the use of science-based and medically accurate material on teen pregnancy prevention.

Strengthen Efforts to Combat Violence Against Women. Despite progress made in the last 16 years, too many women – particularly young women – are beaten, raped, and stalked every year. The Budget includes \$412.5 million in Department of Justice Office on Violence Against Women grants and assistance, the same as the FY 2012 enacted level, to support victims of violence, including domestic abuse and sexual assault victims. The Budget reflects the victim focus of much of this assistance by providing \$144.5 million of funding for violence against women programs from the Crime Victims Fund.

Strengthen Anti-Discrimination Enforcement. Even in tough fiscal times, the substantial investments that have been made by the Administration to strengthen civil rights enforcement against racial, ethnic, sexual orientation, religious, gender, and gender identity discrimination continue in the 2013 Budget. The Budget also proposes an increase for the Community Relations Service in the Department of Justice to fight hate crimes and provides a \$14 million (4 percent) increase over the 2012 enacted level for the Equal Opportunity Employment Commission (EEOC), which is responsible for enforcing Federal laws that make it illegal to discriminate against a job applicant or an employee. This investment will allow EEOC to add additional staff to reduce the agency's backlog of private-sector discrimination charges. This will add to the work underway by the National Equal Pay Task Force, which the President created in January 2010, and brings together the Equal Employment Opportunity Commission (EEOC), the Department of Justice (DOJ), the Department of Labor (DOL), and the Office of Personnel Management (OPM) to identify and rectify challenges to gender pay disparities. The recommendations of the Task Force call for new levels of interagency coordination and communication that already have, and continue to, result in improved enforcement of equal pay laws.

Improve Health Care Services for Women Veterans. To ensure that the women who served our country receive the care they need throughout their lives, the Budget includes a \$403 million investment, a 17 percent increase from the 2012 enacted amount, for gender-specific health care for eligible women veterans to address their overall health care needs.

Take Immediate Action to Support Growth and Job Creation. While we have made progress in restarting job creation – with 3.7 million private sector jobs created over the past 23 months – the President believes much more needs to be done to put Americans back to work. Building off the provisions he proposed in the American Jobs Act, the President is calling for immediate steps to support job creation this year. These steps include extending the payroll tax cut through the end of the year – ensuring that 160 million workers do not see their taxes go up – providing aid to states and localities to hire and retain teachers and first responders, extending Unemployment Insurance, and making a \$50 billion up-front investment in infrastructure.

Give Every American a Fair Shot at Success by Improving and Reforming K-12 Education. The Administration has jump-started landmark reforms in our education system by rewarding excellence and promoting innovation. To build on this success, the Budget will:

- *Support Improvements in Early Learning.* The 2013 Budget includes \$850 million for the Race to the Top program, which seeks to implement systemic reforms in five critical areas, including early learning and care. The Budget also 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 supports implementation of new regulations to strengthen Head Start by requiring low-performing programs to compete for funding for the first time ever. 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 \$300 million in improved quality and proposes principles for child care reform that focus on improving quality, protecting

health and safety, and strengthening early learning; and supporting proposed regulations to strengthen Head Start by requiring low-performing programs to compete for funding. In addition, the Budget includes \$1.2 billion, an increase of \$86 million over the 2010 enacted level, to expand availability for affordable, high-quality child care services for military families at over 800 child development centers both in the United States and overseas.

- *Improve Elementary and Secondary Education.* Too often, education funds are allocated based on factors not tied to success. Consistent with goals for the reauthorization of the Elementary and Secondary Education Act, the Administration is committed to consolidating narrow programs into broader authorities with higher, clearer standards and assessments; recognizing and rewarding schools and teachers that help students make gains; and giving States and school districts new flexibility to help all students graduate from high school, college- and career-ready. The Budget also continues to support successful new programs like Race to the Top, School Turnaround Grants, Investing in Innovation, and Promise Neighborhoods.
- *Expand Opportunities for Students in Math, Science, and Engineering.* The Budget provides \$141 billion overall for research and development in science and engineering. It also allocates \$80 million from the Department of Education to prepare effective STEM (science, technology, engineering and mathematics) teachers 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 at the K-12 and undergraduate levels. These programs will be developed in conjunction with a Government-wide effort to increase 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.
- *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 and support systems, to reward strong teaching and improve learning and instruction, 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 and support the teaching profession.
- *Give Students Access to Successful Schools.* The Budget provides over \$500 million to School Turnaround Grants to help States and school districts turn around our Nation's lowest performing schools and expand educational options by helping to grow effective charter schools and other autonomous public schools that achieve positive results.

Expand Access to College. To boost the number of college graduates, we need to make it easier for students to afford a postsecondary education and increase the number of students who complete their degree. The Administration has already taken significant strides to improve access to college. Today, nearly 10 million students receive Pell Grants, and more than 13 million students receive low-cost loans, with new affordable repayment options based on their income after leaving school. To help more young Americans go to college, the Budget will:

- *Keep College Affordable.* Since 2008, the Administration has increased the maximum Pell Grant by \$900, to \$5,635 in 2013, ensuring access to postsecondary education for nearly 10 million needy students. The Budget continues that commitment to Pell and provides the necessary resources to sustain the maximum award through the 2014-15 award year. In addition, the Budget proposes a one-year measure to prevent student loan interest rates from doubling this summer and increases funding for work-study jobs. To address rising costs of higher education, the Budget also supports a new Race to the Top for College Affordability and Completion program and reforms to federal campus-based aid programs.
- *Help Students and Their Families Pay for College.* The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 extended for two years the new American Opportunity Tax Credit (AOTC) -- a partially refundable tax credit worth up to \$10,000 per student over four years of college. AOTC helps more than 9 million students and their families afford the cost of college. The President's Budget proposes to make it permanent.

Support Women-Owned Businesses. According to recently-released Census data, there are nearly 7.8 million women-owned firms, and women's business ownership grew by 20 percent between 2000 and 2007. To help businesses thrive, the Budget will:

- *Support Growth and Lending.* For example, the Budget provides \$221 million for the Treasury Department's Community Development Financial Institutions (CDFI) Fund. The Budget also funds several initiatives designed to promote entrepreneurship in underserved areas including the Small Business Administration's (SBA) Small Loan Advantage and Community Advantage programs and the Small Business Investment Company (SBIC) Impact Fund debenture program, which will support impact investments that target residents of economically distressed regions or owned by a socially or economically disadvantaged group, including women. The Budget also supports funding for the Minority Business Development Agency through the Department of Commerce.
- *Enhance Small Business Access to Credit.* Small businesses are the engine of economic growth and job creation. That is why the Administration is taking a series of steps to improve the access to capital for small businesses. First, the Administration supports \$16 billion in SBA 7(a) loan guarantees, which will help small businesses operate and expand. This includes an estimated \$14 billion in term loans and \$2 billion in revolving lines of credit; the latter are expected to support \$46 billion in total economic activity through draws and repayments over the life of the guarantee. The Administration also supports \$6 billion in

guaranteed SBA lending for commercial real estate development and heavy machinery purchases; \$4 billion in Small Business Investment Company (SBIC) debentures to support new businesses and new jobs through early-stage and mezzanine small business financing; and \$18 million in direct loans to Microlender intermediaries to provide small loans to emerging entrepreneurs and other borrowers unable to receive credit elsewhere.

- *Cut Taxes for Small Businesses Seeking to Grow and Expand:* The President is proposing to build on the 17 small business tax cuts he has already signed into law with new tax cuts to encourage growth and investment, including expanding and making permanent the elimination of taxes on capital gains for key small business investments, providing a 10 percent income tax credit on new payroll for small businesses in 2012 (through either or increased wages), expanding and simplifying a tax credit for small businesses that provide health care to their workers and doubling the amount of start-up expenses entrepreneurs can deduct. The President is also proposing to extend 100-percent first year depreciation into 2012, giving firms an incentive for investing in plants and equipment now.

Help States Provide Paid Family Leave to Workers. Too many families must make the painful choice between the care of their families and a paycheck they desperately need. The Family and Medical Leave Act allows workers to take job-protected unpaid time off, but millions of families can't afford to use unpaid leave. A handful of States have enacted policies to offer paid family leave, but more States should have the chance. The Budget supports a \$5 million State Paid Leave Fund within the Department of Labor that will provide technical assistance and support to States that want to establish paid-leave programs.

Prevent Hunger and Improve Nutrition. At a time of continued need, the Budget provides full funding to support the 9.1 million individuals expected to participate in the Special Supplemental Nutrition Program for Women Infants and Children (WIC) program, which is critical to the health of pregnant women, new mothers, and their infants. The Budget also supports continued implementation of the Healthy, Hunger-Free Kids Act of 2010, which is strengthening the child nutrition programs and increasing children's access to healthy meals and snacks. In addition, the Budget re-proposes to extend certain temporary Supplemental Nutrition Assistance Program (SNAP) benefits. SNAP is the cornerstone of our Nation's food assistance safety net and touches the lives of millions of Americans, half of them children. Finally, in order to combat food deserts, the Departments of Agriculture, Health and Human Services, and Treasury have partnered to make available approximately \$400 million in financing to community development financial institutions, other nonprofits, public agencies, and businesses with sound strategies for addressing the healthy food needs of underserved communities.

Ensure that Workers Receive the Pay and Benefits to which they are Entitled. When employees are misclassified as independent contractors, they are deprived of benefits and protections to which they are legally entitled, such as overtime and unemployment benefits. Misclassification also costs taxpayers money in lost funds for the Treasury and in the Social Security, Medicare, and Unemployment Insurance Trust Funds. The Budget includes \$13.8 million to combat misclassification, including \$10 million for grants to states to identify misclassification and recover unpaid taxes and \$3.8 million for additional Wage and Hour

Division personnel to investigate misclassification. The Budget also provides an additional \$6 million for the Wage and Hour Division for increased enforcement of the Fair Labor Standards Act and the Family and Medical Leave Act, which ensure that workers receive appropriate wages, overtime pay, and the right to take job-protected leave for family and medical purposes.

Promote Affordable Homeownership. The Administration projects that the Federal Housing Administration (FHA) will insure \$149 billion in mortgage borrowing in 2013, supporting new home purchases and re-financed mortgages that significantly reduce borrower payments. FHA financing was used by 37 percent of all homebuyers, 60 percent of African American homebuyers and 59 percent of Hispanic families who purchased homes in 2009. It also is a vital financing source for first-time homeowners, 56 percent of whom used FHA insured financing in 2009 and 2010.

Support Responsible Homeowners and Help Them Stay in Their Homes: The President has put forward a legislative plan to support responsible homeowners by making millions more eligible for streamlined refinancing, which can save hundreds of dollars a month. In addition, the President has expanded efforts to help families avoid foreclosure by making 12-month forbearance for unemployed borrowers an industry standard and expanding eligibility for the Home Affordable Modification Program (HAMP). The Budget also includes \$141 million for housing and homeowner counseling through HUD and the Neighborhood Reinvestment Corporation (NeighborWorks). Over half of these funds are dedicated to foreclosure assistance. NeighborWorks' National foreclosure Mitigation Counseling program has assisted over 1 million households since its inception in 2008.

Extend Expanded Tax Cuts for Working Families. The Budget permanently extends expansions of the Child Tax Credit and the Earned Income Tax Credit that were passed in the Recovery Act and continued as part of the bipartisan Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act that the President negotiated and signed into law in December 2010. The expanded refundability of the Child Tax Credit provides a larger credit to 11.8 million families with 21.3 million children. The expansion of the Earned Income Tax Credit is worth up to \$655 for families with three or more children, benefitting 5.8 million families with 12.5 million children.

Maintain Affordable High-Quality Primary and Preventive Care. Health centers are a key component of the Nation's health care safety net. These sites offer comprehensive, high quality, primary and preventive health care services to all Americans regardless of ability to pay. To ensure that health centers continue to provide critical access and services to millions of Americans in 2013 and for many years to come, the Budget promotes a policy of steady and sustainable health center growth by distributing Affordable Care Act resources over the long-term, including in years after 2015. In addition, the Budget provides sufficient funding to open new health centers in areas in the country where they do not currently exist, through 2015 and beyond. The Budget invests \$3.1 billion for health center services in 2013 to support the creation of health center sites across the country. The Budget will also continue support for the over 200 new health center sites created in 2012. In 2013, health centers are estimated to serve nearly 21 million patients.

Revitalize Distressed Urban Neighborhoods. The Budget reflects an integrated and performance-driven approach to distressed urban neighborhoods, where the challenges tied to jobs, education, public safety, and other needs intersect and compound each other. The Budget provides \$150 million for the Choice Neighborhoods initiative to continue transformative investments in high-poverty neighborhoods where distressed HUD-assisted public and privately owned housing is located, a \$30 million increase from 2012 enacted level. The Budget will reach 4 to 6 neighborhoods with grants that primarily fund the preservation, rehabilitation and transformation of HUD-assisted public and privately-owned multifamily housing, and will also engage local governments, nonprofits, and for-profit developers in partnerships to improve surrounding communities. The Budget also maintains funding for the Department of Labor's YouthBuild program, which helps low-income young people ages 16-24 finish high school and learn job skills by building affordable housing in their communities. Additionally, it provides \$100 million in dedicated support for Promise Neighborhoods, modeled after the Harlem Children's Zone, which aims to improve college-going rates by combining a rigorous K-12 education with a continuum of effective family and community services in an entire neighborhood. In addition, the Budget includes \$15 billion for Project Rebuild, which invests in proven strategies that leverage private capital and expertise to rehabilitate hundreds of thousands of properties in communities across the country.

Invest in Regional and Community Planning Efforts for Sustainable Development. The Budget continues to support the multi-agency Partnership for Sustainable Communities, which aims to lower the cost of living while improving the quality of life for families and is one of the pillars of the Administration's place-based agenda. The Budget provides the Department of Housing and Urban Development (HUD) \$100 million to create incentives for more communities to develop comprehensive regional and local housing and transportation plans that result in sustainable development, reduced greenhouse gas emissions, and increased transit-accessible housing. As a part of this effort, up to \$3 million will be used to improve energy efficiency in HUD-assisted public and privately-owned housing through better energy use data collection and analysis. HUD's funds are used in combination with DOT's funding for strengthening State and local infrastructure capacity and EPA's technical assistance. The Budget also provides \$4 billion for DOT's Livable Communities program, which will focus resources on place-based planning, policies, and investments to help communities increase transportation choices and access to transportation services.

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