

The American Competitiveness Initiative: Encouraging Innovation

Today, President Bush Discussed His American Competitiveness Initiative (ACI) – A Comprehensive Strategy To Keep Our Nation The Most Innovative In The World. As the President outlined in his State of the Union Address, the ACI commits \$5.9 billion in FY 2007 and more than \$136 billion over 10 years to increase investments in research and development (R&D), strengthen education, and encourage entrepreneurship and innovation.

Today, The President Signed An Executive Order Establishing The National Math Panel – An Important Part Of The ACI. The National Math Panel will bring together experts in mathematics, cognitive science, and education to help evaluate and determine the most effective ways of teaching math – and share that knowledge with schools and teachers around the country. By January 31, 2007, the National Math Panel will provide an interim report to the President with its preliminary assessments of the best practices for teaching math. Among the issues the report will address:

- ✓ The critical skills students need to acquire competence in algebra and higher mathematics.
 - ✓ The standards and accountability needed to ensure students are learning math.
 - ✓ The ways students of different abilities and backgrounds learn math.
 - ✓ What programs and teaching methods work best.
 - ✓ The most effective ways to train, select, and place math teachers.
 - ✓ Areas of math education requiring further research.
- **"Math Now" Programs Will Use The National Math Panel's Findings To Put Effective Teaching Into The Hands Of Teachers.** As the National Math Panel identifies principles for effective teaching, other teams of mathematicians and educators must be prepared to translate these research findings into practical solutions for teachers. The President's "Math Now" programs, similar to the No Child Left Behind Act's (NCLB) First Reading Initiative, will put effective tools into the hands of teachers so students begin to benefit from the best techniques for teaching math. Math Now for Elementary School Students will promote researched-based practices to ensure children get the basics of a good math education early. Math Now for Middle School Students will target students struggling with math, so teachers can intervene before students fall behind. The President's 2007 Budget includes \$250 million for "Math Now" programs.

Making The Research And Development Tax Credit Permanent

To Encourage Private-Sector Investment In Technology, The President Supports Making The R&D Tax Credit Permanent. America's private sector funds two-thirds of all R&D conducted in America – about \$200 billion a year. This tax credit encourages R&D spending by allowing businesses to deduct part of those investments from their taxes. The tax credit has been allowed to expire in the past. The R&D tax credit should be made permanent, so that companies have greater certainty in their tax planning and therefore can be bolder in their R&D investment strategy.

- **As Part Of The ACI, The President Is Also Committed To Working With Congress To Modernize The R&D Tax Credit To More Effectively Encourage Private Sector Innovation.**

Doubling The Federal Government's Funding For Key Basic Research In The Physical Sciences

Federal Investment In R&D Will Generate Knowledge And Tools Needed To Develop New Technologies. The centerpiece of the ACI is the President's strong commitment to double over 10 years investment in key Federal agencies that support basic research programs in the physical sciences and engineering – including the National Science Foundation, the Department of Energy's Office of Science, and the Department of Commerce's National Institute of Standards and Technology. This total commitment of \$50 billion in new funding will help encourage scientists to explore promising areas such as nanotechnology, supercomputing, and alternative energy sources.

- **The President Has Proposed \$137 Billion For Federal R&D In FY 2007, An Increase Of More Than 50 Percent Over 2001.**
- **Government Funding And Support Has Helped America Innovate.** Federally funded research has helped spawn vital technologies such as personal computers, medical imaging devices, balloon catheters, hearing aids, laser eye

surgery, air bags, global positioning devices, and satellite telecommunications systems. The Internet began as a Defense Department project to improve military communications, and the creation of the iPod drew on years of government-funded research in micro-drive storage, electrochemistry, and signal compression.

Improving Math And Science Education For America's Students

Education Is The Gateway To Opportunity And The Foundation Of A Knowledge-Based, Innovation-Driven Economy. To prepare Americans to compete more effectively in the global marketplace, the ACI proposes \$380 million in new Federal support to improve the quality of math, science, and technological education in K-12 schools and engage every child in rigorous courses that teach important analytical, technical, and problem-solving skills. Building on the successes of NCLB, the ACI will raise student achievement in math and science through testing and accountability, by providing grants for targeted interventions, and by developing instructional materials based on proven methods of instruction. In addition to the "Math Now" programs, the ACI includes a number of new and expanded programs, including:

- **The Advanced Placement/International Baccalaureate (AP/IB) Program:** This program would expand access of low-income students to AP/IB coursework by training 70,000 high school teachers over the next five years to lead AP/IB math and science courses.
- **Adjunct Teacher Corps:** This initiative would provide children with the opportunity to learn from people with real-life experience by encouraging up to 30,000 math and science professionals over the next eight years to teach in our Nation's classrooms.
- **The House Recently Reauthorized The Higher Education Act, Which Included Provisions For The AP/IB Program And Adjunct Teacher Corps – Now The Senate Must Act.**

Academic Competitiveness Grants

Academic Competitiveness Grants Will Give More Students Access To A Good Education. The Deficit Reduction Act, signed into law by the President on February 8, 2006, provides funding for Academic Competitiveness Grants for students who have completed a rigorous high school curriculum and SMART Grants for college juniors and seniors studying math, science, or critical-need foreign languages. The Academic Competitiveness Grants will provide a total of \$4.5 billion in grant aid to students through the 2010-2011 academic year, including \$790 million in the 2006-2007 academic year.

Expanding Opportunity

Pro-Growth Economic Policies Work Hand-In-Hand With Investments In Innovation. The ACI will help the United States remain a world leader in science and technology. Just as important, we must continue to pursue pro-growth economic policies and foster a culture of entrepreneurship. The President's pro-growth economic agenda will help create a business environment where innovators and entrepreneurs are rewarded and jobs are created by reducing taxes, restraining Federal spending, making health care more affordable and accessible, increasing America's energy independence, reducing the growth of overly burdensome regulations, reforming the medical liability system, and opening additional markets to American products. The ACI will also help America continue to lead the world in protecting intellectual property rights.

- **Enabling The World's Most Talented Individuals To Put Their Skills To Work For America Will Increase Our Productivity, Improve Our International Competitiveness, And Create Many High-Paying Jobs For Americans.** The President's comprehensive plan for immigration reform meets the needs of a growing economy, allows workers to provide for their families while respecting the law, and enhances homeland security by relieving pressure on the borders. The President supports attracting and retaining the best and brightest high-skilled workers from around the world by reforming the Nation's immigration system, while maintaining national security priorities.

As Part Of The ACI, The President Has Proposed Career Advancement Accounts (CAA). CAAs will be self-managed accounts of up to \$3,000 that workers and people seeking work can use to obtain training and education. The CAA initiative will offer training opportunities to 800,000 workers annually, more than tripling the number trained under the current system, and will give America's workers the resources they need to increase their skills and compete for the jobs of the 21st century.