

Fiscal Year 2013 Department of Education Budget Request

Stakeholder Briefing

February 14, 2012

The President's FY 2013 Budget

- The President's overall FY 2013 Budget will keep us on a path toward fiscal sustainability in the coming years through discretionary spending limits set in the Budget Control Act
- The President's Budget makes it clear that education remains a priority for the Administration
- The discretionary budget for Education is \$69.8 billion, a \$1.7 billion increase from FY 2012
- This is accompanied by \$14 billion in one-time reform investments and \$55 billion from the American Jobs Act

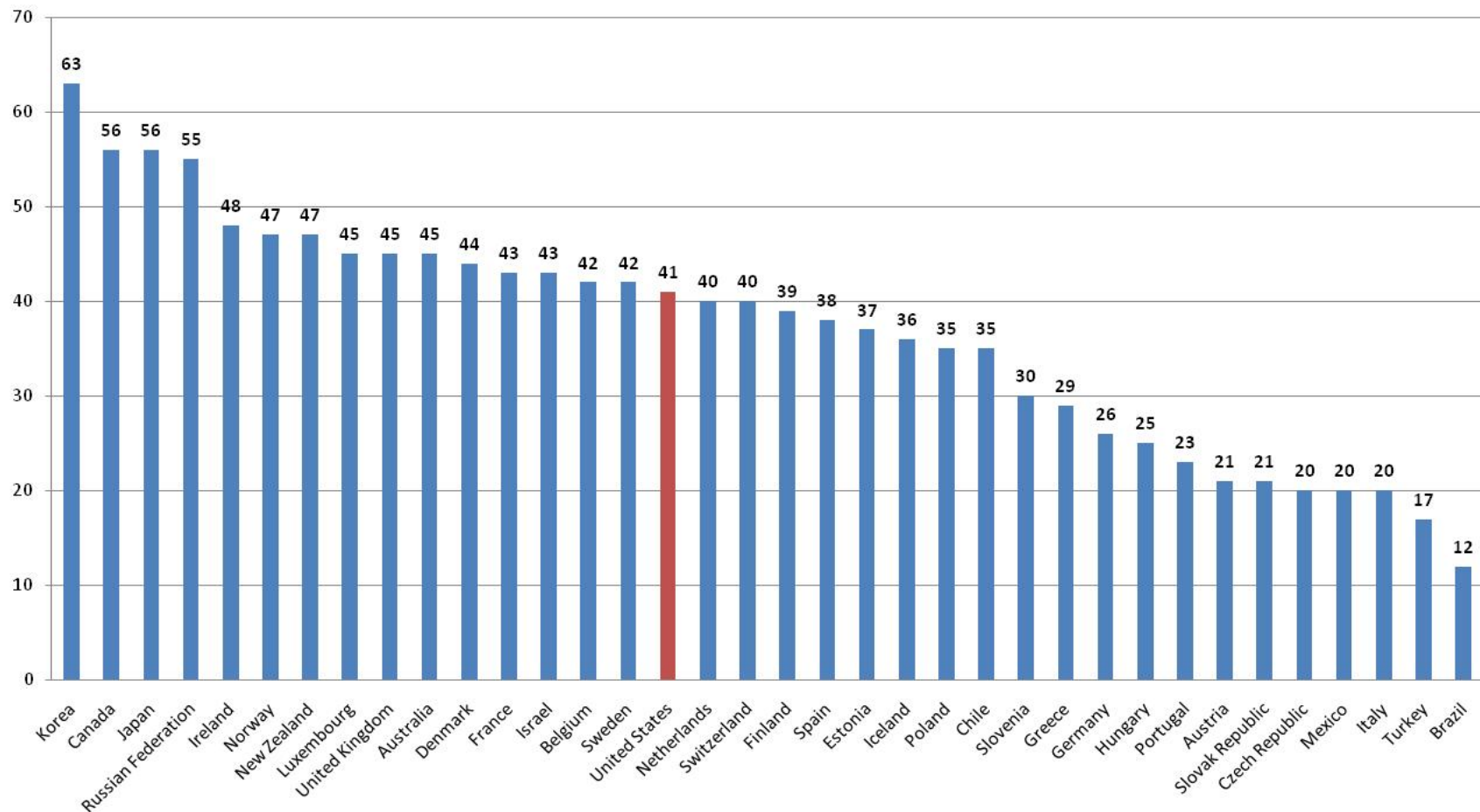
Education's Investments are Focused on 5 Core Priorities

- College Affordability and Quality
- Raising Up the Teaching Profession
- Aligning Job Training and Education Programs with Workforce Demands
- Protecting Formula Programs for At-Risk Populations
- Building on the Momentum for Innovation and Reform

We used to lead the OECD in college completion, but have stagnated as other countries surged.

Percentage of Adults Age 25-34 with Postsecondary Education

(Associate Degree or Higher in U.S. per 2008 Current Population Survey, U.S. Census Bureau)



Source: OECD Education at a Glance 2011 (www.oecd.org/edu/eag2010).

College Affordability and Quality

- Historic Investments in Student Financial Aid
 - Doubled Pell funding, raised maximum award to \$5,635, and provided assistance to nearly 10 million students
 - Created the American Opportunity Tax Credit, providing up to \$10,000 over four years for 9 million families
 - Making it easier to repay student loans

College Affordability and Quality

- Helping to keep the “net price” of college down
 - Net price at public 4-year institutions up just \$170 since 2006-07
 - At community colleges, net price **decreased \$840** over same time period.
- Need shared responsibility going forward
 - Federal government cannot ensure college affordability, access, and quality unilaterally—not fiscally sustainable
 - 4-part plan that recognizes role of Federal government, States, institutions, and families to keep a high-quality college education in reach for all who seek the opportunity

Shared Responsibility

4-Part Plan for College Affordability and Quality

1. Preserve **Federal** investments
2. Drive systemic reform at the **State** level
3. Support **Institutional** innovation and reward good actors
4. Empower **Students and Families** with information

Shared Responsibility

4-Part Plan for College Affordability and Quality

1. Preserve **Federal** investments

- \$5,635 maximum Pell grant to nearly 10 million students
- Freezing the subsidized loan interest rate at 3.4% so it doesn't double on July 1
- Making the partially refundable American Opportunity Tax Credit (AOTC) permanent
- Supports for low-income students:
 - \$840 million for Federal TRIO programs
 - \$302 million for GEAR UP
- Minority Serving Institutions:
 - Aid for Institutional Development programs: \$431 million discretionary and \$167 million in mandatory funding
 - Aid for Hispanic-Serving Institutions programs: \$109 million discretionary and \$112 million in mandatory funding

Shared Responsibility

4-Part Plan for College Affordability and Quality

2. Drive systemic reform at the **State** level

- \$1 billion for the first year of Race to the Top: College Affordability and Completion
 - Addresses drivers of tuition, such as declining State investment
 - Also targets State policies around remediation, credit transfer, and use of data that raise students' cost by lengthening time to degree

Shared Responsibility

4-Part Plan for College Affordability and Quality

3. Support **Institutional** innovation and reward good actors

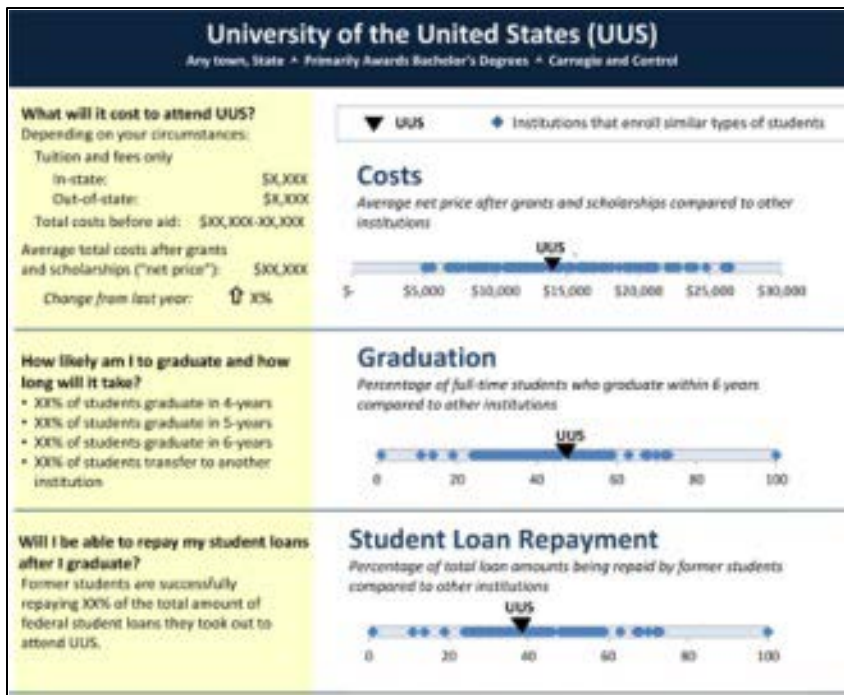
- \$55 million for First in the World, including up to \$20 million for MSIs
 - Supports the development, evaluation, and scaling of promising practices to improve student achievement and reduce costs
- Expanding and Reforming Campus-Based Aid programs:
 - \$735 million for Supplemental Educational Opportunity Grants (SEOG)
 - \$1.1 billion for Federal Work-Study – a \$150 million increase this year and funding doubled within five years
 - \$8.5 billion in available Perkins Loans – up from \$1 billion

Shared Responsibility

4-Part Plan for College Affordability and Quality

4. Empower Students and Families with information

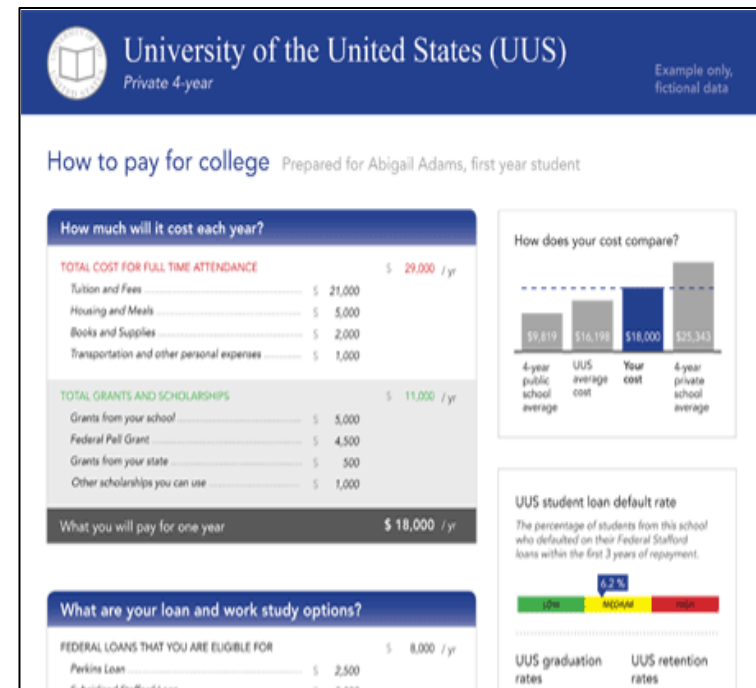
College Scorecard



Help students and families search for and identify schools.

www.whitehouse.gov/issues/education/scorecard

Financial Aid Shopping Sheet



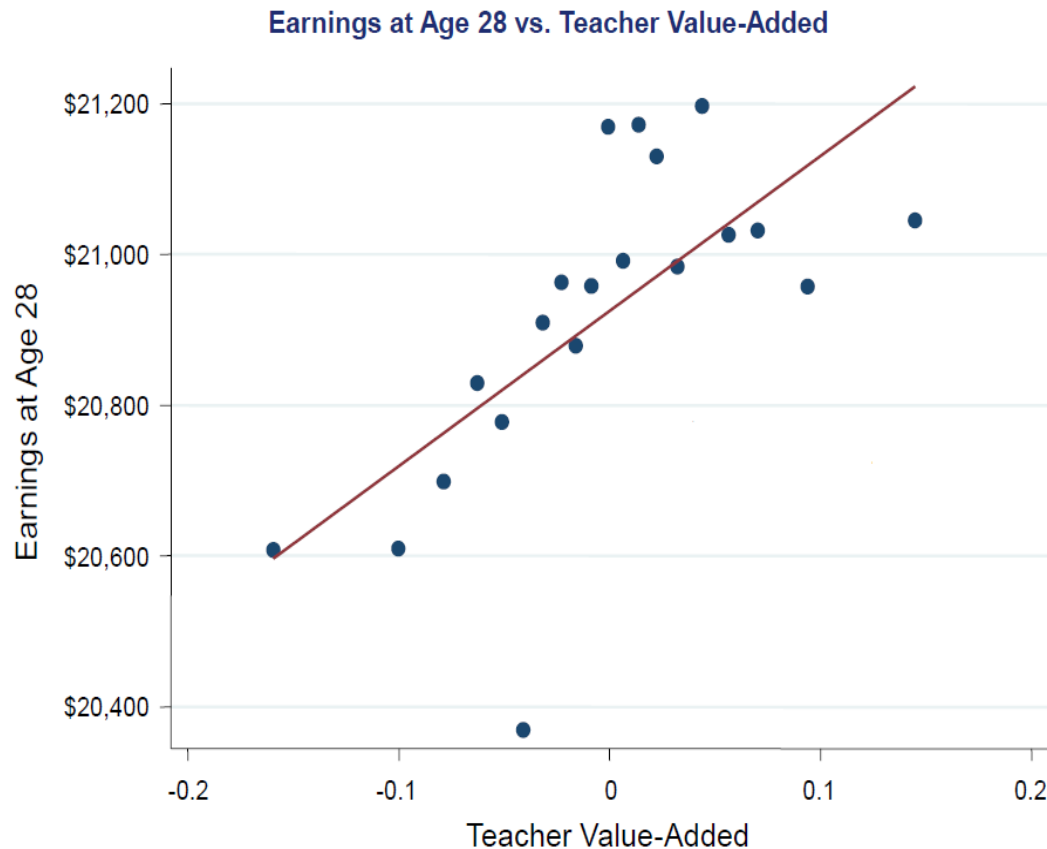
A uniform financial aid letter to compare aid packages.

www.consumerfinance.gov/students/knowbeforeyouowe/

Additional Investments in MSIs

- Up to \$20 million for MSIs in First in the World
- Hawkins Centers of Excellence: \$30 million for this new program for teacher preparation at MSIs

Elevating the Profession for Teachers and Principals



Recent study found an average teacher's impact on the lifetime earnings of a class of students is \$267,000 more per year than an ineffective one

SOURCE: Raj Chetty, John N. Friedman, and Jonah E. Rockoff, *The Long-Term Impacts of Teachers: Teacher Value-Added and Student Outcomes in Adulthood* (Cambridge, MA: National Bureau of Economic Research, 2011).

Elevating the Profession for Teachers and Principals

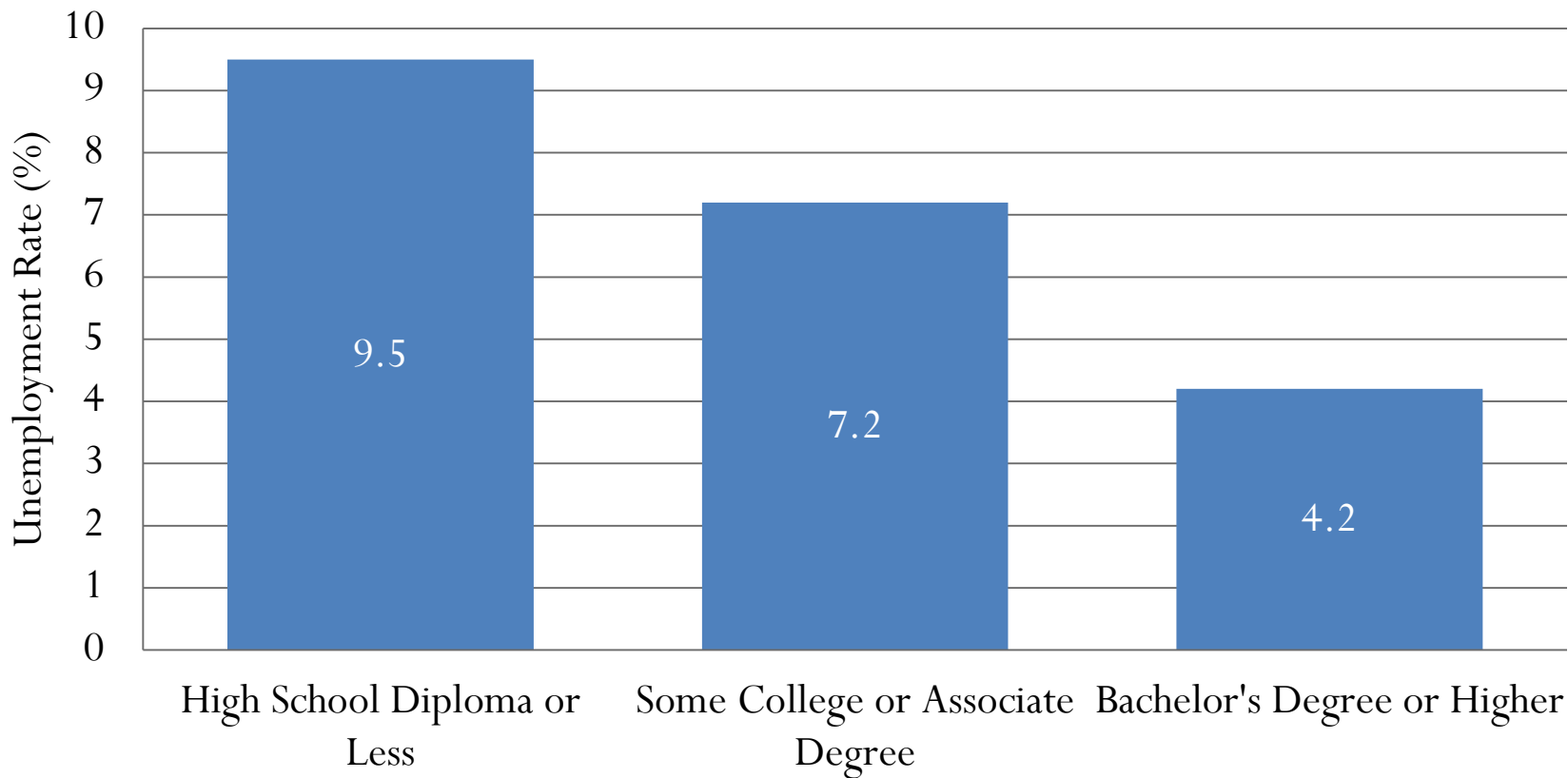
Comprehensive Approach to Improving Teaching & Learning:

- Attracting talented teacher candidates and improving teacher preparation
- Building new career ladders for teachers with competitive compensation
- Strengthening evaluation and professional development
- Creating school conditions that support effective teaching, such as time for collaboration
- Getting the best educators to the students who need them most

Elevating the Profession for Teachers and Principals

- \$5 billion from the proposed American Jobs Act for States and districts pursuing bold reforms at every stage of the teaching profession.
- A 25% set-aside within the Effective Teachers and Leaders State Grants (\$620 million) to expand high-performing pathways into teaching and school leadership.
 - Includes \$80 million for recruiting and training STEM teachers
- \$400 million for the Teacher and Leader Innovation Fund to support bold approaches to improving the effectiveness of the education workforce in high-need schools
- \$190 million in mandatory funding for Presidential Teaching Fellows to provide scholarships to talented students attending top-tier teacher preparation programs who agree to teach in high-need schools and subjects

Aligning Job Training and Education Programs with Workforce Demands



SOURCE: Bureau of Labor Statistics Employment Situation Summary for January 2012 released February 3, 2012.

Aligning Job Training and Education Programs with Workforce Demands

- Comprehensive plan for ED and the Department of Labor to:
 - Increase training tied to high-wage, high-skill sectors and occupations for 2 million individuals
 - Assist dislocated workers
 - Help low-skilled adults and youth get on a path to employment
 - Simplified job center resources
 - Investment in community colleges, career academies, and work study

Aligning Job Training and Education Programs with Workforce Demands

- \$8 billion in mandatory funding for the Community College to Career Fund to be split between the Departments of Education and Labor to increase training programs aligned to industry needs
- \$1 billion in mandatory funding to expand Career Academies that combine a college preparatory and career and technical curriculum with a specific career theme (e.g. healthcare)
- \$1.1 billion to support the reauthorization of the Career and Technical Education (CTE) Program to improve alignment with workforce demands, strengthen linkages to postsecondary education, and promote innovation and reform in CTE
- Double work-study funding over 5 years

Protecting Formula Programs for Students At Risk and Supporting Student Success

Protecting formula funding for students at-risk

- College- and Career-Ready Students (Title I): \$14.5 billion for State and District Grants and \$534 million for School Turnaround Grants
- IDEA: \$463 million - a \$20 million increase - for Part C for Infants and Families, \$11.6 billion for Part B Grants to States, and \$372 million for Preschool Grants
- \$732 million for English Learner Education
- Maintained funding for Migrant Students, Neglected and Delinquent Children and Youth, Homeless Children and Youth, Indian Education, Native Hawaiian, Alaska Native, and Rural Education programs

Supporting Student Success

- \$1.15 billion for 21st Century Community Learning Centers
- \$100 million for Promise Neighborhoods, a \$40 million increase
- \$195 million for Successful, Safe, and Healthy Students

Building on the Momentum for Innovation and Reform

- **Race to the Top:** \$850 million – a \$300 million increase – that would include funding for the Race to the Top-Early Learning Challenge (RTT-ELC)
 - The RTT-ELC funding is intended to complement new investments at HHS aimed at improving child care quality.
- **Investing in Innovation:** \$150 million, including funding for ARPA-ED to develop breakthrough learning technologies
- **Fund for the Improvement of Education:** \$30 million for Math instruction and \$5 million for innovative approaches to educate disconnected youth
- **Expanding Educational Options:** \$255 million for Charter Schools and \$100 million for Magnet Schools
- **PROMISE** (Promoting Readiness of Minors in Supplemental Security Income): \$30 million to launch this pilot demonstration program
- **Statewide Data Systems:** \$53 million including a \$15 million increase to improve linkages between P-12, postsecondary, and workforce data systems