

1. INVESTING IN EDUCATION AND TRAINING

At the edge of a new century and an increasingly competitive global economy, we know that our children's futures will be determined in large part by the quality of the education they receive ... Our Administration has made education a high priority, focusing on standards, accountability and choice in public schools, and on making a college education available to every American ... Because of these efforts, more young people have the chance to make the most of their God-given abilities, and take their place in the high-tech world of the 21st Century.

President Clinton
August 1999

President Clinton took office committed to providing the education and job training that Americans need to succeed in the new global economy. Investing in people and improving our Nation's educational system was a central element of his 1993 economic program. In the past seven years, the President has consistently worked to further the goal of a first-rate education for every child, starting with programs to expand learning opportunities for pre-schoolers to those that encourage students to attend and complete college. The President's education strategy is simple and straightforward—we must invest more and demand more in return.

To strengthen elementary and secondary education, the Clinton Administration proposed, and worked with Congress, to enact new laws in 1994 and succeeding years to help students, especially in high-poverty schools, meet challenging educational standards put in place by States and school districts. Accountability—holding schools, teachers, and students alike to these high standards—is essential to turning low-performing schools into institutions of quality. To help these underperforming schools rise to higher standards, the Administration is committed to providing needed support, through programs such as:

- 21st Century Community Learning Centers, first funded in 1997 and expanded dramatically since 1998, the “after-school” program of grants to public schools and

community-based organizations to establish and expand extended learning time opportunities;

- the Reading Excellence Act, enacted in 1998, to provide resources to high-poverty schools to help ensure that all children can read well and independently by the end of third grade;
- the Class Size Reduction program, enacted in 1998, to hire qualified teachers and to reduce the number of students per classroom in the early grades, which, studies show, can lead to improved student achievement; and,
- the Technology Literacy Challenge Fund, first funded in 1997, offering grants to provide computers, software, and Internet access to schools and technology-related professional development.

The Administration is committed to making a postsecondary education both attainable and affordable for every American, from recent high school graduates and dropouts to adult learners and displaced workers. The President has proposed and supported programs that prepare students for postsecondary education and that help make college affordable. For example, in response to the President's initiative, Congress enacted and funded in 1999 the GEAR-UP program, which helps low-income students in middle and high school prepare for college. The Administration has also worked to increase the Pell Grant max-

imum award by 43 percent from 1993 to 2000, and proposes a \$200 increase in 2001; established new tax credits for college costs; created the Direct Student Loan program to increase benefits to borrowers (including the option to repay the loan on an income contingent basis); and, proposed and saw enacted significantly lower interest rates for borrowers on student loans.

In the past seven years, the Clinton Administration has significantly strengthened the Federal Government's commitment to education by increasing by nearly \$12 billion, or 50 percent, Federal discretionary funding for the Department of Education. The 2001 Budget builds upon these increases, continuing the President's education agenda with new and sustained efforts to close the gap in educational opportunity and offer the tools to help all Americans take part in the Nation's prosperity (see Table 1-1).

The President's initiatives in K-12 education, most of which are in the Administration's proposal for the reauthorization of the Elementary and Secondary Education Act (ESEA), include: increasing accountability and fixing failing schools; improving teacher quality; acquiring better technology and preparing teachers to use it effectively; constructing and repairing schools; and, encouraging innovation and excellence. Other initiatives specifically target efforts toward improving the educational outcomes of Latino students and students from disadvantaged backgrounds, who face disproportionately high dropout rates and low enrollment trends in postsecondary schools, as part of the Administration's commitment to help all students acquire the education and skills critical to their success in the future. These initiatives are coupled with a significant expansion of Head Start and the creation of an Early Learning Fund to ensure pre-school aged children from low-income families have quality early learning experiences to prepare them effectively for school (see Chapter 2, "Supporting Working Families").

In postsecondary education, the President's proposals maintain his focus on helping low-income students prepare for and pay for college and include a new tax program to help middle-income families afford higher edu-

cation. In workforce development, the President proposes initiatives to advance opportunity by ensuring that all workers can find and hold good jobs with good wages, improve their skills, and work in safe and healthy environments.

ELEMENTARY AND SECONDARY EDUCATION

Ensuring Accountability and Fixing Failing Schools

The cornerstone principle of the Administration's education initiatives since 1993 has been to give States and districts increased flexibility to coordinate and combine program activities in exchange for greater accountability for school and student performance. Today, all 50 States and many school districts have begun to put in place accountability systems that identify schools in which students are not meeting challenging State academic standards and establish consequences, holding schools accountable for improving their performance.

These reforms—integrating established academic standards, tests to reflect these standards, teacher training, and consequences for failing to meet standards—are beginning to show results, as measured by improved student test scores and other factors. But while the achievement of even the most disadvantaged students is improving, the learning gap between the less and the more fortunate is closing at too slow a pace. We cannot afford to leave any child behind. Nationwide, there are currently about 8,000 schools in dire need of improvement, in which a majority of students struggle to achieve to high academic standards. The Administration's budget proposes a package of programs that will help turn around failing schools and ensure that all students have the opportunities to succeed academically.

Title I Accountability Fund: It is essential that States and localities identify and turn around schools that are not helping children reach rigorous academic standards. The budget provides \$250 million in the Title I (Education for the Disadvantaged) program to help States hold districts and schools accountable for raising student achievement. States will use funds

TABLE 1-1. THE BUDGET INCREASES RESOURCES FOR SELECTED EDUCATION AND TRAINING PROGRAMS BY \$7.8 BILLION, OR 16 PERCENT OVER 2000, AND BY A TOTAL INCREASE OVER 1993 OF 122 PERCENT

(Dollar amounts in millions)

| | 1993 Actual | 2000 Enacted | 2001 Proposed | Dollar Change: 2000 to 2001 | Percent Change: 1993 to 2001 |
|--|----------------|-----------------|------------------|--------------------------------------|---------------------------------------|
| TAX EXPENDITURES: | | | | | |
| Hope Scholarships Credit | | 4,925 | 5,125 | +200 | NA |
| Lifetime Learning Credit/College Opportunity Tax Cut | | 2,375 | 2,815 | +440 | NA |
| Student Loan Interest Deduction | | 265 | 333 | +68 | NA |
| School Construction | | | 36 | +36 | NA |
| Total, Tax Expenditures | | 7,565 | 8,309 | +744 | NA |
| MANDATORY OUTLAYS: | | | | | |
| Welfare-to-Work Grants | | 860 | 920 | +60 | NA |
| Early Learning Fund (see Chapter 4) | | | 402 | +402 | NA |
| DISCRETIONARY PROGRAM LEVELS: | | | | | |
| Preschool: Head Start (see Chapter 4) | 2,776 | 5,267 | 6,267 | +1,000 | +126% |
| Elementary and Secondary Education: | | | | | |
| School renovation loans and grants | | | 1,300 | +1,300 | NA |
| Education Technology | 23 | 769 | 903 | +134 | +3,826% |
| Class Size Reduction | | 1,300 | 1,750 | +450 | NA |
| Title I—Education for the Disadvantaged/Accountability | 6,709 | 8,701 | 9,150 | +449 | +36% |
| 21st Century Community Learning Centers | | 453 | 1,000 | +547 | NA |
| Teacher Recruitment and Training | 435 | 793 | 1,000 | +207 | +130% |
| Bilingual and Immigrant Education | 237 | 406 | 460 | +54 | +94% |
| Safe and Drug-Free Schools and Communities | 598 | 600 | 650 | +50 | +9% |
| Charter Schools | | 145 | 175 | +30 | NA |
| Indian Education | 81 | 77 | 116 | +39 | +43% |
| Special Education | 2,966 | 6,036 | 6,369 | +333 | +115% |
| High School Reform/Small Schools | | 45 | 120 | +75 | NA |
| Postsecondary Education: | | | | | |
| Pell Grants | 6,462 | 7,640 | 8,356 | +716 | +29% |
| Pell Grant maximum award (non-add, in dollars) | 2,300 | 3,300 | 3,500 | +200 | +52% |
| Federal Work-Study | 617 | 934 | 1,011 | +77 | +64% |
| Supplemental Educational Opportunity Grants | 583 | 631 | 691 | +60 | +19% |
| GEAR-UP | NA | 200 | 325 | +125 | NA |
| TRIO | 388 | 645 | 725 | +80 | +87% |
| Workforce Development: | | | | | |
| Dislocated Worker Assistance | 517 | 1,589 | 1,771 | +181 | +243% |
| Fathers Work/Families Win | | | 255 | +255 | NA |
| Responsible Reintegration for Young Offenders | | | 75 | +75 | NA |
| Youth Opportunity Grants | | 250 | 375 | +125 | NA |
| Job Corps | 966 | 1,358 | 1,393 | +35 | +44% |
| Adult Education | 305 | 470 | 556 | +86 | +82% |
| Vocational Rehabilitation State Grants | 1,880 | 2,339 | 2,400 | +61 | +28% |
| Total, Discretionary Program Levels | 25,543 | 40,648 | 47,192 | +6,544 | +85% |
| TOTAL RESOURCES FOR SELECTED PROGRAMS (tax expenditures, mandatory outlays, and discretionary program levels) | 25,543 | 49,073 | 56,823 | +7,750 | +122% |
| STUDENT LOANS (face value of loans issued): | | | | | |
| Direct Loans | | 10,605 | 11,211 | +606 | NA |
| Guaranteed Loans | 15,993 | 20,959 | 22,157 | +1,198 | +139% |
| Consolidated Loans | 1,487 | 8,831 | 9,148 | +317 | +615% |
| Total, Student Loans | 17,480 | 40,395 | 42,516 | +2,121 | +243% |
| DEPARTMENT OF EDUCATION: | | | | | |
| Discretionary Program Level | 23,851 | 35,605 | 40,088 | +4,483 | +68% |
| DEPARTMENT OF LABOR: | | | | | |
| Discretionary Budget Authority | 9,920 | 11,224 | 12,263 | +1,039 | +24% |

NA = Not applicable.

to fix their lowest-performing schools through a variety of approaches, including bringing in new curriculum, management, or teachers. Funds will also be used to provide public school choice options to students in failing schools. In total, the budget includes \$8.36 billion for Title I grants to support the Administration's ESEA reauthorization proposal to help students in low-income schools meet high academic standards.

Small, Safe, and Successful High Schools: Research confirms what many parents intuitively believe: that smaller schools are safer and more productive because students feel they are in a community more connected to caring adults, and teachers feel that they have more opportunity to get to know and support their students. Smaller schools also have better attendance records, lower dropout rates, and fewer discipline problems. The Administration proposes \$120 million for a high school reform initiative, an expansion of the Small Schools program funded in 2000 at \$45 million, to create smaller and safer learning environments in which all students can achieve to higher academic standards. The program will offer competitive grants to school districts to create smaller schools or to break up larger schools by funding innovative strategies such as autonomous schools-within-schools, career academies, restructured school days, and other reforms to ensure that every student receives personal attention and academic support.

Rewards for High Performance and Closing the Achievement Gap: The budget includes a \$50 million initiative to build on the President's Elementary and Secondary Education Act reauthorization proposal and reward States that make significant statewide progress in improving student performance and closing the achievement gap between different demographic groups of students. States would be eligible for high performance bonuses based on substantial overall improvements in student performance tests and significant narrowing of the achievement gap as indicated by the National Assessment of Educational Progress. States receiving the bonuses could use the funds for educational purposes allowed under the Elementary and Secondary Education Act but not to supplant current efforts.

Class Size Reduction: The budget provides \$1.75 billion, \$450 million over 2000, for the third installment of the President's initiative that began in 1999 to reduce class size in the primary grades. Research suggests that children, particularly those from disadvantaged backgrounds, benefit from the additional attention they receive in small classes. The program's goal is to hire 100,000 qualified teachers by 2005, and reduce class size in the early grades to an average of 18 students. The budget increase will support an expansion that attains almost half of the 100,000 goal. Every State and nearly all school districts participate in the program. In schools that received funds under this program, primary grades have been reduced by an average of five students per classroom. In addition, to improve the conditions and students' ability to learn while at school, the budget supports new tax incentives and spending to construct, repair, and improve classrooms and schools. (For more information, see the discussion under "Acquiring Better Technology and Constructing and Repairing Schools," later in this chapter.)

21st Century Community Learning Centers: The budget includes \$1 billion, more than double the 2000 level, for the "after-school" program of grants to public schools and community-based organizations to establish or expand after-school and other extended learning time opportunities. These centers are part of a comprehensive approach to fix failing schools by providing low-achieving students the extra help they need to meet challenging academic standards. From a \$1 million demonstration program in 1997, this program grew to \$453 million in 2000, serving over 850,000 students. The budget expands this program dramatically to provide more high quality extended learning opportunities for all children and to make after- or summer-school programs universally available to help turn around all Title I schools identified as low-performing.

Special Education: The budget includes \$6.4 billion for Special Education, an increase of \$333 million, to expand on the President's commitment to improving educational results for children with disabilities. Included in this total is an additional \$290 million for grants to States to help ensure that all students with disabilities receive a free appropriate public education, and a \$9 million increase for grants

to infants and families to provide essential intervention services to children with disabilities as early as possible. The budget also includes \$8 million for States to help schools comply with special education laws and correct deficiencies found through Federal and State monitoring, and \$10 million to help schools implement research-based practices to serve young children with disabilities who have reading problems and/or exhibit behaviors that may lead to discipline problems as they get older.

Enhancing Teacher Quality

Because trained and skilled classroom teachers are essential to a child's success in school, high-quality professional development is crucial to improving public schools. In the next decade, 2.2 million new teachers will be needed to fill the shortage created by teacher retirement and population growth, with high-poverty schools facing the greatest shortages. In the budget, the President builds on his commitment to teacher recruitment and training programs to ensure schools have the highly qualified teachers needed to improve student performance.

Title II: Teacher Quality and Recruitment: The budget requests \$1 billion for the new Title II program, a component of the Administration's Elementary and Secondary Education Act (ESEA) reauthorization proposal, that consolidates the Goals 2000 and Eisenhower Professional Development programs. The State grant program will assist States and districts in coordinating and developing sustained, content rich teacher professional development with challenging standards. The budget also proposes several new initiatives under Title II to address the most pressing teacher quality needs.

- *Hometown teachers:* In order to increase the number of skilled teachers serving high-poverty school districts, the budget proposes \$75 million in competitive grants. These grants would fund comprehensive teacher recruitment strategies that incorporate both long-term, pipeline-style programs as well as short-term strategies. Hometown Teachers would encourage districts to create programs to cultivate stu-

dents' interest in teaching beginning as early as middle school.

- *Early childhood educator professional development:* Research has demonstrated that effective early childhood education programs can help eliminate reading problems, as well as improve cognitive and social competence. The budget provides \$30 million to offer competitive grants to partnerships, including school districts, institutions of higher education, Head Start programs, and child care programs. Approximately 15,000 early childhood educators would receive training in literacy development, English language instruction, and instructional methods for students with disabilities.
- *School leadership:* The budget includes \$40 million for competitive grants to non-profit, public-private partnerships to develop State and regional School Leadership Centers for principals, superintendents, and other school leaders. These training centers will help school leaders develop critical skills to improve school performance and will help attract qualified candidates into school leadership positions.
- *Transition to Teaching: Troops to Teachers:* The budget proposes \$25 million to build on the Troops to Teachers program in high need areas to recruit and train retiring military personnel and other mid-career professionals to serve as new teachers in public schools.
- *Teacher quality incentives:* This \$50 million initiative would reward districts for making exceptional progress toward teacher quality improvement goals set forth in the Administration's Elementary and Secondary Education Act reauthorization bill, such as increasing certification rates and the percentage of teachers working in-field.
- *Higher standards and higher pay for teachers:* The budget includes a \$50 million teacher peer review initiative to encourage school districts to pay teachers more and increase the quality of their teaching force. Peer review programs, by which expert teachers evaluate other teach-

ers and help them improve, have proven to help improve teacher quality by rewarding excellence, helping low-performing teachers become more effective, and when necessary, removing low-quality teachers from the classroom.

Preparing Tomorrow's Teachers to Use Technology: While many schools have access to technology, some teachers are not prepared to use this technology effectively. The budget includes \$150 million, double the 2000 level, to provide pre-service teacher training for 400,000 teachers in technology so that teachers can help students make the most of tools that are critical to their education and their future.

Teacher Quality Enhancement: The budget provides \$98 million for the Teacher Quality Enhancement Grants program. Created in 1999, this program supports: State grants to improve teacher licensing and certification; partnerships of exemplary teaching colleges and universities with urban and rural schools; and recruitment grants, including scholarships, to help attract teachers to high priority areas.

Teachers Serving Special Populations: To meet professional development needs of teachers serving populations with special needs, the budget proposes \$100 million for Bilingual Education Professional Development, \$116 million for Special Education professional development, \$10 million for the American Indian Teacher Corps, and \$5 million to create a new American Indian Administrator Corps.

Acquiring Better Technology and Constructing and Repairing Schools

Many of the Nation's schools need to be brought into the 21st Century, both by equipping them with new and modern technology, and by making essential repairs to fix the inevitable problems in aging and neglected buildings.

The Administration's commitment to educational technology has greatly increased the percentage of schools connected to the Internet. Since 1993, the number has almost tripled so that nearly 90 percent of the Nation's schools are connected; however, some high-poverty schools still lack Internet access.

At the same time, about one-third of our Nation's schools have critical renovation needs, including repairs to roofs, climate control systems, and plumbing. School districts also face the cost of upgrading schools to accommodate computers and modern technology, and of constructing new classrooms and schools to meet expected record enrollments over the next decade.

The budget proposes a set of new initiatives and program increases to help States and school districts meet the need for better technology and adequate learning facilities. These will complement existing activities put in place under this Administration, including the E-rate established by the Telecommunications Act of 1996 to provide discounts to schools and libraries for high-speed Internet access, internal wiring, and telecommunications services, and Qualified Zone Academy Bonds, which encourage investors to make school modernization capital available to certain communities in need.

School Construction and Modernization Bonds: The President's budget reaffirms his support for creation of a new tax incentive that would support \$22.4 billion in new bonds for school modernization, and \$2.4 billion in additional Qualified Zone Academy Bonds.

Urgent School Renovation: To ensure that the school districts with great need have access to low-cost financing for essential repairs, the budget requests \$1.3 billion for a new school renovation program that would provide loans and grants to school districts. Within this total, \$50 million in grants will be directed to schools with high concentrations of Native American students.

Community Technology Centers: As part of a broad initiative to address the "digital divide" between wealthy communities where access to technology is common and poorer communities that lack such access, the budget requests \$100 million for Community Technology Centers, an increase of \$68 million over 2000 (see Chapter 7, "Strengthening the American Community"). Grants will help low-income communities establish computer centers available to those who cannot afford home computers. Begun in 1999, this program supports activities including technology-based adult education, after-school activities, literacy

training, and ESL instruction in community centers. The budget level would provide support to approximately 1,000 centers in low-income communities.

Technology Literacy Challenge Fund: Enacted in 1997, this program offers grants to States to fund technology-related professional development, provide multimedia computers to schools, and provide software and Internet access to students. The budget requests \$450 million, an increase of \$25 million over 2000.

Next Generation Technology Innovation: The budget requests \$170 million for Next Generation Technology Innovation, which consolidates the Technology Innovation Challenge Grants and Star Schools programs, to support technological innovation for education. Included in this program is funding to develop and field-test state-of-the-art education technology applications and \$10 million for a new initiative to support development of challenging courses such as AP courses and ESL courses for use online.

Other Programs Supporting Innovation and Excellence

Throughout his Administration, President Clinton has aimed to ensure that every child is provided with the highest quality education and challenged to achieve to his or her full potential. The President continues that commitment with several important investments for 2001.

Public School Choice: The Administration supports expanding public school choice through charter schools and other public school options. These efforts strengthen the public education system by giving it the support it needs to fulfill its mission of providing equal educational opportunities for all while providing children a choice of schools to best meet their needs.

When the President first took office, there was but one charter school in the Nation, and citizens who wanted to create new charter schools faced considerable financial barriers. First funded in 1995, the Public Charter Schools program addresses this problem by providing startup funding. The budget includes \$175 million for this program, an increase

of \$30 million, to support the start-up of 1,700 charter schools in 2001. By 2001, this program will have helped nearly 2,400 charter schools since its inception, supporting the President's goal of creating 3,000 charter schools by 2002. The budget also includes \$20 million for Opportunities to Improve Our Nation's Schools (OPTIONS), a new ESEA initiative that will spur further innovation by supporting new approaches, such as locating public schools at work sites and college campuses and interdistrict choice programs.

Safe and Drug-Free Schools and Communities: In 1999, as part of the Government-wide Safe Schools/Healthy Students initiative, 54 communities received over \$100 million in competitive grants from the Departments of Education, Health and Human Services, and Justice to implement comprehensive, research-based, drug and violence prevention programs. In 2001, these agencies will combine resources with the Department of Labor and expand Safe Schools/Healthy Students to nearly \$250 million, vastly increasing funding for community-wide interventions that address education, mental health, juvenile justice, and public safety, and expanding services to include out-of-school youth. The budget also includes \$10 million for a new activity, Project SERV (School Emergency Response to Violence), to help schools and communities address violent deaths or other crises.

Safe Schools/Healthy Students and Project SERV represent just a sampling of the Administration's broad efforts to address youth violence. The budget includes roughly \$8.9 billion, an increase of more than \$900 million over the 2000 level, for programs that specifically target youth violence or generally support the healthy development of young people. Other notable initiatives include: \$1 billion in the Department of Education for after-school and summer-school programs; \$75 million in the Department of Labor to reintegrate young offenders into society; and, \$70 million in the Department of the Treasury to expand efforts to crack down against those supplying guns to youths. To coordinate youth violence prevention programs across the Federal Government, President Clinton established a White House Council on Youth Violence, which will also seek to make these programs

more accessible to American families and examine best practices in addressing the problem.

America Reads/Reading Excellence Act:

In response to the President's America Reads Challenge, the Reading Excellence Act was enacted in 1998 to provide resources to high poverty schools to help ensure that all children can read well and independently by the end of third grade. The budget requests \$286 million for this program, an increase of \$26 million, to support literacy services to an estimated 1.1 million students.

Arts in Education: The budget doubles funding for this program to \$23 million, including \$11.5 million in new funds to supplement teaching resources, integrate arts into the regular curriculum, and provide intensive professional development to teachers. The Department of Education and the National Endowment for the Arts will continue and expand upon the collaboration formed in 2000 to make competitive grants to local arts education programs and undertake additional activities to address issues of youth at risk.

Indian Education: The budget includes \$116 million for the Indian Education program, an increase of \$39 million over 2000. This total includes \$93 million to the Grants to Local Educational Agencies program, an increase of \$31 million, to address significant growth in the Indian student population and ensure that Indian students have the resources to succeed academically. The budget also includes \$50 million for the urgent school renovation program in public schools with high concentrations of Native American students, as part of the Administration's \$1.3 billion urgent school renovation initiative. The budget includes \$300 million (\$167 million over 2000 enacted) for the Bureau of Indian Affairs to fund the replacement of at least six elementary and secondary schools and for numerous repair, improvement, and maintenance projects.

Improving Educational Outcomes for Hispanic-Americans

Raising the educational achievement of Latino students continues as a high priority. The high school dropout rate for Latinos is very high: in 1996, 29 percent of Latinos

aged 16 to 24 were high school dropouts, compared to seven percent of non-Hispanic whites and 13 percent of non-Hispanic blacks. About 32 percent, or 3.6 million, of the students served by Title I are Latino. Latinos are the fastest growing segment of our Nation's population.

For the third year in a row, the budget targets new funding to programs that are part of the Administration's Hispanic Education Action Plan. The budget proposes \$823 million in funding increases, including:

- \$416 million for Title I Grants to Local Educational Agencies;
- \$85.5 million for Adult Education, of which \$75 million is for the President's English as a Second Language (ESL)/Civics. Civics initiative to help recent immigrants learn English, fully navigate public institutions, and be involved in their communities;
- \$125 million for GEAR-UP;
- \$80 million for TRIO;
- \$25 million for Title I Migrant Education;
- \$48 million for Bilingual Education;
- \$20 million for Hispanic Serving Institutions;
- \$5 million for the Labor Department's Migrant and Seasonal Farmworker Youth Opportunities Program;
- \$10 million for research on the education of language minority children; and,
- \$8 million for the High School Equivalency Program and College Assistance Migrant Program.

POSTSECONDARY EDUCATION

Preparing for College

As our economy depends increasingly on workers with analytical and reasoning skills, access to a quality education beyond high school becomes even more important to maintaining and increasing income, productivity, and the Nation's competitiveness. The opportunity to attend college is also crucial in encouraging hardworking families and low-income children to aspire to improve their

lives through education. This budget provides significant increases to student financial assistance programs to help low- and middle-income students pay for college; however, not all of the barriers to college are financial. Too many young people reach college age without the skills, knowledge, and preparation they need to apply for, enroll in, and succeed in college. The Administration is committed to making a postsecondary education both attainable and affordable for every American, from recent high school graduates and dropouts to adult learners and displaced workers.

GEAR-UP: The budget provides \$325 million, an increase of \$125 million, for the early intervention program first funded in 1999 that is based on an initiative proposed by the President. This program provides funds for States and local partnerships to help low-income students prepare for college, starting in the 7th grade. In 2001, 1.4 million students would receive services, 644,000 more than in 2000.

TRIO: The budget includes \$725 million, an increase of \$80 million, for TRIO programs, which fund postsecondary education outreach and support services to prepare disadvantaged students to enter and complete college and doctoral study. Nearly half of the increase would be dedicated to strengthening the Student Support Services (SSS) program, while another \$35 million would establish a new College Completion Challenge Grant (CCCG) component within SSS. Under CCCG, competitive grants to institutions of higher education would support grant aid and summer orientation programs for low-income students in their first years of college, with the goal of increasing college completion rates.

SAT/ACT Preparation: The budget provides \$10 million in competitive grants to create partnerships to offer test preparation services to low-income students preparing for the SAT and ACT college admissions tests. Grantees would offer rigorous and sustained preparation based on program curriculum.

Minority-Serving Institutions Dual-Degree Program: The budget provides \$40 million for a new program to promote dual-degree programs between minority-serving institutions—including Historically Black Colleges and Universities, Hispanic Serving Institutions, Tribal Colleges and Universities, and

Alaska Native and Native Hawaiian Serving Institutions—and partner institutions such as major research universities. The program would allow students at minority-serving institutions to earn two degrees in five years: one from their home institution, and the other from a partner institution in a subject area that is not offered by the home institution and in which minorities are traditionally underrepresented. The program will increase academic opportunities for students at minority-serving institutions, improve their postgraduate access, and promote their workforce participation in fields in which minorities are underrepresented.

Paying for College

The economic returns to a college education have never been higher. But at a time when the dividends of a college education make college essential, the cost of education has been rising dramatically. In addition to helping every child prepare for college, this budget maintains the Administration's commitment to ensuring financial access to higher education by requesting significant increases for core student aid programs and providing tax incentives to make higher education more affordable.

Tax Incentives: The Taxpayer Relief Act of 1997 included the President's Hope Scholarship and Lifetime Learning tax credits, the largest investment in higher education since the G.I. Bill, to help make college more affordable for about 13 million Americans. Hope Scholarships provide tax credits of up to \$1,500 for tuition and fees during the first two years of postsecondary training. Under the Lifetime Learning tax credits, students beyond the first two years of college, or those taking classes part-time to improve or upgrade their job skills, receive up to a 20 percent tax credit for the first \$5,000 of tuition and fees each year through 2002, and for the first \$10,000 thereafter.

The budget expands the Lifetime Learning Tax Credit with a 10-year, \$30 billion College Opportunity tax cut that will, when fully phased in, provide up to \$2,800 in tax relief for millions of families struggling to pay for college. The President's proposal would give families the option of taking a tax

deduction or claiming a 28 percent credit for tuition and fees to pay for college and other higher education. The proposal would cover up to \$5,000 of educational expenses in 2001 and 2002 and \$10,000 of educational expenses from 2003 forward.

In addition, the budget provides tax-free treatment for employer-provided graduate education and increases deductibility of student loan interest.

Pell Grants: The President proposes to increase the maximum Pell Grant by \$200 to \$3,500. Nearly four million needy undergraduates will receive Pell Grants in 2001. When President Clinton took office in 1993, the Pell Grant maximum award was \$2,300—the same as it was when President Bush took office in 1989. Under President Clinton's leadership, the maximum award increased \$1,000, or 43 percent, by 2000. With the 2001 request, the Pell maximum award will have increased by 52 percent during this Administration.

Work-Study: The budget provides \$1.011 billion for Work-Study, an increase of \$77 million over 2000, to maintain the President's promise to give one million students the opportunity to work their way through college. Funding for Work-Study increased 51 percent from 1993 to 2000; this request would bring the increase since 1993 to 64 percent.

Supplemental Educational Opportunity Grants: The budget requests a total of \$691 million, \$60 million over 2000, for Supplemental Educational Opportunity Grants to provide more low-income undergraduate students with need-based grant aid.

Federal Student Loan Programs: An estimated 6.5 million people will borrow almost \$43 billion through the Federal student loan programs in 2001. In the Higher Education Amendments of 1998, the President's proposal to significantly lower interest rates for borrowers on student loans was adopted, easing the burden of repayment for borrowers. The budget also proposes net savings of \$3.8 billion over five years from reforms to the guaranteed loan system.

D.C. College Access: In response to the President's 2000 proposal, Congress approved a \$17 million initiative to equalize postsecondary education opportunities for residents of

the District of Columbia by providing tuition benefits to D.C. residents attending public colleges in Maryland, Virginia, and other States under certain circumstances, and private colleges in the D.C. area. The budget requests \$17 million for D.C. College Access in 2001.

WORKFORCE DEVELOPMENT

Building on accomplishments made since 1993, the Administration seeks to advance opportunity by ensuring that all workers have the opportunity to find and hold secure jobs with good wages, improve their skills, and work in safe and healthful places.

Promoting the New Opportunity Agenda for America's Workforce

Committed to ensuring that America's workforce has the education and training necessary to compete in the 21st Century, the Administration has been working to reform the Nation's workforce development system and increase education, training, and job skills development. Specifically, this Administration has accomplished the following:

- In 1998, the President signed the bipartisan Workforce Investment Act (WIA)—reforming America's job training system to empower individuals, streamline services through One Stop Career Centers, enhance accountability, and increase flexibility.
- Tripled funding for dislocated workers—more than tripling program enrollment as part of a universal program that will help every displaced worker who wants and needs training or reemployment services.
- Increased the number of Job Corps centers from 109 to 122, increasing year-round training opportunities by over 10 percent.
- Developed and authorized the Youth Opportunity Grants program.
- Signed the historic Ticket to Work and Work Incentives Improvement Act of 1999 that removes barriers to work for people with disabilities.

Increasing Opportunities for Youth: The budget provides enhanced support to help low-income, at-risk youth prepare for college and careers.

Youth Opportunity Grants: Youth Opportunity Grants address the special problems of out-of-school youth, especially in inner cities and other areas with high jobless rates. This program is consistent with the Administration's New Markets Initiative to provide resources to communities with potential. The budget includes \$375 million for Youth Opportunity Grants to fund the third year of competitive grants to 25 to 30 high-poverty areas and the first year of competitive grants to 12 to 15 additional communities. Included in this funding is \$20 million for Rewarding Achievement in Youth, a program that provides comprehensive employment training, counseling and education services to over 9,000 academically high-achieving, low-income youth. The program encourages school completion by providing students who excel academically with extended summer employment opportunities.

Job Corps: The Job Corps provides intensive vocational skills training, integrated with academic and social education, and support services to severely disadvantaged young people in a structured residential setting. The budget proposes \$1.4 billion, a \$35 million increase over the 2000 level.

Youth Activity Formula Grants: The WIA consolidated the funding streams of DOL's year-round and summer jobs programs—providing increased flexibility to local Youth Councils and enabling them to develop pathways for career opportunities. Funded at \$1 billion, \$22 million above the 2000 level, this program will continue to provide essential job and learning opportunities to roughly 612,000 disadvantaged youth.

Responsible Reintegration for Young Offenders: The budget includes \$75 million for a new DOL initiative to link offenders under age 35 with essential services that can help make the difference to their choices in the future, such as education, training, job placement, drug counseling, and mentoring. Through competitive grants, this program would establish partnerships between the criminal justice system and workforce invest-

ment systems created under the WIA to reintegrate offenders into the mainstream economy, complementing a similar program in the Department of Justice (DOJ) focused on community supervision of ex-offenders. To maximize the impact of these initiatives, the DOL and DOJ funds will be targeted to the same communities and populations served, while improving public safety. At the same time, DOJ also will earmark \$5 million of its funds to focus on aftercare programs for juvenile offenders to build on existing collaborations between DOL and DOJ.

Preparing Workers for the 21st Century: The budget provides resources to help workers succeed in a changing economy.

Reemployment Services for All Who Need Them: In 2000, the President proposed a major initiative to help working and laid-off Americans get the information and training they need to succeed in a rapidly changing labor market. The 2001 Budget continues progress toward the goals of: providing all dislocated workers who need and want them with the resources to train for or find new jobs; expanding and improving the employment services available to all job seekers and enhancing them for individuals receiving unemployment compensation; and ensuring that One-Stop services are universally available, either in person or electronically. The budget includes increases totaling \$285 million to build on last year's achievements toward the goal of a "universal system."

- *Dislocated worker training:* The budget proposes \$1.8 billion—an increase of \$181 million and over three times the amount available when the President took office—to provide readjustment services, job search assistance, training, and related services to help dislocated workers find new jobs quickly. Among the workers assisted by the program, and the proposed increase, are those displaced by trade, technology, defense downsizing, and other causes.
- *Reemployment services:* The budget proposes \$50 million to expand services to ensure that Unemployment Insurance beneficiaries receive help finding new jobs. Total funding for grants to the State Employment Service, operating within the

One-Stop system recently expanded in the WIA, is \$856 million.

- *One-Stop Career Centers:* The budget includes \$174 million—an increase of \$54 million—for new methods of providing employment and related information through America's Labor Market Information System, including America's Job Bank, America's Talent Bank, and America's Learning Exchange under the One-Stop system. Efforts to improve access to One-Stop information and services include mobile service centers for rural areas, a toll-free number for easier access to information on services and locations, and enhanced technology for serving individuals with disabilities. Included in the proposal is \$10 million for the new America's Agricultural Labor Network, an information system that connects growers seeking workers with workers seeking employment. Also included is \$20 million to help individuals with disabilities return to work (discussed later in this chapter).

Incumbent Workers: To boost the skills and wages of the U.S. workforce, the budget includes \$30 million for competitive grants to States to train and upgrade the skills of incumbent workers. Applicants would be required to provide non-Federal matching resources, and employers that received grant assistance would be expected to demonstrate that training increased participants' earnings.

Trade Adjustment Assistance (TAA): The budget proposes to consolidate, reform, and extend the TAA and NAFTA-Transitional Adjustment Assistance (NAFTA-TAA) programs for workers who lose their jobs due to trade. The proposal would expand eligibility for TAA benefits to cover workers who lose jobs when plants or production shifts abroad; raise the statutory cap on training expenses; and add a contingency provision to ensure that the Federal Government has sufficient funds to finance any unexpected increase in benefit costs for eligible workers. The budget proposes to increase funding for the TAA programs by \$31 million in 2001, for a total of \$459 million over five years.

Unemployment Insurance: These programs are the major source of temporary income support for laid-off workers. An estimated

7.8 million people will draw benefits in 2001. The Administration is working with the States, employers, and workers' representatives to reform these programs to ensure that they continue to meet the needs of a dynamic American economy. The Administration is committed to working with stakeholders and the Congress to develop a comprehensive legislative proposal of system reforms, developed with the overarching goal of budget neutrality and based on the following principles: expanding coverage and eligibility for benefits, streamlining filing and reducing tax burden where possible, emphasizing reemployment, combating fraud and abuse, and improving administration.

Removal of Barriers to Employment: To advance the ability of all people to reap the benefits of a growing economy, the budget builds on recent successes in providing enhanced work incentives, while proposing innovative ways to tap our Nation's human resources.

Assistance For Individuals to Move From Welfare to Work: To help reach the Temporary Assistance for Needy Families program's employment goal for severely disadvantaged welfare recipients, the Administration sought, and Congress provided to DOL, a total of \$3 billion in 1998 and 1999 for the Welfare-to-Work program (WTW). The budget provides for a two-year extension of the time period WTW grantees have to spend their funds to continue their efforts and provide long-term recipients and non-custodial parents of children on welfare the work and employment services they need to help support their children. (For further discussion of the Administration's efforts to help low-income families, including the new Fathers Work/Families Win initiative, see Chapter 2, "Supporting Working Families.")

Employment of Individuals with Disabilities: Although unemployment is at a 29-year low, the unemployment rate among working-age adults with disabilities remains unacceptably high. The budget builds on the Administration's commitment to ensuring that individuals with disabilities have full opportunity to participate in, contribute to, and reap the benefits of a growing economy. The budget accomplishes this by establishing a new office

for disability policy within the Department of Labor; improving individuals with disabilities' access to employment and training programs; and, enhancing current programs for individuals with disabilities.

Ticket to Work and Work Incentives Improvement Act: In 1999, the President signed the Ticket to Work and Work Incentives Improvement Act, landmark legislation that begins reducing the institutional barriers that have limited the employment opportunities of individuals with disabilities.

- *Health insurance protections for working people with disabilities:* People with disabilities who want to return to work may face the loss of Medicaid or Medicare coverage or incur prohibitive work-related costs, such as personal assistance and assistive technology. The Act seeks to remove these barriers by creating new options and incentives for States to offer a Medicaid buy-in for disabled workers and extending Medicare coverage for Disability Insurance beneficiaries who return to work.
- *Ticket to Work and Self-Sufficiency:* The Act establishes a new program to enhance employment-related services to help Disability Insurance and Supplemental Security Income disabled beneficiaries re-enter the workforce, giving individuals more choice in their selection of vocational rehabilitation service providers.

Office on Disability Policy, Evaluation, and Technical Assistance: The budget reconstitutes the President's Committee on Employment of People with Disabilities as the Office on Disability Policy, Evaluation, and Technical Assistance (ODPET). Headed by an Assistant Secretary, this new office will bring a permanent focus to the significant employment obstacles faced by individuals with disabilities and provide a forum for addressing those obstacles. The Presidential Task Force on Employment of Adults with Disabilities will work with the ODPET to ensure interagency policy coordination.

Assistive Technology: To help individuals with disabilities overcome obstacles to employment, the budget also provides \$41 million for the Department of Education's Assistive

Technology program to help make assistive technology devices and services available. Within this total is \$15 million to help States establish low-interest loan programs to help individuals with disabilities purchase assistive technology. In addition, the budget includes \$18 million in the National Institute of Disability and Rehabilitation Research and the National Science Foundation for research, demonstrations, and technical assistance on how to make technology more accessible. Lastly, to increase employment of people with disabilities in the Federal Government, the budget also includes \$3.5 million for the General Services Administration to make assistive technology available to Federal employees.

Work Incentive Grants: The budget continues competitive grants enacted in 2000 (totaling \$20 million a year) to be awarded by DOL to partnerships of organizations in every State, including organizations of people with disabilities, to help One-Stop Career Centers and Workforce Investment Boards provide a range of high-quality services to people with disabilities working or returning to work.

Limit on Medicare Coverage in the Ticket to Work and Work Incentives Improvement Act: In the compromise on the Act, its Medicare benefit was limited to an additional four and a half years. Because of this limit, the provision postpones rather than eliminates the disincentive to work since Medicare provides the necessary coverage that is often unavailable or unaffordable on the job. The budget proposes to remove this limit and extend Medicare coverage indefinitely.

Tax Credit for Workers with Disabilities: The budget proposes a \$1,000 tax credit for workers with disabilities or their spouses to defray additional work-related costs such as personal assistance services.

In addition, the budget continues to invest in other programs which help disabled individuals prepare for the workforce, including \$6.4 billion for Special Education programs, described earlier in this chapter, which serve individuals with disabilities up to age 21; and \$2.8 billion for Vocational Rehabilitation. The budget also supports other important disability programs, including the Committee for Purchase From People Who are Blind

or Severely Disabled, the National Technical Institute for the Deaf, Gallaudet University, and programs to encourage the development of technology that is accessible to people with disabilities.

Improving Labor Standards for All Workers: In addition to expanding employment opportunities, the budget affirms the Administration's commitment to improving labor standards for all workers. Here at home, the Administration's commitment has helped to produce the lowest occupational fatality and injury and illness levels in the United States on record. Abroad, the Administration's commitment has made the United States a world leader in efforts to ensure that globalization helps to raise up labor conditions around the world.

International Child Labor: In his 1999 Budget, the President proposed to increase the U.S.'s annual support for the International Labor Organization's International Program for the Elimination of Child Labor (IPEC) tenfold, resulting in a five-year investment of \$150 million dollars. However, in order to respond to the need for IPEC's comprehensive strategies to eliminate abusive and exploitative child labor, this budget increases the U.S. annual contribution another 50 percent to \$45 million per year, enabling IPEC to expand its work to more countries and industries. In addition, the budget includes a new initiative designed to help eliminate child labor by expanding access to basic education. Evidence suggests that poor access to affordable, effective, basic education is a major contributor to child labor and that effective strategies to combat child labor include increasing access, lower costs, and improving the quality of basic education. The President's budget includes \$55 million a year to help developing countries with high levels of abusive child labor to enroll and retain these children in basic education as part of a comprehensive strategy to eliminate child labor. The President also seeks to double, from \$5 million to \$10 million, U.S. Customs resources to enforce the ban on the importation of goods made with forced or indentured child labor.

Domestic Child Labor Activities: The budget continues \$13 million for DOL, including \$8 million to help eliminate violations of domestic child labor laws, particularly in the agriculture sector, and \$5 million for demonstration programs to provide alternatives to field work for migrant youth. In addition, the budget includes \$5 million for a new program in the Department of Agriculture to teach farm safety to children who work on farms, including migrant youth. The budget also proposes \$2 million for DOL to implement targeted enforcement tools, including "strike teams," in the agriculture and garment industries to increase compliance with labor standards, including child labor.

International Labor Standards: The budget sustains \$20 million for the International Labor Organization's (ILO's) multilateral technical assistance program to help developing countries implement ILO core labor standards and \$20 million, an increase of \$10 million, for DOL to help countries with which the U.S. has important bilateral relationships develop and administer labor standards and strengthen social safety net programs. The budget includes \$10 million for a joint State Department, DOL, and Environmental Protection Agency initiative to improve our ability to assess the institutional capacity of developing countries to administer labor and environmental laws as part of an effort to improve the mobilization and targeting of U.S. and international technical assistance. In addition, the budget provides \$10 million for a new Global HIV/AIDS Workplace Initiative targeted at providing multilateral assistance through the ILO to support health education and HIV prevention in the workplace. The budget also provides \$7 million for State Department support of innovative partnerships aimed at eliminating sweatshops around the world. The budget also includes \$1 million for an independent evaluation unit to ensure that the array of DOL programs aimed at promoting core labor standards, increasing global AIDS awareness, and eliminating the worst forms of child labor achieve their intended results.

Workplace Safety and Health: The budget includes approximately \$670 million to promote safe and healthful conditions for over 100 million workers through DOL's Occupational Safety and Health Administration and Mine Safety and Health Administration.

Through a combination of targeted enforcement, compliance assistance, and regulatory approaches, these agencies protect workers from illness, injury, and death caused by occupational exposure to hazardous substances and conditions.