



## DEPARTMENT OF EDUCATION

### Funding Highlights:

- Provides \$71.2 billion in discretionary funding for the Department of Education, which is 4.6 percent, or \$3.1 billion, above the 2012 enacted level. This funding builds on the significant gains made through major K-12 reform programs and supports new efforts to help reach the President's 2020 college completion goal.
- Ensures that four-year-olds across the country have access to a high-quality preschool education through a landmark new initiative in partnership with the States.
- Invests \$300 million to expand Promise Neighborhoods to improve outcomes for children in high-poverty communities. This investment reflects the President's commitment to create ladders of opportunity in Promise Zones across the country.
- Provides mandatory funding for initiatives to preserve teacher jobs and supports the teaching profession.
- Invests in redesigning high schools to focus on providing students with challenging, relevant learning experiences, and rewarding schools that develop new partnerships with colleges, employers, and non-profit organizations.
- Makes our schools safer by supporting emergency preparedness plans and improving school climates, complementing investments at the Departments of Justice and Health and Human Services to increase school safety and access to mental health services.
- Focuses this year's Race to the Top competition on supporting State efforts to tackle college costs and raise completion levels, while driving innovation and college access through a companion First in the World fund and better leveraging the campus-based aid programs.
- Continues the Administration's strong commitment to maintain historic investments in Pell Grants, while reforming student loan interest rates so they can adjust with the market.
- Places the Department of Education at the center of a major reorganization effort, in partnership with the National Science Foundation and other Federal agencies, to increase the impact of Federal investments in science, technology, engineering, and mathematics education.

Under the leadership of the Department of Education, the Administration has charted a course toward ensuring that every student in America is prepared for college and a career. The Budget pairs new and ongoing K-12 investments with an ambitious new preschool initiative to prepare four-year-olds for learning, and with college cost reforms to improve access, retention, and graduation rates for all students. The Budget also focuses on improving student learning outcomes in mathematics and science, and on preparing students for science, technology, engineering, and mathematics (STEM) career opportunities. Overall, the Budget provides \$71.2 billion in discretionary funding for the Department of Education, a 4.6 percent, or \$3.1 billion, increase above the 2012 enacted level.

### ***Invests in High-Quality Preschool Education***

**Enhances the Quality of and Access to Early Childhood Education.** The Administration believes that all children should have access to a high-quality preschool education. A child's early years are the most critical for building the foundation needed for success in life. Research has conclusively shown that supporting children at this stage leads to significant benefits in school and beyond. This is particularly true for low-income children, who often start kindergarten academically behind their peers by many months. Providing high-quality early childhood education to all children will enable them to start school ready to learn and realize their full potential. The Budget outlines a proposal to ensure that four-year-olds across the United States have access to high-quality preschool programs, which would be financed through mandatory resources and fully paid for elsewhere in the Budget. This proposal consists of a Federal-State partnership to provide all low- and moderate-income four-year-old children with high-quality preschool, while also providing States with incentives to expand these programs to reach additional children from middle class families and put in place full-day kindergarten policies. To support this effort, the Budget also proposes a \$750 million discretionary

investment in Preschool Development Grants in 2014. These grants will ensure that States willing to commit to expanding preschool access are able to make the critical investments necessary to serve their four-year-old children in high-quality programs. The preschool initiative is coupled with a companion investment in the Department of Health and Human Services in voluntary home visiting and high-quality care for infants and toddlers.

### ***Sustains Investments While Ramping up Innovations in Grades K-12***

The Department of Education has fueled historic reforms in our education system by rewarding excellence and promoting innovation to help children start school ready to succeed, raise academic standards, ensure that there is an effective teacher in every classroom, and turn around struggling schools. The Budget continues to build on these reforms.

**Funds School Turnaround Grants.** The Budget provides \$659 million for School Turnaround Grants to support the Administration's commitment to help turn around America's persistently lowest-performing schools. This includes \$125 million for a new competitive grant program to expand the capacity of school districts to implement effective and sustainable school reform.

**Invests in Innovation.** One of the Department's trademark programs, Investing in Innovation (i3), uses an evidence-based approach to test new ideas, validate what works, and scale up the most effective approaches. The Budget builds on the success of i3 by providing \$215 million, an increase of \$66 million above the 2012 enacted level, to support growing the evidence base in high-need areas, including identifying and supporting effective teachers and leaders, improving low-performing schools, and encouraging parent engagement. As part of this investment, i3 will also support up to \$65 million for the Advanced Research Projects Agency for Education, which will aggressively pursue technological breakthroughs that transform educational technology

and empower teaching and learning similar to the way that the Defense Advanced Research Projects Agency has supported the development of the Internet, GPS, and robotics.

**Invests in Promise Neighborhoods.** The Budget makes a significant investment in Promise Neighborhoods, funding the program at \$300 million, an increase of \$240 million over the 2012 enacted level. This initiative supports high-need communities that combine effective, cradle-to-career services for children and families with comprehensive reforms centered on high-quality schools. A portion of these funds will also be targeted to designated Promise Zones—high-poverty communities where the Federal Government will engage more directly with local leaders to break down barriers and help them access and coordinate the resources and expertise they need to create jobs, leverage private investment, increase economic activity, reduce violence, and improve educational opportunities. To further support Promise Zones, the Budget includes companion investments of \$400 million in the Department of Housing and Urban Development’s Choice Neighborhoods program and \$35 million in the Department of Justice’s Byrne Criminal Justice Innovation Grants program, as well as tax incentives to promote investment and economic growth.

**Supports Teachers and Leaders.** Teachers and principals have enormous impacts on students’ learning. The Budget continues significant investment to ensure that there is an effective teacher in every classroom through programs such as the Teacher and Leader Innovation Fund and the Effective Teachers and Leaders State Formula Grant program and its 25 percent set-aside for competitive grants. The Administration also recognizes the need to equip school leaders to implement Elementary and Secondary Education Act (ESEA) reforms by providing nearly \$100 million for a competition to develop high-quality, large-scale professional development for current school leaders. The Budget also invests \$12.5 billion in mandatory funds to help school districts prevent additional teacher layoffs and hire teachers as the economy continues to recover. In

addition, the Budget proposes a \$5 billion one-time mandatory investment in the Recognizing Educational Success, Professional Excellence, and Collaborative Teaching (RESPECT) Project, to support States and districts that commit to bold, comprehensive reforms to transform every stage of the teaching profession.

**Expands Educational Options.** The Budget provides \$295 million for the Administration’s ESEA reauthorization proposal to increase the supply of high-quality public educational options, especially for students attending low-performing schools. New funds will support the creation and expansion of charter school models shown to be effective in increasing student achievement.

**Funds 21<sup>st</sup> Century Community Learning Centers.** The Budget provides \$1.3 billion to States and other entities for projects that provide students, particularly those in high-need schools, the additional time, support, and enrichment activities that can improve their achievement. The Budget places a particular focus on programs that support high-quality expanded learning models, which add time to the school day or school year to improve student outcomes.

**Maintains Support for Title I and IDEA Grants.** The Budget sustains the Department’s commitment to supporting education for disadvantaged students and students with disabilities, providing \$14.5 billion for ESEA Title I Grants and \$11.6 billion for Individuals with Disabilities Education Act (IDEA) Grants to States. These investments provide the resources needed by districts to pay teacher salaries and fund other educational interventions for these groups.

**Encourages Smart Reforms by Overhauling Existing Law.** The Budget continues to propose reauthorization of ESEA by consolidating a set of existing program authorities into new competitive grant programs that give States and districts more flexibility to use resources where they will have the greatest impact. In the absence of reauthorization, and to build on the successful reforms already underway in States, the Department invited States to apply for ESEA

flexibility in exchange for comprehensive State-developed plans designed to increase the quality of instruction and improve educational outcomes for all students. After four rounds of applications, 45 States, the District of Columbia, Puerto Rico, and the Bureau of Indian Education have applied for ESEA flexibility, and of these, 34 States and the District of Columbia have been approved. The Budget maintains investments in key programs that States can use to advance these reforms.

**Redesigns High School.** The Budget provides \$300 million for a new program to strengthen college- and career-readiness by redesigning high school to focus on providing students with challenging, relevant learning experiences, and rewarding schools that develop new partnerships with colleges and employers to support instruction and to help develop the skills students need to be prepared for jobs now and in the future. In addition, the Budget proposes to strengthen and reform career and technical education to better align programs with the needs of employers and higher education.

**Makes Our Schools Safer.** The President's plan to reduce gun violence and increase school safety requires that we invest not only in preparing our schools for emergencies, but also in creating safe and nurturing climates to prevent future tragedies. The Budget provides \$112 million to help schools develop and implement emergency preparedness plans, create safer and more nurturing school climates through evidence-based behavioral intervention practices, provide support and services to children exposed to pervasive violence, collect data on school safety and climate, and highlight best practices regarding school behavioral intervention and discipline policies, including the equitable implementation of these policies. This investment will complement efforts of the Departments of Justice, Health and Human Services, and Homeland Security to support comprehensive school safety strategies and to increase access to mental health services.

### ***Delivers a Quality, Affordable College Education to Millions of Americans***

To strengthen our Nation's competitiveness and regain our position of first in the world in our proportion of college graduates, we must open the doors of higher education to more Americans and make sure that students complete their degrees. The Administration has already taken significant strides in making college more affordable. In 2014 more than nine million students will receive Pell Grants, and approximately 11 million borrowers will receive low-cost loans, with new affordable repayment options based on their income after leaving school. This Budget builds on that progress by setting a goal of improved access, increased levels of completion, and better post-graduation outcomes—while reducing costs to students. Key initiatives include:

**Tackles College Costs and Helps More Americans Complete College.** Although investments in Pell Grants, student financial aid, and higher education tax credits have made higher education more affordable for American families, the rising cost of college continues to be a challenge. Many students struggle to pay their tuition and leave school with significant debt that is difficult to repay. This path is not sustainable. Institutions of higher education have to do their part to rein in costs while delivering a high-value education, and States must continue to invest in higher education and pursue reforms that will make their systems more sustainable in the long run. The investments below are reinforced by the Department's publication of the College Scorecard, which provides students and parents with clear, transparent information they can use to compare schools across cost, completion, earnings, and other metrics.

- *A Higher Education Race to the Top (RTT) Competition.* Building on the success of this program in both early education and K-12 education, the Department of Education will shift the focus of RTT in 2014 to promoting

comprehensive reforms in postsecondary education. The Budget provides \$1 billion to support competitive grants to States that commit to driving comprehensive change in their higher education policies and practices, while doing more to contain their tuition and make it easier for students to afford a college education. This change establishes RTT as a fund that promotes system-wide reform efforts and can shift its focus each year to support the most promising and comprehensive solutions to strengthen public education and improve outcomes from preschool through college.

- *First in the World Fund.* The Budget provides \$260 million for a First in the World fund to spur the development, validation, and scaling-up of cutting-edge innovations to reduce college costs, improve productivity, and boost postsecondary attainment rates. These practices include investing in alternative credentials from new technology-based learning platforms in cases where strong outcomes can clearly be demonstrated. In addition, the First in the World fund will provide new competitive funding to test and expand promising strategies to help low-income high school students prepare for, attend, and succeed at four-year colleges and universities, allowing nonprofits and public and private colleges and universities to explore and implement new ideas and models to promote improved learning and outcomes for high school students.
- *Campus-Based Aid Programs.* The Budget provides more than \$10 billion for Supplemental Educational Opportunity Grants, Federal Work Study, and Perkins Loans, including a \$150 million increase for the Federal Work Study program to put the program on track to double the number of participants over five years. The Budget also proposes reforms to these programs so that the funds are directed toward institutions that are succeeding in enrolling and graduating students from low-income families, setting a

responsible tuition policy, and demonstrating good value.

#### **Maintains a Strong Pell Grant Program.**

Since 2008, the Administration has increased the maximum Pell Grant by more than \$915, to \$5,645. The Budget continues the Administration's strong commitment to the Pell Grant program and to preserving the maximum award, and includes measures that ensure full program funding through the 2015–2016 academic year. The Administration believes that action must be taken to keep the Pell Grant program on a sound footing, and that reforms such as those included in the Budget are necessary to maintain this critical investment in opening the doors of opportunity to all Americans and strengthening our Nation's competitiveness.

#### **Makes Student Loan Interest Rates More Market-Based.**

Under current law, interest rates on subsidized Stafford loans are slated to rise this summer from 3.4 percent to 6.8 percent. At a time when the economy is still recovering and market interest rates remain low, the Budget proposes a cost-neutral reform to set interest rates so they more closely follow market rates, and to provide students with more affordable repayment options. The rate on new loans would be set each year based on a market interest rate, which would remain fixed for the life of the loan so that student borrowers would have certainty about the rates they would pay. The Budget also expands repayment options to ensure that student borrowers do not have to pay more than 10 percent of their discretionary income on loan payments.

#### **Uses Resources Wisely**

##### **Enhances Data and Evaluation to Guide Program Improvements.**

Leaders at all levels of government are seeking information to help them reform programs and make smarter investments. Recognizing the need for better data across education and human service programs, the Budget provides \$85 million, a \$47

million increase over the 2012 enacted level, for Statewide Data Systems. The increased funding will support new grants focused on early childhood data systems and projects that enhance States' ability to use data for research and evaluation. To improve Federal data on postsecondary students, the Budget provides \$9 million for upgrades to the National Student Loan Data System and \$8 million to more frequently survey postsecondary students. These efforts will supply data about who receives student aid, enrollment patterns, and graduation rates for Federal aid recipients. Finally, the Budget includes \$67 million in new funding for research and evaluation of Federal student aid. This funding will better harness the Department's data and test innovative strategies for student aid delivery, such as giving aid to students earning college credit while still in high school.

**Leads Efforts to Improve the Impact of Federal Investment in STEM Education.**

The Budget proposes a comprehensive reorganization of STEM education programs to increase the impact of Federal investments in four areas: K-12 instruction; undergraduate education; graduate fellowships; and education activities that typically take place outside the classroom. The reorganization will be implemented with a focus on increasing participation and opportunities for individuals from groups historically underrepresented in these fields. The reorganization involves a consolidation of 90 programs across 11 different agencies and realignment of ongoing STEM education activities to improve the delivery, impact, and visibility of STEM efforts. Nearly \$180 million will be redirected from consolidated programs towards the Department of Education, the National Science Foundation (NSF), and the Smithsonian Institution to implement core initiatives in these four priority areas. The Department of Education's role will include developing STEM

Innovation Networks to reform STEM instruction and supporting a corps of Master Teachers who can serve as a national resource for improving STEM teaching and learning. NSF will focus on efforts to improve STEM undergraduate education and to reform graduate fellowships so they reach more students and align with national needs. The Smithsonian Institution will improve the reach of informal education activities by ensuring they are aligned with State standards and are relevant to the classroom.

In line with the Government-wide STEM reorganization, the Department will restructure its own existing efforts to lead a cohesive and robust initiative around improving K-12 instruction and working effectively towards the President's goal of generating 100,000 effective STEM teachers over the next decade. The Budget invests \$265 million, redirected from within the Department and from other agencies, to support STEM Innovation Networks, which will be districts, or consortia of districts, working in partnership with universities, science agencies, museums, businesses, and other educational entities. These public-private partnerships will work to harness local, regional, and national resources to transform teaching and learning by implementing research-based practices, supporting innovation, and building capacity at both school and district levels. In addition, Networks will leverage the expertise of the Nation's most talented science and math teachers—through a new STEM Master Teachers Corps—to help support and improve instruction in their schools and districts. The new investment also includes \$80 million to support the President's goal of preparing 100,000 highly-effective STEM teachers. To reinforce the Department's efforts to improve STEM teaching and learning, the Budget continues support for the joint NSF-Department of Education K-16 Math Initiative.