



EDUCATION BLUEPRINT: AN ECONOMY BUILT TO LAST



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Educating Our Way to An Economy Built to Last

In his State of the Union Address, President Obama laid out a blueprint for an economy that's built to last—an economy built on American manufacturing, American energy, skills for American workers, and a renewal of American values. The President has taken bold action to get the economy growing again. Over the past 23 months, American businesses have created 3.7 million jobs and last year businesses added the most private sector jobs since 2005. American manufacturing is creating jobs for the first time since the late 1990s.

The strength of the American economy is inextricably linked to the strength of America's education system. Particularly in times of economic challenge—times like today—the American economy needs a workforce that is skilled, adaptable, creative, and equipped for success in the global marketplace.

The President believes that education is a cornerstone of creating an American economy built to last. Based on the idea of shared responsibility in advancing and innovating our way to a better economy, education is an essential cornerstone. We must comprehensively reform our education system as we confront reductions in state funding of education. Ultimately, building a world-class education system and high-quality job training opportunities will equip the American economy to advance business growth, encourage new investment and hiring, spark innovation, and promote continued economic growth and prosperity.

America's ability to meet this demand begins each day, in classrooms across the nation. The case for the link between the strength of American education and the strength of our economy is a simple one—and it is one that Democrats and Republicans alike can agree upon. Ensuring that every student in our country graduates from high school prepared for college and a successful career is central to rebuilding our economy and securing a brighter future.



Higher Education Access and Success: Securing America's Economic Competitiveness

Earning a post-secondary degree or credential is no longer just a pathway to opportunity for a talented few; rather, it is a prerequisite for the growing jobs of the new economy. Over this decade, employment in jobs requiring education beyond a high school diploma will grow more rapidly than employment in jobs that do not; of the 30 fastest growing occupations, more than half require postsecondary education. With the average earnings of college graduates at a level that is twice as high as that of workers with only a high school diploma, higher education is now the clearest pathway into the middle class.

In higher education, the U.S. has been outpaced internationally. While the United States ranks 9th in the world in the proportion of young adults enrolled in college, we've fallen to 16th in the world in our share of certificates and degrees awarded to adults ages 25-34—lagging behind Korea, Canada, Japan and others. We also suffer from a college attainment gap, as high school graduates from the wealthiest families in our nation are almost certain to continue on to higher education, while just over half of our high school graduates in the poorest quarter of families attend college. And while more than half of college students graduate within six years, the completion rate for low-income students is around 25 percent. This inequity only fuels the growing income divide in this nation.

President Obama called on all Americans to commit to at least one year of higher education or career training, and challenged America to once again have the **highest share of college graduates in the world by 2020.**

Acknowledging these factors early in his Administration, President Obama challenged every American to commit to at least one year of higher education or post-secondary training. The President has also set a new goal for the country: that by 2020, America would once again have the highest proportion of college graduates in the world.

As part of his continued focus on education, President Obama has presented an agenda that will ensure that America's students and workers receive the education and training needed for the jobs of today and tomorrow. The President's plan reflects a commitment to keeping the American promise alive by advancing educational opportunity that will lead to good jobs that pay well and provide greater security for the middle class.

Regaining America's global leadership in higher education attainment requires robust participation and effort to meet this goal from all colleges and universities—public and private, two-year and four-year, across all states and territories.

Linking Community Colleges to Employers to Provide Pathways to Jobs

The President has placed a strong emphasis on strengthening America's community colleges, ensuring that they are gateways to economic prosperity and educational opportunities for millions of Americans each year. Each year, over 1,100 community colleges provide students and workers with critical skills to succeed in a 21st century economy. To help reach the President's college attainment goal, the Obama Administration has called for an additional 5 million graduates from community colleges by 2020. Working in partnership with states and communities, community colleges are well suited to promote the dual goal of academic and on-the-job preparedness for the next generation of American workers.

Many community colleges are already working with businesses to develop programs and classes—ranging from degree-granting curricula to certified courses for retraining—that will enhance skills for workers. The President has demonstrated his commitment to deepening and expanding that work:

- **Trade Adjustment Assistance Community College and Career Training:** Building on President Obama's American Graduation Initiative, the Trade Adjustment Assistance Community College and Career Training fund invests in community college and industry partnerships that will provide more Americans with the skills they need to enter and succeed in the work force. The Obama Administration has already committed \$500 million to develop programs that provide pathways for individuals to secure quality jobs in high-wage, high-skilled fields including advanced manufacturing, transportation, health care, and Science, Technology, Engineering and Mathematics (STEM). The Administration will invest an additional \$1.5 billion in this initiative over the next three years.
- **Skills for America's Future:** The Skills for America's Future initiative brings together companies and community colleges to help workers gain new skills and will make America more competitive in the global economy. Born out of the first-ever White House Summit on Community Colleges hosted by President Obama in October 2010, Skills for America's Future has created and strengthened partnerships between industry, business, and community colleges, providing more Americans the skills they need to succeed while equipping businesses with talented and skilled employees to help them thrive. Through this initiative the President announced a new partnership of private sector employers, community colleges, and the National Association of Manufacturers to provide 500,000 community college students with industry-recognized credentials that will help them secure jobs in the manufacturing sector.
- **Community College to Career Fund:** In his 2013 budget request, President Obama proposed the Community College to Career Fund, an \$8 billion investment in community colleges and states over three years to partner with businesses to train workers in a range of high-growth and in-demand areas, such as health care, logistics, transportation, and advanced manufacturing. The Obama Administration is committed to working with Congress to enact this initiative and provide more community colleges with the resources they need to become community career centers, where people learn crucial skills and earn industry-recognized credentials to build strong careers.

Making Landmark Federal Investments in Higher Education

Although community colleges provide a good, affordable option to obtain postsecondary education, access to higher education today has become increasingly unaffordable for middle class families. America is home to the best colleges and universities in the world, yet tuition and fees measured in current dollars have more than doubled over the past two decades, straining college affordability and threatening college completion for too many Americans. Today's college students borrow and rack up more debt than ever before. In 2010, graduates who took out loans left college owing an average of more than \$25,000. Student loan debt has now surpassed credit card debt for the first time ever.

Our nation's commitment to place a good education within the reach of all who are willing to work for it helped to build a strong American middle class over the past several generations. In keeping this promise alive, President Obama has expanded federal support to help more students afford college, while calling for a shared responsibility in tackling rising college costs. President Obama's investments and reform in higher education funding have produced the largest re-organization and expansion of federal grants and student aid since the G.I. bill, resulting in a more efficient, reliable, and effective system for students to help them afford college and manage debt:

The average published price of tuition and fees at four-year public colleges has increased by 136% in the last 20 years.

- **Increasing Pell Grants:** The President has raised the maximum Pell Grant award to \$5,635 for the 2013-14 award year—a \$905 increase since 2008. The number of Pell Grant recipients has increased over that same time by 50 percent, providing college access to millions of additional low-income and middle-class students across the country. The Obama Administration's landmark investment in the Pell Grant was enacted in the Health Care and Education Reconciliation Act of 2010, which ended student loan subsidies for private financial institutions and banks and shifted over \$60 billion in savings back to students.
- **Helping Students Manage Student Loan Debt:** Announced as an executive action last fall, the Administration's "Pay as You Earn" plan expands income-based repayment to enable 1.6 million students to take advantage of a new option to cap repayment of student loans at 10% of monthly income—an option that student borrowers can begin to use at the end of this year. These changes will reduce the burden of student loans in a fiscally responsible way. Additionally, millions of borrowers are now eligible to consolidate Direct Loans and FFEL Loans and save up to half a percentage point on their interest rate.
- **Expanding Education Tax Credits:** President Obama established the American Opportunity Tax Credit in 2009 to assist families with the costs of college, providing up to \$10,000 for four years of college tuition for families earning up to \$180,000. Over 9.4 million students and families benefit from the American Opportunity Tax Credit each year. President Obama has called on Congress to make this tax credit permanent and prevent it from expiring in 2012.

- **Promoting A New College Scorecard and Financial Aid Shopping Sheet:** The President also tasked his Administration with giving students and families new tools and relevant information that will help them make sound financial decisions in pursuing their higher education goals. The Department of Education and the Consumer Financial Protection Bureau have launched the “Know Before You Owe” campaign to create a model financial aid disclosure form (“shopping sheet”) to help students better understand the type and amount of aid they qualify for and easily compare aid packages offered by different colleges and universities. The President has also called for a College Scorecard, a report card for colleges containing key indicators of student success and financial outcomes, making it easier for students and families to choose a college that is best suited to their goals, finances, and needs.

President Obama is also calling on Congress to do their part by taking several important steps to maintain college affordability by:

- **Keeping student loan interest rates low:** This summer, the interest rates on subsidized Stafford student loans are slated to double from 3.4% to 6.8%—a significant burden at a time when the economy is still fragile and students are taking on increasing amounts of debt to earn a degree. The President has called on Congress to prevent that hike from taking place this year, in order to keep student debt down. His proposal will keep interest rates low for 7.4 million student loan borrowers and save the average student over a thousand dollars during the life of the loan.
- **Doubling the number of work-study jobs available:** The President proposes that Congress provide funds to double the number of work-study opportunities over the next five years, so that more students are able to gain valuable work-related experience while in school.

Forging a New Partnership to Make College Affordable

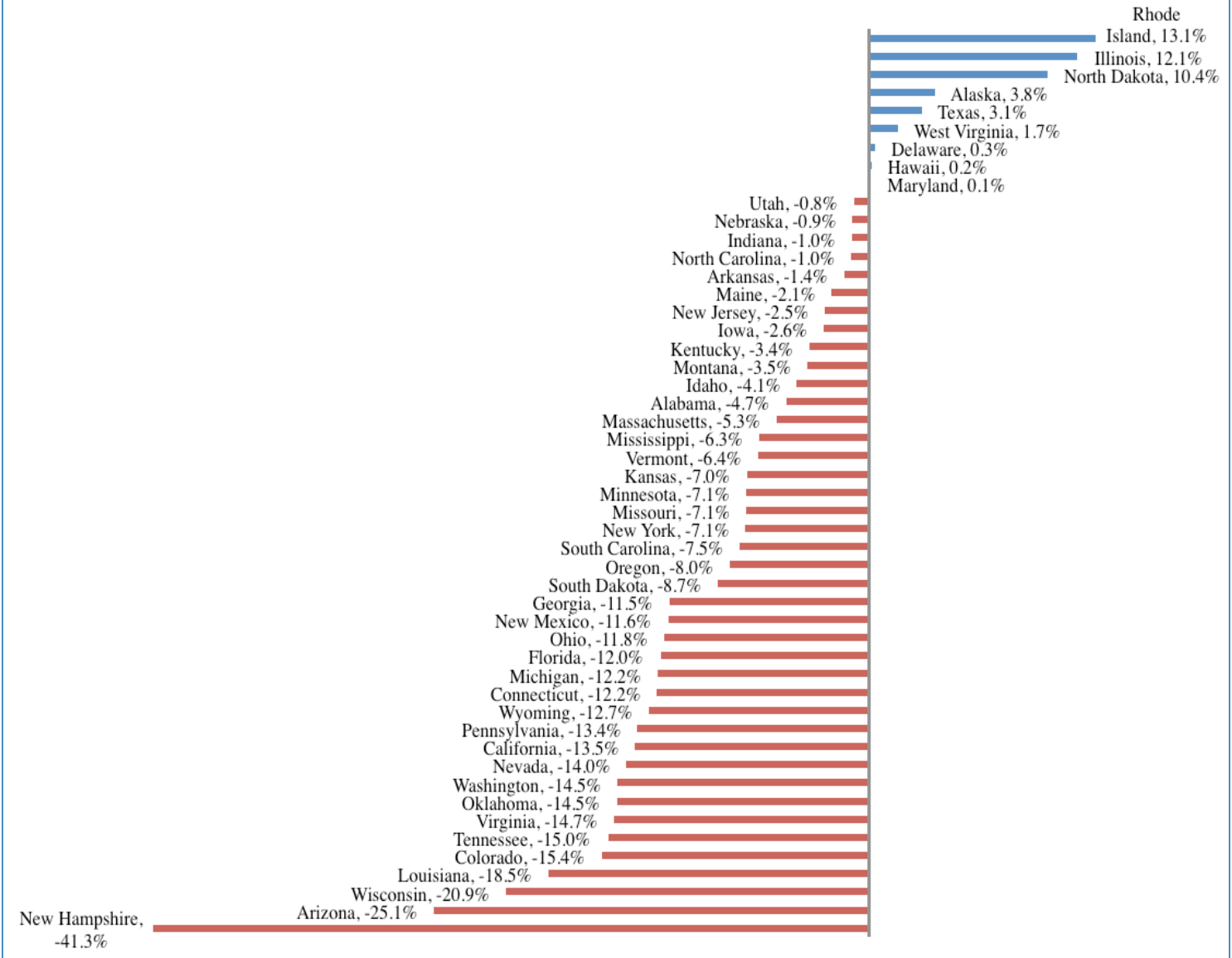
In his State of the Union address, President Obama emphasized the responsibility of states and higher education institutions—working with the federal government—to promote access, affordability and attainment in higher education by reining in college costs, providing value for American families, and preparing students with a high quality education to succeed in their careers. It is not enough to increase federal student aid alone—state policymakers and individual colleges and universities bear a shared responsibility to take action against rising college tuitions and costs.

States have much at stake with the rising cost of college. Providing greater pathways for students to enter into and succeed in higher education is in the interest of every state, and critical to developing a highly educated, highly skilled economy and workforce that will attract business and lead to lower unemployment. With approximately 70 percent of all undergraduates attending public colleges and universities, state funding decisions for higher education can have a dramatic effect on higher education affordability for families.

All across the country, states must also do their part to make higher education a higher priority in their budgets. Last year, over 40 states cut higher education spending; these state budget cuts have been a

significant factor in tuition increases at public colleges over the past decade. Data from the Grapevine Annual Compilation on State Fiscal Support for Higher Education¹ demonstrate that, even in nominal dollars, state funding for higher education fell in more than forty states between 2011 and 2012, leaving state systems of higher education in a very challenging position, forced to decide how to make up for lost funding.

One-Year (FY11-FY12) Percent Changes in State Fiscal Support for Higher Education



1. Grapevine data are subject to change as states balance their budgets over the course of the fiscal year, and different practices and varying fiscal priorities among the states make it impossible to eliminate all inconsistencies and to ensure absolute comparability. Further information on the Grapevine Annual Compilation on State Fiscal Support for Higher Education is provided at <http://grapevine.illinoisstate.edu/datalimitations.htm>. Data not adjusted for inflation or changes in enrollment.

President Obama has proposed a comprehensive plan to galvanize the shared responsibility of states, colleges, and the federal government to address rising college costs and to place a higher priority on college access and success:

- **Race to the Top: College Affordability and Completion.**

The President has proposed powerful new incentives for states willing to change policies and practices to strengthen their higher education systems. The Race to the Top: College Affordability and Completion will incentivize governors and state legislatures around the nation to spur needed reform in the higher education sector through a new \$1 billion competitive fund that rewards states willing to drive systemic change across their colleges and universities, do more to contain rising tuition, and make it more affordable for students to earn a college degree. This fund would incentivize states to:

- Revamp the structure of state financing for higher education.
- Align entry and exit standards between K-12 education and colleges to facilitate on-time completion.
- Maintain adequate levels of funding for higher education in order to address important long-term causes of cost growth at public institutions, which serve 70 percent of students in higher education.

“I’m telling Congress we should steer federal campus-based aid to those colleges that keep tuition affordable, provide good value, serve their students well. We are putting colleges on notice—you can’t keep—you can’t assume that you’ll just jack up tuition every single year. If you can’t stop tuition from going up, then the funding you get from taxpayers each year will go down. We should push colleges to do better. We should hold them accountable if they don’t.”

—President Barack Obama, Remarks by the President on College Affordability, University of Michigan January 27, 2012

“Of course, it’s not enough for us to increase student aid...States also need to do their part, by making higher education a higher priority in their budgets. And colleges and universities have to do their part by working to keep costs down.”

*—President Barack Obama
State of the Union Address,
January 24, 2012*

Just as the President is calling on States and on Congress to act, he also recognizes that individual colleges and universities have a key role to play in advancing affordability and completion in higher education. In his State of the Union address, the President put colleges on notice that if they cannot keep costs down, the level of federal support they receive will go down. Institutional shifts toward productivity and efficiency can make a real difference in affordability for students:

- **Campus-Based Aid Reform:** The President’s proposed reform of federal campus-based aid aims to reward those colleges that keep tuition from spiraling too high and that provide greater value for students. Through modifications to this federal aid program, the Obama Administration would improve the distribution of campus-based financial aid and expand the availability of federal aid available to students by rewarding colleges and universities that succeed in:

- *Setting responsible tuition policy*, offering relatively lower net tuition prices and/or restraining tuition growth
- *Providing good value to students and families*, offering quality education and training that prepares graduates to obtain employment and repay their loans
- *Serving low-income students*, enrolling and graduating relatively higher numbers of Pell-eligible students

The campus-based aid reform will change the formula used to distribute aid to colleges through the Supplemental Educational Opportunity Grants (SEOG), Perkins Loans, and Work Study programs, shifting aid away from schools with rising tuition and toward those higher education institutions that act responsibly in setting tuition, providing good value in education, and ensuring that higher numbers of low-income students complete their education. Students will receive the greatest government grant and loan support at colleges where they are likely to be best served, and little or no campus aid will flow to colleges that fail to meet affordability and value standards.

- **First in the World Competition:** The President's proposed First in the World Competition will improve long-term productivity in higher education by investing \$55 million to enable individual colleges and nonprofit organizations to develop, validate, or scale up innovative and effective strategies for boosting productivity and enhancing quality on campuses. This initiative will provide modest start-up funding for projects at individual colleges and universities that could lead to longer-term and larger productivity improvements—such as course redesign through the improved use of technology; early college preparation activities to lessen the need for remediation; competency-based approaches to gaining college credit; and other ideas aimed at spurring changes in the culture of higher education.



Reforming K-12 Education to Prepare All Students for College and Career

Building Blocks of America’s Economic Competitiveness

A world-class elementary and secondary education is the single most important factor in determining whether America’s students will be prepared to compete and win the jobs of the future. President Obama has been unwavering in his commitment to ensure that all students graduate from high school ready for college and a career, and in working to put an outstanding education within reach of every child.

To create an economy built to last, America must provide all children with an education that will enable them to succeed in a global economy based on knowledge and innovation. The Obama Administration has taken several steps to ensure every child has access to a high-quality and competitive education:

Race to the Top K-12 States

- Arizona
- Colorado
- Delaware
- District of Columbia
- Florida
- Georgia
- Hawaii
- Illinois
- Kentucky
- Louisiana
- Maryland
- Massachusetts
- New Jersey
- New York
- North Carolina
- Ohio
- Pennsylvania
- Rhode Island
- Tennessee

(As of February 2012)

Race to the Top Early Learning Challenge States

- California
- Delaware
- Maryland
- Massachusetts
- Minnesota
- North Carolina
- Ohio
- Rhode Island
- Washington

(As of February 2012)

- **Race to the Top:** In 2009, President Obama issued a national challenge to reshape America’s educational system to better engage and prepare students for success in a competitive 21st century economy and workplace. Designed to incentivize excellence, spur reform, and promote the adoption and use of effective policies and practices, the Race to the Top program promotes a comprehensive vision for school reform backed by a historic \$4 billion competition. In order to qualify for an award, states across the country developed comprehensive plans to implement rigorous standards and high-quality assessments; attract and keep great teachers and principals in classrooms; use data to inform educational decisions and improve instruction for students; and use innovation and effective interventions to turn around low-performing schools. Forty-six states and the District of Columbia submitted blueprints for reform under the Race to the Top competition and—for less than 1% of total education spending nationwide—19 states received Race to the Top funding, benefitting 22 million students. The catalytic impact of the Race to the Top extends beyond the winners, as 34 states modified education laws or policies to facilitate needed change and 45 states adopted common, college- and career-ready standards.

- **Race to the Top: Early Learning Challenge:** The President recognizes that, in order to ensure all students graduate from high school ready for success in college and career, investments in high-quality education must begin in a child’s earliest years. For this reason, the President established the Race

to the Top: Early Learning Challenge—a \$500 million investment challenging states to raise the bar on standards and outcomes in early education by rating and rewarding quality, boosting program effectiveness, and focusing on the goal of preparing all students to enter kindergarten ready to succeed. Through this competition, 35 states, D.C. and Puerto Rico created plans to increase access to high-quality programs for all children—especially those from low-income families—and 9 states received funding to enhance outcomes and results across their state early learning programs.

- More Flexibility for States from No Child Left Behind:** This month, the Obama Administration provided 11 states powerful new flexibility in exchange for a real commitment to implement higher standards, enhance accountability, improve outcomes for students, and develop better systems of teacher evaluation and support. The President’s announcement of this first round of ESEA Flexibility states makes good on the Obama Administration’s commitment to fix the No Child Left Behind Act (NCLB) to ensure that it is more fair, flexible, and focused on the single goal of preparing all students to graduate prepared for college and career. States that have earned greater flexibility from NCLB are maintaining a focus on underserved students, continuing to set ambitious performance targets for all students and transparently report progress against those targets for all subgroups in all schools – including students with disabilities and English learners – while moving away from one-size-fits-all interventions and mandates.

**ESEA Flexibility
Waiver States**

Colorado
 Florida
 Georgia
 Indiana
 Kentucky
 Massachusetts
 Minnesota
 New Jersey
 New Mexico
 Oklahoma
 Tennessee
(As of February 2012)

ESEA flexibility marks a new federal-state partnership in education. A new federal role will clearly focus on college and career readiness, while enabling greater flexibility on the part of states to implement state-led reforms to reach this new, national imperative. Each of the states receiving waivers will implement a more flexible and targeted accountability system based on measuring annual student growth; higher academic standards; and new reforms to develop, improve and support effective teachers.

Transforming the Teaching Profession

An essential component of improving America’s education system is to ensure an effective teacher in every classroom. At a time when other countries are doubling down on education, tight budgets have forced states to lay off thousands of teachers. A great teacher can offer an escape from poverty and open gateways to opportunity beyond a student’s circumstances, and most teachers work tirelessly, with modest pay, sometimes digging into their own pocket for school supplies—just to make a difference.

President Obama and Education Secretary Arne Duncan know that teachers matter: they make a difference every day in the lives of millions of students around the country. The Administration is offering new resources to enhance and transform the teaching profession to better attract, prepare, support, and reward great teachers that will help America’s children excel.

- **The RESPECT Project:** The President and the Secretary have launched The RESPECT Project, which stands for **Recognizing Educational Success, Professional Excellence, and Collaborative Teaching**. The goal of the project is to work with teachers, school and district leaders, teachers' associations and unions, and state and national education organizations to spark a dialogue that results in strong policy and a sustainable transformation of the teaching profession. To implement the principles of The RESPECT Project, the Administration is proposing a new \$5 billion grant program to support states and districts that commit to pursuing bold reforms at every stage of the teaching profession. Under this program, funds would be awarded competitively to states with participating districts, and, in non-participating states, to consortia of districts to prioritize the following elements in strengthening and transforming the profession:
 - Attracting a talented and diverse pool of people to become teachers and leaders in education, and preparing them for success
 - Creating career ladders that offer competitive compensation, well-supported roles for novice teachers, and opportunities for teachers to take on increasingly impactful roles and responsibilities over the course of their careers
 - Creating conditions in schools that support effective teaching and learning, such as by improving school climates and cultures, offering teachers time to collaborate, using technology productively, and offering students support services .
 - Evaluating teachers and principals to guide professional development and inform personnel decisions
 - Reshaping tenure to raise the bar, protect good teachers, and promote accountability
 - Providing the highest need students (including low-income students, minority students, English learners, and students with disabilities) with the most effective teachers and principals
 - Transitioning to a significantly more effective and efficient educational system that is sustainable after the grant is over

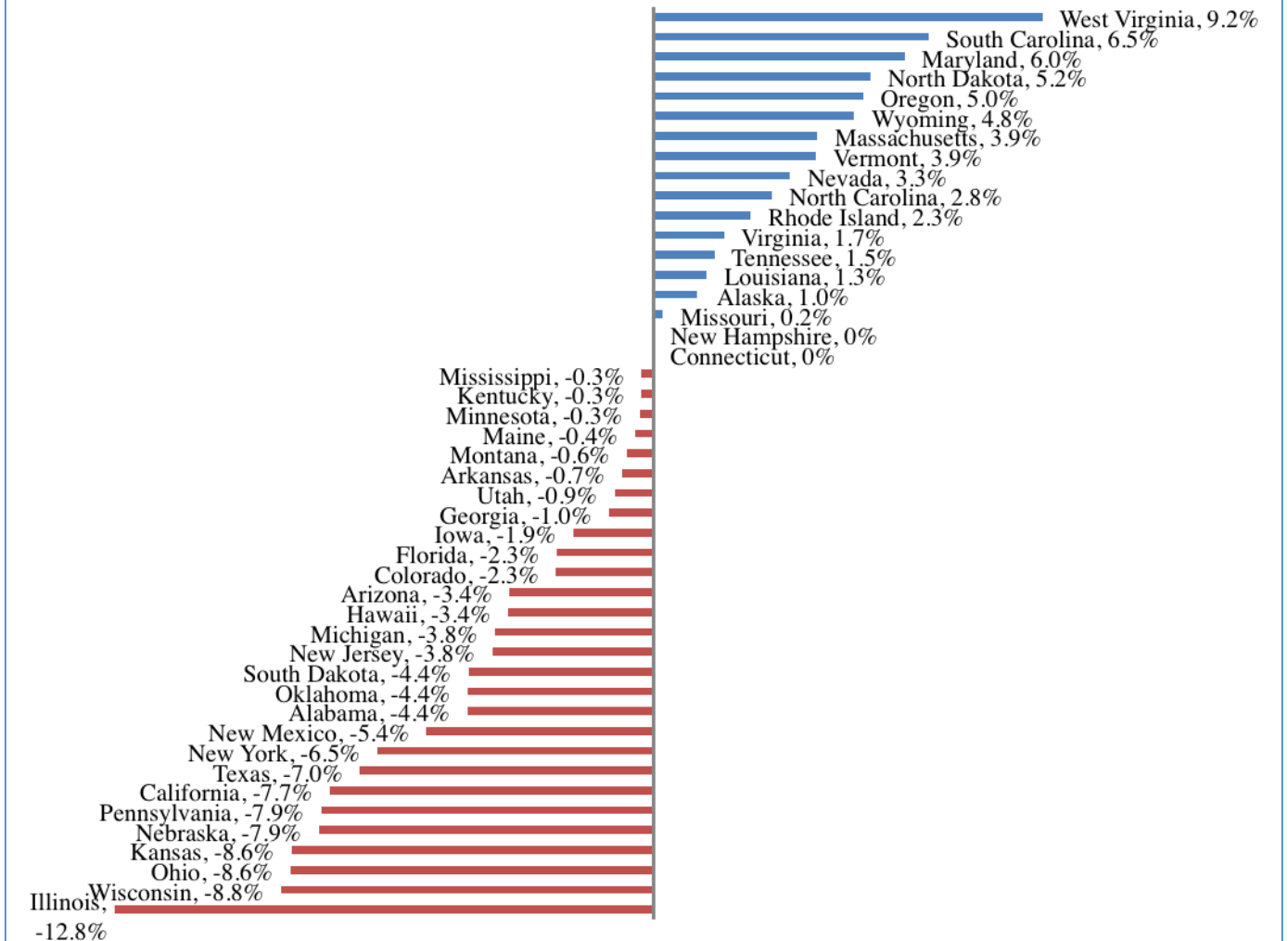
Ensuring Students and Schools Have the Resources They Need to Succeed

As with higher education, states also need to maintain their effort to equip our classrooms with the resources they require and keep teachers on the job, so we can educate our way to a stronger economy. Investments in the K-12 education workforce and infrastructure create jobs and improve the physical condition of the schools that teach and train future workers for the jobs of the twenty-first century.

As data from the Center on Budget Policy and Priorities² demonstrates, states continue to feel strain on their K-12 education budgets, with a majority of states providing less funding for elementary and secondary schools in 2012 than in 2011:

2. Further information on the Center on Budget Policy and Priorities study on state funding for schools can be found at <http://www.cbpp.org/cms/?fa=view&id=3569>. Data do not include totals for Delaware, Idaho, Indiana, or Washington. Data not adjusted for inflation or changes in enrollment.

One-Year (FY11-FY12) Percent Changes in State* K-12 Formula Funding



President Obama believes that our children cannot win the future if teachers are not where they belong—in our classrooms, teaching our nation’s children. America’s education system has always been one of our greatest sources of strength and global economic competitiveness, as well as an engine of progress in science, technology and the arts. Our nation cannot expect to train our children for the high-skilled jobs of today, or for the opportunities of the future, without investments in a world-class education system. And America cannot build a world-class education system without teachers in our classrooms.

State support for K-12 education is critical in student success and investing in our future, and the Administration has committed itself to making sure that our students have the resources they need:

- **Keeping Educators in the Classroom:** In 2011, the President put forward a plan—as part of the American Jobs Act—to provide support for hundreds of thousands of education jobs, enough for states to avoid harmful layoffs, rehire teachers who lost their jobs over the past three years, preserve or extend the regular school day and school year, and support important after-school activities. President Obama proposes a \$25 billion investment in the coming year to make sure we can keep teachers in the classroom.
 - In 2009, the President effectively deployed stabilization funds for state education budgets through the American Recovery and Reinvestment Act, which enabled states and schools districts to keep approximately 300,000 educators on the job in the face of budget cuts caused by the economic recession. In 2010, the President signed the Education Jobs bill into law that provided states \$10 billion in emergency funding to keep more than 100,000 educators in the classroom.
- **Modernizing America’s Schools:** Also as part of the American Jobs Act and included in his FY13 budget proposal, the President requested \$30 billion to enhance the condition of our nation’s schools—with \$25 billion allocated to K-12 schools, including a priority for rural schools and dedicated funding for Bureau of Indian Education-funded schools, and \$5 billion allocated to community colleges. The range of critical repairs and needed construction projects would put hundreds of thousands of Americans—including construction workers, engineers, maintenance staff, boiler repairers, and electrical workers—back to work, while investing in the school infrastructure of 35,000 of America’s public schools and supporting repairs and upgrades in the nation’s community colleges and improving the health and safety of our teachers and students.



Common Purpose: Investing in Our Students and in Our Future

Now more than ever, our nation needs to embrace the national imperative of ensuring that every student in the nation can graduate from high school prepared for college and success. On key academic measures, our nation is ranked just average in reading and far behind its global peers in science and math. America loses 1.2 million young people each year to the dropout crisis, resulting in a staggering social and economic impact. Even among those who do graduate, many are unprepared for higher education, costing taxpayers more than \$3.6 billion in remedial education costs during the 2007-2008 academic year. And in just over a generation, America has fallen from first to sixteenth in the world in its share of young people who hold a postsecondary degree.

These challenges can be overcome in America's education system. In order to get ahead, we must foster a race to the top across the American education system. We must implement higher standards and expectations for students and parents, for decision makers and policy leaders, and for schools. We must undertake efforts to keep America's teachers in the classrooms where they are needed, while advancing reforms to boost teacher effectiveness and transform the teaching profession. We must take on the ambitious work of closing the achievement gap and turning around America's lowest-performing schools, while providing new flexibility to states to develop new and innovative policies that will better drive better outcomes in their schools and to prepare their students to achieve high standards.

In higher education, too, there is a shared responsibility to promote college access, affordability and attainment, and we need everyone—states, colleges and universities, and the federal government—to play their part. Greater investments in higher education and in student aid must be coupled with real change in policies and practices to help a greater share of America's students succeed in earning a college degree, by tackling rising college costs and fostering new and innovative strategies in higher education that will enable our nation's colleges and universities to continue to lead the world.

President Obama has stated time and again that when we act together, in common purpose and common effort, there is nothing the people of the United States of America cannot achieve.



Appendix

The President's Proposed Investments in Educator Jobs Funding (\$25 billion)

State	Funds Allocated	Estimated Jobs Supported
Alabama	\$376,226,411	5,800
Alaska	\$58,735,487	700
Arizona	\$521,244,718	8,100
Arkansas	\$231,954,586	3,400
California	\$3,017,675,693	31,100
Colorado	\$398,839,195	5,900
Connecticut	\$280,277,430	3,200
Delaware	\$69,163,628	900
District of Columbia	\$37,590,839	400
Florida	\$1,391,223,894	21,600
Georgia	\$797,198,896	10,700
Hawaii	\$101,885,941	1,300
Idaho	\$133,143,968	2,100
Illinois	\$1,029,568,558	12,100
Indiana	\$524,403,517	7,600
Iowa	\$239,369,667	3,400
Kansas	\$232,046,280	3,600
Kentucky	\$338,776,954	5,100
Louisiana	\$361,970,303	5,200
Maine	\$97,777,642	1,500
Maryland	\$451,441,729	5,000
Massachusetts	\$493,177,404	5,300
Michigan	\$787,927,044	9,900
Minnesota	\$420,286,476	5,800
Mississippi	\$241,953,082	3,900
Missouri	\$470,957,853	7,600
Montana	\$75,120,989	1,200
Nebraska	\$146,778,360	2,300
Nevada	\$215,282,226	3,000
New Hampshire	\$100,773,643	1,400
New Jersey	\$692,599,284	7,800
New Mexico	\$166,753,993	2,600
New York	\$1,474,838,095	15,000
North Carolina	\$750,223,411	11,200
North Dakota	\$49,907,643	800
Ohio	\$911,497,082	11,800
Oklahoma	\$299,647,531	4,900
Oregon	\$292,218,590	3,800
Pennsylvania	\$962,755,090	12,000
Rhode Island	\$78,579,960	1,000
South Carolina	\$357,936,013	5,400
South Dakota	\$64,689,307	1,300
Tennessee	\$496,668,593	7,800
Texas	\$2,137,921,891	32,900
Utah	\$252,489,022	4,300
Vermont	\$46,251,463	700
Virginia	\$618,606,105	9,000
Washington	\$523,194,028	7,100
West Virginia	\$135,681,733	2,100
Wisconsin	\$446,681,638	6,200
Wyoming	\$43,718,033	600

The President’s Proposed Investments in School Modernization Funding (\$30 billion)

State	K-12 Funds Allocated	Community College Funds Allocated	Total Allocation	Estimated Jobs Supported
Alabama	\$390,260,746	\$67,478,274	\$457,739,020	6,000
Alaska	\$62,002,130	\$2,500,000	\$64,502,130	800
Arizona	\$544,400,210	\$116,647,092	\$661,047,302	8,600
Arkansas	\$270,703,905	\$42,446,605	\$313,150,510	4,100
California	\$2,812,563,514	\$1,131,133,473	\$3,943,696,987	51,300
Colorado	\$265,104,258	\$57,481,898	\$322,586,156	4,200
Connecticut	\$185,012,563	\$37,970,873	\$222,983,436	2,900
Delaware	\$73,285,210	\$11,588,808	\$84,874,018	1,100
District of Columbia	\$84,712,378	\$2,500,000	\$87,212,378	1,100
Florida	\$1,280,253,876	\$288,434,822	\$1,568,688,698	20,400
Georgia	\$909,530,119	\$140,587,635	\$1,050,117,754	13,700
Hawaii	\$82,237,526	\$18,901,624	\$101,139,150	1,300
Idaho	\$93,563,891	\$11,246,509	\$104,810,400	1,400
Illinois	\$1,111,638,798	\$212,686,549	\$1,324,325,347	17,200
Indiana	\$443,374,881	\$79,760,295	\$523,135,176	6,800
Iowa	\$132,616,241	\$56,744,037	\$189,360,278	2,500
Kansas	\$191,435,153	\$45,349,485	\$236,784,638	3,100
Kentucky	\$390,932,824	\$54,747,425	\$445,680,249	5,800
Louisiana	\$516,782,765	\$40,725,712	\$557,508,477	7,200
Maine	\$90,666,169	\$12,816,227	\$103,482,396	1,300
Maryland	\$315,808,118	\$93,949,634	\$409,757,752	5,300
Massachusetts	\$378,648,666	\$68,787,155	\$447,435,821	5,800
Michigan	\$926,299,948	\$157,686,120	\$1,083,986,068	14,100
Minnesota	\$274,462,373	\$87,839,954	\$362,302,327	4,700
Mississippi	\$335,182,203	\$63,080,088	\$398,262,291	5,200
Missouri	\$422,247,731	\$69,120,054	\$491,367,785	6,400
Montana	\$77,087,143	\$5,729,782	\$82,816,925	1,100
Nebraska	\$106,724,394	\$21,380,744	\$128,105,138	1,700
Nevada	\$168,355,708	\$39,118,396	\$207,474,104	2,700
New Hampshire	\$70,065,135	\$8,744,674	\$78,809,809	1,000
New Jersey	\$518,631,149	\$123,787,583	\$642,418,732	8,400
New Mexico	\$196,806,850	\$49,196,233	\$246,003,083	3,200
New York	\$2,019,988,269	\$235,324,477	\$2,255,312,746	29,300
North Carolina	\$675,697,991	\$163,058,721	\$838,756,712	10,900
North Dakota	\$58,948,626	\$6,523,257	\$65,471,883	900
Ohio	\$985,457,245	\$148,292,097	\$1,133,749,342	14,700
Oklahoma	\$267,403,940	\$57,492,864	\$324,896,804	4,200
Oregon	\$253,194,364	\$71,166,797	\$324,361,161	4,200
Pennsylvania	\$944,023,098	\$113,212,355	\$1,057,235,453	13,700
Puerto Rico	\$899,643,854	\$7,926,917	\$907,570,771	11,800
Rhode Island	\$85,649,181	\$12,739,464	\$98,388,645	1,300
South Carolina	\$381,422,408	\$70,810,399	\$452,232,807	5,900
South Dakota	\$75,553,236	\$4,724,819	\$80,278,055	1,000
Tennessee	\$474,713,172	\$61,764,157	\$536,477,329	7,000
Texas	\$2,332,147,541	\$458,393,564	\$2,790,541,105	36,300
Utah	\$138,672,621	\$37,146,849	\$175,819,470	2,300
Vermont	\$57,537,367	\$5,262,940	\$62,800,307	800
Virginia	\$425,289,301	\$110,079,187	\$535,368,488	7,000
Washington	\$365,086,328	\$83,885,895	\$448,972,223	5,800
West Virginia	\$161,173,653	\$15,441,823	\$176,615,476	2,300
Wisconsin	\$368,724,521	\$79,927,137	\$448,651,658	5,800
Wyoming	\$56,276,709	\$11,658,521	\$67,935,230	900

Framework for Flexibility from No Child Left Behind

Flexibility from No Child Left Behind	In Exchange for Rigorous Education Reform
<p>2014 Timeline: Waive the provision that 100 percent of students must be proficient by 2014. Give states flexibility on how they set their annual targets around a new goal of college and career-readiness (higher standards) for schools and subgroups.</p>	<p>College- and Career-Ready Expectations for all Students: Adoption and implementation of college- and career-ready standards and high-quality aligned assessments, including a well-designed transition plan to full implementation of the new standards and assessments.</p>
<p>Federal Labels and Federally-Mandated Interventions: Provide flexibility around federally-mandated “one-size-fits-all” labels and interventions, by waiving provision that requires schools to be labeled as failing for not meeting every one of their annual adequate yearly progress (AYP) targets and provision that requires these schools to implement the same interventions, regardless of need.</p>	<p>Differentiated Accountability and Recognition for Schools: A statewide system of meaningful differentiated accountability, including recognition and rewards for the highest-achieving and highest-progress schools; a commitment to turn around the lowest-performing 5 percent of schools; dedicated interventions to tackle persistent achievement gaps and low-performing subgroups in an additional 10 percent of schools; and a continued, strong focus on accountability, support and differentiation for other schools.</p>
<p>Limitations on Use of Funds: Grant more flexibility to use funds currently dedicated to supplemental services (private tutoring) and school choice and professional development in ways that still target support for underperforming students, but in a manner that is better aligned to student and school needs.</p>	<p>Teacher and Principal Evaluation and Support: Enhancement of the teaching profession by implementing a new systems of teacher and principal effectiveness, including minimum requirements for teacher and principal evaluation that differentiate effectiveness based on student growth and other measures of teacher practice that focus on data-driven teacher support and professional development.</p>

Examples of Reforms Put Forward in Exchange for Flexibility from No Child Left Behind, in the First Eleven Waiver-Recipient States (as of February 2012)

Colorado

- Colorado began moving toward Common Core Standards prior to ESEA Flexibility, and expects them to be fully in place by 2013-2014.
- Colorado is making publicly available all of the data in its state education performance system via its nationally recognized SchoolView website, so teachers, parents, and the community can see exactly how their schools are performing, how much growth students are making, and how much growth each student needs to make to be college- and career-ready.
- Colorado's 2010 educator effectiveness bill laid the groundwork for an educator evaluation system that sets high standards for what it means to be an effective teacher and principal. The state is currently piloting model evaluation systems, and districts will eventually have the option of either adopting the State's model evaluation system or showing that their locally developed systems are consistent with state guidelines.

Florida

- Florida will significantly raise the standards for proficiency on its assessments and is expanding access to college-level coursework to help students transition to Common Core Standards. It has a statewide goal of performance equal to the top five states on the National Assessment of Educational Progress (NAEP) and the top ten nations on international assessments.
- Florida will also raise standards for its longstanding A-F school grading system, with a robust plan for moving to metrics that hold schools accountable for ensuring all students with disabilities and English Learners reach college- and career-readiness. Nearly 375,000 students with disabilities will now be fully included in Florida's grading system—and approximately 2,000 schools that did not have enough students with disabilities or English Learners for reporting purposes under NCLB will now be accountable for these students in the lowest-performing 25 percent subgroup.
- Florida has developed and adopted guidelines for teacher and principal evaluation and support systems, and has codified these guidelines in State law. Evaluations must be based 50 percent on student growth data and 50 percent on measures of professional practice. The state is also developing a statewide item bank for measuring growth in grades and subjects without a statewide assessment.

Georgia

- Georgia has adopted the Common Core Standards, and has a high-quality implementation plan building on transition efforts being implemented under its approved Race to the Top plan.
- For the 2012-2013 school year, Georgia will disseminate to all schools and districts reports that include data on all statewide assessments and other measures the state will include in its college- and career-ready performance index. The data will be available at the state, district, and

school levels, and will eventually include indicators on the percentage of students that enter Georgia's 2- and 4-year colleges without the need for remediation.

- Georgia created a comprehensive plan detailing the timeline and milestones, parties responsible, evidence, resources, and challenges related to fully implementing teacher and leader evaluation systems in all of its districts by the 2014-2015 school year. The state's plan builds out and more thoroughly explains how it will develop and validate components of the systems, building on the work it continues to complete under its Race to the Top plan.

Indiana

- Indiana has adopted the Common Core Standards, and has already aligned teacher preparation standards and course descriptions to them.
- Indiana has set plans for ambitious achievement, college- and career-readiness, and graduation rate targets for all students, as well as for a "bottom 25 percent" subgroup, a "top 75 percent" subgroup, and each ESEA subgroup (major racial and ethnic groups, students from low-income families, English Learners, and students with disabilities). The state will more aggressively identify and target achievement gaps by using the "bottom 25 percent" subgroup to set goals for schools, districts and ESEA subgroups, and it will hold substantially more schools accountable for the performance of groups such as American Indian students, Black students, Hispanic students, and students with disabilities under the new system than it would when compared to accountability under NCLB.
- Indiana has already developed and adopted guidelines for teacher and principal evaluation and support systems: under state law, all districts must establish a teacher evaluation system by July 1, 2012, and these systems must ensure that evaluations are conducted at least annually; include objective measures of student data; include multiple measures; differentiate across four discrete categories; and include valuable feedback that is tied directly to professional development.

Kentucky

- Kentucky has adopted the Common Core Standards, raised the bar students must clear to demonstrate learning, and paid particular attention to developing resources for coursework and professional development for teachers of students with disabilities and English Learners.
- Kentucky will track the performance of far more high-needs students by monitoring a "combined subgroup" of African American, Hispanic, Native American, students with disabilities, English Learners, and low-income students. Ninety-nine percent of Kentucky schools will track the performance of both African American students (21% under NCLB) and students with disabilities (25% under NCLB). Additionally, the state will set performance-improving targets in reading, math, writing, science, and social studies for each school, district and minority/disadvantaged student group. To cut the percentage of underperforming students in half in five years, the state will publicly report progress toward these targets and use them to target corrective measures and support to schools.

- Kentucky is the only state using teacher effectiveness as part of a “multi-measure” evaluation of school and district performance, with scores based on three elements: student achievement; reviews of arts, humanities, career studies, writing and world language programs; and teacher evaluations. Additionally, Kentucky will include teachers of students with disabilities and English Learners in field-testing new teacher and principal evaluation systems.

Massachusetts

- Massachusetts has adopted Common Core Standards, with a strong transition plan that includes developing accommodation policies, creating curriculum frameworks and model units, aligning pre-kindergarten standards, and reviewing and aligning professional standards for teacher licensure.
- Massachusetts proposed a performance index that uses multiple years of student achievement and growth data in English language arts, mathematics, and science as well as high school graduation rates and dropout rates to categorize schools. The state will set targets for closing the achievement gap in half over six years for all ESEA subgroups and a new “high-needs” combined subgroup comprised of English Learners, students with disabilities, and low-income students. These measures will ensure the performance of more students count and hold an additional 300 schools accountable for subgroup results.
- Massachusetts has already developed all guidelines, passed legislation, and implemented regulations for local teacher and principal evaluation and support systems. and is already piloting the system in early adopter sites and Race to the Top districts. The system uses multiple measures to provide timely and meaningful feedback to teachers and principals through individualized development plans based on a self-assessment and previous evaluation ratings in order to tailor professional development to individual needs.

Minnesota

- Minnesota has adopted the English Language Arts component of the Common Core Standards, and has provided a letter of support from its state institutions of higher education confirming that the state’s academic standards in math are well aligned with the knowledge and skills students need to succeed in credit-bearing coursework in those institutions.
- Minnesota’s new accountability index rewards schools that are able to achieve strong gains in student learning and closure of persistent achievement gaps. It will be equally weighted among student proficiency, student growth, the reduction in achievement gaps, and graduation rates. Minnesota’s index places a strong emphasis on smaller groups of students, increasing the significance of subgroup performance in school ratings. As a public transparency mechanism, Minnesota will continue making determinations of whether schools make adequate yearly progress, to which it will add its new accountability index. Additionally, the state will begin using a tiered system of intervention, with rigorous and comprehensive interventions in the bottom five percent of schools, targeted interventions in the 10% of schools with the largest achievement gaps, and recognition and rewards for high-performing and high-progress schools.

APPENDIX

- Minnesota has a strong foundation in place to complete guidelines for teacher and leader evaluation and support systems by the end of the 2011-12 school year. The state legislature passed laws mandating teacher and principal evaluations, based in significant part on student growth, to fully take effect by 2014-15.

New Jersey

- New Jersey has adopted Common Core Standards, and is developing model resources for coursework with particular attention to the needs of students with disabilities and English Learners.
- New Jersey plans to make publicly available easy-to-read, data-rich performance reports, so that teachers, parents, and the community can see exactly how their schools are performing and so that schools can identify problems and tailor solutions. The state will also use individual student data as an “early warning system” to help educators identify struggling students are not on-track for college-and-career readiness. Seven new Regional Achievement Centers will work aggressively with New Jersey’s lowest-performing schools and schools with the largest achievement gaps to identify school needs, develop school improvement plans, and implement evidence-based interventions targeted at the specific needs of students, including the needs of individual subgroups that are missing annual goals.
- New Jersey is currently piloting a teacher and principal evaluation and support system in 10 districts and 19 schools. The state plans for statewide piloting next year, and full adoption in 2013-14.

New Mexico

- New Mexico has adopted Common Core Standards, with a strong plan to transition to these new standards. The State shared the transition plan with schools and districts statewide at the end of January 2012.
- New Mexico’s new accountability index rewards schools that are able to achieve strong gains in student learning and close persistent achievement gaps. The school grading index also provides bonus points for parent engagement and student participation in extracurricular activities. In addition, the accountability framework holds more schools accountable for subgroup performance, estimating that 20,000 more students and 175 additional schools will be included in it, and aligning dollars, strategies, and supports to target the needs of low-performing subgroups.
- New Mexico has a strong foundation in place to complete guidelines for teacher and leader evaluation and support systems by the end of the 2011-12 school year.

Oklahoma

- Oklahoma has adopted Common Core Standards, with a strong plan to transition to these new standards. The state will increase access to college-level courses and provide specific supports and interventions for English Learners, students with disabilities, and low-achieving students.

- Oklahoma will reach schools with large achievement gaps by targeting concentrations of underperforming student groups. Under the new system, Oklahoma will consider the performance of more students than under NCLB—219 additional schools with English Learners, 44 additional schools with African American students, and 487 additional schools with students with disabilities. The state's A-F school grading system for all schools beginning in the 2012-2013 school year will base grades on scores of all students on all statewide assessments; on growth in reading and mathematics, as measured by growth of all students and growth of the lowest-performing 25 percent of students; on whole-school improvement—e.g. the percentage of students completing college-and-career-ready curriculum; graduation and attendance rates, parent/community engagement; and participation in college-level classes.
- Oklahoma state law requires a teacher and leader evaluation system to be implemented by each district by the 2013–2014 school year that uses a five-tier rating system based on both qualitative and quantitative measures.

Tennessee

- Tennessee adopted Common Core Standards, raised the bar students must clear to demonstrate learning, and made AP courses available to more students. The state set the stage for the transition to college- and career-ready standards by raising the cut scores on its State assessments two years ago to closely match the achievement levels used by NAEP, and has paid particular attention to the inclusion of English Learners and students with disabilities in moving to new standards and assessments.
- Tennessee will focus on closing achievement gaps between subgroups by setting gap-closing performance targets that would halve achievement gaps over 8 years, with corrective actions required for schools or districts meeting fewer than half of their performance targets, or not making progress on a majority of goals for an individual subgroup. The state's Achievement School District will spearhead effective state-led intervention in the lowest-performing schools, with responsibility for implementing five-year interventions based largely on the charter school or other autonomous school reform models in 35 schools by the 2014-2015 school year.
- Tennessee is the first in the country with a redesigned statewide teacher and principal evaluation system that incorporates elements strongly aligned with ESEA flexibility principles, including the use of student achievement as a significant factor.

