

THE WHITE HOUSE

Washington

February 17, 2009

American Recovery and Reinvestment Act:

The Largest Investment in Education in Our Nation's History – to Prevent Teacher Layoffs, Make Key Education Improvements and Help Make College Affordable

- **Preventing teacher layoffs and education cuts in every state.** A recent study by the University of Washington found that states are likely to cut nearly 15 percent of their education spending over the next three years, which could eliminate 574,000 education jobs. The ARRP will help prevent devastating cuts to education by providing \$53.6 billion to states and school districts to prevent layoffs and cuts in critical education services and \$25 billion in support for educating at risk students and those with special needs.
- **Investing in Early Head Start and Head Start – programs that work. Doubling the number of children in Early Head Start and expanding Head Start.** The ARRP will provide \$1.1 billion for Early Head Start and \$1 billion for Head Start, thereby providing services for approximately 120,000 additional infants and children over two years. Taken together, investments in Head Start and Early Head Start are estimated to create at least 15,000 new jobs, many of which are held by low-income women.
- **Providing enough funding to support quality child care for an additional 150,000 children and keep 200,000 children from being dropped from care.** The plan's \$2 billion investment in the Child Care Development Block Grant will help an increasing number of families during the downturn who are struggling to afford care and allow parents to hold onto their jobs.
- **Providing a new higher education tax cut to nearly 4 million students.** Helping people afford college is particularly important during an economic downturn. When people are unable to find work one of the best investments we can make is to improve the skills of the workforce. The ARRP will create a new \$2,500 American Opportunity Tax Credit that is partially refundable. As a result, the nearly one-fifth of high school seniors who receive no tax credit under the current system will receive a tax cut to make college affordable for the first time.
- **Increasing college affordability for more 7 million students by funding the shortfall in Pell Grants and increasing the maximum award level by \$500.** Demand for the Pell Grant has surged during the economic downturn. The ARRP will ensure the Pell Grant is available to those who need it and make the award more generous.
- **Investing in data systems to improve student achievement.** The ARRP will enable States and school districts to put in place comprehensive data systems that provide teachers, parents, and students with the useful information they need to support student achievement and growth. These critical, one-time investments will enable policymakers to continually measure the progress of students, schools, districts, and States in meeting high standards.
- **Maintaining key education reforms during the economic downturn.** The AARP ensures that States, districts, and schools can continue pursuing important education reforms enacted

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by Congress that have effectively closed the student achievement gap. The plan will ensure that there are high-quality teachers in the classroom, especially in low-income and minority communities and for high-need subject areas such as science and math. The plan will support compensation and incentive systems that fairly reward educators for their performance. And the plan will invest in school systems and organizations with track records of success to expand their work and share what's working with educators and policymakers across the nation.