

Empowering All Americans with the Education and Skills They Need

Meeting Our Greatest Challenges: The President's Fiscal Year 2017 Budget

Under the President's leadership, we have turned our economy around and created 14 million jobs. Our unemployment rate is below five percent for the first time in almost eight years. Nearly 18 million people have gained health coverage as the Affordable Care Act has taken effect. And we have dramatically cut our deficits by almost three-quarters and set our Nation on a more sustainable fiscal path.

Yet while it is important to take stock of our progress, this Budget is not about looking back at the road we have traveled. It is about looking forward and making sure our economy works for everybody, not just those at the top. It is about choosing investments that not only make us stronger today, but also reflect the kind of country we aspire to be – the kind of country we want to pass on to our children and grandchildren.

The Budget makes critical investments in our domestic and national security priorities while adhering to the bipartisan budget agreement signed into law last fall, and it lifts sequestration in future years so that we continue to invest in our economic future and our national security. It also drives down deficits and maintains our fiscal progress through smart savings from health care, immigration, and tax reforms.

The Budget shows that the President and the Administration remain focused on meeting our greatest challenges – including accelerating the pace of innovation to tackle climate change and find new treatments for devastating diseases; giving everyone a fair shot at opportunity and economic security; and advancing our national security and global leadership – not only for the year ahead, but for decades to come.

America's education system led the world in the 20th Century when we sent generations to college and cultivated the most educated workforce in the world, which supported an unparalleled period of economic growth and rising middle-class incomes. Since then, other countries have followed our lead to develop globally competitive education systems. America must once again lead the world in education and prepare its workforce to compete globally. That requires both reform and investment, and the President's Budget does both by investing in what works to improve student outcomes and to ensure our workforce has the skills needed by American businesses. To empower all Americans with the education and skills they need, the Budget focuses on expanding high-quality early childhood education, providing equity and opportunity for all students in elementary and secondary education, supporting teachers and school leaders, expanding college opportunity and quality, and increasing opportunities to access reemployment services and training for high growth sectors that can lead to stable, middle-class jobs.

ENHANCING ACCESS TO HIGH-QUALITY EARLY CHILDHOOD EDUCATION

The President believes that all children should have access to high-quality early education. Research has shown that supporting children at this stage of life leads to significant benefits in school and beyond. This is particularly true for low-income children, who often start kindergarten academically

behind their peers. Providing high-quality early childhood education to all children will enable them to start school ready to learn and realize their full potential.

Expanding Access to High-Quality Early Childhood Education.

High-quality child care and early education provide children with a foundation for success in school and put them on a path toward realizing their full potential. Supporting children during this critical stage of development yields long-lasting benefits, particularly for children from low-income families who often start kindergarten far less prepared than their peers. The Budget expands access to high-quality early childhood education while also investing in innovation and evaluation to continue to build the evidence base about what works for our youngest learners and their families. The Budget:

- **Expands access to quality child care for working families.** The Budget reflects the President's commitment to quality, affordable child care. The Budget invests \$82 billion in additional funding over the next ten years to ensure that all low- and moderate-income working families with young children have access to high-quality, affordable child care, as opposed to the small share of families who receive this help today. This landmark proposal makes significant investments in raising the quality of child care, including investments to improve the skills, competencies, and training of the child care workforce, and a higher subsidy rate for higher quality care. This increased subsidy rate, paired with investments in workforce development, will improve the quality of care children receive, partly by allowing for more adequate compensation of child care workers. Overall, this proposal will expand access to high-quality care for more than 1.1 million additional children under age four by 2026. In addition, the Budget includes \$200 million in discretionary funding above the 2016 level to help States implement the changes required by the new bipartisan Child Care and Development Block Grant Act of 2014 and for competitive pilot projects to help build a supply of high-quality child care in rural areas and during non-traditional hours.
- **Cuts taxes for families paying for child care with a credit of up to \$3,000 per child.** The Budget triples the maximum Child and Dependent Care Tax Credit (CDCTC) for families with children under age five and makes the full CDCTC available to families with incomes of up to \$120,000, benefiting families with young children, older children, and dependents who are elderly or have disabilities. Meanwhile, the Budget would eliminate tax preferences for flexible spending accounts (FSAs) for child care expenses, which are poorly targeted and complex, reinvesting the savings in the improved CDCTC. The child care tax reforms would benefit 5.1 million families, helping them cover costs for 6.7 million children beginning in 2017.
- **Increases the duration of Head Start programs, while maintaining access to Head Start.** The Budget includes \$9.6 billion for Head Start, an increase of \$434 million over 2016 enacted. This funding will help ensure that grantees, including Early Head Start-Child Care Partnership grantees, maintain the number of children served and the quality of their program. This level also includes an additional \$292 million in 2017 to increase the number of children participating in a full school day and year Head Start program, which research shows is more effective than programs of shorter duration and also helps meet the needs of working parents. This investment builds on the nearly \$300 million investment made in 2016 to increase the duration of Head Start programs.

- **Supports universal preschool through the Preschool for All Initiative.** As a new federal-state partnership, the President's Preschool for All Initiative would provide \$75 billion in funding over the next ten years to give all four-year-olds from low- and moderate-income families access to high-quality preschool, while encouraging States to expand those programs to reach additional children from middle-class families and establish full-day kindergarten policies. The initiative is paid for through an increase in tobacco taxes that will help reduce youth smoking and save lives.
- **Lays the groundwork for universal preschool with the Preschool Development Grants.** The Budget provides \$350 million at the Department of Health and Human Services for the Preschool Development Grants (PDG) program – an initiative jointly administered by the Departments of Health and Human Services and Education. This represents an increase of \$100 million from the 2016 enacted level. With the support of federal funding made available through the Administration's PDG program, 18 States are currently expanding high-quality preschool programs to reach additional children in targeted, high-need communities. This work will continue under the bipartisan congressional authorization of the new PDG program in ESSA, the first program in a major elementary and secondary education statute devoted solely to the expansion of high-quality preschool and early education, a clear recognition of the importance of preschool in ensuring students are successful in school. These grants lay the groundwork for universal preschool as envisioned in the Preschool for All initiative.
- **Invests in voluntary, evidence-based home visiting.** The Budget extends and expands evidence-based, voluntary home visiting programs, which enable nurses, social workers, and other professionals to connect families to services to support children's healthy development and learning. As with Preschool for All, the proposal is paid for through an increase in tobacco taxes. The Budget also includes \$20 million for a new initiative in rural home visiting that the Department of Agriculture will administer in coordination with the Department of Health and Human Services. This initiative will focus exclusively on providing home visiting services in the most remote rural and tribal areas.
- **Invests in early learning for children with disabilities.** The Budget provides \$907 million in Individuals with Disabilities Education Act (IDEA) Preschools Grants and the IDEA Infants and Families program, an increase of \$80 million compared to 2016. This proposal includes \$15 million for a demonstration initiative for early identification of and intervention for learning and developmental delays and disabilities, with a potential focus on autism, intended to help identify, develop, and scale-up evidence-based practices.

CONTINUING TO IMPROVE K-12 EDUCATION

Putting Students on a Path to College and Careers.

In 2015, Congress enacted the Every Student Succeeds Act (ESSA), a bipartisan reauthorization of the Elementary and Secondary Education Act (ESEA) that cements many of the Administration's key education reforms and reflects the progress States and districts have made in implementing these important changes. Building on earlier Administration initiatives, ESSA requires States to set high standards for all students that prepare them for college and careers, ensures that States and districts will hold schools accountable for the success of all students, invests in place-based and evidence-based strategies, reduces the burden of unnecessary standardized testing, supports the recruitment and

retention of effective teachers and school leaders, recognizes the importance of expanding high-quality preschool, and replicates high-quality charter schools. The Budget supports ESSA, and emphasizes two particular areas of investment: increasing equity and excellence, and supporting teachers and principals.

Increasing Equity and Excellence. While the Nation has made significant progress in increasing overall graduation rates, gaps between different student groups continue to persist. One reason for these disparities is significant resource inequities, including stark differences in funding, effective teaching, student support services, and challenging coursework. For example, children from low-income families are less likely to be enrolled in preschool than their more affluent peers – 41 percent compared to 61 percent. In addition, students of color have less access to rigorous coursework; only 57 percent of African American students and two-thirds of Hispanic students attend a high school where the full range of college prep coursework is offered. ESSA seeks to address these inequities, building on the progress that States, schools, and educators have made to deliver on the promise of education as a fundamental civil right – true to the intent of the original Elementary and Secondary Education Act signed by President Lyndon Johnson in 1965. The Budget provides funding where States and school districts most need it to advance equity and excellence. Investments include:

- \$15.4 billion for Title I Grants to Local Educational Agencies (LEAs) the cornerstone of Federal efforts to ensure that all students, including poor and minority students, students with disabilities, and English learners, graduate from high school prepared for college and careers. A portion of the increase would be reserved to support State and local school improvement activities.
- \$4 billion in mandatory funding over three years for the new Computer Science for All program, which would support all 50 States in their efforts to expand access to rigorous instruction, learning, and programs of study in computer science. The Budget also includes the \$100 million discretionary Computer Science for All Development Grants program for school districts to jumpstart this effort and promote innovative strategies to provide high-quality instruction and other learning opportunities in computer science.
- \$80 million for a new Next Generation High Schools program to promote the whole school redesign of the high school experience through competitive grants to LEAs and their partners. The program would support innovative models that personalize teaching and promote active learning for students, and that enable secondary schools to adopt new approaches for engaging, preparing, and inspiring college and career-ready students. The proposal would focus particularly on school models that are designed to engage and expand opportunities for girls and other groups underrepresented in science, technology, engineering, and mathematics (STEM) fields.
- \$180 million for the Education, Innovation, and Research program, an increase of \$60 million over the 2016 enacted level for its predecessor, the Investing in Innovation program, to support the creation, development, implementation, replication, and scaling up of evidence-based, field-initiated innovations designed to improve achievement and attainment for high-need students.
- \$120 million for a new Stronger Together Grants program, which would encourage the voluntary development of innovative plans to increase socioeconomic diversity in schools through community-supported strategies, and expand existing efforts in States and communities.
- \$128 million for Promise Neighborhoods, an increase of \$55 million, to build on the success of the program by supporting up to 15 new implementation grants in communities that seek to break the intergenerational cycle of poverty through a continuum of coordinated services from birth through college, and continuation awards in five communities.

- \$11.9 billion for grants to States under the Individuals with Disabilities Education Act (IDEA Part B) to support special education and related services and help States and LEAs improve results for children with disabilities.
- \$500 million for the new Student Support and Academic Enrichment grants to support States and districts in providing students with access to a well-rounded education, strengthening school conditions for learning, and improving the effective use of technology.
- \$403 million for State Assessments to support the administration and use of assessments across all 50 States, invest in the development and implementation of next-generation assessment systems, and improve assessment practices while reducing unnecessary testing consistent with the Administration's Testing Action Plan.

Supporting America's Teachers and Principals. The Budget invests \$2.8 billion in discretionary funding for programs to provide broad support for educators at every phase of their careers, from ensuring they have strong preparation before entering the classroom, to pioneering new approaches to help teachers succeed in the classroom, and equipping them with tools and training they need to implement college- and career-ready standards. This includes \$250 million for the Teacher and School Leader Incentive Program to drive improvements in school districts' human capital management systems through innovative strategies for recruiting, developing, evaluating, and retaining excellent educators. To ensure teachers enter the classroom prepared to be effective, the Budget funds a \$125 million Teacher and Principals Pathways program to support teacher preparation programs and nonprofits partnering with school districts to create or expand high-quality pathways into the teaching profession, particularly into high-need schools and high-need subjects such as STEM. A new program, Teach to Lead, will fund teacher-led projects to improve the quality of education, drawing on the knowledge and passion of teachers to identify, implement, and expand effective practices. Finally, the Budget includes RESPECT: Best Job in the World, a \$1 billion mandatory initiative that will support a nationwide effort to attract and retain effective teachers in high-need schools by increasing compensation and paths for advancement, implementing teacher-led development opportunities to improve instruction, and creating working conditions and school climates conducive to student success. This proposal supports the Department of Education's (ED) efforts to ensure all students' equitable access to effective teachers.

Computer Science for All and STEM Education.

Last year, there were over 600,000 tech jobs open across the United States, and by 2018, 51 percent of all STEM jobs are projected to be in computer science-related fields. More than nine of ten parents want computer science taught at their child's school. However, by some estimates, just one quarter of all K-12 schools in the United States offer computer science with programming and coding, even as other advanced economies such as England are making it available for all students between the ages of five and 16. Wide disparities exist even for those who do have access to these courses. For example, in the fewer than 15 percent of all high schools that offered any Advanced Placement (AP) CS courses in 2015, only 22 percent of those who took the exam were girls, and only 13 percent were African-American or Latino students. Disparities in computer science are emblematic of the large gaps in student access and engagement in STEM courses overall; only half of high schools offer calculus, and only 63 percent offer physics.

To address these disparities, the Budget provides resources to empower States and districts to create high-quality computer science learning opportunities in grades K-8 and access to computer science courses in high school. Under the Computer Science for All proposal, the Budget includes \$4 billion in

mandatory funding over three years that would allow all 50 States to increase access to K-12 computer science and other rigorous STEM coursework by training teachers, expanding access to high-quality instructional materials, building effective regional partnerships, training teachers, expanding access to high-quality instructional materials, and building effective regional partnerships.

Complementing the mandatory Computer Science for All proposal, the Budget dedicates \$100 million in discretionary funding at the Department of Education for Computer Science for All Development Grants to jumpstart the initiative by helping school districts, alone or in consortia, with other districts or States, execute ambitious computer science expansion efforts, particularly for traditionally under-represented students. Both the mandatory and discretionary proposal would also encourage States and districts to expand overall access to rigorous STEM coursework.

MAKING A HIGH-QUALITY COLLEGE EDUCATION MORE AFFORDABLE

Making a High-Quality College Education More Affordable.

Higher education is one of the clearest pathways into the middle class, and decades of research have shown large returns to higher education in terms of labor market earnings, health, and well-being. In fact, research shows that the typical college graduate earns twice as much over their lifetime as the typical high school graduate. Over the next decade, jobs requiring education beyond high school will grow more rapidly than jobs that do not. From the start of the Administration, the President has focused on making college more accessible and affordable for all Americans, with the goal of making the United States the leader once again in college completion, as it was a generation ago. The Administration ended the inefficient guaranteed student loan program and reinvested the savings into making college more affordable, including strengthening and expanding the Pell Grant program, the cornerstone of opportunity for low- and moderate-income students. The Budget builds on these accomplishments to make college accessible and affordable while focusing new attention on ensuring that students not only attend college, but that they complete their degrees. Too many students start but do not finish a degree, often leaving them with significant debt and without the skills and credentials they need for success.

Promoting Affordability and Completion

In order to provide new resources that will make college more affordable and will promote college completion, the Budget:

- Provides \$60.8 billion in mandatory funding over the next decade for America's College Promise (ACP), which would create a new partnership with States to make two years of community college free for responsible students, letting students earn the first half of a bachelor's degree or an associate degree and acquire skills needed in the workforce at no cost. ACP would also provide grants to four-year Historically Black Colleges & Universities (HBCUs) and Minority Serving Institutions (MSIs) to provide new low-income students, including community college transfers, with up to two years of college at zero or significantly reduced tuition.
- Supports community and technical colleges' development, operation, and expansion of innovative, evidence-based, tuition-free job training programs in high-demand fields such as healthcare, manufacturing, and IT through \$75 million for the American Technical Training Fund. This initiative will be jointly administered by ED and the Department of Labor (DOL).

- Supports and encourages on-time and accelerated completion through year-round Pell availability to low-income students who have exhausted their award and completed a full-time course load of 24 credits.
- Promotes acceleration towards on-time completion by increasing the Pell Grant by an additional \$300 for students taking at least 15 credit hours per semester in an academic year, the number of credits typically required for on-time completion.
- Funds the full Pell Grant maximum award – estimated to be \$5,935 in award year 2017/18 (\$6,235 for students taking at least 15 credits) and continues to index Pell to inflation indefinitely beyond the 2017 award year to protect and sustain its value for future generation.
- Expands postsecondary education to incarcerated individuals eligible for release through the Second Chance Pell proposal with the goals of helping them get jobs, support their families, and strengthen their communities.
- Rewards colleges that successfully enroll and graduate a significant number of low-income students on time and encourages all institutions to improve their performance through the new College Opportunity and Graduation Bonus program.
- Reforms campus-based student aid programs to ensure that the funds are allocated to high-value schools that provide a quality education at a reasonable price to their students, particularly low-income students.
- Simplifies the FAFSA by eliminating burdensome and unnecessarily complex questions to make it easier for students and families to access federal student aid and afford a postsecondary education.
- Improves and streamlines PAYE and other income-driven repayment plans and creates a single, simple, and better targeted plan for borrowers that will help them manage their debt, as well as simplifying and strengthening teacher loan forgiveness programs. This builds on the Administration's efforts to increase enrollment in these plans, which has thus far helped more than 4 million borrowers manage their student loan debt.
- Simplifies and expands education tax benefits for all students and families. The tax bill enacted in December made the American Opportunity Tax Credit (AOTC) – first enacted in the Recovery Act – permanent. The AOTC provides a maximum credit of up to \$2,500 per year for the first four years and is refundable up to \$1,000. The Budget would streamline and further expand education tax benefits by (1) consolidating the Lifetime Learning Credit into an expanded AOTC, which would be available for five years and refundable up to \$1,500 for students enrolled half-time or more; (2) exempting Pell Grants from taxation and the AOTC calculation; and (3) eliminating tax on student loan debt forgiveness, while repealing the complicated student loan interest deduction for new borrowers.

Ensuring that Students are Well-Served in School and by the Student Aid System

For students to succeed, institutions of higher education must deliver the high-quality education that students deserve and when students have completed their degrees, the student aid system needs to provide high-quality loan servicing to ensure that students are enrolled in manageable repayment plans and are able to get the help they need to meet their loan obligations. To meet these goals, the Budget:

- Protects students and taxpayers by lowering the share of federal revenues that for-profit colleges and universities are allowed to derive from federal financial student aid, from 90 to 85 percent, and ensuring that all sources of government support – including benefits provided to current and former members of the military and their families – are included in this calculation. The intent of this requirement is simple: quality for-profit programs should be able to secure

funding that is not solely from the Federal Government and thus, show that they are able to bring in students willing to spend their own funds

- Provides \$1.6 billion for the Office of Federal Student Aid, which is responsible for administering the more than \$140 billion in new financial aid made available each year to students at over 6,000 colleges and universities. This funding will be used to implement the Administration's ongoing efforts to ensure that student loan contractors provide high-quality loan servicing to students. These funds will also allow the Department to provide enhanced oversight and strengthen enforcement activities such as pursuing schools that engage in deceptive or misleading practices toward students, including veterans. Funds will also be used to provide students and families with clear information about how students who attend different colleges fare.

Innovation in Higher Education

To support performance and innovation in higher education, with the goal of improving student success in these and other important outcomes, the Budget:

- Expands the First in the World fund to \$100 million, to identify and expand promising and evidenced-based innovations and practices at colleges and universities across the country to improve graduation rates and other educational outcomes for all students and make college more affordable.
- Provides new College Opportunity and Graduation Bonuses to reward colleges that ensure that a large share of students receiving Pell Grants finish their degrees and to schools that improve their performance on this important metric of success.
- Proposes a new \$75 million American Technical Training Fund, which would provide competitive grants to support the development, operation and expansion of innovative, evidence-based, tuition-free job training programs in high-demand fields.

Expanding Access and Opportunity at America's Minority Serving Institutions

MSIs, including HBCUs, Hispanic-Serving Institutions (HSIs), Asian American and Native American Pacific Islander-Serving Institutions (AANAPIs), and others, open the door to college for a large number of minority college students. To support student success in these important institutions, the Budget:

- Provides as part of America's College Promise (ACP) (described above) grants to four-year HBCUs and MSIs to provide first-time low-income students, including community college transfers, with up to two years of college at zero or significantly reduced tuition.
- Fosters innovative and evidence-based, student-centered strategies and interventions to increase the number of low-income students completing degree programs through a new \$30 million HBCU & MSI Innovation for Completion Fund competitive grant program.
- Sustains funding for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) and TRIO, which help disadvantaged students prepare for, enroll, and complete postsecondary education.
- Provides that up to \$20 million of the TRIO funding would support a TRIO Demonstration Initiative to test new approaches to foster college success.

- Creates a 30 percent set-aside for HBCUs & MSIs in the \$100 million First in the World competition to drive innovations in higher education that increase college completion, value, and affordability.

TRAINING WORKERS FOR HIGH-DEMAND JOBS AND CAREERS

As our economy changes, we need to ensure that the Nation's workers have the skills they need to succeed in family-supporting jobs. The Administration builds on the bipartisan Workforce Innovation and Opportunity Act with investments that connect workers with good jobs, prepare workers with the skills employers need, and partner with employers to create more on-the-job training and apprenticeship opportunities, so workers can learn the skills they need for better, higher-paying jobs and earn wages while they are training.

Creating Pathways to High-Growth Jobs

Over the last several years, Congress and the Administration have worked together to improve the Nation's job training system, including through the enactment and implementation of the bipartisan Workforce Innovation and Opportunity Act (WIOA). The Budget builds on this progress by funding the core DOL WIOA formula grants at their full authorized level for the first time since the law's enactment—a \$138 million increase over the 2016 enacted level. The Budget also provides additional resources to train disadvantaged populations with barriers to employment, including ex-offenders, Native Americans, and individuals with disabilities.

Expanding the Learn-and-Earn Strategy of Apprenticeship.

Apprenticeship is a proven strategy for preparing workers for middle-class jobs. On average, apprentices who finish their program earn \$50,000 a year and increase their lifetime earning potential by \$300,000. The Budget proposes new investments that build on the progress underway in expanding apprenticeships. Today, there are 75,000 more apprentices in training than when the President first launched the American Apprenticeship Initiative in 2014, the largest increase in nearly a decade. The Budget further invests in this proven strategy, sustaining the new \$90 million in grants provided in 2016—a landmark investment—and proposing a \$2 billion mandatory Apprenticeship Training Fund to support state strategies to expand apprenticeship, add new youth apprenticeships and pre-apprenticeships, and spur new innovations in apprenticeship. These investments would help meet the President's goal to double the number of apprentices across the United States, giving more workers the opportunity to develop job-relevant skills while they are earning a paycheck. Additionally, these investments complement a proposed rule published by the Department of Labor in 2015 to modernize the equal employment opportunity requirements for apprenticeship programs to ensure they can provide a pathway to middle class jobs for women and other groups that have been historically under-represented in these programs.

Investing in Health Professions Education to Improve Access to Health Care Providers and Services.

The Budget invests in the growing the health care workforce, including expanding and extending funding for the National Health Service Corps through FY 2020 to increase the number of providers serving in the areas across the country that need them most. Also, the Budget extends funding for Teaching Health Centers through FY 2020 to support graduate medical education (GME) residencies

in primary care and other specialties in rural and underserved areas. The Budget also provides \$49 million in the Indian Health Service to increase the number of health professionals through the American Indians into Psychology Program, the loan repayment program, and scholarship programs.

Improving Employment Outcomes for HUD-Assisted Households.

The Budget increases job training and financial incentives to help public housing residents secure employment and increase their earnings through the Department of Housing and Urban Development's (HUD) Jobs-Plus program, which has been shown to boost annual incomes by \$1,300 on average. The Budget provides \$35 million for Jobs-Plus to target assistance to approximately 8,750 individuals, more than twice the 2016 number. The request includes up to \$5 million to implement a demonstration of the Jobs-Plus model in Indian Country. The Budget also provides \$75 million for the Family Self-Sufficiency (FSS) program to link HUD-assisted households with job training, child care, transportation, financial literacy and other supportive services, and help them build assets through interest-bearing escrow accounts.

Empowering Workers, Training Providers, and Employers through Better Data.

The President is proposing the creation of a new \$500 million Workforce Data Science and Innovation Fund. The Department of Labor (DOL) would recruit and deploy a best-in-class team to help States find new ways to use technology and data analytics to improve training programs and consumer choice. And similar to HHS's Open Health Data Initiative, DOL would partner with the Department of Commerce to develop new open source data on jobs and skills to spur the creation of new products to help match workers to better jobs. The Budget also includes a \$40 million investment to build State and local capacity to track the employment and educational outcomes of WIOA program participants, including those with disabilities, to give those seeking training meaningful information — including past participants' success in finding jobs — so they can make good choices about which programs will best prepare them for the labor market.

Opening Doors for Youth.

The Budget invests \$5.5 billion in mandatory funding to help more than one million young people gain the work experience, skills, and networks that come from having a first job. Of this, \$3.5 billion is devoted to getting more young Americans connected to jobs over the summer and year-round; this includes \$1.5 billion to support summer job opportunities, and \$2 billion to create year-round first jobs for nearly 150,000 opportunity youth, those who are currently out-of-school and out-of-work but ready to take on a work opportunity. Additionally, the Budget provides \$2 billion to transform communities struggling with high rates of youth disengagement, high school dropouts, and unemployment into places of opportunity for young adults to help them succeed in school and the labor force. The program will provide funds to local governments to locate and reengage youth, and connect them with the counseling, support services, employment opportunities, and education they need to succeed. The Budget also provides funding for up to 8,000 summer positions for disconnected youth through AmeriCorps that can serve as pathways to higher education and employment.

Creating a Talent Compact to Keep and Attract Jobs to the U.S.

One of the main assets a business considers when deciding where to locate and grow is the availability of talent. The President is proposing in his Budget \$3 billion in competitive funding to create more

than 50 “Talent Hotspots” across the U.S. These Talent Hotspots would consist of employers, training programs, and workforce and economic development leaders that prioritize one sector and make a commitment to recruit and train the workforce to help local businesses grow and thrive, attract more jobs from overseas, and fuel the talent needs of entrepreneurs. This proposal would produce a pipeline of about half a million skilled workers over the next five years.

Providing 21st Century Career Navigation to Reconnect Workers to Jobs.

The Budget provides \$1.5 billion in mandatory funding to States to fund Career Navigators in American Job Centers who will proactively reach out to all people who have been unemployed for six months or more, those who have dropped out of the labor force altogether and people who are only able to find part time work. These Career Navigators would help workers look for a job, identify training options, and access additional supportive services. The Budget also includes almost \$190 million in discretionary funding to provide in-person reemployment services to the one-third of Unemployment Insurance (UI) beneficiaries most at risk of exhausting their benefits, as well as all returning veterans who are receiving UI.