

Dear Education Stakeholders:

By now, I expect you've heard the good news. In his State of the Union address, President Obama called for the reauthorization of the *Elementary and Secondary Education Act* (ESEA) – “when” we reauthorize, not “if,” he emphasized – and, at a time when most government spending is frozen, the President proposed a significant increase in discretionary spending for education in his fiscal year 2011 budget.

The President's budget continues and expands his commitment to provide a cradle-to-career education for all of America's children. It provides a massive increase in student aid – \$156 billion in fiscal year 2011, up from \$98 billion in 2008. That's enough to provide federal assistance to nearly 15 million students, or 3 out of 5 students currently enrolled in higher education. The budget also will make it easier for borrowers to repay their loans, lowering income-based repayments and cutting the length of their repayments.

In K-12 education, the President will propose a \$4 billion increase, including the previously announced \$1.35 billion request to make Race to the Top a permanent program. Of that increase, \$1 billion would be made available through a budget amendment when Congress completes an ESEA reauthorization consistent with the President's plan.

The budget also supports enactment of pending legislation that would provide \$9.3 billion over 10 years for the Early Learning Challenge Fund, providing competitive grants to states that expand quality early learning experiences from birth through kindergarten entry.

Along with the increases, the budget will require us to work smarter and more efficiently. We expect to save billions by switching from the Federal Family Education Loan program to the Direct Loan program. In K-12 education, we will provide states and districts more flexibility by consolidating 38 programs into 11, and we will cut six programs that are ineffective or duplicative.

The budget will set the stage for ESEA reauthorization but there is still much more work ahead. With a bipartisan group of members of Congress, our goal is to develop an accountability system built on greater transparency, incentives and rewards, and a focus on turning around persistently underperforming schools.

We can't wait to make these reforms. Right now, 25 percent of our students fail to graduate high school, and as many as 60 percent of college freshmen need remedial education. Millions of jobs are unfilled for lack of qualified applicants. The President and I know that we need to educate our way to a better economy. I am honored to be working with you to make it happen.

Sincerely,

/s/

Arne Duncan