

# Education Competitiveness Act of 2006

America faces a world more integrated, more interdependent, and more intensely competitive than ever in our history. American workers and their families face new challenges each day.

To succeed tomorrow, Senator Baucus believes that we must begin with a bold investment in education at all levels. The best investment we can make in our future is in world-class education for each Montanan and every American.

The Education Competitiveness Act of 2006 makes tomorrow's skills, knowledge, and abilities today's top priority. Specifically, this legislation will:

***Increase the Pell Grant*** for low-income students to have greater access to higher education. Pell grants have remained at \$4,050 since 2003, despite rising tuition costs. Senator Baucus has listened to Montanans who have told him time and again that increasing the Federal Pell Grant is the greatest need. Senator Baucus will raise the Pell Grant to \$6,000 so more Montanans can receive the benefits of a college education.

***Simplify confusing tax credits*** by combining them into a single refundable Higher Education Credit of up to \$2,000 per student for qualified tuition and related expenses. Qualified tuition and related expenses means tuition, fees, books, supplies and equipment required for enrollment. Expenses of the taxpayer, taxpayer's spouse or any dependent of the taxpayer, are also covered.

***Help college graduates with student loans*** by allowing them to deduct \$3,000 in student loan interest payments for qualified education loans. The bill will increase the repayment period for higher education loans from qualified retirement plans from 5 to 10 years, and employees will be allowed to exclude up to \$7,000 per year of employer-provided education assistance.

***Invest in our children's future*** by providing universal, voluntary pre-kindergarten for all children under 5 years old. Recognizing that investing in education early pays the greatest rewards, the legislation provides matching funds for states to create quality pre-kindergarten programs and equip early education teachers with the skills they need.

***Give the teaching profession the recognition it deserves*** by creating full scholarships for future teachers of early education, science and math, and languages. Teachers in rural and underserved areas will also be rewarded with cash supplements and other financial assistance.

***Commit to science, technology, engineering, and math (STEM) education*** by providing a full scholarship to anyone who wishes to pursue a bachelor's degree in STEM education. The bill will help get students interested in the sciences early with summer programs and provide matching funds for magnet public science schools in every state. It will also give young successful scientists grants to reward their excellence and continue their research.

***Restore our commitment to Indian education*** by funding the "Johnson O'Malley" education grants that are the cornerstone of tribal student programs. The bill will also fund language learning and technical skills while at the same time restoring funding to tribal colleges and universities.

# Education Competitiveness Act of 2006

## TEACHING COMPETITIVENESS *Encouraging tomorrow's teachers today*

To help students achieve their full potential, America must invest in teachers. The Teaching Competitiveness title creates scholarships for future teachers of math and science, foreign languages, and early education instruction. It will honor the commitment of teachers in rural and underserved areas with supplemental wages and incentives, and boost the number of Advanced Placement teachers who can help the nation's brightest students learn. A commitment to teachers will help prepare the students of tomorrow for the challenges ahead.

- **FUTURE EARLY CHILDHOOD EDUCATION TEACHER SCHOLARSHIPS**  
Creates grants for 25,000 merit-based undergraduate scholarships to study early childhood education. In return, recipients commit to teach early education for at least four years.
- **FUTURE SCIENCE AND MATHEMATICS TEACHER SCHOLARSHIPS**  
Creates grants for 25,000 merit-based undergraduate scholarships to study science, technology, engineering, or mathematics. In return, recipients commit to teach science, technology, engineering, or mathematics for at least four years.
- **FUTURE MASTER SCIENCE AND MATHEMATICS TEACHER SCHOLARSHIPS**  
Creates grants for 25,000 merit-based scholarships to obtain a master's degree in science, technology, engineering, or mathematics. In return, recipients commit to teach science, technology, engineering, or mathematics for at least four years.
- **FUTURE CRITICAL LANGUAGE TEACHER SCHOLARSHIP**  
Creates grants for 25,000 merit-based undergraduate scholarships to study critical languages. In return, recipients commit to teach languages for at least four years.
- **ASSISTANCE FOR TEACHERS IN RURAL AND/OR UNDERSERVED AREAS**  
Creates a grant program to help states supplement wages and otherwise assist and encourage teachers in rural or underserved areas.
- **ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE**  
Authorizes a grants program to bring an additional 70,000 AP or IB teachers to classrooms.

# Education Competitiveness Act of 2006

## **SUPPORTING UNIVERSAL VOLUNTARY PRE-KINDERGARTEN**

### *Investing early for a quality education*

Quality early education gives students a competitive edge throughout their lives. Children who fall behind early in academics, however, fall even further behind in subsequent years. The Early Education Title commits to a national voluntary, universal pre-kindergarten education program for all income levels. Without changing existing early education programs, this title matches state funding for a qualified program to provide voluntary, universal pre-kindergarten. The title requires minimum standards for hours of instruction, teacher qualifications, and integration with K-12 education. The program will increase matching funds as states increase their pre-kindergarten education accessibility, moving ultimately toward universal access in 2020.

#### ➤ **UNIVERSAL VOLUNTARY PRE-KINDERGARTEN**

Creates federal matching fund grants for states to implement and expand access to pre-K programs, ultimately reaching all children under 5 years old. Grants are issued to state educational agencies for programs that:

- incorporate benchmarks to evaluate the effectiveness of the program,
- include pre-kindergarten teacher development,
- keep class sizes small,
- provide a minimum of six hours of instruction per day,
- encourage developmental education rather than just child care, and
- match federal funding dollar for dollar.

#### ➤ **ADVANCEMENT OF PRE-KINDERGARTEN TEACHER QUALIFICATIONS**

Requires each state receiving funds to raise the qualifications of early childhood education teachers and creates grants to fund these improvements. Within five years, states must hire only teachers with Bachelor's degrees in early childhood education.

#### ➤ **COLLABORATIVES FOR SEAMLESS QUALITY EDUCATION**

Creates grants to establish state-level pre-kindergarten through college (PK-16) collaboratives. Collaboratives will bring together stakeholders in pre-kindergarten, primary, secondary, and higher education to create a constructive forum to achieve a seamless, quality education for students. Grants will aid the development of plans to expand access to quality, voluntary pre-kindergarten (beginning with children most at risk of academic failure) and mandatory kindergarten programs.

# Education Competitiveness Act of 2006

## SUPPORTING SCHOOLS WITH ENRICHMENT ACTIVITIES

### *Broadening horizons and keeping kids on track*

Supplementing students' daily school experience with enrichment activities can open new horizons for learning and provide encouragement to stay on track academically and in life. Recognizing this fact, the Enrichment Title supports language learning, college preparation, after-school activities, and mentoring programs to get students thinking creatively and to help them prepare for college. Schools will design programs to meet their own children's most pressing needs, from college preparation courses to crime or drug abuse prevention (including methamphetamine prevention efforts) to vocational training.

#### ➤ **INSIGHT, PARTNERSHIP, AND INITIATIVE GRANTS**

Creates grants for after school and enrichment programs that best meet students' and schools' needs. Programs may include college preparation programs, arts education, crime or drug abuse prevention, or vocational training.

#### ➤ **SCIENCE AND MATH INTERNSHIPS AND SUMMER PROGRAMS**

Authorizes grant programs for local educational agencies to fund public elementary schools, public secondary schools, or nonprofit organizations to organize and carry out internships and summer programs that emphasize math and sciences.

# Education Competitiveness Act of 2006

## COMMITTING TO A CUTTING EDGE ECONOMY

### *Improving science and engineering education*

The Science, Technology, Engineering and Math “STEM” Title recognizes the difference between the growing number of jobs available in technical and engineering fields and the decreasing numbers of Americans studying science and engineering. To bridge this gap, the title provides a full scholarship to every American college student wishing to major in science, technology, engineering, or mathematics “STEM” fields. In addition, the title provides grants to 600 outstanding young researchers in science and engineering fields, funds summer science and engineering institutes, and gives matching grants to specialized state-run secondary schools.

#### ➤ **“STEM” SCHOLARSHIPS FOR TOMORROW**

Provides a full undergraduate scholarship to any high school graduate wishing to major in science, technology, engineering, or mathematics at a university of the student’s choosing. In return, each recipient must work or teach in a field related to the student’s program of study for at least four years after graduation.

#### ➤ **SUMMER SCIENCE AND ENGINEERING INSTITUTES**

Provides grants to elementary and secondary schools to run summer science and engineering programs for students. To encourage “hands-on” training, schools must enter into a partnership agreement with a private company, research lab, university, or non-profit to carry out the programs.

#### ➤ **SPECIALTY SCIENCE AND MATHEMATICS SECONDARY SCHOOLS**

Provides matching funds to states to establish and operate public specialty science and mathematics schools. These magnet schools will offer a specialized science and mathematics curriculum, focusing on science and mathematics for at least six periods each day. Admittance is competitive and merit-based.

#### ➤ **FEDERAL PELL GRANTS**

Pell Grants are the single most important program for low income Americans at our universities. Unfortunately, the maximum Pell Grant has not kept pace with the rising cost of tuition. To improve access to higher education, the Education Competitiveness Act raises the maximum Pell Grant from \$4,050 to \$6,000.

#### ➤ **RESEARCH GRANTS FOR EARLY CAREER SCIENTISTS**

Provides grants to 600 outstanding young scientists through a peer-nomination process. Grants can be used to continue existing research or develop new projects. The program will give preference to scientists underrepresented in their fields.

# Education Competitiveness Act of 2006

## RESTORING OUR COMMITMENT TO INDIAN EDUCATION

### *Providing an effective education for Native American youth*

Support for Indian education has fallen off sharply at the Federal level, and a renewed commitment is long overdue. The Indian Education Title fully funds currently successful initiatives such as Johnson-O'Malley and native language immersion programs. It also fully funds our nation's Tribal Colleges.

#### ➤ **JOHNSON O'MALLEY GRANT**

Provides increased funding for the Johnson-O'Malley program, which has met the educational needs of Native American students for more than 60 years. Targeted to unique school populations, the program funds needs from band and athletic uniforms to eyeglasses and standardized test fees. Johnson-O'Malley grants permit students and parents to concentrate on classes and studies with less financial pressure.

#### ➤ **APPROPRIATIONS FOR INDIAN HIGHER EDUCATION**

Increases Federal funding to \$7,000 per full time student. Today, tribally controlled colleges receive \$4,447 annually per full-time student, well below the level authorized by law.

#### ➤ **LANGUAGE IMMERSION PROGRAMS**

Learning native languages is critical to embracing the cultures and histories that enrich all of our lives. Studies have also shown that learning another language boosts overall academic achievement. Recognizing these facts, the Indian Education Title increases funding for language immersion programs to \$79 million by 2011.

# Education Competitiveness Act of 2006

## ENSURING LIFELONG LEARNING

### *Creating partnerships for continuing education and training*

A competitive America never stops learning. To keep the classroom open to Americans of all ages and skill levels, the Lifelong Learning Title encourages businesses and educators to help meet workforce needs. This title also provides opportunities for colleges of technology to work with local businesses to encourage economic development and raise additional sources of funding.

#### ➤ **JOB SKILLS TRAINING IN HIGH-GROWTH OCCUPATIONS OR INDUSTRIES**

Offers grants to partnerships between institutions of higher education and a local board comprised of the state Governor, members of the state Legislature, representatives of business, chief elected officials, and representatives of labor organizations. Partnerships will facilitate relevant job skill training in high-growth or competitive occupations with grants that may be used to:

- expand or create academic programs,
- purchase equipment,
- support outreach efforts,
- expand or create programs for distance, evening, weekend, modular, or compressed learning opportunities, and
- build partnerships with local businesses.

#### ➤ **SMALL BUSINESS INNOVATION PARTNERSHIPS**

Provides grants to partnerships between institutions of higher education and business development organizations, including lenders and small business incubators. Partnerships will provide training and relevant job skills to small business owners to boost small business development in the local community.

#### ➤ **DISTANCE LEARNING**

Provides grants to establish, develop, expand, or support online learning programs. These grants may also be used to acquire the technology for distance learning programs.

# Education Competitiveness Act of 2006

## EDUCATION TAX INCENTIVES *Simplifying education tax incentives*

Federal tax incentives can support education in all stages. The Education Tax Incentives Title includes a refundable credit that will allow families and students to receive refunds when their educational tax credit exceeds their income tax liability. This title will also ease the burden of loan repayment by permitting graduates to deduct more of the interest paid on their student loans.

➤ **HIGHER EDUCATION CREDIT**

Simplifies confusing tax provisions by combining Hope Scholarship and Lifetime Learning credits into a single refundable tax credit of as much as \$2,000 per student for qualified tuition and related expenses, including fees, books, and supplies.

➤ **REPAYMENT PERIOD FOR HIGHER EDUCATION LOANS FROM QUALIFIED RETIREMENT PLANS**

Increases the repayment period of a higher education loan from a qualified retirement plan to ten years instead of five years.

➤ **EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE**

Allows employees to exclude as much as \$7,000 from gross income per year for employer-provided education assistance.

➤ **EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS**

Allows K-12 teachers who pay for schoolroom supplies, books, and computer equipment to deduct as much as \$500 of these expenses. This deduction can be taken by all taxpayers, regardless of whether they itemize deductions on their Federal returns.

➤ **YOUNG SAVERS ACCOUNTS**

To further support K-12 education, the age limit for Young Savers Accounts is extended to 21. Parents can make contributions to Roth IRAs for their children. Any contributions to the child are counted toward the parents' Roth contribution limits. The accounts become ordinary Roth IRAs when the account holder turns 22.

➤ **STUDENT LOAN INTEREST DEDUCTION**

Allows taxpayers to take a deduction of as much as \$3,000 in annual student loan interest payments for qualified education loans, whether they itemize deductions or not.

➤ **QUALIFIED ZONE ACADEMY BONDS (QZABs)**

Extends for 2006 and 2007 QZABs, which provide an alternative to traditional tax-exempt bonds for school renovation funding, allowing holders to receive Federal tax credits in lieu of interest payments. Also expands QZABs to allow tribal colleges with small endowments to use the bond proceeds for school renovation, teacher training, course materials and other educational expenditures.

➤ **CHARITABLE CONTRIBUTIONS AND DEDUCTIONS**

Allows companies that assemble computers and publishers to take an enhanced deduction for charitable contributions for educational purposes.