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REMARKS BY THE PRESIDENT  
ON UNVEILING OF THE BUDGET

Parkville Middle School and Center for Technology  
Baltimore, Maryland

10:25 A.M. EST

THE PRESIDENT: Well, good morning, everybody. I am here at Parkville Middle School and Center of Technology outside of Baltimore with Secretary Arne Duncan and Budget Director Jack Lew. And I just came to Parkville on a day where we are unveiling our budget, and I'm doing so for a reason. But before I do that I just want to thank Principal Buddy Parker, who is showing us around, as well as Susan Yoder, the eighth grade science teacher who we just visited with in her classroom.

Over the last few weeks I've traveled the country, talking about what we need to do to win the future; talked about the need to invest in innovation, so that the next big idea is discovered here in the United States of America. I've talked about the need to invest in high-speed rail and high-speed Internet, so that companies can move goods and information faster than ever. And this week, I'll be talking about the need to invest in

education -- in places like Parkville -- so that every American is equipped to compete with any worker, anywhere in the world.

These investments are an essential part of the budget my administration is sending to Congress. Because I'm convinced that if we out-build and out-innovate and out-educate, as well as out-hustle the rest of the world, the jobs and industries of our time will take root here in the United States. Our people will prosper and our country will succeed.

But I'm also convinced that the only way we can make these investments in our future is if our government starts living within its means, if we start taking responsibility for our deficits. That's why, when I was sworn in as President, I pledged to cut the deficit in half by the end of my first term. The budget I'm proposing today meets that pledge -- and puts us on a path to pay for what we spend by the middle of the decade. We do this in part by eliminating waste and cutting whatever spending we can do without.

As I start -- as a start, I've called for a freeze on annual domestic spending over the next five years. This freeze would cut the deficit by more than \$400 billion over the next decade, bringing this kind of spending -- domestic discretionary spending -- to its lowest share of our economy since Dwight Eisenhower was President. Let me repeat that. Because of our budget, this share of spending will be at its lowest level since Dwight Eisenhower was President. That level of spending is lower than it was under the last three administrations, and it will be lower than it was under Ronald Reagan.

Now, some of the savings will come through less waste and more efficiency. To take just one example, by getting rid of 14,000 office buildings, lots and government-owned properties we no longer need, we can save taxpayers billions of dollars. And when it comes to programs we do need, we're making them work better by demanding accountability. Instead of spending first, and asking questions later, we're rewarding folks inside and outside government who deliver results. And to make sure that special interests aren't larding up legislation with pet projects, I've pledged to veto any bill that contains earmarks.

Still, even as we cut waste and inefficiency, this budget freeze will require some tough choices. It will mean cutting things that I care deeply about -- for example, community action programs in low-income neighborhoods and towns, and community development

block grants that so many of our cities and states rely on. But if we're going to walk the walk when it comes to fiscal discipline, these kinds of cuts will be necessary.

I'm also looking forward to working with members of both parties to take steps beyond this budget freeze -- because cutting annual domestic spending won't be enough to meet our long-term fiscal challenges. As the bipartisan fiscal commission concluded, the only way to truly tackle our deficit is to cut excessive spending wherever we find it -- in domestic spending, defense spending, health care spending, and spending through tax breaks and loopholes. So what we've done here is make a down payment, but there's going to be more work that needs to be done, and it's going to require Democrats and Republicans coming together to make it happen.

We've begun to do some of this with \$78 billion in cuts in the Defense Department's budget plan, by ending tax breaks for oil and gas companies, and through billions of dollars in savings from wasteful health spending -- savings we'll use to make sure doctors don't see their reimbursements slashed and that they stay in the system seeing patients.

But here's the thing. While it's absolutely essential to live within our means, while we are absolutely committed to working with Democrats and Republicans to find further savings and to look at the whole range of budget issues, we can't sacrifice our future in the process. Even as we cut out things that we can afford to do without, we have a responsibility to invest in those areas that will have the biggest impact in our future -- and that's especially true when it comes to education.

Right now, this school, Parkville, is preparing our kids for the jobs and careers of the 21st century. It's a school that nurtures what students are passionate about and prepares them for success. Students in the magnet program here start out by taking courses in each of four subjects -- from applied engineering to environmental science -- gradually focusing their studies on one subject over the next couple of years.

I'm told the most popular subject at this school is engineering. And that's important, because today the most common educational background for America's top business leaders isn't economics. It's not finance. It's not even business. It's engineering.

Engineering and math, critical thinking, problem solving — these are the kinds of subjects and skills that our kids need to achieve success in the 21st century. That’s why we’re spearheading a drive to prepare more than 10,000 new math and science teachers over the next five years, and train 100,000 more current teachers in those fields. That’s why we’re pushing forward on a Race to the Top in our schools that has led over 40 states to raise their standards for teaching and learning for less than 1 percent of what we spend on education each year. That’s why we’re protecting the more than \$800 increase that we added to the most widely used federal scholarships, and making the tough choices to put them on a firm footing for years to come. And that’s why we’re on track to meet the goal that I set when I took office: By 2020, America will once again have the highest proportion of college graduates in the world.

I know the American people understand why this is so important. And I think that those of us who are working in Washington need to understand why these investments in the future are so important as well.

I mentioned in my weekly radio address a letter that I recently got from a woman named Brenda Breece. Brenda is a mom. She’s a special ed teacher in Missouri, and her husband, David, lost his job when the local Chrysler plant shut down. So money has been tight for the family, and they’ve had to sacrifice the little things that they can do without. One thing that Brenda knows she can’t afford to sacrifice is her daughter Rachel’s education. And that’s why she’s looking, as we speak, for a second job to help put Rachel through college, and ensure, as she told me, that “the money is there to help Rachel with her future.”

What’s true for Brenda’s family is true for the larger American family: Education is an investment that we need to win the future -- just like innovation is an investment that we need to win the future; just like infrastructure is an investment that we need to win the future. And to make sure that we can afford these investments, we’re going to have to get serious about cutting back on those things that would be nice to have but we can do without.

That’s what families across the country do every day — they live within their means and they invest in their family’s futures. And it’s time we did the same thing as a country. That’s how we’re going to get our fiscal house in order. That’s how we’ll grow our economy and attract new jobs to our shores. And that’s how America we will win the future in the 21st century.

Thanks very much, everybody.

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