

**Senate Appropriations Committee
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
Hearing on the FY12 Budget Request for the Department of Education
July 27, 2011**

Context: On July 27, the Senate Appropriations Committee's Subcommittee on Labor, Health and Human Services, Education and Related Agencies held a hearing to receive testimony from Secretary Duncan on the FY12 U.S. Department of Education budget request.

Testimony and Opening remarks: Chairman Harkin (D-IA) opened by remarking that our nation must be willing to make tough choices, but also must not make foolish choices, particularly regarding education funding. The FY11 continuing resolution eliminated 37 education programs, while states are slashing budgets, and districts are firing teachers and shortening the school calendar. These cuts pose a grave threat to education reform efforts. The Chairman noted that Race to the Top (RTTT) has jump-started many important reforms. An area of particular importance - early learning - has proven to show a high return on investment. However, important reform efforts will not continue if we slash discretionary funding for education.

Ranking Member Shelby (R-AL) discussed that our nation must rein in spending, but the Department has requested an increase in its budget. Education reform, through programs such as RTTT, is made even more difficult when states have to meet prescriptive requirements, such as having a charter school law. Alabama has nationally-recognized STEM programs, and has deemed this a key component to the future economic success of the state. A state should be able to implement reform efforts it decides are the most important. Instead, the Department decided it would not fund states without charter schools. Sen. Shelby also discussed concern about Pell Grant sustainability, and state authorization regulations regarding distance learning in higher education.

Secretary Duncan testified that the Department is seeking to boost investments in key areas, and specifically seeks to close the Pell shortfall; protect Title I and IDEA formula funds; expand reform programs including RTTT, I3, early learning and college completion programs; and provide adequate funding for the administration of student aid. The Department also is proposing efficiencies and consolidations. The Pell Grant program is helping millions of students, and demand has skyrocketed. States are facing tough times and students are losing key education in areas such as the arts, music, and summer school. Secretary Duncan stated that he wants to work together so that the education of children is not undermined while Congress negotiates the budget and debt ceiling.

Discussion focus: Members engaged in many rounds of questions for Secretary Duncan on a variety of issues.

Sen. Harkin focused his discussion on Pell Grants and noted that much of the increase in the education budget is a result of an increase in Pell Grant demand, which is due to our nation having more poor people and high unemployment rates. He hopes Congress will be fully supportive of the maximum Pell Grant. In response to his question about why the Department chose to eliminate the interest subsidy for graduate loans and year-round Pell, Secretary Duncan said that it was a difficult decision, but it was the lesser of two evils, and it was necessary to keep the Pell Grant at the maximum level. Harkin also devoted time at the end of the Q & A period to special education funding, and the constitutional obligation to provide an education for these students. Any waiver regarding IDEA maintenance of effort must be reviewed with strict scrutiny.

Sen. Shelby asked Secretary Duncan to discuss what industries will have high growth in the next ten years, and what type of education process we need to ensure an adequate workforce. Duncan responded that we need an increasingly highly skilled workforce, particularly in STEM. Sen. Shelby expressed concern about paying for Pell Grants, and asked the Secretary what his priorities are for education, noting that everything cannot be a priority. The Secretary's priorities include early learning, K-12 reform, and increasing access to postsecondary. Sen. Shelby later asked for the Secretary's commitment in reviewing the RTTT scoring process, particularly regarding STEM, if funds were allocated for RTTT in FY12. The Secretary agreed to review the scoring process. Shelby also was concerned about a shift to competitive funds, and the Secretary responded that the overwhelming majority of money is formula-based, and the Department is working to ensure rural areas can effectively compete for competitive funds.

Sen. Reed (D-RI) expressed concern that the Department has focused resources on untested and unproven programs, such as the RTTT, at the expense of proven programs, such as the school library program. Secretary Duncan responded that the Department is asking for an increase for literacy funding in this budget.

Sen. Cochran (R-MS) asked the Secretary a series of questions regarding literacy and school libraries funding, aimed at highlighting the importance of these programs and this funding. The Secretary responded that the Department supports these efforts, particularly in the early grades, and noted that Mississippi has made great gains in literacy and has many lessons to offer other states.

Sen. Brown (D-OH) asked the Secretary to discuss what the Department is doing to target and eliminate barriers for first generation students. The Secretary noted a continued commitment to access through Pell Grants; investment in community colleges; and building cultures of completion at institutions of higher education.

Sen. Moran (R-KS) expressed his concern about what is happening to the teaching profession and that we are impeding classroom opportunity. He asked the Secretary to comment on what the Department is doing to ensure schools have flexibility. He also inquired about the waivers the Secretary has discussed, and what the requirements would be to receive a waiver. Secretary

Duncan responded that the Department is trying to be a better partner, consolidate programs and become more efficient. The current law is too punitive and prescriptive, and he wants to provide flexibility to states that are doing the right thing. He expressed hope that a bipartisan ESEA reauthorization bill can be crafted. Sen. Moran also thanked the Secretary for the waiver that was given to a Kansas district, and the Secretary noted that they earned it by holding themselves to a higher standard.

Sen. Landrieu (D-LA) focused her comments and questions on Teach for American (TFA), and concern that this very effective program has been zeroed out. She referenced that 90 members of Congress have sent a letter to the Secretary and President Obama urging them to commit to a 5% set aside for highly effective programs. Secretary Duncan acknowledged the effectiveness of TFA, and that they have successfully competed for funds. He would need to think further about the 5% set aside, but was comfortable with the 1% set aside. Sen. Landrieu also questioned the Secretary about RTTT states that are amending their state plans, to which Secretary Duncan responded that the Department is holding them accountable and not granting material waivers.

Sen. Pryor (D-AR) discussed the Promise Neighborhoods program. Secretary Duncan stated that there is a much greater need and capacity than can currently be funded, and he would like to see the investment increased for FY12. In response to a question regarding STEM education, the Secretary noted we have to produce more students who are competent and passionate about STEM, and produce more effective STEM teachers.

Sen. Kirk (R-IL) asked Secretary Duncan to comment on initiatives Sen. Kirk is working on to support military families, and on a charter school initiative. Secretary Duncan responded that we cannot do enough to support high quality initiatives for military families, and that with regard to charters, he is not pro-charter, but for great schools. In response to a question about year-round schools, the Secretary said that he is supportive of a longer day, week and year.

Sen. Alexander (R-TN) focused his remarks and questions on accountability. He discussed CCSSO's letter from May 2011 that talks about the work that states have done in key areas, such as teacher and principal effectiveness, and that asks that a reauthorized ESEA support state leadership and innovation and does not codify a single right answer to education reform. Alexander mentioned that he had a conversation with Secretary Dick Riley about this idea, and that he supports it. Secretary Duncan also supports the statement. Sen. Alexander expressed his fear that as they go about rewriting NCLB, the law will be too prescriptive, despite good intentions. He asked the Secretary to comment on how ESEA can be fixed without violating the CCSSO request as stated above. Duncan responded that he does not want to be prescriptive or top down, and noted that CCSSO and Gene Wilhoit have been profiles of courage. The Secretary's only concern is that while the vast majority of states are moving in the right direction, he does not want to give a pass to a state that is going in the wrong direction.

Sen. Durbin (D-IL) discussed the student loan debt crisis and for-profit postsecondary schools. He stated that he cannot vote for Pell Grants knowing that there is predatory lending occurring among many for-profit schools. Secretary Duncan described the rules and guidance that have been implemented to try and eliminate programs that do not provide quality outcomes for their students. Sen. Durbin further discussed that accreditation standards are not high enough, and the Secretary agreed that is an area for review.

Analysis: Committee members focused on numerous issues, although many members brought up Pell Grant funding. Members raised many questions related to K-12 education, including funding, or lack thereof, specific programs, and questions related to Race to the Top.