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BUILDING A STRONGER ECONOMY: SPURRING REFORM AND INNOVATION IN AMERICAN EDUCATION

HEARING

BEFORE THE

COMMITTEE ON
EDUCATION AND LABOR

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

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C O N T E N T S

	Page
Hearing held on March 3, 2010	1
Statement of Members:	
Altmire, Hon. Jason, a Representative in Congress from the State of Pennsylvania, prepared statement of	42
Kline, Hon. John, Senior Republican Member, Committee on Education and Labor	4
Prepared statement of	5
Miller, Hon. George, Chairman, Committee on Education and Labor	2
Prepared statement of	3
Questions submitted for the record	42
Statement of Witness:	
Duncan, Hon. Arne, Secretary, U.S. Department of Education	7
Prepared statement of	10
Responses to questions submitted	49

BUILDING A STRONGER ECONOMY: SPURRING REFORM AND INNOVATION IN AMERICAN EDUCATION

Wednesday, March 3, 2010
U.S. House of Representatives
Committee on Education and Labor
Washington, DC

The committee met, pursuant to call, at 9:33 a.m., in room 2175, Rayburn House Office Building, Hon. George Miller [chairman of the committee] presiding.

Present: Representatives Miller, Kildee, Payne, Andrews, Scott, Woolsey, McCarthy, Tierney, Kucinich, Wu, Holt, Davis, Grijalva, Bishop of New York, Loebsack, Hirono, Hare, Clarke, Courtney, Shea-Porter, Fudge, Polis, Pierluisi, Sablan, Titus, Chu, Kline, Petri, McKeon, Castle, Souder, Biggert, Guthrie, Cassidy, Hunter, Roe and Thompson.

Staff Present: Tylease Alli, Hearing Clerk; Jeff Appel, Senior Education Policy Advisor/Investigator; Andra Belknap, Press Assistant; Calla Brown, Staff Assistant, Education; Jody Calemine, General Counsel; Jamie Fasteau, Senior Education Policy Advisor; Denise Forte, Director of Education Policy; Ruth Friedman, Senior Education Policy Advisor; David Hartzler, Systems Administrator; Fred Jones, Junior Legislative Associate, Education; Sharon Lewis, Senior Disability Policy Advisor; Sadie Marshall, Chief Clerk; Ricardo Martinez, Policy Advisor, Subcommittee on Higher Education, Lifelong Learning and Competitiveness; Charmaine Mercer, Senior Education Policy Advisor; Alex Nock, Deputy Staff Director; Lillian Pace, Policy Advisor, Subcommittee on Early Childhood, Elementary and Secondary Education; Kristina Peterson, Legislative Fellow, Education; Rachel Racusen, Communications Director; Julie Radocchia, Senior Education Policy Advisor; Alexandria Ruiz, Administrative Assistant to Director of Education Policy; Melissa Salmanowitz, Press Secretary; Ajita Talwalker, Education Policy Advisor; Dray Thorne, Senior Systems Administrator; Mark Zuckerman, Staff Director; Stephanie Arras, Minority Legislative Assistant; James Bergeron, Minority Deputy Director of Education and Human Services Policy; Kirk Boyle, Minority General Counsel; Casey Buboltz, Minority Coalitions and Member Services Coordinator; Allison Dembeck, Minority Professional Staff Member; Amy Raaf Jones, Minority Higher Education Counsel and Senior Advisor; Barrett Karr, Minority Staff Director; Alexa Marrero, Minority Communications Director; Susan Ross, Minority Director of Edu-

cation and Human Services Policy; Mandy Schaumburg, Minority Education Policy Counsel; and Linda Stevens, Minority Chief Clerk/Assistant to the General Counsel.

Chairman MILLER. A quorum being present, the committee will come to order.

This morning we will be conducting a committee meeting so that members of the committee can have a conversation with the Secretary, and the Secretary can present his views and goals for the Department.

And, Mr. Secretary, I want to welcome you to the committee and thank you for joining us. This is your second appearance before this committee. Last May you came and gave us an overview of President Obama's education agenda from cradle to career. You discussed the administration's unprecedented commitment to incentivizing education reforms through the Race to the Top program. You told us about the administration's 2010 budget which proposed groundbreaking initiatives to improve early education, college access and completion.

Under your direction the Department of Education since has made tremendous progress in these goals. The Recovery Act funded 300,000 education jobs, supporting teachers, librarians, and counselors. The carrot approach of Race to the Top has already proven to be a catalyst for change. Forty States and the District of Columbia have applied to compete by focusing on data-driven reforms that will strengthen the quality of teachers, standards, assessments, and help turn around struggling schools. We will hear more about this from you today.

Last fall with your help and support, the House passed President Obama's proposal to originate all new Federal student loans through the reliable, cost-effective Direct Loan Program. The Congressional Budget Office estimates that this will save about $87 billion over 10 years. We will use these savings to raise the bar for early learning, transform community colleges, modernize schools and make historic investments in student aid. Many colleges are already taking steps to offer Direct Loans to better protect students from the shaky credit markets. We hope that the Senate will soon take the decisive action on behalf of millions of families by voting to make college affordable and invest in students and taxpayers instead of the banks. If Congress wants to show we are serious about changing Washington, this bill is a great place to start.

Today you are here to tell us about how you and we can build a stronger economy by providing our students with the knowledge and skills they need to compete globally. For the second year in a row, President Obama's budget reflects the innovative vision for education. It requests $4.5 billion increase over last year for the Department of Education and $2.5 billion increase for early education in Health and Human Services, a signal of his belief that the stronger the education is vital to student success down the road.

It calls for fixing the Elementary and Secondary Education Act, currently known as No Child Left Behind, and sets aside a billion dollars if Congress reaches that goal. It calls for Congress to enact the Student Aid and Fiscal Responsibility Act.

And, Mr. Secretary, as you have said so many times to this committee, we need to educate our way to a better economy. I think

these proposals help us achieve that goal. However, too many of our students are not reaching their full academic potential through no fault of their own. They are not being taught to the same rigorous standards as their international peers. They also aren't getting a strong foundation in math, science and other innovative fields. College Presidents tell us that high school graduates aren't ready for college, and business leaders and CEOs tell us they can't find workers who are trained for the jobs for the future.

It is time to finally do something about the education crisis in this country that impacts our competitiveness and our position as the leader in the global economy. President Obama has set a critical goal for producing the most college graduates in the world by 2020. To get there we will need to reform ESEA so that it fulfills the promise of an excellent education for every student that prepares them for the rigors of college and good jobs.

In recent years a seismic shift has been happening in our schools and in our conversation about education. There is now a willingness to consider ideas just a few years ago that were controversial, such as performance pay. There is now an understanding that you can give States and districts the room to innovate without watering down accountability or standards.

Several weeks ago we announced that we are moving forward with a bipartisan and open and transparent effort to overhaul our Nation's education laws. We will seek input from all stakeholders who share our serious interest in improving our schools. And we will look to you throughout this process, Mr. Secretary. You have already shown tremendous leadership, and you have revitalized the Department. You have established that the status quo is no longer acceptable. We look forward to continuing working with you to ensure top-notch education and all of the opportunities it promises for every student in America. Thank you.

[The statement of Mr. Miller follows:]

Prepared Statement of Hon. George Miller, Chairman, Committee on Education and Labor

Good morning.

Secretary Duncan, thank you for joining us for your second appearance before this Committee.

Last May, you gave us an overview of President Obama's education agenda, from cradle to career.

You discussed the administration's unprecedented commitment to incentivizing education reforms through the Race to the Top program.

You told us about the administration's 2010 budget, which proposed groundbreaking initiatives to improve early education and college access and completion.

Under your direction, the Department of Education has since made tremendous progress on those goals.

The Recovery Act funded 300,000 education jobs, supporting teachers, librarians and counselors.

The carrot approach of Race to the Top is already proving to be a catalyst for change.

Forty states and the District of Columbia have applied to compete by focusing on data-driven reforms that will strengthen the quality of teachers, standards, assessments and help turn around struggling schools.

We'll hear more about this progress today.

And last fall, with your help and support, the House passed President Obama's proposal to originate all new federal student loans through the reliable and cost-effective Direct Loan program.

The Congressional Budget Office estimates this will save $87 billion over 10 years.

We will use these savings to raise the bar for early learning, transform community colleges, modernize schools, and make historic investments in student aid.

Many colleges are already taking steps to offer Direct Loans to better protect students from shaky credit markets.

We hope the Senate will soon take decisive action on behalf of millions of families by voting to make college more affordable and invest in students and taxpayers—instead of banks.

If Congress wants to show we're serious about changing Washington, this bill is a great place to start.

Today you are here to tell us how you—and we—can build a stronger economy by providing our students with the knowledge and skills they need to compete globally.

For the second year in a row, President Obama's budget reflects his innovative vision for education.

It requests a $4.5 billion increase over last year in the Department of Education and a $2.5 billion increase for early education at Health and Human Services, a signal of his belief that a strong early education is vital to student success down the road.

It calls for fixing the Elementary and Secondary Education Act, currently known as No Child Left Behind, and sets aside $1 billion if Congress reaches that goal. It calls for Congress to enact the Student Aid and Fiscal Responsibility Act. Mr. Secretary, you have frequently said that we need to "educate our way to a better economy."

Across the political spectrum, I think we all agree. Too many of our students are not reaching their full academic potential, through no fault of their own.

They are not being taught to the same rigorous standards as their international peers. They also aren't getting a strong foundation in math, science and other innovative fields. College presidents tell us high school graduates aren't ready for college. Business leaders and CEOs tell us they can't find workers who are trained for the jobs of the future.

It's time to finally do something about the education crisis in this country that impacts our competitiveness and our position as a leader in a global economy. President Obama has set a critical goal of producing the most college graduates in the world by 2020. To get there, we will need to reform ESEA so that it fulfills its promise of an excellent education for every student that prepares them for the rigors of college and good jobs.

In recent years, a seismic shift has been happening in our schools and in our conversations about education. There is now willingness to consider ideas that just a few years ago were controversial—such as performance pay.

There is now an understanding that you can give states and districts the room to innovate without watering down accountability or standards. Several weeks ago, we announced that we're moving forward with a bipartisan, open and transparent effort to overhaul our nation's education laws.

We will seek input from all stakeholders who share our serious interest in improving our schools. And we'll look to you throughout the process, Mr. Secretary. You've already shown us tremendous leadership and you've revitalized the Department. You've established that the status quo is no longer acceptable.

We look forward to continue working with you to ensure a top-notch education—and all of the opportunities it promises—for every student in America. Thank you.

Chairman MILLER. With that I would now like to recognize the senior Republican on the committee Congressman Kline for purposes of an opening statement.

Mr. KLINE. Thank you, Mr. Chairman.

And thank you, Mr. Secretary, for being with us today.

I notice that we have an extremely limited amount of time with the Secretary today, so I am going to limit my remarks so others will have a chance to ask questions as we go through the day.

Secretary Duncan came to Washington billed as a reformer, and I believe he has lived up to that reputation. In particular, his willingness to stand up to the unions and old ways of doing business has been a refreshing change.

There are policies on which I agree with Secretary Duncan, and that gives me hope for a bipartisan approach to education reform. For example, the Secretary understands high-performing charter schools are critical in expanding options for parents and students. He also understands that we need to reward the best teachers and remove ineffective teachers from the classroom. These issues will play a big role in the discussion when it comes time for Congress to reauthorize the Elementary and Secondary Education Act.

But there are other issues we will have to address in which agreement may not be quite so easy. Members and staff in both the House and Senate have been meeting with the Secretary these last several weeks in preparation for the eventual overhaul of ESEA. To help guide that process, Republicans recently released a series of principle reforms. Briefly, those are restoring local control, empowering parents, letting teachers teach and protecting taxpayers.

The Secretary has talked about how innovation comes from the ground up. I agree with that sentiment, which is why I am troubled by recent proposals that indicate a more heavy-handed Federal approach. For example, the idea that academic standards would have to be federally approved either through participation in a government-sanctioned set of common standards or direct consent by an unnamed Federal entity looks to many of us like national standards.

Federal law prohibits involvement of the U.S. Department of Education in school curriculum. This is not a question of semantics. Putting the FederalGovernment in charge of what is taught and tested in the classroom would be a radical departure from this country's approach to education. So, Mr. Secretary, that is an issue we will need to discuss.

The same heavy-handed approach can be seen in the recent higher education negotiated rulemaking, particularly when it comes to the proposals for schools, especially those in the proprietary sector, to demonstrate that their graduates have achieved, quote, "gainful employment." My concerns with that process are too numerous to detail here, but it is certainly an issue we will need to address in another forum.

Before I conclude, I would be remiss if I did not address the Department's budget proposal for 2011. Anyone who knows me knows about my concerns about IDEA funding. Mr. Secretary, you recall the very first time we met, I raised this concern. And I have to tell you, I am deeply, deeply disappointed with the IDEA funding in this budget. I am confident we will have a chance to explore that later this morning.

Thank you for being here, Mr. Secretary. We have lots of work to do together, and I look forward to hearing from you.

I yield back, Mr. Chairman.

[The statement of Mr. Kline follows:]

Prepared Statement of Hon. John Kline, Senior Republican Member, Committee on Education and Labor

Thank you Chairman Miller, and thank you Mr. Secretary for joining us. We have an extremely limited amount of time with the Secretary to cover a number of pressing topics, so I will keep my remarks brief.

Secretary Duncan came to Washington billed as a reformer, and I believe he has lived up to that reputation. In particular, his willingness to stand up to the unions and the old ways of doing business has been a refreshing change.

There are policies on which I agree with Secretary Duncan, and that gives me hope for a bipartisan approach to education reform. For example, the Secretary understands high-performing charter schools are critical in expanding options for parents and students. He also understands that we need to reward the best teachers and remove ineffective teachers from the classroom.

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Members and staff in both the House and Senate have been meeting with the Secretary these last several weeks in preparation for the eventual overhaul of ESEA. To help guide that process, Republicans recently released a series of principles for reform. Briefly, those are: 1) Restoring Local Control; 2) Empowering Parents; 3) Letting Teachers Teach; and 4) Protecting Taxpayers.

The Secretary has talked about how innovation comes from the ground up. I agree with that sentiment, which is why I am troubled by recent proposals that indicate a more heavy-handed federal approach. For example, the idea that academic standards would have to be federally approved—either through participation in a government sanctioned set of common standards or direct consent by an unnamed federal entity—looks to many of us like national standards.

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This same heavy-handed approach can be seen in the recent higher education negotiated rulemaking, particularly when it comes to the proposals for schools, especially those in the proprietary sector, to demonstrate that their graduates have achieved "gainful employment." My concerns with that process are too numerous to detail here, but it's certainly an issue we'll need to address in another forum.

Before I conclude, I would be remiss if I did not address the Department's budget proposal for FY 2011. Anyone who knows me knows that my first priority in the education budget is to fully fund the Individuals with Disabilities Education Act.

For 35 years, the federal government has failed to live up to this obligation to states and schools. Year after year, we find room in the budget for new programs and new mandates. Some of these are good ideas—others are not. But from my perspective, we should not be funding any new programs or initiatives until we've fully funded the obligations already on the books.

The $250 million increase for IDEA provided in this year's budget is, quite frankly, an outrage. For all the time this Administration has spent touting the significant education spending increases provided in a supposedly austere budget, the pittance provided for special education is unacceptable. We can simply do better for our states and schools.

Thank you for being here Mr. Secretary, we have lots of work to do together and I look forward to hearing from you. I yield back.

Chairman MILLER. I thank the gentleman, and I would like to take a moment to introduce Arne Duncan. He doesn't need an introduction to this committee, but for the public, Secretary Duncan was nominated to be Secretary of Education by President Obama. Prior to that appointment as Secretary of Education, Secretary Duncan served as the chief executive officer of the Chicago Public Schools and became the longest-serving big-city education superintendent in the country. As CEO, Secretary Duncan raised education standards and performance, improved teacher and principal quality, and increased learning options.

Secretary Duncan has 7½ years tenure. He united education reformers, teachers, principals and the business stakeholders, behind an aggressive education reform agenda. As Secretary of Education he spearheaded major education reforms, including the Race to the Top program and Investing in Innovation Fund. I know I am not

alone in saying that he has done a tremendous amount in just his first year to improve the educational opportunities for children across the country.

We welcome you, Mr. Secretary, to the committee, and thank you for giving us your time, your expertise and this report to the Education and Labor Committee.

One moment before you start, I would like to recognize, as privilege of the Chair, the chancellor of our California State University system Charles Reed, Chancellor Reed behind you.

Thank you, Charlie, for being here.

Mr. Secretary, you are recognized. As you know, we will give you 5 minutes. Because you are the Secretary, if you take a couple extra minutes, we want you to be coherent and impart the information you think is important to the members of this committee. Thank you, and welcome.

STATEMENT OF HON. ARNE DUNCAN, SECRETARY, U.S. DEPARTMENT OF EDUCATION

Secretary DUNCAN. Thank you, Mr. Chairman, for the opportunity to speak today, and thank you for the extraordinary leadership and commitment you have shown around education.

As you know, I submitted written testimony outlining our 2011 budget request, which is built around three core areas: college and career ready standards developed not by us, but by States at the local level; supporting and rewarding excellence in the classroom, and excellence in educational leadership; and carving out a smarter, more targeted Federal role to give States and districts as much flexibility as possible while ensuring as much accountability as possible.

At the same time we are working with members of this committee and your colleagues in the Senate in a bipartisan way to reauthorize the Elementary and Secondary Education Act. And I am deeply grateful for your support and hard work.

As we continue that process, and, again, I love the sense of bipartisan commitment, there are a couple of themes that are important to me. First of all, focusing much more on growth and gain; how much are students improving each year, year to year. Are we improving graduation rates? That is hugely important.

Having high standards, not dummying down things due to political pressure, but really making sure that our students around the country truly are college and career ready is very important.

Making sure there is that flexibility at the local level. We can't begin to, nor do we want to micromanage, 100,000 schools from Washington. The best ideas will always come at the local level, and we want to continue to support that.

Fourth, we have to continue to reward excellence. Great teachers, great principals, schools, school districts, States make a huge difference in students lives. Under the previous law there are numerous ways to fail, but very few rewards for success. We want to change that.

And then finally, for those schools, not the 99 percent of schools, but that 1 percent of schools at the bottom, however you want to define it, where things simply are not working for children, we

want to be clear that the status quo can't continue, that we have to get better.

I am happy to take any questions about our 2011 budget request and our broader ESEA reauthorization agenda. I would like to use my opening remarks today to talk about our teacher quality agenda.

Teachers and principals are the real game changers in education reform. The men and women working in schools and classrooms are making a difference in the lives of children every single day. We must support them, empower them and invest to strengthen and elevate the teaching profession. Great teachers and principals are absolute heroes, helping students accomplish dreams that the students themselves may have thought unattainable. That is why our 2011 budget seeks $3.9 billion to improve teacher quality. This is an increase of $350 million, or 10 percent. Most of that money, $2.5 billion, will be distributed by formula as it always has been; however, we will push States and districts to invest this formula money more effectively on school-based professional development that provides teachers and leaders with the real support they need to succeed; on evaluation systems that recognize great teachers and give teachers useful real-time feedback on how to improve; and on supporting collaborative work so that teachers can work together and improve their practice.

We want more money used to give great teachers and to keep them in high-need schools through better development and mentoring as well as incentive pay. About $950 million in our budget request will go out competitively to support innovative ways of boosting teacher and principal quality. Folded into this bucket is the Teacher Incentive Fund that districts use for pay-for-performance programs, innovative programs developed at the local level that have both management and union support. Dozens of such programs are operating successfully today in school districts around the country.

Lastly, about $400 million will support high-quality preparation programs for teachers and leaders who want to work in high-need schools. We want to get the best from all backgrounds into the classroom, from midcareer professionals to college graduates, to military veterans. Getting and, more importantly, keeping great teachers and principals at high-need schools is also at the heart of our Turnaround program. And I want to take a few minutes to walk through that with you.

As you know, school improvement grants are funded through the Title I program. The dollars are distributed to States by formula and competed out to districts. Between the Recovery Act and our last two budgets, we have $4 billion for turning around our Nation's low-performing schools. This money targets the bottom 5 percent of schools, roughly 5,000 schools nationwide, including 2,000 high schools that by themselves produces about half of our Nation's dropouts.

These schools are struggling academically, and the children and the community need better. Under our regulations districts that want to compete for a share of this $4 billion in Turnaround money have four options. They can replace the principal, but keep the teachers and improve the school through professional development,

strengthening the instructional program, and extended learning time and other strategies. Districts can close the school and hire a new principal who can hire back up to half of those teachers. Districts can also close the school and reopen under new governance, or they can simply close the school and send children to a better school elsewhere, which is most likely to happen in big districts where enrollment is declining.

Turnaround programs are currently under way all across the country, in Charlotte, North Carolina; Delaware; New York; Colorado; Louisiana; Boston; Chicago; Philadelphia; Los Angeles; South Carolina; and Cincinnati. In many cases they work with existing staff; in others, a high percentage of staff is replaced. We encourage both bold approaches and a collaboration among unions, parents and administrators.

Working at low-performing schools is extraordinarily hard work. It takes talented, committed staff willing to do whatever it takes to help those children be successful. You need great leadership, effective supports and more time for learning. We support all of that. These will always be local decisions, not Federal decisions. We can't make these decisions in Washington, and they must be made at the local level. And we encourage adults at the local level to collaborate and work together to do what is best for children.

As hard as this work is, it is also critically important. And for all the challenges, I have never been more optimistic. Across this country, Mr. Chairman, we have never had more high-performing, high-priority schools than we do today. We know what is possible. We have to take to scale what works and make those shining examples not the exception, but the norm.

Before we get to questions, I want to make a few points about our budget request. First of all, there is still some confusion about competitive versus formula funding. We are absolutely committed to continuing the formula funding in programs like Title I and IDEA, as well as programs serving English language learners, homeless children, migrant and rural students. Every State faces educational challenges with special populations, and we would never put those children at risk. At the same time, every State needs to get better, and as Race to the Top has demonstrated, a little bit of competitive funding can eliminate barriers to collaboration and reform.

I also want to make a few points about efficiency in our budget request. We have eliminated earmarks and cut programs that were duplicative or ineffective, saving hundreds of millions of dollars. We have also consolidated a number of programs to reduce red tape for schools and districts seeking grant funds. We want them spending their time not on paperwork and bureaucracy dealing with us, but on working with their students.

Looking ahead we still have money from the Recovery Act to distribute, including through Race to the Top and the Investment in Innovation Fund. We have approximately $11 billion in special education and Title I funding to distribute. We have billions more in Pell grants, and we have several billion dollars left in the State Fiscal Stabilization Fund which will also go out in the months ahead. However, I am deeply concerned about States' funding shortfalls in the upcoming school year, and I am very hopeful that

we can do something to help States avert an education catastrophe that would sacrifice vital education programs.

We also need the Senate to consider the proposal that passed the House to eliminate banker subsidies and shift to direct lending, because our early learning and higher education agenda depends on that.

There is much more I would like to talk about, but let me stop there and take your questions.

Chairman MILLER. Thank you very much, Mr. Secretary.

[The statement of Secretary Duncan follows:]

Prepared Statement of Hon. Arne Duncan, Secretary, U.S. Department of Education

CHAIRMAN MILLER, RANKING MEMBER KLINE AND MEMBERS OF THE COMMITTEE: Thank you for this opportunity to come before this Committee and talk about improving education in America. I want to begin by thanking Chairman Miller, as well as other Members of the Committee, for your extraordinary leadership over the past year on behalf of American students and their families. It was just over a year ago that Congress and President Obama worked together to complete the American Recovery and Reinvestment Act of 2009 (Recovery Act).

This legislation will deliver nearly $100 billion to Recovery Act recipients, including States and school districts, to help address budget shortfalls in the midst of the most severe financial crisis and economic recession since the Great Depression. To date, the Department has awarded more than $69 billion. For the quarter ending December 31, 2009, recipients reported that assistance from the Department of Education funded approximately 400,000 jobs overall, including more than 300,000 education jobs, such as principals, teachers, librarians and counselors. These numbers are consistent with the data submitted in October, during the first round of reporting, and this consistency reflects the steady and significant impact of the Recovery Act. Although State and local education budgets remain strained, schools systems throughout the country would be facing much more severe situations were it not for the Recovery Act. The Recovery Act has also helped families and students pay for college by increasing federal student aid.

I believe, however, that the Recovery Act did much more than just provide short-term financial assistance to States and school districts. Indeed, I think the Recovery Act will be seen as a watershed for American education because it also laid the groundwork for needed reforms that will help improve our education system and ensure America's prosperity for decades to come. Thanks to the Recovery Act, all States now are working to strengthen their standards and assessments; improve teacher and leader effectiveness; improve data systems and increase the use of data to improve instruction; and turn around low-performing schools.

In addition, the Recovery Act helped to jumpstart a new era of innovation and reform, including through the $4 billion Race to the Top program and the $650 million Investing in Innovation Fund. States already have demonstrated their interest in the reforms called for by the Recovery Act and Race to the Top. Just in preparation to apply for Race to the Top grants, States have made essential changes, such as allowing data systems to link the achievement of individual students to their teachers and enabling the growth or expansion of high quality charter schools. States also are demonstrating the progress they have made toward implementing the reforms called for in the State Fiscal Stabilization Fund in their applications for Phase II of that funding. We must continue to invest in innovation and scale up what works to make dramatic improvements in education. The President's fiscal year 2011 budget ("budget request") includes $1.35 billion for Race to the Top awards, both for States and for a new school district-level competition—and we greatly appreciated your statement of support for that initiative, Mr. Chairman. The 2011 budget request also includes $500 million for the Investing in Innovation (i3) program.

This Committee also developed and helped to win House passage of the Student Aid and Fiscal Responsibility Act (SAFRA), which would make much-needed reforms to Federal postsecondary student aid programs that would enable us to make key investments in education by redirecting the tens of billions of dollars that otherwise would be spent on unnecessary subsidies to lenders over the next decade. These investments include expanding student aid though a more generous Pell Grant program and low-cost student loans, preparing students and workers for 21st Century jobs to increase our social well-being and economic prosperity, including through

President Obama's American Graduation Initiative, and helping more low-income children enter school with the skills they need to succeed through the President's Early Learning Challenge Fund. SAFRA also includes important investments in Historically Black Colleges and Universities and minority-serving institutions. We share your commitment to this important legislation, which is strongly supported by the 2011 budget, and are working to win Senate approval for it as soon as possible.

Once again, thank you for your achievements during the past year. It is a record to be proud of, and one on which I hope we will build as we continue to move forward in the coming year.

President Obama's 2011 budget request

As you know, last month President Obama released his fiscal year 2011 budget request. The centerpiece of the 2011 budget request for the Department of Education is the pending reauthorization of the Elementary and Secondary Education Act (ESEA). The President is asking for a discretionary increase of $3.5 billion for fiscal year 2011, of which $3 billion is dedicated to ESEA, the largest-ever requested increase for ESEA. Moreover, if together, we complete an ESEA reauthorization that is consistent with the President's plan, the Administration will submit a budget amendment for up to an additional $1 billion for ESEA programs. But, our budget and reauthorization are not simply about more resources—they also are about using resources more effectively. We would greatly appreciate your support for this historic budget and look forward to working with you on the reauthorization.

As part of developing the 2011 budget request and performance plan, the Department of Education has identified a limited number of high-priority performance goals that will be a particular focus over the next two years. These goals, which will help measure the success of the Department's cradle-to-career education strategy, reflect the importance of teaching and learning at all levels in the education system. The Department's goals include supporting reform of struggling schools, improvements in the quality of teaching and learning, implementation of comprehensive statewide data systems, and simplifying student aid. These goals and key initiatives and other performance information are included in the President's Fiscal Year 2011 Budget materials and are on www.ed.gov.

ESEA reauthorization

Our 2011 budget request incorporates an outline of our thoughts about ESEA reauthorization. We have thought a great deal about the appropriate Federal role in elementary and secondary education, and want to move from a simple focus on rules, compliance, and labeling of insufficient achievement, toward a focus on flexibility for States and local educational agencies (LEAs) that demonstrate how they will use program funds to achieve results, and on positive incentives and rewards for success. That is why, for example, our 2011 budget request includes $1.85 billion in new funding for the Race to the Top and i3 programs. In addition, our reauthorization proposal for Title I, Part A of ESEA would reward schools or LEAs that are making significant progress in improving student outcomes and closing achievement gaps. We also propose to increase the role of competition in awarding ESEA funds to support a greater emphasis on programs that are achieving successful results.

We believe that our goals of providing greater incentives and rewards for success, increasing the role of competition in Federal education programs, supporting college- and career-readiness, turning around low-performing schools, and putting effective teachers in every classroom and effective leaders in every school require a restructuring of ESEA program authorities. For this reason, our reauthorization proposal would consolidate 38 existing authorities into 11 new programs that give States, LEAs, and communities more choices in carrying out activities that focus on local needs, support promising practices, and improve outcomes for students, while maintaining critical focus on the most disadvantaged students, including dedicated programs for students who face unique challenges, such as English language learners and homeless, neglected and delinquent and migrant students.

College- and career-readiness

Another key priority builds on the Recovery Act's emphasis on stronger standards and high-quality assessments aligned with those standards. We believe that a reauthorized Title I program, which our budget request would fund at $14.5 billion, should focus on graduating every student college- and career-ready. States would adopt standards that build toward college- and career-readiness, and implement high-quality assessments that are aligned with and capable of measuring individual student growth toward these standards. Our budget request would provide $450 million (a 10 percent increase) for a reauthorized Assessing Achievement program (currently State Assessments) to support implementation of these new assessments.

States would measure school and LEA performance on the basis of progress in getting all students, including groups of students who are members of minority groups, low-income, English learners, and students with disabilities, on track to college- and career-readiness, as well as closing achievement gaps and improving graduation rates for high schools. States would use this information to differentiate schools and LEAs and provide appropriate rewards and supports, including recognition and rewards for those showing progress and required interventions in the lowest-performing schools and LEAs. To help turn around the nation's lowest-performing schools, our budget would build on the $3 billion in school improvement grants provided in the Recovery Act by including $900 million for a School Turnaround Grants program (currently School Improvement Grants). This and other parts of our budget demonstrate the principle that it is not enough to identify which schools need help—we must encourage and support state and local efforts to provide that help.

Effective teachers and school leaders

We also believe that if we want to improve student outcomes, especially in high-poverty schools, nothing is more important than ensuring that there are effective teachers in every classroom and effective leaders in every school. Longstanding achievement gaps closely track the inequities in classrooms and schools attended by poor and minority students, and fragmented ESEA programs have failed to make significant progress to close this gap. Our reauthorization proposal will ask States and LEAs to set clear standards for effective teaching and to design evaluation systems that fairly and rigorously differentiate between teachers on the basis of effectiveness and that provide them with targeted supports to enable them to improve. We also will propose to restructure the many teacher and teacher-related authorities in the current ESEA to more effectively recruit, prepare, support, reward, and retain effective teachers and school leaders. Key budget proposals in this area include $950 million for a Teacher and Leader Innovation Fund, which would support bold incentives and compensation plans designed to get our best teachers and leaders into our most challenging schools, and $405 million for a Teacher and Leader Pathways program that would encourage and help to strengthen a variety of pathways, including alternative routes, to teaching and school leadership careers.

We also are asking for $1 billion for an Effective Teaching and Learning for a Complete Education authority that would make competitive awards focused on high-need districts to improve instruction in the areas of literacy, science, technology, engineering, mathematics, the arts, foreign languages, civics and government, history, geography, economics and financial literacy, and other subjects. We propose these programs in addition to a $2.5 billion Effective Teachers and Leaders formula grant program to States and LEAs, to promote and enhance the teaching profession.

In addition, throughout our budget, we have included incentives for States and LEAs to use technology to improve effectiveness, efficiency, access, supports, and engagement across the curriculum. In combination with the other reforms supported by the budget, these efforts will pave the way to the future of teaching and learning.

Improving STEM outcomes

One area that receives special attention in both our 2011 budget request and our reauthorization plan is improving instruction and student outcomes in science, technology, engineering, and mathematics (STEM). The world our youth will inherit increasingly will be influenced by science and technology, and it is our obligation to prepare them for that world.

The 2011 request includes several activities that support this agenda and connect with President Obama's "Educate to Innovate" campaign, which is aimed at fostering public-private partnerships in support of STEM. Our goal is to move American students from the middle of the pack to the top of the world in STEM achievement over the next decade, by focusing on (1) enhancing the ability of teachers to deliver rigorous STEM content, and providing the supports they need to deliver that instruction; (2) increasing STEM literacy so that all students can master challenging content and think critically in STEM fields, and participate fully as citizens in an America changed by technology in ways we cannot envision; and (3) expanding STEM education and career opportunities for underrepresented groups, including women and girls and individuals with disabilities.

Specifically, we are asking for $300 million to improve the teaching and learning of STEM subjects through the Effective Teaching and Learning: STEM program; $150 million for STEM projects under the $500 million request for the i3 program; and $25 million for a STEM initiative in the Fund for the Improvement of Postsecondary Education to identify and validate more effective approaches for attracting and retaining, engaging and effectively teaching undergraduates in STEM fields.

And, I have directed the Department to work closely with other federal agencies, including the National Science Foundation, the Department of Defense, the National Aeronautics and Space Administration, and the National Institutes of Health to align our efforts toward our common goal of supporting students.

Comprehensive solutions

We also recognize that schools, parents, and students will benefit from investments in other areas that can help to improve student outcomes. Toward that end, we are proposing to expand the new Promise Neighborhoods program by including $210 million to fund school reform and comprehensive social services for children in distressed communities from birth through college and career. A restructured Successful, Safe, and Healthy Students program would provide $410 million to—for the first time—systematically measure school climates, which we know can affect student learning. This will help direct funding to schools that show the greatest need for resources to increase students' safety and well-being by reducing violence, harassment and bullying, promote student physical and mental health, and prevent student drug, alcohol, and tobacco use.

College access and completion

The Administration has made college- and career-readiness for all students the goal of its ESEA reauthorization proposal, because most students will need at least some postsecondary education to compete for jobs in the 21st Century global economy. For this reason, we are proposing a College Pathways and Accelerated Learning program that would increase high school graduation rates and preparation for college by providing students in high-poverty schools with opportunities to take advanced coursework that puts them on a path toward college. This new program would help expand access to accelerated learning opportunities such as Advanced Placement and International Baccalaureate courses, dual-enrollment programs that allow students to take college-level courses and earn college credit while in high school, and "early college high schools" that allow students to earn a high school degree and an Associate's degree or two years of college credit simultaneously.

Just as essential to preparing students for college is ensuring that students and families have the financial support they need to pay for college. As I noted earlier, the Administration supports passage of SAFRA, which would make key changes in student financial aid and higher education programs that are consistent with President Obama's goal of restoring America's status as first in the world in the percentage of college graduates by 2020. In combination with SAFRA, the 2011 request would make available more than $156 billion in new grants, loans, and work-study assistance—an increase of $58 billion or 60 percent over the amount available in 2008—to help almost 15 million students and their families pay for college. And another achievement of the Recovery Act, the new American Opportunity Tax Credit, will provide an estimated $12 billion in tax relief for 2009 filers. The budget proposes to make this refundable tax credit permanent, which will give families up to $10,000 to help pay for four years of college.

The 2011 budget request would bring the maximum Pell grant to $5,710, nearly a $1,000 increase since the President took office. In that time, the number of students receiving grants has grown from six million to nearly nine million, and the total amount of aid available has nearly doubled. In addition, the budget request would make funding for the Pell Grant program mandatory rather than discretionary, to eliminate annual uncertainty about Pell Grant funding and end the practice of "backfilling" billions of dollars in Pell Grant funding shortfalls.

No one should go broke because of student loan debt. That is why our budget also would help borrowers struggling to repay student loans by reducing the minimum payment to 10 percent of their discretionary income, and providing for all of their debt to be forgiven after 20 years—10 years if they choose a career in public service. These changes will help more than one million borrowers next year.

Improving outcomes for adult learners

The 2011 budget request includes funding for a variety of programs that support adult learners, including career and technical education, and adult basic and literacy education. These programs provide essential support for State and local activities that help millions of Americans develop the knowledge and skills they need to reach their potential in a global economy. For example, our request would provide $1.3 billion for Career and Technical Education (CTE) State Grants, to support continued improvement and to increase the capacity of programs to prepare high school students to meet state college and career-ready standards. One of our greatest challenges is to help the 90 million adults who would enhance their career prospects by increasing their basic literacy skills. For this reason, we also are asking for $612.3 million for Adult Basic and Literacy Education State Grants, an increase of

$30 million over the comparable 2010 level, to help adults without a high school diploma or the equivalent to obtain the knowledge and skills necessary for postsecondary education, employment, and self-sufficiency.

Improving outcomes for persons with disabilities

The budget also includes several requests and new initiatives to enhance opportunities for students and other persons with disabilities. For example, the budget request includes a $250 million increase for grants to States under the Individuals with Disabilities Education Act, to help ensure that students with disabilities receive the education and related services they need to prepare them to lead productive, independent lives. The $3.6 billion request for Rehabilitation Services and Disability Research would consolidate nine programs under the Rehabilitation Act into three, to reduce duplication and improve the provision of rehabilitation and independent living services for individuals with disabilities. The request includes a $6 million increase over the 2010 level for a new Grants for Independent Living program (which consolidates the Independent Living State Grants and Centers for Independent Living) and would provide additional funding for States with significant unmet needs. It also includes $25 million for a new program that would expand supported employment opportunities for youth with significant disabilities as they transition from school to the workforce, through competitive grants to States to develop innovative methods of providing extended services.

The Budget provides $112 million for the National Institute on Disability and Rehabilitation Research to support a broad portfolio of research and development, capacity-building, and knowledge translation activities. And the request includes $60 million, $30 million under Adult Education and $30 million under Vocational Rehabilitation, for the Workforce Innovation Fund, a new initiative in partnership with the Department of Labor. The proposed Partnership for Workforce Innovation, which encompasses $321 million of funding in the Departments of Education and Labor, would award competitive grants to encourage innovation and identify effective strategies for improving the delivery of services and outcomes for beneficiaries under programs authorized by the Workforce Investment Act. This investment will create strong incentives for change that, if scaled up, could improve cross-program delivery of services and outcomes for beneficiaries of programs under the Workforce Investment Act.

Conclusion

In conclusion, thanks to the combined leadership of President Obama, Chairman Miller and the Members of this Committee, and others, we have made extraordinary progress in meeting the needs of our schools and communities in the midst of financial crisis and recession, making long-needed reforms in our Federal postsecondary student aid programs, and reawakening the spirit of innovation in our education system from early learning through college. The next step to cement and build on this progress is to complete a fundamental restructuring of ESEA. I know that all of you are interested in this reauthorization and that many of you have worked on these issues for years, and in many cases, decades, and I look forward to working with the Committee toward that goal. I have every confidence that with your continuing leadership and strong support from President Obama and the American people, we will accomplish this important task.

Thank you. I would be happy to answer any questions you may have.

Chairman MILLER. I will ask you the question about ESEA since almost every Monday or Tuesday when I return to Washington, D.C., my colleagues come up to me and ask when are we going to do the reauthorization of ESEA. And between us I don't know if we have a complete answer to that question yet.

One, I want to commend you for spending a considerable amount of time over the last several months meeting with both the Republican and Democratic leaders in the House and the Senate on this issue, and then the Chairs and Ranking Members of the committees in the House and the Senate, and then to convening our meetings among the Chairs, and the Ranking Members, and the subcommittee members to discuss this. I think this is a very positive development in terms of developing a bipartisan bill for the reauthorization, and I want to thank you for that.

The other part of this, before I get to maybe a little elaboration on your part on the timeline, is that what intrigues me about Race to the Top—and I recognize it is not completed yet, and people have made application, and you are going to go through that process, and the Innovation Fund, and I think even the common standards—is that States and in some cases quite possibly school districts, they get to initiate the reform, they get to decide. If a Governor doesn't believe that common standards aren't good for them, if he or she doesn't want to take a shot at internationally benchmarked standards to measure their students and try to develop the curriculum and achievement, then they will make that choice. And as we saw in Race to the Top, most Governors made the decision that they wanted to try and compete, knowing that they will not all necessarily be successful, but hopefully those that do will show others how it can be done and the changes for that.

I am really encouraged by this, that I think it is very often that we suggest reforms, but they are not properly funded. So I think that in this case what you have seen is, in my own State where there is great resistance to many of the parts by different parts of the education community, they came together in the State legislature. I am not saying what they passed was perfect, but they have taken that first big step where 2, or 3, 4 years ago you could not discuss it. And I think that is important. I think, again, that had to be done on a bipartisan basis in the State legislatures all across the country. And so I think this is a pretty darn good beginning.

The questions about time frame is I think our discussion suggests that we would really like to get this done this session of Congress. We know that the Congress had a huge amount of activity in its last session. We had the economy that we had to deal with, we had a crisis in our financial institutions, and it took up a lot of people's time. I assume that is consistent with all of the groundwork that you laid for these meetings and the meetings where the joint staffs and the bicameral staffs have been working together. If you would like to elaborate on that, I think it would be helpful to the members of the committee, because they may have more detailed questions that they want to ask you.

Secretary DUNCAN. That is absolutely the goal. And I think there is so much that we can do to fix the current law. I think far too many schools, and school districts, and teachers have been labeled failures when they are not.

Let me give you an example. If I am a fifth-grade teacher, and a child comes to me three grade levels behind reading at a second grade level, and that child leaves my classroom reading at a fourth-grade level, on No Child Left Behind that teacher, that school, ultimately that district, is labeled a failure. I would argue not only is that teacher not a failure, that teacher is a remarkable success. That child gained 2 years of growth for 1 year's instruction. That is remarkable, remarkable work.

We need to emphasize gain, we need to emphasize improvement. We need to make sure that students are being taught a well-rounded curriculum. I have heard throughout the country a narrowing of the curriculum. And we want to make sure not just our high school students, but our elementary students have access to arts

and music, science, social studies. Reading and math are hugely important, but we can't focus exclusively there.

We have talked about having high standards around the country. It is critically important that our students graduate from high school college and career ready. And in so many places, due to political pressure, not due to what is right for children, or not due to what is right for that State's economy, standards have been dummied down, and ultimately that is not what our students need. We need to raise expectations. It is not what our country needs. We need to educate our way to a better economy.

So I think we have a huge opportunity working together, working through where we have legitimate differences, in finding compromises. I think we have a chance to dramatically improve, stop labeling so many places as failures, have high standards for everybody, reward success, reward excellence, but be tough-minded where things aren't working.

Chairman MILLER. We had a hearing earlier this week on Mr. Polis' bill on charter schools, and one of our witnesses was Eva Moskowitz, who runs the Success Academy in the Harlem Children's Zone, and she is a tough defender of what she is doing. And she said the deal was this, that in her mind when she opened these schools inside of the New York City school system as a public charter, that she was trading outcomes for flexibility. And her job was to deliver the outcomes, and it was the system's obligation to provide her some flexibility to design and to deploy personnel and parents and community and others in support of those kids. It sounds a little bit like what you are outlining here.

We have talked about the growth model, how it could be shaped, how it could be improved. And we want to make sure that those children are on target to be ready to go to college or enter a career when they graduate from high school, and that they graduate from high school. Easier said than done, but I think the right concept, so that the Federal Government might back out of some of the business of the districts that we are now pretty deeply involved in.

Secretary DUNCAN. That is absolutely philosophically aligned. I think one of the things, one of the big issues, problems, challenges with the current law, is it got fundamentally wrong what you manage tight and what you manage loose. NCLB was extraordinarily loose on the goals. And so, again, those goals got dummied down, 50 different goalposts all over the country. That is not good. Very loose there, but very tight, very prescriptive on how you get there.

I want to flip that literally on its head. I want to be very tight on the goals, have a high bar, college-ready, career-ready standards, again, determined by the States at the local level, not by us; have a high bar, but then give folks much more flexibility and be much less prescriptive about how they get there. Hold them accountable for results as in your example. But we can't, nor should we, be micromanaging 100,000 schools.

I would go further. We need to recognize success. There are so many great schools, great school districts, States that are both raising the bar for all children and dramatically closing the achievement gap. We have to learn from them. Under the No Child Left Behind, there are like 50 ways to fail, but very few awards for excellence. Where we have seen folks knock the ball out of the park

year after year after year working with very disadvantaged children, seeing remarkable results, we need to replicate that, and we need to reward that, we need to clone that as much as we can. And we have a huge opportunity here, I think, to get those things right that didn't quite work the first time around.

Chairman MILLER. Thank you, Mr. Secretary.

I recognize Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman.

And again, thank you, Mr. Secretary, for being here. I want to say again publicly how much I approve, how much I applaud the approach that we are taking at looking at reauthorizing ESEA, the work. And just echoing Chairman Miller's comments, the fact that we are working together in a bipartisan, bicameral way with the White House and with the Department starting with a blank piece of paper to see what we can do is absolutely the right process, and I applaud that and thank you for it.

IDEA. Mr. Secretary, I just look at the numbers, and you know I expressed my disappointment with the previous administration, Bush administration, as well for not funding this in the budget. We have known now for over 30 years that the Federal Government is supposed to provide 40 percent of the excess funding required. Looking back over a 10-year period, in 2000 we were at 12 percent, worked our way up to a peak in the 2005 period of around 18 percent, and this budget shows us at 17 percent.

If we would just meet the Federal obligation, we would help every school in America, every school district, every administrator, every principal, every teacher. Parents all over my district and all over the districts of all of us here would like to see that funded. And in this budget where we need to reach 26.1 billion, we have got 11.755 billion. And in the words of our friend and colleague, the Member of Congress from Connecticut Ms. DeLauro, she says, this is budget dust. And it is, $250 million. It is very, very disappointing.

Mr. Secretary, I heard you just say that there are efficiencies in this budget, saving hundreds of millions of dollars. If we save hundreds of millions of dollars, how could we only get $250 million for IDEA? I am not even talking about other priorities that have gone in here; 1.35 billion for more Race to the Top, 500 million for I3. A billion is just sitting there for an ESEA contingency, 7.5 billion over 10 years to expand income-based repayment options and forth. There are other priorities in here that it seems to me we could have addressed, but just in the hundreds of millions of dollars in efficiencies, we can only do $250 million for IDEA? How can that be? Why did that happen?

Secretary DUNCAN. It is a more than fair question. So I don't think of $250 million as budget dust. I think that is real money. I understand that is nowhere near where you would like it to be. A couple other thoughts on it. As you know, we requested $12 billion through the ARRA Act to increase IDEA funding. About half of that has been spent this year.We anticipate the other half, $6 billion, still being available for the upcoming school year, fall 2010. So there is a huge increase there.

And secondly, as you know, so much of what we are trying to do through Race to the Top and other funding, while it is not direct

to IDEA, all those programs, if we improve education, that is going to significantly improve education for children with disabilities. So between the $250 million increase, $6 billion under the ARRA Act, and all the other grants we want to put out to districts and States, those will touch and improve outcomes for students with disabilities.

Mr. KLINE. Mr. Secretary, thank you for the answer.

We have had this discussion before as well. The stimulus money, if you go out and talk to the school administrators and school boards in schools across the country, they look at this stimulus money as sort of one-time money. They can't use it to fix the program, they can't use it to go out and hire more teachers. That is the reason we need to put certainty in the budget. We have a spike of money that came out of this. Some of it can't be used to be spent in the ways they wanted.

I just reiterate to you that I appreciate the answer, you know. You are defending the President's budget. That is your job. I just want to tell you how deeply disappointed I am, and, I think, schools across the country. There had to be groans from coast to coast when they looked and saw $250 million. And I understand $250 million is money, but in terms of what we need here, in terms of this budget, Ms. DeLauro is correct, it is budget dust. This should have been billions of dollars not 250 million.

I yield back, Mr. Chairman.

Chairman MILLER. Mr. Kildee.

Mr. KILDEE. Thank you, Mr. Chairman.

Mr. Secretary, I enjoyed hearing you read Dr. Seuss to the third-graders yesterday. It is good to see that your are still in the trenches in education.

Secretary DUNCAN. Thank you.

Mr. KILDEE. Last year we had 1.16 billion for the 21st Century Learning Centers. The President's budget puzzles me a bit by proposing to make the 21st century initiatives include extending learning time and full-service community schools. That essentially would cut resources for the 21st Century Learning Centers. Those centers have been very successful, and they go beyond just the educational, intellectual, but the social development of the child. How do you propose to keep those 21st Century Learning Centers healthy and productive?

Secretary DUNCAN. Great question. Obviously I am a huge, huge fan of after-school programming. This is where I normally get booed by students when I talk a lot about the school day having to be longer, and the school week, and the school year. I would love our schools to be open 12, 13, 14 hours a day, particularly in disadvantaged communities. Our students need more than what we are giving them now, and those programs we want to continue to support.

This has caused some confusion or controversy, but what we tried to do is to do fewer things, but to do them well. We have focused our funding in K-12 in sort of six big buckets around innovation; around teachers and leaders, as I have talked a lot about; about a well-rounded education; around making sure students are college- and career-ready; focusing on diverse learners. But the one that is most relevant to you, Mr. Congressman, is around student

support. And that total pot of money, which the after-school money, 21st Century Learning Center is part of it, that is up to $1.8 billion. There is a $245 million increase there. So there are a whole series of things we want to do to make sure our students are safe and healthy and have a chance to be successful. The Promise Neighborhoods money is in there.

I will also say that one thing we haven't talked about that the President made a very unusual statement in his budget, on top of the money we are discussing today, he has requested an additional billion dollars if we pass, if we reauthorize ESEA this year. Part of how we want to use the additional billion dollars is more money for after-school programming. So the total pot there to support students, including after-school programming, is up about 245 million. If we successfully reauthorize, there is a chance for significant new resources to come that direction as well.

Mr. KILDEE. I think we and the Appropriations Committee really have to be focused very carefully, because we have a program—it started when Secretary Riley was Secretary of Education—that has been very, very successful. I visited them throughout the country, and I am very, very skeptical about lessening our help for those programs that have proven. In Flint, Michigan, I tell you, they have saved many, not only a child, but many a family because of that program.

Secretary DUNCAN. Yes, yes.

Mr. KILDEE. I just am very, very skeptical, but I am going to listen more.

Secretary DUNCAN. I hear your concern. Again, to be clear, we requested a $245 million increase, so we don't see anything going down here. We want increased resources there and additional money on top of that if the ESEA passes. So we want to have more students going—staying in schools longer hours, getting the community supports engaged there; not just children, I would argue families as well, parents, GED, ESL, family literacy nights. The more our schools truly become community centers, the better our children are going to do.

Mr. KILDEE. We will continue the discussion. By the way, I appreciate your reaching out to both sides of the aisle in writing this bill. I think you have done really goodwill, and I personally appreciate that. I have been in this Congress for 34 years, and it is good to have a Secretary who does recognize it. The best education bills we ever pass are bipartisan education bills, and I appreciate your work on that.

Let me ask you one thing. You are talking about teacher development and teacher evaluation. Are you meeting with teacher organizations to get their input on that issue?

Secretary DUNCAN. I meet with the leaders of the major national unions on a daily basis. I was with the head of the NEA yesterday. I am with the head of the AFT tomorrow. Their input is hugely important.

Let me just say, everyone agrees, teachers, everyone, teacher evaluations in this country are largely broken. They don't work for adults. I spoke before the AFT convention, I went and spoke before the NEA, I said that, and everybody applauded. Teacher evaluations today generally don't reward excellence. We don't identify the

best teachers. We don't support those in the middle, and we don't weed out those at the very bottom, who, after great support and mentoring, shouldn't be teaching. And if it doesn't work for any adults, it is definitely not working for children either.

So we have a real opportunity to do this together. This has to be done with the input, with the support, with the collaboration of teachers and teachers unions, but where we have meaningful evaluation that helps any of us—this is any profession—grow and develop, and recognizes talent and supports that in the middle, and some folks, if it is not working, being honest about that. We have to get there as a country. There is a huge opportunity here, and everybody wants to work on this. Nobody is defending the status quo, nobody.

Mr. KILDEE. Thank you, Mr. Secretary.

Chairman MILLER. Thank you.

Mr. McKeon.

Mr. MCKEON. Thank you, Mr. Chairman.

Morning, Mr. Secretary. It is good to see you again.

Secretary DUNCAN. Good morning.

Mr. MCKEON. For the job that you are doing, I have just a couple of concerns I would like to address this morning. First I am concerned about a proposal that was discussed during the recent negotiated rulemaking decision surrounding an attempt by the Department to define "gainful employment" in a way that will force closure of many good programs, specifically in the proprietary schools. Has the Department heard about these concerns, and could you detail the analysis the Department has done to examine the impact of the proposal to ensure that good schools will not be forced to close down these very important programs?

Secretary DUNCAN. As you know, we have put out some drafts, and we have had lots of conversation. By no means is this a decisionmaking point. This is a three-step process. There is a draft that is out there. In June we will put out a proposal and get feedback on that, and then we will come back for final rulemaking in November. So we have lots of time on this. I would love to have your thoughts, your input on what the right thing to do is here.

We are by no means wedded to any one direction. We want to make sure students are not being abused or taken advantage of, but we don't won't to be heavy-handed or overly heavy-handed here. So whatever thoughts you have. Placement is important to us, graduation rates are important to us, default rates are important to us, and you want to let the free market play. You also at the ends of the free market want to make sure bad actors aren't taking advantage of folks who are really working to try and improve their lives. I am a big believer in competition, and I think the market will play here, and bad actors will lose business.

So at the very end of the spectrum, I think we need to hold folks accountable, but we don't want to put in place something that has unintended consequences. So if you have thoughts or ideas in this, we are more than open, and, again, we have lots of time here to work this thing through.

Mr. MCKEON. I appreciate that, and I will be contacting you about those concerns.

I know No Child Left Behind has some detractors, it has some champions. No bill is perfect. But I thought one of the good things that came out of No Child Left Behind was the supplemental education services. Now, the administration has provided numerous waivers to States and school districts, and one of the concerns I have is that the administration's opposition to SES is restrictive to some by granting these waivers to some of the schools, and that it causes some low-income and some people that benefit greatly from that program that can't use the services or can't make them available. So I am wondering why is the Department doing this through waiver and circumventing the Congress? Why don't we wait and address this during the reauthorization process?

Secretary DUNCAN. Let me just be very, very clear. I am not at all in opposition to supplemental services. In fact, you will be hard pressed to find a bigger advocate for tutoring and more time than me. My mother has run an after-school tutoring program for 49 years now. I ran an after-school tutoring program for 6 years before I joined the Chicago Public Schools, and so this is in my DNA.

Sort of thinking out loud here, what I philosophically think is that, you know, should we be mandating this, or should districts have an opportunity to use their resources in the best way to help students improve? And again, should we be from Washington saying, you have to do this, or should we be saying, here is the pot of money; if this is the right way to do it, go ahead and do it? If you have a better idea, we will hold you accountable for results, you do it.

You may remember a couple of years ago when I was on the other side of the law, I fought the Department of Education like heck because they were refusing to let me tutor. I had tens of thousands of poor children who were below grade level, and the Department was trying to tell me I wasn't allowed to tutor. And fortunately, we had data that showed that we were doing it at about a third of the cost of the private providers, and that our results—we had objective, quantifiable data that showed that we were getting better outcomes for students than about two-thirds of the providers—my numbers wouldn't be exact—the majority of providers we were doing a better job at about a third of the cost. I always will thank the previous administration for finally, after a bit of a battle, seeing the light and letting us help literally tens of thousands of students who would have been denied.

So I am going to be very, very clear. I am absolutely for tutoring, I am for accountability around it, and I am for results. Where districts have Title I money, whatever money they have, if this is the right—you know, good actors should get business, nonprofits, for-profits districts; bad actors should not get business. And I want to empower local education to figure out what the right thing to do for their children is.

I don't know if that answers your question. I want to be very clear how I am thinking about this issue.

Mr. MCKEON. I know that that is where you are, because we have had discussions about this before, and I have heard you talk about your DNA and how this is so important to you. My concern is that there may be others in the Department that don't have quite those same concerns, and I know that there is at a local level

conflict between the unions wanting to keep the SES out, or make sure that they get the money, that their teachers are the ones that are doing all that work. So I just appreciate you maybe looking into that and seeing that some aren't being deprived of that.

Secretary DUNCAN. I will. And let me just—so hold me accountable on that. Let us continue the conversation. I will be very clear. I don't think this is the unions fighting the providers. Let me tell you what happened. What was the irony of this in Chicago, we checked all this, the overwhelming majority of folks hired by the private providers were actually union teachers. They hired them and paid them what we were paying them. The difference was we weren't taking any overhead, we weren't making a profit. The private providers were making a profit. Some were doing a good job, some weren't doing a good job, but every dollar that went to their bottom line was another child in a desperately long waiting list who didn't have an opportunity.

So this is not the union's opposing this, these are union teachers getting paid to the dollar what we——

Mr. MCKEON. It is in some areas.

Secretary DUNCAN. Okay, okay. Got it.

Mr. MCKEON. Thank you, Mr. Chairman.

Chairman MILLER. Thank you.

Mr. Payne.

Mr. PAYNE. Thank you very much. Good to see you, and I wish you continued success.

We talk about the President's goal to lead with college graduation by the year of 2020. I am wondering how we are looking at programs like TRIO and GEAR UP in support of the goals. Are these programs still being embraced in your budget? I didn't get a chance to go through it that specifically, and I actually would be suggesting perhaps increases in those programs. Tell me where you stand on that.

Secretary DUNCAN. Yeah, I am a big fan and supporter of TRIO and GEAR UP. There have been a couple of things, there has been some rumors and numbers out, that somehow those numbers decreased.

Let me give you our numbers here. The numbers actually went up between TRIO and GEAR UP in 2009 by about 6,100 students. It went up, so from 738,000 to roughly 747,000. So there has been some significant increases there.

We want to support students going on to college and to graduating. We have as part of the SAFRA bill that you guys have passed, and appreciate the leadership and support of the Senate, $2.5 billion in the College Access and Completion Fund. There is a chance for these programs to continue to grow and expand. And so again, we want to find ways to provide support particularly for disadvantaged students to not just successfully graduate from high school and not just go to college, but graduate at the back end. We are programmed to doing a great job at that. We want to continue to support that.

Mr. PAYNE. In the same vein, and maybe we are reading your budget incorrectly, but I think you proposed the elimination of funding for the LEAP program, and, of course, as you know, many States are certainly struggling. And I am just wondering if that is

true, and why at this point would—I know everyone is cost-conscious, but why would you move in that direction at this time?

Secretary DUNCAN. What we are looking to do is, again, bucket programs in these larger buckets. Naturally we increased funding in every single bucket that we did. So around college- and career-ready students, there is a $354 million increase there. So we are trying to put more money behind programs that are working, but consolidate them, but some places compete them out. So programs can demonstrate success, we are going to put more resources there. Where things aren't working, we want to move them elsewhere.

Mr. PAYNE. Thanks. And I agree with you in the Leave No Child Behind. When you called a school a failing school, there was supposed to be a component that it would show the yearly annual progress, I guess. However, and actually students were supposed to have, failing students, a plan for that individual student. I wonder have you looked into being able to urge the educators to do those plans that are supposed to be for each failing kid?

Secretary DUNCAN. It is a great question. And the thing that has most troubled me with what I call this dumbing down of standards is there are lots of students who have worked hard, and they have been told by districts and States that they are on track to be successful. What I honestly think, Congressman, is that we have lied to those children; that in many places these standards have been so reduced, those students that are hitting the State standard, this proficiency level, because the bar is so low, they are barely able to graduate from high school, and they are totally inadequately prepared to be successful in college.

We have to stop lying to people. And so if we have a higher bar, we need to be very clear about college- and career-ready standards coming out of high school.

And then to your point, we need to back-map that, this is what these 48 States, Governors, State schoolteachers are doing, their work, not ours, being driven to local levels, which is exactly what should happen—we need to back-map that to eighth grade, fifth grade and third grade so that our sons and daughters know what their strengths and weaknesses are, are they on track, or are they not. Where they're on track? Great. Where they're behind? The child, the parent, after school, the teacher needs to work together behind that. And we have not had those honest conversations. By doing that and getting it to the individual child student level, we have a chance, I think, to get much better results over the long haul.

Mr. PAYNE. Quickly before my time expires, there is—I have seen a lot of attention, of course, to charter schools. I know that is one of the big moves in this administration. However, I have seen less interest, it appears, in failing public schools and really concentrating on that. Now, the charters, you know, you are going to get the parents who have the initiative. You know, in charter schools, if one sibling is in it, the other automatically gets in it. The failing schools just become more chronically bad. And I just think that they are not going away. And I believe that as much attention has to be put into—I would like to see some of those charter school people take the failing public school that everybody is still at and make that successful.

Charter school can be successful, no question about it. And actually Seton Hall University, which I want to give you a proposal, has a plan where they want to take failing schools, work with the teachers union, and keep the kids right there where they are and make them successful, rather than cherrypick and send them to the new charter schools that we see going up all around.

Secretary DUNCAN. It is a great point. And to be clear, I am a fan of good charters, not a fan of all charters. Some charters are great, and some charters are part of problem. I have been very clear with the charter community around that.

We are putting $4 billion behind turning around the Nation's lowest-performing schools. We all have to get together behind this. We all have to say where we 50, 60, 70 percent of students dropping out, they have no chance of chasing the American dream. There are no good jobs out there. All of us have to get in the business of turning around these schools. District, universities, States, charter organizations, unions, all of us have to step up to the plate.

There is a tiny handful of charter groups who are actually doing this. Green Dot in Los Angeles took over a charter school, took over a school, kept all the kids. I think in the first year attendance went up for the students about 12 percent, which means students were going to school about a month more. Mastery Charter in Philadelphia took over a school. It was the second most violent school there. Violence basically disappeared. They went in 2 years from 7 percent of students in seventh grade math at proficiency levels, to about 54 percent, like a 700 percent increase, same children, same socioeconomic challenges.

So charters can be part of the solution, but all of us have to be part of the solution. Charters can't begin to do this alone; they don't have the capacity. States, districts, unions, nonprofits, charters, all of us have to step up.

And to me it is a manageable number. Every year we should be taking those chronically underperforming schools and doing something differently as a country, as a Nation. If we do that, these students in very, very tough communities will perform exponentially better. This is hard work, it is tough. This is the hardest work, I would argue, in America today.

Folks often think, too, it is an urban issue. We talk about 2,000 dropout factories, about half are in urban areas, about 20 percent are suburban, about 30 percent rural. This is a national challenge. So we all have to think about this, and the answers have to be local levels. It would be very, very different situation by situation, case by case, but we have to do something. We can't just stand on the sidelines and continue to see these things happened.

Mr. KILDEE [presiding]. Governor Castle.

Mr. CASTLE. Thank you, Mr. Chairman.

Mr. Secretary, my first question is a little bit off anything you talked about, but I wandered around and looked at many programs supported by businesses in this country, not just in Delaware, but all over the country, too. And I watched the charter movement particularly in my State, and some of our best schools now are charter schools. Others have had to give up their charter as charter schools because they sort of basically failed.

My question to you, is your research arm or is anybody in the Department trying to collate the information about what these business programs are that work? I am not talking about regulating them or anything like that, but just trying to find out what works in the charter schools, what works in some of these business programs that are offered as a matter of understanding and knowledge so that others could borrow from that in the regular school system?

Secretary DUNCAN. We are trying to do it. To me, again, it is not just—so there are, again, very high-performing charter schools, and there are mediocre charter schools, and there are charter schools that should be closed, all along that spectrum. And the same is true for traditional schools. I have argued in our country we just need more good schools of every form and fashion, but particularly more good schools in communities that have been historically underserved.

We are trying to track that where I am spending lots of time looking at high-performing, high-poverty schools. And so we have lots of schools that are 70, 80, 90 percent poverty, students living below the poverty line, where 80, 90 percent students graduate, and we are really beating the odds. And some of those might be charter; some may be traditional.

So I think there are huge examples. Again, that is one of my frustrations historically is for all of these challenges, we have never had more examples of hope. We have never had more examples to understand not because of one miraculous child or one miraculous teacher, but year after year these schools are betting the odds.

So we have to—to your point, we have to learn from them, so we do have folks looking at those schools, what is happening there, what are the core strategies, how do we replicate that success. At elementary, middle schools, high schools, we have across the country people doing extraordinary work every single day.

Somehow we have been scared to talk about success. We have been scared to talk about excellence. I don't understand that. I think there is so much we can talk about with these high-performing schools. What they do is they put the lie in and the myth that poor children can't learn, that children in disadvantaged communities can't be successful. I think we have to be very open and have those tough conversations.

Mr. CASTLE. You and I discussed before and this committee has discussed before what the States have been doing in terms of the Governors getting together with respect to standards, and I assume assessments to some degree. Can you give us an update on all that? This may lead to national standards from the States up, not from the Federal Government.

Secretary DUNCAN. They can't, and, again, to address Mr. Kline's concerns, if they are national or Federal standards, this thing dies. It should always be driven at the local level. We should not be touching that. We should not be touching curriculum. I couldn't agree more.

The fact of the matter is this is being led by 47 Governors and 48 State school chiefs. It is interesting. You guys who follow this know 3 years ago this is probably a third rail; you couldn't talk about this. But you have the leadership at State level, you have the

heads of both unions absolutely supportive, pushing very hard in this direction. You have the business community who has been begging for this for years. You have great nonprofits like College Board and Achieve who are behind this, so this is an idea whose time has really come.

I met two weekends ago with Governors from around the country, NGA, to see their level of enthusiasm, bipartisan and Democrat across the country, keep working hard together, I can't tell you how encouraging that is.

To your point, once you have—and they are still getting there. Kentucky has been the first State to adopt, which is great, and other States are now following suit.

Once you have a higher bar, then you need to have better assessments, more comprehensive assessments behind that. Our concern was that States would have the courage to do the right thing in terms of standards, but, because they are under such huge financial pressure, would not be able to get better assessments behind a high standard. So we took $350 million from Race to the Top, carved that aside, and we are going to put that out on a competitive basis to groups and States who want to work to create better assessments. So they won't be our assessments, they won't be Federal assessments, they will be assessments driven at the local level. And so we try to remove the financial impediment to getting there.

So this is going to take some time, and there are some transition issues we have got to work through, but over the next couple of years, if we could look every child in the country in the eye and say that we have real college-ready standards for you, and we have much more thoughtful, comprehensive assessments behind that, that is a huge breakthrough, huge breakthrough.

Mr. CASTLE. You spoke about teacher quality, a question or two about that. Do you support alternative certification of teachers in whatever way you might support it? And I have heard you talk before about teacher colleges of education and the fact that they perhaps need to do more in terms of both preparation and who they are attracting and that kind of thing. I would be interested in your comments how we could improve teacher quality.

Secretary DUNCAN. So schools of education, we have hundreds and hundreds of schools of education. You have As and Fs and everything in between.

I will tell you, I traveled to 37 States last year and talked to hundreds and hundreds of teachers, new teachers, all teachers, veteran teachers, you name it. The consistent theme I heard from teachers, again urban, rural, suburban, across, was two complaints or two issues they had with their own schools of education, their own preparation. One is they felt they generally did not have enough hands-on training. They weren't in classrooms with real children enough. Too much around philosophy and history of education; not enough about how to manage this classroom of children.

Secondly, there has been this outpouring of innovation over the past 5, 10 years in terms of real-time data that is helping teachers improve their instruction on a daily basis and differentiate instruction. Teachers' jobs have never been harder than they are today. You have a huge range of students' abilities coming into your classroom, and how with 28, 30, 34 students, how do you teach that

wide range? You have to differentiate instruction. There is all this great data now that helps you understand each child, where they are, what is working, what is not.

Almost none of that data-driven instruction training is going on in schools today. There are great teachers who have all learned on the job; and they are questioning, why didn't I get that at the front end? So those two things, more hands-on practical work in classrooms, and, secondly, much more data-driven instruction training are the two major issues that I've heard almost universally around the country.

In terms of alternative certification, again, to me, I always think these are false dichotomies. We just need more great teachers coming in. And we are in a tough time now with the tough economy and teacher layoffs. I am very concerned about that.

But if you look a little bit over the horizon, over the next 6, 8 years, we could have as many as a million teachers retire. We have the baby boomer generation that is going now. And so our ability to attract and retain great talent over the next 5, 6, 8 years is going to shape public education in this country for the next 30 years. It is a generational shift.

Whether it is through alternative certification, whether it is through traditional schools of education, we just need to find out how we get the hardest-working, most-committed teachers into the classroom and then, more specifically, into underserved communities.

Let me give you one example. I am sorry I am going a little long here, but I keep citing this example.

In Louisiana, they are tracking the data from hundreds of thousands of students back to tens of thousands of teachers and from those teachers back to those teachers' schools of education or the alternative certification in the past, wherever they came from. And so, in Louisiana, they can tell you which schools of education are producing the teachers that are producing the students that are learning the most. And what you are having is you are having schools of education change their curriculum based upon the results of their alumni's children.

This is not about gotchas. This is about continuous improvement. And we have one State doing it. You have other States moving in that direction, but Louisiana doesn't have some patent on some of the amazing technology that the world can't share. They have simply had the courage to say that teachers matter tremendously, and we want to understand which teachers are working well. And schools of education have said, hey, this is a chance for us to get better. This is an idea, I think, again, why do we have one out of 50? What are we missing here as a country?

Mr. CASTLE. Thank you, Mr. Secretary.

Mr. KILDEE. Mr. Andrews.

Mr. ANDREWS. Mr. Chairman, do we have a before-the-gavel rule? Because, if we do, I think I would be cutting ahead of some other people.

Mr. Secretary, thank you.

First of all, I appreciate your interest and your remarks about higher education, for trying to find ways to achieve value added quality for students; and I look forward to working with on you

that. I think that we will be guided by the principles of having a functioning free market work, where one exists so people can vote with their feet and choose the best course for themselves and where quality is measured, rather than some rough or inaccurate proxy for quality. I look forward to us being able to do that.

I want to ask you a question about K-12 education, and thank you for your contributions there. What changes do you think we should consider in the supplemental services area? My observation about No Child Left Behind is that we have not really fully exploited the opportunity to improving learning for children and quality of schools by getting the most bang for our buck in supplemental services. What kinds of innovations would you like to see us consider there?

Secretary DUNCAN. I think the biggest thing over time, as I have said repeatedly, is that we have to continue to extend our time. I think our 6 hours a day, 5 days a week, 9 months out of the year isn't enough for our children; and children in India and China who our students are competing with are just going to school longer.

I think our students are as smart, as talented, as committed, as ambitious as anyone else in the world. I want to level the playing field. My concern is that we are putting too many of our children at a competitive disadvantage.

So how we think about schools as community centers, as Mr. Kildee talked about, how we think about doing great tutoring after school, weekends, summers for students, again particularly disadvantaged students, I think we have to be much more thoughtful in doing that. What I think, ultimately is we need to look at those providers, districts, nonprofits, for-profits, whatever, who are demonstrating an ability to accelerate the rate of growth.

You have phenomenal players who are doing a great job; and, you know, they should have a chance to work with more children. You have other players that, frankly, are, you know, driven more by profit than by student learning; and they are part of the problem.

And so I think just being—it is not too dissimilar to the higher ed point you started with. Where you have good actors, that is great. Where you have bad actors—let's be honest about it. The thing to me is we have so many children who have so far to go. When we talk about college and career-ready standards, we are talking about raising the bar dramatically. We are not there in far too many of our Nation's States today. If we raise the bar, we are going to have to work harder, we are going to have to work faster at a time when resources are really constrained. How do you get there? You have got to work smarter. That is what I am looking for.

Mr. ANDREWS. We know, given your track record, you will accomplish that.

I want to ask you about a vexing problem that has vexed schools and educators and children, which is the proper calculation of AYP for students with disabilities, children who are classified under the IDEA. There is no one in this committee on either side that ever wants to deprive a child with a learning disability issue of the absolute opportunity to achieve his or her absolute maximum poten-

tial. We never want to define limitations or failure for these children and then have that become a-self fulfilling prophecy.

By the same token, we want to be cognizant of a fair evaluation of our schools so that we are not holding schools to unrealistic standards. A number of schools in my State and my district are not achieving AYP because of that one indicator, because of the special ed indicator. What would you like us to consider with respect to striking that proper balance between student achievement and fair evaluation?

Secretary DUNCAN. These are really powerful questions. And as we think about reauthorization, again, the bipartisan support has been phenomenal in the sense of momentum. You could make a pretty good case that the toughest issues we have to grapple with is how you fairly evaluate students with disabilities and how you fairly evaluate English language learners. We are spending tons of time talking to national experts to try and get this right.

I will tell you the two extremes, neither of which works. One is which you don't hold these students or teachers accountable for their progress. And there was a time in which these students were swept under the rug and people thought, well, if you learn English or you had a disability, you couldn't learn. That would be a disastrous outcome.

Mr. ANDREWS. We don't want to do that.

Secretary DUNCAN. Nobody wants to do that.

The flip side is when a student, again ELL or special ed, is taking an assessment which they can't comprehend. You don't want that either.

So how do you hold folks accountable with an assessment that makes sense? That is the middle path, I think, the commonsense, logical path, have a high bar for students but make sure that they have a real chance to demonstrate their skills and knowledge in that assessment.

I have two people on my team who I am relying heavily on their counsel on this. Alexa Posney is working on the IDEA side. She is the former State School Chief in Kansas, extraordinarily thoughtful on this issue, phenomenal credibility, and her counsel I am going to listen to very, very closely.

On the ELL side, the woman who is in charge of my K-12 agenda is Thelma Melendez; and she was told along the way that college probably wasn't for her. And she has lived it. This is personal. And she went on to do okay and get a doctorate and was an award-winning superintendent, superintendent of the year in California.

So these are people who—this is a passion, and we want to get this right. I think there is a commonsense middle ground. We want to get as close to that as we can. And, again, we are going to work with both sides and with community leaders on these issues to fix what is broken but, again, maintain a high bar. That is really important to me.

Mr. ANDREWS. Thank you, Mr. Secretary. I appreciate it.

Thank you, Mr. Chairman.

Chairman MILLER [presiding]. Thank you.

Mr. Souder.

Mr. SOUDER. Thank you, Mr. Chairman.

Mr. Secretary, I would like to make a few comments, and then I have an information request and one simple question at the end.

This is a real struggle for some of us. On the one hand, I agree with many of the things you are proposing to do, whether it is teacher performance measurement, accountability, forms of school-based management, public school choice, a lot of the things you say and how to measure. On the other hand, as a conservative, I don't believe these—I am not part of the Federal School Board; and the real question here is, is this the position that the Federal Government should be taking?

Similar disconnect on, in Indiana, right now, our big talk is the budget is tight. The governor has cut back. We see schools laying off teachers. We see them closing down schools. And we come out here, and we are hearing how we are going to spend more money. And we are going to spend money on this and spend money on that, when our deficits are far bigger than the State deficits. And there is an increasing disconnect between Washington and the grassroots. They are glad for the money, which leads me now into some substantive points here, that you have paid tremendous lip service—and I believe it is sincere—to local leadership and that education should come from the local.

But two phenomenas are occurring here. One is that there is a desperation for funds and, therefore, the Race to the Top is having a disproportionate steering of local, even if it is the right thing to do, than has ever been done before.

In Indiana, we don't know if we are going to get the funds. Yet the bulk of the school districts are racing to implement, hoping they can get a few dollars out of the Federal Government.

So the lip service saying this is local really isn't true right now. They are redoing at the Federal end.

The danger here is not your specifics. The danger is that many of us don't believe that you cannot have manipulation of curriculum, that you can ever have a long term, not whatever the latest fad is, for professional development, that when we get into whose favorite program is going to be done, the more it gets consolidated, the less diversity there will be, and that whatever the latest fad will be looking 10 to 20 years from now the Federal Government will have usurped that power.

Somebody who doesn't agree with your approach, which is more the American Federation of Teachers approach than NEA approach—historically, over the last 25 years, look at Miami, Chicago, places that had AFT they were more flexible in these type of things. And if we go back to the old approach but now it is consolidated, we won't continue to innovate and we don't do the things.

That is a philosophical question.

Then a point I just wanted to raise to you, because it is a dilemma that is a true dilemma right now because, in effect, we are seeing a consolidation of approach, even though you are giving flexibility to reach some of those goals.

Another part of that is that States that are actually implementing things in—last night, the two largest districts in my biggest county, second largest district in the State, Fort Wayne, announced they are closing one of the historic high schools, Elmhurst, that all teachers would be up for review. They have moved the

principals from a number of the schools that they felt needed to be moved. They are implementing the programs now. The second largest district, the most diverse district in the State of Indiana, announced they are going to have to cut teachers, probably close multiple schools and do this.

When you do your funding, I think it is important that if you—because you earlier said the reason that many States are resource-challenged and they are struggling with that, that those States that are taking the hard actions not even knowing whether they're going to get a dime from you aren't punished in the process. Actually, they are implementing the programs.

Because let me say this now from your standpoint. If the States that have implemented the programs don't have adequate resources, the research is going to show they didn't work partly because they didn't have the resources. And some of—as you go through this decision process, if you will look at the school systems that are really doing it and are committed and are actually doing it before the money, they are your most likely chances to see that something works. And I hope that you will take that into consideration in the process.

Because, look, Fort Wayne, I am not going to pretend like the superintendent is a big supporter of mine or the teachers' unions are a big supporter of mine, but they are doing some very innovative things and they should be looked at very closely because they are making really tough decisions.

Now, a quick information request. On the student loan program, you have in your budget on July 1 that there will be the flip. Some of us question whether that flip will occur in a good way. Many of the universities don't want to do that. So could you provide me with the documentation that outlines past, present, future action to make sure that no students will go out without loans if that is not passed, in other words, that you haven't presumed something and are forcing people if it is not the law?

And then, lastly, a quick question on, in the bill, family therapists are not currently allowed in the mental health area, whether it is mental health service providers, pupil services, or school counseling. This would just be an allowable use, not additional money, but I think it is important when we deal with mental health, and I want to know if you support that.

Secretary DUNCAN. There is a lot there. Let me try and run through the answers.

On direct lending, we are not presuming anything. We just want to be prepared. And we think, again, this is a chance to stop subsidies to banks, as much as $87 billion, and dramatically increase Pell Grants and Perkins loans and tuition tax credits for hard-working American families whose children desperately want to go to college and they feel they can't afford it. It would also enable us to invest about $10 billion in early childhood education, which we could make a pretty compelling case this is the best investment we could make, all this without going back to the taxpayers.

We simply want to be prepared on our side. Due to the private market collapsing over the past 2, 3 years before we got here, it has gone from about 1,000 universities participating in direct lend-

ing to over 2,300. So it has more than doubled again before we did anything just because, you know, folks needed us.

So we think this is the right thing to do. There is a huge opportunity here to dramatically increase education investment, again, simply by stop subsidizing banks and cutting out the middleman. The private sector will have 100 percent of the loan servicing business. We don't think we should be in that business. We don't think we are any good at it. We think the private is absolutely the place to play. That is a huge and growing market. Good actors will get more business; bad actors will get less business. But if we can make college dramatically more accessible and affordable for millions and millions of Americans going forward we think that is the right thing to do.

It is interesting, on Race to the Top, what we have tried to say is that a few things are important. Having high standards matters. Being transparent around data matters. Great teachers and principals matter, and being tough minded when schools aren't working and having those honest conversations matter.

What we have tried to do to sort of alleviate or to address some of your concerns is what we want to do is, whether it is Race to the Top or School Improvement Grants, or Investing in Innovation Funds or Teacher Incentive Funds, all we want to do is put money behind those places that had the courage, to your point, and the capacity to deliver better results for students; and that's going to take many, many different forms and fashions.

We are not going to come up with a playbook. We don't have the playbook. But where folks are raising the bar for all students and closing the achievement gap, we want to take those innovations to scale. And so where a district is showing great work with 1,000 students, let's take that to 2,000. If a State is working with half their kids in a way and wanting to reach every child, let's get there.

So what we want to do is use our—and we have been absolutely blessed to have this opportunity—use these resources to put it behind districts with the courage, the capacity, and the commitment to get better results for students. So it is not our ideas. It is simply investing in that local work to take the scale.

To your point, districts have never been under more financial duress; and so my worry is that they have a good idea and they can't move it. We want to put the resources behind it to do that. And, over time, where they continue to demonstrate ability to close achievement gaps and raise the bar we will keep funding them. If those things stop happening, we will take that money and go someplace else. And so that is just so you understand sort of where we want to go.

I will say many, many districts on Race to the Top, many States, again, everyone desperately wants the money. No question. I can't tell you how many conversations I have heard with folks in all candor saying to me, yes, we would love the money.

What has happened in the conversations we have had and the movement we have had, regardless of whether we get the money or not, we have moved light years from whatever would have happened before. And whether we get the money or not, we are going to keep moving. This sort of unlocked what needed to happen in

some of these honest conversations. The amount of silos in education are staggering, and just getting folks to the table and talking has been hugely beneficial. We are going to have a very high bar in terms of who we fund, frankly, a lot more losers than winners.

We will come back with a second round. We are proposing another $1.35 billion in next year's budget, fiscal year '11. To come back with a third round. So we want to keep coming back. With the movement you have seen in the States before spending a dime, I would say you haven't seen that kind of movement in decades; and that in and of itself is of huge, huge value.

Chairman MILLER. Mr. Secretary, we only have you—we have a memorial service at 11:00, and we agreed that you would leave then. Mr. Scott is next, so we will try to do as many members as we can, but we're kind of——

Secretary DUNCAN. And I will keep my answers to 5.

Mr. SCOTT. Thank you, Mr. Chairman.

Thank you, Mr. Secretary.

Mr. Secretary, in the last Congress, we passed the Higher Education Reauthorization Act, which included a provision for modeling and simulation programs. In the last appropriations bill, we funded the program. It requires the Department to appoint a board, develop a curricula, and fund existing programs and new programs. Can you tell me what the status is in the administration? Can you tell me that now or in writing later? Would you rather do it in writing?

Secretary DUNCAN. Absolutely. I will get back to you on that.

Mr. SCOTT. Okay. We also passed in the House the Campus Safety Act, which would provide funding for a Center for Campus Safety to prevent and respond to acts of violence on college campuses. It passed the House in the last Congress. It passed the House again in this Congress, and it has been sitting over in the Senate. Can we get some help from the administration to see if we can't pry it out of the Senate so that when acts of violence—so we can prevent acts of violence and respond appropriately?

Secretary DUNCAN. I will check on that for you, yes, sir.

Mr. SCOTT. At the Budget Committee, you responded to the situation of the TRIO programs. There is some concern that the TRIO programs' budgets and the fiscal year budgets do not correspond, and there is some concern that 187 programs that were funded in the reconciliation bill a few years ago may lose their funding before—if we don't do something this year. I think it is the Department's feeling that if we deal with it next year there will be no gap in coverage. Is that still your——

Secretary DUNCAN. That is correct, and I will reconfirm that. And the bottom line is those 187 programs are absolutely safe now. We will continue to work with that.

Mr. SCOTT. That is fine. You also indicated—I thought you said an increase in students for TRIO and GEAR UP. Is TRIO not flat funded?

Secretary DUNCAN. Yes. TRIO and GEAR UP are flat funded. The number of students actually increased last year that were served. There has been some debate that the number of students

went down. That is actually not factually correct. It went up about 6,100.

Mr. SCOTT. Well, that says more could be served with Upward Bound, which is a more comprehensive program, and Student Support Services, retention in college. If we could get that number for TRIO also increased, I think that would be helpful.

You have been very articulate on the need to eliminate the achievement gap. Can you say a word about how the budget and policies will reduce the achievement gap, particularly with dropouts?

Secretary DUNCAN. Yes. While Race to the Top has gotten all the press and attention so far, what folks haven't focused enough on are the School Improvements Grants and $3.5 billion going to School Improvement Grants. Race to the Top is supposed to help all schools in the State or as many as the State applied for. School Improvement Grants are focused just on those bottom 5 percent of schools across the country. So we are putting a huge amount of money by formula out to every single State, and so there are unprecedented resources. So what we are saying is, where things aren't getting better and we have dropout rates of 50, 60, 70 percent, we have to do something dramatically different; and we are putting our money where our mouth is and putting, you know, huge—tens of millions of dollars, in some States, hundreds of millions of dollars out there depending on State size to see us break through here.

For all the huge challenges we face, again, we have never—I don't think we have ever had more high-performing, high-poverty schools. So we know what is possible. And so we want to learn from them. We want to replicate those successes, and we want to put a lot of money out there. I think if we are serious about closing the achievement gap we need more time for students. And great teachers, great principals matter tremendously. You have got to close the opportunity gap.

Mr. SCOTT. And we thank you for visiting one of those success stories in Newport News.

Secretary DUNCAN. Achievable Dream was one of many schools that has just blown me away. And am I correct that the achievement gap there is basically nonexistent? Is that an accurate statement?

Mr. SCOTT. That is right.

Secretary DUNCAN. And what is the poverty rate of that community?

Mr. SCOTT. I think just about everybody is on free and reduced lunch.

There are some dropout factories that are achieving AYP. Can we be assured on reauthorization that no school with a dropout rate of 50 percent will be designated as adequate for yearly progress?

Secretary DUNCAN. Yes, sir.

Mr. SCOTT. And on charter schools, one of—there are some good and some bad. I heard a statistic that 80 percent of the charter schools are either the same or worse than the comparable schools. Is that not right?

Secretary DUNCAN. There are lots of studies out there, often with competing numbers. I am not familiar with that number.

I would tell you one study that was interesting, because there are some legitimate concerns at some charters maybe the parents are more involved or high functioning, so there is some selection bias. There is one interesting study that I looked at that came out of Stanford that tracked—many charters have long waiting lists, and some students get in, and many don't get in, so it is sort of a little bit more of an apples to apples comparison. And they looked at—the researcher looked at students who all were on the waiting list, some who got in and some who don't, so trying to remove that selection bias.

And that study—and this is just schools in New York City, so it is one example. Again, there is a big country out there. But that example showed that students who actually got into the charters from the waiting list performed better than those who did not.

But I think, you know, charters are very uneven around the country. I think you need a high bar in terms of who you allow to open a charter school. This cannot be let a thousand flowers bloom. Once you have that high bar and select someone, you have to hold them accountable for results, and you have to give them the autonomy to get there.

So those three things: high bar to entry, true accountability, real economy. When you see those parameters in play, those structures in play, you see better schools. Where you don't have those things in play, I think charters just perpetuate what is already out there.

Chairman MILLER. Mr. Guthrie.

Mr. GUTHRIE. Thank you, Mr. Chairman.

Thank you, Mr. Secretary for coming here. We met in the National Airport not long ago. I appreciate your willingness to work, and achievement gap initiatives that you have talked about are real important to me as well.

I think hearing that we are going to be focusing on the No Child Left Behind reauthorization this year I think would be good that we all work together. So I appreciate that and really offer my services to do that and some ideas.

I have been meeting with superintendents, I have been meeting with teachers, and they have a lot of good ideas, practitioners, and so we will bring that together.

On the higher ed Direct Loan and FFEL program, the question I have, the money, as I was really looking at the bill when it was before us—it has been a little while—but the $87 million is being spent. A good part of that money, if I understand, is that the Federal Government borrows at a cheaper rate. Therefore, the Direct Loan program can borrow money at a cheaper rate but still lends to students at the same rate. And I would have been more inclined to have supported that if we had made it a reduced interest for people to borrow to spend.

It did move money into the Pell program, which made college more affordable. Because I can tell you the biggest fear for most people that have a moderate income to higher income in my district, there is a lot of help for people with lower income, is just the affordability of college. I mean, that is the main thing on their mind.

And then just specific—and Mr. Souder hit it just a little bit—is a big concern I think there are people moving into the direct loan program now that anecdotally say, we are just worried about what is going to happen in July. And I spent all of August—and it didn't get a lot of publicity because other things happened in August. But the Cash for Clunker program—which I voted for, so I tried to work through the answers with—but people saying, I can't—nobody will take my phone call. I have sold a car. Am I going get paid for it? And I can see students in August going, well, is my Pell in place? I mean, how are we going to prevent that from happening? And if we get to that point would y'all support maybe extending to get through that point until we move forward?

Secretary DUNCAN. What I would say again is that what folks don't understand is over the prior 2 to 3 years we have gone from 1,000 universities participating to 2,300 universities participating, more than doubled our interaction. I don't think you have heard a peep. I don't think you have—you know there hasn't been any huge stories about lack of service or lack of whatever.

Our FSA unit, I think, has extraordinary leadership. Brought in Bill Taggart from the private sector, who I have tremendous confidence in. I am absolutely holding him accountable for gearing up and preparing. His team has been working unbelievably hard to do this. If you are hearing that we dropped the ball or a phone call isn't returned, they have been doing training out around the country.

Mr. GUTHRIE. I am sorry. That was the experience with the Cash For Clunker and the Transportation Department. I am just hoping—I was just bringing that up as an example. I have not heard that from your group.

Secretary DUNCAN. So hold us accountable for results. And if you are hearing something is not working, please come to me directly. We understand this transition and what a big deal it is, and we want to make sure we do this absolutely as smoothly as is possible.

And, again, part of the reason I am confident that we can do this well—we won't do it perfectly. We will make some mistakes—is again I am seeing this mass migration our way anyway with the private sector collapse, and so far that has been handled I think exceptionally well.

Mr. GUTHRIE. But everybody is going to be moving into the program over the next few months if the bill I think it passes through the Senate, so your volume is going to——

Secretary DUNCAN. Many people already have. That is my point. Many people already have. There is not going to be a huge—there is some additional movement, but this movement has started, you know, again, 2 or 3 years ago.

Mr. GUTHRIE. Right. Thank you.

I yield back.

Chairman MILLER. Ms. Woolsey.

Ms. WOOLSEY. Thank you, Mr. Chairman.

Thank you, Mr. Secretary.

First of all, I would like to echo Congressman Kline's request to fund IDEA. This is across the board for all of us.

Secretary DUNCAN. Yes, ma'am.

Ms. WOOLSEY. Mr. Secretary, charter schools have been a successful experiment. It was intended to identify new methods in learning and teaching and with the idea—when charter schools, when we first started this, when I first got elected 18 years ago, the idea was to integrate these successes and learn from what worked and didn't work into the public school system. The idea was not, Mr. Secretary, to result in the third rail of education to compete with public education and, as usual, leaving the kids most disadvantaged and the districts most disadvantaged and most in need to the public school system.

So my question to you is, as we reauthorize ESEA, are we going to be committed to ensuring that there is the additional support funds, support necessary to incorporate the best learning practices and methods and systems that are available for every child and those that are actually being left behind? Because, Mr. Secretary, some districts, some students are considerably more in need of support when they enter the classroom. They aren't fed well. They're scared. They don't have parental stability. They need supplemental services.

I always say this. It kind of goes, duh, nobody quite knows what I am talking about. But you can't work smarter, you can't put together a system or a product if the individual parts are flawed. And I worry that we are going to take flawed parts and insist that even the best of teachers are able to meet our standards.

Secretary DUNCAN. I think if children are scared, they can't learn. If children are hungry, they can't learn. If children can't see the blackboard, they can't learn. And so those foundational things—glasses, clothes, food, safety—we absolutely have to address those openly and honestly.

When I ran the Chicago public schools, we fed tens of thousands of children breakfast, lunch, and dinner every day. We built a program where we have sent a couple thousand children home with food Friday afternoons because we were so worried about them not eating over the weekends. We gave out tens of thousands pairs of eyeglasses free every single year, because you have to do those things before you can talk about algebra and biology. And so I couldn't agree with you more that those foundational essentials we have to do.

And some folks say, you know, schools shouldn't be doing these things. I don't see how we educate without doing those things. My mother always said, you know, you can't teach someone when their stomach is grumbling. You have to feed children. And so these aren't in conflict.

We are working very, very hard with Secretary Vilsack to reauthorize the Child Nutrition Act. I think he is providing visionary leadership there. He wants to increase the nutrition content of those meals. He wants to make sure snacks that are available are healthy.

The First Lady's anti-obesity program—it is interesting in many communities you have this dual issue of obesity and hunger. It is fascinating. And so how do you address both sides of that same coin? And so we are committed to doing those things and want to work hard to do that.

We also have great—again, whether it is traditional schools, magnet schools, gifted schools, charter schools, I don't care. We have great schools, all these public schools in these communities that face these huge challenges. One of the—and so we want to learn from those examples that, despite poverty, despite, you know, the challenges at home, children still achieve at remarkable levels. And so we need to fix those issues, but we don't want to ever say that poor children can't learn. We need to get there.

I will tell you, one of the models that has been most impressive to me is what Geoffrey Canada has done at the Harlem Children's Zone, where he has created great schools but around those schools he has created an entire community behind these children; and children in Harlem have basically closed the achievement gap with children in the wealthiest suburbs. It is fascinating. And we want to put $210 million behind what we are calling Promise Neighborhoods and trying to replicate that success, build entire communities in neighborhoods around the country; and we only want to go to disadvantaged communities where the biggest need is.

So I want to let you know that philosophically I couldn't agree more. We are committed to getting there, and we want to do everything we can to remove every impediment to giving children a chance to be successful.

Chairman MILLER. It is the intent of the Chair to go to Mr. Thompson and then back to Ms. McCarthy, and then we will adjourn the hearing so members can attend the memorial service.

Mr. Thompson.

Mr. THOMPSON. Thank you, Mr. Chairman, Mr. Ranking member; and, Mr. Secretary, thank you so much.

I want to thank you. Last year at one point I reached out to you regarding an issue that came up regarding four universities in Pennsylvania—Penn State, Pitt, Temple, and Lincoln—and I have to tell you I was very impressed. I think I heard back from you within 48 or 72 hours, your responsiveness.

And I also really get a sense from listening to your testimony, as a former school board member for many years at home, that I think we share the same passion for unleashing the innovation of local education at the local level and what can come from that.

I just want to touch on—and I will be brief—go back to Mr. Guthrie's discussion with you on direct lending. And I know we went from 1,000 to like 2,100, which is great, folks who have voluntarily moved to that. I guess I would argue that within that is one of my universities I have. I represent seven in my rural district. One of them is Penn State. Penn State is direct lending. It works well. They are a model for it.

I would have to say, though, that that is the only university that direct lending works for in my congressional district. I have six that struggle. And largely it is an economy of size. Penn State's got this wonderful university. It is very large. It has got lots of infrastructure, and it works well. For the other six—and I have met with them on a regular basis over the past number of months—they are really struggling to do this.

So I am concerned about the transitioning of the remaining 4,000 institutions into the Direct Loan, because I really think we have cherry-picked voluntarily those who are best adept and prepared to

go to Direct Loan. They went voluntarily because they were ready for it.

So while the Department has been hosting webinars and meetings, and I know you have put, it sounds like, a very talented individual as a point person on this, here is my question. What sort of plan B do you have, does the Department have in place in case the plans to convert just don't go as smoothly as what you would like?

Secretary DUNCAN. Well, obviously, we are preparing plan A, plan B, plan C, but we are really focused on plan A. And the only thing I could tell you is we would be happy—if you wanted us to do it, we will send staff out next week to sit down with you and put those six universities in a room.

Again, we are doing trainings all around the country. Most folks are transitioning literally in a matter of weeks. We are seeing every—I am getting reports every couple of weeks. We are getting 60, 70, 80 universities making the transition.

So I don't know all the details of what those issues are at those particular universities. But, you know, if you wanted to put us in a room with those six next week and walk through what the challenges are and what we can do to be helpful, I would absolutely welcome that opportunity.

Mr. THOMPSON. I appreciate that, Mr. Secretary.

And, given the circumstances, I will yield back, Mr. Chairman.

Chairman MILLER. I thank the gentleman for yielding back, a noble person on this committee.

Mrs. MCCARTHY. Does that mean I have got to follow suit?

Chairman MILLER. Well, you can decide. Congresswoman McCarthy.

Mrs. MCCARTHY. Thank you, Mr. Chairman.

I want to thank Secretary Duncan for covering an awful lot of subjects, and we are going to follow up on them. I know this is only the beginning of our discussion as we go forward.

Safe schools, healthy students, I think is important. I also want to make sure that we look at the good public schools that are working, on how we bring that down to those that are underserved. Financial literacy for our young people for the future is going to be extremely important, and parental engagement. Charters schools, I think we have talked a lot about it. That would be a discussion that will go forward, and I will send all my questions off to you.

What I did want to talk about is the gainful employment. You had talked about teachers. Right now, on the Recovery Act, we were able to save a lot of teaching jobs, but we also know a lot of them are going to be aging out soon. It is the same as nursing and many fields in the health care.

And so when we talk about gainful employment—and I am glad, because I will work with myself and a number of other members on this side of the aisle and the other side to come to some sort of agreement. I would also like to see that you did recommend a 10 percent income when someone starts working to pay back their debt. I think that is going to be extremely important.

But when we are looking at jobs that are not out there now—and, believe me, no one here on the committee wants to support any kind of schools that are actually failing their students or not

doing well by the students—but we have to make sure that during this particular time that those that are graduating and doing very well, their jobs that they are going into sometimes are actually lower paying than they were 3 years ago.

The other problem is trying to find a job. So I think we need to work on that, how we get through this rough period so that students that are getting their education, hopefully, this is just a small stopgap and then, you know, we are going to see down the road more job opportunities out there.

Secretary DUNCAN. Well, one of the most important things that we haven't talked about today, and I appreciate you bringing it up, is part of this higher ed bill, is this income-based repayment. And what we want to do—we have lost so much great talent, folks who wanted to go into education, had a heart for it, had a passion, but because they had 60, 80, $100,000 worth of loans, they couldn't afford to do it. So one of the things we are talking about is, if we can reduce loan repayments to 10 percent of income, and then after 10 years of public service—and, obviously, I have a huge bias towards teaching, but all public service—so you could be coming out of law school and work in a legal clinic or coming out of medical school and work in a medical clinic in a low-income community, that after 10 years of service all those loans would be reduced. So if we can dramatically reduce loan repayments and then erase them after 10 years, I think we can get that next generation of extraordinarily talented folks to come into education. So we are pushing very, very hard here.

Mrs. MCCARTHY. And I agree with on you that.

The other thing, too, is that with the shortage of nursing and teachers in the future, you know, we need to look in other ways on how we are getting nurses out there. Right now, we have plenty of nursing schools. We don't have enough professors to be able to teach those that want to come into the field.

We are also seeing in some of the nontraditional universities and career schools, they are actually, in my opinion, doing really, really well in nursing schools, especially for, you know, when someone graduates from a university, pays that 40 or $50,000, then goes to take their State boards and don't pass the first time or the second time, somewhere they have lost that education. And yet we are seeing the scores coming from these nontraditional nursing schools graduating at a higher rate and passing the State nursing tests the first time around.

New York State, we treat all schools the same. They have to be under the same regulations. We treat our career colleges, for those nontraditional students—and I think that we need to certainly keep an eye on that. Because there are a lot, a lot of people that want to go back to school but don't fit in to the regular university or you know, 9 to 5, go to school. You can't do that.

Secretary DUNCAN. The other piece of, again, this higher ed bill, and there is so much here. That is why we are so passionate, and we appreciate your extraordinary leadership on this. We want to put $10 billion behind community colleges. And we think community colleges, whether it is 18-year-olds or 38-year-olds or 58-year-olds going back to retrain and retool in a tough economy, green jobs, health care jobs, tech jobs, we think community colleges have

been like this underutilized gem along the education continuum. So we want to put huge, huge resources behind them.

I have brought in as my under secretary Martha Kanter, who was a phenomenal community college president in California. We have never had a community college president or someone with that experience in that position before. We did that very intentionally, because we think community college is so important to our agenda. And as families get back on their feet, we think community colleges are going to play a huge role there, and we want to see them grow and prosper. So it is a big, big play there, and we want to be part of the solution.

Mrs. MCCARTHY. And I think and I agree with you on the community colleges, but I think we need to go into the 21st century also, being able to take your classes over the Internet, being able to fit your schedule into that.

And with that I yield back the balance of my time.

Secretary DUNCAN. Yes, ma'am.

Chairman MILLER. The gentlewoman yields back.

Thank you, Mr. Secretary. Thank you to all the members for your attendance and, Mr. Secretary, for answering all of the questions of the members. I know there are members—Mr. Pierluisi has indicated he would like to submit questions to you in writing, and if we could get a quick turnaround on those questions——

Secretary DUNCAN. And I am happy to stick around, if you want to.

Chairman MILLER [continuing]. We would appreciate it.

Let me just say, I guess one of the nice things about longevity here is that you have some institutional memory. And there is a lot of discussion about whether people in the Race to the Top are doing this for the money or their hearts are really in it or what have you.

In the Clinton administration we had something we were talking about, Ed Flex. And so we asked Governors who said that they would—for additional money, they would create a flexible accountability system. And so we gave them the money first.

I asked for a GAO report. The GAO report came back and said, out of I think it was 13 Governors only one Governor who was not originally included was not given the grant but then asked, why would I not be included? I represent a large State. I am from Texas. Only one Governor made any changes with respect to accountability, and that was Governor Bush. And the rest of the Governors took the money. They just didn't do anything for this.

So I think you might have it right here, that you know the idea that you are going to change your loss so you align data systems, so you align teacher performance systems, so you align these various parts that are already in the law. They've just been ignored for almost, well, even before the Bush administration. Much of what is in No Child Left Behind was there before. It just didn't happen.

So I think you are right. The energy that has been created, the conversations that have been created. But I also think you are right, and let's make sure that people meet these thresholds.

It is sort of like, you know, in poker. You want to have jacks or better to open. If you don't, don't play.

Because there is not that much money around. And so I think there is some wisdom. It is different. You know, we drop a lot of money off to people who are just doing tomorrow what they did yesterday. And so I think there is some wisdom in this, and I think it has created energy in many parts of the education community that now see this as really changing the workplace, modernizing it, giving them say, empowering them in those school sites within their districts and working in a collaborative fashion.

Many of the reasons why we know teachers leave us, it is not just salary. It is isolation. It is lack of contact with their peers. It is lack of professional development. There is a whole list of things that they cite on these exit interviews.

So I am encouraged by what you have done, and I thank you for being candid with the members of the committee.

And, with that, all members will have 14 days to submit additional materials and questions for the hearing record. The Secretary has agreed that if you have questions you want to submit immediately in writing they will respond to those from members of the committee.

And, with that, the committee stands adjourned.

[The statement of Mr. Altmire follows:]

Prepared Statement of Hon. Jason Altmire, a Representative in Congress From the State of Pennsylvania

Thank you, Chairman Miller, and Secretary Duncan, for holding this hearing on the president's proposed FY2011 budget.

The Higher Education Act of 1965 requires career colleges to provide "an eligible program of training to prepare students for gainful employment in a recognized occupation." However, "gainful employment" has never been defined. It has come to my attention that during negotiated rulemaking for the most recent reauthorization of the Higher Education Act, the Department of Education proposed defining gainful employment by establishing an eight percent debt-service-to-income threshold based on median student debt for recent college graduates with income based either on Bureau of Labor Statistics wage data, or, actual earnings of the college's graduates.

While it is important to address the rise in levels of student debt, I have concerns about using a single formula to determine the appropriate level of debt for every student in every career path, especially during this time of economic uncertainty. I hope that moving forward, the Department will work with all interested parties and Congress to come together on a definition that works best for students.

Thank you again, Chairman Miller, for holding this hearing. I yield back the balance of my time.

[Questions submitted to Secretary Duncan and his responses follow:]

[VIA FACSIMILE],
U.S. CONGRESS,
Washington, DC, March 19, 2010.

Hon. ARNE DUNCAN, *Secretary,*
U.S. Department of Education, 400 Maryland Avenue SW, Washington, DC 20202.

DEAR SECRETARY DUNCAN: Thank you for testifying at the Committee on Education and Labor's hearing on, "Building a Stronger Economy: Spurring Reform and Innovation in American Education," on March 3, 2010.

Committee Members have additional questions for which they would like written responses from you for the hearing record.

Representative Raul M. Grijalva (D-AZ) has asked that you respond in writing to the following questions:

1. With regard to ESEA reauthorization, you have outlined a vision that foresees a much greater commitment to competitive grants for schools that are doing what works. Can you tell me how the Department of Education plans to specifically ad-

dress the schools in crisis with high dropout rates that need immediate attention and assistance?

2. Does the Departments increased commitment to competitive grants envision that schools competing for the various grants should be placed within brackets to compete with schools that are similarly situated so that schools that face a myriad of obstacles to success are not forced to compete with schools that face fewer obstacles?

3. Any commitment to turning around high schools with high dropouts will only be successful if it also addresses the feeder system, and specifically the middle grades. What level of commitment does the Department of Education have toward middle school intervention, and does this vision acknowledge middle schools as an integral part of dropout prevention and college and career readiness?

4. As you know, the current ESEA bill does not go far enough in recognizing LEP students and guiding states toward academic proficiency and accountability for these students. What is the Department of Education's vision to address the large and quickly growing number of non-English speakers, not just in Title III reform, but also throughout Title I?

5. Research studies show that reading for pleasure is one of the building blocks for young people to grow into healthy, productive adults. Public libraries can play a major role in helping children develop a habit of reading for pleasure. What is the Department's commitment to school libraries, public libraries and library programs?

Representative Carolyn McCarthy (D-NY) has asked that you respond in writing to the following questions:

The FY11 budget you submitted creates a new "Safe Schools, Healthy Students" programs. A number of separate programs are combined into this one program, including the Safe and Drug Free Schools program. As you know, I am a strong proponent of school safety and look forward to continuing to work together on these efforts. You and I both know well the effects that schools and community violence can have on our students' ability to learn.

1. Can you describe how you see the "Safe Schools, Healthy Students" program working, both to address physical violence in schools as well as bullying and harassment?

2. I believe we ought to eliminate the term "persistently dangerous schools" in ESEA, but we ought to preserve the right for a student in a school that does not have a safe climate for academic achievement or who has been physically assaulted to transfer to another school. Do you agree?

3. How will the proposed budget ensure that our schools continue to receive the funding they need to keep them safe and keep out drugs?

We spend so much time talking about failing schools and how to improve them.

1. What about also looking at good schools and seeing what is working there—on school safety, on reading and math, on nutrition—and how we can expand them?

2. Also, how they could these successful schools serve as a regional model to other schools that are struggling?

AFT President Randi Weingarten recently announced a new proposal for supporting teachers that included a teacher evaluation system based on multiple measures, including student test scores.

1. What is your reaction to this proposal?

2. How do you think this proposal affects the ability to move ahead on ESEA reauthorization this year?

I am a big proponent of financial literacy education for our students and consumers. I am the sponsor of the Financial and Economic Literacy Improvement Act of 2009, which will provide grants to improve financial literacy education for K-12 and college students, as well as adults. As a nation, we have all been impacted by the effects of our struggling economy. While there are many factors that have contributed to the current economic climate and there is no one cause, we do know that consumers need to be more aware and informed of how their finances work and how to avoid some common financial pitfalls.

1. How do you propose we increase financial literacy education in our schools as we move forward with ESEA?

I was wondering if you can talk about the importance of parental engagement in our children's education. I am preparing to introduce the Family Engagement in Education Act. This bill will strengthen the parental involvement provisions in ESEA by providing the foundation and capacity for family engagement on the federal, state, and local levels that supports best practices and meaningfully engages families to close the achievement gap. I want to see that parents have more of a role in decisions about their children's academic career and safety in schools. This could be one of the biggest factors that can close the achievement gap.

2. How do you view the role of family engagement in education?

How can we strengthen family engagement as we move forward with the reauthorization of ESEA?

Secretary Duncan, you have placed a big priority on charter schools as evident in the Race to the Top application. I have been a supporter of charter schools and believe we have and can continue to learn a lot from them, including their successes in school safety. The President of Adelphi University, Bobby Scott, recently wrote a great piece in Long Island Business News called "Public Schools Can Succeed, which I would like to place into the hearing record. [See below]. President Scott talks about the need to give schools the resources they need and the fact that the root problems at many of our public schools are also ignored. He also talks about how while charters are an interesting model, they can still limit their size, are free from many regulations, and decide who is principal and who can teach.

1. How can we guarantee that an expansion of charter schools will not come at the expense of our commitment to public education in this country?

2. How can we ensure that all students, including those with disabilities, receive appropriate support and services in our nation's education system?

I have a question based on my discussions with the Teacher Leaders Network, a group of active communities of highly accomplished teacher leaders from across the nation, dedicated to student success and the transformation of teaching into a true profession. On February 2nd in Nashua, President Obama responded to a question from a teacher about ESEA by stating that he intends to pursue "richer assessments" instead of the standardized tests currently in use—and involve teachers in the process.

1. How does the Department of Education intend to pursue this goal of pursuing richer assessments?

2. How do you anticipate teachers will be involved in this process?

3. By whom and how will these new assessments be designed and adopted?

As you know, the current effort at voluntary Common Core Standards is moving along well but being designed by groups lacking any input from current classroom teachers. I believe it is essentially to have regular and timely input from actual classroom teachers when education policy is discussed. That is why I have introduced the Teachers at the Table Act to create a voluntary teacher advisory panel consisting of classroom teachers, to report to Congress on implementation and effect of ESEA on students and families.

1. How can you assure the Congress that the voices of those who will have to carry out any policy, our classroom educators, are included in all discussions about policy as the department moves forward with reauthorization of ESEA?

I have concerns regarding the Gainful Employment concepts presented by the Department at the recent Negotiated Rulemaking hearings. As a Nurse, I am aware of the shortages of Nurses facing our country. If Mark Kantrowitz of Finaid.com is correct, almost all Bachelor degree programs and many Associate degree programs in nursing and other allied health occupations at the targeted institutions would be eliminated by the Department's proposal. Not only would we lose these needed healthcare workers, we would limit or eliminate critical programs to students who do not have access in the overcrowded public institutions.

1. How will the gainful employment proposal limit student indebtedness?

2. How many programs will the proposal effect? Specifically, how many nursing students are currently enrolled in potentially affected programs?

3. How did the Department arrive at the 8% calculation for gainful employment?

4. Don't we already have in place Income Based Repayment, which creates a method for borrowers to limit their annual educational debt repayment to a reasonable, affordable amount, 15% of income?

Representative Carol Shea-Porter (D-NH) has asked that you respond in writing to the following questions:

1. Competitive Grants

President Obama's budget proposes to shift a great number of programs from formula funding to competitive grants. Under this proposal, how do we ensure that smaller states like New Hampshire aren't disadvantaged by this shift?

We aren't afraid to compete. There are actually quite a few innovative approaches that we have taken in the state that we are all very proud of, but we face a challenge in a lot of the rural communities where the LEAs don't have a grant writer—and they don't have the resources to hire a grant writer.

How do we ensure that smaller states—and rural communities within those smaller states are not put at a disadvantage here?

2. Race to the Top / Principal Replacement

In the Race to the Top application, one of the steps required was the replacement of the principal of a school. We all know that there are certain circumstances where

a principal is doing the best they can with the resources available. Certainly, it is time for some principals to move on. But there are also those (and teachers too) who have poured their hearts into their work and really are doing their best with the resources available.

I have real concerns with rigid requirements that preclude the state or LEA from working with these principals—especially when at the local level they have been recognized as a key player in the community. So going forward, how do we as Federal policy makers provide this flexibility to the states?

3. Charter Schools

In the coming months, we are going to be looking at the reauthorization of the Elementary and Secondary Education Act (ESEA). In this Committee we recently had a hearing on the role of charter schools and looked at a bill that would make it easier for charter school expansion. We have seen a lot of discussion about the need to create more charter schools. But there has been little discussion about how we best disseminate any successful innovations taking place at our existing charters. So my question is this: Going forward, as we consider committing additional resources to expanding charters, how do we also make sure that we are committing appropriate resources to help our traditional public schools implement appropriate innovations?

4. TRIO Funding

The FY2011 TRIO appropriation will fund TRIO grants for academic year 2011-2012. However, because $57 million in mandatory funds for the nearly 200 Upward Bound programs provided by CCRAA went into effect immediately (i.e., academic year 2007-2008), the last academic year for which funds are available is 2010-2011. By failing to include $57 million in additional discretionary funds to account for these programs in academic year 2011-2012, there is significant concern that the Administration will not be able to maintain the current number of Upward Bound projects (956 total). Some estimates show that the FY2011 budget request only provides enough funds to support 778 Upward Bound programs in academic year 2011-2012. Given this situation, how are the College Cost Reduction and Access Act-funded Upward Bound projects going to be protected from elimination? Where will the funding to continue all 956 Upward Bound programs come from? Based on the budget request, how does the Administration intend that Congress sustain these programs?

Representative Judy Chu (D-CA) has asked that you respond in writing to the following questions:

Secretary Duncan, I've expressed my concerns to you with respect to Race to the Top. It was very controversial in California and in other states, yet you are asking for a significant continued investment without any accountability. The winners of the 1st round of funding haven't even been announced and no one knows if this funding will be successful in closing the achievement and increasing graduation rates. I have two questions.

1. Why should we provide $1.35 billion for Race to the Top without any measure of success?

2. Before you solicit for a third round of funding, will you look into revising the guidelines so that more states will be eligible?

California has rigorous education standards. But raising academic standards alone is not enough to ensure that all students, especially low-income and minority students, will graduate from high school and succeed in postsecondary education and the workforce. Resources and support must be in place to help schools ensure that all students achieve this goal. I believe one of the greatest reforms needed in No Child Left Behind was the unfunded mandate of over $85 billion, which has left our states and school districts in a poor state.

1. How are you going to make sure that every standard the federal government imposes on states to qualify for funding is matched with the resources necessary to achieve those standards so these new standards aren't really the same unfunded mandate from No Child Left Behind?

In California, I had a record of bringing people together and I hope to continue that record here in Congress. I know President Obama has not always sided with teacher unions, but we should still look for their support. I am looking at teacher evaluations, where we agree and I think there's room for both sides to get what they want. I hope you and the President are looking for union support and will work with me on getting union support.

I'm disappointed at the remarks made by President Obama yesterday with regards to the Rhode Island teacher firings. The comments don't send a very good signal to teachers. We should be trying to bring unions and teachers to the table.

We need to retain and build talented teachers, not just fire them. This morning I read that the Central Falls High School staff offered a comprehensive reform plan

for turning around the high school. I think we should start there. It's not as easy to start a school from scratch like some may think. In fact, we heard testimony in this Committee room that a school in Minnesota, Thomas Edison High School, was under similar circumstances and they totally turned the school around. They retained 60 percent of their teachers, had professional development, increased instruction time and a collaborative teaching and learning environment. Teachers are not the only problem and they need to be a part of the solution.

1. Did you or any of your staff talk to any teachers or parents at Central Falls High before your comments applauding the administration's actions?

2. What is the procedure for the Administration to take a position on teacher firings?

3. How does your Administration plan on working with teachers unions on this issue and on ESEA Reauthorization?

Secretary Duncan, I am pleased to see in your budget a nod to the growth of English learners and recent immigrant student population as well as a $50 million increase in your budget request. I am still concerned that we are not paying enough attention to the EL population and their needs are being ignored because of language barriers. In particular, I've heard troubling reports of EL misclassification. Language barriers are preventing EL's from participating in gifted programs, language barriers are preventing EL's from being identified for specials needs and language surveys are misclassifying students who speak English as English Learners.

While states like California, Texas, and New York have had English learners for many years, other states like Alabama, Kentucky, North Carolina and Tennessee have experience a 300 percent or higher growth of bilingual learners. While I appreciate the 6.6 percent increase, it is not nearly enough to provide for the growth of our English learners across the country.

1. How does the Department of Education plan on supporting school districts with the growth of English Learners and closing the achievement gap if grant funding is not keeping up with the growth in student population?

Secretary Duncan, your budget supports increasing alternative teacher training programs, but I believe some of these alternative certifications don't put enough emphasis on pedagogical methods and quality teacher preparation. In fact, Timothy Knowles, who you may know is the Urban Education Institute director at the University of Chicago, was quoted saying "Making the assumption that teacher certification is a proxy for teacher quality is a dangerous one." I don't oppose great programs like Teach for America, but in effect, your budget diminished the importance of schools of education, like California State-LA, for Teacher Quality Partnership Grants by eliminating their eligibility.

1. Why have you eliminated eligibility for higher education institutions for the Teacher Quality Partnership Grants?

2. How would LEAs manage a grant program that provides teacher training when they should be focused on K-12 education for students?

The research is undeniable that when at-risk children experience high-quality early learning programs, they have better school, employment and life outcomes. However, not all children, including children in my district have the option for early education. According to Los Angeles Universal Preschool, the 32nd district of California has the greatest needs for pre-school access in all of LA County. A majority of the population of 4 year olds in my district could not choose to go to preschool because they are none available. Your budget has frozen funding for IDEA Preschool Grants, a program that has seen a decrease in funding every year since 1992.

1. How is your budget going to expand much needed high-quality early learning programs?

I started my career in public service at the Garvey School Board and know firsthand how some of the school districts handle their education budgets. Competitive grants make it extremely difficult to for states and schools to develop and plan their budgets since they are not sure whether or not they will receive funds, how much they will receive and when they will get the funds. In addition, in these tough economic times, many school district headquarters staff have been laid off and are operating on skeleton crews to keep teachers in place.

1. Why are we creating this budgetary chaos for our schools and how do you expect them to deal with this uncertainty?

Representative Tom Petri (R-WI) has asked that you respond in writing to the following questions:

Under your leadership, the Department has been talking a great deal about innovation, particularly regarding assessment. In many cases, however, the policies of the Department seem to lag behind innovation. One of the types of assessment that several states are looking at is a computer adaptive test that uses items at, below and above grade level to determine with a great deal of accuracy the exact level at

which a student is performing. Using items outside of grade level is a very useful tool to determine the exact level at which students are operating. I know that over 50 percent of the school districts in my Congressional district and more than 50 percent of the school districts in Wisconsin are paying extra to contract with a provider to conduct this sort of testing at the school district level because they find that it provides more immediate and more useful data for their teachers.

1. Is this the kind of innovation in assessment that you support?

Representative Buck McKeon (R-CA) has asked that you respond in writing to the following questions:

1. SES providers create a number of jobs, especially in low-income areas. Can you tell me how many jobs are created by the SES industry and further can you tell me how many of those jobs are held by teachers that are able to supplement their salaries by working for an SES provider outside of the school day?

2. Under the final requirements issued by the Department on December 3, 2009 for the School Improvement Grants program, an SEA is authorized to seek a waiver to permit a school that implements a "turnaround" or "restart" model to "start over" in the school improvement timeline. Because of this new waiver, students currently receiving free tutoring will lose valuable academic opportunities while the LEA figures out how to implement a new "turnaround" or "restart" system that will hopefully lead to improved academic achievement in its struggling schools. What is the Department's plan to ensure that students (many of whom are performing at several grade levels behind their peers) who have been receiving extra help—through free, individualized tutoring—continue to receive intensive academic interventions as the LEA works to turn around its struggling schools?

Representative Mark Souder (R-IN) has asked that you respond in writing to the following questions:

1. I am concerned about the July 1, 2010 effective date that was included in the House-passed version of SAFRA and included in your budget proposal. While we have seen an increase in the number of schools that have transitioned into the Direct Loan (DL) program, there are still thousands of schools in FFEL, despite the Department's best arm-twisting efforts to push schools into the Direct Loan program. I have also heard from schools that the transition to DL is NOT as easy as flipping a switch. Can you provide me with documentation that outlines the past, present and future actions the Department has put into place to ensure that no students will go without timely access to federal loans should the July 1, 2010 date remain unchanged?

2. Despite the obvious skills that Family Therapists can bring to children in the schools, the growing problem of mental health issues in schools and shortage of personnel the ESEA omits Family Therapists from the list of professionals identified as qualified to provide mental health services. Would you be in favor of amending ESEA to list Licensed Family Therapists alongside professional counterparts under the definitions of: 1) "school based mental health services providers," 2) "pupil services personnel," as well as 3) adding Family Therapists to the list of recognized professionals in school counseling programs?

Representative Cathy McMorris Rodgers (R-WA) has asked that you respond in writing to the following questions:

1. Well before the enactment of No Child Left Behind, there was the Eisenhower Professional Development Program which focused on improving the skills and content knowledge of K-12 teachers in mathematics and science. No Child Left Behind transitioned this program into the broader based Teacher and Principal Training and Recruiting Fund. I am concerned that our students are falling behind in the critical areas of math, science, technology, and engineering. Can you discuss how your budget puts forward proposals that ensure teachers are prepared to effectively teach these subjects?

2. One aspect of the Budget that I'm extremely concerned with is the restructuring of the Perkins Loan program. As you know, this program was established in the late 1950s in fear that we were failing behind technologically to the former Soviet Union and its space program. Despite its success for the last half century in providing financial aid to a critical student population, it was restructured as part of SAFRA. Concerns have been expressed by many in the higher education community that as currently proposed the program will not serve the needs-based population that it was intended to serve. Would you comment?

Representative Judy Biggert (R-IL) has asked that you respond in writing to the following questions:

In January, I held a roundtable with local educators and superintendents from my district to discuss their views on Race to the Top. Probably the biggest complaint that I heard was that they were being asked to sign memorandums of understanding when there were still so many unknowns about the program. Many of my

constituents also expressed concern that all of the money awarded would go to the City of Chicago.

1. I have read the detailed grading rubric put out by the Department, but can you give us more detail about how the money will be allocated to local districts?

2. How are you ensuring that suburban and rural school districts have a chance to get their fair share of the funds?

As a former school board President, I firmly believe in local control of education. One of my biggest concerns with Race to the Top is that states are graded based on their willingness to join a voluntary multi-state consortium dedicated to creating national education standards. While I understand that most states joined voluntarily, I am very concerned that this could be a first step toward what is effectively a national education board.

1. Can you assure me that education standards will ultimately remain a state and local decision?

I was recently contacted by Rasmussen College, a proprietary school in my district, with concerns about the Department of Education's efforts to redefine "gainful employment" in the Title IV student loan program by regulation. As you know, the current draft proposal would prohibit students at proprietary schools and in certain other non-degree programs from borrowing if the interest on that student's loans would exceed 8% of his/her expected income. If this proposal were to be put into effect, it would have severe negative consequences for many of my constituents, including those who intend to work in high-need occupations. According to Robert King, Chairman of the school:

Under the proposed "gainful employment" calculation, Rasmussen College's School of Nursing students would not be eligible for Title IV funding as the debt-income calculation is above 8%. The State of Illinois is expected to experience a 21,000 nursing shortage by 2020 and Rasmussen College wants to help fill that gap. Our College has an average 94% retention rate among nursing students each quarter and more than 90% of our nursing graduates pass their nursing certification exams, with several of our campuses achieving 100%. With a nursing placement rate of 98%, ED's proposals run counteractive to President Obama's goals of increasing the educational attainment levels of all Americans and simultaneously creating jobs.

I agree with the college's assessment of this proposal, and would like you to address the following questions:

1. If the purpose of this proposed regulation is to protect student welfare, why does it almost exclusively affect proprietary schools?

2. Where did the 8% debt threshold originate?

3. Would you consider increasing the debt-to-income ratio? How about making exceptions for high-demand professions?

As you know, I'm very concerned about the education of children and youth who are homeless. The last ESEA reauthorization included the McKinney-Vento Act, legislation that I authored to address the barriers faced by homeless students, so that school could be a place of stability and opportunity. I will soon introduce legislation to refine and strengthen this program in the next reauthorization. The President's FY2011 budget does not include any increase in funding for this program, despite the fact that the numbers of homeless students reported by public schools have increased by 40% over the past two years.

1. What is the Administration's vision for addressing the educational needs of homeless students?

2. What efforts are being made to ensure that students who are homeless have access to all existing federal educational programs, including Title I Part A, early learning, and higher education?

3. Do I have your commitment to work together on this issue, so that being without a home does not mean being without an education?

Please send an electronic version of your written response to the questions in Microsoft Word format to Calla Brown of the Committee staff at calla.brown@mail.house.gov by close of business Thursday, March 29, 2010, the date on which the hearing record will close. If you have any questions, please do not hesitate to contact Ms. Brown at 202-226-2068.

Sincerely,

GEORGE MILLER,
Chairman.

[Secretary Duncan's responses to questions submitted follow:]

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF LEGISLATION AND CONGRESSIONAL AFFAIRS

December 20, 2010

Honorable George Miller
Chairman
Committee on Education and Labor
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Thank you for your Committee's follow up questions from the March 3, 2010, hearing on "Building a Stronger Economy: Spurring Reform and Innovation in American Education." Please see the enclosed document for responses to questions that Members of the Committee submitted.

If you have any issues or questions about our responses, please contact Gabriella Gomez, Assistant Secretary for the Office of Legislation and Congressional Affairs, at 202-401-0020.

Sincerely,

Gabriella Gomez
Assistant Secretary
Office of Legislation and Congressional Affairs

Enclosure

Answers to Questions Submitted for the Record

3.3.10 House Education and Labor Committee Hearing: "Building a Stronger Economy: Spurring Reform and Innovation in American Education"

3.3.10 Grijalva 1. *With regard to ESEA reauthorization, you have outlined a vision that foresees a much greater commitment to competitive grants for schools that are doing what works. Can you tell me how the Department of Education plans to specifically address the schools in crisis with high dropout rates that need immediate attention and assistance?*

While our proposal for ESEA reauthorization does include a significant increase in competitive grants, it also maintains key formula programs - such as Title I-A, Title II-A, and programs that are designed to serve underserved populations and regions. These formula dollars will continue to provide critical support to high-poverty and other high-need schools.

Our School Turnaround Grants program would specifically provide funds to districts with schools with very high dropout rates, and schools with low achievement rates that aren't improving, to help states, districts and communities turnaround these schools. We think this is critical to help turn around these schools that have been consistently letting down their students and communities. In fact, of the schools that States have reported to date having received these funds, 48 percent are high schools.

3.3.10 Grijalva 2. *Does the Departments' increased commitment to competitive grants envision that schools competing for the various grants should be placed within brackets to compete with schools that are similarly situated so that schools that face a myriad of obstacles to success are not forced to compete with schools that face fewer obstacles?*

Our requested increase in funding is concentrated on competitive grant programs, but when we run competitive programs, we will value need as well as quality, such as through the use of application priorities or needs analyses by applicants. We want to work with Congress to find the best ways to ensure that rural and other high-need communities receive the funding they need to help students succeed.

3.3.10 Grijalva 3. *Any commitment to turning around high schools with high dropouts will only be successful if it also addresses the feeder system, and specifically the middle grades. What level of commitment does the Department of Education have toward middle school intervention, and does this vision acknowledge middle schools as an integral part of dropout prevention and college and career readiness?*

We strongly agree that the middle grades are a critical time in students' education, and a strong education in the middle grades can help determine a students' success in high school and beyond. To that end, our fiscal year 2011 budget proposal includes $100 million for College Pathways and Accelerated Learning, which would provide middle and high school students with rigorous college-level and accelerated courses, particularly in schools with high concentrations of low-income students.

Additionally, we recently awarded $47 million in High School Graduation Initiative grants. These grants allow States and districts to focus efforts on dropout prevention and dropout recovery for students in grades 6-12.

And, in our proposal for supporting State and district efforts to implement dramatic interventions in the bottom five percent of schools, we encourage districts to include the middle grades in those efforts.

3.3.10 McCarthy 1. *Can you describe how you see the "Safe Schools, Healthy Students" program working, both to address physical violence in schools as well as bullying and harassment?*

We believe that the Safe Schools, Healthy Students (SS/HS) initiative helps schools and communities create a strategic approach to addressing a broad range of issues, including physical violence in schools as well as bullying and harassment. The initiative requires local educational agencies to partner with law enforcement, juvenile justice, and mental health officials to create a comprehensive plan to support creation of safe school environments; prevent student alcohol and other drug use; provide students behavioral, social, and emotional supports; increase access to mental health services; and support the social and emotional development of young children.

The initiative emphasizes a thorough, coordinated assessment process and the supports the implementation of high-quality programs and services designed to address identified needs. The initiative also seeks to improve coordination among many of the major community systems that address the needs of children and youth, and to ultimately change the ways in which these systems work collaboratively to improve outcomes for students.

The SS/HS initiative is included in the Administration's FY 2011 budget request, and we look forward to building on the success experienced by SS/HS grant sites in future years.

3.3.10 McCarthy 2. *I believe we ought to eliminate the term "persistently dangerous schools" in ESEA, but we ought to preserve the right for a student in a school that does not have a safe climate for academic achievement or who has been physically assaulted to transfer to another school. Do you agree?*

The Administration's reauthorization proposal recognizes the challenge of attaining high student achievement in schools where students are threatened by drugs, violence, crime, bullying, harassment, or intimidation, all of which continue to be serious problems affecting school-aged youth.

The reauthorization proposal would address these and related issues, but in a more comprehensive and flexible manner than under current law. Under the proposed Successful, Safe, and Healthy Students program, State educational agencies, LEAs, and partners would be eligible to apply for competitive grants to develop and implement programs, based on local needs that improve school climate; reduce or prevent drug use, alcohol use, violence, and harassment; and promote and support the physical and mental well-being of students. The overall result is that the new program will promote school safety, a positive school environment, and school and community connectedness, and, thereby, foster students' well-being and improved academic performance.

3.3.10 McCarthy 3. *How will the proposed budget ensure that our schools continue to receive the funding they need to keep them safe and keep out drugs?*

The Administration's reauthorization proposal recognizes the challenge of attaining high student achievement in schools where students are threatened by drugs, violence, crime, bullying, harassment, or intimidation, all of which continue to be serious problems affecting school-aged youth.

The reauthorization proposal would address these and related issues, but in a more comprehensive and flexible manner than under current law. Under the proposed Successful, Safe, and Healthy Students program, State educational agencies, LEAs, and partners would be eligible to apply for competitive grants to develop and implement programs, based on local needs that improve school climate; reduce or prevent drug use, alcohol use, violence, and harassment; and promote and support the physical and mental well-being of students. The overall result is that the new program will promote school safety, a positive school environment, and school and community connectedness, and, thereby, foster students' well-being and improved academic performance.

3.3.10 McCarthy 4. *We spend so much time talking about failing schools and how to improve them. What about also looking at good schools and seeing what is working there—on school safety, on reading and math, on nutrition—and how we can expand them?*

We agree that we must do more to identify and learn from success. For all students to thrive in the classroom, in college, and in a career, our educational system must continuously develop and embrace the very best practices, policies, and ideas – including emulating what we can learn from highly successful schools.

Under the Department's reauthorization proposal a new Investing in Innovation (i3) program will build on the i3 program launched through the American Recovery and Reinvestment Act of 2009, and will provide competitive grants to expand the implementation of, and investment in, innovative and evidence-based practices, programs, and strategies that significantly improve student outcomes. The Secretary will use a rigorous, three-tiered evidence framework that directs the highest levels of funding to programs with the strongest evidence, and also provides significant support for promising programs that are willing to undergo rigorous evaluation.

3.3.10 McCarthy 5. *Also, how could these successful schools serve as a regional model to other schools that are struggling?*

Many schools are making great strides in particular areas that promote student success, such as improving nutritional offerings to students. We have highlighted several of their efforts. For example, Secretary Duncan visited Tyler Elementary School in the District of Columbia to showcase its nutrition programming during after-school hours. We will continue to highlight schools that are working to offer students healthy foods, and lessons about healthy eating and good nutrition, and opportunities for physical education.

The Department has also worked with the Office of the First Lady on the Let's Move! Initiative and, as part of this effort, we have worked to identify schools that are doing outstanding work in this area. Information on local innovations, such as the Philadelphia Comprehensive School

Nutrition Policy Initiative, are highlighted and additional information about other school system efforts will be posted to www.letsmove.gov so that they can serve as models for other schools.

Also, one of the key principals of the Investing in Innovation program is to support successful or potentially successful models that can be replicated in other schools.

3.3.10 McCarthy 6. *AFT President Randi Weingarten recently announced a new proposal for supporting teachers that included a teacher evaluation system based on multiple measures, including student test scores. What is your reaction to this proposal?*

We are grateful to have extraordinary partners in reform like AFT President Randi Weingarten, and are encouraged that AFT and so many others in the field are engaged in productive discussions around ESEA reauthorization and supporting and enhancing the teaching profession. Certainly, we are all agreed that nothing in a school makes a bigger difference for students than the quality of teaching they receive. Consequently, our goal must be to have a great teacher in every classroom. President Weingarten, National Education Association President Dennis Van Roekel, and I also recently announced plans to convene a national education reform conference on labor-management collaboration early next year to highlight examples of innovative collective bargaining agreements across the country and promote opportunities for management and labor to forge reforms at the state and district level.

3.3.10 McCarthy 7. *AFT President Randi Weingarten recently announced a new proposal for supporting teachers that included a teacher evaluation system based on multiple measures, including student test scores. How do you think this proposal affects the ability to move ahead on ESEA reauthorization this year?*

We are grateful to have extraordinary partners in reform like AFT President Randi Weingarten, and are encouraged that AFT and so many others in the field are engaged in productive discussions around ESEA reauthorization and supporting and enhancing the teaching profession. Certainly, we are all agreed that nothing in a school makes a bigger difference for students than the quality of teaching they receive. Consequently, our goal must be to have a great teacher in every classroom. President Weingarten, National Education Association President Dennis Van Roekel, and I also recently announced plans to convene a national education reform conference on labor-management collaboration early next year to highlight examples of innovative collective bargaining agreements across the country and promote opportunities for management and labor to forge reforms at the state and district level.

3.3.10 McCarthy 8. *How do you propose we increase financial literacy education in our schools as we move forward with ESEA?*

We believe that financial literacy is a crucial part of a well-rounded education and that it can become part of the core curriculum in schools across the nation. Under Effective Teaching and Learning for a Well-Rounded Education, we would support schools, districts and states to introduce financial literacy and economic education where they determine that is an unmet local need. We will promote the implementation of practices and strategies that have already shown moderate evidence as having an impact on improving student achievement in financial literacy and place an emphasis on projects that address the needs of underserved populations.

To support these efforts, the Department may fund a variety of initiatives including the development and coordination of activities across the K-postsecondary continuum, professional development, direct service programs in the instruction of financial literacy and the development of curriculum, partnerships with outside experts to collaborate and serve as resources to teachers and students, and the development and research of promising practices and strategies. Finally, the Department has played and will continue to play an important role in convening lead organizations and institutions that focus on financial literacy and economic education to discuss coordination of services and ways to expand the reach of financial literacy instruction.

3.3.10 McCarthy 9. *I was wondering if you can talk about the importance of parental engagement in our children's education. I am preparing to introduce the Family Engagement in Education Act (see HR 5211). This bill will strengthen the parental involvement provisions in ESEA by providing the foundation and capacity for family engagement on the federal, state, and local levels that supports best practices and meaningfully engages families to close the achievement gap. I want to see that parents have more of a role in decisions about their children's academic career and safety in schools. This could be one of the biggest factors that can close the achievement gap.*

How do you view the role of family engagement in education? How can we strengthen family engagement as we move forward with the reauthorization of ESEA?

Engaging parents and families in education is critical to improving outcomes for all students, particularly for students in high-need schools. Our proposal focuses on identifying and promoting the most effective practices while treating family engagement as an integrated strategy and cross-cutting priority. Our Title I proposal will require that districts and schools develop comprehensive, systemic plans for sustained family engagement, and fund those plans with at least two percent of their Title I-A funds – twice the amount under current law.

Rather than implementing a checklist of activities, districts and schools will develop family engagement strategies that increase student achievement and ensure a welcoming environment, ongoing two-way communication, and strong collaboration between families, and their teachers, schools, and districts. We are also proposing a new Family Engagement and Responsibility Fund which will enable states to set aside one percent of their Title I, Part A funding to create a significant new funding stream dedicated to enhancing and improving family engagement in their states. Grants would fund districts and non-profits (including community-based organizations and Parent Information and Resource Centers) in implementing programs that promote family engagement, empowerment, and responsibility. The Family Engagement and Responsibility Fund will allow states to support, identify, and disseminate best practices.

Further, we have proposed $410 million for the Successful, Safe, and Healthy Students program, under which states and districts would assess families' experiences and attitudes on school engagement, school safety, and the overall school environment. This school-level information would be made publicly available and would help direct funds to address local needs, such as family engagement. We have proposed $210 million for the Promise Neighborhoods program which would create a cradle through college and career continuum of supports in high-poverty communities to provide effective schools, comprehensive services, and strong family supports. Our proposal also provides $1.2 billion for a strengthened 21st Century Community Learning

Centers program which will provide additional time and comprehensive supports to students and families.

Our parent and family engagement plan calls for transparency and accountability by providing better information for families about their child's school and on teacher and principal effectiveness as well as maintaining current Title I requirements that families be notified of the accountability status of their district and school. And, we have called for school districts to include parents in decisions concerning school turnaround. The combination of these interconnected proposals will ensure that families have the information they need about their children's schools to make informed decisions and enhance the ability of teachers and leaders to include families in the education process.

3.3.10 McCarthy 10. *How can we guarantee that an expansion of charter schools will not come at the expense of our commitment to public education in this country?*

The Department remains fully committed to the support of all public schools, both traditional and charter schools, and wants to work with Congress to help every public school provide the world-class education that its students, families and communities need and deserve. We would note that the Charter Schools Program represents less than five percent of the Department's total financial commitment to K-12 public education.

3.3.10 McCarthy 11. *How can we ensure that all students, including those with disabilities, receive appropriate support and services in our nation's education system?*

We believe that NCLB did a good job of bringing to light persistent achievement gaps between subgroups of students, including between students with disabilities and their non-disabled peers. We would continue to require that students with disabilities be included in accountability, and by measuring student performance based on student growth, not just on absolute proficiency, schools, districts, and states will have a better picture of how students with disabilities are performing and whether they are making progress. We will shine a bright light on achievement gaps by requiring the disaggregated reporting of results for students with disabilities, as well as other subgroups, and by asking states to specifically identify schools with the largest, persistent achievement gaps and to implement data-driven interventions to close those gaps. Our proposal also asks states to set performance targets for each subgroup, and these targets will be based on a more meaningful standard of college- and career-readiness.

We want to make sure that students with disabilities are fully included in all aspects of education through encouraging the use of universal design, and our proposal includes a cross-cutting priority for projects that specifically address the needs of students with disabilities. Throughout our proposal, we will make certain that students with disabilities are included in all programs and that their unique needs are taken into account, and we will increase support for the inclusion and improved outcomes of students with disabilities. We also want to work with Congress to help ensure that teachers and leaders are better prepared to meet the needs of diverse learners.

3.3.10 McCarthy 12. *How can you assure the Congress that the voices of those who will have to carry out any policy, our classroom educators, are included in all discussions about policy as the department moves forward with reauthorization of ESEA?*

From the start of our Listening and Learning Tour, Secretary Duncan and his senior staff have traveled throughout the nation meeting with all stakeholders, including teachers, administrators, parents, and community leaders. We have listened and learned from their day-to-day experiences with our educational system. What we learned from these meetings, from the voices of parents and the voices of teachers and leaders, greatly informed our blueprint for reauthorization. As we work with Congress for the reauthorization of the Elementary and Secondary Education Act, we are committed to engaging all stakeholders in ongoing discussions of policy and practice.

We know that teachers play a unique role. The interaction between teacher and student is critical to student success. We are continuing to engage teachers as we work to refine the details of our proposal. From policy briefings at school and community meetings, to meetings with teacher professional organizations, to webinars and study groups with teacher leaders, to the work of our Teaching Ambassador Fellows who bring their teachers' voice directly to our policy work, the Department is committed to engaging teachers and their representatives throughout the reauthorization process and long after, as we work together on the important work of implementation.

3.3.10 McCarthy 13. *How will the gainful employment proposal limit student indebtedness?*

A "gainful employment" rule would define the term for the first time. A program of study at any institution that, as defined in the HEA, is designed to "lead to gainful employment in a recognized occupation" would need to meet that definition. Thus, if a program does not, in fact, lead to gainful employment, students would not be eligible to borrow under the Federal loan programs to attend that program. Our goal is for student-borrowers who participate in programs meeting the requirements of the gainful employment regulations to have a reasonable expectation that they will be able to earn enough to repay loans used to pay for their education.

On July 26, 2010, we published in the Federal Register a Notice of Proposed Rulemaking (NRPM) related to the requirement that certain academic programs lead to "gainful employment in a recognized occupation" in order for students in those programs to be eligible for Title IV student assistance.

Under these proposed regulations, the Department would assess whether a program provides training that leads to gainful employment by applying two tests: one test based on debt-to-income ratios that uses two different debt measures, and the other test based on repayment rates that sets a low and high threshold with a restricted band in between them. Based on the program's performance under these tests, the program may be eligible, have restricted eligibility, or be ineligible. A program that meets both of these tests, or whose debt-to-income ratio is very low, would continue to be eligible for Title IV, HEA program funds without restrictions, while a program that does not meet any of the tests would become ineligible. A program that meets only one of the tests would be placed in a restricted eligibility status, unless it has a repayment rate above the higher threshold.

Under certain circumstances, the proposed regulations would also require an institution to disclose the debt ratio and loan repayment rates and alert current and prospective students that they may have difficulty repaying their loans.

We received more than 90,000 public comments on the proposed rules. We also have conducted public hearings and held numerous meetings with stakeholders. These meetings and communications will be considered in putting forth a final regulation which we hope to issue in early 2011.

3.3.10 McCarthy 14. *How many programs will the proposal effect? Specifically, how many nursing students are currently enrolled in potentially affected programs?*

There are an estimated 53,000 programs that, by law, must lead to gainful employment and no more than 5 percent of those programs would fail the standards proposed in the July 26, 2010 NPRM due to a proposed one-year cap. The nature of the data available to us for analysis does not allow us to estimate the impact on nursing specifically.

3.3.10 McCarthy 15. *How did the Department arrive at the 8% calculation for gainful employment?*

The debt-to-income ratio provides a measure of program completers' ability to repay their loans and uses two measures in a balanced approach that gives institutions flexibility in demonstrating that they prepare students for gainful employment. Under the debt-to-income test, programs whose completers typically have annual debt service payments that are 8 percent or less of average annual earnings or 20 percent or less of discretionary income would continue to qualify, without restrictions, for Title IV, HEA program funds. Programs whose completers typically face annual debt service payments that exceed 12 percent of average annual earnings and 30 percent of discretionary income may become ineligible.

The NPRM includes the proposal the Department made during negotiated rulemaking that borrowers should not devote more than 8 percent of total income toward repaying their student loans. A number of studies have also accepted the 8 percent standard and some State agencies have established similar guidelines ranging from 5 percent to 15 percent of gross income. These percentages are derived from other tests of debt burdens in relatively comparable situations. For example, home mortgage underwriting criteria are based on the standard that non-housing-related debt should not exceed 8 to 15 percent of pre-tax income.

The 8 percent threshold was based in part on existing industry guidelines, and based on the Department's data analysis that a notable difference in default rates exists above and below the 8 percent threshold. Borrowers with rates above the 8 percent threshold, for example, have a default rate of 10.2 percent, compared to a rate of 5.4 percent for those below the threshold. Borrowers with debt rates above the 12 percent threshold have a default rate of 10.9 percent.

The second part of the gainful employment measure is the repayment rate. The repayment rate is a measure of whether program enrollees are repaying their loans, regardless of whether they completed the program. The state data considered for the NPRM included a small number of programs that have high debt-to-income ratios and high repayment rates, suggesting that the students in those programs understand and accept their financial obligations for the training they received. For that reason, the NPRM would permit these programs with relatively high debt levels to remain eligible.

While the proposed repayment rate has some relationship with anticipated defaults, it measures loan activity at the program level in more detail over a different time period than an institution's Cohort Default Rate (CDR), which under the HEA simply is a 3-year measure of defaults across all programs at an institution that generally excludes students who enter forbearance or who are in deferment, and treats consolidated loans as having been repaid. As a result, the CDR is not a good measure of the relationship between a student's debt and a program's preparation of that student for employment.

Programs whose former students have a loan repayment rate of at least 45 percent will continue to be eligible. Programs whose former students have loan repayment rates below 45 percent but at least 35 percent may be placed on restricted status. Programs whose former students have loan repayment rates below 35 percent may become ineligible. A program that does not satisfy either the debt-to-income ratio or the 45 percent rate but has a loan repayment rate of at least 35 percent would be subject to restrictions and additional oversight by the Department.

The proposed regulations would also require an institution whose program does not have a loan repayment rate of at least 45 percent, and an annual loan payment that is either 20 percent or less of discretionary income or 8 percent or less of average annual income, to alert current and prospective students that they may have difficulty repaying their loans. The proposed regulations limit the number of programs that may lose eligibility for a one-year transition period during which the Department would limit the number of programs declared ineligible to the lowest-performing programs producing no more than five percent of completers during the prior award year. Additional programs and programs that fail to meet the debt thresholds but fall outside the five percent cap during the transition year would be subject to the same requirements as programs on a restricted eligibility status.

3.3.10 McCarthy 16. *Don't we already have in place Income Based Repayment, which creates a method for borrowers to limit their annual educational debt repayment to a reasonable, affordable amount, 15% of income?*

Income Based Repayment (IBR) addresses only those situations in which borrowers are in some sort of financial hardship, not whether a program prepares students for gainful employment. The proposed rules would establish a reasonable relationship between the debt a student incurs during enrollment in a program and the earnings stemming from the training provided. That is, a former student should earn enough to make payments on his or her loans under a standard repayment plan and have sufficient funds remaining to pay for basic living expenses.

3.3.10 Shea Porter 1. *President Obama's budget proposes to shift a great number of programs from formula funding to competitive grants. Under this proposal, how do we ensure that smaller states like New Hampshire aren't disadvantaged by this shift?*

We aren't afraid to compete. There are actually quite a few innovative approaches that we have taken in the state that we are all very proud of, but we face a challenge in a lot of the rural communities where the LEAs don't have a grant writer – and they don't have the resources to hire a grant writer.

How do we ensure that smaller states – and rural communities within those smaller states are not put at a disadvantage here?

Our proposal maintains critical formula funding, which States can take into account in long-term planning, and includes an historic increase for competitive grant programs. In administering competitive programs, we intend to value both need and quality, and want to ensure that rural and other high-need communities receive the funding they need to help students succeed, though technical assistance and other measures, and look forward to working with Congress to ensure that.

3.3.10 Shea Porter 2. *In the Race to the Top application, one of the steps required was the replacement of the principal of a school. We all know that there are certain circumstances where a principal is doing the best they can with the resources available. Certainly, it is time for some principals to move on. But there are also those (and teachers too) who have poured their hearts into their work and really are doing their best with the resources available.*

I have real concerns with rigid requirements that preclude the state or LEA from working with these principals – especially when at the local level they have been recognized as a key player in the community. So going forward, how do we as Federal policy makers provide this flexibility to the states?

We greatly value the hard work of principals of schools around the country. In SIG, RTT, and our ESEA Blueprint, we are giving flexibility for principals recently hired as part of reform efforts, so that they can continue to lead efforts to improve the school. In each of these programs we are also specifying that schools that that are making progress should not be included in the persistently lowest-achieving group, which triggers these interventions. We also would note that these interventions are required only in the lowest achieving five percent of schools – which have both low achievement and no progress, while all other schools would benefit from significantly greater flexibility than they have under current law.

3.3.10 Shea Porter 3. *In the coming months, we are going to be looking at the reauthorization of the Elementary and Secondary Education Act (ESEA). In this Committee we recently had a hearing on the role of charter schools and looked at a bill that would make it easier for charter school expansion. We have seen a lot of discussion about the need to create more charter schools. But there has been little discussion about how we best disseminate any successful innovations taking place at our existing charters. So my question is this: Going forward, as we consider committing additional resources to expanding charters, how do we also make sure that we are committing appropriate resources to help our traditional public schools implement appropriate innovations?*

We agree that dissemination of successful innovations is important. Provisions for supporting and funding dissemination activities are present in several areas of our charter schools proposal, including in direct grant activities, allowable uses of funds, and national activities. The principal goal of the Investing in Innovation program is to identify innovations that can make a difference for student and teachers, and that can be scaled up so that more public schools will be able to implement them.

3.3.10 Shea Porter 4. *The FY2011 TRIO appropriation will fund TRIO grants for academic year 2011-2012. However, because $57 million in mandatory funds for the nearly 200 Upward Bound programs provided by CCRAA went into effect immediately (i.e., academic year 2007-2008), the last academic year for which funds are available is 2010-2011. By failing to include*

$57 million in additional discretionary funds to account for these programs in academic year 2011-2012, there is significant concern that the Administration will not be able to maintain the current number of Upward Bound projects (956 total). Some estimates show that the FY2011 budget request only provides enough funds to support 778 Upward Bound programs in academic year 2011-2012. Given this situation, how are the College Cost Reduction and Access Act-funded Upward Bound projects going to be protected from elimination? Where will the funding to continue all 956 Upward Bound programs come from? Based on the budget request, how does the Administration intend that Congress sustain these programs?

The HEA, as amended by the College Cost Reduction and Access Act (CCRAA), provides an additional $57,000,000 in mandatory funding for Upward Bound for Fiscal Years 2008 through 2011. Currently, the Department is using these funds to support 178 Upward Bound projects. Of these, 158 projects operate with an annual project period beginning December 1st and ending November 30th of the succeeding fiscal year. The FY 2011 mandatory appropriation will support these projects through November 30, 2011. The Administration's recommendations on this issue will be reflected in its FY 2012 budget request, which will be transmitted to the Congress in February 2011, and we look forward to working with Congress to address this issue.

3.3.10 Chu 1. *Secretary Duncan, I've expressed my concerns to you with respect to Race to the Top. It was very controversial in California and in other states, yet you are asking for a significant continued investment without any accountability. The winners of the 1st round of funding haven't even been announced and no one knows if this funding will be successful in closing the achievement and increasing graduation rates. I have two questions. Why should we provide $1.35 billion for Race to the Top without any measure of success?*

We absolutely agree with you that we should hold this program to high standards of success. In the case of Race to the Top, the Institute for Education Sciences will conduct a rigorous evaluation that will track both implementation and outcomes. And of course the first round winners were announced in March.

With the $4 billion available to support statewide reforms under Race to the Top, the Department of Education has funded 12 exemplary applicants. But these grants haven't satisfied states' desire for reform. A total of 46 states submitted bold, comprehensive plans for reform. With hard work and collaboration, governors, state education chiefs, state and local lawmakers, unions and other stakeholders worked together to advance reform. Like the 12 applicants that won grants in the first round, many of these states are ready to move forward. They are ready to put their bold plans to work to support student success.

The Race to the Top program has fundamentally redefined the education landscape in America. With less than 1 percent of the annual K-12 education spending in our country, the program has given states the incentive to lead reform in a comprehensive and collaborative way. Race to the Top has helped advance reform more in the past 18 months than any other program in the history of the Department of Education.

To sustain the momentum established in other states, President Obama has proposed $1.35 billion for Race to the Top in fiscal year 2011. The money would continue to support reforms in deserving states that were not funded in the first two phases of Race to the Top. It also could

create a grant program that could drive reform at the local level by inviting districts to create their own roadmaps for reform.

This money is absolutely essential to sustain the momentum created over the past year and a half. Race to the Top and other federal reform initiatives have unleashed an avalanche of pent-up reform activity in states and communities across the country. We need to continue to support that important work by extending funding for Race to the Top.

Even before Race to the Top made its first grant, states showed their commitment to reform. Starting early last year, 48 states worked together to create standards that prepare students for success in college and careers. In a few short months since those standards were finalized, 35 states and the District of Columbia have adopted them. Forty-four states have formed two consortia to create the next generation of assessments that will measure student progress toward those standards.

Under Race to the Top, states are advancing other areas of reform. They are creating models of how to recruit, train and evaluate teachers and principals. Other states are doing the tough work of turning around their lowest-performing schools, and they are developing data systems to track and report progress. The District of Columbia is expanding access to high-quality early learning programs. All Race to the Top states have created comprehensive plans to prepare students for success in science, technology, engineering and mathematics — the fields that will be vital for success in the 21st century economy.

Race to the Top also has a unique role to play for local reforms. It can support districts that are dedicated to creating comprehensive plans for reform that raise standards, improve the effectiveness of teachers and principals, use data and turn around schools. Just as the Race to the Top state competition has created 12 models for how to create statewide reforms, a local competition could create local examples of districts leading the way with bold comprehensive strategies.

We are committed to promoting reform for the long haul. Race to the Top has laid the foundation to turn around our economy and ensure our country's prosperity for decades. We must sustain that momentum and continue to provide the financial incentives and support for reform through Race to the Top and other programs, and look forward to working with Congress on that effort.

3.3.10 Chu 2. *Before you solicit for a third round of funding, will you look into revising the guidelines so that more states will be eligible?*

We established the Race to the Top eligibility requirements, e.g., that there be no legal statutory or regulatory barriers in a state to linking student achievement data to teacher and principal evaluation, to ensure that there weren't structural impediments to reform in place in grantee states; other priorities and criteria in the competition did not affect eligibility. Each of the states that applied, and the District of Columbia, were deemed eligible to compete based on the eligibility requirements. In the long term, we think it's important that Race to the Top drive and support reforms in as many states and districts as possible, to improve opportunities for as many students as possible. Certainly, we look forward to working with Congress to include the program in the reauthorization of ESEA, and expect the lessons we and others have learned from the competition to date to play an important role in that conversation.

3.3.10 Chu 3. *How are you going to make sure that every standard the federal government imposes on states to qualify for funding is matched with the resources necessary to achieve those standards so these new standards aren't really the same unfunded mandate from No Child Left Behind?*

We're extremely sensitive to the economic situation of states and districts right now. We were pleased to support and implement the historic education investments of the Recovery Act, and strongly supported the Education Jobs Fund, to get states and districts the funding they need to avert teacher layoffs.

In our fiscal year 2011 budget proposal, which aligns with our ESEA reauthorization proposal, we proposed $3.0 billion in additional K-12 funding for states and districts – the largest increase in K-12 discretionary education funding ever requested.

In our accountability proposals, for the vast majority of schools, we're proposing greater flexibility and fewer mandates, matched with a high expectation of results that are meaningful for students and a continuing focus on achievement gaps.

3.3.10 Chu 4. *Did you or any of your staff talk to any teachers or parents at Central Falls High before your comments applauding the administration's actions?*

Our intent was not to endorse a specific local decision, but rather to highlight that decisions about turning around persistently low-performing schools are very difficult local decisions, and that we respect local administrators for taking strong action when they believe strong action is necessary. We are pleased that local administrators, union leadership, and teachers ultimately found common ground and agreed on a plan to improve their school. We believe strongly that teachers must be an important part of these decisions, and recently joined with American Federation of Teachers President Randi Weingarten and National Education Association President Dennis Van Roekel to announce that we will convene a national education reform conference on labor-management collaboration early next year to highlight examples of innovative collective bargaining agreements across the country and promote opportunities for management and labor to forge reforms at the State and district level.

3.3.10 Chu 5. *What is the procedure for the Administration to take a position on teacher firings?*

The Department has made more than $4 billion in School Improvement Grants, for school districts to use to implement one of four models to improve their persistently lowest-achieving schools. The Department has provided, and will continue to provide, States and school districts with extensive technical assistance to help them implement this program, but the decision of which model to implement is a local one, on which the Department does not take a position.

3.3.10 Chu 6. *How does your Administration plan on working with teachers unions on this issue and on ESEA Reauthorization?*

Teachers must play an important role in local school improvement decisions and also in ESEA reauthorization, and we are committed to continuing to engage with them throughout this

process. We have met regularly with teachers, teacher unions, and other teacher organizations around the country and in Washington to hear their views on these and other issues. Each year, through the Teaching Ambassador Fellows program, we invite a group of teachers to work on policy initiatives full-time in Washington or from their classrooms. Early next year, we'll be convening a conference with the AFT and NEA on how labor-management collaboration leads to effective reform, and in March we'll be convening an international summit on the teaching profession in New York City with Ministers of Education and union leaders from the United States and other countries.

3.3.10 Chu 7. *While states like California, Texas, and New York have had English learners for many years, other states like Alabama, Kentucky, North Carolina and Tennessee have experience a 300 percent or higher growth of bilingual learners. While I appreciate the 6.6 percent increase, it is not nearly enough to provide for the growth of our English learners across the country. How does the Department of Education plan on supporting school districts with the growth of English Learners and closing the achievement gap if grant funding is not keeping up with the growth in student population?*

The Administration's reauthorization proposal for formula grants to States for English learner education, currently authorized under Title III, supports efforts to close the achievement gap for English learners through strengthened professional development for educators; improved accountability; and the development and implementation of innovative and effective programs. In addition, the proposal would strengthen the conditions governing States receipt of formula funds and would shift more funds to competitive grants in order to support the development and implementation of high-quality programs for English learners. We look forward to working with Congress during reauthorization of ESEA to find the best ways to address this critical issue.

3.3.10 Chu 8. *Why have you eliminated eligibility for higher education institutions for the Teacher Quality Partnership Grants?*

Please note that under our proposal, eligible teacher preparation programs may be university- and LEA-based routes as well as alternative routes. Under the Teacher and Leader Pathways program, partnerships of high-need districts, States, and institutions of higher education that are eligible to apply for funding under the Teacher Quality Partnership program would be encouraged to apply for funding under the Teacher and Leader Pathways program.

Our fiscal year 2011 budget proposal consolidates programs in order to give States and districts the flexibility needed to comprehensively address the recruitment, preparation, and retention of effective teachers and leaders. The Teacher and Leader Pathways program ($405 million) focuses on student outcomes and supports the creation or expansion of high-quality pathways into the teaching profession. The budget request would almost triple funding for these kinds of programs in order to increase the number of effective teachers serving in high-need and low-performing schools and high-need fields and subjects.

3.3.10 Chu 9. *How would LEAs manage a grant program that provides teacher training when they should be focused on K-12 education for students?*

An LEA that believes it has the capacity to apply for and implement a discretionary Teacher Pathways grant on its own could do so. An LEA that is interested in such a grant but does not believe it has the capacity to do so on its own could also apply in partnership with other LEA's, with its SEA, or with an institution of higher education or a non-profit.

3.3.10 Chu 10. *The research is undeniable that when at-risk children experience high-quality early learning programs, they have better school, employment and life outcomes. However, not all children, including children in my district have the option for early education. According to Los Angeles Universal Preschool, the 32nd district of California has the greatest needs for pre-school access in all of LA County. A majority of the population of 4 year olds in my district could not choose to go to preschool because there are none available. Your budget has frozen funding for IDEA Preschool Grants, a program that has seen a decrease in funding every year since 1992. How is your budget going to expand much needed high-quality early learning programs?*

Early learning is an important component of a comprehensive, cradle to career strategy that is essential to meeting the President's 2020 goal that the U.S. once again lead the world in college graduation rate, and is embedded throughout our ESEA reauthorization proposal. We must get schools out of the catch-up business.

Our ESEA proposal supports early learning in a number of ways, such as continuing to allow support of preschool through Title I formula funds; promoting a birth through college to career agenda (Promise Neighborhoods); and encouraging states and districts to undertake ambitious, systemic, comprehensive reforms of their education systems that will dramatically improve student outcomes, and we believe that early learning can be a critical part of those efforts.

Our fiscal year 2011 budget proposal includes $9.3 billion over 10 years for the Early Learning Challenge Fund for grants to States to improve the quality of early learning programs to help children enter kindergarten ready to succeed, $210 million for the Promise Neighborhoods program; $450 million for the Effective Teaching and Learning: Literacy comprehensive Pre-K through grade 12 program; and $300 million for the Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics (STEM) comprehensive Pre-K through grade 12 program. We look forward to continuing to work with Congress, through ESEA reauthorization and other avenues, to ensure strong support for early learning programs.

3.3.10 Chu 11. *Why are we creating this budgetary chaos for our schools and how do you expect them to deal with this uncertainty?*

While maintaining funding for critical formula programs, we also want to use significant increases in competitive funding to support state and local reforms that can make a difference in the lives of students, teachers, families and communities. The financial crisis and recession have led to substantial budget shortfalls in states and school districts all across the country. The American Recovery and Reinvestment Act (ARRA) has played a significant role in mitigating this crisis as Congress and the Administration provided $48.6 billion through the State Fiscal

Stabilization Fund, $10 billion in additional Title-I funding, and $12.2 billion in additional IDEA funding. These funds, and the funds provided by the recent Education Jobs Funds, have been essential in addressing budget shortfalls, preventing an education crisis, and saving teacher jobs.

3.3.10 Petri 1. *Under your leadership, the Department has been talking a great deal about innovation, particularly regarding assessment. In many cases, however, the policies of the Department seem to lag behind innovation. One of the types of assessment that several states are looking at is a computer adaptive test that uses items at, below and above grade level to determine with a great deal of accuracy the exact level at which a student is performing. Using items outside of grade level is a very useful tool to determine the exact level at which students are operating. I know that over 50 percent of the school districts in my Congressional district and more than 50 percent of the school districts in Wisconsin are paying extra to contract with a provider to conduct this sort of testing at the school district level because they find that it provides more immediate and more useful data for their teachers. Is this the kind of innovation in assessment that you support?*

In the Race to the Top Assessment competition we provided $330 million to consortia of states to develop the "next generation" of innovative and high quality assessments that are valid, support and inform instruction, provide accurate information about what students know and can do, and measure student achievement against college and career ready standards. These assessments are intended to play a critical role in educational systems; provide administrators, educators, parents, and students with the data and information needed to continuously improve teaching and learning. We believe this will lead to great strides in the development of high-quality assessments, including the use of technology.

3.3.10 McKeon 1. *SES providers create a number of jobs, especially in low-income areas. Can you tell me how many jobs are created by the SES industry and further can you tell me how many of those jobs are held by teachers that are able to supplement their salaries by working for an SES provider outside of the school day?*

We do not know how many full- or part-time jobs have been created by the SES industry, nor are we aware of any independent research on this topic. Many organizations tutored students before they were eligible to receive Title I funding as state-approved SES providers, so it is unclear how many jobs have been created.

The Department conducted surveys of 130 SES providers in 16 LEAs in 2004–05 and 2006–07 that collected some information on SES instructional staff. Overall, the average-size provider has grown from 36 instructional staff members in 2004–05 to 79 instructional staff members in 2006–07. In 2006–07, 59 percent of the SES instructional staff were certified teachers, a decline from 64 percent in 2004–05. Thirty-eight percent of the staff were teachers in the district in which the provider operated in 2006–07, a decline from 58 percent in 2004–05. This information can be found on pages 21 and 22 of the report, "State and Local Implementation of the No Child Left Behind Act, Volume VII—Title I School Choice and Supplemental Educational Services: Final Report."

3.3.10 McKeon 2. *Under the final requirements issued by the Department on December 3, 2009 for the School Improvement Grants program, an SEA is authorized to seek a waiver to permit a school that implements a "turnaround" or "restart" model to "start over" in the school*

improvement timeline. Because of this new waiver, students currently receiving free tutoring will lose valuable academic opportunities while the LEA figures out how to implement a new "turnaround" or "restart" system that will hopefully lead to improved academic achievement in its struggling schools. What is the Department's plan to ensure that students (many of whom are performing at several grade levels behind their peers) who have been receiving extra help – through free, individualized tutoring – continue to receive intensive academic interventions as the LEA works to turn around its struggling schools?

Under NCLB, the same interventions were mandated in all schools identified for improvement, and there was over-labeling of schools without real change taking place. We propose maintaining performance targets for all schools so the educational attainment goal is clear, while allowing state and local flexibility in how to get there. But we must be far tougher on accountability for those schools and districts that have continued to remain stagnant or in decline over time, because each year that a school does not achieve student progress in learning means that those students lag further in their readiness for college and careers. In our proposal, states and districts will be required to implement dramatic interventions in the bottom five percent of schools in their state. Districts will generally have flexibility to choose from four different turnaround models: transformation, turnaround, restart, and school closure. Supplemental educational services (SES) will remain as an option for districts and schools, including in year one of schools implementing a turnaround model.

Furthermore, our proposal includes a dramatic increase in support for turning around low-performing schools - $900 million for School Turnaround Grants – in addition to the $4 billion from fiscal years 2009 and 2010, including the Recovery Act.

3.3.10 Souder 1. *I am concerned about the July 1, 2010 effective date that was included in the House-passed version of SAFRA and included in your budget proposal. While we have seen an increase in the number of schools that have transitioned into the Direct Loan (DL) program, there are still thousands of schools in FFEL, despite the Department's best arm-twisting efforts to push schools into the Direct Loan program. I have also heard from schools that the transition to DL is NOT as easy as flipping a switch. Can you provide me with documentation that outlines the past, present and future actions the Department has put into place to ensure that no students will go without timely access to federal loans should the July 1, 2010 date remain unchanged?*

In response to your inquiries regarding the specific actions the Department has taken to ensure students have access to Direct Loans for the coming year, our office of Federal Student Aid (FSA) has gone to great lengths to update its systems and increase its capacity. FSA also began reaching out to the higher education community to offer assistance and guidance as schools contemplated joining the Direct Loan Program. FSA established and published the Direct Loan Source, a monthly newsletter for schools considering a transition to the Direct Loan Program. FSA representatives attended over 40 regional and state financial aid conferences held throughout the country providing training to 10,000 financial aid professionals in attendance.

FSA also established and implemented a comprehensive training plan designed to assist schools wishing to transition to the Direct Loan Program. Last December, FSA hosted over 5,300 financial aid professionals for Direct Loan training at its annual conference. Since that time, we have also conducted Regional Direct Loan Training Conferences for domestic schools in 15 cities across the nation serving almost 2,600 financial aid professionals.

3.3.10 Souder 2. *Despite the obvious skills that Family Therapists can bring to children in the schools, the growing problem of mental health issues in schools and shortage of personnel the ESEA omits Family Therapists from the list of professionals identified as qualified to provide mental health services. Would you be in favor of amending ESEA to list Licensed Family Therapists alongside professional counterparts under the definitions of: 1) "school based mental health services providers," 2) "pupil services personnel," as well as 3) adding Family Therapists to the list of recognized professionals in school counseling programs?*

Ensuring students have access to the range of counseling assistance they need is important to supporting student success. It is critical to ensure that students are served by highly skilled mental health and other professionals with the proper certification to meet their needs, and we look forward to continuing to work with Congress to ensure that students have access to the appropriate professionals.

3.3.10 McMorris Rodgers 1. *Well before the enactment of No Child Left Behind, there was the Eisenhower Professional Development Program which focused on improving the skills and content knowledge of K-12 teachers in mathematics and science. No Child Left Behind transitioned this program into the broader based Teacher and Principal Training and Recruiting Fund. I am concerned that our students are falling behind in the critical areas of math, science, technology, and engineering. Can you discuss how your budget puts forward proposals that ensure teachers are prepared to effectively teach these subjects?*

We share your concerns about our students' preparation in critical areas such as English/Language Arts, and math, science, technology, and engineering, or STEM.

Our ESEA reauthorization proposal and our Fiscal Year 2011 budget proposal put a strong emphasis on STEM education and preparing teachers in these subject areas through the Effective Teaching and Learning: STEM program. This $300 million program would provide competitive grants to State Education Agencies (or SEAs in partnership with outside entities) and high-need districts to support State and local efforts aimed at implementing and supporting a comprehensive STEM strategy for the provision of high-quality STEM instruction and support to students from prekindergarten through grade 12. It would support professional development for STEM teachers; the implementation of high-quality instructional materials and assessments; and improved systems for linking student data on assessments with instructional supports such as lesson plans and intervention strategies.

The Race to the Top competition also placed a competitive priority on proposals that rigorously prepare students and educators in the STEM subjects and fields. In addition, as a component of the Administration's government-wide effort to support and improve STEM education, the budget includes a proposed Investing in Innovation program that would dedicate a further $150 million towards STEM projects and include a cross-cutting emphasis on technology. Our proposal for the Teacher and Leader Innovation Fund would also place a priority on preparing, developing, and retaining teachers in high-need subjects and areas. This fund would provide competitive grants to states and school districts for the recruitment, preparation, development, retention, reward, and advancement of effective teachers. Our Teacher and Leader Pathways proposal would also help prepare teachers in high-need fields, through high-quality teacher preparation programs. We also will work with other agencies, such as the National Science Foundation, where they have similar programs, as appropriate.

3.3.10 McMorris Rodgers 2. *One aspect of the Budget that I'm extremely concerned with is the restructuring of the Perkins Loan program. As you know, this program was established in the late 1950s in fear that we were failing behind technologically to the former Soviet Union and its space program. Despite its success for the last half century in providing financial aid to a critical student population, it was restructured as part of SAFRA. Concerns have been expressed by many in the higher education community that as currently proposed the program will not serve the needs-based population that it was intended to serve. Would you comment?*

The provisions expanding and modernizing the Perkins Loan Program were removed from the legislation that was enacted to reform the student loan programs, however, the Administration continues to advocate for a Perkins Loan Program that targets Perkins funds to more needy students and the institutions they attend.

3.3.10 Biggert 1. *In January, I held a roundtable with local educators and superintendents from my district to discuss their views on Race to the Top. Probably the biggest complaint that I heard was that they were being asked to sign memorandums of understanding when there were still so many unknowns about the program. Many of my constituents also expressed concern that all of the money awarded would go to the City of Chicago. I have read the detailed grading rubric put out by the Department, but can you give us more detail about how the money will be allocated to local districts?*

Based on section 14006(c) of the ARRA, states must allocate 50 percent of Race to the Top funds to participating districts based on their relative share of funding under Title I, Part A of the ESEA. Any school district that chooses to participate in the State's plan will receive its share of the funding based on this federal formula. Whether a specific district chooses to participate is a local decision, but the program specifically requires States to offer this option to every district in the state. The State has considerable flexibility in using the other 50 percent of the funds to support its reform plan. We look forward to continuing to work with Congress to include Race to the Top in ESEA reauthorization, including discussing your concerns in that context. Certainly, we believe that the more widely the reforms promoted by Race to the Top are implemented, the better, and with regard to rural districts, I would note that our reauthorization proposal includes a cross-cutting priority for ensuring that rural districts are able to compete on a level playing field.

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Based on section 14006(c) of the ARRA, states must allocate 50 percent of Race to the Top funds to participating districts based on their relative share of funding under Title I, Part A of the ESEA. Any school district that chooses to participate in the State's plan will receive its share of the funding based on this federal formula. Whether a specific district chooses to participate is a local decision, but the program specifically requires States to offer this option to every district in

the state. The State has considerable flexibility in using the other 50 percent of the funds to support its reform plan. We look forward to continuing to work with Congress to include Race to the Top in ESEA reauthorization, including discussing your concerns in that context. Certainly, we believe that the more widely the reforms promoted by Race to the Top are implemented, the better, and with regard to rural districts, I would note that our reauthorization proposal includes a cross-cutting priority for ensuring that rural districts are able to compete on a level playing field.

3.3.10 Biggert 3. *As a former school board President, I firmly believe in local control of education. One of my biggest concerns with Race to the Top is that states are graded based on their willingness to join a voluntary multi-state consortium dedicated to creating national education standards. While I understand that most states joined voluntarily, I am very concerned that this could be a first step toward what is effectively a national education board. Can you assure me that education standards will ultimately remain a state and local decision?*

We agree that the development of standards must continue to be a state and local process. We applaud the work of the nation's governors and chief state school officers, as well as so many others, to create rigorous, common, state-developed standards. Through this effort, they are delivering on their commitment to all students, including their neediest students, to provide an education that prepares them for college and a career.

3.3.10 Biggert 4.-6. *I was recently contacted by Rasmussen College, a proprietary school in my district, with concerns about the Department of Education's efforts to redefine "gainful employment" in the Title IV student loan program by regulation. As you know, the current draft proposal would prohibit students at proprietary schools and in certain other non-degree programs from borrowing if the interest on that student's loans would exceed 8% of his/her expected income. If this proposal were to be put into effect, it would have severe negative consequences for many of my constituents, including those who intend to work in high-need occupations. According to Robert King, Chairman of the school:*

Under the proposed "gainful employment" calculation, Rasmussen College's School of Nursing students would not be eligible for Title IV funding as the debt-income calculation is above 8%. The State of Illinois is expected to experience a 21,000 nursing shortage by 2020 and Rasmussen College wants to help fill that gap. Our College has an average 94% retention rate among nursing students each quarter and more than 90% of our nursing graduates pass their nursing certification exams, with several of our campuses achieving 100%. With a nursing placement rate of 98%, ED's proposals run counteractive to President Obama's goals of increasing the educational attainment levels of all Americans and simultaneously creating jobs.

I agree with the college's assessment of this proposal, and would like you to address the following questions:

3.3.10 Biggert 4 *If the purpose of this proposed regulation is to protect student welfare, why does it almost exclusively affect proprietary schools?*

The Higher Education Act makes Federal student aid funds available to institutions providing programs that prepare students for "gainful employment in a recognized occupation," regardless

of whether the institution is a for-profit, non-profit or public institution. This includes most programs at for-profit institutions and many programs at public and non-profit institutions, as well as some programs offered by community colleges and public postsecondary vocational institutions." Congress reaffirmed the application of the "gainful employment" standard to vocational programs, rather than all postsecondary programs, as recently as 2008.

Although the proposed rule does not apply solely to for-profit institutions, we estimate that it would affect for-profit institutions the most. Many students who have high levels of student loan debt attended programs at for-profit institutions that were supposed to lead to gainful employment. Our data indicate that there were 18 loan defaults for every 100 graduates of for-profit institutions in 2007-08, compared to 5 defaults for every 100 graduates of public institutions. Because these institutions are funded primarily with Federal financial aid, the Department has the responsibility to ensure that the programs they offer benefit students and employers.

3.3.10 Biggert 5 *Where did the 8% debt threshold originate?*

We adopted the proposal made during negotiated rulemaking that borrowers should not devote more than 8 percent of total income toward repaying their student loans. A number of studies have also accepted the 8 percent standard and some State agencies have established similar guidelines ranging from 5 percent to 15 percent of gross income. These percentages are derived from other tests of debt burdens in relatively comparable situations. For example, home mortgage underwriting criteria are based on the standard that non-housing-related debt should not exceed 8 to 15 percent of pre-tax income.

3.3.10 Biggert 6 *Would you consider increasing the debt-to-income ratio? How about making exceptions for high-demand professions?*

A proposal that would define gainful employment has not been finalized so we are continuing to consider these kinds of issues raised by public comments, as we continue to develop such a proposal.

3.3.10 Biggert 7. *As you know, I'm very concerned about the education of children and youth who are homeless. The last ESEA reauthorization included the McKinney-Vento Act, legislation that I authored to address the barriers faced by homeless students, so that school could be a place of stability and opportunity. I will soon introduce legislation to refine and strengthen this program in the next reauthorization. The President's FY2011 budget does not include any increase in funding for this program, despite the fact that the numbers of homeless students reported by public schools have increased by 40% over the past two years. What is the Administration's vision for addressing the educational needs of homeless students?*

The Administration's ESEA reauthorization proposal would help improve the identification of students experiencing homelessness by helping States and school districts improve and increase training for homeless education liaisons. We will ask for States and districts to improve access among homeless students to public education programs from early learning onward, including Title I, Part A, and to help these students enroll in a new school without delays or barriers,

particularly when students must move due to their family situation. Our proposal would also require coordination between homeless education liaisons and State and local housing agencies, providing a collaborative response to help minimize education disruptions for students.

In addition, program funds would be allocated to States based on the most recent State-reported counts of homeless students, rather than on State shares of Title I Grants to LEAs. In recent years, the Department has worked with States to improve the accuracy of student counts, and believes that these improved counts will provide a better indicator of relative State need than do Title I State shares.

3.3.10 Biggert 8. *What efforts are being made to ensure that students who are homeless have access to all existing federal educational programs, including Title I Part A, early learning, and higher education?*

In addition to our reauthorization proposal, in September 2009, we issued guidance on the use of Title I funds under the American Recovery and Reinvestment Act, in which we noted that Title I, Part A ARRA funds may provide a wide variety of services to homeless students. In addition to providing services to assist homeless students in meeting the State's challenging academic achievement standards, Title I, Part A ARRA funds may be used to provide services that may not ordinarily be provided to other Title I students.

3.3.10 Biggert 9. *Do I have your commitment to work together on this issue, so that being without a home does not mean being without an education?*

Absolutely. We look forward to continuing to work with you to ensure that all students, regardless of their housing situation, receive the education they need and deserve.

[Whereupon, at 11:14 a.m., the committee was adjourned.]