

THE IMPACT OF SEQUESTRATION ON EDUCATION

HEARING
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
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THE IMPACT OF SEQUESTRATION ON EDUCATION

WEDNESDAY, JULY 25, 2012

U.S. SENATE,
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN
SERVICES, AND EDUCATION, AND RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:03 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Tom Harkin (chairman) presiding.

Present: Senators Harkin, Murray, Durbin, Reed, Pryor, Mikulski, Brown, and Shelby.

OPENING STATEMENT OF SENATOR TOM HARKIN

Senator HARKIN. The Subcommittee on Labor, Health and Human Services, Education, and Related Agencies will come to order.

SEQUESTRATION'S ACROSS-THE-BOARD CUT

As everyone here is aware, under the Budget Control Act of 2011, virtually all Federal programs face an across-the-board cut in January 2013 if the Congress does not enact a plan before then to reduce the national debt by \$1.2 trillion over the next 10 years.

So far we've heard a great deal about sequestration's effects on Pentagon spending. The defense industry has highlighted the potential impact of an across-the-board cut on defense-related jobs and services. Some Members of Congress are now demanding that we exempt the Pentagon from sequestration either by finding offsets for the defense cuts only or by making nondefense programs bear the full brunt of the entire \$1.2 trillion in cuts.

SEQUESTRATION'S IMPACT ON NONDEFENSE JOBS AND SERVICES

But sequestration wouldn't apply only to defense. It would also have destructive impacts on the whole array of programs that undergird the middle class in this country, everything from education to job training, medical research, childcare, food safety, national parks, border security, safe air travel, and on and on. These essential Government services and programs directly touch every family in America, and they will be subject to deep, arbitrary cuts under sequestration.

Some Members of Congress warn that defense contracting firms will lay off employees if sequestration goes into effect. But they say nothing of the tens of thousands of teachers, police officers, and

other public servants in communities all across America who would also lose their jobs.

As far as I'm concerned, a laid-off teacher is just as unemployed as a laid-off defense contractor, and they're both paid by the taxpayers.

REPORT ON SEQUESTRATION'S IMPACT

So it's important that we have an accurate assessment of the potential impact of sequestration on the nondefense side of the budget. To that end, this morning, I am releasing a report that provides a detailed analysis of sequestration's effects on dozens of labor, health, education, and related programs under the jurisdiction of this subcommittee that would happen in fiscal year 2013. Among the highlights of this report. States and local communities would lose \$2.7 billion in Federal funding for just three critical education programs alone, Title I, Special Education State grants, and Head Start, that serve a combined 30.7 million children. Nationwide, these cuts would force roughly 46,000 employees to either lose their jobs or rely on cash-strapped States and localities to pick up their salaries instead.

In health, 660,000 fewer people would be tested for HIV; 49,000 fewer women would be screened for cancer; 212,000 fewer children would be vaccinated.

At a time when the unemployment rate is still above 8 percent, 1.6 million fewer adults, dislocated workers, and at-risk youth would receive job training, education, and employment services. And the families of 80,000 fewer children would receive childcare subsidies, making it harder for parents to find work.

This report is available online and much of this information is available on a State-by-State basis. For example, you can go there and you can click on my State of Iowa and see that sequestration will result in about 4,700 fewer people being admitted to substance abuse treatment programs, or 500 fewer veterans receiving job assistance next year.

So I urge you to go to the Senate Appropriations Committee Web site and view the report. And once you have read it, you'll understand why my colleagues and I adamantly oppose any unbalanced approach that protects the Pentagon and the wealthiest 2 percent in our society while ignoring cuts to nondefense services, including education, that's so critical to the middle class.

I want to point out one paragraph that's in the foreword of this study. The study is called "Under Threat". You can get it on my official Web site also. We just released it this morning.

[The information follows:]

"In fact, the economic effects of cuts to nondefense programs could be worse than cuts to Pentagon spending. A December 2011 study found that investing \$1 billion in healthcare or education creates significantly more jobs within the United States economy than spending \$1 billion on the military. In healthcare, the difference is 54 percent more jobs; in education, 138 percent more jobs."

SEQUESTRATION STUDY SHOWS NEGATIVE IMPACT ON GROSS DOMESTIC PRODUCT

Senator HARKIN. A July 2012 study commissioned by the Aerospace Industries Association found that sequestration's cuts to non-

defense spending would reduce the U.S. gross domestic product (GDP) during fiscal years 2012 to 2021 by a greater amount than cuts to defense spending. The study commissioned by the Aerospace Industries Association said that sequestration's cuts to non-defense discretionary spending, under the jurisdiction of this subcommittee, would reduce our GDP during the next 10 years by a greater amount than cuts to defense spending.

I did not commission that study. It was done by the Aerospace Industries Association. The links to both of the reports mentioned above are available in our subcommittee report "Under Threat".

So a better and fairer solution is needed. That is the way we solved our previous budget crises in 1982, 1984, 1990, 1993, with a balanced approach that includes both spending reductions and new revenue.

In the 5 years following the 1993 deficit-reduction law, the U.S. economy created more than 15 million new jobs. Not only did we balance the budget, we were on a course to completely eliminate the national debt within a decade. So again, we can repeat this success. We don't have to reinvent the wheel.

So I hope that this report and today's hearing will motivate members of both parties to embrace a spirit of compromise. The time for ideological posturing is past. We all agree that sequestration would be tremendously destructive. We all want to avoid it. That means we all must come together with good will to hammer out a balanced agreement that will not only prevent sequestration but reduce our deficit and protect America's families.

Today's hearing examines the impact of across-the-board cuts specifically on education, but it could have just as easily focused on health or labor. But I think education will provide an instructive example of the kinds of arbitrary cuts that would be required in nondefense services if sequestration goes into effect.

We will hear first from Secretary of Education Arne Duncan and then from a second panel of educators who can explain the local and State impacts of sequestration.

I now yield to Senator Shelby for his opening remarks.

STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. Thank you, Mr. Chairman.

Mr. Secretary, thank you for joining us again today to discuss very hot topics like sequestration on the Department of Education.

TOO FEW FACTS FROM ADMINISTRATION ON PRECISE IMPACTS

I am disappointed that the administration to date has not provided the Congress any details on the impact of sequestration. While most of the attention has focused on the devastating and disproportionate cuts to our national security, sequestration will cause considerable impact to all parts of our Federal budget. The across-the-board cuts that are mandated under sequestration are not the answer to confront our fiscal problems.

CHAIRMAN'S SEQUESTRATION REPORT

I appreciate the chairman's focus on sequestration and the work of his staff on the sequestration report he is releasing today. How-

ever, I am concerned this report does not present an accurate portrayal of the impact of sequestration, because we have not been provided any concrete information by the administration to make these assumptions.

For example, the Congress does not know the amount of the across-the-board cut. As the chairman's report states, it could be anywhere between 7.8 and 8.4 percent. In real terms, this is a difference of \$1 billion in the Labor-HHS program reductions.

Second, we have no clarity on which Labor-HHS programs are exempt from sequestration. The more programs that are exempt Governmentwide, the higher the sequestration percentage becomes.

Third, the report specifies job cuts across programs and States, yet we simply have too little definitive information to know if these numbers are accurate. The only thing we do know is that agencies, programs, and States will have some flexibility to determine how reductions are taken and that all cuts will not necessarily lead to layoffs.

Finally, while the report shows some of the potential impacts of sequestration, it makes significant assumptions, based on unknown data, as to how these cuts will be implemented.

While the chairman has tried to show the effects of sequestration on Labor-HHS programs, in fact, it's only the Office of Management and Budget (OMB) that can accurately provide this type of information. Unfortunately, they have remained silent on the issue. It is as if the administration might want Members of Congress to be both blind and mute on sequestration. This cannot continue.

Mr. Secretary, I look forward to us having a frank and a specific discussion about the impact of sequestration with you.

BUDGET CONTROL ACT OF 2011

Mr. Chairman, like you, I did not vote for the Budget Control Act of 2011. I opposed the bill, because, as we are now seeing firsthand, it was a compromise on our financial future. The Super Committee was a failure. It was unable to garner even \$1 of savings. And as a result, our entire Government is now facing the possibility of severe cuts that will impact all aspects of our society.

INDISCRIMINATE CUTS TO PROGRAMS

The across-the-board cuts that result from the Super Committee's epic failure last year will be broad, blunt, and slash all programs indiscriminately.

Sequestration is not the right approach, I believe, to end our fiscal turmoil. In fact, its mere existence has caused huge financial uncertainty around the country.

I believe we need to find a solution to this problem now and end the uncertainty crippling school districts, small businesses, and education providers. We should not delay a solution to score political points.

FEDERAL DEFICIT

And while the chairman and I agree that sequestration will have a severe and detrimental impact on the Department of Education, we cannot forget how we got to this point in the first place. Our

Nation is \$15.8 trillion in debt, a number that grows by \$42,000 every second.

EDUCATION BUDGET REQUEST

In the past few years, the Federal Government has been recording the largest budget deficits since 1945. Yet the Department of Education's budget request for 2013 did little to curb spending to put our Nation on a fiscally sustainable path. In fact, it asked for an increase of \$1.7 billion in discretionary spending and then went on to request \$62.9 billion in new mandatory funding for the so-called American Jobs Act.

And while it is my understanding, Mr. Secretary, that departments were directed to disregard the possibility of sequestration in their budget requests, you should have not disregarded, maybe, economic reality.

Our Nation, I believe, cannot continue to spend money we don't have. And as we work to solve the sequestration issue, it's important to remember that a resolution today does not exempt programs from constraints tomorrow.

Mr. Chairman, we need to reign in Federal spending and put our Nation back on the path to fiscal sustainability.

Senator HARKIN. Thank you very much, Senator Shelby. Any other opening remarks received will be inserted into the record at this point.

[The statement follows:]

PREPARED STATEMENT OF SENATOR BARBARA A. MIKULSKI

IMPACT OF SEQUESTRATION ON EDUCATION

Thank you, Senator Harkin, for convening this important hearing. Senator Murray, I would also like to thank you for your ongoing efforts to provide clarification, work on the impact of sequester cuts, and ensure sufficient aid is being provided to nondefense discretionary programs.

Maryland is a sequester-stressed State. Apart from our Federal assets in defense, the National Security Agency and Bethesda Naval Hospital, we're also home to the National Institutes of Health (NIH), the Goddard Space Center, the Food and Drug Administration, the National Institute of Science and Health, and the National Oceanic and Atmospheric Administration. These Federal agencies, along with the employees that work there, make a significant difference in the lives of Americans on a daily basis, and those agencies will unfortunately be gutted if the sequester goes forward.

First, let's talk about what a sequester means for education and the impact it would have on students and families. Federal spending in education accounts for less than 10 percent of overall spending in K through 12 education. However, the investments we do make are targeted at making a significant difference in supporting our most vulnerable populations. Our largest discretionary programs in this age group have a huge impact on kids who need the most help. Most notable of these are Title I, which helps low-income families, and the Individuals with Disabilities Education Act (IDEA), which helps more than 100,000 kids with disabilities in Maryland. And although IDEA pays for only 10 percent of the cost of special education in Maryland, in my rural counties located on the Eastern Shore and in western Maryland, where there are decreasing or seasonal populations, IDEA helps pay for more than 20 percent of special education related costs and materials. I am worried that they, and other counties, won't be able to make up for \$16 million cut to special education programs with their limited county budgets.

Along with Maryland's needs when it comes to education, Maryland holds a strong military presence when it comes to bases like Fort Meade and Fort Detrick, Andrews Air Force Base, and Naval Air Station at Patuxent. The military and civilian personnel at these bases have children who attend local schools. However, because they don't contribute to local property tax, the Federal Government gives small appropriations to districts intended for meeting the needs of military students. With

cuts to the Impact Aid program, districts will be forced to make up the cost of children that come from military families. In Maryland, this would mean a cut of \$395,000 to a program that helps educate children who are essentially there by directive of the Federal Government.

In terms of health programs, we need a balanced approach to deficit reduction that isn't a job killer and doesn't annihilate programs. An approach that helps women and children, improves education, and healthcare for American citizens. A sequester means that most discretionary Department of Health and Human Services programs will be hammered with a 7.8-percent budget cut on January 2, 2013. NIH will be hit hard along with efforts to combat waste and fraud. Along with these startling possibilities, sequestration will delay biomedical innovation. 325,000 researchers at 3,000 universities and companies could face cuts, along with a \$2 billion cut to NIH's budget and a \$186 million cut for the State of Maryland. This not only hurts patients but also hinders the discovery of new cures, eliminating 2,300 research grants and financial support of clinical trials. NIH biomedical research investments means fewer bench-to-bedside discoveries that top Maryland biotech companies will develop into lifesaving drugs and diagnostics, some of which help with detecting cancer and infectious diseases early and ensures patients get efficient care.

Mothers, infants, and children will lose access to critical healthcare and social services when maternal and child health programs are cut by \$1 billion, a potentially devastating blow to kid's growth and development. Patients will experience the disastrous effects of sequestration for years to come because of cuts, ultimately limiting kid's access to Children's Hospital Graduate Medical Education program, which trains 5,600 pediatric residents each year. As for supplemental nutrition programs, WIC accounts for less than 0.2 percent of the Federal budget, and yet with sequestration 750,000 people will be thrown off this program that provides nutritional food to mothers and their children.

I'm for fiscal discipline—not fiscal austerity, especially when it comes to investments we make in programs that assist our most vulnerable populations. Today's hearing focuses on what sequestration means for education. In a nutshell, the answer is sequestration will be disastrous. But it won't just be disastrous for education, it will be disastrous for all domestic programs; those which work to help families out of poverty, children to grow up healthy, and seniors stay in their communities. It will also be disastrous for job growth. According to the Center on Bipartisan Policy, these cuts will result in more than 1 million jobs being lost over the course of 2 years. Sequester is no way to govern, sequester is a way to fail. We must do better.

Senator HARKIN. We'll start with our first panel.

Secretary Arne Duncan has served as Secretary of the U.S. Department of Education since 2009. He was confirmed by the U.S. Senate on Inauguration Day, January 20, 2009.

Prior to his appointment as Secretary of Education, Secretary Duncan served as a chief executive officer of the Chicago Public Schools, a position to which he was appointed by Mayor Richard M. Daley from June 2001 through December 2008, becoming the longest-serving big city education superintendent in the country.

Secretary Duncan graduated magna cum laude from Harvard University in 1987, majoring in sociology. He was co-captain of Harvard's basketball team and was named a first team Academic All-American.

Secretary Duncan, you've been before this subcommittee many times before. We welcome you again. Your statement will be made a part of the record in its entirety, and we ask you just to please proceed as you so desire.

STATEMENT OF ARNE DUNCAN, SECRETARY OF EDUCATION, DEPARTMENT OF EDUCATION

Secretary DUNCAN. Thank you so much.

I want to thank the chairman, the ranking member, and other members of the subcommittee for your support. Over the past 3 years, we have protected students at risk while investing in edu-

cation reform that supports bold and courageous leadership at both the State and at the local level. And I welcome the opportunity to discuss the potential devastating impact of sequestration.

We hoped that the prospect of deep, indiscriminate, across-the-board cuts would spur the Congress to take a balanced approach to deficit reduction. Obviously, so far that hasn't happened. But there is still time to act, and we remain hopeful that we can avoid these cuts.

TIMEFRAME FOR SEQUESTRATION

Fiscal year 2013 is a little more than 2 months away, and sequestration kicks in 3 months after that on January 2, 2013, so it's critically important that we and the American people fully understand the consequences of sequestration and take steps to avoid it now.

As all of you here know, sequestration will force across-the-board budget cuts on almost every discretionary program. Education, Defense, Homeland Security, and all other Federal agencies would indiscriminately cut services that are essential to every State and community.

ARBITRARY CUTS AFFECT EFFECTIVE AND INEFFECTIVE PROGRAMS

The sequestration will put at risk all that we have accomplished in education and weaken programs that help children, that serve families, that send young people and adults to college, and make the middle-class American dream possible.

Sequestration is absolutely the wrong way to make policy. It does not let the Congress or the administration set priorities. It attacks both ineffective and effective programs with the same blunt budget knife.

SHORT-TERM FIX TO LONG-TERM BUDGET PROBLEMS

Perhaps worst of all, it is another short-term fix to our long-term budget challenges. If sequestration happens, it simply means we didn't do our jobs in Washington, that we shirked our collective responsibility, and the people of America will pay the price.

Essentially, we are playing chicken with the lives of the American people—our schools, communities, small businesses, farms, public safety, infrastructure, and national security. It further erodes what little faith remains in our elected leadership to put partisan politics aside and do the right thing for children and families.

Clearly, it is time for the Congress to work together with the administration to create a long-term plan to reduce the deficit while simultaneously supporting the economic recovery that is underway.

We have had 28 consecutive months of private-sector job growth because we have been thoughtful and ambitious in the way we balance new investments with spending cuts. Today, in fact, domestic discretionary programs are at their lowest level as a share of GDP since the Eisenhower administration.

The Congress now has 5 months to work together to create a deficit reduction plan. President Obama has proposed a responsible way to do that when he submitted a plan that includes more than

\$4 trillion in deficit reduction. It maintains the Budget Control Act of 2011 caps, and calls for significant, yet targeted, cuts in discretionary spending. We've tightened our belts in a responsible way.

Most importantly, the President's plan is a long-term fix. It will put an end to the seesaw budgeting that leaves State and local officials wondering if they can count on the Federal Government to be a partner with them on education and other vital programs.

Let me begin with education. President Obama and I, and so many Members of Congress, recognize that education is the cornerstone to our economy. A good education leads to a good job and a lifetime of higher earnings. A strong educational system and a strong economy, those two things are inextricably linked.

SEQUESTRATION CUTS WOULD UNDERMINE EQUITY AND REFORM

Over the past 3 years, we've made investments in Race to the Top, the Investing in Innovation Fund, and other efforts to reform our schools so today's students are truly prepared to succeed in the global economy and to keep high-wage, high-skilled jobs right here in the United States.

Sequestration sends a signal that the United States is backtracking on its commitment to reform and its long-standing promise to promote equity for poor children through Title I and the Individuals with Disabilities Education Act (IDEA) to support students with special needs.

CUTS TO EDUCATION IMPACT MILITARY PREPAREDNESS

Education is also essential for our military preparedness. A staggering 75 percent of young Americans today are unable to enlist in the military because they have either failed to graduate from high school, they have a criminal record, or they are physically unfit.

And I've met with so many military leaders who recognize that the best way to address the dropout crisis is to start early and invest in early childhood education. They don't want to see cuts in Head Start, Child Care and Development Block Grants, and other programs serving children.

K-12 EDUCATION IMPACT WOULD BEGIN IN FALL 2013

The biggest impact in K-12 education will be felt starting in the fall of 2013. And in a recent poll of school district leaders, the vast majority, 80 percent of them, said they would not be able to use State and local funding to replace potentially lost Federal funds.

7.8-PERCENT CUT AND SOME SPECIFIC IMPACTS

Based on the Congressional Budget Office's (CBO) projection that sequestration will reduce programs by 7.8 percent, here's what we know will be at risk.

TITLE I, ELEMENTARY AND SECONDARY EDUCATION ACT IMPACT

First, Title I funding would be cut by \$1.1 billion, cutting off funding to more than 4,000 schools serving an estimated 1.8 million disadvantaged children. The jobs of more than 15,000 teachers and teacher aides would be at risk. Students would lose access to

individual instruction, afterschool programs, summer school, and other interventions that help to close achievement gaps.

SPECIAL EDUCATION IMPACT

Funding for special education would be reduced by \$900 million. That would translate into the layoffs of more than 10,000 teachers, aides, and other staff who provide essential instruction and other support to 6.6 million children with disabilities in every one of our home States.

IMPACT AID CUTS WOULD TAKE EFFECT JANUARY 2

On January 2, schools serving our military families through the Impact Aid program would have immediate cuts to their budgets. For example, the Killeen Independent School District in Texas receives about \$53 million in Impact Aid and would lose \$4.6 million, directly affecting 18,000 children from military families. And everyone here knows military families make so many sacrifices for our country. Their children deserve a world-class education.

STUDENT LOANS IMPACT

In higher education, our Department would need to slash spending on contracts to support the processing and the origination of student loans, which could cause delays that will hurt students as they make those critical decisions about college and could reduce services for borrowers seeking to repay their loans.

OTHER FEDERAL AGENCY CUTS ALSO IMPACT EDUCATION

In addition to these cuts at our department, other agencies will be forced to reduce spending in ways that will slow our Nation's educational progress.

HEAD START PROGRAM IMPACT

Up to almost 100,000 low-income children would be denied access to the Head Start program, which is critical to preparing them for success in kindergarten and in life. Eighty thousand children would lose access to high-quality childcare through the Child Care Development Block Grants.

NATIONAL INSTITUTES OF HEALTH AND NATIONAL SCIENCE FOUNDATION IMPACT

The National Institutes of Health (NIH) would issue 700 fewer grants to medical researchers, slowing the progress in the search for treatments and cures to cancer, diabetes, Alzheimer's, and other diseases in research labs at hospitals and universities across the country. And up to 1,500 grants would be cut from the National Science Foundation (NSF).

SEQUESTRATION SHOULD BE AVOIDED

While it is absolutely our hope and intention to avoid sequestration, our Department, along with all other agencies, will be ready to implement cuts if sequestration happens. But we all know that there are steps we can take now so we don't have to start down

the path that would put so many critical services to students, families, and communities at risk.

Sequestration does not have to happen, and it should not happen.

PREPARED STATEMENT

President Obama and all of us on his team stand ready to work with you to create a long-term path to reduce the deficit while investing in the programs that will secure our country's economic prosperity and global leadership. Together, let's do the right thing.

Thank you so much. I'm happy to take any questions you might have.

[The statement follows:]

PREPARED STATEMENT OF ARNE DUNCAN

Mr. Chairman and members of the subcommittee, thank you for this opportunity to talk about the impact on America's students and teachers of a sequestration of fiscal year 2013 funds under the Budget Control Act of 2011. That act created a bipartisan Joint Select Committee charged with developing a plan for comprehensive deficit reduction, in order to avoid the prospect of deep and indiscriminate across-the-board cuts in Federal spending, including both defense and nondefense programs. We all hoped that the breadth and depth of these prospective cuts would spur the Joint Committee to complete its task, through a balanced approach to deficit reduction, and stave off the blind and damaging cuts that would result from sequestration.

Unfortunately, the Joint Committee did not succeed in coming up with a deficit reduction plan, and our day of fiscal reckoning is drawing near. President Obama has been clear that the Congress must avoid sequestration by passing a balanced measure that includes at least as much deficit reduction as the \$1.2 trillion that was required of the Joint Committee by the Budget Control Act of 2011.

The President's fiscal year 2013 budget contains such a balanced proposal, and we will continue to work with the members of this subcommittee as well as others in the Congress to pursue legislation that would implement the President's proposal and cancel sequestration. There would still be deficit reduction but not the mindless and harmful across-the-board cuts that could be required by sequestration.

With the beginning of fiscal year 2013 just around the corner and no sign of meaningful progress toward a deficit reduction agreement, we can no longer afford to ignore the dire impact of sequestration. As you will hear from others at today's hearing, the public is appropriately worried about sequestration, and both the business community and State and local governments—including our school districts and institutions of higher education—are now posing questions about what sequestration could mean for their students, teachers, and faculty and how to plan for this possibility. In this context, and since there is both uncertainty and some misinformation regarding how sequestration would work and the impact that it could have, we think it will be helpful to outline, in broad terms, how the Department of Education and, by implication, the Federal Government as a whole, would implement a sequestration of fiscal year 2013 funds.

CONGRESSIONAL BUDGET OFFICE ESTIMATE OF SEQUESTRATION IMPACT

The Congressional Budget Office (CBO) has estimated that sequestration would require a 7.8-percent reduction in funding for nondefense discretionary programs that are subject to the sequester under the Budget Control Act of 2011. The cuts would be applied to the funding levels available in fiscal year 2013, with most reductions coming from fiscal year 2013 appropriations bills, which have not yet been enacted.

The administration believes that such a large, across-the-board reduction in spending would be extremely harmful. This should not come as a surprise because sequestration, by design, is bad policy. The resulting deep cuts carry the very real threat of significant harm to the ongoing economic recovery and our current and future competitiveness in the global economy.

It's also important to note that even without sequestration, domestic discretionary spending has already been declining. Nonsecurity discretionary spending is now on a path to reach its lowest level as a share of gross domestic product (GDP) since

the Eisenhower administration. In addition, State and local spending has been cut due to the recent financial crisis and economic downturn. At a time when we are just starting to see signs of renewed economic growth, as well as the positive impact of historic education reforms in programs like Race to the Top and School Improvement Grants that will contribute to future growth and prosperity, it just makes no sense at all to undermine this progress through sequestration of Federal funds.

The long-term impact of sequestration could be even more damaging, as it would jeopardize our Nation's ability to develop and support an educated, skilled workforce that can compete in the global economy. Indeed, it would be hard to overstate the devastating impact of sequestration as a signal not just to the Nation but to the world, that we are no longer able or willing to prioritize investment in the best guarantee of our future success and prosperity: The education of our children.

Before I talk about some specific examples of how sequestration would affect Federal education programs, I want to clarify that because four of our largest elementary and secondary programs are forward-funded, most cuts in funding resulting from sequestration next January would not hit classrooms until the 2013–2014 school year. Most Federal support for education in the 2012–2013 school year is funded through the fiscal year 2012 appropriation, which would be unaffected by sequestration. This means that if sequestration occurs, States and school districts would have roughly the first one-half of next year to plan for the impact of reduced Federal funding beginning in the 2013–2014 school year. We have communicated this information in a letter to Chief State School Officers from Deputy Secretary Tony Miller.

IMPACT ON STATE FORMULA GRANT PROGRAMS

However, I want to be clear that the delay in impact does not make the prospect of sequestration any less harmful to students, families, teachers, or schools: A recent poll showed that 80 percent of school districts would not be able to make up the funding lost to sequestration. And the effect of the funding lost would be significant. For example, a 7.8-percent reduction in funding for large State-formula grant programs that serve more than 21 million students in high-poverty schools and 6.6 million students with special needs could force States, school districts, and schools to lay off teachers and reduce services to these needy children.

More specifically, a \$1.1 billion reduction to title I could mean cutting off funding to more than 4,000 schools serving more than 1.8 million disadvantaged students, and more than 15,000 teachers and aides could lose their jobs. Similarly, for the critical Part B Grants to States program under the Individuals with Disabilities Education Act (IDEA), a 7.8-percent reduction in funding would mean the loss of more than \$900 million, eliminating Federal support for about 11,000 special education teachers, aides, and other staff providing essential instruction and other support to children with disabilities.

IMPACT ON STUDENT AID ADMINISTRATION

Another area where students, families, and schools would feel the impact of sequestration is in the administration of Federal student aid. A cut to Student Aid Administration could affect the processing of the Free Applications for Federal Student Aid (FAFSA), which millions of students and families use to apply for postsecondary student financial assistance. Our student aid contractors would likely have to lay off or furlough many of the contract employees who work for the Department in States with contractor facilities—such as Alabama, Arizona, Georgia, Iowa, New Mexico, and New York—that provide customer services to students and borrowers. This could mean that many students would not receive financial aid determinations and awards in time to make enrollment decisions. In addition, students who do enroll could experience delays in the processing and origination of Federal student loans, since the Department also could be forced to slash spending on contracts that support these essential activities. And the Department could be hampered in its ability to collect student debt and provide quality services to borrowers once they are out of school, due to cuts in the contracts with the private-sector entities that service Federal student loans. Just to be clear about the magnitude of the risks here, during the 2011–2012 award year the Department delivered or supported the delivery of approximately \$172 billion in grant, work-study, and loan assistance to almost 15 million postsecondary students attending more than 6,000 postsecondary institutions. In addition, since the Department would likely need to furlough many of its own employees as well, sequestration would significantly harm the Department's ability to prevent fraud, waste, and abuse in these very large, complex student financial assistance programs.

IMMEDIATE EFFECT ON IMPACT AID AND VOCATIONAL REHABILITATION

It is also important to point out that the impact of sequestration would not be delayed until the 2013–2014 school year for all Federal education programs. Sequestration would have a more immediate effect on individuals and schools served through programs like Impact Aid and the Vocational Rehabilitation (VR) State Grants, which are not forward-funded.

The \$1.2 billion Impact Aid Basic Support Payments program would lose almost \$90 million under sequestration, a significant blow in the middle of the school year for districts that serve federally connected children, including military dependents and Native American students. For example, in Texas, the Killeen Independent School District receives about \$53 million in Impact Aid support for 23,000 federally connected children—including 18,000 military dependents—who make up one-half of the student population in the district. Sequestration would cut Killeen's Impact Aid payment by more than \$4.6 million.

The Gallup-McKinley County Public Schools in Gallup, New Mexico, receives about \$35 million from the Impact Aid program, or about 35 percent of the district's total budget, to help meet the needs of 7,500 federally connected children, including 6,700 students who live on Indian lands. Sequestration would result in a mid-year cut of more than \$3 million to Gallup-McKinley's Impact Aid payment.

In the VR State Grants program, sequestration would require an immediate reduction of approximately \$240 million for activities that help about 1 million individuals with disabilities at any given time to prepare for, obtain, or retain employment. Sequestration of VR funding would likely result in higher-counselor caseloads and increased wait times for individuals to receive essential services. At a time when the unemployment rate for people with disabilities is significantly higher than the general population, this cut would be devastating.

While it is our hope and intention that we avoid sequestration, the Department of Education, along with all other agencies, will be prepared to implement sequestration if necessary. Reductions of this magnitude in critical Federal education programs would betray our longstanding commitment to improving educational opportunity for the neediest students and their families, and are absolutely the wrong way to address our Nation's fiscal challenges. Support for disadvantaged elementary and secondary students in high-poverty schools; efforts to turn around thousands of low-performing schools, including so-called "dropout factories" that help put nearly a million teenagers a year at risk of social failure and a lifetime of poverty; programs that help students and adults with disabilities meet educational and independent living goals; work-study jobs for college students, many of them first-generation college students—all would be put at risk by sequestration.

I hope you will agree that sequestration is no way to achieve our shared goal of fiscal responsibility, and no way to set priorities for Federal spending, either in education or any other area of the Federal budget. I also hope that this hearing will help to jumpstart renewed discussions, both here in the Congress and outside the beltway, on how we can work together to achieve comprehensive deficit reduction while continuing to make the investments we need to safeguard our people and our future.

Thank you, and I will be happy to take any questions you may have.

EFFECT ON EDUCATION IF DEFENSE IS MADE EXEMPT

Senator HARKIN. Thank you very much, Mr. Secretary. We'll start a series of 5-minute questions.

Mr. Secretary, there's been a lot of discussion about the impact of sequestration on national security. Senators have been going to the floor talking about it. I understand there's a road trip planned. But I guess, I have to say that isn't education, and isn't a highly skilled workforce important to our security, too?

Let me just elaborate a little bit on that. Some have suggested that Defense alone should be exempt from sequestration. I'm not sure that people realize that if we exempt defense alone, the entire burden for finding the \$1.2 trillion in cuts would fall on, basically, this subcommittee.

Mr. Secretary, you just described the devastating impact of a 7.8-percent cut to education. But if nondefense programs alone had to

bear the brunt of it, and defense is exempted from sequestration, then the cut would not be 7.8 percent but more like 17.6 percent.

So instead of 15,000 Title I teachers that are laid off, more than 34,000 would lose their jobs; instead of 96,000 students losing Head Start services, the figure would be more like 217,000.

So can you give us just a sense, in your own mind, what this would mean for our Nation's education system and our national security?

Secretary DUNCAN. It's staggering to think what that impact would be. And we're at a time when, Mr. Chairman, we have to get better educationally faster than ever before. If you look at any of the international rankings in reading and math and other things, we're somewhere between 15th and 30th, depending on the metric. We are 16th in the world in college graduation rates. We have a 25-percent dropout rate in this country. None of those facts are acceptable.

We have to again lead the world in college graduation rates. If we have devastating cuts in early childhood education, in K-12 reform, in access to higher education, we are absolutely cutting off our nose to spite our face.

I always say I think a strong military is about defense. I think a strong public education system, strong education system, is about defense and about global competitiveness, about economic security, and about keeping great jobs in this country. And if we fail to make the investments, I worry gravely about what that means for our Nation's future.

Senator HARKIN. I am on the Defense Appropriations Subcommittee. I spent a good part of my life in the military. And it seems that the military of today and of the future is going to be much more highly technical, much more requiring our troops to be more highly educated and highly trained. And it's not like the Army of even when I was there 30, 40 years ago.

And so doesn't this also mean that we have to think about the military of the future and what we're doing today in our educational system? So that we have the individuals who know how to operate the systems that we're going to rely on in the future? I've had so many military people tell me that, that they're having a hard time finding qualified young men and women that can actually fill those kinds of slots.

Secretary DUNCAN. That's exactly right, and you have outside groups like the Council on Foreign Relations, which recently had a task force co-chaired by Condoleezza Rice. And in their report, they argue that educational failure in the United States puts future economic prosperity, global position, and our Nation's physical safety at risk. So the stakes here are extraordinary.

Senator HARKIN. Thank you, Mr. Secretary.

I yield to Senator Shelby.

CONGRESSIONAL BUDGET OFFICE ESTIMATES—BASIS FOR PROJECTED EDUCATION CUTS

Senator SHELBY. Mr. Secretary, before we can make meaningful decisions, we need to understand the full scope of the issue, don't we, on just about anything?

Secretary DUNCAN. Yes, Sir.

Senator SHELBY. Why has your Department not provided sequestration information to the subcommittee?

Secretary DUNCAN. We're happy to provide all the information. I think the chairman put out a report today that looks at the numbers briefly. The numbers seem to basically correspond to where we are. And any additional information you would like from us, we're happy to provide.

But our estimates are based upon a 7.8-percent across-the-board cut, so the math here is, frankly, not that difficult.

Senator SHELBY. Are you working with OMB in getting to these numbers you're talking about?

Secretary DUNCAN. We got these numbers from CBO.

Senator SHELBY. CBO.

Secretary DUNCAN. Yes.

Senator SHELBY. Okay. And they're helpful on this regard?

Secretary DUNCAN. Yes. And again, to be clear, whether it's 7.8 percent or 7.9 percent, I think the point is these cuts would be absolutely devastating. So there's no good answer here.

PRIORITIES ASSUMING CUTS

Senator SHELBY. What would be your priorities, assuming that you're going to have to cut things in the future? And we all believe we're going to have to do some of that. What would be several of the areas that you believe you—you don't want to cut, I understand that, but if you had to cut, what would—

Secretary DUNCAN. To be very clear, we tried to hold ourselves accountable. We've made tough cuts. We have eliminated 49 programs. We've created annual savings of \$1.2 billion.

I have a lengthy list of programs that we have cut that we felt were ineffective. Again, no one enjoys making those cuts, but we're all asked to make hard decisions. And we would absolutely continue to do that and expect you to hold us accountable for that.

We have 49 programs here that we eliminated—and some were politically difficult to eliminate, because we want to use taxpayer dollars wisely.

EDUCATION BUDGET AN INVESTMENT IN THE FUTURE

Senator SHELBY. But are the programs, the money that we appropriate in the Government's borrowing—in other words, your spending each year is going up. It's not going down, correct?

Secretary DUNCAN. Well, we think, the President believes, that education is an investment.

Senator SHELBY. We understand.

Secretary DUNCAN. And so we need to invest in quality early childhood education. We need to invest in K-12 reform. We need to make college more accessible and affordable.

The fact that we're 16th in the world in college graduation rates is nothing to be proud of, and we want to again lead the world.

Now, money alone is never the answer, as you know, but we have to continue to invest in reform.

PELL GRANT EXEMPT FROM SEQUESTRATION

Senator SHELBY. It is my understanding that the Pell grant program is predicted to need an additional \$6 billion next year, and it remains unclear whether the Pell grant is exempt from sequestration. What's your judgment on that?

Secretary DUNCAN. We think the Pell grant is exempt.

Senator SHELBY. Is exempt.

Secretary DUNCAN. Yes, Sir.

Senator SHELBY. Do you believe it's in the best interest of this country to try to deal with our fiscal challenges now or kick the can down the road?

Secretary DUNCAN. Now, Sir.

Senator SHELBY. Okay. That's what we're trying to do.

Thank you, Mr. Chairman.

Senator HARKIN. Thank you.

I just might add that, a year ago in April, I went down to the United States Chamber of Commerce. Their affiliate had issued a report calling for more investment in this country in early childhood education. This is the U.S. Chamber of Commerce calling upon us not to cut but to invest more in early childhood education.

I have an order of arrival. I have Senator Murray, Senator Reed, Senator Brown, Senator Mikulski, Senator Durbin, Senator Pryor.

Senator Murray.

Senator MURRAY. Thank you very much, Chairman Harkin and Ranking Member Shelby, for holding this hearing. I think it's really important that we learn more about the impact of these automatic cuts on our students and our families across the country.

As the chairman mentioned, sequestration was included in the bipartisan Budget Control Act of 2011 in order to give both parties an incentive to compromise. And the goal really was to bring both sides to the table, willing to make concessions that were required to get to a balanced and bipartisan deal.

JOINT SUBCOMMITTEE ON DEFICIT REDUCTION

Unfortunately, as we all know, it hasn't worked out yet. We haven't been able to get to that deal. As you know, I served as chair of that Joint Subcommittee on Deficit Reduction, and what I saw firsthand was that, on our side, we were willing to put some pretty tough concessions on the table when it came to cutting budgets and entitlements. But what we were not able to get was a comparable concession on the other side that included revenue from the wealthiest Americans to help pay for what this country needs to be strong both in defense and in nondefense moving forward.

Everybody wanted all the deficit from sequestration but without any of the shared sacrifice that is really needed to come to a deal. And, on our side, we were not going to throw the middle class under the bus if we did not have that balance and bipartisan deal.

We weren't willing to do it then, and I think that's still true today. In fact, I know it's still true today.

So we have to keep working to replace sequestration. No one wants sequestration to happen, but that replacement has to be bipartisan, it has to be balanced, and it is going to have to be fair for the middle class in this country who have suffered so much.

DAMAGING IMPACT ON FAMILIES AND COMMUNITIES

So, here in the District of Columbia, now we're hearing a lot about the defense side of the equation, and it's getting a lot of attention. But I think it's really important, Mr. Chairman, that Americans do understand the deeply damaging impact to families and communities on the nondefense side as well.

About 3,000 national, State, and local organizations signed a letter that they sent to the Congress. I have it with me and I would like to submit it for the record, Mr. Chairman, urging us to adopt that balanced approach onto deficit reduction that does protect middle-class families and the most vulnerable Americans.

So I would submit that for the record.

[The information follows:]

July 12, 2012

Dear Member of Congress:

There is bipartisan agreement that sequestration would be devastating to the nation. The nearly 3,000 undersigned national, state, and local organizations—representing the hundreds of millions of Americans who support and benefit from non-defense discretionary (NDD) programs—couldn't agree more. Congress and the President must work together to ensure sequestration does not take effect. We strongly urge a balanced approach to deficit reduction that does not include further cuts to NDD programs, which have already done their part to reduce the deficit.

NDD programs are core functions government provides for the benefit of all, including medical and scientific research; education and job training; infrastructure; public safety and law enforcement; public health; weather monitoring and environmental protection; natural and cultural resources; housing and social services; and international relations. Every day these programs support economic growth and strengthen the safety and security of every American in every state and community across the nation.

NDD programs represent a small and shrinking share of the Federal budget and of our overall economy. The NDD budget represented just 3.4 percent of our country's Gross Domestic Product (GDP) in 2011, consistent with historical levels. Under the bi-partisan Budget Control Act, by 2021 NDD funding will decline to just 2.5 percent of GDP, the lowest level in at least 50 years.

NDD programs are not the reason behind our growing debt. In fact, even completely eliminating all NDD programs would still not balance the budget. Yet NDD programs have borne the brunt of deficit reduction efforts.

—Since fiscal 2010, NDD programs have been cut by 10 percent on average, with many programs cut by as much as 50 percent.

—By 2021, the remaining discretionary caps (2013–2021) in the bipartisan Budget Control Act will reduce NDD programs by an additional 7 percent, relative to 2012 levels.

—If sequestration is allowed to take effect, nonexempt NDD programs will be reduced by another 8.4 percent in fiscal year 2013.

In total, if Congress and the President fail to act, between fiscal 2010 and 2021 NDD programs will have been cut by 20 percent overall. Such indiscriminate cuts threaten the entire range of bipartisan national priorities. For example, there will be fewer scientific and technological innovations, fewer teachers in classrooms, fewer job opportunities, fewer National Park visitor hours, fewer air traffic controllers, fewer food and drug inspectors, and fewer first responders.

America's day-to-day security requires more than military might. NDD programs support our economy, drive our global competitiveness, and provide an environment where all Americans may lead healthy, productive lives. Only a balanced approach to deficit reduction can restore fiscal stability, and NDD has done its part. Please work together to find a balanced approach to deficit reduction that does not include further cuts to NDD programs.

If you have questions about this letter, please contact Emily Holubowich, Executive Director of the Coalition for Health Funding (202-484-1100 or eholubowich@dc-crd.com) or Joel Packer, Executive Director of the Committee for Education Funding (202-383-0083 or JPacker@cef.org). An electronic copy of this letter is also available at http://publichealthfunding.org/index.php/action/campaigns/ndd_united/.

NATIONAL ORGANIZATIONS (LISTED ALPHABETICALLY)

8th Day Center for Justice
 9to5, National Association of Working Women
 A World Fit For Kids!
 Academic Pediatric Association
 Academy of Medical Surgical Nurses
 Academy of Nutrition and Dietetics
 Academy of Radiology Research
 AcademyHealth
 ACCESS
 Ad Hoc Group for Medical Research
 Adult Congenital Heart Association
 Advocates for Youth
 African American Health Alliance
 African American Ministers in Action
 AFSE
 Afterschool Alliance
 AIDS Community Research Initiative of America
 AIDS Healthcare Foundation
 AIDS Treatment News
 AIDS United
 Alliance for a Just Society
 Alliance for Aging Research
 Alliance for Biking & Walking
 Alliance for Children and Families
 Alliance for Retired Americans
 Alpha-1 Association
 Alpha-1 Foundation
 Alzheimer's Association
 Alzheimer's Foundation of America
 American Academy of Child and Adolescent Psychiatry
 American Academy of Family Physicians
 American Academy of Neurology
 American Academy of Nursing
 American Academy of Pediatrics
 American Alliance for Health, Physical Education, Recreation and Dance
 American Art Therapy Association
 American Association for Adult and Continuing Education
 American Association for Cancer Research
 American Association for Dental Research
 American Association for Geriatric Psychiatry
 American Association for Health Education
 American Association for Marriage & Family Therapy
 American Association for Psychoanalysis in Clinical Social Work
 American Association for the Advancement of Science
 American Association for the Study of Liver Diseases
 American Association of Classified School Employees
 American Association of Colleges for Teacher Education
 American Association of Colleges of Nursing
 American Association of Colleges of Osteopathic Medicine
 American Association of Colleges of Pharmacy
 American Association of Community Colleges (AACC)
 American Association of Community Theatre
 American Association of Critical-Care Nurses (AACN)
 American Association of Physics Teachers
 American Association of Poison Control Centers
 American Association of Port Authorities
 American Association of Radon Scientists and Technologists
 American Association of School Administrators
 American Association of School Librarians
 American Association of Service Coordinators
 American Association of State Colleges and Universities
 American Association of University Professors
 American Association of University Women (AAUW)
 American Association on Health and Disability
 American Astronomical Society
 American Brain Coalition

American Cancer Society Cancer Action Network
 American Chemical Society
 American College of Clinical Pharmacy (ACCP)
 American College of Preventive Medicine
 American Council on Education
 American Council on the Teaching of Foreign Languages (ACTFL)
 American Counseling Association
 American Dental Education Association
 American Diabetes Association
 American Educational Research Association
 American Epilepsy Society
 American Federation for Medical Research
 American Federation of School Administrators, AFL–CIO
 American Federation of Teachers, AFL–CIO
 American Forests
 American Geophysical Union
 American Heart Association
 American Institute of Biological Sciences
 American Library Association
 American Lung Association
 American Mathematical Society
 American Medical Rehabilitation Providers Association
 American Medical Student Association
 American Music Therapy Association
 American Nephrology Nurses' Association
 American Nurses Association
 American Occupational Therapy Association
 American Organization of Nurse Executives
 American Pediatric Society/Society for Pediatric Research
 American Physical Therapy Association
 American Planning Association
 American Psychiatric Association
 American Psychological Association
 American Public Health Association
 American Rivers
 American School Counselor Association
 American Social Health Association
 American Society for Bone and Mineral Research
 American Society for Clinical Pathology
 American Society for Engineering Education
 American Society for Microbiology
 American Society for Pharmacology & Experimental Therapeutics
 American Society of Agronomy
 American Society of Hematology
 American Society of Nephrology
 American Society of Pediatric Nephrology
 American Society of PeriAnesthesia Nurses (ASPN)
 American Society of Plant Biologists
 American Society of Tropical Medicine and Hygiene
 American Society on Aging
 American Sociological Association
 American Speech-Language-Hearing Association
 American Statistical Association
 American Therapeutic Recreation Association
 American Thrombosis and Hemostasis Network
 American Urogynecologic Society
 Americans for Nursing Shortage Relief (ANSR) Alliance
 Americans for the Arts
 America's Service Commissions
 amfAR, The Foundation for AIDS Research
 Amputee Coalition
 Arthritis Foundation
 Asian & Pacific Islander American Health Forum
 Asian & Pacific Islander Institute on Domestic Violence
 Asian & Pacific Islander Wellness Center
 Asian American Justice Center, Member of Asian American Center for Advancing
 Justice
 Associated Universities, Inc.

Association for Ambulatory Behavioral Healthcare
 Association for Career and Technical Education
 Association for Prevention Teaching and Research
 Association for Psychological Science
 Association for Radiologic & Imaging Nurses (ARIN)
 Association for Research in Otolaryngology
 Association for Research in Vision and Ophthalmology
 Association for Women in Mathematics
 Association of Academic Health Centers
 Association of Academic Health Sciences Libraries
 Association of Ambulatory Behavioral Healthcare
 Association of American Cancer Institutes
 Association of American Medical Colleges
 Association of American Universities
 Association of American Veterinary Medical Colleges
 Association of Assistive Technology Act Programs (ATAP)
 Association of BellTel Retirees, Inc.
 Association of Departments of Family Medicine
 Association of Educational Service Agencies
 Association of Environmental & Engineering Geologists
 Association of Family Medicine Residency Directors
 Association of Farmworker Opportunity Programs
 Association of Jesuit Colleges and Universities (AJCU)
 Association of Jewish Aging
 Association of Maternal and Child Health Programs
 Association of Medical School Pediatric Department Chairs
 Association of Minority Health Professions Schools
 Association of Nurses in AIDS Care
 Association of Prosecuting Attorneys
 Association of Public and Land-grant Universities
 Association of Public Health Nurses
 Association of Rehabilitation Nurses
 Association of Research Libraries
 Association of School Business Officials International
 Association of School Psychologists
 Association of Schools and Colleges of Optometry
 Association of State & Territorial Public Health Nutrition Directors
 Association of State and Territorial Health Officials
 Association of Teacher Educators
 Association of University Centers on Disabilities
 Association of Women's Health, Obstetric and Neonatal Nurses
 Asthma and Allergy Foundation of America
 Attention Deficit Disorder Association (ADDA)
 Autism National Committee
 Bat Conservation International
 Bazelon Center for Mental Health Law
 Be the Change, Inc.
 Benetech
 Benign Essential Blepharospasm Research Foundation
 Berkeley Media Studies Group
 Biophysical Society
 Brain Injury Association of America
 Bread for the World
 Break the Cycle
 Briar Cliff University TRIO Upward Bound
 Building Educated Leaders for Life (BELL)
 Business Industrial Network
 California Institute of Technology
 Campaign for Public Health Foundation
 Campaign for Youth Justice
 Campaign to Invest in America's Workforce
 Campus Compact
 CARE
 Casa de Esperanza: National Latin@ Network for Healthy Families and Communities
 C-Change
 Center for Biological Diversity
 Center for Employment Training

Center for HIV Law and Policy
 Center for Law and Social Policy (CLASP)
 Center for Science in the Public Interest
 Center for Women Policy Studies
 Cerebral Palsy International Research Foundation
 Charles R. Drew University
 Child Care Services Association
 Child Welfare League of America
 Children and Adults with Attention-Deficit/Hyperactivity Disorder
 Children's Defense Fund
 Children's Environmental Health Network
 Children's HealthWatch
 Children's Leadership Council
 Children's Mental Health Network
 Christopher & Dana Reeve Foundation
 Citizen Schools
 Citizens United for Rehabilitation of Errants—Women Incarcerated
 City Year
 Clean Water Action
 CLEARCorps USA
 Climate Change is Elementary
 Clinical Social Work Association
 Coalition for a Secure Driver's License
 Coalition for Health Funding
 Coalition on Human Needs
 Coalition for Imaging and Bioengineering Research
 Coalition for Juvenile Justice
 Coalition for Workforce Solutions
 Coalition of Higher Education Assistance Organizations
 Coalition to End Childhood Lead Poisoning
 Coastal States Organization
 College Board
 College Summit
 Colleges That Change Lives
 Commission on Adult Basic Education (COABE)
 Commissioned Officers Association of the U.S. Public Health Service
 Committee for Education Funding
 Communities Advocating Emergency AIDS Relief (CAEAR) Coalition
 Community Action Partnership
 Community Anti-Drug Coalitions of America
 Community Economic Development Partners, LLC
 Conference of Educational Administrators of Schools and Programs for the Deaf
 Consortium for Citizens with Disabilities
 Consortium for Ocean Leadership
 Consortium for School Networking
 Consortium of Social Science Associations
 Cooley's Anemia Foundation
 COPD Foundation
 Corporate Hepatitis Alliance
 Corporation for a Skilled Workforce
 Corporation for Supportive Housing
 Council for Adult and Experiential Learning
 Council for Advancement of Adult Education
 Council for Exceptional Children
 Council for Opportunity in Education
 Council of Administrators of Special Education, Inc. (CASE)
 Council of State and Territorial Epidemiologists
 Council of State Community Development Agencies
 Council of the Great City Schools
 Council on Social Work Education
 Covenant House International
 Crohn's and Colitis Foundation of America
 Crop Science Society of America
 Defeat Diabetes Foundation
 Defenders of Wildlife
 Dermatology Nurses Association
 Digestive Disease National Coalition
 Directors of Health Promotion and Education

Disability Rights Education & Defense Fund
 District 1199C Training & Upgrading Fund
 Division for Early Childhood of the Council for Exceptional Children (DEC)
 Drugs for Neglected Diseases initiative (DNDi)
 Dystonia Advocacy Network
 Dystonia Medical Research Foundation
 Early Care and Education Consortium
 Earth Day Network
 Earthquake Engineering Research Institute
 Easter Seals
 Ecological Society of America
 Education Industry Association
 Education Law Center
 Educational Talent Search
 Educational Theatre Association
 Elderly Housing Development and Operations Corporation (EHDOD)
 Emergency Nurses Association
 Endangered Species Coalition
 Enterprise Community Partners, Inc.
 Epilepsy Foundation
 Equal Justice Works
 Evangelical Lutheran Church in America (ELCA)
 Every Child By Two—Carter/Bumpers Champions for Immunization
 FairTest: National Center for Fair & Open Testing, Inc.
 Families USA
 Family Caregiver Alliance
 Family Promise of Lycoming County
 Fanconi Anemia Research Fund
 Federal Law Enforcement Officers Association
 Federation of Associations in Behavioral & Brain Sciences
 Federation of Materials Societies
 Fellowship Health Resources, Inc.
 Fight Colorectal Cancer
 First Focus Campaign for Children
 Food Research & Action Center (FRAC)
 Foster Family-Based Treatment Association
 Franklin County Head Start
 Fred Hutchinson Cancer Research Center
 Friends Committee on National Legislation
 Friends of the Earth
 Friends of Agency for Healthcare Research and Quality
 Friends of National Center for Health Statistics
 Friends of the National Institute of Child Health and Human Development
 (NICHD)
 Friends of UNFPA
 Futures Without Violence (formerly Family Violence Prevention Fund)
 Gay Men's Health Crisis
 Gay, Lesbian & Straight Education Network (GLSEN)
 Genetics Policy Institute
 Goodwill Industries of the Valleys
 Gray Panthers
 Greenpeace
 Half in Ten
 Harm Reduction Coalition
 Health & Disability Advocates
 Health Professions and Nursing Education Coalition
 Healthcare Leadership Council
 HealthHIV
 Heifer International
 Helen Keller International
 Hemophilia Federation of America
 Hepatitis B Foundation
 HIGH IMPACT Mission-based Consulting & Training
 Higher Education Consortium for Special Education
 HighScope Educational Research Foundation
 HIV Law Project
 HIV Medicine Association (HIVMA)
 HIV Prevention Justice Alliance

Human Rights Campaign
 Human Rights Project for Girls
 iCAST (International Center for Appropriate & Sustainable Technology)
 Idea Fuel
 IDEA Infant Toddler Coordinators Association (ITCA)
 Illinois Campus Compact
 Infectious Diseases Society of America
 Innocence Project
 Innovate+Educate
 Innovations in Civic Participation
 Insight Center for Community Economic Development
 Institute for Educational Leadership
 International Association of Jewish Vocational Services (IAJVS)
 International Certification and Reciprocity Consortium (IC&RC)
 International Essential Tremor Foundation
 International Foundation for Functional Gastrointestinal Disorders
 International Myeloma Foundation
 International Reading Association
 International Society for Technology in Education
 Interstitial Cystitis Association
 Iron Disorders Institute
 Jeffrey Modell Foundation
 Jewish Council for Public Affairs
 Jewish Labor Committee
 Jobs for the Future (JFF)
 Joint Advocacy Coalition of ACRT, APOR, CRF, and SCTS
 Juma Ventures
 Jumpstart
 KaBOOM!
 Knowledge Alliance
 Leadership Conference on Civil and Human Rights
 League of Conservation Voters
 Learning Disabilities Association of America
 Legal Action Center
 Legal Momentum
 Local Initiative Support Corporation
 Long-term Ecological Research Network
 Lupus Foundation of America, Inc.
 Lupus Research Institute
 Lutheran Services in America
 Magnet Schools of America
 Mal de Debarquement Syndrome Balance Disorder Foundation
 Manufactured Home Owners Association of America
 March of Dimes
 Marie Stopes International—US (MSI-US)
 Marine Conservation Institute
 Materials Research Society
 Mathematical Association of America
 Meals On Wheels Association of America
 Medical Library Association
 Meharry Medical College
 Mental Health America
 Mercy Housing, Inc.
 Mesothelioma Applied Research Foundation
 Metro TeenAIDS
 Mexican American Legal Defense and Educational Fund
 Military Impacted Schools Association
 Monarch Housing Associates
 Morehouse School of Medicine
 NAACP
 NAADAC—The Association for Addiction Professionals
 NafME: National Association for Music Education
 NAFSA: Association of International Educators
 National Academy of Elder Law Attorneys
 National Advocacy Center of the Sisters of the Good Shepherd
 National African American Drug Policy Coalition, Inc.
 National AIDS Housing Coalition
 National Alliance for Eye and Vision Research

National Alliance for Media Arts & Culture
 National Alliance of Black School Educators
 National Alliance of Community Economic Development Associations (NACEDA)
 National Alliance of State & Territorial AIDS Directors
 National Alliance on Mental Illness
 National Alliance to End Homelessness
 National Alliance to End Sexual Violence
 National Area Health Education Center (AHEC) Organization
 National Assembly on School-Based Health Care
 National Association for Bilingual Education
 National Association for Biomedical Research
 National Association for Children's Behavioral Health
 National Association for College Admission Counseling
 National Association for County Community and Economic Development
 National Association for Geriatric Education and National Association of Geriatric Education Centers
 National Association for Hispanic Elderly
 National Association for Music Education
 National Association for Public Health Statistics and Information Systems
 National Association for Rural Mental Health
 National Association for Sport and Physical Education
 National Association for the Education of Homeless Children and Youth
 National Association for the Education of Young Children
 National Association of Area Agencies on Aging
 National Association of Chronic Disease Directors
 National Association of Clinical Nurse Specialists
 National Association of Community Health Centers
 National Association of Councils on Developmental Disabilities
 National Association of County and City Health Officials
 National Association of County Behavioral Health and Developmental Disabilities Directors (NACBHDD)
 National Association of Development Organizations (NADO)
 National Association of Drug Court Professionals
 National Association of Elementary School Principals
 National Association of Federally Impacted Schools
 National Association of Housing Cooperatives
 National Association of Human Rights Workers
 National Association of Local Housing Finance Agencies
 National Association of Marine Laboratories
 National Association of Nutrition and Aging Services Programs (NANASP)
 National Association of People with AIDS (NAPWA)
 National Association of Private Special Education Centers
 National Association of Professional Geriatric Care Managers
 National Association of Pupil Services Administrators
 National Association of Rural Mental Health
 National Association of School Nurses
 National Association of School Psychologists
 National Association of Secondary School Principals
 National Association of Social Workers (NASW)
 National Association of State Alcohol and Drug Abuse Directors
 National Association of State Directors of Career Technical Education Consortium
 National Association of State Directors of Special Education
 National Association of State Emergency Medical Services Officials
 National Association of State Head Injury Administrators
 National Association of State Long-Term Care Ombudsman Programs (NASOP)
 National Association of State Mental Health Program Directors
 National Association of States United for Aging and Disabilities
 National Association of Thrift Savings Plan Participants
 National Association of Workforce Boards (NAWB)
 National Association of Workforce Development Professionals (NAWDP)
 National Black Nurses Association
 National Center for Healthy Housing
 National Center for Technological Literacy
 National Center for Transgender Equality
 National Center for Victims of Crime
 National Center on Domestic and Sexual Violence
 National Coalition Against Domestic Violence
 National Coalition for Literacy

National Coalition for Promoting Physical Activity
 National Coalition of STD Directors
 National Community Development Association
 National Community Reinvestment Coalition
 National Community Tax Coalition
 National Congress of American Indians
 National Consumer Voice for Quality Long-Term Care
 National Council for Advanced Manufacturing
 National Council for Community and Education Partnerships (NCCEP)
 National Council for Community Behavioral Healthcare
 National Council for Workforce Education
 National Council of Jewish Women
 National Council of La Raza
 National Council of State Directors of Adult Education
 National Council of State Housing Agencies
 National Council of Women's Organizations
 National Council on Aging
 National Council on Independent Living
 National Disability Rights Network
 National Ecological Observatory Network, Inc. (NEON)
 National Education Association
 National Education Association Student Program
 National Employment Law Project
 National Estuarine Research Reserve Association
 National Fair Housing Alliance
 National Family Planning & Reproductive Health Association
 National Federation of Families for Children's Mental Health
 National Forum for Heart Disease and Stroke Prevention
 National Fragile X Foundation
 National Fund for Workforce Solutions (NFWF)
 National Head Start Association
 National Health Care for the Homeless Council
 National Healthy Start Association
 National Health Care for the Homeless
 National Hemophilia Foundation
 National High School Equivalency Program/College Assistance Migrant Program Association
 National Hispanic Council on Aging
 National Hispanic Media Coalition
 National Hispanic Medical Association
 National Housing Law Project
 National Housing Trust
 National Human Services Assembly
 National Immigration Law Center
 National Juvenile Justice Network
 National Kidney Foundation
 National Latina Institute for Reproductive Health
 National Latino Alliance for the Elimination of Domestic Violence (Alianza)
 National Latino Behavioral Health Association
 National Law Center on Homelessness & Poverty
 National League for Nursing
 National Low Income Housing Coalition
 National Lung Cancer Partnership
 National Marfan Foundation
 National Marine Sanctuary Foundation
 National Minority AIDS Council
 National Multiple Sclerosis Society
 National Network for Youth
 National Network of Public Health Institutes
 National Network of Sector Partners (NNSP)
 National Network to End Domestic Violence
 National Organization of Social Security Claimants' Representatives
 National Parks Conservation Association
 National Partnership for Women & Families
 National Partnership to End Interpersonal Violence
 National Pediatric AIDS Network
 National Psoriasis Foundation
 National PTA

National Resource Center on Domestic Violence
 National Rural Education Advocacy Coalition
 National Rural Education Association
 National School Boards Association
 National Senior Corps Association
 National Skills Coalition
 National Spasmodic Dysphonia Association
 National Spasmodic Torticollis Association
 National Student Nurses' Association, Inc.
 National Summer Learning Association
 National Superintendents Roundtable
 National Task Force to End Sexual and Domestic Violence
 National Title I Association
 National Tourette Syndrome Association
 National Transitional Jobs Network (NTJN)
 National Trust for Historic Preservation
 National Urban League
 National Violence Prevention Network
 National Viral Hepatitis Roundtable
 National WIC Association
 National Women's Conference Committee
 National Women's Health Network
 National Women's Law Center
 National Writing Project
 National Youth Employment Coalition (NYEC)
 National Youth Leadership Council
 Natural Resources Defense Council
 Nemours
 NephCure Foundation
 New Leaders
 North American Primary Care Research Group
 Nurse-Family Partnership
 Nurses Organization of Veterans Affairs
 Oceana
 Oncology Nursing Society
 Pancreatic Cancer Action Network (PanCAN)
 Parents As Teachers
 Parkinson's Action Network
 Peace Action
 Pediatric Stroke Network, Inc.
 People For the American Way
 PFLAG National (Parents, Families and Friends of Lesbians and Gays)
 Planned Parenthood Federation of America
 Points of Light
 Population Action International
 Population Association of America/Association of Population Centers
 Population Connection
 Population Institute
 Positive Education, Inc.
 Prevent Blindness America
 Preventive Cardiovascular Nurses Association
 Professional Association of Social Workers in HIV and AIDS
 Project Inform
 ProLiteracy
 Provincial Council of the Clerics of St. Viator (Viatorians)
 Public Allies, Inc.
 Public Education Network
 Public Health Foundation
 Public Health Institute
 Public Health Solutions
 Public Lands Service Coalition
 Pulmonary Hypertension Association
 Racial and Ethnic Health Disparities Coalition
 Racine County Older Adult Nutrition Program
 Rape, Abuse & Incest National Network (RAINN)
 Reading Partners
 Research Allies for Lifelong Learning
 Research!America

Resources for Human Development, Inc.
 Restore America's Estuaries
 RESULTS
 Robert F. Kennedy Children's Action Corps
 Rose F. Kennedy University Center for Excellence in Developmental Disabilities
 RTI International
 Rushmere Community Development Corporation
 Ryan White Medical Providers Coalition
 Safe States Alliance
 Sargent Shriver National Center on Poverty Law
 Save the Children
 School Social Work Association of America
 Scleroderma Foundation
 Scripps Institution of Oceanography
 Sea Grant Association
 Southwest Educational Development Laboratory (SEDL)
 Senior Service America, Inc.
 Services and Advocacy for GLBT Elders (SAGE)
 Sexuality Information and Education Council of the United States (SIECUS)
 Sisters of Charity of Nazareth Congregational Leadership
 Sisters of Mercy of the Americas
 Sjogren's Syndrome Foundation
 Sleep Research Society
 Society for Advancement of Violence and Injury Research
 Society for Healthcare Epidemiology of America
 Society for Industrial and Applied Mathematics
 Society for Medical Decision Making
 Society for Neuroscience
 Society for Public Health Education
 Society for Women's Health Research
 Society of General Internal Medicine
 Society of Gynecologic Oncology
 Society of Teachers of Family Medicine
 Society of Urologic Nurses and Associates
 Soil Science Society of America
 Southeast Asia Resource Action Center
 Special Olympics, Inc.
 Spina Bifida Association
 Stand Up for Rural America
 State Educational Technology Directors Association
 Stem Cell Action Coalition
 Strategic Applications International
 STRIVE National
 Student Conservation Association
 Sugar Law Center for Economic & Social Justice
 Teach For America
 Teaching Strategies, LLC
 Technical Assistance Collaborative
 Telecare Corporation
 TESOL International Association
 The Advocacy Institute
 The AIDS Institute
 The American Society for Cell Biology
 The Arc of the U.S.
 The Aspen Institute Workforce Strategies Initiative
 The Borgen Project
 The Center for the Celebration of Creation
 The Coalition for the Life Sciences
 The Community Builders, Inc.
 The Corps Network
 The Education Trust
 The Eisen Group
 The Endocrine Society
 The Every Child Matters Education Fund
 The Gerontological Society of America
 The Imani Project
 The Myelin Project
 The National Center for Learning Disabilities

The National Center on Family Homelessness
 The National Crittenton Foundation
 The National Indian Head Start Directors Association
 The Polycystic Kidney Disease Foundation
 The Salvation Army
 The United Methodist Church
 The Wilderness Society
 Treatment Action Group
 Treatment Communities of America
 Treatment Systems Development
 Trust for America's Health
 Tufts University
 Tuskegee University's College of Veterinary Medicine, Nursing, and Allied Health
 U.S. Water Fitness Association
 U.S. Positive Women's Network
 U.S. Soccer Foundation
 Union for Reform Judaism
 Unite 2 Fight Paralysis
 United Cerebral Palsy
 United Church of Christ
 United Church of Christ Justice and Witness Ministries
 United for Medical Research
 United Neighborhood Centers of America
 United Spinal Association
 United States Breastfeeding Committee
 UNITY, Society for the Advancement of Violence & Injury Research
 Universities Research Association, Inc.
 University Corporation for Atmospheric Research
 U.S. Climate Action Network
 U.S. Hereditary Angioedema Association
 USAction
 VALUEUSA
 Vasculitis Foundation
 Vera Institute of Justice
 Voices for America's Children
 Voices for National Service
 Voices for Progress
 W. Haywood Burns Institute
 WestEd
 Wider Opportunities for Women (WOW)
 Women Employed
 Women in Film
 WomenHeart: The National Coalition for Women with Heart Disease
 Women's Action for New Directions
 Wonderlic, Inc.
 Woodhull Sexual Freedom Alliance
 Workforce Learning Strategies
 World Education, Inc.
 World Wildlife Fund
 Young Invincibles
 YouthBuild USA
 YWCA USA
 ZERO TO THREE

REGIONAL, STATE, AND LOCAL ORGANIZATIONS (LISTED ALPHABETICALLY, BY STATE)

Alabama

AIDS Alabama, Birmingham
 Alabama Association for Career and Technical Education, Montgomery
 Alabama Association of Secondary School Principals, Montgomery
 Alabama Council of Administrators in Special Education, Guntersville
 Alabama Disability Advocacy Program, University of Alabama, Tuscaloosa
 Alabama School Counselor Association, Montgomery
 Alabama Disabilities Advocacy Program, Tuscaloosa
 Auburn Housing Authority, Auburn
 Eastside Mental Health, Birmingham
 Learning Disabilities Association of Alabama, Montgomery
 Low Income Housing Coalition of Alabama, Birmingham

National Alliance on Mental Illness (NAMI) Shoals, Florence
 Southwest Alabama Behavioral Healthcare Systems, Monroeville
 The Concerned Citizens of Atmore "Unity in the Community," Atmore
 Unity Wellness Center Housing Department, Auburn
 VOICES for Alabama's Children, Montgomery
 YWCA Central Alabama, Birmingham

Alaska

Akeela Development Corporation, Anchorage
 Alaska Association of Secondary School Principals, Fairbanks
 Alaska Council of Administrators of Special Education, Fairbanks
 Alaska Occupational Therapy Association, Anchorage
 Cook Inlet Housing Authority, Anchorage
 Denali Family Services, Anchorage
 Disability Law Center of Alaska, Anchorage
 Kawerak, Inc., Nome
 Kenai Peninsula Food Bank, Soldotna
 Kenai Senior Services, Kenai
 Southeast Alaska Regional Health Consortium (SEARHC), Juneau
 University of Alaska Anchorage, Center for Human Development, Anchorage

American Samoa

American Samoa Office of Protection & Advocacy for the Disabled, Pago Pago

Arizona

Arizona Association for Lifelong Learning, Phoenix
 Arizona Center for Disability Law, Tucson
 Arizona Council of Administrators of Special Education, Phoenix
 Arizona Housing Alliance, Phoenix
 Arizona Justice Project, Phoenix
 Arizona School Counselors Association, Sahuarita
 Arizona State Impact Aid Association, Sacaton
 Arizona Institute for Peace, Education, and Research, Tempe
 Association for Career and Technical Education of Arizona (ACTEAZ), Tucson
 Association for Supportive Child Care, Tempe
 Association of Arizona Food Banks, Phoenix
 Blackwater Enterprises, Rdc, Higley
 Booker T. Washington Child Development Center, Inc., Phoenix
 Cedar Unified School District, Keams Canyon
 Cocopah Head Start, Somerton
 Community Intervention Associates, Inc., Yuma
 Compass Affordable Housing, Tucson
 Cornucopia Community Advocates, Sedona
 Early Head Start, Littlefield
 Fellowship Square Tucson, Tucson
 Fort Thomas Unified School District, Fort Thomas
 Foundation for Senior Living, Phoenix
 Holbrook Unified School District #3, Holbrook
 Hospice Family Care, Inc., Prescott
 Housing America Corporation, Somerton
 Local Initiative Support Corporation Phoenix, Phoenix
 Mayer Elders Club, dba Mayer Area Meals on Wheels, Mayer
 McDowell Healthcare Center, Phoenix
 Old Pueblo Community Services, Tucson
 Our Family Services, Tucson
 Peach Springs USD #8, Peach Springs
 Pinal County Public Health Services District, Florence
 Prescott Meals on Wheels, Prescott
 Sacaton Elementary School District #118, Sacaton
 Teens, Training and Taxes, Parks
 Tuba City Unified School District #15, Tuba City
 Tucson Planning Council for the Homeless, Tucson
 United Food Bank, Mesa
 Valley Interfaith Project, Sun City
 Whiteriver Unified School District, Whiteriver Unified School District
 Window Rock Unified School District No. 8, Fort Defiance
 Yarnell Senior Community Center, Yarnell

Arkansas

Area Agency on Aging of Southeast Arkansas, Inc., Pine Bluff
 Arkansas Advocates for Children and Families, Little Rock
 Arkansas Association of Secondary School Principals, Springdale
 Arkansas Association of Student Assistance Programs, Fayetteville
 Arkansas Council of Administrators in Special Education, North Little Rock
 Arkansas Education Association, Little Rock
 Arkansas Federation of Families for Children's Mental Health (AFFCMH), Little Rock
 Disability Rights Center of Arkansas, Little Rock
 Family Violence Prevention, Inc., Batesville
 Henderson State University, Arkadelphia
 Little Angels Childcare, Prescott
 Little Rock Community Mental Health Center, Little Rock
 Pinon Unified School District #4, Pinon
 National Alliance on Mental Illness (NAMI) Arkansas, Springdale Affiliate, Siloam Springs
 Universal Housing Development Corporation, Russellville

California

Advocates for Peace and Justice, Irvine United Congregational Church, Irvine
 Affordable Housing Network of Santa Clara County, San Jose
 Age Well Senior Services, Inc., Laguna Woods
 AIDS Legal Referral Panel of San Francisco, San Francisco
 AIDS Project Los Angeles, Los Angeles
 Armona Union Elementary School District, Armona
 Association of California School Administrators, Sacramento
 California Association of Alcohol and Drug Abuse Counselors (CAADAC), Sacramento
 California Center for Public Health Advocacy, Davis
 California Coalition for Rural Housing, Sacramento
 California Community Colleges Chancellor's Office, Sacramento
 California Council of Administrators of Special Education (CA CASE), Santa Rosa
 California Council of Community Mental Health Agencies, Sacramento
 California Department of Public Health, Sacramento
 California Hepatitis Alliance, San Francisco
 California Housing Partnership, San Francisco
 California Innocence Project, San Diego
 California Lutheran University, Thousand Oaks
 California Small School Districts' Association, Sacramento
 California Teachers Association, Burlingame
 California WIC Association, Sacramento
 California Workforce Investment Board, Sacramento
 California Association for Micro Enterprise Opportunity (CAMEO), San Francisco
 Central Union Elementary School District, Lemoore
 Children Now, Oakland
 Children's Defense Fund-California, Oakland
 Church of All, Burbank
 Citizen Schools California, Redwood City
 Community Action Napa Valley, Napa
 Community Action Partnership Food Bank of San Bernardino County, San Bernardino
 Community Action Partnership of San Luis Obispo County, Inc., San Luis Obispo
 Community Research Foundation, San Diego
 Council of University of California Faculty Associations, Berkeley
 Desert Manna, Barstow
 Disability Rights California, Sacramento
 Disability Services & Legal Center, Santa Rosa
 East Bay Housing Organizations, Oakland
 Epilepsy Foundation of Northern California, San Francisco
 Fair Housing Council of Central California, Fresno
 Fair Housing of Marin, San Rafael
 First Baptist Church Head Start, Pittsburg
 Foundation for Successful Solutions, Los Angeles
 Fresno County EOC Head Start, Fresno
 HIV ACCESS, Alameda County
 Housing Authority of the City of Calexico (HACC), Calexico
 Housing Authority of the City of Santa Barbara, Santa Barbara

Housing Authority of the City of Upland, Upland
 Housing California, Sacramento
 Housing Rights Committee of San Francisco, San Francisco
 Independent Living Resource Center San Francisco, San Francisco
 Interdisciplinary Leadership Education in Neurodevelopmental and Related
 Disabilities Training Program (CA-LEND), Los Angeles
 Irvine Meals on Wheels, Irvine
 Jewish Labor Committee Western Region, Los Angeles
 Kalusugan (Good Health) Community Services, National City
 Kings County Charter—Association of California School Administrators, Hanford
 Kings County Office of Education, Hanford
 Kings River-Hardwick Elementary School District, Hanford
 KyotoUSA, Berkeley
 Lake Family Resource Center, Kelseyville
 Lakeside Union Elementary School District, Hanford
 Lemoore Union High School District, Lemoore
 Lincoln Child Center, Oakland
 Local Child Care Planning Council, Oroville
 Local Government Commission, Sacramento
 Local Initiatives Support Corporation Bay Area, San Francisco
 Local Initiatives Support Corporation Los Angeles, Los Angeles
 Local Initiatives Support Corporation San Diego, San Diego
 Los Angeles Area Chamber of Commerce, Los Angeles
 Los Angeles Unified School District (LAUSD), Los Angeles
 Meals-on-Wheels Greater San Diego, Inc., San Diego
 Mending Wheel, Fortuna
 Mental Health America of California, Sacramento
 Mexican American Opportunity Foundation, Montebello
 Mizell Senior Center, Palm Springs
 Momentum for Mental Health, San Jose
 Monterey County Health Department WIC Program, Salinas
 Muroc Joint Unified School District, Edwards
 Napa Valley Community Housing, Napa
 National Alliance on Mental Illness (NAMI) Yolo County, Davis
 National Council of Jewish Women, Contra Costa Section, Walnut Creek
 National Council of Jewish Women, Long Beach Section, Huntington Beach
 National Council of Jewish Women, Los Angeles
 National Council of Jewish Women, Sacramento
 National Council of Jewish Women, Topanga
 New Life Advocacy, Los Angeles
 Northern California Innocence Project, Santa Clara University School of Law, Santa
 Clara
 Oceanside Unified School District, Oceanside
 Oldtimers Housing Development Corporation—IV, Huntington Park
 Pacific Asian Consortium in Employment (PACE), Los Angeles
 Parent Voices El Dorado County Chapter, South Lake Tahoe
 Parent Voices Southern Alameda County, Hayward
 Parents' Place Family Resource and Empowerment Center, West Covina
 Peninsula Volunteers Inc, Menlo Park
 Portia Bell Hume Behavioral Health and Training Center, Concord
 PowerWorks, San Francisco
 Project Sister Family Services, Pomona
 RESULTS Domestic, Los Angeles
 Sacramento Housing Alliance, Sacramento
 San Diego Housing Federation, San Diego
 San Fernando Valley Community Mental Health Center, Inc, Van Nuys
 San Gabriel Valley/Whittier Chapter of NOW, Fontana
 San Mateo County HIV Program Community Board, San Mateo County
 Santa Cruz Community Counseling Center Head Start, Santa Cruz
 Senior Network Services, Santa Cruz
 Senior Services Coalition of Alameda County, Oakland
 Shasta Senior Nutrition Programs, Redding
 Sierra Cascade Family Opportunities Head Start, Susanville
 Sierra Cascade Family Opportunities, Inc., Quincy
 Sierra Senior Providers, Inc., Sonora
 Silver Valley Unified School District, Yermo
 SRO Housing Corporation, Los Angeles
 State of California Office of AIDS Surveillance Section, Fresno

Stop the GA Cuts Coalition, Oakland
 Tarjan Center at UCLA, Los Angeles
 The Non-Profit Housing Association of Northern California, San Francisco
 The Occupational Training Institute, Foothill-De Anza Community College District,
 Cupertino
 The Public Interest Law Project, Oakland
 The Wall Las Memorias Project, Los Angeles
 Time for Change Foundation, San Bernardino
 United Administrators of San Francisco, San Francisco
 University of California (U.C.) Riverside Faculty Association, Riverside
 University of California (U.C.) Berkeley Faculty Association, Berkeley
 University of California at Davis Faculty Association, Davis
 University of California Santa Cruz Faculty Association, Santa Cruz
 University of Southern California School of Pharmacy
 Violence Prevention Coalition of Greater Los Angeles, Los Angeles
 Volunteers of America Los Angeles, Los Angeles
 Watts/Century Latino Organization, Los Angeles
 Westside Progressives, Los Angeles
 Women Organized to Respond to Life-threatening Diseases (WORLD), Oakland
 Rural Community Assistance Corporation, West Sacramento

Colorado

Academy School District #20, Colorado Springs
 Adams County School District #14, Commerce City
 Adams County Workforce and Business Center, Brighton
 Boulder County Network, Boulder
 Colorado Association for Career and Technical Education, Denver
 Colorado Association of School Executives, Englewood
 Colorado Campus Compact, Denver
 Colorado Center on Law and Policy, Denver
 Colorado Chapter of ASPIRE, Denver
 Colorado Children's Campaign, Denver
 Colorado Education Association, Denver
 Colorado School Counselor Association, Denver
 Colorado School Social Work Association, Fort Collins
 Colorado Thespians—Educational Theatre Association, Denver
 Colorado Urban Workforce Alliance, Denver
 Community Reach Center, Thornton
 Community Strategies Institute, Denver
 Denver's Great Kids Head Start, Denver
 Federation of Families for Children's Mental Health, Colorado Chapter, Denver
 FRESC: Good Jobs, Strong Communities, Denver
 Healthy Colorado Youth Alliance, Denver
 Housing Resources of Western Colorado, Grand Junction
 Ignacio School District 11JT, Ignacio
 LeaderQuest, Denver
 Mental Health America of Colorado, Denver
 Occupational Therapy Association of Colorado, Denver
 Occupy Greeley, Greeley
 Public Allies at Eagle Rock School, Estes Park
 Regis University, Denver
 Rocky Mountain Wild, Denver
 Servicios de La Raza, Inc., Denver
 Sexual Assault Response Advocates (S.A.R.A.), Inc., Fort Morgan
 Southern Ute Indian Tribe, Ignacio
 The Bell Policy Center, Denver
 The Legal Center for People with Disabilities and Older People, Denver
 The Pendulum Foundation, Denver

Connecticut

1199NE Training and Upgrade Fund, Hartford
 All Our Kin, Inc., New Haven
 BHcare, Ansonia
 Bridgeport Council of Administrators and Supervisors, Bridgeport
 Center for Latino Progress—CPRF, Hartford
 Collaborative Center for Justice, Inc., Hartford
 Connecticut AIDS Resource Coalition, Hartford
 Connecticut Association of Directors of Health, Hartford

Connecticut Association of School Psychologists, Bridgeport
 Connecticut Association of School Social Workers (CASSW), New Haven
 Connecticut Association of Schools, Cheshire
 Connecticut Community College System, Hartford
 Connecticut Education Association, Hartford
 Connecticut Federation of School Administrators, Cromwell
 Connecticut Food Bank, East Haven
 Connecticut Housing Coalition, Wethersfield
 Connecticut Voices for Children, New Haven
 Connecticut Women's Education and Legal Fund (CWEALF), Hartford
 Eastern Highlands Health District, Storrs
 Family Services of Greater Waterbury, Waterbury
 FSW, Bridgeport
 Gilead Community Services, Middletown
 Holy Family Home and Shelter, Inc., Willimantic
 LAMPP Project- Connecticut Children's Medical Center, Hartford
 Local Initiatives Support Corporation, Hartford
 National Alliance on Mental Illness (NAMI) Farmington Valley, Avon
 Norwich School Administrator's Association, Norwich
 Our Piece of the Pie, Hartford
 Public Assisted Housing Resident Network (PHRN), Norwalk
 Region 16 Administrators Association, Prospect
 Regional School District 16, Prospect
 Saint Francis Hospital and Medical Center, Hartford
 Sexual Assault Crisis Center of Eastern CT, Inc., Willimantic
 St. Philip House, Plainville
 University of Connecticut A.J. Pappanikou Center for Excellence in Developmental
 Disabilities Education,
 Research and Service, Farmington
 Village for Families and Children, Hartford
 Wellmore Behavioral Health, Waterbury
 Woodland Regional High School, Beacon Falls

Delaware

Delaware Association of School Psychologists, Wilmington
 Delaware State Education Association, Dover
 Epilepsy Foundation of Delaware, Wilmington
 Ministry of Caring, Inc., Wilmington

District of Columbia

Clearinghouse on Women's Issues
 Council of School Officers, American Federation of School Administrators, Local 4,
 AFL-CIOD.C.
 D.C. Behavioral Health Association
 D.C. LEARNs
 D.C. Coalition Against Domestic Violence
 Defeat Poverty D.C.
 District of Columbia Occupational Therapy Association
 Edward C. Mazique Parent Child Center, Inc.
 Georgetown University Center for Excellence in Developmental Disabilities
 (UCEDD)
 Georgetown Center for Poverty, Inequality and Public Policy
 Georgetown University Medical Center
 Living Wages Adult Education Program
 Local Initiatives Support Corporation Washington, D.C.
 National Association of Local Housing Finance Agencies
 Potomac Gardens Resident Council
 Public Allies Washington, D.C.
 RESULTS D.C. Volunteer Group
 United Way of the National Capital Area

Florida

1000 Friends of Florida, Tallahassee
 Ability Housing of Northeast Florida, Inc., Jacksonville
 Adult and Community Educators of Florida, Inc., Tallahassee
 Bond Community Health Center, Inc., Tallahassee
 Broward Meals on Wheels, Fort Lauderdale
 Catholic Charities Housing, Diocese of Venice, Inc., Sarasota/Venice
 Center for Independent Living of South Florida, Inc., Miami

Children's Forum, Tallahassee
 Christian Coalition Against Domestic Abuse, Miami
 City of Deerfield Beach, Deerfield Beach
 Coalition for Independent Living Options, West Palm Beach
 Community Coalition on Homelessness, Bradenton
 Community Enterprise Investments Inc., Pensacola
 Community Justice Project—Florida Legal Services, Miami
 Dab the AIDS Bear Project, Oakland Park
 Daytona State College, Daytona Beach
 Department of Community Development, Miami
 Depression and Bipolar Support Alliance (DBSA), St. Cloud
 disAbility Solutions for Independent Living, Inc., Daytona Beach
 Documents International, St. Petersburg
 Dunbar Center, Inc., Hobe Sound
 Epilepsy Foundation of Florida, Miami
 Familias Latinas Dejando Huellas, Tampa
 Farmworker Association of Florida, Apopka
 Florida Alliance of Community Development Corporations, Inc., Jacksonville
 Florida Alliance for Health, Physical Education, Recreation, Dance and Sport, Park-
 land
 Florida CASE, Archer
 Florida Center for Fiscal and Economic Policy, Tallahassee
 Florida Education Association, Tallahassee
 Florida HIV/AIDS Advocacy Network, Oakland Park
 Florida HIV/AIDS Patient Care Planning Group, Freeport
 Florida School Counselor Association, Safety Harbor
 Florida Supportive Housing Coalition, Tallahassee
 Fusion, Wilton Manors
 Gay Free If You Want To Be, Clearwater
 Heart of Putnam Coalition, Palatka
 Helen B. Bentley Family Health Center, Miami
 Homes in Partnership, Inc., Apopka
 Hope and Help Center of Central Florida, Inc., Orlando
 Housing and Homeless Assistance Program, North Miami
 Innocence Project of Florida, Tallahassee
 Life Management Center of Northwest Florida, Panama City
 Local Initiatives Support Corporation, Jacksonville
 Meals on Wheels, Etc., Sanford
 Miami Coalition for the Homeless, Inc., Miami
 National Alliance on Mental Illness (NAMI) & Depression and Bipolar Support Alli-
 ance, Lakeland
 National Council of Jewish Woman Miami, Miami
 National Council of Jewish Women Aventura, Aventura
 National Council of Jewish Women Greater Miami Section, Miami
 National Council of Jewish Women Hollywood, Hollywood
 National Council of Jewish Women Southeast Atlantic Section, Boca Raton
 Neighborly Care Network, Inc., Clearwater
 North Florida Educational Development Corporation, Gretna
 Northwest Florida AIDS/HIV Consortium (NOFLAC), Brent
 Planned Parenthood of South Florida and the Treasure Coast, West Palm Beach
 Positive Champions Speakers Bureau, Daytona Beach
 Positively U, Inc., Davenport
 Rural Neighborhoods, Inc., Homestead
 Sanford Housing Authority Agency-Wide Resident Council, Sarasota
 South Florida Community Development Coalition, Miami
 St. Johns County Council on Aging, St. Augustine
 St. Johns River Alliance, Jacksonville Beach
 Sugarloaf Women's Land Trust, Sugarloaf Key
 Suncoast Partnership to End Homelessness, Sarasota
 Tampa Housing Authority, Tampa
 The Florida Housing Coalition, Tallahassee
 The Good Shepherd of North East Florida, Inc., Lake City
 The Mental Health Association of Okaloosa/Walton Counties, Fort Walton Beach
 United Faculty of Florida, Tallahassee
 Georgia
 AID Gwinnett/Ric Crawford Clinic, Duluth
 Armstrong Atlantic State University (AASU), Savannah

Augusta Housing Authority, Augusta
 BAIN, Inc. Center for Independent Living, Bainbridge
 Center for Leadership in Disability, Atlanta
 DEW Consultants, Inc., Roswell
 Douglas County Homeless Shelter, Douglasville
 East Point Housing Authority, East Point
 Epilepsy Foundation of Georgia, Atlanta
 Families First, Inc., Atlanta
 Family Visions Outreach, Inc., Sylvester
 G-CASE, McDonough
 Georgia Alliance to End Homelessness, Marietta
 Georgia Association of Secondary School Principals, Thomasville
 Georgia Council of Administrators for Special Education, McDonough
 Georgia Parent Support Network, Inc., Atlanta
 Georgia School Counselors Association, Marietta
 Georgia State University Center for Leadership in Disability, Atlanta
 Georgia Supportive Housing Association, Atlanta
 Grady Health System, Atlanta
 Here's to Life, Inc., Decatur
 HOPE Atlanta Programs of Travelers Aid, Atlanta
 Housing Authority of DeKalb County, Decatur
 Liberty County Board of Education, Hinesville
 Liberty County Public School System, Hinesville
 Lou Walker Senior Center, Lithonia
 Northwest Georgia Federation of Families, Rome
 Peak Performance Learning, L.L.C., Atlanta
 Sexual Assault Support Center, Inc., Columbus
 SisterLove, Inc., Atlanta
 Sisters of Mercy, Macon
 South Fulton Senior Services, College Park
 STEM, Inc., Covington
 The Cottage, Sexual Assault Center & Children's Advocacy Center, Athens
 Urban Residential Development Corporation, Atlanta
 Briarcliff Oaks, Atlanta

Guam
 University of Guam Center for Excellence in Developmental Disabilities (UCEDD),
 Mangilao

Hawaii
 Community Alliance for Mental Health, Honolulu
 Good Beginnings Alliance, Honolulu
 Hawaii Association of Secondary School Administrators, Honolulu
 Hawaii Association of School Librarians, Honolulu
 Hawaii County Economic Opportunity Council, Hilo
 Hawaii Policy Advisory Board for Elder Affairs, Honolulu
 Hawaii State Council on Developmental Disabilities, Honolulu
 Hawaii State Department of Education, Honolulu
 Hawaii State Office of Youth Services, Honolulu
 Hawaii State Teachers Association, Honolulu
 Lanakila Pacific, Honolulu
 Learning Disabilities Association of Hawaii, Honolulu

Iowa
 Black Hawk-Grundy Mental Health Center, Inc., Waterloo
 Chickasaw County Public Health and Home Care Services, New Hampton
 Child and Family Policy Center, Des Moines
 Community Health Partners of Sioux County, Orange City
 Crisis Intervention Services, Oskaloosa
 Disability Rights Iowa, Des Moines
 Dubuque Franciscan Sisters, Dubuque
 Heritage Area Agency on Aging, Cedar Rapids
 Iowa Association for College Admission Counseling, Newton
 Iowa Association of Community Providers, Urbandale
 Iowa Coalition 4 Juvenile Justice, Des Moines
 Iowa Comprehensive Human Services, Des Moines
 Iowa Council of Administrators of Special Education I-CASE, Des Moines
 Iowa Federation of Families for Children's Mental Health, Anamosa
 Iowa School Social Work Association, Des Moines

Jackson County Home and Community Health, Maquoketa
 Kirkwood Community College, Cedar Rapids
 Lincoln Mental Health, Fort Dodge
 Monona County Public Health, Onawa
 North Fayette High School, West Union
 PITCH, Milford
 Positive Iowans Taking Charge, Des Moines
 Siouxland District Health Department, Sioux City
 Sisters of the Presentation, Dubuque
 State Public Policy Group Inc., Des Moines
 The Culture Buzz, Des Moines
 Tri-County Child and Family Development Council, Inc., Waterloo
 United Way of Central Iowa, Des Moines
 Waubonsie Mental Health Center, Clarinda

Idaho

Aberdeen Education Association, Aberdeen
 Boise State University, Boise
 Buhl Education Association, Buhl
 Cambridge-Midvale Senior Citizens Center, Cambridge
 Cassia County Education Association, Burley
 Castleford School District, Castleford
 Challis Education Association, Challis
 Coeur d'Alene Education Association, Coeur d'Alene
 Family Crisis Center, Rexburg
 Filer Education Organization, Filer
 Gem County Education Association, Emmett
 Idaho Association of School Administrators, Boise
 Idaho CASE, Boise
 Idaho Council for Exceptional Children, Boise
 Idaho Council on Developmental Disabilities, Boise
 Idaho Education Association, Boise
 Idaho Education Association, Coeur d'Alene
 Idaho Education Association, Post Falls
 Idaho Federation of Families for Children's Mental Health, Boise
 Kimberly Education Association, Kimberly
 Lakeland Education Association, Rathdrum
 Meadows Valley Education Association, New Meadows
 Minidoka County Education Association, Rupert
 Plummer-Worley Jt School District #44, Plummer
 Post Falls Educational Association, Post Falls
 Richfield IEA, Richfield
 Rimrock Senior Center, Grand View
 Ririe Education Association, Ririe
 Rockland Education Association, Rockland
 Teton Education Association, Felt
 The New Meadows Senior Center, New Meadows
 Twin Falls Education Association, Twin Falls
 Twin Falls School District, Twin Falls
 Valley Meals on Wheels, Lewiston
 West Ridge Elementary, Post Falls

Illinois

ACTE, Springfield
 Aging Care Connections, La Grange
 AIDS Foundation of Chicago, Chicago
 AIDS Legal Council of Chicago, Chicago
 Alexian Brothers AIDS Ministry, Chicago
 Burr Ridge Community Consolidated School District #180, Burr Ridge
 Calumet Area Industrial Commission, Chicago
 Campaign for Better Health Care, Illinois, Champaign and Chicago
 Canticle Ministries, Wheaton
 Career Link, Bloomington
 Casa Central, Chicago
 Cass School District #63, Darien
 Central Illinois Friends of People with AIDS, Peoria
 Chicago Jobs Council, Chicago
 Chicago Rehab Network, Chicago

Chicago Workforce Investment Council, Chicago
 Children's Home and Aid, Chicago
 Citizen Schools Illinois, Chicago
 City of Chicago Department of Family & Support Services, Chicago
 City of Kankakee Community Development Agency, Kankakee
 Coalition for Equitable Community Development, Chicago
 Community Behavioral Healthcare Association of Illinois, Springfield
 Community Outreach Intervention Projects, SPH, UIC, Chicago
 Connect 2 Protect Chicago, Chicago
 Connections for Abused Women and their Children, Chicago
 Cook County GED Testing Program, Chicago
 Department of Human Services, Woodstock
 DuPage Senior Citizens Council, DuPage County
 DuPage Workforce Board, Lisle
 East Central Illinois Area Agency on Aging, Bloomington
 Educational Support for Students in Temporary Living Situations (STLS), Chicago
 Egyptian Mental Health Department, Eldorado
 Goldie's Place, Chicago
 Haymarket Center, Chicago
 Housing Action Illinois, Chicago
 Housing Authority of the County of DeKalb, DeKalb
 Human Resources Development Institute, Inc., Chicago
 IACEA: The Voice of Adult Education in Illinois, Crystal Lake
 Illinois Association for College Admission Counseling, Mt. Prospect
 Illinois Association of Career Tech Educators, Rockford
 Illinois Association of Educational Opportunity Program Personnel, Chicago
 Illinois Community College Board Adult Education and Family Literacy Program,
 Springfield
 Illinois Eastern Community Colleges, Mattoon
 Illinois Lead Program, Springfield
 Illinois Maternal and Child Health Coalition, Chicago
 Illinois Migrant Council, Harvard
 Illinois Principals Association, Springfield
 Illinois School Counselor Association, DeKalb
 Illinois School Counselors Association, Chicago
 Illinois School Library Media Association, Canton
 Institute on Disability and Human Development, Chicago
 Interfaith Open Communities, Chicago
 Jewish Council on Urban Affairs, Chicago
 Lake County Center for Independent Living, Mundelein
 Lake County Workforce Investment Board, Waukegan
 Learning Disabilities Association of Illinois, Chicago
 Lifescape Community Services, Inc., Rockford
 Living Daylight Corporation, Elgin
 Local Initiatives Support Corporation Chicago, Chicago
 Local Initiatives Support Corporation Peoria, Peoria
 Manufacturing Technology Institute, Richard J. Daley College, Chicago
 Mary Crane League, Chicago
 Mascoutah Community Unit School District #19, Mascoutah
 Mascoutah Senior Services Program, Mascoutah
 McHenry County Workforce Investment Board, Woodstock
 McHenry County Workforce Network, Woodstock
 National Council of Jewish Women, Illinois State Policy Advocacy Committee, Chi-
 cago
 New Foundation Center, Northfield
 Oak Park Coalition for Truth and Justice, Oak Park
 Open Door Clinic, Elgin
 Ounce of Prevention Fund, Chicago
 Pediatric AIDS Chicago Prevention Initiative, Chicago
 Prairie Center Against Sexual Assault, Springfield
 RAMP Center for Independent Living, Rockford
 Randolph County Health Department, Chester
 Regional CARE Association, Joliet
 Rock Island County Health Department, Rock Island
 Rock River Training Corporation, Rockford
 Safe Kids Adams County, Quincy
 SIL Radon Awareness Task Force, Inc., Mt. Vernon
 Southside Solidarity Network, Chicago

St. Catherine Laboure Parish, Glenview
 St. Joan of Arc Social Justice & Peace, Lisle
 Stroger Hospital of Cook County, Chicago
 Supportive Housing Providers Association of Illinois, Springfield
 Test Positive Aware Network, Publisher of Positively Aware Magazine, Chicago
 The Children's Place Association, Chicago
 The Safer Foundation, Chicago
 Trinity Resources Unlimited, Inc., Chicago
 University of Illinois, Urbana
 Vermilion County Job Training Partnership, Danville
 West Suburban Jobs Council, Wheaton
 Western Illinois Area Agency on Aging, Rock Island
 Wheaton Franciscans, Wheaton
 YWCA of the Sauk Valley, Sterling
 Heartland Alliance, Chicago
 Illinois Alliance of Administrators of Special Education, Lebanon
 Illinois School Counseling Association, Chicago
 Illinois School Psychologist's Association, Chicago
 Interfaith House, Chicago
 Mary Crane Center- Head Start, Chicago
 Minority AIDS Awareness Council (MAAC), Peoria
 People for Community Recovery, Chicago
 Senior Services Plus, Alton
 St. Vincent de Paul Center, Chicago
 YWCA Metropolitan Chicago, Chicago

Indiana

Area IV Head Start, Frankfort
 Association of Indiana School Library Educators, Indianapolis
 ATTIC, Inc., Vincennes
 Brown County Schools, Nashville
 Community Action of Northeast Indiana, Inc. (CANI) Head Start and Early Head Start, Fort Wayne
 Fulton County Health Department, Rochester
 Housing Authority City of Richmond, Richmond
 Housing Authority of South Bend, South Bend
 ICASE, Madison
 Indiana Association of Area Agencies on Aging, Indianapolis
 Indiana Council of Community Mental Health Centers, Inc., Indianapolis
 Indiana Council of Special Education Administrators, Indianapolis
 Indiana Institute for Working Families, Indianapolis
 Indiana School Counselor Association, Lafayette
 Indiana School Social Work Association, Mooresville
 Indiana State AFL-CIO Labor Institute for Training, Inc., Indianapolis
 Indiana State Teachers Association, Indianapolis
 INFBPW/Merrillville-Duneland, Schererville
 Kokomo Area Special Education Cooperative, Russiaville
 Local Initiatives Support Corporation Indianapolis, Indianapolis
 Logansport Area Joint Special Services Cooperative, Logansport
 Madison County JobSource, Anderson
 Mental Health America in Cass County, Logansport
 Middle Way House, Inc., Bloomington
 Midwest Center for Youth and Families, Valparaiso
 Northwest Indiana Special Education Cooperative, Crown Point
 Porter-Starke Services, Inc., Valparaiso
 The Riley Child Development Center, Riley Hospital for Children, Indianapolis
 Training, Inc., Indianapolis
 YWCA North Central Indiana, South Bend

Kansas

Aging Projects, Inc., Hutchinson
 Butler County Health Department, El Dorado
 Center for Child Health and Development, Kansas City
 Clinical Psychologist, Iola
 COMCARE, Wichita
 ECKAN, Ottawa
 Geary County Unified School District #475, Junction City
 Great Plains Association for College Admission Counseling, Overland Park

HOMESTEAD Nutrition Project, Hays
 Independent Living Resource Center, Wichita
 Johnson County Area Agency on Aging, Olathe
 Johnson County Department of Health & Environment, Olathe
 Kansas Adult Education Association, Paola
 Kansas Association of School Librarians, Larned
 Kansas Association of Secondary School Principals, Halstead
 Kansas Head Start Association, Lawrence
 Kansas National Education Association, Topeka
 Kansas Occupational Therapy Association, Topeka
 Kansas School Social Work Association, Wichita
 Kansas University Center on Developmental Disabilities, Lawrence
 Kanza Mental Health and Guidance Center, Inc., Hiawatha
 Meals on Wheels Association of Kansas, Ottawa
 Missouri Valley Adult Education Association, Paola
 Newton Housing Authority, Newton
 Olathe National Education Association, Olathe
 Parsons Housing Authority, Parsons
 Prairie Independent Living Resource Center, Inc., Hutchinson
 Senior Services of Southeast Kansas, Inc., Coffeyville
 SKIL Resource Center, Parsons
 Statewide Independent Living Council of Kansas, Topeka
 Southwest Boulevard Family Health Care, Kansas City
 Three Rivers Independent Living, Inc., Wamego

Kentucky

Appalbanc, Inc., Berea
 Ashland County Community and Technical College/Boyd County Adult Education,
 Ashland
 Audubon Area Community Services, Inc., Owensboro
 Beattyville Housing & Development Corporation, Inc., Beattyville
 Central Kentucky Community Action Council, Inc., Lebanon
 Central Kentucky Community Action Head Start, Lebanon
 Central Kentucky Housing & Homeless Initiative, Lexington
 Christian County Health Department, Hopkinsville
 Commonwealth Council on Developmental Disabilities, Frankfort
 Cumberland Valley Housing Authority, Williamsburg
 Florence Crittenton Home & Services, Inc., Lexington
 Floyd County Health Department, Prestonsburg
 Hardin County Adult Education, Elizabethtown
 Head Start, Paducah
 Kentucky Association for Career and Technical Education, Frankfort
 Kentucky Communities Economic Opportunity Council, Corbin
 Kentucky Council of Administrators of Special Education, Lexington
 Kentucky Domestic Violence Association, Frankfort
 Kentucky School Media Association, Frankfort
 Kentucky Youth Advocates, Louisville
 KY HANDS Home Visitation Program, Kentucky Department for Public Health,
 Frankfort
 Louisville Peace Action Community, Louisville
 Louisville-Metro Senior Nutrition Program, Louisville
 Mountain Association for Community Economic Development, Berea
 New Beginnings Sexual Assault Support Services, Owensboro
 Pathways, Inc., Ashland
 People's Self-Help Housing, Inc., Vanceburg
 Senior Services of Northern Kentucky, Covington
 SeniorCare Experts, Louisville
 The Catalytic Fund, Covington
 The Kentucky Association for Psychology in the Schools, Mount Washington
 The Pulaski Adult Learning Center, Somerset
 Todd County Adult Education, Elkton
 University of Kentucky, Lexington
 West Kentucky Allied Services, Inc., Mayfield
 Western Kentucky University Department of Family and Consumer Sciences, Bowling Green

Louisiana

A Community Voice—Louisiana, New Orleans

Advocacy Center, New Orleans
 Brand New Attitude, New Orleans
 Greater New Orleans Fair Housing Action Center, New Orleans
 Gulf Area Training Enterprises, L.L.C., New Orleans
 Innocence Project New Orleans, New Orleans
 Louisiana Association of Educators, Baton Rouge
 Louisiana Association of Principals, Winnfield,
 Louisiana Federation of Families for Children's Mental Health, Inc., Baton Rouge
 Louisiana Housing Alliance, Baton Rouge
 Louisiana Lung Cancer Partnership, Lake Charles
 Louisiana State University Health Sciences Center-Human Development Center,
 New Orleans
 N'R PEACE, Inc., Gretna
 Southwest Louisiana AIDS Council, Lake Charles
 Southwest Louisiana Independence Center, Lake Charles
 Tulane University, New Orleans

Maine

Center for Community Inclusion and Disability Studies, Orono
 Coastal Enterprises, Inc. (CEI), Wiscasset
 Community Housing of Maine, Portland
 CWS Architects, Portland
 Graham Behavioral Services, Inc., Augusta
 Maine Association of School Psychology, Kennebunk
 Maine Children's Alliance, Augusta
 Maine Marine Trades Association, Biddeford
 Maine People's Alliance, South Portland
 New England Association for College Admission Counseling, Kittery
 New England Consortium Poverty Reduction Initiative, South Portland
 New Hampshire Educational Opportunity Association, Eliot
 New Hampshire Leadership Education in Neurodevelopmental and Related Disabilities (NH-LEND), Durham
 Opportunity Maine, Portland
 Portland Housing Authority, Portland
 The Horizon Program, Augusta
 The Maine Association for Mental Health Services, Augusta
 The Maine Association of Substance Abuse Programs, Augusta
 TRiO at Plymouth State University, Durham

Maryland

Advocacy and Training Center, Cumberland
 Advocates for Children and Youth, Baltimore
 Allegany County Teachers' Association, Cumberland
 Anne Arundel County Community Action Agency, Annapolis
 Baltimore County Association of Senior Citizens Organizations (BCASCO), Baltimore County
 Baltimore County Public Schools—Education Support Professionals of Baltimore County, Baltimore
 Baltimore County Public Schools (BCPS), Nottingham
 Baltimore Workforce Investment Board, Baltimore
 Calvert Association of Supervisors and Administrators, Prince Frederick
 Cecil County Classroom Teachers Association (CCCTA), Elkton
 Cecil County Public Schools, Conowingo
 Channel Marker, Inc., Easton
 Community Behavioral Health Association of Maryland, Catonsville
 Education Association of St. Mary's County, California
 Education Support Professionals of Baltimore County (ESPBC), Baltimore
 Elkton Housing Authority, Elkton
 Empire Homes of Maryland, Inc., Baltimore
 Frederick Association of School Support Employees, Mount Airy
 Fund Our Communities, Kensington
 Garrett County Community Action Committee, Oakland
 Head Start of Washington County, Hagerstown
 IEC Chesapeake, Odenton
 Ivory House Health Services, Lutherville
 Kennedy Krieger Institute, Baltimore
 Legal Aid Bureau, Inc., Baltimore
 LifeLinc of Maryland, Baltimore

Maryland Association of Secondary School Principals, Ellicott City
 Maryland Campus Compact, Emmitsburg
 Maryland Department of Labor, Licensing, and Regulation, Division of Workforce
 Development and Adult
 Learning, Baltimore
 Maryland Disability Law Center, Baltimore
 Maryland State Education Association, Annapolis
 Maryland United for Peace & Justice, Bowie
 Maryland Rural Development Corporation and MRDC Head Start, Annapolis
 Montgomery County Education Association, Rockville
 Montgomery Housing Partnership, Silver Spring
 National Alliance on Mental Illness (NAMI), Maryland, Columbia
 National Council of Jewish Women Howard County, MD. Section, Columbia, Ellicott
 City, Clarksville
 Peace Action Montgomery, Brookeville
 PeterCares House, Greenbelt
 Potomac Association of Housing Cooperative, Baltimore
 Prince George's County Educators' Association, Forestville
 Progressive Cheverly, Cheverly
 Public Justice Center, Baltimore
 Reservoir Hill Mutual Homes, Inc., Baltimore
 RESULTS, Laurel
 Simon Publications, Bethesda
 St. Bernardine's Head Start, Baltimore
 The Alliance for Integrative Health Care, Baltimore
 The Beacon Newspapers, Silver Spring
 The Freedom Center, Frederick
 University of Maryland School of Medicine, Baltimore
 Upper Bay Counseling & Support Services, Elkton
 Vehicles for Change, Baltimore
 Veterans For Peace—Washington, D.C.-Area Chapter, Rockville
 Volunteers of America Chesapeake, Inc., Lanham
 Xaverian Brothers, Baltimore
 YWCA Greater Baltimore, Baltimore

Massachusetts

AIDS Action Committee of Massachusetts, Boston
 AIDS Project Worcester, Worcester
 Alliance of Cambridge Tenants (ACT), Cambridge
 Amory Street Associates, Waltham
 Association for Behavioral Healthcare, Natick
 Asthma and Allergy Foundation of America, New England Chapter, Needham
 Barnstable County HOME Consortium, Barnstable
 Bedford Youth & Family Services, Bedford
 Behind Locked Doors, Newton
 Bellingham Housing Authority, Bellingham
 Boston Public Health Commission, Boston
 Brigham and Women's Hospital, Boston
 Cambridge Economic Opportunity Committee, Inc., Cambridge
 Cambridge Neighborhood Apartment Housing Services, Cambridge
 Cape Cod Children's Place, North Eastham
 Career Center Initiative Board, Partnership for A Skilled Workforce, Waltham
 CareerPOINT Career Center, Chicopee
 CASPAR Inc., Cambridge & Somerville
 Child Tools Consulting, Fitchburg
 Citizen Schools Massachusetts, Boston
 Citizens' Housing and Planning Association (CHAPA), Boston
 Conservation Law Foundation, Boston
 Disability Law Center, Massachusetts, Boston
 Epilepsy Foundation of Massachusetts, Rhode Island, New Hampshire, and Maine,
 Inc., Boston
 Family Promise Metrowest, Natick
 Harbor Health Services, Inc., Boston
 Heaven In View Outreach Ministry, Inc., Springfield
 Homeowners Rehab, Inc., Cambridge
 Housing Corporation of Arlington, Arlington
 Independence Associates, Inc., Center for Independent Living, Brockton
 Jewish Vocational Service: Boston, Boston

Local 201 IUE/CWA, Greenfield
 Local Initiatives Support Corporation Boston, Boston
 Massachusetts Advocates Standing Strong, Boston
 Massachusetts Families Organizing for Change (MFOFC), Raynham
 Massachusetts Music Educators Association, Inc., South Attleboro
 Massachusetts Organization for Addiction Recovery, Boston
 Massachusetts School Counselors Association, Boston
 Massachusetts School Psychologists Association (MSPA), Boston
 Massachusetts Secondary School Administrators' Association, Franklin
 Massachusetts Teachers Association, Boston
 Massachusetts Vocational Association, East Freetown
 Massachusetts General Hospital, Boston
 McLean Hospital, Belmont
 Museum of Science, Boston
 National Alliance on Mental Illness (NAMI) Cape Ann, Inc., Gloucester
 Natick Housing Authority, Natick
 National Association of Social Workers, Dorchester
 Northeast Counselors Association, Groveland
 One Family, Inc., Boston
 PACE, Inc. Housing Services, New Bedford
 Partners HealthCare, Boston
 Partnerships for a Skilled Workforce, Inc., Marlborough
 Pine Street Inn, Boston
 Pioneer Valley Planning Commission, Springfield
 RCAP Solutions, Inc., Worcester/Gardner
 RESULTS Boston, Boston
 SkillWorks, Brookline
 Somerville Homeless Coalition, Somerville
 South Middlesex Opportunity Council, Inc., Framingham
 South Shore Mental Health, Quincy
 Spaulding Rehabilitation Hospital, Boston
 Technology for Memory and Organization, Walpole
 TenHoor and Associates, Duxbury
 The Caleb Group, Swampscott
 The Massachusetts Administrators for Special Education (ASE), Cambridge
 Tohn Environmental Strategies, Wayland
 Training, Inc., Boston
 TRI-City Community Action Program, Malden
 Tri-Valley, Inc., Dudley
 Wayside Youth & Family Support Network, Framingham
 Woods Hole Oceanographic Institution, Woods Hole

Michigan

A2FACES: Ann Arbor Families for Autistic Children, Ann Arbor
 Advocacy Services for Kids, Kalamazoo
 American Cancer Society, East Lansing
 American Federation of School Administrators (AFSA)—Michigan, Detroit
 Ann Arbor Public Schools, Ann Arbor
 Area Agency on Aging 1-B, Southfield
 Association for Children's Mental Health, Lansing
 Center for Civil Justice, Saginaw
 Communities Overcoming Violent Encounters, Ludington
 Community Economic Development Association of Michigan (CEDAM), Lansing
 Developmental Disabilities Institute, Detroit
 Dial Help Community Support and Outreach Center, Houghton
 Disruptive Innovations for Social Change, Grand Rapids
 Epilepsy Foundation of Michigan, Southfield
 Ferris State University College of Pharmacy, Big Rapids
 Flint Strive, Flint
 Focus: HOPE, Detroit
 Hand Up, Inc. Nonprofit Organization, Romulus
 Holy Innocents Episcopal Church, Little Lake
 Jackson Area Manufacturers Association, Jackson
 Jewish Labor Committee—Michigan Region, Detroit
 Kent Regional Community Coordinated Child Care, Grand Rapids
 Learning Disabilities Association of Michigan, Lansing
 Leland Public School, Leland
 Levin Energy Partners, LLC, Bloomfield Hills

LifeWays, Jackson
 Local Initiatives Support Corporation Detroit, Detroit
 Local Initiatives Support Corporation Michigan Statewide, Kalamazoo
 Matrix Human Services, Detroit
 Michigan Alliance of Cooperatives, Blanchard
 Michigan Association for College Admission Counseling, East Lansing
 Michigan Association for Health, Physical Education, Recreation and Dance, Lansing
 Michigan Association of Administrators of Special Education (MAASE), Holland
 Michigan College Access Programs and Personnel, Marquette
 Michigan Community Action Agency Association, Okemos
 Michigan Community Service Commission, Lansing
 Michigan Disability Rights Coalition, East Lansing
 Michigan Music Education Association, Jackson
 Michigan Protection and Advocacy Services, Lansing
 Michigan School Counselor Association, Grand Rapids
 Michigan's Children, Lansing
 Mott Community College Workforce Development, Flint
 Northwest Michigan Community Action Agency, Traverse City
 Organization of School Administrators and Supervisors (OSAS) Local 28—American Federation of School Administrators 9AFSA, Detroit
 Ottawa County Great Start Collaborative, Holland
 Ottawa County Great Start Parent Coalition, Allendale
 Paw Paw Housing Commission, Paw Paw
 Provider Alliance of the Michigan Association of Community Mental Health Boards, Lansing
 RESULTS, Greater Detroit
 Saginaw County Youth Protection Council, Saginaw
 Sault Area Public Schools, Sault Ste. Marie
 Save Michigan Seniors, Kalamazoo
 Senior Nutrition Services, Region IV, Benton Harbor
 Shiawassee Regional Education Service District, Corunna
 South Central Michigan Works!, Hillsdale
 Southeast Michigan Census Council, Southfield
 Southwest Counseling Solutions, Detroit
 Superior AIDS Prevention Services, Iron Mountain
 Temple B'nai Israel, Petoskey
 The Arc Michigan, Lansing
 Walker Firehouse Cafe/Senior Neighbors, Grand Rapids, Michigan
 Watersmeet Township School District, Watersmeet
 Wisdom Institute, Detroit
Minnesota
 A Minnesota Without Poverty, Minneapolis
 Bois Forte Tribal Government, Nett Lake
 Children's Defense Fund—Minnesota, St. Paul
 CROSS Meals on Wheels, Rogers
 Deer River Public School District, Deer River
 Education Minnesota, St. Paul
 Entrepreneur Fund, Duluth
 Family Life Mental Health Center, Coon Rapids
 Family Service Rochester, Rochester
 Hamline University, St. Paul
 Houston County Public Health Department, Caledonia
 Hunger Solutions Minnesota, St. Paul
 Hutchinson Housing & Redevelopment Authority, Hutchinson
 Innocence Project of Minnesota, St. Paul
 Integrated Community Solutions, Inc., Fridley
 JM Grants, Sartell
 Litchfield Public Schools Early Childhood Programs, Litchfield
 Little Falls Partners for Peace, Little Falls
 Local Initiatives Support Corporation Duluth, Duluth
 Local Initiatives Support Corporation Twin Cities, St. Paul
 Local Public Health Association of Minnesota, St. Paul
 McLeod County Public Health, Glencoe
 Midwest Minnesota Community Development Corporation (MMCDC), Detroit Lakes
 Minnesota Association for Career and Technical Education, Fergus Falls
 Minnesota Association for College Admission Counseling, Northfield

Minnesota Association of Secondary School Principals, St. Paul
 Minnesota Head Start Association, Inc., Duluth
 Minnesota Housing Partnership, St. Paul
 Minnesota Indian Women's Resource Center, Minneapolis
 Minnesota Occupational Therapy Association (MOTA), St. Paul
 Minnesota School Psychologists Association, Winona
 Minnesota School Social Workers Association, Gibbon
 Minnesota State Colleges and Universities (MnSCU), White Bear Lake
 Minnesota Workforce Council Association, Saint Paul
 National Alliance on Mental Illness (NAMI) Minnesota, St. Paul
 Naytahwaush Community Charter School, Naytahwaush
 Nett Lake School District, Nett Lake
 Religious Community of Women, Little Falls
 RESULTS-Twin Cities, Minnesota (Domestic), Minneapolis
 Southeast Minnesota Workforce Board, Rochester
 The Metropolitan Consortium of Community Developers, Minneapolis
 Waubun-Ogema-White Earth Public Schools, Waubun
 Workforce Development, Inc., Southeast

Mississippi

Biloxi Branch NAACP, Biloxi
 Disability Rights Mississippi, Jackson
 Faye's Playhouse & Learning Center, Verona
 Local Initiatives Support Corporation Mid South Delta, Greenville
 Mississippi Association of Educational Opportunity Program Personnel, Jackson
 Mississippi Association for Health, Physical Education, Recreation and Dance, Olive Branch
 Mississippi Association of Secondary School Principals, Columbia
 Mississippi Council of Administrators of Special Education (MS CASE), Mendenhall
 Mississippi Families as Allies, Jackson
 Mississippi Innocence Project, Oxford
 Nollie Jenkins Family Center, Inc., Lexington
 Pontotoc Housing Authority, Pontotoc
 Public Policy Center of Mississippi, Jackson

Missouri

Advance National Education Association, Advance
 Bayless Education Association, St. Louis
 Blue Springs National Education Association, Blue Springs
 Bridgeway Women's Center, St. Charles
 Caruthers Street Charities, Inc. dba Project HOPE, Cape Girardeau
 Central Missouri Community Action (CMCA) Head Start, Columbia
 Central Missouri Community Action- Head Start, Laddonia
 Dent County Health Center, Salem
 Disabled Citizens Alliance for Independence, Viburnum
 Epilepsy Foundation of Missouri and Kansas, Kansas City
 Farmington National Education Association, Farmington
 Ferguson-Florissant National Education Association, Ferguson
 Festus Housing Authority, Festus
 Head Start, Salem
 Independence Housing Authority, Independence
 Independence National Education Association, Independence
 Jefferson County Health Department, Hillsboro
 Jefferson Franklin Community Action Corporation, Hillsboro
 Joplin Adult Education and Literacy, Joplin
 Kaiden's Voice for the Abused, Springfield
 Kansas City Adult Education & Literacy, Kansas City
 Kansas City Criminal Justice Task Force, Kansas City
 Kansas City Missouri School District Adult Education and Literacy, Kansas City
 Lindbergh National Education Association, St. Louis
 Local Initiatives Support Corporation Greater Kansas City, Kansas City
 Lutheran Family & Children's Services of Missouri, St. Louis
 Mississippi County Health Department, Charleston
 Missouri Adult Education & Literacy Administrators Association, Jefferson City
 Missouri Association for Career and Technical Education, Jefferson City
 Missouri Association for Social Welfare, Jefferson City
 Missouri Association of Local Public Health Agencies, Jefferson City
 Missouri Association of Secondary School Principals, Columbia

Missouri Council for Exceptional Children (MO-CEC), Blue Springs
 Missouri Council of Administrators of Special Education, Jefferson City
 Missouri Development Disabilities Council, Jefferson City
 Missouri Division of Workforce Development, St. Louis
 Missouri National Education Association, Jefferson City
 Missouri Public Health Association, Jefferson City
 Missouri School Counselor Association, Jefferson City
 National Alliance on Mental Illness (NAMI), St. Louis
 National Council of Jewish Women, St. Louis Section, St. Louis
 Normandy National Education Association, St. Louis
 North East Community Action Corporation, Bowling Green
 Ozarks Area Community Action Corporation, Springfield
 Pettis County Health Center, Sedalia
 Phelps/Maries County Health Department, Rolla
 Second Harvest Community Food Bank, Saint Joseph
 Senior Citizens Community Center, Paris
 Shelby County Health Department, Shelbyville
 Smithville R-II School District, Smithville
 St. Francois County Health Center, Park Hills,
 St. Louis Agency on Training and Employment (SLATE), St. Louis
 St. Louis Lead Prevention Coalition, St. Louis
 Starkloff Disability Institute, St. Louis
 Taney County Health Department, Branson
 Waynesville R-VI School District, Waynesville
 Westside Community Action Network Center, Kansas City
 Youth In Need, Inc., St. Charles

Montana

ADAPT Montana, Missoula
 Billings Clinic, Billings
 Box Elder Public School District 13G, Box Elder
 Dixon School District # 9, Dixon
 Dodson Schools, Dodson
 Eastern Montana Community Mental Health Center, Miles City
 Family Support Network—Montana, Billings
 Harlem Public Schools, Harlem
 Helena Indian Alliance, Helena
 Lodge Grass Public School District No. 2 & 27, Lodge Grass
 MEA-MFT, Helena
 Montana Aspire TRIO, Great Falls
 Montana Public Health Association, Choteau
 National Alliance on Mental Illness (NAMI), Helena
 Not Dead Yet Montana, Missoula
 Polson School District, Polson
 Poplar School Districts 9 & 9B, Poplar
 RiverStone Health, Billings
 School Administrators of Montana, Helena
 Teton County Health Department, Choteau
 University of Montana Rural Institute: Center for Excellence in Disability Education, Research, and Service, Missoula

Nebraska

Eastern Nebraska Community Action Partnership, Omaha
 Head Start CFDP Inc., Hastings
 Lutheran Metro Ministry, Omaha
 Nebraska AIDS Project, Omaha
 Nebraska Federation of Families for Children's Mental Health, Minden
 Nebraska Head Start Association, Hastings
 Nebraska School Librarians Association, Lincoln
 Nebraska State Education Association, Lincoln
 Progressive Research Institute of Nebraska, Omaha
 Santee Sioux Nation Head Start, Niobrara
 Nebraska (Inc.)
 Sisters of Mercy West Midwest Justice Team, Omaha
 Somali Community Service, Inc., Omaha
 University of Nebraska Medical Center, Omaha
 Western Nebraska Resources Council, Chadron
 Association of Career and Technical Education of Nebraska, Lincoln

Nebraska Advocacy Services, Inc., Lincoln

Nevada

Catholic Charities of Southern Nevada, Las Vegas
Churchill County School District, Fallon
Food Bank of Northern Nevada, Reno
Golden Rainbow, Las Vegas
Inter-Tribal Council of Nevada, Inc., Reno
Nevada Adult Educators, Las Vegas
Nevada Occupational Therapy Association, Las Vegas
Nevada School Counselor Association (NvSCA), Reno, Las Vegas
Reno Senior Citizens Advisory Committee, Reno
Washoe County (Nevada) Department of Senior Services, Reno

New Hampshire

Center For Life Management, Derry
Children's Alliance of New Hampshire, Concord
Greater Nashua Mental Health Center at Community Council, Nashua
Housing Action New Hampshire, Concord
Local 119, Exeter
Nashua Soup Kitchen & Shelter, Inc., Nashua
New Hampshire Association of School Principals, Concord
New Hampshire Association of Special Education Administrators, Concord
New Hampshire School Library Media Association, Laconia
New Hampshire School Library Media Association (NHSLMA), Exeter
Rockingham Nutrition and Meals on Wheels Program, Brentwood,
The New Hampshire Occupational Therapy Association, Concord
University of New Hampshire/McNair (TRiO), Durham

New Jersey

Abundant Life Community Development Corporation, Edgewater Park
Advocates for Children of New Jersey, Newark
Alternatives to Domestic Violence, Hackensack
Atlantic Cape Family Support Organization, Northfield
Bergen County Youth Services Commission, Hackensack
Burlington County Workforce Investment Board, Mount Holly
Camden County Family Support Organization, Merchantville
Cape May City Elementary School, Cape May
Career and Technical Education Association of New Jersey, Pemberton
Cathedral Soup Kitchen, Inc., Camden
Catholic Charities Diocese of Trenton, Trenton
Children's Aid and Family Services, South Orange
Citizen Schools New Jersey, Newark
Community FoodBank of New Jersey, Hillside
COPE Center, Inc., Montclair
Cumberland/Salem Workforce Investment Board, Bridgeton
Englewood Housing Authority, Englewood
Family Support Organization of Bergen County, Waldwick
Family Support Organization of Bergen County, Fair Lawn
Food Bank of South Jersey, Pennsauken
Garden State Employment & Training Association, Toms River
Head Start Community Program of Morris County, Inc., Dover
Homefront, Inc., Lawrenceville
Horizon Health Center, Jersey City, Bayonne
Housing Community Development Network of New Jersey, Trenton
Hudson County Housing Resource Center, Jersey City
Hyacinth AIDS Foundation, New Brunswick
JCDTOC, Inc., Cape May Court House
Kean University, Union
LEW Corporation, Mountainside
Local Initiatives Support Corporation Greater Newark, Newark
Meals On Wheels, Inc.—Linden, Linden
Monmouth County Regional Health Commission, Tinton Falls
Morris-Sussex-Warren Workforce Investment Board, Morristown
Mount Carmel Guild, Cranford
National Alliance on Mental Illness (NAMI), Asbury Park
National Alliance on Mental Illness (NAMI), Cherry Hill
National Alliance on Mental Illness (NAMI), Gloucester County, Wenonah
National Alliance on Mental Illness (NAMI), Greater Monmouth, Freehold

National Council of Jewish Women, Concordia Section, Monroe Township
 National Council of Jewish Women, Union County Section, Elizabeth
 National Council of Jewish Women, West Morris Section, Morristown
 New Jersey Anti-Hunger Coalition, Englewood
 New Jersey Association for Health, Physical Education, Recreation & Dance, Ocean
 New Jersey Association of Mental Health & Addiction Agencies, Inc., Mercerville
 New Jersey Association of Mental Health and Addiction Agencies, Inc., Hamilton
 New Jersey Association of Pupil Services Administrators, Westfield
 New Jersey Campus Compact, Branchburg
 New Jersey Citizen Action, Newark
 New Jersey Principals and Supervisors Association, Monroe Township
 North Hanover Township Schools, Wrightstown
 Northern Ocean Habitat for Humanity, Toms River
 Ocean County Workforce Investment Board, Toms River
 Pleasantville Housing Authority, Pleasantville
 Preferred Behavioral Health of New Jersey, Brick
 Princeton Community Housing, Inc., Princeton
 Project Live, Inc., Newark
 Respond, Inc., Camden
 Straight and Narrow Inc., Paterson
 University of Medicine and Dentistry of New Jersey/University Behavioral
 HealthCare, Piscataway
 Visiting Nurse Association of Central New Jersey (VNACNJ) Community Health
 Center, Inc., Asbury Park

New Mexico

Albuquerque Public Schools, Albuquerque
 Citizen Schools New Mexico, Albuquerque
 Clovis Municipal Schools, Clovis
 Community Against Violence, Taos
 Five Sandoval Indian Pueblos, Inc. Head Start, Bernalillo
 Gallup-McKinley County Schools, Ramah
 Media Arts Collaborative Charter School, Albuquerque
 National Education Association New Mexico, Santa Fe
 National Education Association Santa Fe, Santa Fe
 Native American Disability Law Center, Inc., Farmington
 New Mexico Music Educators Association, Las Cruces
 New Mexico Association of Secondary School Principals, Rio Rancho
 New Mexico Coalition to End Homelessness, Albuquerque
 New Mexico Council of Administrators of Special Education (NMCASE), Dexter
 New Mexico Forum for Youth in Community, Albuquerque
 New Mexico Occupational Therapy Association, Albuquerque
 New Mexico State University, Las Cruces
 New Mexico Voices for Children, Albuquerque
 Prosperity Works, Albuquerque
 Pueblo of Zuni Head Start, Zuni
 RESULTS-Santa Fe, Santa Fe
 Supportive Housing Coalition of New Mexico, Albuquerque
 YES Housing Inc., Albuquerque
 Youth Development, Inc., Albuquerque
 National Education Association—Carlsbad, Carlsbad

New York

1199SEIU Training and Employment Funds, New York
 Access to Independence of Cortland County, Inc., Cortland
 Advocates for Children of New York, New York
 Albert Einstein College of Medicine of Yeshiva University, New York City
 Allegany County Office for the Aging, Belmont
 Arbor Housing and Development, Bath
 Arise, Inc., Syracuse
 Boulevard Houses, Brooklyn
 Brooklyn Chamber of Commerce, Brooklyn
 Brooklyn for Peace, Brooklyn
 Brooklyn Kindergarten Society, New York
 Brooklyn-Queens National Organization for Women, Brooklyn
 Buffalo Council of School Administrators, Buffalo
 Caring for the Homeless of Peekskill, Peekskill
 Cattaraugus County Department of the Aging, Olean

Center for Children's Initiatives, New York
 Center for Independence of the Disabled, New York
 Central New York Citizens in Action, Inc., Utica
 Chenango County Area Agency on Aging, Norwich
 Children's Defense Fund—New York, New York
 Citizen Action of New York, Binghamton
 Citizen Schools New York, New York
 City of Syracuse Lead Program, Syracuse
 Claire Heureuse Community Center, Inc., Jamaica
 Columbia County Office for the Aging, Hudson
 Community Action Planning Council of Jefferson County, New York, Watertown
 Community Service Society of New York, New York
 Cortland County Health Department, Cortland
 Council of School Supervisors and Administrators (CSA), New York
 Delaware County Office for the Aging, Delhi
 Dunkirk-Fredonia Meals on Wheels, Dunkirk
 Early Care & Learning Council, Albany
 Empire Justice Center, Rochester
 Epilepsy Foundation of Long Island, Garden City
 Everyone Reading, New York
 Fifth Avenue Committee, Brooklyn
 Foodnet Meals on Wheels, Ithaca
 Fort Greene Peace, Brooklyn
 Fulton County Office for Aging, Johnstown
 Fulton, Montgomery and Schoharie Counties Workforce Development Board, Inc.,
 Amsterdam
 Future Leaders Institute Charter School, New York
 Human Development Services of Westchester, Mamaroneck
 Hunger Solutions New York, Albany
 Innersight, Islip
 International Brotherhood of Electrical Workers—Local 43, Clay
 Jackson Resident Association, Inc., Bronx
 Joint Council for Economic Opportunity, Plattsburgh
 Leake and Watts Services, Inc., Yonkers
 Local Initiatives Support Corporation, Buffalo
 Local Initiatives Support Corporation New York City, New York
 Long Island Educational Opportunity Center, Brentwood
 Madison County Office for the Aging, Inc., Canastota
 Meals on Wheels of Syracuse, New York, Inc., Syracuse
 Montefiore Medical Center, Bronx
 National Alliance on Mental Illness—Buffalo & Erie County, Williamsville
 National Alliance on Mental Illness—Cattaraugus, Olean
 National Alliance on Mental Illness—Central Suffolk, Port Jefferson Station
 National Alliance on Mental Illness—Huntington, Huntington
 National Alliance on Mental Illness—LAMP/SW Nassau, Merrick
 National Alliance on Mental Illness—New York City, Staten Island, Staten Island
 National Alliance on Mental Illness—New York State, Albany
 National Alliance on Mental Illness—Queens & Nassau, Manhasset
 National Alliance on Mental Illness—Rensselaer County, West Sand Lake
 National Alliance on Mental Illness—Rochester, Rochester
 National Council of Jewish Women—Lakeville Section, Great Neck
 Neighborhood Preservation Coalition of New York State, Albany
 New Destiny Housing, New York
 New York Annual Conference, United Methodist Church, Brooklyn
 New York Association of School Psychologists, Albany
 New York Association of Training and Employment Professionals (NYATEP), Al-
 bany
 New York State Association of College Admission Counseling, Red Hook
 New York State Association of County Health Officials (NYSACHO), Albany
 New York State Council for Community Behavioral Healthcare, Albany
 New York State Dance Education Association, New York
 New York State Head Start Association, Glens Falls
 New York State Rural Housing Coalition, Albany
 New York State School Counselor Association, Leicester
 New York University Langone Medical Center, New York
 Northern Regional Center for Independent Living, Family Support Services, Water-
 town
 Ontario County Office for the Aging, Canandaigua

Orleans County Office for the Aging, Albion
 PathStone Corporation, Rochester
 Peace Action Bay Ridge, Brooklyn
 Per Scholas Inc., Bronx
 Program on Applied Demographics—Cornell University, Ithaca
 Rape Crisis Service of Planned Parenthood of the Rochester Syracuse Region, Bata-
 via
 Rural Ulster Preservation Company, Kingston
 Safe Against Violence, Hamden
 Saugerties Public Housing Agency, Saugerties
 School Administrators Association of New York State, Latham
 Schuyler County Office for the Aging, Montour Falls
 Selfhelp Community Services, New York
 Senior Services of Albany, Inc., Albany
 Sexual Assault & Crime Victims Assistance Program, Troy
 St. John's Riverside Hospital, Yonkers
 St. Lawrence County Office for the Aging, Canton
 St. Mary's Episcopal Church Food Pantry, New York
 Steuben County Department of Social Services/Building Independence for the Long
 Term, Bath
 Supportive Housing Network of New York, New York
 The Children's Aid Society, New York
 The Doe Fund, New York
 The Osborne Association, Bronx, Brooklyn, Beacon, Poughkeepsie
 Town of Hamburg, New York, Hamburg
 Trabajamos Community Head Start, Bronx
 Ulster County Office for the Aging, Kingston
 VillageCare, New York
 Westchester Community Opportunity Program, Inc., Elmsford
 Whitney M. Young Community Health Center, Albany
 Wyoming County Office for the Aging, Warsaw
 Citizens' Committee for Children of New York, New York

North Carolina

Aging, Disability and Transit Services of Rockingham County, Reidsville
 Albemarle Commission Senior Nutrition Program, Hertford
 Avery County Habitat for Humanity, Newland
 Carolina Institute for Developmental Disabilities, Chapel Hill
 Charlotte Family Housing, Charlotte
 Citizen Schools North Carolina, Charlotte
 Clay County Senior Center, Hayesville
 Crisis Council, Inc., Troy
 Cumberland County Council on Older Adults, Fayetteville
 Cumberland County School System, Fayetteville
 disAbility Resource Center, Wilmington
 Disability Rights North Carolina, Raleigh
 Disability Rights & Resources, Charlotte
 Durham County Department of Social Services, Durham
 Eastern Carolina Workforce Development Board, Inc., New Bern
 Epilepsy Foundation of North Carolina, Winston-Salem
 Fargo Public Schools, Fargo
 Greensboro Housing Coalition, Greensboro
 Harnett County Elderly Nutrition Program, Lillington
 Harnett County Schools, Lillington
 Healthy Homes and Lead Safety, Leicester
 Jackson County Meals on Wheels, Sylva
 Lincoln County Senior Services, Lincolnton
 Macon Program for Progress, Franklin
 McDowell County Head Start & Preschool Programs, Marion
 Meals on Wheels of Wake County, Raleigh
 Mental Health America of the Triangle, Durham
 Mental Health Association in Greensboro, Greensboro
 Mental Health Association in Wilson County, Wilson
 Mental Health Association of Central Carolinas, Charlotte
 National Alliance on Mental Illness (NAMI), Charlotte
 National Alliance on Mental Illness (NAMI), Durham
 National Alliance on Mental Illness (NAMI), Smithfield
 National Alliance on Mental Illness (NAMI), Wilson

NC-LEND at The Carolina Institute for Developmental Disabilities, Chapel Hill
 News . . . from our Shoes, Raleigh
 North Carolina Association of Educators, Raleigh
 North Carolina Council of Administrators of Special Education, Wilmington
 North Carolina Council of Administrators of Special Education (NCCASE), Greensboro
 North Carolina Council of Educational Opportunity Programs (NCCEOP), Greensboro
 North Carolina Families United, Raleigh
 North Carolina Lung Cancer Partnership, Raleigh
 North Carolina Occupational Therapy Association, Charlotte
 North Carolina Principals and Assistant Principals' Association, Raleigh
 North Carolina School Library Media Association, Raleigh
 Pamlico County Senior Services, Alliance
 Parent VOICE, Charlotte
 Pender County Schools Head Start, Burgaw
 Residents for Affordable Housing, Mooresville
 Sarah's Refuge, Inc. Domestic Violence & Rape Crisis Center, Warsaw
 Senior Resources of Guilford, Greensboro
 Senior Services of Forsyth County, Winston Salem
 Special Education Department Iredell-Statesville Schools, Statesville
 Swain County Schools, Bryson City
 Carolina Institute for Developmental Disabilities at the University of North Carolina Chapel Hill (UECDD), Chapel Hill
 United Family Services, Charlotte
 WAGES, Goldsboro
 Warren-Vance Community Health Center/Northern Outreach Clinic, Henderson
 Watauga County Project on Aging, Boone
 Western North Carolina AIDS Project, Asheville

North Dakota

Abused Adult Resource Center, Bismarck
 Dunseith Public School District, Dunseith
 Eastern Dakota Housing Alliance, Fargo
 Ft. Yates Public School District #4, Ft. Yates
 Grand Forks Housing Authority, Grand Forks
 Grand Forks Senior Center, Grand Forks
 Grand Forks Special Education Unit, Grand Forks
 Kenmare Wheels & Meals, Kenmare
 Lake Region Outreach Office, Rolla
 Minot Area Homeless Coalition, Inc., Minot
 Minot Commission on Aging, Minot
 North Dakota Association of Secondary School Principals, Bismarck
 North Dakota Coalition for Homeless People, Bismarck
 North Dakota Education Association, Dickinson
 North Dakota Music Educators Association, Fargo
 North Dakota Reading Association, Bismarck
 North Dakota School Counseling Association, Jamestown
 Parshall School District #3, Parshall
 Protection and Advocacy Project, Bismarck
 Red River Valley Community Action, Grand Forks
 Selfridge Public School District #8, Selfridge
 Solen Public School District #3, Solen
 South Central Adult Services, Valley City
 St. John School District #3, St. John
 Valley Senior Services, Fargo
 Welcome House, Inc., Bismarck
 YWCA Minot, Minot

Northern Mariana Islands

Department of Community and Cultural Affairs, Saipan MP

Ohio

Access Center for Independent Living, Dayton
 American Association of University Professors—Wright State University, Ohio Conference, Lima
 Area Agency on Aging 3, Lima
 Cleveland Housing Network, Cleveland

Coalition on Homelessness & Housing in Ohio, Columbus
 Cogswell Hall, Inc., Cleveland
 Columbus State Community College Disability Services, Columbus
 Community Counseling Center, Ashtabula
 Community Development Corporation Resource Consortium, Inc., Dayton
 Consortium for Healthy & Immunized Communities, Inc., Cleveland
 Council for Older Adults, Delaware
 Cuyahoga County Board of Health (Greater Cleveland), Parma
 Elyria City Health District, Elyria
 Epilepsy Foundation of Central Ohio, Columbus
 Fairborn City Schools, Fairborn
 Families Connected of Clermont County/Chapter of the National Federation of Families for Children's Mental Health, Batavia
 Greater Cincinnati Workforce Network, Cincinnati
 Guernsey County Senior Citizens Center, Inc., Cambridge
 Hand 'N Hand Activity Center for Adults with Disabilities, Springfield
 Hocking Hills Inspire Shelter, Logan
 Holmes County General Health District, Millersburg
 Housing Research & Advocacy Center, Cleveland
 Housing Solutions of Greene County, Inc., Xenia
 Juvenile Justice Coalition of Ohio, Bath
 Lancaster Fairfield Community Action Agency, Lancaster
 Local Initiatives Support Corporation, Toledo
 Lorain County Workforce Development Agency, Elyria
 Lutheran Metropolitan Ministry, Cleveland
 Mad River Local Schools, Riverside
 Mature Services, Inc., Akron
 Meigs County Council on Aging, Inc., Pomeroy
 Mobile Meals, Inc., Akron
 National Alliance on Mental Illness—Seneca, Sandusky, Wyandot counties, Tiffin
 National Alliance on Mental Illness—Stark County, Canton
 National Council of Jewish Women—Cleveland, Cleveland
 Ohio Association for Adult and Continuing Education, Columbus
 Ohio Association for Career and Technical Education, Westerville
 Ohio Association of Second Harvest Foodbanks, Columbus
 Ohio Campus Compact, Granville
 Ohio Council of Behavioral Health & Family Services Providers, Columbus
 Ohio Education Association, Columbus
 Ohio Educational Library Media Association, Columbus
 Ohio Music Education Association, Lima
 Ohio River Foundation, Cincinnati
 Ohio Rural Community Assistance Program, Fremont
 Ohio School Social Worker Association, Bay Village
 Ohio TRiO, Mansfield
 Ohio Workforce Coalition, Fremont
 PowerNet of Dayton, Dayton
 Public Allies Cincinnati, Cincinnati
 RESULTS Columbus, Columbus
 Second Harvest Food Bank of Clark, Champaign, Logan Counties, Springfield
 Second Harvest Food Bank of Mahoning Valley, Youngstown
 Shared Harvest Foodbank, Fairfield
 Stark County Stark Metropolitan Housing Authority, Canton
 Summit County Public Health, Summit County
 The Arc of Ohio
 The Foodbank, Inc., Dayton
 The MetroHealth System, Cleveland
 The Ohio Head Start Association, Dayton
 Toledo Fair Housing Center, Toledo
 Towards Employment, Cleveland
 Tri-County Independent Living Center, Inc., Akron
 Trumbull Mobile Meals, Inc., Warren
 United Steel Workers Local 8530, Mansfield
 Ursuline Sisters HIV/AIDS Ministry, Youngstown
 Walnut Hills Redevelopment Foundation, Cincinnati
 Working In Neighborhoods, Cincinnati
 YWCA H.O.P.E. Center, Toledo
 Local Initiatives Support Corporation Greater Cincinnati and Northern Kentucky, Cincinnati

Voices for Ohio's Children, Cleveland

Oklahoma

Cherokee Strip Reading Council, Enid
 Cheyenne & Arapaho Tribes Head Start Program, Concho
 Four Winds Iowa Tribe, Perkins
 Iowa Tribe of Oklahoma Early Head Start & Expectant Families Program, Perkins
 J&J Educational Services, Kinta
 New Lima Public School, Wewoka
 Oaks Mission School, Oaks
 Oklahoma National Association of Secondary School Principals, Kingfisher
 Oklahoma Reading Association, Enid
 Oklahoma Therapeutic Foster Care Association, Oklahoma City
 OSCA, Shawnee
 Salina Public Schools, Salina
 Wickliffe School, Salina

Oregon

American Association of University Women—Oregon, Salem
 CASA of Oregon, Sherwood
 Cascade AIDS Project, Portland
 Centennial Education Association, Portland
 University of Oregon Center on Human Development—University Center for Excellence in
 Developmental Disabilities (UCEDD), Eugene
 Community Alliance of Tenants, Portland
 Community Information Center, Portland
 Community Pathways, Inc., Portland
 Corvallis Education Association, Corvallis
 Crook County Health Department, Prineville
 Dallas Education Association, Dallas
 Disability Rights Oregon, Portland
 Eugene Education Association, Eugene
 Full Access, Eugene
 H & W Mechanical Inc., Tigard
 Head Start of Lane County, Springfield
 Health Education Network, Corvallis
 Hillsboro School District, Hillsboro
 Homeless Against Homelessness in America, Portland
 Hood River Education Association, Hood River
 Job Growers, Inc., Salem
 Josiah Hill III Clinic, Portland
 Lane Workforce Partnership, Eugene
 Madras Education Association, Madras
 Mid-Columbia Children's Council, Hood River
 Morrow County Education Association, Boardman
 National Alliance on Mental Illness—Lane County, Eugene
 National Education Association—Parkrose Faculty Association, Portland
 Network For Oregon Affordable Housing, Portland
 North Clackamas Education Association, Milwaukie
 Northwest Oregon Labor Council, AFL—CIO, Portland
 Northwest Pilot Project, Portland
 Occupational Therapy Association of Oregon, Salem
 Oregon Association of School Libraries, Portland
 Oregon Campus Compact, Portland
 Oregon Developmental Disability Coalition, Salem
 Oregon Education Association, Portland
 Oregon Food Bank, Portland
 Oregon Head Start Association, Phoenix
 Oregon Head Start Association, Salem
 Oregon Health & Science University, Portland
 Oregon Health & Science University Institute on Development & Disability—University Center for
 Excellence in Developmental Disabilities (UCEDD), Portland
 Oregon Military Support Network, Portland
 Oregon Pathways Alliance, The Dalles
 Oregon Rehabilitation Association, Salem
 Oregon School Counselor Association, Cornelius

Oregon School Social Work Association, Portland
 Oregon TRiO Association, Portland
 Oregon Wild, Portland
 Parkrose Faculty Association, Portland
 Partners for a Hunger-Free Oregon, Portland
 Partnership Project, Portland
 Phoenix-Talent Education Association, Phoenix
 Rogue Workforce Partnership, Medford
 Salem Keizer Education Association, Salem
 Southern Oregon Child & Family Council—Head Start and Early Head Start, Medford
 Tax Fairness Oregon, Portland
 Umpqua Community College/JOBS Program, Roseburg
 Western Farm Workers Association, Hillsboro
 Worksystems, Inc., Portland

Pennsylvania

ActionAIDS, Philadelphia
 Adult Literacy Program at Bayard Taylor Library, Kennett Square
 Allegheny Intermediate Unit, Homestead
 Allegheny Valley Association of Churches, Natrona Heights
 Allegheny Valley School District, Cheswick
 Area Agency on Aging, Philadelphia
 Association of Pittsburgh Priests, Pittsburgh
 Association of School Psychologists of Pennsylvania (ASPP), Doylestown
 Baldwin-Whitehall School District, Pittsburgh
 BFW Group, L.L.C., Philadelphia
 Brentwood Borough School District, Pittsburgh
 Bryn Mawr Peace Coalition, Bryn Mawr
 Center for Literacy, Inc., Philadelphia
 Center for Social Policy and Community Development, Philadelphia
 Central Intermediate Unit 10 Development Center for Adults, Pleasant Gap
 Central Pennsylvania Food Bank, Harrisburg
 Centre County Women's Resource Center, State College
 Chester County Family Literacy, Kennett Square
 Chester County Food Bank, Downingtown
 Citizens for Pennsylvania's Future (PennFuture), Harrisburg
 Citizens for the Arts in Pennsylvania, Harrisburg
 Clairton City School District, Clairton
 Community Action Committee of the Lehigh Valley, Bethlehem
 Community Counseling Center of Mercer County, Hermitage
 Community Development Action Corporation, Norristown
 Community Education Center, Altoona
 Community Food Warehouse of Mercer County, Sharon
 Community Learning Center, Philadelphia
 Community Organization for Mental Health and Retardation (COMHAR, Inc.), Philadelphia
 Community Services Group, Sunbury
 Cornell School District, Corapolis
 Coro Center for Civic Leadership, Pittsburgh
 Crawford County READ Program, Titusville
 Crime Victim Center of Erie County, Erie
 Deer Lakes School District, Russellton
 Delaware County Community College, Downingtown
 Depression and Bipolar Support Alliance Pennsylvania, Erie
 Dickinson Center, Inc., Ridgway
 Disabled In Action, Philadelphia
 Elizabeth Forward School District, Elizabeth
 Employment and Training, Inc., Huntingdon
 Employment Skills Center, Carlisle
 Feast of Justice, Philadelphia
 Focus On Renewal, McKees Rocks
 Fox Chapel Area School District, Pittsburgh
 Franklin County Headstart, Chambersburg
 Garraty Workforce Investment, Hummelstown
 Goodwill Literacy Initiative, Pittsburgh
 Goodwill of Southwestern Pennsylvania, Pittsburgh
 Greater Philadelphia Coalition Against Hunger, Philadelphia

Greater Pittsburgh Community Food Bank, Duquesne
 Greater Pittsburgh Literacy Council, Pittsburgh
 Greater Washington County Food Bank, Eighty Four
 H & J Weinberg Food Bank, Wilkes-Barre
 Habitat for Humanity of Greater Pittsburgh, Pittsburgh
 Highlands School District, Natrona Heights
 Housing Alliance of Pennsylvania, Glenside
 Housing Authority of Chester County, Chester County
 Housing Authority of the County of Dauphin, Steelton
 Hunger-Free Pennsylvania, McMurray
 Immigration and Refugee Services, ESL Program, Harrisburg
 Institute on Disabilities—University Center for
 Excellence in Developmental Disabilities (UCEDD), Philadelphia
 International Union of Operating Engineers Local 95, Pittsburgh
 Interplay Child Care Center, Pittsburgh
 JEVS Human Services, Philadelphia
 Just Harvest: A Center for Action Against Hunger, Pittsburgh
 Kensington Hospital Early Intervention Services Department, Philadelphia
 Keystone Oaks School District, Pittsburgh
 Lake Erie Region Conservancy, Erie
 Lawrence County Housing Authority, New Castle
 Lifelong Learning Choices, New Castle
 LifeSpan, Inc., Homestead
 Lincoln Intermediate Unit Franklin County Literacy Council, Chambersburg
 Literacy Council of Lancaster-Lebanon, Lebanon
 Literacy Council of Norristown, Norristown
 Literacy Council of Reading-Berks, Inc., Reading
 Local Initiatives Support Corporation, Philadelphia
 Luzerne County Community College, Nanticoke
 Marywood Adult Literacy Education Program, Scranton
 McKeesport Area School District, McKeesport
 Meals on Wheels of Chester County, Inc., West Chester
 Meals on Wheels of Lehigh County, Allentown
 Mental Health Association of Northwestern Pennsylvania, Erie
 Mollie's Meals, Pittsburgh
 Multicultural Community Resource Center, Erie
 National Alliance for Mental Illness, Lansdale
 National Alliance on Mental Illness—Chester County, West Chester
 Nazareth Housing Services, Pittsburgh
 Neighborhood Networks, Philadelphia
 Northgate School District, Pittsburgh
 Northwest Philadelphia Interfaith Hospitality Network, Philadelphia
 Penn Action, Bucks County
 Penn Hills School District, Pittsburgh
 Penn Medicine, Philadelphia
 Pennsylvania Association for Adult Continuing Education (PAACE) State College
 Pathways Pennsylvania,
 Holmes
 Pennsylvania Association Council of Administrators of Special Education, Mountain
 Top
 Pennsylvania Association for College Admission Counseling, Gettysburg
 Pennsylvania Association of Career and Technical Education, Philadelphia
 Pennsylvania Association of Elementary and Secondary School Principals,
 Summerdale
 Pennsylvania Association of Rural and Small Schools, Harrisburg
 Pennsylvania Coalition Against Rape, Harrisburg
 Pennsylvania Council of Churches, Harrisburg
 Pennsylvania Head Start Association, Harrisburg
 Pennsylvania Occupational Therapy Association, Harrisburg
 Pennsylvania Partners, Camp Hill
 Pennsylvania School Librarians Association, Whitehall
 Pennsylvania State Education Association, Harrisburg
 Pennsylvania Statewide Independent Living Council, Lords Valley
 PenTrans, Philadelphia
 Perkiomen School, Pottsville
 Perry County Literacy Council, Newport
 Philadelphia Neighborhood Networks, Philadelphia
 Phoenix Rising Counseling Services, Scranton

Pittsburgh Partnership for Neighborhood Development, Pittsburgh
 Pleasant Valley Ecumenical Network, Saylorsburg
 Plum Borough School District, Plum
 ProJeCt of Easton, Inc., Easton
 Providence Connections, Pittsburgh
 Public Allies Pittsburgh, Pittsburgh
 Quaker Valley School District, Sewickley
 Reading Muhlenberg Career & Technology Center, Reading
 Regional Center for Workforce Excellence, Northwest WIA
 Robert Morris University, Moon
 Room to Grow Child Development Center/YMCA Greater Pittsburgh, Pittsburgh
 Shaler Area School District, Glenshaw
 South Fayette Township School District, McDonald
 South Hills Interfaith Ministries, Bethel Park
 South Park School District, South Park
 Squirrel Hill Community Food Pantry, Pittsburgh
 St. James Social Justice and Peace Committee, Wilkinsburg
 Stairways Behavioral Health, Erie
 Temple University Center for Social Policy and Community Development (CSPCD),
 Philadelphia
 The Advocacy Alliance, Zionsville
 The Arc of Pennsylvania,
 The Thomas Merton Center, Pittsburgh
 TIU 11 Community Education Services, Lewistown
 Tuscarora Intermediate Unit 11 Community Education Services, Lewistown
 Tutors of Literacy in the Commonwealth, State College
 United Methodist Church, Erie
 Vita Education Services, Doylestown
 West Allegheny School District, Imperial
 West Chester Food Cupboard, West Chester
 West Jefferson Hills School District, Jefferson Hills
 West Mifflin School District, West Mifflin
 Westmoreland Food Bank, Delmont
 Women's Christian Alliance, Philadelphia
 Won Community Center, Glenside
 YWCA Lancaster, Lancaster

Puerto Rico

Centro Deambulantes Cristo Pobre, Ponce
 Coalicion de Coaliciones Pro Personas sin Hogar de PR, Inc., Ponce
 Head Start Program, Guaynabo
 One Stop Career Center of Puerto Rico, Inc., San Juan

Rhode Island

Childhood Lead Action Project, Providence
 Children's Friend, Providence
 Economic Progress Institute, Providence
 Local Initiatives Support Corporation Rhode Island, Providence
 Mental Health Association of Rhode Island, Pawtucket
 Paul Sherlock Center on Disabilities, Providence
 Rhode Island Association of School Principals, Providence
 Rhode Island Coalition for the Homeless, Pawtucket
 Rhode Island KIDS COUNT, Providence
 Rhode Island School Psychologist Association, Providence
 Tiverton Senior Center, Tiverton
 Women's Development Corporation, Providence
 Woonsocket Head Start Child Development Association, Inc.

South Carolina

Affordable Housing Coalition of South Carolina, Columbia
 Berkeley County School District, Moncks Corner
 Clemson University, Clemson
 Florence Crittenton Programs of South Carolina, Charleston
 Habitat for Humanity Georgetown County, Georgetown
 Humanities Foundation, Mount Pleasant
 Lowcountry Housing Trust, Charleston
 Protection & Advocacy for People with Disabilities, Inc., Columbia
 South Carolina Appleseed Legal Justice Center, Columbia
 South Carolina Association of School Social Workers, Columbia

South Carolina Head Start Association, Inc., Hartsville
 South Carolina School Counselor Association, Eutawville
 South Carolina TRiO, Greenville
 Southern Association for College Admission Counseling, North Augusta
 The Arc of South Carolina,
 United Way of Greenville County, Greenville
 Watertree AIDS Task Force, Sumter

South Dakota

Brandon Valley School District, Brandon
 Center for Active Generations, Sioux Falls
 Center for Disabilities, University Center for Excellence in Developmental Disabilities (UCEDD),
 Sioux Falls
 Custer School District, Custer
 Flandreau Public School, Flandreau
 Hot Springs School District 23–2, Hot Springs
 Impact Schools of South Dakota, Sioux Falls
 Kadoka Area School District 35–2, Kadoka
 Learning Disabilities Association of South Dakota, Chamberlain
 Lyman School District, Presho
 McLaughlin Public School, McLaughlin
 Smee School District, Wakpala
 South Central School District, Bonesteel
 South Dakota ASPIRE, Mitchell
 South Dakota Association for Career and Technical Education, Watertown
 South Dakota Council of Administrators of Special Education, Canton
 South Dakota Education Association, Pierre
 South Dakota Occupational Therapy Association, Sioux Falls
 Todd County School District, Mission
 Wagner Community School District, Wagner
 White River School District 47–1 SD, White River

Tennessee

Black Children's Institute of Tennessee, Nashville
 Center for Literacy Studies, Knoxville
 Clarksville Retired Teachers (TEA, NEA, ACA), Clarksville
 Disability Law & Advocacy Center of Tennessee, Nashville
 Disability Resource Center, Knoxville
 East Tennessee State University, Johnson City
 Epilepsy Foundation Southeast Tennessee, Chattanooga
 Fleming Construction Co., Collierville
 Kingsport Public Housing, Kingsport
 Kingsport/Sullivan County Adult Education, Kingsport
 Le Bonheur Children's Hospital, Memphis
 Learning Disabilities Association of Tennessee, Memphis
 Ledford Engineering and Planning, L.L.C., Arlington
 Metro Nashville Council, Nashville
 Nashville CARES, Nashville
 New Level Community Development Corporation, Nashville
 Regional Intervention Program-Gallatin, Gallatin
 Ridgeview Psychiatric Hospital & Center, Inc., Oak Ridge
 Telecom Training Corporation, Nashville
 Tennessee Association for Adult and Community Education, Ripley
 Tennessee Association of Special Programs, Knoxville
 Tennessee Education Association, Nashville
 The Arc Tennessee
 Volunteer Behavioral Health Care System, Murfreesboro

Texas

Arc of Greater Beaumont, Beaumont
 Austin Resource Center for Independent Living, Austin
 Baylor University Family Abuse Center, Waco
 Builders of Hope CDC, Dallas
 CASA of Southeast Texas, Beaumont
 Center for Public Policy Priorities, Austin
 Children's Defense Fund—Texas, Houston
 Citizen Schools Texas, Houston
 City Wide Community Development Corporation, Dallas

Copperas Cove Independent School District, Copperas Cove
 Crisis Center of the Plains, Plainview
 Denton Affordable Housing Corporation, Denton
 Denton County Homeless Coalition, Denton County
 Disability Rights Texas, Austin
 Education Equals Making Community Connections, Plantersville
 Family Health & Aids Care Services International (FAHASI), Houston
 Fort Bend Seniors Meals on Wheels, Rosenberg
 Fort Sam Houston Independent School District, San Antonio
 Freedom House, Weatherford
 Gateway to Care, Houston
 Health Care for All—Texas, Houston
 Hill Country Crisis Council, Inc., Kerrville
 Houston Center for Independent Living, Houston
 InnerWisdom Counseling Center, Houston
 K.E.E.P.S., Austin
 Kaufman County Senior Citizens Services, Inc., Terrell
 La Fe Policy Research and Education Center, San Antonio
 Lackland Independent School District, San Antonio
 Legacy Community Health Services, Houston
 Lewisville Independent School District, Flower Mound
 Liberty County Project on Aging, Liberty
 Llano Grande Center, Elsa
 Local Initiatives Support Corporation Houston, Houston
 LoneStar LEND, University of Texas Health Sciences Center at Houston, Houston
 Meals on Wheels and More, Austin
 Meals on Wheels Association of Texas
 Meals on Wheels of Texoma, Gainesville
 Meals on Wheels, Waco
 Mental Health America of Greater Dallas, Dallas
 Mental Health America of Southeast Texas, Beaumont
 Mental Health Association in Jefferson County, Beaumont,
 Mi Escuelita Preschool, Dallas
 National Alliance on Mental Illness (NAMI), Lubbock
 National Alliance on Mental Illness (NAMI), San Antonio
 National Birth Defects Prevention Network, Houston
 National Council of Jewish Women, Houston Section, Houston
 Nueces County community Action Agency—Early Head Start, Corpus Christi
 Nutrition and Services for Seniors, Beaumont
 Parent/Child Incorporated, San Antonio
 Pottsboro Independent School District, Pottsboro
 Project Transitions, Austin
 Senior Center of Walker County, Huntsville
 Senior Community Outreach Services, Inc., Alamo
 Sexual Assault Resource Center, Bryan
 Tarrant County Housing, Fort Worth
 Texans Care for Children, Austin
 Texas Association of Local Health Officials, Austin
 Texas Council of Administrators of Special Education, Austin
 Texas Food Bank Network, Austin
 Texas Homeless Network, Austin
 Texas Low Income Housing Information Service, Austin
 Texas School Public Relations Association, Austin
 Texas Tenants' Union, Dallas
 The Kitchen “Meals on Wheels,” Wichita Falls
 The Woodlands Grass Roots Environmental Education Network (GREEN), The
 Woodlands
 TIRR Foundation, Houston
 Urban Progress Community Development Corporation (UPCDC) Texas, Inc., Dallas
 Wood County Health Department, Quitman
 Gregory Housing Authority, Gregory

Utah

Brigham City Senior Center Meals on Wheels, Brigham City
 Crossroads Urban Center, Salt Lake City
 Disabled Rights Action Committee, Salt Lake City
 Seekhaven Family Crisis & Resource Center, Moab
 The Learning Center for Families, St. George

Tri-County Independent Living Center, Woods Cross
 University of Utah Health Sciences, Salt Lake
 Utah Association for Career and Technical Education, Salt Lake City
 Utah Association of Secondary School Principals, West Jordan
 Utah Developmental Disabilities Council,
 Utah Education Association, Salt Lake City
 Utah Food Bank, Salt Lake City
 Utah Housing Coalition, Salt Lake City
 Utah School Counselor Association, Murray
 Utah State University Center for Persons with Disabilities, Logan
 Utahns Against Hunger, Salt Lake City
 Voices for Utah Children, Salt Lake City

Vermont

Addison County Community Trust, Vergennes
 Area Agency on Aging for Northeastern Vermont, St. Johnsbury
 Bennington County Head Start, Bennington
 Brattleboro Area Affordable Housing, Brattleboro
 Brattleboro Housing Authority, Brattleboro
 Central Vermont Council on Aging, Barre
 Champlain Housing Trust, Burlington
 Chelsea Area Senior Citizen's Center, Chelsea
 Department of Economic Housing & Community Development, Montpelier
 Franklin Central Supervisory Union, St. Albans
 Galley Senior Meals Program, Barre
 Greater Northfield Senior Citizens, Inc., Northfield
 Hunger Free Vermont, South Burlington
 Lamoille North Supervisory Union, Hyde Park
 Lamoille South Supervisory Union, Morrisville, Stowe, Elmore
 North Country Schools Supervisory Union, Newport City
 Northgate Residents' Ownership Corporation, Burlington
 Safe Kids Addison County, Vergennes
 Sexual Assault Crisis Team, Barre
 South Royalton Area Senior Citizen's Center, South Royalton
 Twin Valley Seniors, Inc., Marshfield
 United Counseling Service of Bennington County, Bennington
 Vermont Adult Learning, Waterbury
 Vermont Affordable Housing Coalition, Burlington
 Vermont Center for Independent Living, Montpelier
 Vermont Child Passenger Safety, Milton
 Vermont Community Loan Fund, Montpelier
 Vermont Council of Special Education Administrators, Montpelier
 Vermont Education Opportunity Program (VEOP), Brandon
 Vermont Educational Opportunity Programs (VEOP), Castleton
 Vermont Occupational Therapy Association, Plainfield
 Vermont-NEA, Montpelier
 VocRehab Vermont, Williston
 Voices for Vermont's Children, Montpelier
 Washington West Supervisory Union, Waitsfield

Virginia

A Hope 4 Tomorrow, Inc., Portsmouth
 Beach House, Inc., Virginia Beach
 Byrd Elementary School, Richmond
 Coalition for Justice, Blacksburg
 Community Housing Partners, Christiansburg
 ENDependence Center of Northern VA, Arlington
 Families & Allies of Virginia's Youth, Arlington
 FeedMore, Inc., Richmond
 Learning Disabilities Association of Virginia, Richmond
 Local Office on Aging, Roanoke
 Mental Health America, Charlottesville-Albemarle, Charlottesville
 National Alliance on Mental Illness (NAMI) NoVa, Leesburg
 National Alliance on Mental Illness (NAMI), Virginia Beach
 Partnership for People with Disabilities, University Center for Excellence in Developmental Disabilities
 (UCEDD), Richmond

Potomac & Chesapeake Association for College Admission Counseling, Virginia Beach
 Prince George County Public Schools, Prince George
 Public Housing of Residents, Charlottesville
 Richmond Public Schools, Richmond
 Sexual Assault Victims Advocacy Services (SAVAS), Woodbridge
 Social Action Linking Together (SALT), Vienna
 The Virginia School Counselor Association, Manassas
 University of Virginia, Charlottesville
 Virginia Association of Centers for Independent Living, Roanoke
 Virginia Association of Community Services Boards, Richmond
 Virginia Association of Educational Opportunity Program Personnel, Wytheville
 Virginia Association of School Librarians, Richmond
 Virginia Association of Secondary School Principals, Richmond
 Virginia Council of Administrators of Special Education (VCASE), Hopewell
 Virginia Education Association, Richmond
 Virginia Housing Coalition, Richmond
 Virginia Organizing, Charlottesville
 Voices for Virginia's Children, Richmond
 Virginia Local Initiatives Support Corporation, Richmond

Virgin Islands
 St. Croix Educational Administrators' Association, St. Croix, U.S. Virgin Islands

Washington
 Above The Line: The Poverty Project, Lacey
 Aging and Long Term Care of Eastern Washington, Spokane
 API Chaya, Seattle
 Asian Counseling & Referral Service, Seattle
 Association of Washington School Principals, Odessa
 Campion Foundation, Seattle
 Career Path Services, Spokane
 Cascadia Community College, Bothell
 Center for Independence, Tacoma
 Children's Alliance, Seattle
 Church of Steadfast Love, Seattle
 Columbia River Economic Development Council, Vancouver
 Community Psychiatric Clinic, Seattle
 Compass Housing Alliance, Seattle
 Conscious Talk Radio, Issaquah
 Food Lifeline, Seattle
 Frontier Behavioral Health, Spokane
 Heartlandz L.L.C., Bellingham
 HomeStep, Seattle
 Immanuel Community Services, Seattle
 Impact Capital, Seattle
 Inchelium School Board, Inchelium
 Infectious Disease Research Institute (IDRI), Seattle
 International Longshore and Warehouse Union, Seattle
 Islamic Civic Engagement Project, Seattle
 Kitsap Mental Health Services, Bremerton
 Lifelong AIDS Alliance, Seattle
 Lutheran Community Services Northwest, Spokane
 Mount Adams School District #209, White Swan
 Nespelem School District #14, Nespelem
 Northwest Harvest, Seattle
 Northwest Health Law Advocates, Seattle
 Office of Rural & Farmworker Housing, Yakima
 Pacific Northwest Association for College Admission Counseling, Seattle
 Parents Organizing for Welfare and Economic Rights, Olympia
 Pend Oreille County Counseling Services, Newport
 Pierce County Housing Authority, Tacoma
 Port Gamble Elder's Program, Kingston
 Port Gamble S'Klallam Housing Authority, Kingston
 Port Gamble S'Klallam Tribe Early Childhood Education Program Policy Council, Kingston
 Puget Sound Alliance for Retired Americans, Seattle
 Puget Sound ESD, Renton

Sacred Heart Social Justice Ministry, Pullman
 Save A Life, Puyallup
 Seattle BioMed, Seattle
 Seattle Biomedical Research Institute and Institute for Systems Biology, Seattle
 Seattle Jobs Initiative, Seattle
 Seattle RESULTS, Seattle
 Sexual Assault and Family Trauma Response Center, Spokane
 Skagit Habitat for Humanity, Mount Vernon
 Solid Ground, Seattle
 Sound Mental Health, Seattle
 The Arc of King County, Seattle
 The Arc of Snohomish County, Everett
 The Arc of Tri-Cities, Richland
 The Arc of Washington State,
 Triumph Treatment Services, Yakima
 Washington Association for Career and Technical Education, Olympia
 Washington CAN!, Seattle
 Washington Community Mental Health Council, Seattle
 Washington ElderCare Alliance, Olympia
 Washington Global Health Alliance, Seattle
 Washington Library Media Association (WLMA), Seattle
 Washington State Association of Head Start and ECEAP, Bellevue
 Washington State Council on Aging, Spokane
 Washington State TRIO Association, Seattle
 Wellpinit School District, Wellpinit
 Willapa Behavioral Health, Long Beach
 Women's Coalition of Washington, Yakima
 WorkForce Central, Tacoma
 Workforce Development Council Seattle-King County, Seattle
 Yakima Valley System of Care, Yakima
 Valley Cities Counseling, Kent

West Virginia

Boone County Community Organization, Madison
 CommunityWorks in West Virginia, Inc., Charleston
 Huntington Area Food Bank, Huntington
 Mason County Schools, Point Pleasant
 Mountain Community Action Project of West Virginia, Inc., Buckhannon
 Northern West Virginia Center for Independent Living, Morgantown
 Pocahontas County Health Department, Marlinton
 The Fairmont Morgantown Housing Authority, Fairmont
 Valley HealthCare System, Morgantown
 West Virginia Association of Secondary School Principals (WVASSP), Charleston
 West Virginia Campus Compact, Morgantown
 West Virginia Coalition to End Homelessness, Inc., Weston
 West Virginia Council of Administrators of Special Education, Franklin
 West Virginia TRiO Association, Huntington
 West Virginia University, Morgantown

Wisconsin

Access to Independence, Madison
 Ashland County Aging Unit, Inc., Ashland
 Association of Wisconsin School Administrators, Madison
 ASTOP Sexual Abuse Services, Fond du Lac
 Citizen Action of Wisconsin, Milwaukee
 City of Kenosha Housing Authority, Kenosha
 CWC HIV/AIDS Advocacy, Policy & Procedure Consultant Service, Milwaukee
 Family Forum, Inc., Superior
 Grassroots Empowerment Project, Madison
 HAVEN, Inc., Merrill
 Independent Living Council of Wisconsin, Inc., Madison
 La Crosse Wisconsin WIC Program, La Crosse
 Learning Disabilities Association of Wisconsin, Kiel
 Local Initiatives Support Corporation Milwaukee, Milwaukee
 Marquette University, Milwaukee
 Menominee Indian School District, Keshena
 Mental Health America of Wisconsin, Madison
 Milwaukee Area Workforce Investment Board (MAWIB), Milwaukee

Northwest Wisconsin Concentrated Employment Program (CEP, Inc.), Ashland
 Northwest Wisconsin Workforce Investment Board, Inc., Ashland
 Polk County Health Department, Balsam Lake
 Reach Counseling Services, Inc., Neenah
 Southwest Wisconsin Workforce Development Board, Platteville
 Wisconsin Association for College Admission Counseling, Madison
 Wisconsin Association of Educational Opportunity Program Personnel (WAEOPP),
 Superior
 Wisconsin Council of Administrators of Special Services, Madison
 Wisconsin Council on Children and Families, Madison
 Wisconsin Education Association Council, Madison
 Wisconsin Manufactured Home Owners Association, Inc., Marshall
 Wisconsin Regional Training Partnership, Milwaukee
 Wisconsin School Social Work Association, Milwaukee
 Wisconsin WIC Association, Oshkosh
 Workforce Development Board of South Central Wisconsin, Madison

Wyoming

Fremont County Public Health, Lander
 Fremont County School District #14, Ethete
 Fremont County School District #21, Fort Washakie
 Natrona County Meals On Wheels, Casper
 Wyoming Association of Secondary School Principals, Laramie
 Wyoming Children's Action Alliance, Cheyenne
 Wyoming Coalition for the Homeless, Cheyenne
 Wyoming Occupational Therapy Association, Casper
 Wyoming Protection & Advocacy System, Inc., Cheyenne
 Wyoming School Counselors Association, Worland

Senator MURRAY. And those organizations are very, very concerned about the domestic side and the impact on our country.

Everybody believes sequestration is a terrible thing. We cannot let it happen. We have to come up with a balanced proposal, one that we all know has to include something from both sides, including revenue from the wealthiest Americans. They have to be willing to participate in this and pay their fair share.

So I think the answer is in front of us. It's just going to take the political will from both sides to say that we know that's what we need to do.

IMPACT OF SEQUESTRATION ON U.S. COMPETITIVENESS

But I do think, Mr. Secretary, we have to focus on our economic competitiveness. You talked about it in your opening statement. And I think the investments that we make are absolutely crucial to our country recovering from this recession and creating jobs that are so important.

And I wanted to ask you today what you think that sequestration coupled with the appropriations for education and the reductions in spending that we have been seeing will have on the effect of our competitiveness.

Secretary DUNCAN. So I worry tremendously today that, in tough economic times, we have 2 million at least, I think, 2 million high-wage, high-skilled jobs that are unfilled. And I can't tell you how many Chief Executive Officers (CEOs) that I've met with and the President's met with who say we're trying to hire right now, and we can't find the employees with the skills that we're looking for.

I think we, in education, have to look ourselves in the mirror and be very self-critical and say we have to do a much better job.

CEOs want to keep those jobs here. They want to hire. They want to keep their companies in the United States. But they're

going to go to where the knowledgeable workers are, and that's going to be right here or that's going to be India, China, South Korea, or Singapore.

And so, for me, this fight is about so much more than education. It is absolutely about economic competitiveness. And if we think being 16th in the world or 20th in the world in college graduation rates is going to lead to a strong economy, I just fundamentally reject that.

If we can again lead the world in college graduation rates, then I become very hopeful about our economic competitiveness and having a lower unemployment rate.

So these two things I said earlier are just absolutely inextricably linked. You can't separate them out. We have to educate our way to a stronger economy.

FOREIGN COUNTRIES INCREASING THEIR COMPETITIVENESS

Senator MURRAY. What about those countries that are nipping at our heels, China and India, South Korea? Are they increasing or decreasing their investments in education?

Secretary DUNCAN. Senator, they are not scaling back, I would say. It's not like folks are waiting around for us to pass them by.

These guys are innovating. They're creative. They're putting more resources behind this. They're doing things at a scale and with a sense of urgency that I think stuns people here.

And I'm spending more and more of my time with my international counterparts, because that's where the competition is.

And anyone who thinks that the rest of the world is going to stand idly by and watch us try and catch up fundamentally doesn't understand how seriously these countries are taking their need to educate, to innovate, to be creative, to be entrepreneurial. And our competition is very, very strong.

Senator MURRAY. Mr. Chairman, I think all of us should really listen to that. If we want our country to be the top in the global economic world that we live in, we're going to have to make investments just like our competitors do. And this sequestration and this budget deal that is in front of us offers us a stark choice today. We can move forward and invest, or we can just hide behind cutting, and I just do not believe that's the right way to go.

BALANCED, BIPARTISAN ACTION NEEDED

There is no magic to this. Revenue has to be on the table. And I hope that as more members learn about the impacts of the choices that we have in front of us that it will get us to a balanced, bipartisan, and fair deal where every American participates in our future.

Thank you, Mr. Secretary, and thank you, Mr. Chairman.

Senator HARKIN. Thank you, Senator Murray.

Senator Reed.

Senator REED. Well, thank you, Mr. Chairman.

And thank you, Mr. Secretary.

IMPACT OF EXEMPTING DEFENSE FROM SEQUESTRATION

And I want to underscore some points that were made by the chairman and by Senator Murray.

First of all, we have already made \$1 trillion in cuts to discretionary spending as a way to begin to approach the deficit.

And as the chairman pointed out, we're at the lowest percentage of discretionary spending since the 1950s. So the issue of out-of-control spending has to be put in the context of deep cuts already and the lowest percentage of discretionary spending for all of these programs in 60 years.

But the point, I think, the chairman made is very well taken, which is when you listen to our Republican colleagues, they're talking about exempting defense, they're talking about no revenue, which means that the 7.8-percent cut you're talking about is probably closer to 15 percent. And the worst-case plans that are frightening at this moment become absolutely horrible.

SEQUESTER'S IMPACT ON ALREADY TIGHT STATE/LOCAL BUDGETS

But the point I want to make, Mr. Secretary, is that when you get down to the education situation, at the local level, they're already suffering. States are also trying to deal with this dilemma. So we will be doubling down on our cuts at a time when States and localities are facing similarly difficult cuts.

Can you give us the context from both those convergent local pressures and a huge, in fact, doubling probably, doubling down of cuts?

Secretary DUNCAN. It's a great point. And as I talked to educators who have been in the business, who have been working with children for 10, 20, 30, 40 years, many from across the country say this is the toughest economic climate that they have ever worked in, more constrained in resources.

We were thrilled that the American Recovery and Reinvestment Act (ARRA) saved a couple of hundred thousand jobs, but we also lost a couple hundred thousand jobs across this country.

And with class size going up; after-school programs being eliminated; some school districts going to 4-day weeks rather than 5-day weeks; art, dance, drama, music, physical education going away; early childhood cutbacks; none of these things are good for children or good for education or ultimately good for our country.

So you're exactly right. In the midst of a very, very tough economic time, 40 States, last year, 80 percent of the country—Republican, Democrat—40 States cut funding to higher education. Again, we're trying to lead the world in college graduation rates. That doesn't help us get where we need to go.

So at the early childhood level, the K-12 level, at the higher education level, these are very, very, very difficult economic times. And to compound those challenges, to compound those difficulties, is inconceivable to me.

Senator REED. In effect, you know, what we're doing is not only in the short run shedding a significant number of jobs. I don't have the exact numbers, but we've seen private employment grow consistently over the last several years under the President's program. But what we've seen after ARRA was exhausted is public sector

employment shrink dramatically, particularly in education, and that would accelerate, presumably, if these cuts went through and moreover were doubled because we've exempted defense.

Secretary DUNCAN. Yes.

IMPORTANT TO MAINTAIN CURRENT REFORM EFFORTS

Senator REED. So in the short run, you lose jobs, which means the economy continues to languish. But in the longer run, I think all of your efforts, the Race to the Top, commendable efforts, all of your tough calls about how do we reform education, will be lost.

And rather than sort of trying to catch up with China, India, et cetera, we'll fall, in your view, let me ask you, further and further behind?

Secretary DUNCAN. I think that's exactly right. And again, at a time when we have to get better, faster, despite the tough economic times, we can't afford to go in the opposite direction. We can't afford to do that.

COMPETITIVENESS IMPORTANT TO NATIONAL SECURITY

Senator REED. Just a final point, as my colleagues have pointed out, Secretary Rice, as you pointed out, Secretary Rice, military leaders, everyone talks about how this is now a global competition for the best-educated people in the world. If we lose that competition, then our fundamental sort of foundation of national security will quickly erode.

And we won't invent the new technologies. We won't have the sophisticated military and associated personnel to use it. And essentially, not just in terms of national security, but in terms of the fabric of our country, it will deteriorate.

Secretary DUNCAN. That's exactly right. I'll just quickly add, Mr. Chairman, that I know our children are as talented, as creative, as entrepreneurial, as innovative, as children anywhere in the world. I just want to level the playing field for that. I just want to give them a chance to fulfill their potential. And if we fail to give them the chance to fulfill their academic and social potential, shame on us.

Senator REED. Thank you, Mr. Secretary.

Senator HARKIN. Thank you, Senator Reed.

Senator Brown.

Senator Mikulski.

IMPACT OF SEQUESTER ON SCHOOL REFORM

Senator MIKULSKI. Mr. Chairman, thank you, and thanks for holding this hearing to really highlight what a sequester means, because there's a lot of chest pounding going on about the impact on defense, but it's really the impact on our economy both today and in the future.

Mr. Secretary, I want to ask you a question about the impact of sequester on reform. You know, in my own home State of Maryland, we boast a State that wins Blue Ribbon Schools, Nobel Prizes, and has one of the greatest land grant colleges, the University of Maryland, and an iconic institution like Johns Hopkins Uni-

versity, and a Governor who's been really committed to school reform.

So, I want to ask you, you came in to the administration as a reformer and you shook it up. And we've now been steadily working on reform, how to improve our educational system for the 21st century.

Could you tell us, if we go to sequester, not targeted fiscal discipline initiatives but swashbuckling across departments, what will be the impact on reform both today and how you would see its impact, say, 3 to 5 years from now?

Secretary DUNCAN. It would be a massive step backward. So everything we tried to do to drive reform would be affected, whether it's more money for early childhood education through the Race to the Top Early Learning Challenge, whether it's been Race to the Top at the State level, whether it's been school money to turn around chronically underachieving schools. We're seeing unprecedented creativity and courage from States like Maryland that's been at the forefront of this movement and from States from around the country.

And they want to improve. No one is making excuses. No one is saying the status quo is good enough. But we have to be a good partner. We have to be there for them. And we have to continue to support that great leadership and creativity at the local level.

And if we walk away from the table, again, we'll just see a massive step in the wrong direction.

Just one quick example. We talked about the dropout rate. Our School Improvement Grants, thanks in part to them, and to other things as well, have helped, so that today, we have 700,000 fewer children enrolled in "dropout factories" than just a couple of years ago. Now those schools have a long way to go, but that's real progress.

Do you want to see that go south, or do you want to continue to see those numbers of children going to very low performing schools, dropout factories, do you want to see those numbers continue to go down?

The answer is obvious: We have to continue to drive reform.

BROAD, INDISCRIMINATE IMPACT ON EDUCATION IN ALL LOCAL EDUCATION AGENCIES

Senator MIKULSKI. So the lack of funding would impact, say, a school district like Baltimore or Prince George's County or even one of my rural school districts?

Secretary DUNCAN. It would impact every single school district in the country.

Senator MIKULSKI. And how would it do that?

Secretary DUNCAN. It would result in significantly less resources across the board. So whether it be title I money, whether it be title II money, whether it be money for 21st Century Community Learning Centers, special education money, money for career and technical education, you name it, we would be forced to cut indiscriminately. So every single one of those funding streams that comes from us to State and local school districts would be cut.

POTENTIAL TO UNDERMINE REFORMS ACHIEVED AND PLANNED

Senator MIKULSKI. Do you think it would also sap the energy of reform that—I don't want to put words in your mouth. God knows I wouldn't want to do that with Secretary Arne Duncan.

But tell me, you know, there's only so much time in a day administrators have and principals, et cetera. So if they have to put energy into thinking about counting pencils and reusing materials or foregoing it rather than energy into reform—do you think it takes away from the focus, the energy, the experimentation that was going on, that added vitality? In other words, there was juice, there was mojo behind reform.

Secretary DUNCAN. As I visit schools around the country, Senator, I've been to hundreds and hundreds of schools, I can't ask people to work much harder. People are working so hard, often in very, very difficult circumstances, trying to make a difference and trying to help young people be successful academically. To slap them in the face and say, we're going to walk away from our investment, not just financially but to your point, psychologically or emotionally, that's a very, very difficult thing to ask teachers and principals or superintendents to adjust to. And we should not be putting them in that situation.

Senator MIKULSKI. So now, particularly after 4 years of reform efforts, and let's face it, there were some tussles with the teacher associations, but it seems like now there's been a détente and now a focus on how we can really evaluate teachers and move forward.

Do you feel that, gee, we're on the brink now of making even more substantial leaps if we stick to the program?

Secretary DUNCAN. There's no question. I'd say more than détente, I think there's a common interest amongst everybody that we have to work together to lead the world in education, and that the status quo wasn't enough.

Everyone is not going to agree on every issue, but I think there's a tremendous convergence of agreement of what we have to get done and what we have to get done together. And again, to take a step backwards, to take a step in the wrong direction, would be a huge blow to those efforts, those collective efforts.

Senator MIKULSKI. Thank you.

Thank you very much, Mr. Chairman.

Senator HARKIN. Thank you very much, Senator Mikulski.

Senator Durbin.

Senator DURBIN. Thank you, Mr. Chairman.

Mr. Secretary, thank you for being here. Thanks for this hearing.

CHANGE SINCE THE LAST BALANCED BUDGET

I think it bears repeating that Senator Inouye, the Chairman of the Appropriations Committee, gave us a yardstick to measure what has happened in the Federal budgeting process since the last time our budget was in balance under President Clinton. And in that 10- or 11-year period of time, in real dollars, or constant dollars, we have seen the following: In nondefense discretionary spending, there has been zero increase—zero increase—in the last 11 years. In the entitlement mandatory area, there has been a 30-percent increase, reflecting the arrival of the boomers and the cost

of healthcare. On the defense side, there has been, as of this year's budget, a 73-percent increase in spending since the budget was last in balance.

And now what we are facing today is the prospect of even deeper cuts on the nondefense discretionary side and education, and strong calls from the other side of the aisle to leave defense untouched.

I want the strongest military in the world. We have it. I want to make sure that if my nephew is again deployed to Afghanistan, he has the best, and everyone like him has the best, to come home safely.

But it just is incredible to me that we cannot find, within the Department of Defense and Pentagon, savings to help us reduce our deficit. There are those who argue we can find none.

EXAMPLES OF IMPACT ON CHICAGO SCHOOLS

I would like to ask you, Secretary Duncan, go back a little in time to your role in the city of Chicago as superintendent of that school system, and tell me what this sequestration would mean to the school system that you were struggling to build into a model for urban education.

ACCESS TO AFTER-SCHOOL ACTIVITIES AMONG CUTS

Secretary DUNCAN. The impact would be more things than I can state now but just a couple of simple ones: Class size would almost automatically increase. Access to summer school for children who are struggling would decrease. Access to after-school programming would decrease. Access for children with special needs to the services and support they need to be successful would decrease. Career and technical education, vocational education, which is really important, would decrease. Access to college counselors would decrease. Access to extracurriculars would decrease.

And I could go on and on and on but just as a start there.

Early childhood education with chances to have children enter kindergarten ready to succeed academically and socially, those things would go down as well. After-school programming, which is so hugely important in communities like Chicago, would go down; there would just be less access.

RELATIONSHIP BETWEEN AFTER-SCHOOL ACTIVITIES AND DROP IN CRIME

Senator DURBIN. We recently have gone through a spate of increased crime in our city of Chicago. Mayor Emanuel and the superintendent of police, they are working hard on it. And one of the things that they have found in the communities where there are activities for young people, after-school programs and activities, there's less violence. It's pretty obvious.

To a parent, it's very obvious. What was the old saying? Idle time is the devil's workshop?

Senator MIKULSKI. Something like that.

Secretary DUNCAN. Something like that.

Senator DURBIN. And what we find here then is a proposal that when it comes to cutting at the Federal level, there will be fewer

activities for enrichment and opportunities just to work-off energy available to students in school districts across the country but, particularly, in urban districts where it could have a profound impact on the quality of life.

Secretary DUNCAN. In poor communities, be it inner-Chicago or rural or remote areas, we need more opportunities for students during the school day, before school, after school, Saturdays, weekends, summers, whatever it might be. We need more opportunities, not less.

There is no way these kinds of massive cuts can lead to more opportunities. It is impossible.

ALL OPTIONS FOR FISCAL CUTS MUST BE ON THE TABLE

Senator DURBIN. I cannot imagine that we believe we can build a stronger America and cut education. That is just counterintuitive to all of us in our lives, and counterintuitive to the American story, where people came to this country and succeeded because parents said to their kids, I may not have much education, but you're going to get the best and you better come home with a good report card. That was my family story and the story of America. And now we have those who want to walk away from it.

I'm all for bringing this budget deficit under control. There are ways to do it. But if we don't go back to a model that puts everything on the table, including revenue, including defense, if we don't put it all on the table, we're going to find ourselves paying a heavier price than even the price of interest on our debt.

IMPORTANCE OF COMPROMISE

Secretary DUNCAN. I think our democracy was built on the value or the notion of compromise, and you don't have a vibrant democracy without a willingness to compromise. And if somehow that's become a dirty word, that's very, very troubling to me.

Senator DURBIN. Thank you.

Thanks, Mr. Chairman.

Senator HARKIN. Thanks, Senator Durbin.

Senator Pryor.

Senator PRYOR. Thank you, Mr. Chairman.

I would like to ask Senator Durbin why he turned to Senator Mikulski to ask her about the devil's workshop. That's what I want to know.

Senator DURBIN. Similar Catholic backgrounds.

Senator MIKULSKI. I know a lot about that. See me later.

Senator PRYOR. You're our in-house expert.

Mr. Secretary, thank you for being here.

IMPLEMENTATION OF EDUCATION BUDGET CUTS

I have seen the numbers from fiscal year 2011, fiscal year 2012, the Senate number from fiscal year 2013, and the sequestration numbers.

And if you look at fiscal year 2011, fiscal year 2012, you've already taken about a \$230 million cut. That's real money. And we know the Senate number. We don't know what the final number will be for fiscal year 2013 yet, but sequestration obviously is going

to have a negative impact on what you're able to do and how we are going to be able to educate our children.

ACROSS-THE-BOARD CUT TO EDUCATION

I would like to ask a little bit about the logistics though. I've seen the estimates that CBO talks about, a 7.8-percent reduction. When people talk about sequestration, they talk about an across-the-board cut.

I'm wondering, within your Department, do you see this as an across-the-board cut or will you pick and choose certain things to cut to try to implement the reductions in a smart way?

Secretary DUNCAN. I don't think we have a lot of flexibility there, Senator. You know, I mentioned a number of items. I would add TRIO to that list, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), School Improvement Grants. We would have to cut across the board.

Senator PRYOR. So if the number, for example, was 7.8 percent, you would just have to take each program—

Secretary DUNCAN. Regardless of impact, regardless of efficacy, regardless of effective versus ineffective. It is a horrendous way to think about budget choices.

GLOBAL COMPETITORS INCREASING, NOT CUTTING BUDGETS

Senator PRYOR. And one of the points I think you made earlier is that our competitors in this global economy are not cutting. In fact, they're doing the opposite. Is that fair to say?

Secretary DUNCAN. That is exactly right. They are investing, they are innovating, they are committed to making sure their young people have a very high-quality education.

EDUCATION CUTS ABSENT SEQUESTRATION

Senator PRYOR. Now, if we are able to avoid sequestration, which I think is actually possible, we are going to have a lot of work to do late this year on the budget and taxes to get the deficit where it needs to be. This is going to be a huge undertaking by the Congress. I hope that the Congress and the House and Senate both will be serious about it when we get to that point.

But I think it's possible that we'll avoid sequestration, or at least limit it in some way. But you will probably still be looking at some cuts in education.

Do you have a game plan for that? Are you just going to wait on the Congress to act?

Secretary DUNCAN. So again, we've cut over the past couple of years more than \$1.2 billion of our budget and have been trying to, again, take money out of programs that we think are less than optimally effective and go other ways. And our budget team is as smart and talented as I think any team in any agency. And we would go through that exercise every single year.

And, frankly, whether we have a budget increase or a budget cut, we make those tough calls. And so we would be prepared to do that going forward. We just want to have the ability to do this in a thoughtful way.

EDUCATION IS AN INVESTMENT, NOT AN EXPENSE

At the end of the day, we fundamentally think of education as an investment, not as an expense. I think that's part of the value of the debate that our country is having, is education an expense, that we should cut back on early childhood education and K-12 reform and access to higher education? Or is this an investment in young people, in our country, in our country's economic future?

That's the challenge, that's the debate, I think, our country is looking at.

GUIDANCE TO LOCAL EDUCATION AGENCIES IF SEQUESTER IS ENACTED

Senator PRYOR. Let me praise you here just for a minute, because I've been meeting with some of our principals, and teachers, and educators, and folks involved in that back in Arkansas. And you have sent out a letter to school officials alerting them that this may be coming. And I think that's good to be in touch with them.

But they say that your letter or the communications with the Department of Education have not given a whole lot of guidance, real specific guidance on what to do.

Is the plan that, if we have to do sequestration and we have to implement it fully, will you guide them through this process?

Secretary DUNCAN. We will do everything we can, Senator, to be a good partner. Obviously, the vast majority of our energy now is to avoid sequestration. And my understanding is sequestration was set up so that it was so bad, sort of mutual self-destruction, that neither side would want to go down that path.

Senator PRYOR. Do you agree it is that bad?

Secretary DUNCAN. I do think it's that bad.

And so the vast majority of our time and energy over these next 5 months is to do everything we can to be a good partner to avoid this happening. And if it does happen, we'll do everything we can to instruct and to guide, and to lead folks at the State and local level.

But, Senator, we should not go down that path as a country.

Senator PRYOR. You know, when I look at your education funding, your budget, your programs, all the things you do, everything is important. I mean, the goals were good. We're trying to educate our children for all kinds of good reasons to do that.

IMPACT ON RURAL AREAS AND STUDENTS WITH DISABILITIES

But there are two areas that I'm really concerned about with sequestration. That would be the impact on rural America. And as you know, a lot of those schools are struggling already, and you look at all the test scores, look at all the funding, look at all the issues they're dealing with, rural America is really struggling. And then disabilities, students with disabilities.

I'm just worried that cuts in those—they're going to be devastating everywhere, but in those two areas, they really, really could be harsh.

SEQUESTERATION EFFECT ON IMPACT AID

Secretary DUNCAN. No question. And obviously, there's so many things to add to the list, but Impact Aid, to think that we would

walk away from funding for the children of servicemembers who are risking their lives every single day overseas and somehow say we'd give less funding to those children's schools is inconceivable to me.

Senator PRYOR. Mr. Chairman, thank you.

Senator HARKIN. Thank you, Senator Pryor.

Senator Shelby.

EDUCATION BUDGET INCREASES SINCE 2008

Senator SHELBY. Mr. Secretary, we've been hearing numbers here about the education budget. It is my understanding, and you correct me if I'm wrong on this, that since 2008, the education budget has increased \$7.2 billion from \$59.2 billion to \$68.4 billion. Are those figures right?

Secretary DUNCAN. I think those figures should be about right. We fundamentally think education is an investment, not an expense.

Senator SHELBY. But it is an appropriation, so it's deemed as an expense of some kind. It might be an investment. We all like that. But it is an appropriation, is it not? It's money.

Secretary DUNCAN. Absolutely. We have to educate our way to a better economy.

Senator SHELBY. Sure. Thank you.

Senator HARKIN. Mr. Secretary, first of all, thank you again, for being here and for your very eloquent statement and answers to our questions. Thank you for your great stewardship for the Department of Education, and for so many of the reforms that you have made. And for ensuring that our kids are the best educated in the world.

We're going to have some tough months ahead of us, but I think what we've heard is that, in education, sequestration would be devastating, for present day and for the future of this country. And I think you put that in pretty stark terms.

Thank you very much, Mr. Secretary, unless you had something else to add.

Secretary DUNCAN. Thank you for the opportunity, and thank you for your leadership.

Senator HARKIN. Thank you, Mr. Secretary.

NONDEPARTMENTAL WITNESSES

Senator HARKIN. And now we'll call our second panel.

I'm sorry. Senator Landrieu was hoping to attend today. However, she had a prior commitment. She would like to express her apologies and would like to submit some questions for the record. Without objection, that will be accommodated.

Our next panel I'll introduce as they are taking their seats.

June Atkinson has served as the State superintendent of the Public Schools of North Carolina since 2005. She was the first woman elected to this position. Dr. Atkinson received her master's degree in business education from Radford University, a master's degree in vocational and technical education from Virginia Tech, and a doctorate in educational leadership and policy from North Carolina State University.

Billy Walker is currently serving his fifth year as superintendent for the Randolph Field Independent School District in Universal City, Texas. Dr. Walker received his bachelor's degree in sociology and physical education from East Texas Baptist University and both his master's in education administration and his education doctorate in educational leadership from Lamar University.

Mr. Neal McCluskey is the associate director of the Cato Institute Center for Educational Freedom. Mr. McCluskey holds a master's degree in political science from Rutgers University.

Tammy Mann serves as the president and CEO of the Campagna Center—I hope I pronounced that right—Campagna Center in Alexandria, Virginia, which administers Head Start and Early Head Start for more than 400 children. Dr. Mann was recently appointed by the Secretary of Health and Human Services to serve on the advisory committee for Head Start Evaluation. She received her bachelor's degree from Spelman College and completed her master's and doctorate in clinical psychology at Michigan State University.

To all of you, I thank you for being here and testifying today. Each of your statements will be made a part of the record in their entirety. We'll go from left to right. And if you could sum up in 5 minutes or so your basic testimony and leave some room for some questions, we'd appreciate that.

So, Ms. Atkinson, welcome and please proceed.

STATEMENT OF JUNE ATKINSON, STATE SUPERINTENDENT OF PUBLIC INSTRUCTION, RALEIGH, NORTH CAROLINA

Dr. ATKINSON. Thank you, Chairman Harkin and Ranking Member Shelby. Thank you for the opportunity to testify before you today about the impact of sequestration on education.

I am June Atkinson, State superintendent of public instruction for the great State of North Carolina, and I'm also a board member for the Council of Chief State School Officers. The council just completed its annual summer conference last week, and the issue of se-

questration came up numerous times. My colleagues across the Nation share my concern about the impact of these drastic cuts.

There are two fundamental issues I want to address. First, my strong opposition to automatic, across-the-board funding cuts that will be detrimental to education reform and remodeling occurring across the country. In North Carolina, as in other States, reforms supported by Federal funds are focused on raising student achievement and helping to ensure that our students graduate college, career and citizenship ready.

Second, the immediate need for clear and complete guidance from the Federal Government on how sequestration will work, in the event that it goes into effect.

Fortunately, we have received some initial guidance late last week from the administration regarding how portions of advanced funding of title I, title II, IDEA part B, and career and technical education appropriations will be treated. But States need to have the complete picture.

Chief State school officers across the country are focused on education reform efforts such as implementing the common core State standards, developing new assessments to better gauge student learning, and developing new teacher and leader evaluation systems to help drive improvements across our educational workforce.

We are focusing on the use of technology systems to improve the effectiveness and efficiency of student and teacher learning.

We have taken on these tasks in the best interests of our students even during some of the toughest economic times. Simultaneously, though, our education obligations grow, with States expecting to educate 540,000 more K-12 students.

Let me give you some examples from North Carolina. Sixteen percent of our education budget comes from the Federal Government. An across-the-board cut would dramatically stifle our remodeling efforts underway to personalize education so that each student will graduate prepared for options. And let me give you some examples.

We are making tremendous success in turning around our low-performing schools under the School Improvement Grants program. With a cut, we would have an impact upon 1,000 students in North Carolina alone.

We are also implementing a blended learning approach of face-to-face and online instruction for our students with disabilities using IDEA funds, which would be subjected to a loss of more than \$900 million nationally, with an impact upon more than 13,000 students in North Carolina.

North Carolina also leads the Nation in credentialing students with Microsoft certification. During the last 18 months, 51,225 certifications were issued to our students and some teachers. Without support from Career and Technical Education funds for this initiative, we could not have prepared students to facilitate this important initiative for our students.

And I must also mention that our graduation rate of our students who complete a career technical sequence is 90 percent.

Every summer, our students who come from homes where no one is reading to them or without books to read lose 2½ to 3 months of reading progress. They come back to school in the fall and the

teachers have to re-teach what the students have lost. Through title I funding, many of our title I schools such as H.C. Bellamy Elementary School in Wilmington, North Carolina, offer reading programs to help with the reading loss.

States such as mine are strategically addressing the need of our students, especially our most vulnerable students.

PREPARED STATEMENT

In order for us to move forward, we need specific and complete guidance about the cuts. Please look at sequestration and how it will hurt States such as mine. Education is a tiny fraction of the Federal budget but with enormously high impact on our Nation's future. Teachers and students are not responsible for sequestration, yet they must suffer if sequestration goes into effect.

Students and educators are not to blame for our Nation's fiscal problems, and they deserve better. I ask for the Congress's action for the good of the country, our schools, and our children.

[The statement follows:]

PREPARED STATEMENT OF JUNE ATKINSON

Chairman Harkin, Ranking Member Shelby, and members of the Labor, Health and Human Services, and Education, and Related Agencies Appropriations Subcommittee: Thank you for inviting me to testify here today on the impact of sequestration on education reform and programming. I am June Atkinson, State Superintendent of Public Instruction, for the great State of North Carolina and a board member for the Council of Chief State School Officers. The Council just completed its annual summer conference last week and the issue of sequestration came up numerous times. My colleagues across the Nation share my concern about the impact of these drastic funding cuts.

There are two fundamental issues I want to address today. First, my strong opposition to automatic, across-the-board funding cuts, that will be detrimental to education reform and remodeling occurring across the country. In North Carolina, as in other States, reforms supported by Federal funds are focused on raising student achievement and helping to ensure all of our students graduate college, career and citizenship ready. Second, the immediate need for clear and complete guidance from the Federal Government on how sequestration will work, in the event it does go into effect on January 2, 2013. States need to know when and how cuts will be made to various funding streams that we receive.

Fortunately, we received some initial guidance late last week from the administration regarding how portions of title I, title II, Individuals with Disabilities Education Act (IDEA) part B, and Career and Technical Education funds that we receive as advanced appropriations will be treated. But States need to know the complete picture. In the absence of complete guidance States cannot adequately help their districts and schools prepare. The absence of such guidance will clearly exacerbate the drastic nature of these funding cuts. I implore you to use your congressional authority to prevent sequestration or at the very least require that the administration provide States with as much information as quickly as possible.

Chief State school officers across the country are focused on education reform efforts such as implementing the common core State standards, developing new assessments to better gauge student learning, and developing new teacher and leader evaluation systems to help drive improvements across our education workforce. We are focusing on the use of technology systems to improve the effectiveness and efficiency of student learning. We are developing technology systems to help teachers learn and grow professionally.

We have taken on these tasks in the best interests of our students even during some of the toughest economic times. In fact, a recent report by the Center on Budget and Policy Priorities highlights that our struggling economy impairs States' ability to fund services. States have already faced tough choices to close a combined \$540 billion in budget shortfalls between 2009 and 2012. Moreover, according to the report, the 2007 recession caused the largest collapse in State revenues on record: As of the first quarter of 2012, State revenues remained 5.5-percent below prerecession levels. Simultaneously, though, our education obligations grow, with States ex-

pecting to educate 540,000 more K–12 students. Our State and local education agencies are currently running on shoestring budgets, and cannot afford additional cuts.

Let's take North Carolina as an example. Sixteen percent of our education budget comes from Federal funding. A 7–10 percent across-the-board cut projected for sequestration would dramatically stifle our remodeling efforts underway to personalize education so that each student will graduate prepared with options.

—I am proud that we are currently seeing great success in turning around low-performing schools under the School Improvement Grants program. Under sequestration, this program would be subjected to a loss of more than \$40 million nationally, with an impact upon more than 1,000 students in North Carolina alone.

—We are also implementing a blended learning approach for our students with disabilities using IDEA funds, which would be subjected to a loss of more than \$900 million nationally, with an impact upon more than 13,000 students in North Carolina. It is worth noting that the Federal Government has still not lived up to its commitment to provide 40 percent of the excess costs of educating students with disabilities. A sequestration cut represents a further lack of that commitment. That impact also will hurt our innovative initiative to blend online and face-to-face instruction for many of our students with disabilities. Recently, North Carolina was just recognized for this exemplary delivery of instruction to exceptional children. One of our teachers in this program was recently recognized as the national Virtual Teacher of the Year. In the words of one of our students in this blended environment, “I love the teacher I have in the classroom and the teacher who helps me online. I am now really understanding math.”

—We are helping our teachers implement this new blended learning approach through online learning modules and professional development funded through title II part A, which would be subjected to a cut of almost \$200 million nationally and could result in nearly 100 job losses in North Carolina alone. Businesses have gone through retooling, and if we are going to value and respect our teachers and students, we must provide necessary professional development to help teachers retool their work in the classroom to reach each student.

—North Carolina also leads the Nation in credentialing students with Microsoft certification. During the past 18 months, 51,225 certifications were issued to our students and some teachers. Those certifications communicate to businesses that our students are prepared for success in the workplace. Without support from Career and Technical Education (CTE) funds for this initiative, we could not have prepared teachers to facilitate this important initiative to our students. The CTE program faces a loss of nearly \$90 million nationally reducing instruction and other services for an alarming 52,000 students in my State alone.

—Our State has experienced growth in our English language learner population over the past 5 to 10 years. One of the most important aspects of our Federal dollars, again, is to help our students who need to become proficient in English. As a result of Federal dollars, we have been able to help teachers address in better ways the needs of this population of students and yet the cuts to title III, English language acquisition funds would impact the services we are offering to more than 100,000 students across North Carolina.

—Every summer, our students who come from homes where no one is reading to them or without books to read, lose 2½ to 3 months of reading progress. These students don't have the opportunity to go to camp, the beach, or even the next town. They come back to school in the fall and the teachers have to re-teach what the students have lost. Through title I funding, many of our title I schools such as H.C. Bellamy Elementary School in Wilmington, North Carolina, offer summer reading programs. Last week I visited that school, talked to the students, and to Ms. Karen Sherman who runs the program. I am confident that the students in that program will not fall behind this summer. To paraphrase one of the students in that summer program, Jackson, “I am reading everything I can.” Such a statement should be a reason to celebrate how title I funding helps students keep on-track in reading. Yet, under sequestration, title I funds would be cut by more than \$30 million in North Carolina alone, impacting more than 40,000 students and potentially costing my State more than 500 job losses.

As you can see, States such as mine are strategically addressing the needs of low-income students in underperforming schools, students with disabilities, English language learners, students seeking industry certification, and the professional development needs of our teaching corps. Our work in addressing the needs of specific populations is demonstrating positive results. Our graduation rate is at an all-time high, and our student achievement is at an all-time high since we have increased

our expectations and standards about 4 years ago. I am concerned that sequestration will make it harder to continue our progress and our commitment to long-term national competitiveness.

To be clear, chief State school officers believe wholeheartedly that we must better use our limited education funding. In fact, one of the primary topics of the Council's summer conference was strategic resource allocation. We need to focus primarily on proven strategies and not continue to fund programming that does not produce results or serve our student's needs. We will be your partners in any thoughtful process to improve the return on investment in Federal education funding. But, I must also be equally clear that across-the-board, indiscriminate cuts do not help us achieve our State or national education goals. Chief State school officers will continue to wrestle with how we increase the efficiency and productivity of our educational funding, but we cannot do so if we are simultaneously wrestling with how we simply keep the lights on and continue to support effective education programming.

Exempting some programs from sequestration is not the answer either. Any vote to exempt some Federal funding from sequestration while allowing education funding to be subject to sequestration stands in stark contrast to the best interests of our children and the long-term economic and national security of this country. You are all aware of the recent Council on Foreign Relations report which highlights the needs for investing in education in order to maintain our global economic security. According to the report, intelligence agencies face critical shortages in the number of foreign-language speakers and that fields such as science, defense, and aerospace are at risk because of a shortage of skilled workers.

An analysis from the Alliance for Excellent Education calculates the economic benefit of reducing our high school dropout rate by one-half. While our graduation rate is at an all-time high, I know that we must continue our work to make sure that nearly 100 percent of our students graduate. According to the Alliance, cutting our dropout rate in one-half would result in almost \$300 million in increased earnings, more than \$200 million in increased spending, \$650 million in home sales, and \$28 million in new tax revenue for North Carolina. With numbers like that for North Carolina alone, it is hard for me to understand why there isn't a stronger nationwide commitment to educate our children when we can clearly enjoy an economic benefit.

To my second point, without clear and complete guidance, we cannot prepare for these cuts. I respect that the outcome of sequestration discussions will be determined at the highest levels of our political process. I recognize that the process is complicated by the pending debt ceiling debate and debates on tax cut extensions. I do appreciate the guidance we received last week from the Department of Education about how fiscal year 2012 funding that is advanced into fiscal year 2013 will be treated. It is important for States and our school districts to know that any impact of sequestration in title I, title II, IDEA, and CTE will not be felt until July 2013. As I mentioned previously, the administration has just begun answering some critical questions, but I cannot accept the lack of clear guidance from the Federal Government to the States on all aspects of the implementation of sequestration. We need to know just how sequestration will affect forwarded-funded and advanced appropriations alike.

We still need guidance that gives us the complete picture. Specifically, we require additional information on:

- unobligated balances from fiscal year 2012 budget authority provided in the fiscal year 2012 omnibus appropriations law;
- fiscal year 2014 budget authority that will be provided as advanced appropriations in the fiscal year 2013 continuing resolution or appropriations bill;
- the impact of sequestration on hold harmless and/or maintenance of effort provisions; and
- most importantly, what will be the specific cut made to each program.

Sequestration is also creating confusion on the programmatic side. Currently, States can reserve 4 percent of title I funds for school improvement activities. School districts are also assured that they won't receive less title I funding from the previous year due to this reservation. Under a 7–10 percent cut, States may not be permitted to make this 4 percent school improvement reservation.

This is compounded by current efforts in the House appropriations bill to eliminate the separate school improvement grant program. The combination of the inability to make this 4-percent reservation and a loss of school improvement grant funding will eliminate dedicated Federal funding for turning around our lowest achieving schools.

Without getting the complete picture, we can speculate, but we cannot fully advise or support our districts as they prepare budgets in advance of the 2013–2014 school

year and beyond. It is promising that the House of Representatives passed the Sequester Transparency Act and that Senators Murray and McCain worked in a bipartisan manner to attach an amendment to the farm bill that would have forced the administration to provide an even more detailed explanation.

On behalf of my State colleagues, let me also say that if we are subjected to sequestration then I also encourage you to think about new flexibilities you can offer States and districts in the use of their now reduced Federal dollars. If the Federal Government does, indeed, provide significantly less Federal funding in future years, it must make corresponding reductions in compliance burdens placed upon States and districts.

Sequestration came into being because of the failure of the Congress to agree on how to resolve disagreements on fundamental issues of revenue and spending. Education is but a tiny fraction of the Federal budget but with enormously high impact on our Nation's future. Teachers and students are not responsible for sequestration, yet they will suffer the most if sequestration goes into effect. Students and educators are not to blame for our Nation's fiscal problems, and they deserve better.

Senator HARKIN. Thank you very much, Dr. Atkinson.

And now we'll move to Dr. Walker.

Dr. Walker, welcome.

STATEMENT OF BILLY WALKER, Ed.D., SUPERINTENDENT, RANDOLPH FIELD INDEPENDENT SCHOOL DISTRICT, UNIVERSITY CITY, TEXAS

Dr. WALKER. Good morning. Thank you, Sir.

Good morning, Chairman Harkin, Ranking Member Shelby, and members of the subcommittee. My name is Billy Walker, and I am the superintendent of Randolph Field Independent School District, and I also serve as the executive director for the Texas Association of Federally Impacted Schools.

I would like to take just a moment, Senator Harkin, to thank you for your support of Project Student Outreach, Access, and Resiliency (SOAR). Randolph Field piloted SOAR at Home and SOAR at School in 2007 and 2008, an awesome program for our military children. And the University of Northern Iowa was a key player in that success.

Randolph Field is a public school district located on Randolph Air Force Base in the San Antonio, Texas, area. Our student body is made up of children of active-duty members from all branches of our military. We have approximately 1,200 students, equally spread between the elementary and secondary campuses. Since our students come from military families, our real annual mobility rate is approximately 30 percent.

My expectation for everyone in our district is to ensure that each student learns more and at higher levels, every day.

Approximately one-half of our funding comes from Texas through the normal State funding mechanism, and the remaining half comes from the Department of Education through title I, IDEA, and Impact Aid.

While Impact Aid is the lifeblood for our district—excuse me—Title I and IDEA are important programs to school districts nationwide. As 1 of the 7 coterminous districts in the Nation, the boundaries of the base comprise the boundaries of our district, meaning our school district doesn't have a local tax base. Our district uses Impact Aid funding in lieu of the tax dollars normally raised locally to provide salary and benefits for our employees, transportation, and facility needs, and among other things, fill the gaps left to the district due to less than full IDEA funding.

The threat of sequestration takes the complex and difficult situation of school funding to unprecedented levels. We started the work of reducing our budget 3 years ago as fiscal experts projected significant reductions in the near future. Texas reduced K–12 funding by some \$5 billion over the current biennium.

Earlier this spring, school districts in Texas were notified that the State would be withholding 10 percent of Federal funding because of sequestration.

We are certainly not alone. The American Association of School Administrator's Economic Impact Series found that 71.2 percent of school districts reported a reduction in State and local revenues over the last 2 school years, and 57 percent anticipate a decrease for the upcoming school year.

Sequestration will exacerbate the issue of funding. Superintendents nationwide are deeply concerned about the impact that cuts will have on schools, programs, and students, including our ability to fulfill the educational obligation to children with special needs.

Last year, our school district experienced a 5-percent reduction in IDEA funding and approximately 17-percent reduction in title I part A revenue. Our Impact Aid revenue was reduced by approximately 5 percent last year, and we anticipate an additional reduction of 7 to 8 percent for the upcoming school year.

To make matters worse, Impact Aid is the only current-year funded education program, which means on January 2, 2013, Impact Aid will sustain an immediate cut of more than \$100 million. If by October 1, the Congress doesn't authorize full-year spending, initial payments to Impact Aid districts could be as low as 50 percent, significantly lower than many districts require to operate effectively, without carrying a fund balance or borrowing funds. No matter what happens, children will be at school as scheduled.

PREPARED STATEMENT

Today, I'm also concerned about the law's long-term implications. If sequestration is truly a 10-year project, the devastating budget cuts may force us to close our doors.

Unfunded mandates have always complicated our work. Now with the advent of further significant reductions in revenue, children, including those who know only war and whose parents have honorably served our country, are the ultimate lifelong losers in a game that should give them all they need to be successful, productive citizens.

The concept of doing more with less is admirable, but there comes a time when there is not enough left to adequately and equitably educate the children of America.

Thank you for this opportunity to share my district's story.
[The statement follows:]

PREPARED STATEMENT OF BILLY WALKER, Ed.D.

Good morning Chairman Harkin, Ranking Member Shelby, and members of the subcommittee. My name is Billy Walker and I am the superintendent of Randolph Field Independent School District and Executive Director of the Texas Association of Federally Impacted Schools (TAFIS).

I would like to take a moment of personal privilege to thank Senator Harkin for his support of Project Student Outreach, Access, and Resiliency (SOAR). We had the

privilege at Randolph Field Independent School District to pilot SOAR at Home and SOAR at School in 2007–2008.

Randolph Field is a public school district located wholly on Randolph Air Force Base in the San Antonio, Texas, area. Our student body is made up of children of active-duty members from all branches of our military. We have about 1,200 students—600 at the elementary campus and 600 at the secondary campus. The demographic makeup of our student body reflects very closely the make up of the military in general, 9 percent of our students are economically disadvantaged, and since our students come from military families, our real annual mobility rate is approximately 30 percent.

My team will tell you that my expectation for everyone in our district is to ensure that each student learns more, and at higher levels, every day. Our district is a prime example of high expectations and hard work paying off in excellent results in most any assessment one might make of us.

Approximately one-half of our funding comes from Texas through the normal State funding mechanism and the remaining one-half comes from the Department of Education through title I, Individuals with Disabilities Education Act (IDEA), and Impact Aid (fiscal year 2012 total: \$6,102,297, fiscal year 2013 total: \$5,554,019). While Impact Aid is the lifeblood for our district, title I and IDEA are important programs to school districts nationwide. (The net for our district to provide all services as mandated for special needs students is –\$210,507 for fiscal year 2012.) As 1 of the 7 coterminous districts in the Nation, the boundaries of the base comprise the boundaries of our district, meaning our school district doesn't have a local tax base. Impact Aid replaces the lost local revenue due to the Federal presence. For example, our district uses Impact Aid funding in lieu of the tax dollars that would normally be raised locally to ensure a comprehensive academic, co-curricular, and extracurricular program, provide salary and benefits for our employees, handle facility needs, operate our transportation, custodial and school nutrition departments, and fill in the gaps left to the district due to less than full IDEA funding at the Federal level.

The threat of sequestration takes the complex and difficult situation of school funding, both in America and in my State of Texas, to unprecedented levels. We started the work of reducing our budget some 3 years ago as fiscal experts at both levels of government projected significant reductions in the near future. At the State level, Texas reduced K–12 funding by some \$5 billion over the current biennium. This resulted in a reduction in State funding of approximately 10 percent over 2 years (2011–2012 (5 percent) and 2012–2013 (5 percent)). Earlier this spring, the Texas Education Agency notified school districts that the State would be withholding 10 percent of funding because of sequestration. We are certainly not alone: The most recent report in the American Association of School Administrator's Economic Impact Series found that 71.2 percent of school districts reported a reduction in State/local revenues between the 2010–2011 and 2011–2012 school years, and 57 percent anticipate a decrease for the 2012–2013 school year.

As we were looking to the future, my leadership team, board, staff, and I diligently reviewed all personnel, programs, and expenditures to make reductions to balance the budget for the 2012–2013 school year. Based on my experiences with delayed Impact Aid funding and the uncertainty of the appropriations process, I ultimately insisted that the sequester reduction be built into the budget. We've done our best to prepare for the cuts, and I could not, in good conscience, mortgage the fiscal future of our district with obligations that we would most likely not be able to sustain. To reach a balanced budget, we made the following reductions:

At the campus level, eliminated:

- elementary reading specialist and librarian;
- middle school reading specialist and secretary;
- secondary English teacher, science teacher, math teacher, and the 1:1 laptop initiative; and
- the baseball, cross country, and swimming programs.

At the district level, faculty, staff, and administration did not receive a traditional pay raise for the 2011–2012 or 2012–2013 school years. Eliminated:

- one custodian and the custodial supervisor;
- one staff member from the curriculum department;
- facility planner/coordinator position; and
- one technology department staff member.

Additionally, we are considering not taking the band, cheerleaders, and dance team to away football games, and eliminating field-based excursions for all students during the 2012–2013 academic year.

In the 2011–2012 fiscal year, our school district experienced a 5-percent reduction in IDEA funding and a 17-percent reduction in title I part A revenue. Sequestration

will exacerbate the ongoing issues surrounding the critical issue of funding required to fulfill the educational obligations of children with special needs. While these programs don't comprise the majority of Federal funding for Randolph, superintendents nationwide are deeply concerned about the impact that cuts to these and other Federal education programs will have on schools, programs, and students. Our level of Impact Aid revenue was reduced by approximately 5 percent for the 2011–2012 year, and we anticipate an additional reduction of 7 percent to 8 percent for the 2012–2013 academic year.

To make matters worse, Impact Aid is the only current-year funded education program, which means on January 2, 2013, Impact Aid will sustain an immediate cut of more than \$100 million. If by the October 1 start of the fiscal year the Congress hasn't authorized full-year spending, initial payments to Impact Aid districts could be as low as 50 percent. This is significantly lower than many districts require to operate effectively, meaning school districts must either have a fund balance capable of sustaining the district until their Impact Aid payment arrives, or they must borrow the funds needed to ensure the continued operation of the district. No matter what happens, the children will be at school as scheduled.

Today, I'm concerned about the law's long-term implications. If sequestration is truly a 10-year project, the devastating budget cuts may force us to close our doors.

Unfunded mandates have always complicated our work. Now, with the advent of further significant reductions in revenue, the dream of a high-quality education for all becomes a dream unfulfilled; programs that provide opportunities for children to discover their passion in life languish on the shelf; and children, including those who know only war and whose parents have honorably served our country for over a decade, are the ultimate lifelong losers in a game that should give them all they need to be successful, productive citizens. The concept of doing more with less is admirable, but there comes a time when there is not enough left to adequately and equitably educate the children of America.

Policymakers must do everything in their power to ensure that each child in this great Nation has the opportunity to learn more, and at higher levels, every day.

Thank you for this opportunity to share my school district's story. I look forward to answering any questions.

Senator HARKIN. Thank you very much, Mr. Walker.

Now we will turn to Mr. McCluskey.

Mr. McCluskey, please proceed.

STATEMENT OF NEAL P. MCCLUSKEY, ASSOCIATE DIRECTOR, CENTER FOR EDUCATIONAL FREEDOM, THE CATO INSTITUTE, WASHINGTON, DC

Mr. MCCLUSKEY. Chairman Harkin and Ranking Member Shelby, thank you for inviting me to speak with you today.

My name is Neal P. McCluskey, and I am the associate director of the Center for Educational Freedom at the Cato Institute, a non-profit, nonpartisan public policy research organization. My comments are my own and do not represent any position of the institute.

Cuts such as those that would be made to Federal education programs through sequestration are necessary. Not only does the Federal Government have no constitutional authority to fund and administer education programs, but the last 40-plus years of Federal involvement are a clear demonstration of futility.

Begin with Head Start, which has existed since 1965 and has cost roughly \$180 billion through its lifespan. Despite its longevity, it has failed to demonstrate lasting benefits. Indeed, a 2010 Federal study found overwhelmingly that the program has no lasting positive academic effects, and that's not its only problem.

Head Start has long suffered from serious waste and abuse. Indeed, the Government Accountability Office (GAO) reports in 2000, 2005, and 2008 found widespread noncompliance with financial management standards and very poor efforts to remediate the problem.

Next, Federal elementary and secondary education programs. As the charts on my written testimony illustrate, on a per-pupil basis, inflation-adjusted Federal spending has grown immensely over the last several decades, ballooning to 375 percent of their original 1970 value by 2010. And this increase did not just compensate for funding losses at the State and local levels.

Overall, per-pupil expenditures have nearly tripled since 1970. Meanwhile, scores on the National Assessment of Educational Progress have been almost completely stagnant for 17-year-olds, the final products of our schools.

These huge spending increases coupled with more moribund achievement powerfully illustrate that we haven't gotten any bang for our Federal education bucks. And those expenditures could be reduced considerably without ill achievement effects.

Indeed, it is quite likely that Federal education dollars have kept recipient districts from having to take politically difficult but necessary actions to increase their efficiency and effectiveness.

Connected to this it seems that the most pressing concern for many people is that sequestration would reduce education employment. High-end estimates for 2013 published by the National Education Association predict losses of about 46,000 jobs. While no one wants to see anyone lose employment, the Federal Government has a staggering debt that must be addressed.

And as the third chart of my testimony illustrates, over the last four decades, there have been huge increases in public school staffing, but, again, outcomes have flat-lined. And 46,000 jobs, that's not even close to 1 percent of the total public-schooling workforce.

Public schooling is supposed to educate children, but it is instead often treated as a jobs program.

Last, higher education. Regrettably, Pell grants appear to have been exempted from sequestration, taking roughly \$42 billion off the table. While conclusive data are not available, a reasonable estimate suggests that only around 40 percent of first-time, full-time students receiving Pell grants complete bachelor's degrees within 6 years.

In addition, a growing body of research indicates that schools either raise their prices or lower their own institutional aid in response to Pell grants.

Sequestration would, however, translate likely into higher fees on student loans. This would be a small move in the right direction, towards aid that places more of payment burden on the people consuming the education.

The huge ill effects of super abundant third-party money in higher education are revealed in sticker price inflation that eclipses the inflation rate of even healthcare, dismal completion rates in colleges, and one-third of bachelor's degree holders occupying jobs that don't require the credential. Federal financial aid, by making students less sensitive to the real costs of their education and enabling colleges to briskly raise prices, actually defeats its affordability goal.

In addition to increasing fees for student loans, sequestration would require that cuts be made to aid that Washington provides to institutions, as well as research in colleges and universities. The former should be of little concern. Federal funding mainly trans-

lates into inefficiency, and Washington provides only a minute sliver of overall funding directly to institutions.

Regarding research, while much research is of value, it is likely not of greater value than getting the Nation's shambles of a fiscal house in order. In addition, research by Austan Goolsbee, the former chairman of the Council of Economic Advisors, found that a large portion of Federal research and development funding translates not into greater innovation but higher salaries for researchers.

PREPARED STATEMENT

The Federal Government has accumulated an almost unimaginably huge debt, and sequestration offers but a small first step toward addressing it. Thankfully, cuts can be made, in fact, need to be made to Federal education programs.

Thank you. And I look forward to your questions.
[The statement follows:]

PREPARED STATEMENT OF NEAL P. MCCLUSKEY

Chairman Harkin, members of the subcommittee: thank you for inviting me to speak with you today. My name is Neal P. McCluskey and I am the associate director of the Center for Educational Freedom at the Cato Institute, a nonprofit, nonpartisan public policy research organization. My comments are my own and do not represent any position of the institute.

Cuts such as those that would be made to Federal education programs through sequestration are both necessary and overdue. Not only does the Federal Government have no constitutional authority to fund and administer education programs—no mention is made of education in the specific, enumerated powers given to the Federal Government in Article I, Section 8—but the last 40-plus years of Federal involvement in education provide a clear demonstration of futility.

Start with preschool. The primary Federal preschool program is Head Start, which in fiscal year 2012 received almost \$8 billion. The program has existed since 1965 and has cost roughly \$180 billion through its lifespan. Despite its longevity, the program has failed to demonstrate lasting benefits. Indeed, a 2010 Federal study found that the program had only two statistically significant positive cognitive effects that lasted through first grade, and negative mathematics effects for kindergarten students who entered Head Start when 3 years old.¹ In the vast majority of measures no meaningful effects were found one way or the other.

Unfortunately, the essentially nonexistent positive effects of Head Start are not the program's only problem. As reports from the Government Accountability Office (GAO), local media outlets, and other sources have revealed, Head Start has long suffered from serious waste and abuse. Indeed, GAO reports in 2000, 2005, and 2008 found widespread noncompliance with financial management standards and very poor efforts to remediate the problem.²

Next there are Federal elementary and secondary education programs, a category that, according to the Federal "Digest of Education Statistics," accounted for almost \$79 billion in 2011.³

As Figure 1 illustrates, on a per-pupil basis, inflation-adjusted Federal spending on K–12 education has grown immensely over the last several decades, ballooning to 375 percent of its 1970 value by 2010. And this increase did not just compensate for funding losses in at the State and local levels. As Figure 2 shows, overall per-pupil expenditures through high school graduation have nearly tripled since 1970. Meanwhile, mathematics, reading, and science scores on the National Assessment of Educational Progress (NAEP), the Federal testing regime often called "The Na-

¹Michael Puma, et al., "Head Start Impact Study Final Report: Executive Summary," U.S. Department of Health and Human Services, http://www.acf.hhs.gov/programs/opre/hs/impact_study/reports/impact_study/executive_summary_final.pdf January 2010.

²Tad DeHaven, "Head Start and Other Subsidies," *Downsizing the Federal Government*, http://www.downsizinggovernment.org/hhs/subsidies#_edn3, September 2010.

³National Center for Education Statistics, *Digest of Education Statistics*, 2011, Table 386, http://nces.ed.gov/ipeds/data/digest/d11/tables/dt11_386.asp.

tion's Report Card," have been almost completely stagnant for 17-year-olds, the "final products" of our elementary and secondary education system.

INFLATION-ADJUSTED FEDERAL K-12 SPENDING PER PUPIL AND ACHIEVEMENT OF 17-YEAR-OLDS, PERCENT CHANGE SINCE 1970

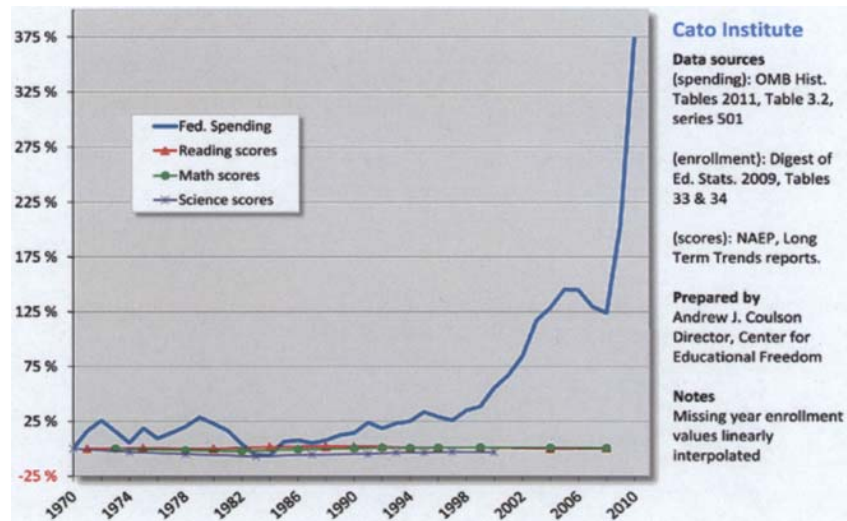


FIGURE 1.

INFLATION-ADJUSTED COST OF A COMPLETE K-12 PUBLIC EDUCATION AND PERCENT CHANGE IN ACHIEVEMENT OF 17-YEAR-OLDS SINCE 1970

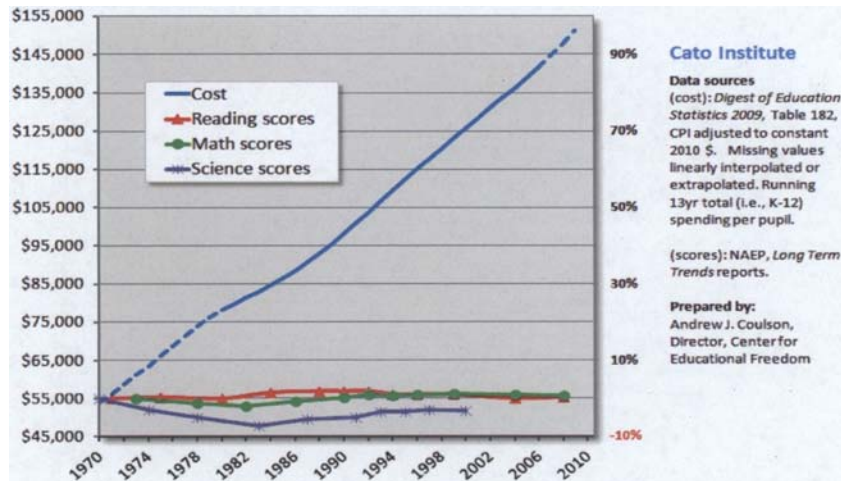


FIGURE 2.

Rightly, the primary concern for many people is that sequestration would deal a crippling blow to academic achievement. The NAEP and spending data, however, simply do not justify this. Indeed, they powerfully illustrate that we haven't gotten any lasting bang for our Federal or overall education bucks, and those expenditures could be reduced considerably without ill achievement effects. Indeed, it is quite

likely that Federal education dollars keep recipient districts from having to take politically difficult but necessary actions to increase the efficiency of their operations.

Directly connected to the efficiency question, it seems that the most pressing concern for some people is not the academic effect that sequestration might have on education but the employment effect. And job losses would ensue: High-end estimates of elementary and secondary job losses from sequestration in 2013 published by the National Education Association predict decreases of 46,000 jobs.⁴ That certainly appears to be a large number, and no one wants to see anyone lose employment. But the Federal Government has an immense, nearly \$16 trillion debt, and as Figure 3 shows, huge increases have occurred in school staffing relative to enrollment. Coupling that with the achievement data in Figures 1 and 2, it is clear that much heavier staffing has not created better outcomes.

PERCENT CHANGE IN PUBLIC SCHOOL EMPLOYMENT AND ENROLLMENT SINCE 1970

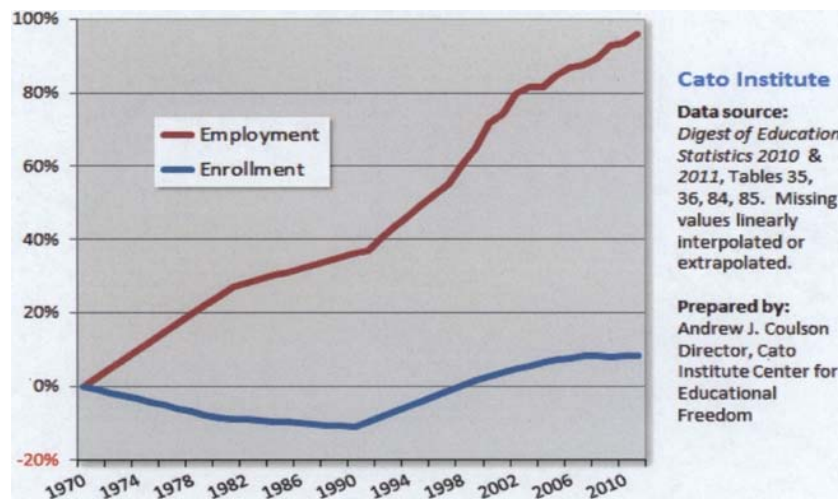


FIGURE 3.

Public schooling is supposed to educate children efficiently and effectively, but it has very much been treated as a jobs program instead. That has done no discernible educational good and contributed to the Nation's mammoth debt.

Originally, Federal K–12 funding was meant to operate in a compensatory fashion. But at least the recent evidence suggests that no major, nationwide funding inequities exist. According to the Federal Condition of Education, districts with the highest levels of poverty have spent essentially the same amount on a per-pupil basis as have those with the lowest level of poverty since 1997–1998. And both have appreciably outspent districts with middling levels of poverty since 1995–1996 (the first year for which data is available).⁵ Those numbers should be updated (the final school year with data is 2006–2007), but there is no meaningful evidence that the pattern has appreciably changed.

Our public schools have, essentially, been on a decades-long hiring binge with ultimately no gains to show for it. And a reduction of 46,000 jobs would be miniscule compared to overall public-school staffing, which well exceeds 6 million people.⁶

Last, let's turn to higher education.

⁴National Education Association, "Impact of Sequestration on Federal Education Programs," http://www.nea.org/assets/docs/Impact_of_Sequestration_on_Federal_Education_Programs_Reformatted_06-26-12.pdf, July 12, 2012. Total was calculated by summing total job losses in categories listed on previous page that would likely impact elementary and secondary education.

⁵National Center for Educational Statistics, The Condition of Education, Figure 36–1, http://nces.ed.gov/programs/coe/indicator_pex.asp.

⁶The latest staffing data from the Digest of Education Statistics, 2009 puts public-school employment at 6.36 million people. National Center for Education Statistics, "Digest of Education Statistics, 2011," Table 85, http://nces.ed.gov/programs/digest/d11/tables/dt11_085.asp.

Regrettably, Pell grants have been exempted from sequestration, taking roughly \$42 billion off the table. This might be understandable were Pell grants shown to effectively enable low-income students to enter and complete college without pushing sticker prices higher, but such is not the case. While conclusive data are not available, The Center for College Affordability and Productivity estimates that only around 40 percent of first-time, full-time students receiving Pell grants complete bachelor's degrees within 6 years.⁷ In addition, a growing body of research indicates that schools either raise their prices or lower institutional aid in response to Pell grants.⁸

While Pell grant is off-limits, sequestration will translate into higher fees on student loans. This might seem like it would make college less affordable for students, but it would be a very small move in an absolutely necessary direction for Federal student aid: towards aid that places more of payment burden on the people consuming the education.

The huge ill effects of too much third-party money in higher education, especially from the Federal Government, are plain to see:

—“sticker price” inflation that eclipses even that even in healthcare;⁹

—dismal completion rates;¹⁰ and

—one-third of bachelor's degree holders occupying jobs that do not require the credential.¹¹

Federal financial aid, by making students less sensitive to the real costs of their education and enabling colleges to briskly raise prices, defeats both the affordability goal of the aid and has helped to render higher education extremely inefficient. Any moves in the direction of having students bear more of the cost of their education would, perhaps counter intuitively, result in greater long-term college affordability by forcing schools to lower prices and cut abundant waste.

In addition to increasing fees for student loans, sequestration would require that cuts be made to aid that Washington provides to institutions, and as well as to research occurring in colleges and universities. The former cuts should be of little concern: Not only does Federal funding mainly appear to translate into inefficiency, but Washington provides only a small sliver of overall funding directly to institutions. In 2011, such Federal aid tallied just slightly more than \$1 billion, versus the roughly \$85 billion State and local governments furnished to public colleges for general operating expenses in the 2011–2012 academic year.¹² Trimming just part of this relatively tiny Federal amount would have a negligible effect.

Regarding research, while much research is of value, it is very difficult to say it is of greater value than getting the Nation's shambles of a fiscal house in order. In addition, research by Austan Goolsbee, the former chairman of the Obama Administration's Council of Economics Advisors, found that a large portion of Federal funding for research and development translates not into greater innovation but higher salaries for researchers.¹³ Like aid to students, the benefits seem largely to accrue

⁷ Richard Vedder, “Only 40 Percent of Pell Grant Recipients Get Bachelor's Degrees,” *Chronicle of Higher Education*, <http://chronicle.com/blogs/innovations/only-40-percent-of-pell-grant-recipients-get-bachelor-degrees/30139>, September 6, 2011.

⁸ John D. Singell, Jr., and Joe A. Stone, “For Whom the Pell Tolls: The Response of University Tuition to Federal Grants-in-Aid,” *Economics of Education Review* 26, no. 3 (2006): 285–95; Lesley J. Turner, “The Incidence of Student Financial Aid: Evidence from the Pell Grant Program,” Columbia University Working Paper, April 2012; Stephanie Riegg Cellini and Claudia Goldin, “Does Federal Student Aid Raise Tuition? New Evidence on For-profit Colleges,” NBER Working Paper No. 17827, National Bureau of Economic Research, February 2012.

⁹ For empirical evidence that student aid helps fuel tuition inflation, in addition to the studies cited in note 8 see those cited at Neal McCluskey, “The Student Aid ‘Myth’ Myth,” *Cato & Liberty*, <http://www.cato-at-liberty.org/the-student-aid-myth-myth/>, December 8, 2011.

¹⁰ No sector of higher education has higher than 65.4 percent 6-year graduation rates for 4-year programs, and for public 2-year institutions (community colleges) only 20.4 percent of first-time, full-time students finish within 150 percent of “normal” time. National Center for Education Statistics, *Digest of Education Statistics*, 2011, Table 345, http://nces.ed.gov/programs/digest/d11/tables/dt11_345.asp.

¹¹ Anthony P. Carnevale and Stephen J. Rose, “The Undereducated American,” Georgetown University Center on Education and the Workforce, <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/undereducatedamerican.pdf>, June 2011.

¹² Federal appropriations to schools calculated using U.S. Department of Education, “Education Department Budget History Table,” <http://www2.ed.gov/about/overview/budget/history/edhistory.pdf>, August 5, 2011. State and local appropriations from State Higher Education Executive Officers, “State Higher Education Finance: fiscal year 2011,” Figure 2, http://www.sheeo.org/finance/shef/SHEF_fiscal_year_11.pdf, 2012.

¹³ Austan Goolsbee, “Does Government R&D Policy Mainly Benefit Scientists and Engineers?” *The American Economic Review* 88, no. 2 (1998): 298–302.

to those employed by the money, not to society or the people the aid is intended to help.

The Federal Government has accumulated an almost unimaginably huge debt, and sequestration offers only a small first step toward addressing spending recklessness. Thankfully, significant cuts can almost certainly be made to discretionary spending without adversely affecting the activities that Federal money is supposed to advance. Education is a perfect example of this, with overwhelming evidence revealing that Federal spending has, at best, done no overall good, and has quite likely caused appreciable harm. It has insulated Head Start providers, schools and districts, and colleges from pressures to become efficient and effective, and has taken funds from taxpayers in order to greatly increase education employment and the comfort of those working in colleges and universities. Trimming such wasteful funding, as sequestration would do, would be but an opening move in the right direction.

Senator HARKIN. Thank you, Mr. McCluskey.

And now we'll turn to Dr. Tammy Mann. Please proceed.

STATEMENT OF TAMMY L. MANN, Ph.D., PRESIDENT AND CEO, THE CAMPAGNA CENTER, ALEXANDRIA, VIRGINIA

Dr. MANN. Thank you.

Good morning, Chairman Harkin and Ranking Member Shelby, thank you for the opportunity to testify today about the potential impact of impending sequester of nondefense discretionary programs, in particular, early childhood education programs.

I have been privileged to serve as president and CEO of The Campagna Center in Alexandria for the past year and have worked in the field of early childhood education for the better part of 20 years. The Campagna Center currently serves more than 1,700 children through a range of early childhood, school age, youth, and family-development programs designed to empower and engage parents as they address their children's academic and social needs.

We, like many other early childhood centers across the country, successfully blend, braid, and leverage a multitude of local, State, and Federal funding with private investment and shared community resources to provide the highest quality services to the most vulnerable families in Alexandria.

The looming 7.8-percent cut to nondefense discretionary programs will have serious, immediate, and disruptive impact on vulnerable children and families we serve. Due to increases in our operating costs over the past few years, in particular deferred maintenance, health insurance for staff, rising utility costs, we simply do not have the budget cushion to withstand this large of a reduction without cutting children, families, and staff from our program.

We know that the Congress is committed to Head Start. Over the past few years, there has been solid bipartisan support for the quality early childhood education, and Head Start has not had to cut children from its programs. However, we work hand in hand with childcare services and other early learning programs, especially those funded or supplemented with State dollars.

Over the last year, States across the country have made significant cuts to childcare and pre-K programs. The ripple effects of this, combined with further cuts via sequestration, will be devastating to early learning across the country.

In Virginia alone, it is estimated that more than 800 children and their families would no longer receive federally funded childcare assistance. Without such assistance, families will be faced with the difficult decision of what to do with their children while at work, unfortunately, choices that can lead to children being

placed in unsafe environments or their parents being forced to reduce their hours or even quit their jobs.

For Head Start and Early Head Start, the cut would equate to the loss of roughly 1,100 children and their families in the State, according to the National Head Start Association.

My agency, The Campagna Center, is a delegate of the city of Alexandria. And among the children we serve, we are funded to provide assistance to 309 Head Start children and 108 Early Head Start children as a grantee. A cut of this magnitude would mean that approximately 24 fewer children would be served in Head Start and 10 fewer in Early Head Start.

Currently, we have to raise an additional \$75,000 each year just to be able to continue providing quality services to our Early Head Start children, because the current funding level has not been able to address our rising costs. This is in addition to the 20-percent non-Federal share match that we have to provide to operate the program.

There is simply no way we could absorb a cut as deep as proposed with other funding sources in this very challenged economic environment.

Additionally, due to the economic woes, the need in our community has grown much faster than our ability to provide services.

As a city, Alexandria has deep pockets of poverty that greatly undermine many families' abilities to pay for early childhood services. Last year, we had 206 children on our waitlist for Head Start and 169 for Early Head Start. Unfortunately, we expect this number to keep growing even without facing deep cuts.

For our program's spring enrollment fair, we had well over 500 parents seeking a spot for their children in our program. Any cuts in funding would certainly push more families onto long waiting lists, where the chance to gain access to early childhood education is slim to none.

In addition to the depth of the cut, one of our greatest fears is the timing. A January 2013 target date for these cuts go into effect is right in the middle of the program year for us as well as our K-12 colleagues.

Just recently, I had the opportunity to talk with a parent that knows firsthand how much Head Start has meant to her. The mother came to our program in 2010 after having experienced a divorce and was in need of assistance on many levels. With very little family support and few resources at her disposal, she was concerned about how she was going to make ends meet and provide for her children. In 2 short years, despite becoming homeless, her oldest child has thrived in our program, and has since successfully completed kindergarten, and is doing very well in school.

This parent has been able to enter a training program that has her close to earning her child development associate credential, and she is gainfully employed as a teacher assistant and very much motivated to do what it takes to continue her own education and support her children's education.

She credits her success to the support she has received from teachers, home visitors, and family support staff in our program. This mother's story reflects the story of many parents who have

come to rely on Head Start and other early care and education programs that support child and family success.

It's clear that cuts in this area will have lasting impact. Quality early education prepares the Nation's youngest children for a lifetime of learning and success. In fact, studies show that for every \$1 invested in a Head Start, society earns at least \$7 through increased earnings, employment, family stability, as well as decreased welfare dependency, healthcare costs, crime costs, grade retention, and special education.

PREPARED STATEMENT

I firmly agree that our national deficit is a looming problem. As an advocate serving children, I too am concerned about leaving significant debt behind to be paid for by the next generation.

On behalf of my colleagues across the country, I urge this subcommittee to take a leadership role in finding a balanced approach that averts the sequester and ensures that this deficit reduction effort is not financed with cuts to programs that help our most vulnerable citizens. Hundreds of thousands of children and families in your home States are counting on it.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF TAMMY L. MANN, PH.D.

Chairman Harkin and Ranking Member Shelby: Thank you for the opportunity to testify today about the potential impact of the impending sequester of nondefense discretionary programs, in particular, early childhood education programs supported through Head Start, Early Head Start, and Child Care funding. I have been privileged to serve as president and CEO of The Campagna Center, in Alexandria, Virginia, for the past year and have worked in the field of early childhood education for more than 20 years. The Campagna Center serves more than 1,700 children through a range of early childhood, school age, youth, and family development programs designed to empower and engage parents as they address their children's academic and social needs. We, like many other early childhood centers across the country, successfully blend, braid, and leverage a multitude of local, State, and Federal funding with precious private investment and shared community resources to provide the highest quality services to the most vulnerable families in Alexandria.

The looming 7.8-percent cut to nondefense discretionary programs will have serious, immediate, and disruptive impact on the vulnerable children and families we serve. Due to increases in our operating costs over the past few years, in particular deferred maintenance, health insurance for staff, and rising utility costs, we do not have the budget cushion to withstand this large of a reduction without cutting children, families, and staff from our program. Nationally, the Department of Health and Human Services estimates that this cut, via sequestration, will result in 100,000 fewer children receiving Head Start and Early Head Start services, and 80,000 fewer children receiving child care assistance.

We know that the Congress is committed to Head Start—over the past few years there has been solid bipartisan support for quality early childhood education and Head Start has not had to cut children from its programs. However, we work hand-in-hand with child care services and other early learning programs, especially those funded or supplemented with State dollars. Over the last year, states across the country have made significant cuts to child care and pre-K programs. The ripple effects of this, combined with further cuts via sequestration, will be devastating to early learning across the country.

In Virginia alone, it is estimated that more than 800 children and their families would no longer receive federally funded child care assistance. Without child care assistance, families will be faced with the difficult decision of what to do with their children while at work. Unfortunately, that choice can lead to kids being put in unsafe environments or their parents forced to reduce their hours or even quit their jobs. For Head Start and Early Head Start, the cut would also equate to the loss

of roughly 1,140 children and their families in the State, according to the National Head Start Association.

My agency, The Campagna Center, is a delegate agency of the city of Alexandria and among the children we serve, we are funded to provide assistance to 309 Head Start Children and 108 Early Head Start children as a grantee. A cut of this magnitude would mean that approximately 24 fewer children would be served in Head Start and approximately 10 fewer in Early Head Start. Currently, we have to raise an additional \$75,000 each year just to be able to continue providing quality services to our Early Head Start children because the current funding level has not been able to address our rising costs; this is in addition to the 20 percent non-Federal match that we have to provide to operate the program. There is simply no way we could absorb a cut as deep as proposed with other funding sources in this very challenged economic environment. Teacher and Teacher Assistant jobs would be lost, as well as reductions in time for staff that support our teachers—Family Service Support professionals, Nutrition Specialists, and others that are vital to the life success of our children.

Additionally, due to economic woes, the need in our community has grown much faster than our ability to provide services. As a city, Alexandria has deep pockets of poverty that greatly undermine many families' ability to pay for early childhood services. Last year we had 206 children on our waitlist for Head Start and 169 children on the Early Head Start waiting list. Unfortunately we expect this number to keep growing even without facing deep cuts; for our program's Spring enrollment fair, we had well over 500 parents seeking a spot for their children in our program. Any cuts in funding would certainly push more families onto long waiting lists, where the chance to gain access to early childhood education is slim to none.

In addition to the depth of the cut, one of our greatest fears is its timing. January 2013, the target date these cuts go into effect, is right in the middle of the program year for us as well as our K–12 colleagues. We simply do not know how we can possibly tell families that their services will lapse come January. These services are critical to helping stabilize at-risk families, so that their children will be assured a home environment that nurtures a lifetime of learning and success.

Just recently, I had the opportunity to talk with a parent that knows firsthand how much Head Start has meant to her family. This mother came to our program in 2010 following a divorce and was in need of assistance on many levels. With very little family support and few resources at her disposal, she was concerned about how she was going to make ends meet and provide for her children. In 2 short years, despite becoming homeless, her oldest child thrived in our program, has since successfully completed kindergarten, and is doing very well in school. This parent has been able to enter a training program that has her close to earning her Child Development Associate credential and she is gainfully employed as a teacher assistant and very much motivated to do what it will take to continue her education and support her children's education. She credits all of this success to the support she received from teachers, home visitors, and family support staff in our program. This mother's story reflects the story of many parents who have come to rely on Head Start and other early care and education programs that support child and family success.

Cuts in this area will have lasting impact. Quality early education prepares the Nation's youngest children for a lifetime of learning and success. In fact, studies show that for every \$1 invested in a Head Start child, society earns at least \$7 through increased earnings, employment, and family stability;¹ as well as decreased

¹Ludwig, J. and Phillips, D. (2007). The Benefits and Costs of Head Start. Social Policy Report. 21 (3: 4); Deming, D. (2009). Early childhood intervention and life-cycle skill development: Evidence from Head Start. *American Economic Journal: Applied Economics*, 1(3): 111–134; Meier, J. (2003, June 20). Interim Report. Kindergarten Readiness Study: Head Start Success. Preschool Service Department, San Bernardino County, California; Deming, D. (2009, July). Early childhood intervention and life-cycle skill development: Evidence from Head Start, p. 112.

welfare dependency,² healthcare costs,³ crime costs,⁴ grade retention,⁵ and special education.⁶

I firmly agree that our national deficit is a looming problem; as an advocate serving children, I too am concerned about leaving significant debt behind to be paid for by the next generation. On behalf of my colleagues across the country, I urge this subcommittee to take a leadership role in finding a balanced approach that averts the sequester and ensures that this deficit reduction effort is not financed with cuts to programs that help our most vulnerable citizens. Hundreds of thousands of children and families in your home States are counting on it. Thank you.

Senator HARKIN. Thank you, Dr. Mann. Thank you all very much for your testimony.

As I said, your whole testimonies will be made a part of the record. We'll start a round of 5-minute questions.

First, Tammy Mann, Dr. Mann, last April, I went down to the U.S. Chamber of Commerce, and their affiliate had issued a report calling for more investment in early childhood education. Not less, more. This is the U.S. Chamber of Commerce. Coming from a business community to unite in an effort to convince us, and I assume people on the local level and everywhere else, to invest more in early childhood education.

So I want to point out this concern is also coming from the business community, but it's not just recent. In 1990—it was either 1990 or 1992, the Committee on Economic Development was headed by the president and CEO of Honeywell at that time. It came out with a report on what needed to be done on education in America from a business standpoint, from a business community standpoint, what needed to be done. And their entire report was focused on putting more into early childhood education, early learning programs. That was 1990 or 1992, I forgot exactly which year.

So again, the business community this year stepped up again. But we never seem to quite get there.

For both you and Dr. Walker, your statements read—or Dr. Walker, your statement—the concept of doing more with less is admirable, but there comes a time when there's not enough left adequately and equitably to educate the children of America.

Dr. Atkinson, you said our State and local education agencies (LEAs) are currently running on shoestring budgets and cannot afford additional cuts.

For both of you, what kinds of things have you done already to reduce costs? And if sequestration goes into effect, where are you going to go for this extra money? Can you go to your local jurisdiction, your States? Can you address it yourself? Where would you

²Meier, J. (2003, June 20). Kindergarten Readiness Study: Head Start Success. Interim Report. Preschool Services Department of San Bernardino County.

³Frisvold, D. (2006, February). Head Start participation and childhood obesity. Vanderbilt University Working Paper No. 06-WG01; Currie, J. and Thomas, D. (1995, June). Does Head Start Make a Difference? *The American Economic Review*, 85 (3): 360; Anderson, K.H., Foster, J.E., & Frisvold, D.E. (2009). Investing in health: The long-term impact of Head Start on smoking. *Economic Inquiry*, 48 (3), 587–602.

⁴Reuters. (2009, March). Cost of locking up Americans too high: Pew study; Garces, E., Thomas, D. and Currie, J. (2002, September). Longer-term effects of Head Start. *American Economic Review*, 92 (4): 999–1012.

⁵Barnett, W. (2002, September 13). The Battle Over Head Start: What the Research Shows.; Garces, E., Thomas, D. and Currie, J. (2002, September). Longer-Term Effects of Head Start. *American Economic Review*, 92 (4): 999–1012.

⁶NHSA Public Policy and Research Department analysis of data from a Montgomery County Public Schools evaluation. See Zhao, H. & Modarresi, S. (2010, April). Evaluating lasting effects of full-day prekindergarten program on school readiness, academic performance, and special education services. Office of Shared Accountability, Montgomery County Public Schools.

get that lost revenue, or would you just have to lay off teachers and cut services?

Dr. ATKINSON. North Carolina has no place to go. We have moved very aggressively to become more efficient and more effective in our delivery of public education.

Harvard just recently issued a report indicating that North Carolina was one of six States getting the most gain of student achievement with the incremental dollars that we have. We ranked 45th in the Nation, according to the 2010 census for educational spending.

Our instructional resources budget has been cut 50 percent.

Senator HARKIN. Excuse me. You ranked 45th out of 50 States in educational spending?

Dr. ATKINSON. That's correct, Sir.

Senator HARKIN. So you're at the bottom?

Dr. ATKINSON. Yes, we are. And not only are we at the bottom, our school districts will face about \$190 million less money to serve 12,000 more students along with our 1.5 million children that we have in our State.

Through Race to the Top dollars—thank goodness—we have been able to continue to build a more efficient and effective system where we can have some economies of scale, such as instead of our 115 school districts doing requests and proposals for services, we want to do it one time for our 115 school districts.

We have started a virtual high school, the second largest in the Nation. That virtual high school supplements instruction in schools where they could no longer have teachers, and it helps our rural schools in the State to offer more opportunities.

We have been cutting and cutting. We have approximately 5 percent of our budgets spent in administration. That's one of the lowest in the Nation, and I'm sure that any business would be very proud to have an administrative cost at 5 percent.

We have made cuts in teacher assistance. We've had to eliminate more than 6,000 positions over the last couple of years.

So we have no place to go to get to make up for the difference that would occur should sequestration take place. North Carolina is a State that has had its share of hurricanes, and we've been trying to build and we are well on our way to building a very strong foundational house, but sequestration would be like a hurricane coming through and blowing off the roof of what we have done to move us to the place where nearly 100 percent of our students can graduate from our schools prepared with options.

Senator HARKIN. Mr. Walker.

Dr. WALKER. Yes, Sir. Learning is the byproduct of good teaching. And in order to have learning, we have to have the people. And so over the last couple of years, we've actually already started reducing our staff, which means larger class sizes.

For example, we've reduced an English teacher, a math teacher, a science teacher at the high school level; reading specialists—one at the elementary, one at the middle school; a librarian; a facility planner; a person in our curriculum department at the campus level.

Senator HARKIN. So has the number of your students decreased at the same time?

Dr. WALKER. No, Sir. Our numbers have stayed the same. We're having to put more students in the classroom now. No pay raises.

So, essentially, what we're having to do is we're having to look at our personnel. We eliminated the baseball, swimming, and cross-country programs, but we did that in order to keep our elementary art, our elementary music, our secondary theater arts, music programs, all those programs in the fine arts. We're trying to keep a balance.

But, ultimately, Sir, when it all boils down and you look at it, we have to touch people's lives and we have to reduce our staff. And at some point, we have to have a bare minimum to operate to take care of the Federal and State mandates for educating our children.

Senator HARKIN. Thank you.

Senator Shelby.

Senator SHELBY. Thank you, Senator Harkin.

It's been estimated that the Federal contribution, on average, is about 10.8 percent of a local school district's total funding. I think that's nationwide.

On a local level, this means that an automatic cut, for example, of 7.8 percent to the Federal share for an average school district would equal a cut of about 84 percent of its total funding.

I know you don't want to cut anything. I agree with you that sequestration is not the way to do it. You know, we're going to have to do things in the future a little differently up here, because we're challenged economically, as we all know, just as you are in North Carolina, you are in Texas, you are in Virginia. My people in Alabama, we understand that.

Mr. McCluskey, I want to direct my first question to you. First of all, I believe access to a quality education is critical to the success of our citizens and the competitiveness, as has been said here, of our Nation in the global economy. However, there is not always a strong correlation between spending and outcomes. We know that.

Since 1970, Federal education spending on a per-pupil basis has increased from \$435 to \$1,159 in 2008. Yet according to the most recent performance report ranking 15-year-olds from the 34 countries of the Organization for Economic Cooperation and Development (OECD), the United States ranked 25th in math and 17th in science.

Can the approximate 7.8-percent cuts we've been talking about under sequestration be taken without adversely affecting student achievement?

Mr. McCLUSKEY. I think the overwhelming evidence, and a lot of it I laid out in my testimony, is that we have spent huge amounts of money. We've had gigantic increases and sustained over decades. And it simply hasn't, in any way, translated into better outcomes, into better performance, and it's the Federal Government's own test that shows that, the National Assessment of Educational Progress.

And you bring up the international data, and that's also interesting, because we spend more than almost any other Nation in the OECD on education and still get very poor results.

Senator SHELBY. But the outcome is different, isn't it?

Mr. MCCLUSKEY. What's that?

Senator SHELBY. The outcome, considering what other nations spend and what we spend.

Mr. MCCLUSKEY. Absolutely. So they do much better on, usually, much less spending per pupil.

We can talk about this as an investment, but if it is an investment, it's an investment that's been paying no return for decades. And considering the size of the debt and considering that this is money that comes from taxpayers who might be able to use it for much more efficient things that they really need, I can't see how it can be justified to continue spending like this.

Senator SHELBY. Dr. Atkinson, if cuts still need to be taken to education funding, and I think we're going to have to look at everything up here whether we want to or not, and it was up to individual States, for example, to make these cuts, what specific programs would you target and what innovative strategies would you support to achieve some efficiencies in education, because I do believe whether it's defense, whether it's education, or whether it's health, that they are some efficiencies there that we should all strive to get to. What would you suggest, if any?

Dr. ATKINSON. I believe that my colleagues across the Nation would agree that should sequestration have to occur, and should cuts have to occur, that States must be offered flexibility in making cuts where we see through our data that we are not as effective or efficient in one area as we would be in another.

So we need to offer that flexibility to States, because it may not be the same in all of our States where we see inefficiencies and ineffectiveness.

I believe that we also must work collaboratively to get efficiencies. For example, the adoption of the common core standards is a good example of how States can come together, focus on the common standards, share resources dealing with professional development, share resources as it relates to helping students understand the content and to apply that content.

There are other examples with online professional development. There are other examples that can be used in having accessible to all of our States online instruction that can complement or supplement the instruction that a teacher would provide in the classroom.

Senator SHELBY. Dr. Walker, I voted against the sequestration legislation, as the Mr. Chairman did, that brought us where we are today. But if it does come about, would it be better to deal with it now as opposed to kicking the can down the road if you had a little certainty there?

Dr. WALKER. Absolutely, Sir.

Senator SHELBY. Thank you, Mr. Chairman.

Senator HARKIN. Thank you. It's true we both voted against it, but I think I voted against it because it raised no revenue and—

Senator SHELBY. Probably for different reasons.

Senator HARKIN. And you probably voted against it because it didn't cut enough. So different reasons.

Senator SHELBY. I didn't say we voted against it for the same reason.

Senator HARKIN. Let's see, I just wanted to cover one other thing here.

Yes, Mr. McCluskey, I had one thing I wanted to ask you about in your testimony here. You know, I always like it when people cite studies and stuff, but I found in my long career here that when you cite a study that's been cited by somebody else, been cited by somebody else and cited by somebody else, it's going to take on a life of its own. But you really don't know what the real facts are.

So just to read, in your testimony, you said that, "Indeed, GAO reports in 2000, 2005, and 2008 found widespread noncompliance with financial management standards and very poor efforts to remediate the problem." We're talking about Head Start. This is Head Start.

You said, "As reports in the Government Accountability Office, local media outlets, and other sources have revealed, Head Start has long suffered from serious waste and abuse. Indeed, GAO reports in 2000, 2005, and 2008 found widespread noncompliance with financial management standards and very poor efforts to remediate the problem."

I was very intrigued by that, since I was here in those years and was on this subcommittee, either as ranking member or chair, and I didn't remember those, so I asked my staff to look at it. What we found out was that the GAO study found possible abuse of eligibility rules.

This is where kids may have been—their families may have been more than 100 percent of poverty but their kids were in the Head Start program. And they found this in eight Head Start centers. Do you know how many Head Start centers are in the country, Mr. McCluskey?

Mr. MCCLUSKEY. Quite a few.

Senator HARKIN. Sixteen hundred. So I question the usage of your words "widespread noncompliance." I'm sure that somebody else may pick up your citing of this and then cite the study in something else and then it takes on a life of its own.

But I doubt that finding possible abuse of eligibility rules at 8 out of 1,600 Head Start centers is an indictment of widespread noncompliance and poor efforts to remediate the problem.

Mr. MCCLUSKEY. In fact, I'm not the only one I think who's found evidence of this and acted on it. In fact, the Obama administration has undertaken a new effort to impose some sort of accountability on Head Start centers due to widespread problems, at least what they are perceiving as widespread problems, within Head Start of financial management and things like this.

So I don't think I am the only one who senses a problem in this area. The Obama administration seems to be working on that expectation or thought that's out there as well.

Senator HARKIN. Well, again, maybe your definition of "widespread" is a little bit different than mine, but 8 of 1,600 doesn't seem widespread.

Everything has problems. We always try to focus on how we can do things better. I understand that. But I don't know that that's an indictment of the Head Start program.

Mr. Walker, I wanted to ask you, you said in your testimony—you mentioned something. I heard it. You said something about State and Federal mandates in education. What do you mean by Federal mandates in education?

Dr. WALKER. One of the mandates that we deal with is, is dealing with Individuals with Disabilities Education Act (IDEA), with some of the issues that come out of No Child Left Behind, dealing with the testing requirements that we're under. It flows through the State, but it's through No Child Left Behind.

There are various areas that we have that we have to act and we have to do things, and that's what I term a mandate.

Senator HARKIN. Let me address myself to one of those, IDEA.

There is, I think, a mistaken perception, hearing from you, a well-known educator, that IDEA, the Individuals with Disabilities Education Act, is a Federal mandate. It is not a Federal mandate. It's a constitutional mandate.

You see, under the Constitution of the United States, no State has to provide a free public education. There's no constitutional mandate that says that any State has to provide a free public education.

What the Constitution does say, however, as the Supreme Court has interpreted over the years, is that if a State does provide a free public education, it cannot just provide a taxpayer-based free public education for white boys. It cannot just provide a free taxpayer-funded public education for Christian boys and girls.

The Supreme Court has said that you can't discriminate based on race, sex, or natural origin, et cetera, et cetera.

A case came before the circuit court for Pennsylvania—*PARC v. Pennsylvania*—*PARC*, *P-A-R-C*—*Pennsylvania Association for Retarded Citizens vs. Pennsylvania*. Here, I'm into trouble—early 1970s, I believe.

In which some parents of kids with disabilities—intellectual disabilities—brought about a case saying that their kids were being discriminated against. They were taxpayers, and their kids were not being given a free, appropriate public education.

The district court found for the parents. It was appealed to the circuit court. The circuit court upheld that, and the Supreme Court denied it.

The Supreme Court was saying, you're right, this is a constitutional requirement. You cannot discriminate on the basis of disability, if you're going to have a free public education.

The Federal Government came along—then I came to Congress. The Federal Government comes along and says, well, and the States came to the Federal Government and said, my gosh, now we are going to have to educate kids with disabilities. It's a constitutional requirement just like we have to educate girls now. We have to educate African-Americans. We have to educate new immigrants who come into this country.

So the States came and said, my gosh, this is going to be a new burden. The Federal Government said, okay, I'll tell you what we'll do, we'll make a deal. We'll provide funding to help meet this constitutional requirement you have, but here are some of the things you have to do if you want some of the Federal money. You don't have to take the Federal money. But if you do, here are some of the requirements you have to meet.

And the Federal Government at the time, it was our goal to have the Federal Government pay for at least 40 percent of the increased cost, whatever it might cost to educate the kids with a dis-

ability, that we would pay for 40 percent of it, as a goal. It wasn't guaranteed, but that was the goal.

I've been involved in trying to reach that goal for 30 years. We've never made it. We got it up a little bit under the American Recovery and Reinvestment Act, but that went away.

But be that as it may, the requirement that every school district—yours, too—educate kids with disabilities is not a Federal mandate. It's a constitutional requirement. Even if there were no IDEA at all, you would still have to educate those kids with a disability. Not a Federal mandate whatsoever.

The only mandate is if you take the money, you have to meet certain requirements in terms of IDEA. You don't have to take the money.

So I just wanted to make that clear, that a lot of times, there are Federal mandates. But many times they're not Federal mandates; they're constitutional requirements that we have to meet in order not to discriminate against one class or another of our citizens.

Now, No Child Left Behind, again, yes, there are mandates in No Child Left Behind, Federal mandates. Again, those come basically through title I funding. If a State wants title I funding, here is what you have to do.

I will point out again and again, as I point out as chairman of this subcommittee and as chairman of the authorizing committee, no State has to take title I money. There is no requirement for any State that you must take Federal money for education. If you want it, then here are the requirements you have to meet.

I have my own problems with No Child Left Behind. That's why I worked with Senator Enzi on the authorizing committee, not the appropriating committee, authorizing committee, to pass legislation to get rid of No Child Left Behind, because I came to the conclusion that it was a bad piece of legislation. So we got it through our committee, but we can't get it through the Senate floor right now.

But those are the things that we have to work on. But again, I always point out that there is no requirement that any State has to take that money. If a State wants to, they can pay for all their education all by themselves. But even if a State did, even if North Carolina decided to pick up everything, they still can't violate the Constitution of the United States as long as they're a State in this Union.

So when we think about these mandates, just be careful about whether we say they are a Federal mandate or are they a constitutional requirement that taxpayers—a State cannot use taxpayer money to come in and just do it for one class of people and discriminate against another class of people. I think we all understand that. That's sort of common sense, as we say right now.

Well, I should say, Senator Shelby already left. But I did want to respond about the funding of early—that per student funding has gone from \$435 in 1975 to \$1,159 in 2008, yet the United States has ranked some place down there in the ranking system.

I don't know what the inflationary factor increase from 1970 to now would be. It's 40-some years. I suppose that would probably put it in equal terms maybe around \$800. I don't know. And so then \$300 in there.

Look at the difference between 1970 and now. I mean, we weren't educating kids with disabilities then. They were all housed in institutions, and we were paying through the nose for that discriminatory action. So we've saved money there, but we put it into education, for educating kids with disabilities.

So, yes, we might be spending more per student, but some of that money was being spent on institutional care for students or kids that just weren't being educated.

From my area, I know a lot of kids went through 8th grade, 10th grade, dropped out of school and got a job in a factory. They could do that then. You can't do that anymore.

And so we're educating more kids now, a lot more children than what we did in 1970.

We've had an influx of English language learners into this country. We had the wave that came when my mother, who was an immigrant, came to the country. Then it subsided, and we had another big wave come.

That has an effect on our schools and school spending also. So to say that we've increased spending on students a tremendous amount since 1970, it doesn't really tell me a lot until you factor in all those other factors as to what the student population is like right now.

And to be sure, I wish the United States—and Secretary Arne Duncan said it—we've got to do a better job on educating kids.

I politely disagree with my friend from the Cato Institute, who says the Federal Government has been the cause of all this terrible stuff. We only provide 8—between 8 and 10 percent of all the funding for elementary and secondary education in this country. And we're at a high point. It used to be less than that.

I would assume if you go back to 1970, there's probably around 4, 5, or 6 percent of total funding for elementary and secondary education. Now, it's up to 8 or 9 percent.

So if there's a fault, how about looking at the 92 percent that the States are funding? Ninety-two percent of all of the funding for elementary and secondary education come from States and local governments, not from the Federal Government. Is it the Federal Government's fault or is it the State and local government's fault that we rank so low on this?

To blame it all on the Federal Government, when they provide 8 percent, is to ignore the elephant in a room, which is the State and local governments who provide 92 percent of the funding for education. You know, maybe they haven't done enough to bolster education in State and local governments.

We had a hearing earlier this week on higher education, and there is a direct correlation between States that have decreased their funding for higher education and increased tuition. So if States have decreased their funding for higher education, tuition goes up, students borrow more money. That's why we have student debt today higher than credit card debt.

So I say these things, I think about this. Is it really the Federal Government or is it State and local governments that bear the brunt of this?

Well, again, I thank all of you. I think you've made us think about a lot of things. If nothing else, I think what we pointed out

here, and I think maybe for different reasons voted against it, but I think we both agree that sequestration would be devastating, either on the defense side or the nondefense side. I just think that most of us have been focused on the defense side. I think now we're beginning to focus on what would happen in nondiscretionary defense spending if, in fact, we had sequestration.

Again, an impetus for us to get them together, reach compromises as we've done, as I pointed out, we've done in the past. There's no reason why we can't do it now.

ADDITIONAL COMMITTEE QUESTIONS

So I thank you all for what you do in your local areas for education, and thank you for taking the time to be here and to testify and to give us the benefit of your thinking.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

ARE FEDERAL EDUCATION PROGRAMS EFFECTIVE? WOULD SEQUESTRATION HARM FEDERAL EDUCATION PROGRAMS?

Question. Mr. Secretary, during the hearing we heard testimony from Mr. Neal McCluskey who stated that “. . . the last 40-plus years of Federal involvement in education provide a clear demonstration of futility” and that education is a perfect example of why cuts can be made without adversely affecting the activities the Federal money is supposed to advance with “. . . overwhelming evidence revealing that Federal spending has, at best, done no overall good, and has quite likely caused appreciable harm.” Would you please comment on these opinions?

Answer. I don't think we need to get into a debate about the effectiveness of the Federal role in education over the past four decades to demonstrate whether or not sequestration would have a negative impact on students, parents, teachers, and schools. The bottom line is that we know from our partners in State and local education agencies, from superintendents and school boards, and from parents and principals that our schools rely on Federal education programs to meet the educational needs of all students but especially students from low-income families, students with disabilities, English learners, and other students who face challenges in meeting State academic standards and graduating from high school college- and career-ready. We also know that millions of postsecondary students and their families, as well as the institutions of higher education that these students attend, depend on the Department of Education to process student financial aid applications and deliver the grant and loan assistance that students need to obtain a postsecondary education. There is simply no question that sequestration would have a severely adverse impact on these beneficiaries of strong Federal support for State and local education systems, particularly at a time when State and local budgets are still recovering from the recent economic recession.

I would just add that we do pay attention to evidence of effectiveness regarding the Department's programs, and we have not been shy about proposing the elimination of programs that either are not effective or have limited impact. This is why, with the help of the Congress, we have eliminated or consolidated no fewer than 49 programs over the past 3 years, for a total savings of \$1.2 billion. In my view, we have been very successful in cutting the “fat” from Federal education programs; sequestration would require us to cut into the bone and risk significant damage to students and schools across the Nation.

IMPACT ON EDUCATION PROGRAMS OF SEQUESTRATION IF PELL GRANT PROGRAM IS EXEMPT

Question. In a September 2011 analysis of sequestration's impact, the Congressional Budget Office (CBO) estimated that nonexempt, nondefense discretionary programs will face an across-the-board cut of 7.8 percent in fiscal year 2013. At that time, it was unclear how the Pell grant program factored into CBO's analysis and

whether the Office of Management and Budget (OMB) believed the program was subject to sequestration or if it was exempt.

As you know, I released a report on July 25th entitled "Under Threat: Sequestration's Impact on Nondefense Jobs and Services", that provided a detailed, State-level analysis of sequestration's effect on dozens of education, health, and labor programs using CBO's 7.8-percent across-the-board cut estimate. I recently learned that OMB has ruled that the Pell grant program is exempt from sequestration. Given that the Pell grant program's discretionary costs represented 33 percent of the Department of Education's total discretionary budget in fiscal year 2012, I would like to know how OMB's recent decision affects the cuts that will need to be made to nondefense discretionary spending, particularly at the Department, to achieve the required savings under sequestration.

Answer. Pell grants will be exempt from the fiscal year 2013 sequester. In its September report pursuant to the Sequestration Transparency Act of 2012, OMB took the Pell grant exemption and many other factors into account and estimated that the sequester for nondefense discretionary programs would be 8.2 percent.

QUESTION SUBMITTED BY SENATOR HERB KOHL

SEQUESTRATION GUIDANCE FOR INSTITUTIONS OF HIGHER EDUCATION

Question. Over the past few weeks, we have heard more and more about how sequestration might affect our Research I universities and what it will mean for student financial aid and support programs. However, our smaller regional colleges and universities still have a lot of questions about what sequestration might mean for them. Does the Department of Education have any guidance for our smaller institutions of higher education?

Answer. The administration continues to urge the Congress to pass a balanced package of deficit reduction that would replace the potential sequestration. As the September report on sequestration stated, "... no amount of planning can mitigate the effect of these cuts." However, the exemption for Pell grants would make it easier for these smaller institutions than without the exemption.

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

IMPACTS ON REFORM

Question. I commend the administration on its strong commitment to education reform through initiatives like Race to the Top, Investing in Innovation (i3), the Charter Schools Program, and the Teacher Incentive Fund. Targeted investments in such evidence-based programs have leveraged significant education reforms in Louisiana and across the country.

Mr. Secretary, can you please address how sequestration might alter the administration's education reform agenda and its impact on our Nation's efforts to close the achievement gap?

Answer. Reducing investments in education is not the way to close the achievement gap or stimulate reform. The sequester would cut significant funding from our foundation formula programs, like title I and Individuals with Disabilities Education Act (IDEA), that provide resources for districts and schools serving our neediest students. It would be hard to avoid reductions in the number of teachers at a time when school enrollment is increasing. That would not be the formula for future success in turning around our economy or preparing more students to be ready for college or careers. I agree that our reform initiatives have been levers in producing reforms. I think we need to do more, not less, to stimulate reforms. Now more than ever, when we need to boost our economy by filling jobs with a future, we should be increasing our investments in approaches like Race to the Top.

PREPARATION FOR SEQUESTER

Question. I appreciate that the Department has started communicating with Chief State School Officers about sequestration so that they can start preparing for the impending cuts. Since there is no guarantee the Congress will prevent sequestration, I hope that you will continue to communicate with our State education leaders regarding sequestration.

Mr. Secretary, can you please discuss the next steps the Department will take to prepare for sequestration and to ensure that our States are prepared, as well?

Answer. We are glad that the guidance on the major formula programs with advance funding (title I of Elementary and Secondary Education Act [ESEA], IDEA

part B, Teacher Quality, and Career and Technical Education) was helpful to the States. We will continue to monitor progress in the Congress. As we have said before, the administration continues to urge the Congress to pass a balanced package of deficit reduction that would replace the potential sequestration. As the September report on sequestration stated, “. . . no amount of planning can mitigate the effect of these cuts.” We believe the reductions in spending would be significant and hope they can be avoided.

PREVENTING SEQUESTRATION

Question. Although this hearing is focused on the impact of sequestration on education, I think it's worth discussing efforts to prevent sequestration from happening in the first place.

Mr. Secretary, how much outreach has the Department conducted on Capitol Hill to educate Members of Congress and their staff on the severity of circumstances surrounding these cuts, and will the Department increase its efforts as fiscal year 2013 approaches?

Answer. The Sequestration Transparency Act of 2012 (Public Law 112–155) required the President to submit to the Congress a report on the potential sequestration triggered by the failure of the Joint Select Committee on Deficit Reduction to propose, and the Congress to enact, a plan to reduce the deficit by \$1.2 trillion as required by the Budget Control Act of 2011. In response, in September, the Office of Management and Budget issued a detailed report based on assumptions required by the STA. The report provided the Congress with a breakdown of exempt and non-exempt budget accounts, an estimate of the funding reductions that would be required across nonexempt accounts, an explanation of the calculations in the report, and additional information on the potential implementation of the sequestration.

In addition to that report, the administration has also been actively discussing the repercussions in hearings like this one and in communications that provide as much information as possible at this point in the process. The President has proposed alternatives to the sequester on at least two occasions, and the administration believes that its balanced approach to deficit reduction is preferable to the arbitrary across-the-board reductions.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

EDUCATION PROGRAM PRIORITIES IF SEQUESTRATION TAKES EFFECT

Question. Mr. Secretary, if the Congress is able to come up with a plan that would lessen the sequestration amount but still require additional discretionary spending reductions, where would you propose to take these cuts, and what are the priorities you want protected?

Answer. I believe that education is an investment that is even more important in our tough economic times. I would not be reducing our education investments. Where it was possible, we have already made many reductions and achieved significant long-term savings. For example, we have already eliminated 49 programs in the past 3 years. Those programs didn't produce expected results, were duplicated by other programs, or had achieved their original purpose. Those eliminations save \$1.2 billion each year. We also made changes in our student aid programs including \$68 billion in savings by eliminating unnecessary subsidies to banks. We invested these savings in Pell grants and increased the maximum Pell grant award. And in order to ensure that the Pell grant program remains fully funded, we made hard choices to reduce student loan subsidies for graduate students and ended the year-round Pell. In addition, we kept the interest rate on subsidized Stafford loans for low-income students from doubling from 3.4 to 6.8 percent.

ACTIONS TAKEN TO INCREASE PROGRAM EFFICIENCIES GIVEN POTENTIAL SEQUESTRATION

Question. Within the Department, what steps have you taken to try and lessen the impact of sequestration on critical education programs, and, in particular, what are you doing to increase efficiencies knowing there could be an upcoming reduction in resources?

Answer. No amount of planning will prepare for the arbitrary sequester. While we have issued guidance on how we will handle advance-funded appropriations, we have not been planning for significant reductions in our key programs. We are operating under the continuing resolution now, which assumes that funding for fiscal year 2013 will approximate the levels appropriated in fiscal year 2012.

SEQUESTRATION IMPACT ON UNOBLIGATED BALANCES, HOLD-HARMLESS, AND
MAINTENANCE-OF-EFFORT PROVISIONS

Question. The Department of Education has provided limited guidance to States about how the sequester will affect certain programs—in particular, how education programs that are advance-funded are impacted. However, it remains unclear how unobligated balances from fiscal year 2012 will be affected and how hold harmless and/or maintenance-of-effort (MOE) provisions will be impacted. Can you provide the subcommittee details on how these provisions will be affected?

Answer. We do not believe that unobligated balances from fiscal year 2012 (i.e., funding that the Department has not obligated to States, school districts, or other recipients) will be affected by the fiscal year 2013 sequester. There would be no changes in hold-harmless and/or MOE provisions. Those are usually not dependent on the final level of appropriation for a given authority.

OPTION FOR NEW STATE AND LOCAL FLEXIBILITIES UNDER SEQUESTRATION?

Question. Dr. June Atkinson, the State Superintendent for North Carolina, testified that the Department of Education should offer States and districts new flexibilities if sequestration is implemented. Does the Department have the authority to provide such flexibilities, and, if so, what specific flexibility, if any, is the Department considering providing to States and districts if sequestration is implemented?

Answer. At this point, we do not see additional flexibilities arising from the sequester. The sequester will reduce the appropriations that are provided. The basic authorizing statutes will not be changed by the reduction in funding.

SEQUESTRATION IMPACT ON LOCAL EDUCATION AGENCIES WITH GREATER RELIANCE ON
FEDERAL FUNDING

Question. It is estimated that the Federal contribution comprises on average only about 10.8 percent of a local school district's total funding. On the local level, this means that an automatic cut of 7.8 percent to the Federal share for an average school district would equal a cut of about .84 percent of its total funding. However, concerns have been raised that local school districts that rely on Federal funding for a larger portion of their budget, such as title I school districts, will have greater challenges implementing sequestration cuts. What actions could the Department of Education take to lessen the impact on school districts that rely heavily on Federal funding?

Answer. The sequester would significantly reduce Federal funding. The cuts in formula programs that receive advance funding for next school year will have to consider reductions in staff and services. Those districts relying heavily on Federal funding will have to make the largest adjustments. We would try to share examples of cost-cutting efforts that would minimize the negative impact on students and teachers, but at this point, we are not engaging in such planning.

SEQUESTRATION IMPACT ON ORIGATION FEES FOR STUDENT LOANS

Question. Mr. Secretary, you discuss in your testimony the impact that budget sequestration would have on the ability to administer student aid programs. It is my understanding that under sequestration the Department of Education would also be required to increase the origination fees for Federal student loans which would increase borrowing costs for students. Can you discuss the changes that the Department expects to make to origination fees on student loans under sequestration?

Answer. The Department is proud of its role overseeing the Federal student aid programs which assist nearly 15 million students annually to afford the cost of a college education. Part of this role includes offering low-interest student loans to students and families regardless of income, with favorable repayment and forgiveness options, and with low origination fees. Unfortunately, during a period of sequestration the Department would be required to raise existing origination fees for Direct Loans by the percentage specified in the sequestration order. All loan types—Stafford, unsubsidized Stafford, PLUS, and Consolidation loans—are subject to this increase.

Currently, subsidized Stafford and unsubsidized Stafford loans have a 1-percent origination fee, and PLUS loans have a 4-percent origination fee. (Consolidation loans do not have such a fee.) The borrower is charged a calculated origination fee equal to a percentage of the principal amount of the loan. The fee is then subtracted from the principal amount before the loan funds are disbursed to the borrower. Thus, a borrower would see a smaller disbursement than a loan in the same amount before sequestration.

QUESTIONS SUBMITTED BY SENATOR MARK KIRK

SEQUESTRATION IMPACT ON LOCAL EDUCATION AGENCIES HEAVILY DEPENDENT ON
IMPACT AID FUNDS

Question. I understand that sequestration for the Impact Aid program will take effect on January 2, 2013, while sequestration for the majority of the other large elementary and secondary education programs will not go into effect until the 2013–2014 school year. I have a few questions regarding sequestration for Impact Aid.

Will heavily impacted districts receive the blanket 7.8-percent cut you described in your testimony on January 2, 2012, or will the 7.8-percent cut be applied to the Impact Aid program as a whole, with the possibility that the heavily impacted districts may receive less of a cut, because these districts have no other options with which to make up the loss of local tax revenue?

Answer. Most Federal support for the major K–12 education programs is appropriated on a “forward-funded” basis, so a sequestration for those programs would not have an impact until the 2013–2014 school year. In contrast, Impact Aid is a “current-funded” program. The Department obligates the great majority of the funding very soon after we receive an appropriation or during the period of a continuing resolution, and the program generally supports school district operations in the year of the appropriation. Because of this difference in timing, the January 2, 2013, effective date of a sequestration would affect the Impact Aid funding that eligible districts receive this school year.

We do not yet know how a sequestration would take effect on a program-by-program basis and, thus, don’t know whether the reduction would be the same for all programs within the Impact Aid account. I do note that heavily impacted school districts eligible under section 8003(b)(2) are funded from the same appropriation line item as school districts that receive regular Impact Aid payments under section 8003(b)(1). The authorizing statute requires that both types of payments be reduced in a similar manner when funds are insufficient to provide payments at 100 percent of the Learning Opportunity Threshold payment or 100 percent of full 8003(b)(2) funding. Therefore, in the event of sequestration, heavily impacted districts would receive the same cut to their Impact Aid payments as regular districts.

DEPARTMENTAL GUIDANCE TO IMPACT AID DISTRICTS ON PLANNING FOR
SEQUESTRATION

Question. How are you working with the specific Impact Aid districts so they can plan for reduction in Federal assistance? The State of Illinois has two communities that receive heavy-impact aid, and the funding from this program contributes significantly to their budget.

Answer. In a series of webinars for Impact Aid grantees during early September, the Department provided a funding outlook for fiscal year 2013 to alert school districts to the possibility of reduced payments. The Department described multiple scenarios under a continuing resolution for part of the fiscal year, and shared basic information on the possibility of sequestration. The Department will be prepared to implement sequestration and provide guidance to grantees if necessary, but the administration remains confident that the Congress will pass legislation to avoid such drastic and untargeted cuts.

CONCLUSION OF HEARING

Senator HARKIN. I will gavel to close unless somebody had something they wanted to offer.

Going, going, thank you very much. The subcommittee will stand in recess.

[Whereupon, at 11:54 a.m., Wednesday, July 25, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]