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REVIEWING THE PRESIDENT'S FISCAL YEAR 2014 BUDGET PROPOSAL FOR THE U.S. DEPARTMENT OF EDUCATION

HEARING

BEFORE THE

COMMITTEE ON EDUCATION
AND THE WORKFORCE
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, DC, MAY 21, 2013

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REVIEWING THE PRESIDENT'S FISCAL YEAR 2014 BUDGET PROPOSAL FOR THE U.S. DEPARTMENT OF EDUCATION

Tuesday, May 21, 2013
U.S. House of Representatives
Committee on Education and the Workforce
Washington, DC

The committee met, pursuant to call, at 10:05 a.m., in Room 2175, Rayburn House Office Building, Hon. John Kline [chairman of the committee] presiding.

Present: Representatives Kline, Petri, McKeon, Wilson, Foxx, Roe, Thompson, Walberg, Salmon, Guthrie, DesJarlais, Rokita, Bucshon, Roby, Heck, Hudson, Messer, Miller, Hinojosa, McCarthy, Tierney, Holt, Davis, Grijalva, Bishop, Loebsack, Courtney, Fudge, Polis, Sablan, Yarmuth, Wilson, and Bonamici.

Staff present: Katherine Bathgate, Deputy Press Secretary; James Bergeron, Director of Education and Human Services Policy; Casey Buboltz, Coalitions and Member Services Coordinator; Lindsay Fryer, Professional Staff Member; Amy Raaf Jones, Education Policy Counsel and Senior Advisor; Cristin Kumar, Professional Staff Member; Nancy Locke, Chief Clerk; Brian Melnyk, Professional Staff Member; Brian Newell, Deputy Communications Director; Krisann Pearce, General Counsel; Jenny Prescott, Staff Assistant; Mandy Schaumburg, Education and Human Services Oversight Counsel; Dan Shorts, Legislative Assistant; Nicole Sizemore, Deputy Press Secretary; Alissa Strawcutter, Deputy Clerk; Juliane Sullivan, Staff Director; Brad Thomas, Senior Education Policy Advisor; Tylease Alli, Minority Clerk/Intern and Fellow Coordinator; Kelly Broughan, Minority Education Policy Associate; Jody Calemine, Minority Staff Director; Jacque Chevalier, Minority Education Policy Advisor; Tiffany Edwards, Minority Press Secretary for Education; Jamie Fasteau, Minority Director of Education Policy; Scott Groginsky, Minority Education Policy Advisor; Brian Levin, Minority Deputy Press Secretary/New Media Coordinator; Megan O'Reilly, Minority General Counsel; Michael Zola, Minority Deputy Staff Director; and Mark Zuckerman, Minority Senior Economic Advisor.

Chairman KLINE. Before we begin, I would like to take just a moment to say a few words about the tornado that swept across central Oklahoma yesterday afternoon. According to recent reports—and we were checking this just a few minutes ago—as many as 91 people lost their lives and hundreds more have been injured.

The death toll includes young children, many of whom were seeking shelter at local elementary schools. Emergency responders and volunteers are now putting themselves in harm's way to rescue neighbors, friends, and loved ones, and I sincerely hope for the safety and the safety of all those.

My thoughts and my prayers are with the victims, their families, and the people of Oklahoma, and I know yours are, as well.

And I now recognize Mr. Miller for any remarks he wishes to make.

Mr. MILLER. I thank the chairman, and I certainly want to join him in his remarks. We all have a sense of sadness and shock at what took place in Moore, Oklahoma. Some of us heard our colleagues, Tom Cole—it is his home town—describe the tragedy. And of course, this morning the numbers got worse.

But the amazing response of that community to help one another and their first responders, I join you with giving them our very, very best thoughts and prayers. Thank you.

Chairman KLINE. I thank you, George.

Let's take just a moment now and, please, all of us, to honor the victims and their families with just a brief moment of silence. [Moment of silence.]

Thank you.

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

Well, good morning, and welcome back, Secretary Duncan. We realize your time is valuable and we do appreciate the opportunity to speak with you today about the President's budget proposal.

I would like to begin with a brief overview of what is in the administration's budget for the upcoming fiscal year.

The President has asked for more than $71 billion in discretionary funding for the Department of Education, up $5 billion from last year's request and $3 billion from the year before. This is on top of a request for $7 billion in mandatory funding for Pell Grants, $17.5 billion to reform the teaching profession, and $1.3 billion for a new universal preschool program, bringing the total budget proposal to a, frankly, staggering $97.1 billion.

Without question, the President's budget for the Department of Education has exploded over the last 5 years. The roughly $60 billion spent by the Department in 2009 seems almost reasonable by comparison.

Yet despite the significant increase in education spending, we haven't seen any measurable improvements in student performance or graduation rates. It is time to acknowledge the fact that throwing more money into the nation's education system is not the right answer to the challenges facing our classrooms. We have tried it for decades now.

Since passage of the Elementary and Secondary Education Act, federal spending on education has increased nearly every single year, but we just aren't seeing results. So we need to work together on a new way forward that will better serve students and taxpayers.

Now, let's discuss an item that is not in the President's budget.

Mr. Secretary, you and I have talked about this so many times. The very, very first time I ever saw you, when I was sitting over

in that corner, we were talking about this subject, and that is the Individuals with Disabilities Education Act.

Once again, the number in the President's budget is, in my judgment, simply appalling. Per the law, the federal government is supposed to fund up to 40 percent of the cost of education of students with special needs.

Well, once again, the administration's budget does not even come close to that figure. In his budget request, President Obama's contribution to IDEA remains at a paltry 15—-15 percent.

I am concerned that instead of meeting our commitments and improving existing initiatives, the administration continues to propose more spending for new, untested programs. For example, instead of more IDEA funding the President's proposed an expansive early childhood initiative. While we recognize the value of quality early learning experiences, we must remember a number of programs with similar goals are already out there, including Head Start, the Child Care and Development Block Grant, and dozens of state preschool programs nationwide.

Reforming and improving existing programs throughout our education system should take precedence over new initiatives, and I believe this is one area Congress and the administration can work together. A large part of this effort must be rewriting the Elementary and Secondary Education Act.

While I have made my concerns with the waiver process abundantly clear, I recognize the importance of freeing states and school districts from the law's outdated metrics and regulations. However, this must be done through a full reauthorization of the law, not executive fiat.

Mr. Secretary, you and I agree on the importance of restoring local control and flexibility. You and I agree we must empower parents in our education system and support school choice initiatives. And you and I agree teachers should be judged on their ability to motivate students in the classroom.

You have been repeatedly quoted in the press stating that you want Congress to reauthorize the law. The committee will soon renew its efforts to rewrite the Elementary and Secondary Education Act, and this time I ask for the administration's leadership as we work to advance the legislation to the House and Senate. We would like to put a new law on the President's desk before the end of the 113th Congress.

Let me end on a positive note. I appreciate that, like—I know, George—I appreciate that, like Republicans, the President has acknowledged the value of moving student loan interest rates back to a market-based system. As you know, the committee recently approved, with bipartisan support, the Smarter Solutions for Students Act, legislation that mirrors the President's proposal that ties student loan interest rates to the 10-year Treasury note.

I am grateful for the time you have spent working with us on this proposal, Mr. Secretary. Your input was valuable.

I hope the administration will work with us to move this bill quickly through the legislative process and into the President's hands before the interest rate cliff hits millions of students on July 1st.

Again, thank you for being with us today.

I would now like to yield to the senior Democratic member of the committee, Mr. Miller, for his opening remarks.

[The statement of Chairman Kline follows:]

Prepared Statement of Hon. John Kline, Chairman, Committee on Education and the Workforce

I'd like to begin with a brief overview of what's in the administration's budget for the upcoming fiscal year. The president has asked for more than $71 billion in discretionary funding for the Department of Education—up $5 billion from last year's request and $3 billion from the year before.

This is on top of a request for $7 billion in mandatory funding for Pell Grants, $17.5 billion to "reform the teaching profession," and $1.3 billion for a new universal preschool program—bringing the total budget proposal to a staggering $97.1 billion.

Without question, the president's budget for the Department of Education has exploded over the last five years. The roughly $60 billion spent by the department in 2009 seems almost reasonable by comparison. Yet despite this significant increase in education spending, we haven't seen any measurable improvements in student performance or graduation rates.

It's time to acknowledge the fact that throwing more money into the nation's education system is not the right answer to the challenges facing our classrooms. We've tried it for decades now. Since passage of the Elementary and Secondary Education Act, federal spending on education has increased nearly every single year. But we just aren't seeing results, so we need to work together on a new way forward that will better serve students and taxpayers.

Now let's discuss an important item that is not in the budget.

Mr. Secretary, considering the glut of new spending in the president's budget, the lack of funding for the Individuals with Disabilities Education Act is simply appalling. Per the law, the federal government is supposed to fund up to 40 percent of the costs of educating students with special needs, but once again, the administration's budget does not even come close to that figure. In his budget request, President Obama's contribution to IDEA remains at a paltry 15 percent.

I am concerned that instead of meeting our commitments and improving existing initiatives, the administration continues to propose more spending for new, untested programs. For example, instead of more IDEA funding, the president has proposed an expansive early childhood initiative. While we all recognize the value of quality early learning experiences, we must remember a number of programs with similar goals are already out there, including Head Start, the Child Care and Development Block Grant, and dozens of state preschool programs nationwide.

Reforming and improving existing programs throughout our education system should take precedence over new initiatives, and I believe this is one area Congress and the administration can work together. A large part of this effort must be rewriting the Elementary and Secondary Education Act.

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Secretary Duncan, you and I agree on the importance of restoring local control and flexibility. You and I agree we must empower parents in our education system, and support school choice initiatives. And you and I agree teachers should be judged on their ability to motivate students in the classroom.

You have been repeatedly quoted in the press stating that you want Congress to reauthorize the law. The committee will soon renew its efforts to rewrite the Elementary and Secondary Education Act, and this time, I ask for the administration's leadership as we work to advance legislation through the House and Senate, get through the conference process, and put a new law on the president's desk before the end of the 113th Congress.

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I am grateful for the time you have spent working with us on this proposal, Mr. Secretary. Your input was very valuable. I hope the administration will work with us to move this bill quickly through the legislative process and into the president's hands before the interest rate cliff hits millions of students on July 1st.

Again, thank you for being with us today. I would now like to yield to the senior Democratic member of the committee, George Miller, for his opening remarks.

Mr. MILLER. Thank you, Mr. Chairman.

And thank you, Secretary Duncan, for joining us here today to discuss President Obama's agenda for transforming education in America.

This hearing comes at a time when students and schools are making big transitions to new academic standards, to new assessments, to new accountability and school improvement systems, and teacher and principal evaluations. However, in all this movement forward, I fear that students and parents have lost a federal partner, creating an uncertain environment as a result of Congressional inaction.

There is a failure to rewrite the Elementary and Secondary Act and there is the heavy hand of automatic budget cuts through sequestration. There is the danger of getting more than $20 billion—gutting more than $20 billion from the supplemental nutrition programs that help low-income families keep food on the table and their students prepared to come to school. There is the threat of piling on even more college debt onto students and families.

And there is the continued threat of the Republican budget proposals that would drastically cut vital education resources. As reported just last week, the Department of Education is facing nearly a 20 percent reduction in funding on top of the cuts already made through sequestration. You may have noticed, as theywe prepare to send the military budgets forward with improvements, the cuts fall on education and we don't even know if that appropriation bill will get out of committee.

With all of these, Congress is failing to provide the support to help students and families succeed at a time of massive transformation. For each of the past 2 years Republicans have released budgets filled with giveaways to the wealthiest Americans at the expense of educating our nation's children.

This year isn't any different. In March, Republicans put forth a budget that not only keeps in place the across-the-board cuts known as sequestration, but actually calls for even more draconian cuts in education programs across the country.

In contrast, I am glad to see that President Obama recognizes education as an investment and not an expense. His budget seeks to ensure our nation is equipped to grow our economy and to help retain our global competitiveness.

The Obama budget proposals recognize that competitiveness has to start early through quality, comprehensive early childhood education programs. Investing in greater access to high-quality preschool, child care, and voluntary home visitations is a proven way to close the achievement gap, strengthen school readiness, and prepare the next generation for high-skill jobs.

President Obama is also rightfully outlining goals of our nation, including college and career readiness and returning the United States to first in the world in college graduation rates. Unfortunately, the Republican budget negatively impacts students by making it harder to go to college and harder to pay off debt. It would

eliminate the in-school interest subsidy and allow interest rates to double for subsidized student loans.

To add insult to injury, just last week the Republicans in this committee pushed through legislation that would put more debt on the backs of students in order to pay down the deficit. In fact, the Congressional Research Service found that students and families would pay a higher interest rate cost under the Republican proposal even if interest rates double. Students would be better off if we just let the interest rates double, and that is just unacceptable.

This plan asks low-income students to pay down the debt while asking nothing from the more fortunate among us to pay their fair share in taxes. We can do better and we must do better. As my Democratic colleagues pointed out last week, education is a vital public good. We must serve the good with the public investment. We must also get back to the business of doing real legislative work.

Mr. Secretary, 2 years ago you charged Congress to fix No Child Left Behind, but in the 2 years since then Congress has remained at a standstill. In the face of Congress' inability to act, you have given 37 states plus Washington, D.C. the needed relief from parts of NCLB that no longer work and are desperately in need of change.

Almost a dozen waivers are still pending, and while I would much rather Congress achieve the full ESEA reauthorization, I understand why your action is necessary.

That being said, I must say that I have serious concerns over some of the decisions the department has made in granting those waivers and how some of the states have implemented them. We see some states lessening their focus on student subgroups, on weakening the impact of performance targets, and moving away from focusing on graduating students with a regular diploma in a reasonable amount of time.

I would remind you that the key to the federal role in education is to protect and promote equity. I imagine that you are beginning to plan with—how you will consider the renewal of these waivers by the states. As you do, I would urge you to hold a high bar for everyone to insist that they meet that high bar even where changes are necessary. You must be the conscienceconscience of the nation, resisting temptation to focus on what is good for adults rather than what is good for students.

I wish we did not need to discuss the waiver renewal. I wish we were working in a bipartisan fashion to renew this law, the way we have done for many, many years over the history of the law. It is the only way we could get a bill to the President's desk and signed into law. Unfortunately, it doesn't appear that we are on that track.

So in the meantime, I urge you to insist that our schools set high expectations for students, give educators and students the tools they need to meet those expectations, and implement the proposals made by almost every governor across this nation to improve their school systems with the help that they are getting from the waivers. And the Congress should now turn its attention to a full bipartisan reauthorization both of the Elementary Secondary Education

Act and also the Higher Education Act so we can work out a bipartisan long-term fix for student aid questions.

Thank you.

[The statement of Mr. Miller follows:]

Prepared Statement of Hon. George Miller, Senior Democratic Member, Committee on Education and the Workforce

Thank you, Mr. Chairman. And thank you Secretary Duncan for joining us here today to discuss President Obama's agenda for transforming education in America.

This hearing comes at a time when students and schools are making big transitions—transitions to new academic standards, new assessments, new accountability and school improvement systems, and teacher and principal evaluations.

However, in all of this movement forward, I fear that students and parents have lost a federal partner, creating an uncertain environment as the result of Congressional inaction.

There's the failure to rewrite the Elementary and Secondary Education Act.

There's the heavy hand of automatic budget cuts through sequestration.

There's the danger of gutting more than $20 billion from the Supplemental Nutrition Assistance Program (SNAP) that helps low-income families keep food on the table.

There's the threat of piling even more college debt onto students and families.

And there's the continued threat of Republican budget proposals that would drastically cut vital education resources.

As reported just last week, the Department of Education is facing a nearly 20 percent reduction in funding on top of the cuts already made through sequestration.

With all of these, Congress is failing to provide the support to help students and families succeed in a time of massive transformation.

For each of the past two years, Republicans have released budgets filled with giveaways to the wealthiest Americans at the expense of educating our nation's children.

This year isn't any different.

In March, Republicans put forth a budget that not only keeps in place the across-the-board cuts known as sequestration but actually calls for even more draconian cuts to education programs across the country.

In contrast, I am glad to see that President Obama recognizes education is an investment and not an expense. It seeks to ensure our nation is equipped to grow our economy and help retain our global competitiveness.

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Investing in greater access to high-quality preschool, child care, and voluntary home visitation is a proven way to close achievement gaps, strengthen school readiness and prepare the next generation for high-skill jobs.

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Unfortunately, the Republican budget negatively impacts students by making it harder to go to college and harder to pay off debt. It would eliminate the in-school interest subsidy and allow interest rates to double for subsidized student loans.

To add insult to injury, last week Republicans on this committee pushed through legislation that would put more debt on the backs of students in order to pay down the deficit.

In fact, the Congressional Research Service (CRS) found that students and families would pay higher interest costs under the Republican proposal, even if interest rates doubled as scheduled for the neediest students in July.

This plan asks low-income students to pay down the debt while asking nothing from the most fortunate among us to pay their fair share of taxes.

We can do better. And we must do better. As my Democratic colleagues pointed out last week, education is a vital public good. We must serve that good with public investment.

We must also get back to the business of doing real legislative work.

Mr. Secretary, two years ago you charged Congress to fix No Child Left Behind. But in the two years since, Congress remains at a standstill.

In the face of Congress's inability to act, you've given 34 states plus Washington, D.C. needed relief from parts of NCLB that they so desperately need. Almost a dozen waivers are still pending. While I would much rather Congress achieve a full ESEA reauthorization, I understand why your action was necessary.

That being said, I do have serious concerns over some decisions the department has made in granting waivers and in how some states have implemented them.

We see some states lessening their focus on student subgroups, weakening the impact of performance targets, and moving away from focusing on graduating students with a regular diploma in a reasonable amount of time.

I would remind you that the key federal role in education is to protect and promote equity. I imagine you are beginning to plan for how you will renew some of these state waivers.

As you do, I urge you to hold a high bar for everyone and to insist on changes where necessary. You must be the conscience of the nation, resisting the temptation to focus what's good for adults rather than what's good for students.

I wish we did not need to discuss waiver renewals. I wish we were working in a bipartisan fashion to renew this law—the way we have done for years. It's the only way we could get a bill to the president's desk and signed into law.

Unfortunately, that is not where we are.

So in the meantime, I urge you to insist that our schools set high expectations for students and give our educators and their students the tools to meet those expectations.

That is what we must all focus on in this Congress. A high-quality education is one of the most important opportunities we can give our children.

Thank you, Mr. Secretary. I look forward to your testimony.

I yield back.

Chairman KLINE. Thank the gentleman.

Pursuant to committee rule 7(c), all committee members will be permitted to submit written statements to be included in the permanent hearing record. And without objection, the hearing record will remain open for 14 days to allow statements, questions for the record, and other extraneous material referenced during the hearing to be submitted in the official record.

It is now my pleasure to introduce our distinguished witness. He is known, actually, to all of us really well. I just do want to make a couple of points that I always find interesting.

Secretary Duncan was confirmed by the U.S. Senate on Inauguration Day, January 20, 2009.

You have been with us quite a while, Mr. Secretary.

And just to show his stick-to-itiveness, he is still here, and from 2001 to 2008 he was the longest-serving big city education superintendent in the country.

Perseverance, Mr. Secretary. We are glad to have you. Floor is yours.

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

Secretary DUNCAN. Thank you so much, Mr. Chairman and members of the committee, and I just wanted to say again, on the Oklahoma situation—I spoke last night with the state superintendent, who does a fantastic job, Janet Barresi. Whatever we can do to help out in this situation, we are committed to do that.

Placed a call to the local—Moore's public school superintendent, Susan Pierce, this morning. She is a 40-year veteran and was due to retire at the end of June.

And I just want to thank all the heroic teachers and first responders. There has been significant loss of life, significant loss of the life of children in schools, but just amazing, amazing work done by teachers and administrators and first responders. And obviously, all of our thoughts and prayers are, frankly, with them this morning.

I am pleased to be able to talk with you today about President Obama's vision for investing in education in ways that ensure quality opportunity for every child and that deliver a strong return on investment for the taxpayer's dollar. That ROI is so important, especially in tough economic times like this.

As we walk through this conversation, I am going to ask you to visualize and keep in the back of your mind a 4-year-old little girl, because at the end of the day this isn't just about programs or accounts or budgets; it is about the consequences of the choices we make for real families and real children.

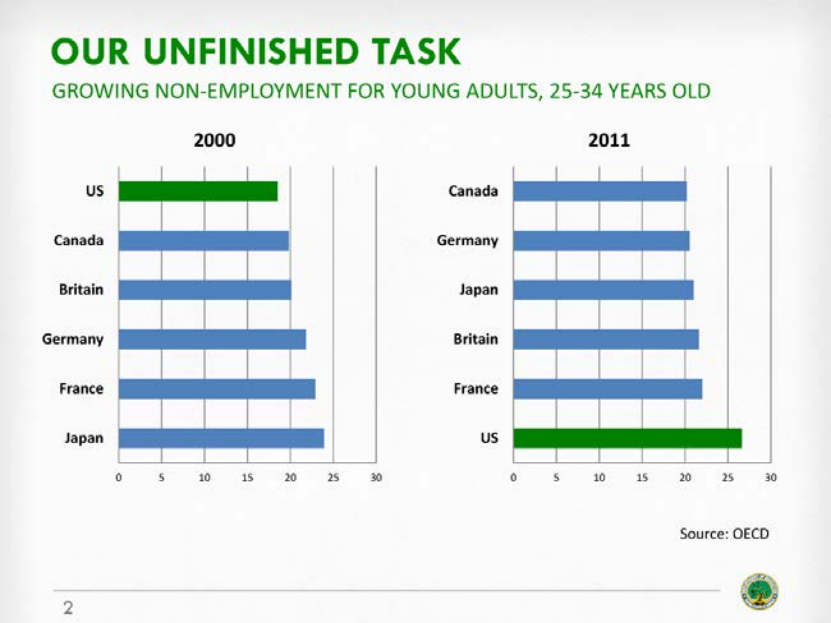
I think and I desperately hope that we all agree that improving our education outcomes is a vital national interest that we all share. The decisions we make will have a major impact on our economy, on our economic competitiveness, and on that 4-year-old girl's chances of having the good life she deserves as part of a thriving middle class.

That is a core American value, but right now, frankly, it is in some danger. You have already heard that we have lost our place as the global leader in college completion, that we now rank 14th.

We should, frankly, be embarrassed. It is no badge of honor that we have fallen so far behind our international competitors. We want good jobs to stay in this country and not migrate overseas.

Here is another indicator that should concern us: Let's start by looking at what is happening in employment for young adults.

Next slide, please.



In 2000 we were doing better than France, Britain, Japan, Germany, and Canada, but by 2011 we were doing worse than all of them. Why? David Leonhardt, the Pulitzer Prize-winning New York Times economics writer, said, and I quote—"The United States has lost its once large lead in producing college graduates,

and education remains the most successful job strategy in a globalized, tech-heavy economy."

And that is why we are working so hard to try and improve opportunities for every child, to make the United States the global leader in college completion again. We have been working for 4 years to raise standards, improve teaching, establish strong systems of technology and data, fix our most broken schools, and make college more accessible and affordable. And we have made some real progress.

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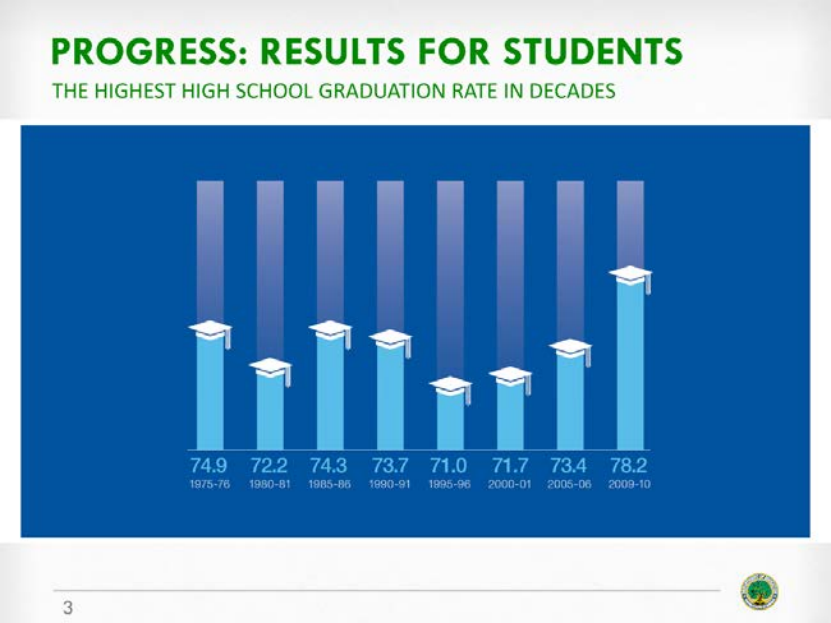
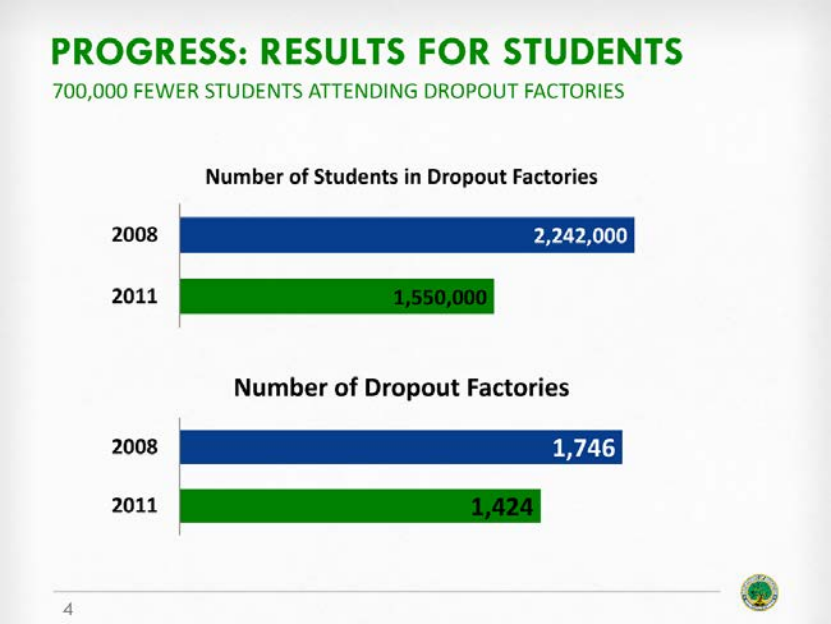


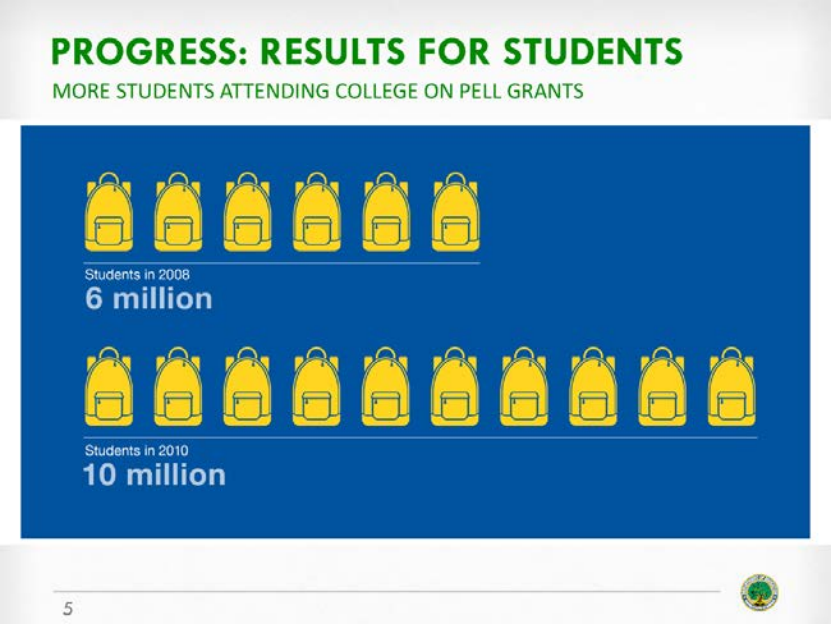
Mr. Chairman, you sort of asked the question, "Have we made progress?" and I think while the progress is not fast enough—we have a long way to go—the honest answer is there has been real progress. High school graduation rates are at their highest level in over 3 decades, and for the first time in a long time we are actually on track to a 90 percent high school graduation rate by the year 2020.

Next slide.



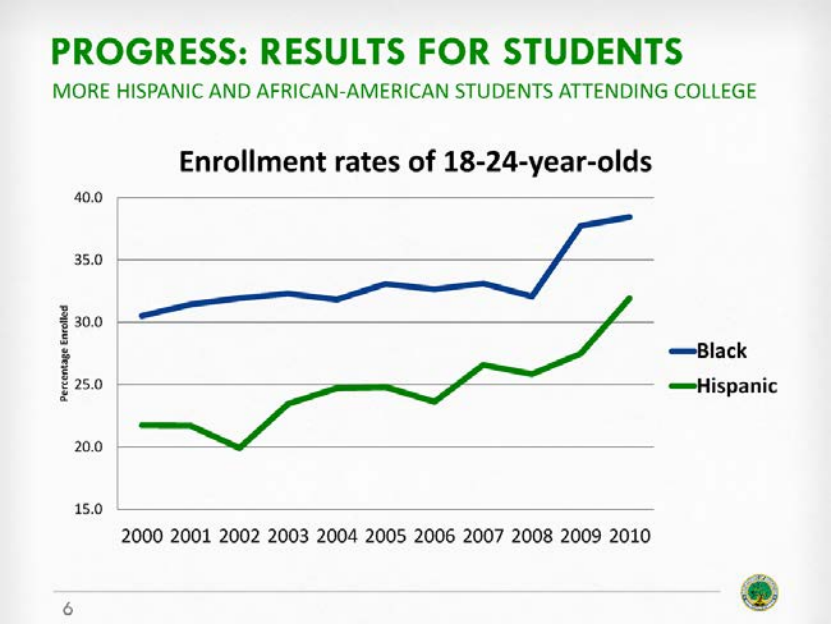
We have talked a lot about the quote-unquote "dropout factories," those high schools where 40, 50, 60 percent or more of young people are dropping out. In the past 3 years, from 2008 to 2011, we have 700,000 fewer children—less children—attending quote-unquote "dropout factories." That is a big step in the right direction. Those young people now have a much better chance of not just graduating but then going on to some form of higher education.

Next slide, please.



In terms of Pell Grants—and we know Pell Grants often go to first generation college-goers, and English language learners, and folks who don't happen to be born with a silver spoon in their mouths. From 2008 to 2010 we went from about 6 million Pell recipients to 9.4 million Pell recipients, more than a 50 percent increase. And again, these are young people who may be—are often the first in their families to ever have the opportunity to graduate from college.

And then the enrollment rates—next slide, please? Yes, thank you.



The enrollment rates in the college have gone up significantly, particularly among the African American and Latino populations, which we think is so important. And in a country that is becoming majority minority, this is the face of our country as we move forward. So real progress there.

And Hispanic students, 32 percent now attending college compared to 22 percent in 2000. African American, 38 percent today versus 30 in 2000. So real progress. Long way to go, but feel very good about that.

Both you, Mr. Chairman, and Congressman Miller talked about the flexibility we are providing to states, and with up to 37 states, and we think that is going absolutely in the right direction. Again, we would love to fix No Child Left Behind and fix it in a bipartisan way, but until Congress gets its act together we are going to continue to partner directly with states to make sure that they are not stuck with a law that is years outdated and had many perverse incentives in there.

But we have a lot of hard work ahead of us.

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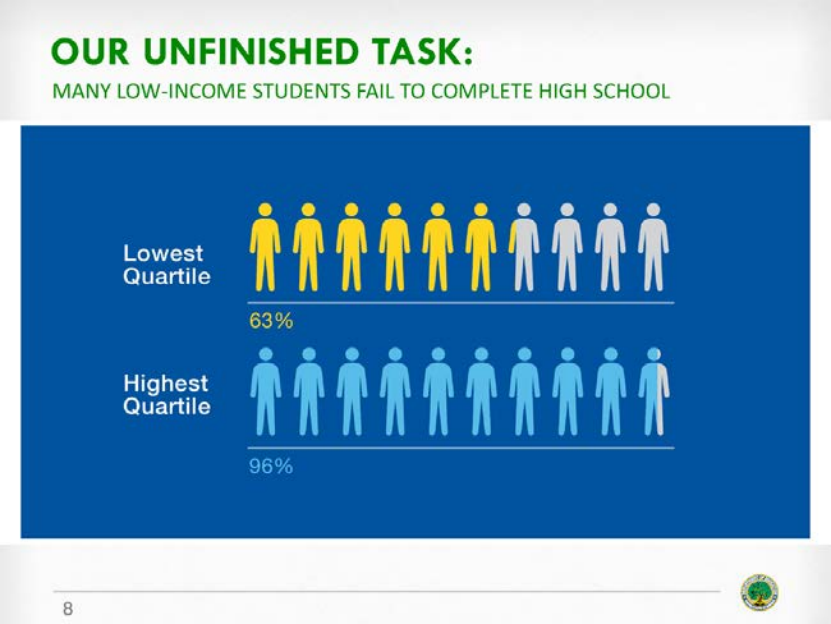
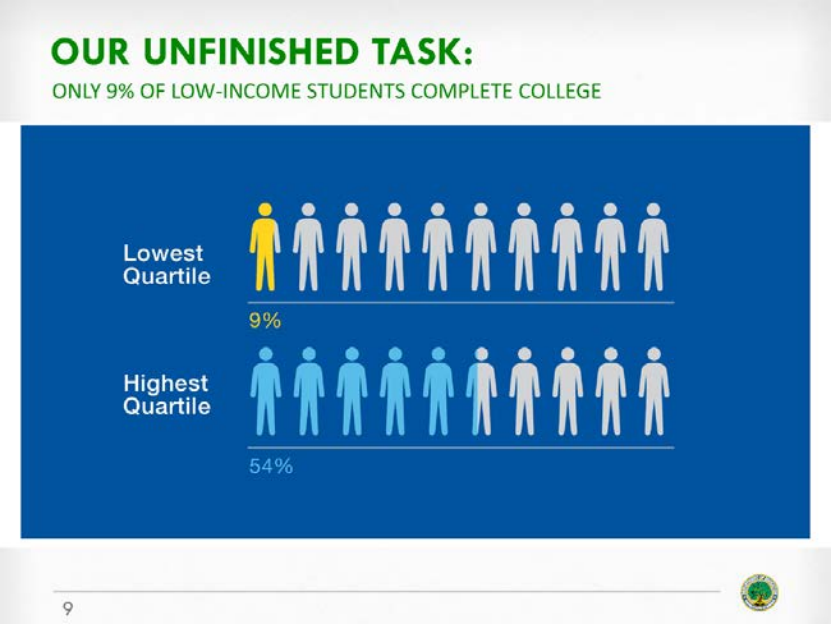


Too many low-income kids and minority children simply aren't receiving the education they need to reach the middle class. And let's look at these numbers, starting with high school.

Fully 96 percent of kids from the highest income group complete high school. It is just almost a given—96 percent; while less than two-thirds, only 63 percent, of those who come from the lowest economic quartile do.

The next slide is even more stunning and, I think, compels us to act.



Fewer than one in 10 of low-income children eventually graduate from college. Less than one in 10—9 percent. Compare that to more than half of our high-income students walking across the stage with a diploma. Not enough there either, but a huge difference in outcomes.

Think about what that does and how that hurts us as a country—in jobs, in terms of our international competitiveness, and what it means for the lives of children and families who are trying to escape poverty and trying to escape psychosocial failure.

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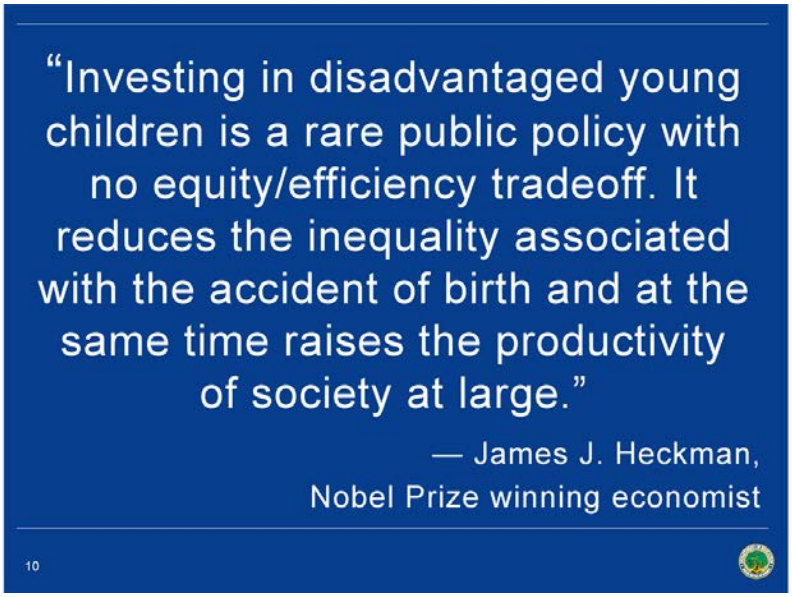

So how do we change the odds? Where should we invest to change?

I want to read you a quick quote from James Heckman, who is a Nobel Prize-winning economist at the University of Chicago. He says, "Investing in disadvantaged young children is a rare public policy with no equity-efficiency tradeoff. It reduces the inequity associated with the accident of birth and at the same time raises the productivity of society at large."

What is the most important single thing we can do in education to change those outcomes that I just talked about? And I am convinced it is investing in high-quality early childhood education—in preschool.

On average, the average child from a low-income family starts kindergarten when they are 5 years old in September; they start school 12 to 14 months behind their peers in language development and pre-reading skills. That is morally and educationally unacceptable.

And we know how to fix it. As Professor Heckman says, this is one of the few public investments with no tradeoffs because the ROI—the return on investment—of high-quality preschool is so high.

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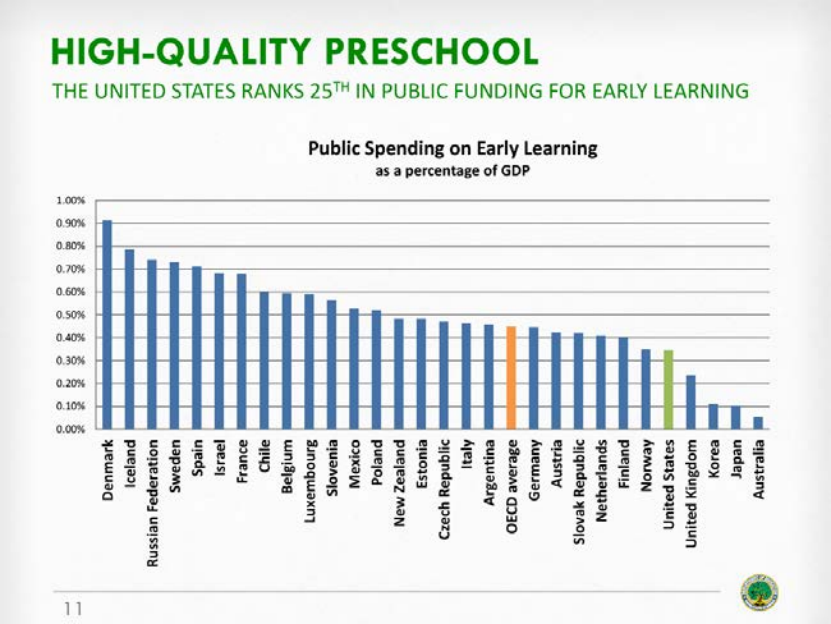


But to date, quite frankly, as a country we are not yet serious about preschool. The United States ranks 28th among OECD countries in the enrollment of 4-year-olds in early learning.

And maybe that is not surprising. The United States also ranks 25th among OECD countries in public funding for early learning. And if we expect to compete effectively in a global economy, we have to invest in what matters most and what makes a difference.

The President's Preschool for All proposal can be a game-changer in expanding access and quality for the kids and families and communities who need it the most. It is a major investment to tackle a major issue.

Think about that 4-year-old girl. Whether she is from Goodhue County, Minnesota; or Winston-Salem, North Carolina; or San Diego, she deserves a supportive, word-rich environment. She needs the chance to develop both her cognitive and non-cognitive skills.

She may not have a home life that can pick up that academic slack, but we can help support and strengthen struggling families. That young girl deserves access to high-quality preschool.

Our international competitors are ahead of us. James Zimmerman, former CEO of Macy's, and John Pepper, former CEO of Procter & Gamble, have written, and I quote—"Universally available pre-kindergarten is not only the right thing to do, but the smart thing to do."

Other countries have realized this. China reportedly has set a goal of giving 70 percent of all children 3 years of pre-kindergarten education.

Why is it the smart thing to do? Because of the ROI—the return on investment.

Dr. Heckman found that for every dollar we invest in preschool, that dollar returns $7 just in public funds. Some of that comes from greater productivity; some comes from reduced need for cash handouts and other supports. And almost $3 of every $7 comes from reduced costs of crimes and cops and jails.

Stop and think about that one for a moment. We should ask ourselves, preschools or prisons? Where do we want to invest? What costs less? What helps society more?

The answers are very, very obvious. Affordable, high-quality early learning is the most important thing we can do in education to help children and help to strengthen families.

But I can tell you what doesn't help: incoherent cuts to programs serving our most vulnerable students. Especially since it is up for a vote this week, I must address the House Appropriations Committee proposed FY2014 302(b) allocations. They represent a cut of 22 percent from FY13, pre-sequester level.

Cutting education in that way would be a baffling, self-destructive move that would devastate efforts to improve our international competitiveness. It is exactly the wrong thing to do for our economy. It would represent dumb government dumbing down America.

Those cuts would multiply the damage of sequestration, which continues to hurt low-income and special needs students, young families counting on Head Start programs, military families, Native American children, and communities whose schools rely on Impact Aid.

But together we can choose another path and make smart, strategic, long-term investments. Let's return our focus to plans with positive ROI.

President Obama's proposed early learning investment is the front bookend of a cradle-to-career pipeline that aims to prepare students for college and for work. We are working to strengthen that pipeline with an emphasis on college completion, which has become the ticket to a solid middle-class life.

Central to that effort is keeping interest rates low on student loans, which will require your action before July 1st to prevent those rates from doubling. We know that you share that concern, but we need to keep working with you to find an approach that will keep college affordable for students and families now and into the future.

To make college more accessible we have dramatically simplified paperwork to make it easier for families to access federal student aid. The result will be even more high-need students attending college.

In K-12, ESEA flexibility has provided crucial space for innovation and system-wide improvement, the best help we can get to states until you guys fix ESEA in a bipartisan manner. Under ESEA flexibility, we are seeing states raise standards, refine systems of support and accountability for schools, and hold more schools accountable for the learning of students with special needs and minority children, far too many of whom were literally invisible under No Child Left Behind.

We have also acted to improve services for students with special needs. During our administration, we have requested hundreds of millions of dollars in increased funding in addition to the unprece-

dented $11 billion provided in the Recovery Act to students with special needs, including significant improvements at the preschool level.

We are also focused on the needs of students in rural communities. Each of our 2014 competitive grant proposals will include criteria or priorities targeting rural areas specifically, and we welcome the input and thoughtfulness of Congress as we work to ensure that all of our competitive grant programs give strong opportunity to rural schools.

We want to see every community in America have excellent opportunities. Our children and our nation deserve no less.

What that improved opportunity adds up to is a return on investment for our economy and for America's families. According to a recent Brookings study, the benefits of a college degree compared to an investment that returns 15.2 percent a year.

We know that the engine of our economy in a globally competitive environment is the best-educated workforce in the world. It is the only way to build a strong, vibrant, and growing middle class.

And we know that giving every child an opportunity is the right thing to do. It is who we are as a country.

Thank you so much, and I look forward to your questions.

[The statement of Secretary Duncan follows:]

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

Good morning Mr. Chairman and Members of the Committee. I'm pleased to be here today to talk with you about President Obama's priorities and plans for the Department of Education, particularly as they relate to the President's fiscal year 2014 budget request for education.

This morning I'll sketch out some important progress made in the President's first term. I will highlight urgent educational challenges that remain, not only for our Nation as a whole but in every congressional district and community in the country. And I will talk about ROI—the return on investment in education spending—with special emphasis on the President's landmark preschool plan. Finally, I want to close by summarizing a number of other key elements of the President's education 2014 Budget.

The big takeaway message here is that education is more than a set of numbers on the ledger line. Education is not just an expense—it's an investment. In fact, it is one of the most critical investments in the future that we, as a Nation, can make. America cannot win the race for the future without investing in education—it's that simple.

Budgets entail value choices. They reflect the aspirations of our citizens and leaders. And I am glad to say that, for the most part, Federal education funding has enjoyed bipartisan support, even in tough times. In America we invest in the future, not just in spite of challenges, but as the means of overcoming them.

Dating back to even before the States ratified the Constitution, the fledgling Continental Congress passed the Land Ordinance of 1785 and the Northwest Ordinance of 1787, granting Federal lands to States to create and support public schools.

In the midst of the Civil War, President Lincoln signed the Morrill Act, creating our Nation's land grant colleges. FDR signed the GI Bill during the midst of the epic battle of Normandy, expanding not only the opportunities for returning veterans but those of their children for generations to come.

Fortunately, our Nation is not in the midst of World War II or the Civil War, and we are not in the midst of the Depression. But this is a time of fiscal challenges. And as President Obama said in his State of the Union address, it is a time to work for "smarter government." We don't always live up to this goal in Washington. But I've yet to meet a lawmaker who has stated a preference for dumber government.

Unfortunately, sequestration, with its indiscriminate cuts to education, the military, and other critical public investments, is not an example of government at its finest.

You won't see our high-performing competitors funding education by sequester. In a knowledge-based, globally-competitive economy, our competitors are determined to

invest in education. They want to accelerate their progress, not cut back on public education.

South Korea's investment in education, as a percentage of GDP, increased by nearly a third from 2000 to 2009, whereas our investment, as a percentage of GDP, increased by just 6 percent. Education spending as a percentage of GDP rose at more than twice the U.S. rate in many other countries as well during the last decade, including Australia (up 15 percent), Denmark (18 percent), and the Netherlands (21 percent).

Today, the U.S. is one of only four Organization for Economic Co-operation and Development—OECD—countries where students in low-income schools have to cope with higher student-to-teacher ratios than their peers in more advantaged schools.

But the question is not just whether we should continue to invest in education, but how can we make smarter investments in education? How can our education system become more productive? One way to answer these questions is to look at the return on investment in our education policies.

Progress During President Obama's First-Term

During the President's first term, the Administration worked hand-in-hand with the Congress to make critical new investments in education. We launched new programs like Race to the Top and Promise Neighborhoods, redesigned the School Improvement Grants (SIG) program, and dramatically expanded the Pell Grant financial aid program for low-income students. All of those efforts expanded educational opportunity and challenged the status quo where it had become unproductive.

In a development that none of the experts foresaw, 46 States, plus the District of Columbia, came together to design and adopt the Common Core standards. For the first time, almost every State is supporting higher standards that show if students are truly college- and career-ready—whether they are from Mississippi or Massachusetts. This was a sharp change from what we saw in the 4 years from 2005 to 2009, when 19 States actually lowered their academic standards for students. We can thank courageous State leadership for stopping this insidious dummying down of standards.

Today, we are starting to see the payoff of those first-term investments and setting higher expectations for our students. In 2010, the on-time high school graduation rate hit its highest level in 3 decades. In 2008, less than two-thirds of Hispanic students graduated on time from high school. Today, about three in four Hispanic high school students graduate with their class.

Because the graduation rate of Latino students rose from 2008 to 2011, an additional 164,000 Latino students graduated on time. That is 164,000 people with a better chance of getting a good job, owning their own home, and supporting a family.

On-time graduation rates for African-American students are up, too. In 2008, only about three in five black students graduated from high school on time. Today, two in three do so, resulting in an additional 83,000 African-American students graduating on time in 2011.

These gains are due in part to a sharp drop in the number of high school dropout factories—schools where fewer than 60 percent of ninth graders graduate 4 years later. Since 2008, the number of high school dropout factories has dropped by almost 20 percent, from about 1,750 high schools to roughly 1,425 high schools.

For our families, that means nearly 700,000 fewer teenagers are trapped in those high schools today than in 2008. That is a big step in the right direction.

In higher education, we're seeing substantial increases in college enrollment, too, especially for Hispanic students. More than half-a-million additional Hispanic students—about 550,000 in all—are enrolled in college today than were enrolled in 2008. That is 550,000 more people who are getting their shot at the American dream and the opportunity to thrive in a globally competitive world. And overall, the number of Pell Grant recipients has increased more than 50 percent, from 6.2 million in 2008 to more than 9 million 3 years later. That is the biggest expansion of educational opportunity in higher education since the GI Bill.

In a knowledge-based economy, the ROI—the return on investment—for many of the strategies the Administration has pursued is huge. We believe our efforts to support and strengthen the teaching profession through improved teacher evaluation, better professional development, and the RESPECT program will pay large, long-term dividends for our children and our communities.

Economists at Harvard and Columbia have documented that having a good teacher rather than an ineffective one can increase the lifetime earnings of a class of students by over $260,000. Multiply that by the number of classes a teacher would instruct over the course of her career, and it is clear that even a single good teacher can have a multi-million dollar effect on the economy.

The ROI for attending college is huge, too. Unlike when I and many members of the Committee were growing up, there are no good-paying jobs anymore for high school dropouts—and even those with a high school diploma struggle to make a living, with the average high school graduate making $1.3 million during his or her lifetime, compared to $2.3 million for the average college graduate.

The Theory of Action for the President's Preschool Plan

Our focus on ROI is a key justification for President Obama's groundbreaking preschool proposal. Preschool for All would create a new Federal-State partnership to enable States to provide universal high-quality preschool for 4-year olds from low- and moderate-income families, up to 200 percent of the poverty line.

Contrary to what you may have heard, the President's plan would not be a new Federal entitlement program. States would use Federal funds to create or expand high-quality preschool programs in partnership with local school-based and community providers. States would provide an increasing match for the program, and every cent of the $75 billion provided by the Federal Government over the next 10 years would be paid for by increases in taxes on cigarettes and tobacco products. Our intent is for every State to choose to participate.

Our theory of action in expanding high-quality preschool is going to be the same as it was in the first term, with a strong emphasis on supporting and partnering with States, incentivizing innovation, and identifying what works to strengthen education and accelerate achievement.

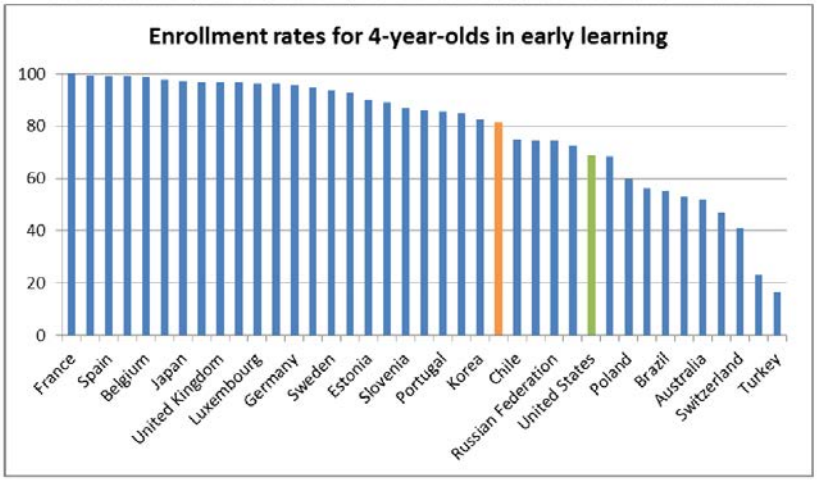
That means that at the Federal level, we should be tight on ends but loose on means. The Department should set a high bar for quality in preschool programs. But it should leave it up to State and local leaders to choose the best means for reaching that bar.

Under the President's plan, States would be required to meet quality benchmarks linked to better outcomes for children—like having high-quality State-level standards for early learning, qualified and well-compensated teachers in all preschool classrooms, and a plan to implement comprehensive assessment and data systems.

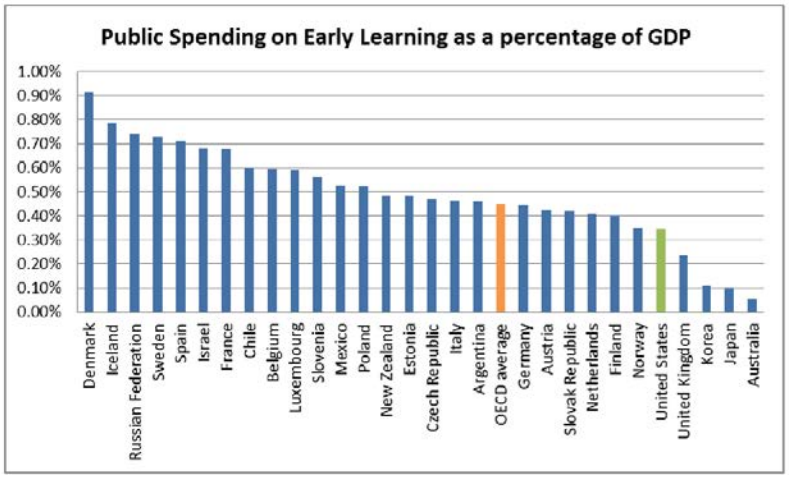
The urgent need today for greater access to high-quality preschool for children from low- and moderate-income families is not really in dispute. Fewer than 3 in 10 4-year-olds today are enrolled in high-quality preschool programs. And we know that, on average, children from low- income families start kindergarten 12 to 14 months behind their peers in language development and pre-reading.

Despite these data, as the following charts demonstrate, the United States ranks 28th among industrialized nations in the enrollment of 4-year-olds in early learning, and among 29 industrialized nations, the U.S. devotes less public spending to early learning as a percentage of GDP than 24.

THE UNITED STATES RANKS 28th IN THE WORLD IN ENROLLMENT



THE UNITED STATES RANKS 25TH IN PUBLIC FUNDING FOR EARLY LEARNING



The ROI on High-Quality Early Learning

In an era of tight budgets, it's essential that we ask ourselves, what is the smartest use of our education dollars? The answer, I believe, is that high-quality early learning is the best education investment we can make in our children, our communities, and our country. As President Obama has said, "if you are looking for a good bang for your educational buck," high- quality preschool is the place to look.

In the near-term, high-quality preschool reduces placements in special education. It reduces grade retention. It boosts graduation rates. In the long-term, high-quality preschool both increases the odds of holding a job and decreases crime and teen pregnancy.

Nobel laureate James Heckman recently examined evidence from a rigorous, longitudinal evaluation of the Perry Preschool project and found that the high-quality preschool program returned seven dollars for every one dollar it invested. A longitudinal study of the Chicago Child Parent Centers also found an ROI of seven to one.

States like Oklahoma and Georgia know about these data and are leading the way in creating universal preschool programs. In fact, numerous States led by GOP governors—including Alabama and Michigan—are investing in quality and expanding coverage to more 4-year-olds.

Not only are States investing in high-quality preschool, voters are approving sales tax and property tax increases to fund preschool initiatives. Last November, voters in San Antonio, Denver, and St. Paul, Minnesota, approved tax increases to support preschool programs in their communities.

Voters and parents understand that in today's global economy, ensuring access to high- quality preschool is not a luxury but a necessity. They understand that investing in high-quality preschool is a win-win proposition, with a big economic return. And they understand that we have to stop playing catch-up in education. We have to level the playing field for young children, so everyone can begin kindergarten at the same starting line.

This is why the centerpiece of President Obama's education budget for fiscal year 2014 is a pair of major new investments in early learning: a $75 billion mandatory request, over 10 years, to support the Preschool for All initiative; along with a $750 million discretionary request for Preschool Development Grants.

Preschool for All would create a new Federal-State cost-sharing partnership aimed at making high-quality public preschool available to all 4-year-olds from low- and moderate- income families while also providing incentives for States to serve additional children from middle-class families. The companion Preschool Development Grants proposal would help build State capacity to implement the high-quality preschool programs required by Preschool for All.

Other Priorities in the President's 2014 Request for the Department of Education

These preschool proposals are part of an overall request of $71.2 billion in discretionary appropriations for the Department of Education in fiscal year 2014, an increase of $3.1 billion, or 4.5 percent, over the fiscal year 2012 level.

In addition to early learning, this request is focused on strengthening K-12 education, making our schools safer and creating positive learning environments, supporting career- readiness for all, improving affordability and quality in postsecondary education, and supporting the Administration's Ladders of Opportunity initiative for high-poverty communities.

Strengthening K-12 Education

The 2014 request provides essential funding for traditional State formula grant programs that are the foundation of Federal support for State and local efforts to ensure that all students meet college- and career-ready standards, including a $14.5 billion request for the Title I Grants to Local Educational Agencies program and $11.6 billion for the Individuals with Disabilities Education Act Grants to States program. At the same time, we would continue our emphasis on creating meaningful incentives to leverage more effective use of Federal education funding in key areas such as putting a great teacher in every classroom and a great leader in every school; building local capacity to support successful school turnarounds; and improving teacher preparation and classroom instruction in science, technology, engineering, and mathematics (STEM).

Reforming Federal Support for Effective STEM Education

The Administration is proposing a comprehensive reorganization of Federal STEM education programs as part of a Governmentwide realignment that would reorganize or restructure 116 programs across 13 agencies.

Reforming Federal support to support an effective, cohesive national STEM education strategy is a top Administration priority. Scientists and engineers are key innovators in our society. They play an essential role in developing new industries and opportunities that create jobs and spur economic growth. Our Nation depends on an innovation economy, and America's capacity to build and create should never be limited by a shortage of talent in the STEM fields.

At the core of this strategy for improving K-12 STEM education is a $150 million request for STEM Innovation Networks, which would support creating partnerships among school districts, institutions of higher education, research institutions, museums, community partners, and business and industry. These networks would develop comprehensive plans for identifying, developing, testing, and scaling up evidence-based practices to provide rich STEM learning opportunities in participating local educational agencies (LEAs) and schools. They also would work to leverage better and more effective use of the wide range of STEM education resources available from Federal, State, local, and private entities, including federally supported science mission agencies.

Other key elements of the Department's STEM request include $80 million for STEM Teacher Pathways to support the President's goal of developing 100,000 new effective STEM teachers by recruiting, training, and placing talented recent college graduates and mid-career professionals in the STEM fields in high-need schools; and $35 million to establish a new STEM Master Teacher Corps, which would identify teacher leaders in STEM fields who would take on leadership and mentorship roles in their schools and communities aimed at improving STEM instruction and helping students excel in math and science.

More Effective Teachers and School Leaders

Consistent with the Administration's proposal to reauthorize the Elementary and Secondary Education Act (ESEA), the President's Budget would provide $2.5 billion for Effective Teachers and Leaders State Grants to provide flexible, formula-based support for States and LEAs that commit to improving their teacher and principal evaluation systems and to ensuring that low-income and minority students have equitable access to teachers and principals who are effective at raising student achievement. We also would renew our request for a 25 percent national activities set-aside totaling nearly $617 million that would allow the Department to build evidence on how best to recruit, prepare, and support effective teachers and school leaders and to invest in efforts to enhance the teaching and leadership professions.

In addition, the budget includes $400 million for the reauthorized Teacher and Leader Innovation Fund, an increase of $100 million over 2012, to help States and LEAs improve the effectiveness of teachers and leaders in high-need LEAs and schools, in particular by creating the conditions to identify, recruit, prepare, support, retain, and advance effective and highly effective teachers, principals, and school leadership teams in those schools. We also are asking for $98 million to support a redesigned School Leadership Program that would more than triple the Federal investment in training for principals. This proposal would promote evidence-based professional development for current school leaders aimed at strengthening essential leadership skills—such as evaluating and providing feedback to teachers, analyzing

student data, developing school leadership teams, and creating a positive school climate.

Supporting School Turnarounds and Data-Based Innovation

We would expand our commitment to helping States and school districts turn around their lowest-performing schools through a $659 million request for the reauthorized School Turnaround Grants (STG) program. The request includes an increase of $125 million that would be used for competitive awards to help school districts build their capacity to implement effective interventions in persistently lowest-achieving schools or priority schools, and to sustain progress in schools that have successfully completed a 3-year STG project. In addition, the Department could use up to $25 million of these funds to build district capacity by expanding the School Turnaround AmeriCorps initiative, a new partnership with the Corporation for National and Community Service that places AmeriCorps members in low-performing schools to support their school turnaround efforts.

The request also would strengthen K-12 education through a $215 million proposal for Investing in Innovation (i3), an increase of $66 million, to expand support for using an evidence-based approach to test new ideas, validate what works, and scale up the most effective reforms. Up to $65 million would be available for the Advanced Research Projects Agency for Education (ARPA-ED), an initiative modeled on similar entities at the Departments of Defense and Energy that would aggressively pursue technological breakthroughs with the potential to dramatically improve the effectiveness and productivity of teaching and learning. And an $85 million request for statewide longitudinal data systems (SLDS) would provide an increase of $47 million to support the development of P-20 reports and tools to inform policy-making at the State and local levels, as well as the development of in-house analytic capacity for States and school districts.

Supporting Career-Readiness for All

To out-innovate and out-compete the rest of the world, secondary schools and postsecondary institutions need to strengthen the links in our education system to better support career training and skills. The President's 2014 Budget seeks to promote career-readiness for all, in large part through a $1.1 billion request for a reauthorized Carl D. Perkins Career and Technical Education (CTE) program. The reauthorized CTE program would strengthen alignment among secondary and postsecondary CTE programs and business and industry, and create a better accountability system for improving academic outcomes, technical skills, and employability outcomes.

We also are proposing $300 million for a new High School Redesign program, which would support partnerships of school districts, employers, and postsecondary institutions that would redesign high schools in innovative ways to ensure that all students graduate from high school with (1) college credit, earned through dual enrollment, Advanced Placement courses, or other postsecondary learning opportunities; and (2) career-related experiences or competencies, obtained through organized internships and mentorships, structured work-based learning, and other related experiences.

In addition, we are asking for $42 million to fund a demonstration and evaluation of Dual Enrollment programs. This proposal would establish or expand dual enrollment programs, aligned with career pathways and local workforce needs, which offer high school and adult students the opportunity to earn college credits while enrolled in a high school or GED program. Research has shown that participation in dual-enrollment programs is linked to increased high school graduation, higher rates of college enrollment and persistence, and higher college credit accrual rates.

Affordability and Quality in Postsecondary Education

The 2014 request continues to support the President's ambitious goal that America will once again have the highest proportion of college graduates in the world by 2020. The urgent and growing need for higher education reflected in the 2020 goal comes at a time when paying for college is a challenge for many American families. As a consequence, the President's budget proposes comprehensive reforms to increase affordability and quality in higher education, including $1 billion for a new Race to the Top—College Affordability and Completion competition. That competition would drive change in State higher education policies and practices to improve college access, affordability, completion, and quality. The request also includes $260 million for a First in the World fund, modeled after the Investing in Innovation (i3) program, which would make competitive awards to encourage innovation in higher education to tackle and improve college completion rates, increase the productivity of higher education, build evidence of what works, and scale up proven strategies. Funding would also support validation systems for competency-based learning,

which has the potential to improve completion rates, and funding for programs that employ alternative validation systems that can demonstrate good outcomes for students at minimal to no cost for them.

In addition to promoting systemic reforms in higher education, the President's 2014 request includes student aid proposals that would make college more affordable, including linking student loan interest rates to market rates and preventing a scheduled July 1, 2013, doubling of Subsidized Stafford Loan rates from 3.4 percent to 6.8 percent. The President's budget would expand repayment options to ensure that loan repayments for all student borrowers do not exceed 10 percent of a borrower's discretionary income, and significantly increase aid available under the Campus-Based Aid programs. For example, the request includes a $150 million increase for the Work-Study program as part of an effort to double participation over 5 years, as well as reforms to the Perkins Loans program that would expand loan volume by some eight and one-half times, up to $8.5 billion, while making Perkins Loans available at up to an additional 2,700 college campuses.

Building Ladders of Opportunity—and Promise Zones

The President's 2014 Budget for education would help directly address the growing concern that too many communities in America—urban, rural, and, increasingly, suburban—suffer from the negative effects of concentrated poverty, including developmental delays among young children, poor educational outcomes, high rates of crime and incarceration, health problems, and low employment. One new strategy for addressing the challenges of concentrated poverty is the Promise Zones initiative, which will revitalize high-poverty communities across the country by attracting private investment, increasing affordable housing, improving educational opportunities, providing tax incentives for hiring workers and investing in the Zones, and assisting local leaders in navigating Federal programs and cutting through red tape.

This interagency effort will explore opportunities to make better use of all available resources—Federal, State, and local—to address the negative effects of concentrated poverty. The President's budget would support Promise Zones through significant requests in his signature place-based programs, including $300 million for the Department of Education's Promise Neighborhoods, a $400 million request for the Department of Housing and Urban Development's Choice Neighborhoods program, and $35 million for the Department of Justice's Byrne Criminal Justice Innovation Grants program, in addition to tax incentives to promote investment and economic growth.

Making Schools Safer

In January of 2013, President Obama released his plan to reduce gun violence, make schools safer, and increase access to mental health services. The 2014 request supports this plan's common-sense proposals with new investments designed to improve school emergency plans, create positive school climates, and counter the effects of pervasive violence on students. For example, we are asking for $30 million in one-time emergency management planning grants to States to help their LEAs develop, implement, and improve emergency management plans designed to enable districts and schools to prepare for, prevent and mitigate, respond to, and recover from emergencies and crisis events.

The request also includes $50 million for School Climate Transformation Grants, to be coordinated with related proposals at the Departments of Justice and Health and Human Services. These grants would help create positive school climates that support effective education for all students through the use of evidence-based behavioral practices. Funds would be used to scale up a multi-tiered, decision-making framework that has been shown to reduce problem behaviors, decrease bullying and peer-victimization, improve the perception of school as a safe setting, and increase academic performance in reading and math. In addition, $25 million for Project Prevent grants would help school districts in communities with pervasive violence break the cycle of violence through the provision of mental health services to students suffering from trauma or anxiety (including PTSD), conflict resolution programs, and other school-based strategies to prevent future violence.

I want to close by talking briefly about school safety and gun violence. This issue is very personal for me. Frankly, it's something that has haunted me from the time I was a little boy, growing up on the South Side of Chicago.

I grew up playing basketball on the streets in many of Chicago's inner-city communities. I had older teenagers who looked out for me and who helped protect me. Far too many of them ended up being shot and killed. After graduating from college and playing ball overseas, I came back to Chicago to run an "I Have a Dream" program for a class of sixth graders. One of my first memories was of one of our young men, Terriance Wright, whose teenage brother was shot one afternoon.

Going to that funeral, and trying to help that family through that process, was brutal. We have far too many parents burying their children—that is not the natural order of life. When I led the Chicago Public Schools, we lost one child due to gun violence every 2 weeks. That is a staggering rate of loss. In Chicago, we took steps that no public school system should ever have to take. We created burial funds for families that couldn't afford to bury their children.

So, I absolutely refuse to accept the status quo. And I have two simple goals for change that everyone can agree on: first, that many fewer of our Nation's children die from gun violence; and second, that many more children grow up free from a life of fear.

If we refuse to act now, if we refuse to show courage and collective will in the aftermath of the Sandy Hook massacre, I think we will never act.

Sometimes the time picks you; sometimes you pick the time. Today, sadly, the time has picked us. If we don't move forward now in a thoughtful way to protect our children, then we, as adults, as parents, as leaders, have broken a trust with children to nurture them and keep them safe from harm.

On my wall in my office in Chicago, I kept a picture that one of our teenagers had drawn for me. It was a picture of him as a fireman. And the caption that he wrote to go along with it was: "If I grow up, I want to be a fireman." That's a deep statement about this young man's world. Think about what it means that so many of our youth today think about "If I grow up," not "When, I grow up."

Everything we are preaching to young people about going to college, building careers, deferring gratification, and planning for the future, is all undermined when a child is afraid they will get caught up in the craziness of gun violence. We need all our children, whether it is in Newtown, Connecticut, the South Side of Chicago, or Aurora, Colorado, to think of themselves in terms of "when I grow up."

And when children do have that confidence, our opportunity gaps, our achievement gaps, will shrink. When that day comes, education will fulfill its role in America as the great equalizer. It will truly be the one force that overcomes differences in race, privilege, and national origin.

Conclusion

The need is urgent. And I say to the committee, whether you are Republican or Democrat, our children and our country cannot wait. We cannot postpone providing every child with a world-class education.

I look forward to working with you to develop and implement a fiscal year 2014 Budget for education that reflects the needs of our children and our Nation. And I would be happy to take any questions now that you may have.

Chairman KLINE. Thank you, Mr. Secretary—one of those days. You may be spared my questions entirely here.

Secretary DUNCAN. It is part of my strategy.

Chairman KLINE. Yes, I know. It is working.

I am going to begin, after clearing my throat, by taking a moment to talk about the President's proposal—your proposal—to move to a market-based interest rate on all federal student loans.

As you know, the basics of your plan, the administration's plan, falls largely in line with our goals for student loan interest rates. For example, your proposal moves to a market-based interest rate on all loans; our proposal moves to a market-based interest rate on all loans. Your proposal is based off the 10-year Treasury note; so is ours.

You have three different formulas for calculating the student loan interest rates. I thought it would be a little better to narrow it down to two; we can talk about it.

We aimed to get our proposal as close to budget-neutral as we could and ended up with savings of $995 million over 5 years and $3.7 billion in savings over 10 years. Your proposal is a little different, costing $29.8 billion over 5 years and saving $6.7 billion over 10.

To protect students in the high interest rate environments and try to find common ground with some of my colleagues on the other

side of the aisle, our bill includes a reasonable interest cap. Your legislation does not include a cap but expands the income-based repayment program, bringing the total cost of your proposal to $33.4 billion over 5 years with $3.1 billion in savings over 10 years.

I would say our proposals are pretty close and others agree. I am going to quote for just a moment from a Washington Post editorial yesterday. It says, quote—"This year President Obama proposed pegging loan rates to the rate at which the government borrows plus a relatively modest markup. On Thursday the House Education and Workforce Committee endorsed a similar policy. Its bill may reach the House floor this week." It will, indeed, reach the House floor this week.

Continuing, "Backers of the President's plan and those behind the House's say the proposals are designed to be roughly budget-neutral over 10 years. There is no reason to delay passing such a policy."

So, Mr. Secretary, we have some competing ideas up here. I just want to get you on the record, if I can, as to where the administration stands. Are we going to go to an interest rate that has pegged to the market for a long-term solution or are we going to keep kicking the can down the road?

Secretary DUNCAN. I just think, Mr. Chairman, that Congress, not just in this specific instance but generally, we have to start taking on tough issues. We have to take them on together in a bipartisan way, and we have to think for the long haul.

So we are very interested in a long-term solution. We are interested in this being budget-neutral, not sort of trying to reduce the deficit on the backs of students. But I appreciate your thoughtfulness. We want to continue to work with you and other members.

And the idea of coming back every 2 years to try and fix something, to me it is just a very—with all the real challenges that the—you know, the country is facing and what is going on today in Oklahoma, the fact that we can't think long-term, the fact that we can't sort of take a tough issue, deal with it, move it off the table, move onto other issues, I just don't understand that thinking.

So we are interested in a long-term fix, we are interested in it being budget-neutral, and look forward to continued conversations with you and others to try and find some common ground.

Chairman KLINE. Thank you. Mr. Secretary, I hope we can continue to work together as we bang this thing through the legislative process over the next couple of weeks.

I mentioned this briefly to you earlier today so I am going to ask that you give me some information for the record, but as you know, the Regulatory Flexibility Act of 1980—that is how long this law has been around—requires federal agencies to publish in April and in October semiannual regulatory agendas in the Federal Register describing economically significant regulatory actions that are being developed. Further, Executive Order 12866—you may win this thing yet—requires agencies to publish every 6 months a regulatory agenda, including all regulations under development or review during the 12 months following publication.

Let me cut to the chase. Last year, for the first time since 1980, we had an administration that didn't publish the spring agenda at

all—just skipped it. And when the fall agenda came due, well, they just let that go past, too, until they published it on December 21st.

We are in a new year. April has passed us; we haven't seen such an agenda.

So my question for you, Mr. Secretary, for the record is, can you tell us when the Department of Education submitted its input to OMB?

Secretary DUNCAN. Yes, sir. On May 8th.

Chairman KLINE. There you go. Thank you very much.

Well done, Gabby.

I know. That is why you bring them. I know——

Secretary DUNCAN. They are a lot smarter than I.

Chairman KLINE. Yes. Well, they are all smarter than us.

All right, I am—my time is about to run out. I just want to make the point again about the administration has brought forward a very, very big new proposal. You explained it, you talked about early education for 4-year-olds in the country. It is a cost of over $70 billion over a 10-year period, and you really didn't do anything for IDEA.

And when I go and sit down with principals and teachers and superintendents and parents at roundtables in my district and I ask them, "What is the most—single most important thing the federal government can do for you?" it is to step up and meet the federal government's obligation—obligation to fund special ed.

Once again, I am just disappointed, Mr. Secretary. My time is expired.

Mr. Miller?

Mr. MILLER. Thank you, Mr. Chairman.

Mr. Secretary, thank you very much for your comments on the 302(b) allocations. I think this is just a dagger that is aimed at the heart of the federal role in education and has huge ramifications for local schools.

I would also say, there is a big difference between your plan and the President's plan in the fact that you lock students in to get the long-term benefit of the low interest rates today as opposed to the variable rates, which locks them in at a much higher rate later on and they don't know what the cost of college is going to be.

I want to go back to the point I was making with respect to the waivers, and I want to make very clear that there is an understanding between us that No Child Left Behind, as was ESEA—perhaps No Child Left Behind more successfully than the ESEA in many ways—that this a fundamental civil rights law of this country. That is how President Bush saw it. You may remember the anger when President Bush said that the system had the soft bigotry of low expectations for many students inside the American education system, but the fact was that these students were hidden, their performance was washed out by averages and a constant changing of the benchmarks, and we can't go back there.

And I am glad to see what is happening on graduation rates but we have got to understand that the graduation rate has to be real, and we now see some states suggesting that they want to do something that is sort of sub-GED, and maybe graduating students over 6 years or what have you. I have no problem trying to recover students who didn't make the 4-year cycle, and we have seen success-

ful efforts in New York State to do that and elsewhere in some of the larger cities, with really successful recoveries to a regular diploma.

But, you know, we lamented before No Child Left Behind that students couldn't read the diploma that they were granted. Now the question is, what does the diploma mean to an employer, to a college, and others?

And we have got to maintain that integrity in this system as you go through the renewals on waivers—around this question, because as we know, we had dropout factories that were making AYP; they just happened to be losing 50 percent of the students on the way to graduation. And we cannot let states start to construct some semblance of that system as they seek relief from the tough chore of getting excellence on behalf of our students and getting proficiency on behalf of our students, so point made.

Finally, I just want to thank you so much, and the administration and the President, for emphasizing early childhood education. It is very clear the benefits of early childhood education.

I realize there is sort of a fad among the education elites now sort of suggesting that perhaps it makes no difference, that really it doesn't make any difference. I always find that interesting when you know how much rich people are prepared to pay for the early childhood education and development opportunities for their children. People pay $30,000, $40,000, $50,000, $60,000 a year for that experience in Washington, D.C., major metropolitan areas, and elsewhere, seeking to have their child have that advantage starting school.

The difference they make is they then take their child from that early childhood high-quality environment and they put them in a good school. So we put them into a terrible school and we say, "Oh, it didn't work." I would lose grade year competency if I was in some of these schools.

And so I think that we have got to understand that this is a continuum. All of the science that we have learned about brain development, about skills development, about vocabulary acquisition, and all of those fundamental skills tell us that this is a very wise investment.

As I understand—and I know we are still in the drafting stage there on the President's program—basically, he is providing money to states for states to make the decisions about; all they have to do is be willing to invest in high quality—to improve the quality of the existing system and to expand the participation, and that is what the money is. They decide how they want to allocate this in the earliest drafts that I have seen.

So this isn't about us telling the states what to do; it is about us providing resources to help them meet the demand and the quality issues.

Secretary DUNCAN. I will try and respond to each of your points. So on the first point of maintaining a high bar and the civil rights commitment through waivers and going forward, hopefully, with reauthorization, please know that you have my commitment and you have been an absolute champion here, and I appreciate your leadership so much.

One of the biggest benefits of the waivers, which I think people still don't fully understand, is again, there are literally hundreds of thousands of children with special needs, minority children who were invisible under No Child Left Behind—was not the intent, but that is what happened.

And states are now holding themselves accountable for children who didn't exist under the previous accountability system. That is a huge step in the right direction. We need to maintain that bar as we go forward.

On the House budget, just to be very, very clear—I appreciate your commitment to try to fund more for special needs children. With the House Appropriations' 302(b) allocation there would be a cut in IDEA funding of over $2 billion—$2.04 billion. So it is clearly not going the direction that you propose.

And the investment in early childhood education would actually lead to a reduction in young people being labeled "special education" and would, you know, reduce those costs over time.

But this is the best—Mr. Chairman, Congressman Miller, this is the best investment we can make. Again, when you have a Nobel Prize-winning economist who comes to this very skeptically, frankly, and talks about a minimum of a seven-to-one return on investment, how many investments does this body make where you get a seven-to-one return on investment?

And we just have to get out of the dysfunction. We have to stop thinking short-term. This is a long-term play. The benefits are 10, 15, 20, 30 years out.

Politicians too often are wired to think about short term—the next election cycle. But if we invest in high-quality early childhood education—today less than 3 in 10 of our children have access to high-quality pre-K, and then we wonder why we have achievement gaps. We wonder why we are always playing catch up.

We can fix this at the front end, make the right investment, make sure it is high-quality. It is not a mandate to states; it is an option.

And the reason, again, for all the dysfunction here in Washington, I am actually hopeful about this because we see governors in a bipartisan way, Republican and Democrat, who are investing very significantly in early childhood because they get it. They understand it. We just want to partner with states that are interested in investing themselves.

Chairman KLINE. Gentleman's time has expired.

Just a comment, Mr. Secretary, before I recognize Ms. Foxx. I do battle with my own party on special ed, as well, but whatever those issues are doesn't change the fact that once again, the President has, in my judgment, ignored that—what should be a commitment and obligation of the federal government.

Ms. Foxx?

Ms. FOXX. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for being here.

Mr. Secretary, the program integrity regulations have been the center of intense scrutiny from the higher education community and Members on both sides of the aisle in Congress. As you know, the courts have invalidated several of these regulations, yet you recently announced the Department plans to reregulate both gainful

employment and the distance education piece with state authorization.

The House has had strong bipartisan votes opposing both of these regulations. Why do you continue to pursue flawed regulations and what changes to the regulations are you considering?

Secretary DUNCAN. Well, obviously part of what we are doing to go up through negotiated rulemaking is to hear public comments and to get good feedback, and we welcome your feedback, your staff's feedback. And all we are going to do, very simply, is where you have, you know, on the gainful side, we have—if we are going to hit the President's goal of leading the world in college graduation rates we need everybody producing students who are graduating with real skills. We——

Ms. FOXX. Mr. Secretary, are you willing to make the gainful employment apply to everybody in higher education?

Secretary DUNCAN. Well, we need to sort of talk through a number of issues here. My point is, what we want to do is we want to make sure that real training is leading to real jobs, and where that is happening we want to see that happen more often.

Where you have folks who are already struggling financially going in greater debt and not having an opportunity to get a good-paying job, they will be in a worse financial position when they started. I think that is a poor use of taxpayer dollars.

Ms. FOXX. Mr. Secretary, my colleagues will tell you, I am very sensitive about the word "training" as opposed to "education." I think we educate people and we train animals.

I remain concerned, Mr. Secretary, about the current state authorization regulation and newly announced rulemaking session. It is one thing to say that states must authorize institutions that operate within their states; it is entirely another to dictate precisely how these states are to do it, and then if you don't agree with it, punish the students who are attending the institutions within the state.

Aren't you using the federal regulatory process to push states into regulating institutions according to a federal prescription?

Secretary DUNCAN. No, I don't think so. Again, we just want to make sure that—we want to lead the world in college graduation rates. We used to lead the world; today we are 12th.

You should be ashamed of that. I should be ashamed of that. Everyone here should be ashamed of that.

We want to get better and we want to make sure that where significant taxpayer dollars are going to institutions, they are doing a good job of educating young people.

Ms. FOXX. One more thing on the state authorization: You have issued a "dear colleague" letter in March 2011, but how—about how the states can come in compliance. You have extended the deadline twice. Can you identify which states still need to come into compliance and what notice is being given to them?

Secretary DUNCAN. I don't have that here but we are happy to get you that information right away.

Ms. FOXX. Thank you.

Mr. Chairman, I have noted the charts that the Secretary brought today, and I simply must make a couple of comments

about them. You know, I don't know who it was who said, "There are lies, damned lies, and then statistics."

Having dealt with that all my life, I was very curious on this high-quality preschool issue, that it is given to us as a percentage of GDP and that number one is Denmark, which has 5,000,574 people in 2011, and they, indeed, spent $10,429; they are number one. Iceland is number two; their population is 319,000 and they spent $9,745 per student.

And number three is the Russian Federation. I am not sure that we want to compare the United States of America to these other places, especially the Russian Federation.

But I would like to point out that the United States spent more per student than any of these places that are highlighted. We spent $10,995.

So if you want to look at it as a percentage of GDP, but we are really not comparing apples and apples. We are comparing apples and tangerines, I guess, I am not sure, if you look at Iceland and Denmark in comparison to us, in terms of numbers, with 320 million people.

Secretary DUNCAN. Let me be really clear here: children in your congressional district aren't competing for jobs in your district or in your state; they are competing for jobs with children in Singapore, in South Korea, in India, in China, in Russia, in Denmark, in Iceland. And we either want our children to be able to compete for those high-wage, high-skill jobs and keep those companies in our country, or we are going to see those companies migrate to where the most skilled workers are. That is the choice we have to make.

Ms. FOXX. And we are spending more per student than those places, so——

Chairman KLINE. The gentlelady's time has expired.

Mr. Hinojosa?

Mr. HINOJOSA. Thank you, Mr. Chairman.

Secretary Duncan, it is always a pleasure to have you testify before this committee, and thank you for your outstanding leadership and perseverance for joining us on the Education and Workforce Committee, as I said.

I am pleased that President Obama's proposed 2014 budget makes strategic investment in early learning and also on K-12 and higher education. I have been a strong champion for education K-20, and I have a daughter out of—the second out of four girls—specialized in early learning preschool education for pre-kindergarten programs, 3-and 4-year-olds.

She was chosen as the outstanding teacher in that category in about 38 school districts and she oftentimes reads what we are doing in Congress and makes the comment that not enough children are being given that opportunity with 3-and 4-year-olds. And certainly, one of the charts that is in the material you gave us, high-quality preschool, the U.S. ranks 25th in public funding for early learning out of 36 countries, certainly is in line with what she is telling me going on in Texas.

So let me say, Secretary Duncan, that in your testimony you highlight that the graduation rate for Latino students has improved from 2008 to 2011, with an additional 164,000 Latino stu-

dents graduating on time, and I understand that high school graduation rates for African American students also improved, so that today two in three African American students are graduating on time, and to me that is progress. So I congratulate you.

And I am glad to see that we are making this progress in closing the achievement gaps for those students. Looking at the chart that shows the number of students in dropout factories in 2008, 2.25 million, dropped down considerably in 2011. And the number of those school districts known as dropout factories dropped from 1,746 to 1,400 in 2011, again showing great progress.

So I want to ask you, Mr. Secretary, looking at the Republican party's Paul Ryan proposed budget would most likely result in significant cuts to federal education programs that I am talking about. Question is, what impact is sequestration having on disadvantaged children and youth, and can you discuss the effects of this Ryan budget on President Obama's college completion goals?

Secretary DUNCAN. And let me just—I will address that directly, I just want to go back to while we are very pleased to have 700,000 fewer children enrolled in quote-unquote "dropout factories," the fact is, we still have about 1.5 million young people in dropout factories. So this is not, you know, "mission accomplished." This is not "we are there yet."

We have to get better faster. We can't, you know, get that rate down to zero fast enough—that number down to zero. And so we have a lot of hard work ahead of us.

So we need to invest. We need to not invest in the status quo and in vision of reform, but any time you have a budget that would see $2.5 billion taken away from poor children, Title I money, $228 million taken away Impact Aid, children from military families, children on Native American reservations, we talked about over $2 billion cut in IDEA programs, $4 billion cut in Pell Grants—you know, we are trying to get more young people going on to college, not less—it is devastating. And again, we just cut off our nose to spite our face. I just don't understand.

Let me be really, really clear: our competitors—our international competitors—Japan, India, China, Singapore—they are not managing their education strategy by a sequester. That is not how they are doing this.

They are investing, they are innovating, they are putting more money in. South Korea has increased its investment over the past decade by about a third. They know what it takes to get good jobs to come to their country and stay.

I just worry that we are poorly serving our nation's children and our nation's economy if we fail to invest and fail to give our children an opportunity to compete in a global marketplace. The world has fundamentally changed and we keep acting like we are in an era that has been gone for, you know, 30, 40, 50 years.

Mr. HINOJOSA. Secretary, I would like to hear your views on H.R. 1911, the Republican bill that would make college more expensive and out of reach. In particular, how does this proposal affect students of color?

Secretary DUNCAN. So again, I think and I hope—maybe I am wrong—I desperately hope, fervently hope that we could all agree that our goal should be to lead the world in college graduation

rates again. That is the right thing for young people, right thing for the country, right thing for our country's economy.

I talked earlier in my testimony about the return on investment of a college degree of being about 15.2 percent a year. That is a huge return on investment. The long-term benefits are indisputable.

So anything that makes college less accessible, less affordable, more distant for first-generation college goers, we do ourselves a grave disservice.

Mr. HINOJOSA. Thank you, Mr. Secretary.

I yield back.

Chairman KLINE. Gentleman yields back.

Dr. Roe?

Mr. ROE. I thank the Chairman for yielding.

Thank you, Mr. Secretary, for being here.

Before I start, I have got a special guest today, Christina Everett from Tennessee, who is a foster youth shadow day, so she is my shadow.

Christina, would you stand up and be recognized here to this group? Thank you for being here.

I also want to send my sympathy. Two years ago my district had a terrible tornado and I understand exactly what those folks are going through right—it is indescribable what you see on television compared to what is actually there on the ground.

So, Mr. Secretary, I share your enthusiasm for education. The week before the election I got tired of talking to adults and I went to seven schools and talked to young people—elementary schools up to middle schools. That is the future of the country and I agree with what most of my colleagues on both sides of the aisle have said.

I do want to get some reality. A year ago we were in—the Chairman and I were in India, along with Dr. Foxx, and in India we went to the department of education. They have a million schools in India; 700,000 of them don't have electricity.

When you compare that, I think most people can't comprehend that you would have a school without electric power but those are the facts. We were there just a year ago. So it is a different standard.

I want to go to the early childhood and what studies—and certainly it sounds intuitively like if you spend more money there you will ultimately, down the road, get a better outcome. What studies are you citing? Because I have looked at this very——

Secretary DUNCAN. There are many, many studies, and we can get you a whole series of studies, but the one I cited specifically here, and there are others, is the preschool project that Dr. Heckman studied for—it has been a longitudinal study for more than 4 decades and approaching the 5th——

Mr. ROE. That is what I wanted to know. Let's go over that study.

That study—those two that are—that are quoted—that the President quoted—rests on two academic studies: and I may be pronouncing this wrong, but Abecedarian study——

Secretary DUNCAN. Yes.

Mr. ROE [continuing]. And the Perry study. These are 4-and 5-decade studies. These studies actually started in 1972 and with 111 infants in North Carolina, and the Perry Project started in 1962 with 123 poor children and their families in Ypsilanti, Michigan.

And what it showed was—we have mentioned the $7—the studies cost between $16,000 and $41,000 per child in current dollars, and also, the money was spent on very intensive interventions—home visits, parent counseling, nutrition, health care. I mean, it was incredibly complicated. And that is what we are basing this on, these two decades-old studies that were only about 150 people total.

Secretary DUNCAN. No. Those are important studies; they are by no means the only ones, and we will get you all this data, Congressman Roe. But recent short-term studies in Tulsa, Oklahoma, which has done a great job, preschool led to gains of 6 to 7 months in literacy skills and 4 months in math skills, particularly high jumps for Hispanic students.

Very recent study coming out of Boston, preschools led to 7-month gains in literacy and math and significant gains in basic cognitive skills like inhibition and attention——

Mr. ROE. Well, I will get those. And I did want to tell you that I had to peel this onion back pretty far, and let's look at the Head Start program——

Secretary DUNCAN. And just quickly, some interesting studies coming out of Tennessee that talk about the benefits. I want to make sure you are aware of those.

Mr. ROE. I am very aware of those.

Secretary DUNCAN. Okay.

Mr. ROE. In December of last year the HHS released a very comprehensive Head Start data, which took years—346-page study, and it said that the Head Start, several states and those who didn't through the third grade. Some got in; some did not.

There were no measurable differences between two groups across 47 outcome measures. In other words, the Head Start impact was no better than just a random—how do you explain that?

Secretary DUNCAN. Yes. So again, it is really important you look at the details of the study. And, Congressman Roe, what that study did is looked at children who had access to Head Start, not who actually attended Head Start, and 20 percent of the children in that study actually didn't attend. So it is very important that we have rigorous——

Mr. ROE. But if you did or didn't, you didn't turn any different. It wouldn't matter.

Secretary DUNCAN. No. Again, you had children who were in that study who were part of the Head Start cohort, 20 percent of whom didn't attend. So again, happy to sit down with you and sort of walk through, you know, the facts. It is important this be high-quality——

Mr. ROE. The group that didn't attend did just the same as the group that did, whether they dropped out or not.

Secretary DUNCAN. No. Again, the cohort——

Mr. ROE. We can discuss. A couple things I want to—I will get over is I do want to work with you with—and I am very committed to this—is the number of dropout factories. I think that is a trav-

esty in this country. And we should concentrate on those 1,400 schools where those children are being failed today.

And secondly, I want to work with you on the Pell Grant program, where we invest that money more wisely. I would be willing to look at a higher number if we knew what the outcomes would be. In other words, get it to the students who really are effectively using it, because a lot of my community colleges that I talk to, they see kids who get the grant drop out and then basically it is lost and wasted. I want to see that money invested in kids who are being successful.

Chairman KLINE. Gentleman's time has expired.

Mrs. McCarthy?

Mrs. MCCARTHY. Thank you, Mr. Chairman.

And welcome again, Secretary Duncan.

I just want to go back on—in September of 2011 the department offered states the opportunity to waive the requirement of providing supplemental education service, SES, to students despite assurances proposed in the waivers, like in my home state of New York, that it will not shrug off responsibilities to provide support services to students and give districts the opportunity to still offer SES. I am concerned with the post-waiver realities.

I know you have a lot of data, but could you tell me what the criteria the department is using to evaluate state compliance with its commitment to ensure critical services that are being delivered to the students?

Secretary DUNCAN. Yes, well again, at the end of the day, while we have approved 37 states' plans—plans are important—I want to look at outcomes for children, and so are those achievement gaps being closed? Are children who have been disadvantaged, you know, improving or not?

Plans on paper tell you some things that are important. What is more important to me is what is actually happening to real students.

Let me tell you why we did it. One of the things I really resented about Washington, quite frankly, when I led the Chicago Public Schools, was that despite the very limited funding coming from Washington, Washington tied my hands as to how I could spend that money. And I wanted to be held accountable for results, but I wanted the flexibility to spend that money as I saw fit.

And I almost had to sue my current Department of Education when I was in Chicago for the right to tutor about 25,000 children after school, and my Department of Education was telling me in Chicago I couldn't do that. That, to me, was absolutely crazy. It was backwards.

And so with limited dollars, with education being underfunded, we thought it was very important not to dictate to districts and to superintendents and to school boards that you have to use 20 percent of your Title I money around SES, and we are going to hold you accountable for results.

They are good providers. Use them. Have them grow. Do some things yourselves. But to say you have to spend money in this way, that prices are fixed, just simply didn't make sense.

So again, my fundamental thinking about this is to hold people accountable to a high bar, be tight on goals, but be loose on

means—give people flexibility in terms of how they hit that higher bar. That is why we provided flexibility.

Mrs. MCCARTHY. Well, I don't mind the flexibility. What I mind is, are we making sure that the students are getting the programs that they want, and how do we know that they—the states are doing that?

Secretary DUNCAN. Yes. So again, we will monitor their plans. And again, but to be very clear, beyond monitoring plans, we will have ongoing checks here, we will have a renewal process. But I want to look at, is student achievements improving?

Mrs. MCCARTHY. Have you seen any information coming in since 2011?

Secretary DUNCAN. Yes. It is very early. Again, you—I saw some data. I saw graduation rates are up, dropout factories are down.

So there is early data, but again, we need to be looking at it state by state, and I will look at 50 states and who is moving the needle faster, create a little healthy competition there.

Mrs. MCCARTHY. And I agree with that, you know, because I am looking at the—certainly the dropout data, which is one of the biggest factors that, you know, many of us care about, because once we get those kids that drop out very rarely do they ever come back into the system, and those are the kids that, unfortunately, sometimes end up in prison.

So those are the factors that I have, that we have the opportunity to reach these kids and we have an opportunity to change their lives, and I just want to make sure that the states and the local districts flexibility are using it, especially the underserved schools, because that is who we are really targeting.

Secretary DUNCAN. Just one other added point on the—I think, again, all of us, I think, have to be united in getting that dropout rate down to zero. A lot of students leave high school not because it is too hard but it is too easy, it is boring for them. And one of the things in the President's budget proposal is a $300 million request to redesign high schools to focus both on college and careers and more hands-on, engaged learning and relevance to the workforce.

I have been in a couple high schools, including one in New York recently, that did an amazing job of students seeing that bridge between what they are doing in the classroom and what is going on in the real community. For far too many kids that is a huge divide and they feel they are wasting their time, so we want to really invest in states and districts that are serious about helping students understand how, what I am learning in class is relevant to the jobs in my community.

Mrs. MCCARTHY. Absolutely. We have a BOCES program out on Long Island. It is absolutely fabulous working with students. Anyone that would meet these students, certainly they are college material, but this is not what they choose. So they—a lot of them do go on to college, and I think that is important. Not every student wants to go to college.

Secretary DUNCAN. And to be really clear, because I think what other countries do which I don't like—some countries track students: you are on the college track or career. I never want to do that. To me it has got to be both-and, not either-or.

And to your point, let students figure out what they want to do with their lives at different points. We need to give them options, not limit those opportunities.

Mrs. MCCARTHY. Thank you.

I yield back.

Chairman KLINE. I thank the gentlelady.

Mr. Walberg?

Mr. WALBERG. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for being here.

Last week I had the opportunity to meet with more than a dozen college and university presidents from my district and surrounding districts to discuss primarily the issue of the high cost of tuition, high cost of higher education, and ultimately, then, the cost to students with, as we have discussed here numerous times, the cost of loan debt. We know that the Department of Education requires these colleges and universities to collect a great deal of information and then to report that information to the Department. That level of reporting, according to them, continues to grow.

And so I would ask, Mr. Secretary, since the—it ultimately comes back to the student paying the freight for all that goes on education, including excessive reporting, if that be the case. Has anyone in your Department looked at the financial impact of all of this record-keeping and what it is costing not only the universities and colleges but the students?

Secretary DUNCAN. Yes. No, that is a great question. We look at that very closely, and I would encourage you—I do this all the time when I meet with college presidents—where we have regulations that are redundant or burdensome or, you know, compliance-orientated, not adding any value, please let me personally know that very directly, and those are the kinds of things we don't want to continue to impose on folks.

And so where it is helpful, you know, where it is useful information, we want to do that. But where there is unneeded burden there, please hold me personally accountable for challenging that.

So dollars are scarce. We don't want to waste time. We don't want to waste resources. We want them focused on increasing completion rates, not on paperwork that doesn't make sense, so——

Mr. WALBERG. I would be glad to do that. Appreciate that offer and I will share that, certainly, but——

Secretary DUNCAN. It is hard——

Mr. WALBERG [continuing]. Do you have any illustrations of what you are doing right now to reduce some of that?

Secretary DUNCAN. We can walk through a series of things. My challenge is, often when I ask this question I don't get back concrete, specific to-dos, and so again, the more specific you can be the—you know, this piece of data or this whatever—we are asking it three times or doing it in a wrong way. So the more concrete you can be, that would be helpful.

A bigger issue is obviously this idea of college costs. And frankly, we can reduce paperwork; that is not the driver of college costs there.

We have done a lot with FAFSA simplification to make it easier for folks to apply for financial aid. Part of the President's proposal is a Race to the Top for higher education that would incentivize

three things: incentivize states to continue to invest—this has to be about shared responsibility; incentivize universities to keep down their own costs—some are doing it really well, others, frankly, aren't; and to incentivize universities to build cultures not just around access but around completion. The goal can't be to go to college; the goal has to be to help people graduate the back end.

So we want to be a partner and that is what—you know, part of what we are proposing to Congress.

Mr. WALBERG. Let me go on to Pell, since we talked—mentioned FAFSA and the programs to help students with tuition costs. I recently heard from several financial aid officers in my district that they are concerned about fraud in the Pell Grant program. This isn't new to you information, I am certain.

Either people are enrolling in community colleges simply to get access to student aid dollars with no intention of ever trying to complete an academic program or they are fraudulently enrolling to simply take the money and run. Can you point to some specific actions that this administration has done to clamp down on fraud within the Pell Grant programs?

Secretary DUNCAN. So fraud rings are a real concern and it is real money out there, so I have a list of 10. I won't read them all to you, but in October 2011 we issued a "dear colleague" letter to the school community addressing the findings that came from the OIG. We have established an anti-fraud ring task force, chaired by Jeff Baker, to address the issues raised in that report.

We have created a mailbox and a call line that folks have information there. We are developing a process for schools to review and flag unusual enrollment activities that lead to, you know, often are early indicators of potential fraud rings.

I can go through a series of things. So we take this very, very seriously. If there are additional ideas or actions we should be taking, happy to consider——

Mr. WALBERG. Is there any move to tie FAFSA reporting to the IRS records, the tax records, so that we don't have redundancies, we don't have mistakes—unintentional or intentional fraud in the applications?

Secretary DUNCAN. Yes. So the IRS can pre-populate those things. So that is a piece of it but it goes beyond that.

Mr. WALBERG. Well, I would hope that we would get to ways that we can really reduce the subjectivity of reporting and make sure that students, parents, and otherwise know that what they give is accurate information.

Secretary DUNCAN. We will share with you and your staff what we are doing, and if you have suggestions on how—ways we can do it better, I would be very happy to hear those.

Mr. WALBERG. Thank you.

I yield back.

Chairman KLINE. Thank the gentleman.

Mr. Grijalva?

Mr. GRIJALVA. Thank you, Mr. Chairman.

And thank you, Mr. Secretary, for being here.

I have some pre-K initiative questions. Very, very happy to see that in the budget. I don't know how many times we have to go over study after study that the sooner you get these babies ready

the better they are going to do and the outcomes are going to be better. And so I appreciate the President's and your initiative on that.

Earlier question, just for my clarification, maybe something you can answer now or certainly provide the committee information on: the regulatory question around gainful employment—looking at that outcome. Is it possible to provide the committee—and as I understand, it was inclusive but there was a section that dealt—the reaction at least that I received, and maybe it was unusual, from the for-profit colleges relative to that regulation.

What is the percentage of federal funds that go into for-profits versus the student enrollment versus the outcome? Because I believe that if not today, certainly that information would be important for the committee because this question keeps coming up.

Secretary DUNCAN. Yes. I don't have those exact numbers in front of me. The percent of money over time has gone up significantly to the for-profits.

And let me be really clear: I am not anti-for-profit, where for-profits are helping young people or 58-year-olds gain skills to get them real jobs and a real living wage, we want to see them grow and prosper.

Where for-profits or other folks are putting people in a worse financial situation than when they started and using taxpayer money to do that, we think that is a poor use of taxpayer resources.

Mr. GRIJALVA. And I agree. Because if the mantra is the tax dollar and the waste thereof, then certainly that information would be important to the committee.

What happens with Head Start, Mr. Secretary, once the Pre-K initiative is fully implemented, given the cuts that are coming and given the re-competition, which I thought was necessary and proper in some of the instances where those agencies weren't working well? What happens to Head Start?

Secretary DUNCAN. We have a great, great partnership with Kathleen Sebelius, who runs HHS. She is a good friend. We, you know, travel all the time together.

To be really clear, this is a 0 to 5 initiative. Again, this is a goal to try and end achievement gaps and stop playing catch up and stop admiring the problem. So over time HHS would focus on the 0 to 3 space—more home visiting, and again, working with those struggling families to help those parents gain the skills they need, focus on Head Start and Early Head Start, and then over time the transition of 4-year-olds would be into the pre-K program.

But really, it is a 0 to 5. And the goal, again, I have just got to reiterate, the average—the average child coming from a disadvantaged background starts kindergarten at 5 years old 12 to 14 months behind.

That should be untenable to all of us here. That has been true for far too long, and the goal is to level the playing field, to have young children start at the same starting line at 5-year-olds in kindergarten. It is as simple as that.

If I could add one more thing that is really important from the research—research, part of the benefits are academic—clearly, you know, language and literacy and math skills—but a big part of these benefits that these long-term studies are showing are what

is called non-cognitive skills—the ability to sit in a room like this and to participate, the ability to have resilience and grit. And those non-cognitive skills play huge dividends, and you guys couldn't be as successful as you are if you didn't have those.

Not every child grows up in a family or household that has those kinds of opportunities. So it is the academic dividend benefit plus the non-cognitive side that seems to have these lifetime, huge impacts on young people's ability to enter into middle class and be successful.

Mr. GRIJALVA. Two quick questions: In the pre-K initiative, the English learner component, is—I read it quickly, but I don't know, is it—does that include it in the initiative so that we are—we make sure that all families and kids are going to be able to fully participate?

Secretary DUNCAN. Absolutely. The young kids who are, you know, low-income and then sort of work your way up, and where states wanted to do more, in the middle class—middle-income families they would have the right to do that.

And if states were doing a lot in the pre-K space they could use our resources to do more full-day kindergarten, which we think is the right step. So we are going to provide lots of flexibility to partner with states, build upon their strengths, and fill in gaps where there are holes.

Mr. GRIJALVA. And related, one of the first hits, in terms of sequestration, was in Indian Country, and in particular, in education on the reservation and in those nations. As you see that question and as you see it in reflection in the President's budget to address what I think was not only a shortfall but——

Secretary DUNCAN. Well, there is a desperate——

Chairman KLINE. Excuse me. The gentleman's time has expired. We are trying to give all members a chance.

Dr. Heck?

Mr. HECK. Thank you, Mr. Chair.

Thanks to Mr. Duncan.

Good to see you again. Appreciate you taking time to be here.

Just first a quick observation on the average increase of graduation rates, and going back to what Dr. Foxx had said earlier about statistics, I think it is great that the average rate is 78 percent, and as you mentioned, on track to hit 90 percent, but I think we have got to be real careful about using the average because that always implies a high and a low, and we know that the top five largest school districts, of which mine is number five in the Clark County school district, the average of those five come out to 69 percent. So maybe we would better start using the median or something a little bit different to make sure we are tracking all school districts.

One issue very important to me is the Carl D. Perkins Career and Technical Education Act, and I have always been a strong supporter of CTE ever since my days in the state house and maintain the philosophy that high school seniors should be college or career ready when they graduate. We have talked a lot here today about access and affordability of college, but not everyone is meant to go to college. And those who choose to forego college in order to enter

the workforce directly after high school need options and necessary training.

I appreciate the administration's proposal to reauthorize the Perkins Career and Technical Education Act but do have some concerns with this proposal to designate $100 million to create a new competitive CTE innovation fund. As I know you are aware, CTE funding is allocated based on demographics, and because CTE is discretionary funding there can be fluctuations from year to year so the hold harmless provision was put into place back in 1998 to prevent states from ever receiving less than they were allocated in 1998.

And it obviously was established to prevent states from being disproportionately affected. And while well-intentioned, states like my home state of Nevada have had significant population growth since 1998, and if we use the 1998 hold harmless provision in combination with the diversion of $100 million for the innovation fund, it puts Nevada at a significant disadvantage that can potentially result in a funding reduction of 42 percent.

With that in mind, did the Department of Education take these potentially devastating cuts to states like Nevada, which would receive a 42 percent cut, into account? Should this proposal go into effect? And does the Department have a proposal to revise the funding formula allocation for CTE funding to provide for a more equitable distribution of funds amongst the states?

Secretary DUNCAN. So happy to work through those specific issues with you and the governor and, you know, we put out a blueprint for Perkins reauthorization, as you said. Happy to get comments, feedback from anybody. Our goal is not to devastate any state, clearly, so I don't know all the details and intricacies there, but more than happy to look at it.

But I think the fundamental point we are trying to make is, again, as a country I think we did better—whether you call it Voc-Ed, or CTE, honestly, as a country I think we did this better 20 or 30 or 40 years ago and have gotten away from this. We want to see this become much more part of the norm of what high schools are offering. We want to spur innovation, spur creativity.

Some places are doing it; other places it doesn't exist. Some high schools are still training people for jobs that disappeared a couple decades ago. We want to find ways to increase the access to quality CTE programs at the high school and even having some feeder programs in the middle school.

So that is the goal. Happy to talk through any details with you and your team.

Mr. HECK. Certainly, and I appreciate your efforts to work together to try to prevent significant cuts to CTE funding by some states. In addition, states like Arizona, Florida, North Carolina also would see significant cuts based on the hold harmless from 1998 as we move forward, so I appreciate your help in trying to avoid that.

And I yield back, Mr. Chair.

Secretary DUNCAN. Happy to look at it. Thank you, sir.

Chairman KLINE. Gentleman yields back.

Mr. Bishop?

Mr. BISHOP. Thank you very much, Mr. Chairman.

Mr. Secretary, thank you for being here and thank you for your leadership.

I am very worried about the federal campus-based student financial aid programs. I think sequestration has had, as you know, a significant impact on programs like college Work Study and SEOG. A 22 percent cut in appropriations will do even further damage to those programs.

And I am particularly worried about Perkins. As you know, current law has the Perkins Loan fund returning to the Treasury October 1, 2015, so that means we have two more academic years left of a program we have had since I think 1958.

The Department has made a proposal—or the President has made a proposal—a couple of years now to dramatically expand Perkins, basically turn it into campus-based direct lending, to help, you know, significant numbers of additional students. But let's be honest. I don't think that program has much of a chance in this Congress. In fact, I think probably the acting commissioner of the IRS has a better shot of being named Government Man of the Year than we have getting that program through.

So I guess my question is, does the Department have a plan B? I mean, I would—that is $1.4 billion worth of student financial aid that could disappear overnight unless we are able to either keep the program as it currently exists or extend it in some form or fashion.

Secretary DUNCAN. Obviously your long history makes you an absolute expert in this area, so I would love to further the conversations beyond today. But sort of stepping back big picture, we have a huge challenge of keeping college affordable—and not just in disadvantaged communities, in the middle class. And whether I go to the grocery store or to the dry cleaners or fly on an airplane, everywhere I go people are telling me that the cost of college is crushing them.

And so the question is, again, as a country, do we want to have the best-educated workforce in the world or do we want to continue to be 12th or 14th or 16th? And so looking at all of these things in a holistic way, figuring out how we make college more affordable has to be our collective goal.

Our proposal on the table is a race to the top for higher education. Played significantly in the early childhood space; think we have had dramatic impact on K-12. Haven't played in higher ed.

We at the federal level, as you know so well, can't do it by ourselves. It has to be shared responsibility.

But if we can get states to invest and reinvest—40 states recently have cut funding for higher education, Republican and Democratic, so 80 percent of the country. There is no upside there. Not enough universities are using technology to reduce costs and to increase, you know, graduation rates and pass rates.

So we want to try and put some significant carrots out there to incentivize different behavior. So I would love to get your insight as to, you know, our—whether our proposal makes sense or better ideas you have.

But the debt burden is staggering. The cost is far too high. And none of this is good for young people, their families, or for the country.

Mr. BISHOP. Yes. Well, thank you for that. I would be delighted to work with you and your colleagues in the Department.

I guess I want to emphasize the importance of the campus-based financial aid programs. As someone who used to administer those programs, they are often the difference between whether a student enters or doesn't enter, and most often, a difference—makes the difference between whether a student stays.

Secretary DUNCAN. Whether they stay or whether they have to leave. Absolutely.

Mr. BISHOP. Second question quickly: You talked about a culture of completion. Again, I am in full agreement, and there is a lot of pieces to that.

But one piece that I would hope we could resurrect is cooperative education. Cooperative education is, as you know—you and I have talked about this; this is something that I think is one of the best things that colleges can do for students, but it also—it correlates very positively with completion.

Secretary DUNCAN. Yes.

Mr. BISHOP. So students not only stay enrolled, they finish and then they have a—they generally—70 percent of them have a job waiting for them. So if we want a culture of completion, if we want students to enter a job market that isn't as hospitable as we would like it to be, cooperative education really can be a part of that solution. And I would hope that we could move towards resurrecting the federal role in cooperative education.

Secretary DUNCAN. Again, thank you. Please push us to think about that and other thoughts and ideas you have on this topic, which again, I think is an issue of national security and economic competitiveness. We need to be bold; we need to be thoughtful; and we need to work together.

Mr. BISHOP. Thank you, Mr. Secretary.

I yield back, Mr. Chairman.

Chairman KLINE. Gentleman yields back.

Mr. Salmon?

Mr. SALMON. Thank you, Mr. Chairman.

Secretary Duncan, the proposed budget contains several new and costly programs to address college affordability and innovation, including $1 billion for the Race to the Top, $260 million for the first in the world, reformed campus-based aid to prevent the expiration of Perkins Loans.

What is the Department doing to remove existing regulatory barriers that prevent colleges from sharing innovative practices and reducing costs before spending billions more on new, untested programs?

More specifically, I know you are aware your department implemented new incentive compensation regulations. In doing so, you eliminated the so-called "safe harbors" that had been put in place over multiple administrations. In response to advocates from the Democrat side of the aisle, your department maintained one of the safe harbors by expressly permitting revenue-sharing between colleges and third parties to innovate and share expertise.

But instead of applying the regulation fairly, your department prohibited any entity or institution that is affiliated with another institution of higher education from participating in this market. I

have a letter sent to you by Chairman Kline and Ranking Miller—Ranking Member Miller saying that you were looking to fix this unfair rule in the negotiated rulemaking process. However, it is not on the agenda of issues to be addressed and the Federal Register notice states that the process will take years.

There is bipartisan support to fix this problem immediately—to expand innovation, help colleges reduce costs for students—something you say you care deeply about. Simple, straightforward legislative language has been drafted that keeps in place ample protections. Would you commit today to support these—this legislation and work constructively with those of us on both sides of the aisle?

Secretary DUNCAN. Happy to look at that, and if there is bipartisan support for anything these days we ought to look at that very seriously.

Mr. SALMON. Well, I appreciate your commitment to do so.

One final question dealing with Common Core standards. I have always been kind of a states' rights guy and I believe that the top quality of education really is affected at the state level, and more specifically, by the local school districts.

I don't see anything in the Constitution that really deals with education. In fact, I think conversely, the 10th Amendment gives the states the lion's share of the responsibility if not all the share of the responsibility for education.

Also, the General Education—Educational Provisions Act prohibits the federal government from directing education. Elementary and Secondary Education Act—ESEA—prohibits the establishment of a national curriculum.

So I have a lot of constituents on the education front that are very, very concerned about a federal takeover of curriculum. They see it as a bribe to the states and a bait-and-switch. It is a promise of money that if the states go along with this federal curriculum then they will get the money.

Many states have taken the bait, but a lot of the students and parents are really not very happy with this. What are we doing to make sure that we maintain local control of curriculum?

Secretary DUNCAN. Well, sir, facts matter, and as a matter of fact, we are prohibited by law from touching curriculum. Never have, never will, no intent. So it is not a black helicopter ploy and we are not trying to get inside people's minds and brains, which I have been reading about.

Let me be really clear: what many states on a voluntary basis have done, including your state, is raise standards, so you want our children competing to high standards internationally benchmarked, so again, they are not at a disadvantage relative to children in India and China and Singapore. How you teach to those higher standards—the curriculum—is absolutely controlled at the local level. Always has been, always will be. You have never heard me once in 4-whatever years talk about that.

So let's not get caught in the hysteria and the drama. Let's look at the facts. If Arizona wants to raise their standards tomorrow, Arizona wants to lower their standards tomorrow, you have the absolute right to do that. I would encourage you not to——

Mr. SALMON. Thank you, Secretary Duncan.

Secretary DUNCAN. I would encourage you not to lower your standards——

Mr. SALMON. I don't believe anybody is caught up in any kind of hysteria whatsoever. I just had a straightforward question and you have answered it. I appreciate it. You have said that the federal government has no intention of getting involved in directing what the states do for curriculum and I appreciate it.

I yield back the balance of my time.

Secretary DUNCAN. And to be very clear, we are prohibited by law from doing that.

Chairman KLINE. Gentleman yields back.

Ms. Fudge?

Ms. FUDGE. Thank you very much, Mr. Chairman.

And I, too, have a guest with me today. Jenny Corvath, from Dayton, Ohio, who is one of our foster care advocates. Thank you for being here.

And thank you, Mr. Secretary, for your testimony, and thank you for your focus on children, which sometimes, I think, gets lost in this very committee.

Before I begin, though, I do want to make a comment about the Smart Solutions piece that they talked to you about earlier. Let me just for the record say that it is not smart and it is not a solution. All it does is just—it is just another vote that is going to try to balance the budget or make cuts on the backs of those who can least afford it.

And for those who are concerned about IDEA, I know that I don't think I have a colleague on the other side who voted for the stimulus. Even though it is not enough, there were significant resources in the stimulus bill for IDEA——

Secretary DUNCAN. $11.3 billion. I think the——

Ms. FUDGE. $11.3 billion.

Secretary DUNCAN [continuing]. The largest increase, I think, in the history—it has to be—in the history of IDEA.

Ms. FUDGE. Thank you so much.

Now let me just ask you a couple of questions. Recently I worked with the National Urban League to introduce H.R. 1343, the Project Ready STEM Act, and I see that in your budget your are asking for an additional or—$150 million for STEM innovation. Now, if these funds are appropriated, what emphasis will the Department place on ensuring that a portion of these funds are specifically used to expose low-income and minority youth to STEM education?

Secretary DUNCAN. And thanks. We haven't talked enough about STEM today so I really appreciate you raising it. So this is clearly an area of tremendous interest amongst young people. This is clearly an area where so many of the jobs of today and, even more importantly, the jobs of the future are going to be in the STEM fields, so equipping our students with the skills to successfully compete for those jobs is hugely important.

This is not just a Department of Education initiative. The President has really challenged us as an administration to do more in this area. He is personally very passionate about this.

There have been lots of disparate programs across the administration—many really good ones, but maybe the collective impact

hasn't been as strong as it should be. So he has asked us to lead an effort to help bring together all the resources behind STEM to make sure that we are doing a couple different things: one, that we are creating a master teacher core of STEM teachers who can be, you know, mentors and leaders and help keep those teachers in the field and help grow the next generation of STEM teachers. We need about another 100,000 STEM teachers going forward.

And then we want to invest in communities, again, whether they be inner city or, you know, wherever they might be, where there are real strong public-private partnerships around STEM, where the business community, where the higher education, where K-12 are all working together, so these STEM innovation hubs to help increase that pipeline and make sure that real training is leading to real jobs. So there is a chance, I think, to do some really creative things, and we, as we always do, we will ensure that disadvantaged communities have access to these kinds of opportunities.

Ms. FUDGE. Thank you very much.

And secondly, I will soon be introducing the Promoting Health for Youth Skills In Classroom And Life, it means PHYSICAL Act. This bill recognizes physical and health education as core subjects, ensuring that schools have the option to use Title I and Title II funds for physical and health education programs.

We know about the epidemic of obesity in this country, and I am just curious, as this committee moves toward the reauthorization of ESEA, what are your thoughts on recognizing physical and health education as core subjects through the reauthorization process?

Secretary DUNCAN. You and I were both—and I think both still trying to be athletes, and the chance to run around, to burn off a little steam, I always say that for me to do well academically, I needed those opportunities. And that is—what is true for me I think is true for so many young children today.

So my wife is a former phys ed teacher, and whatever we can do to make sure, whether it is P.E., I am a huge proponent of recess—we need more recess. These have to be a normal part of the day.

And again, we have all these false fights in education, and somehow some people believe if you are doing more of that you are hurting yourself academically. It is quite the opposite. When students are active physically it helps their brain development. There is all kinds of research. They can sit and concentrate and not be, you know, jumping up and down.

And so whatever we can do to bring P.E. back into the norm, whatever we can do to encourage recess—the nutrition part of this is really important, but so are those healthy skills, healthy lifestyles that if we instill them early in life will stay with students hopefully for a lifetime. I can't overstate how important that is—a chance to run around, a chance to play, a chance to be part of a team.

That should just be a normal, healthy part of growing up, as it was for so many of us, and unfortunately, it is not always today. Again, I think there is a real—a tremendous downside to not having that there.

Ms. FUDGE. Thank you very much.

Mr. Chairman, I yield back.

Chairman KLINE. Gentlelady yields back.

Mr. Messer?

Mr. MESSER. Thank you, Mr. Secretary. First, I just want to thank you for your work. We agree on many topics, disagree on some, but I know of no one who questions your commitment to the young people of this country and their efforts to have better opportunities, and so thank you.

Get three quick topics. There is a lot to cover, but hopefully we can touch on all three.

First, want to make you aware, if you are not—I think you may well be, but of the Improving Postsecondary Education Data for Students Act, the bill that passed out of this committee in a bipartisan way last week. It is not the sexiest of topics but it is designed to make sure that families, as they go through this most important investment of higher education, have good data.

There is a lot of data out there. I think our hope is that we can try to streamline that data and also improve reporting burdens for colleges, and any comments or thoughts you have on——

Secretary DUNCAN. Yes. I don't know all the details of the bill, but I love the direction you are trying to go and just having greater transparency. We haven't talked about this, having young people and families choose the right colleges for them for the right reasons and have full information—what is a grant, what is a loan, what are graduation rates. These things can be almost impenetrable for far too many families, and whatever we can do to add transparency, to add clarity.

Not to go on too long, but we have the best system of higher education in the world unquestionably, but we are—the marketplace for choosing the right school is wildly inefficient. Too many people choose the wrong school for the wrong reasons. So whatever we can do—and again, anything bipartisan I would love to work on——

Mr. MESSER. Yes, well great. We were glad to work with the folks in this committee, certainly committed to working with you and hopefully can——

Secretary DUNCAN. And it doesn't have to be sexy. If it makes a difference for young people, if it helps those graduation rates climb, that is really important. So don't discount the importance of what you are doing.

Mr. MESSER. Oh, no. Information matters, no question about it.

The second question: several different questioners addressed Pell Grants. I am a product of Pell Grants. I think it is an incredibly important program. I am glad we have got more students who have access to that.

As you are probably well aware, we spent $36 billion on that last year, hundreds of billions over a period of years. And yet, it is my understanding we don't really report or measure as a society what the outcomes of Pell Grants are. What are your thoughts on whether we ought to report and measure those outcomes?

Secretary DUNCAN. Yes. Yes. Absolutely. Again, part of the transparency we want to look at is what are universities do to, again, not just have cultures of access but around cultures of completion, and looking at apples versus apples, Pell Grant recipients versus non-Pell Grant recipients, seeing which universities are taking this

part of the mission seriously and not. We want to provide maximum transparency there, and so it is the right investment.

It is one of the things I am most proud of, frankly, that we have gone from about 6 million Pell recipients to about 9.4 million, but there is still tremendous unmet need.

And then again, I just have to reiterate, the proposed budget coming out of the House Approps would be—would lead to a reduction in access to Pell Grants by over $4 billion. How is that in our nation's best interest?

Mr. MESSER. Yes. And again, the point I would make—sounds like you agree—is when you start to measure what the outcomes are it gives you the opportunity to shape policy.

Secretary DUNCAN. Yes. Absolutely. Absolutely.

Mr. MESSER. The third issue—and understandably, these are tight budget times. I have heard a lot of comments today about tight budgets in both K-12 and in higher education, as well.

I want to raise a concern with you that was raised to me by my local school superintendent. Shelbyville Central School System has about 3,800 students. Our annual budget is about $40 million. About $3.6 million of that is provided by federal funding.

And the superintendent has raised the issue of the impact of Obamacare on our local budget. As you are probably well aware, the provisions of Obamacare require health insurance for any employee that works more than 30 hours a week. And the question is with certain teacher's aides and other employees, they now will be required to cover them with Obamacare or cut back the hours for these teacher's aides and have impacts on student learning.

The local superintendent has estimated it is about an $800,000 impact on this school, about a 2 percent cut on a $40 billion—$40 million budget. But if you look at the federal impact of 3.6 in funding, it is about a 20 percent reduction in the federal benefit.

I would like to hear, one, are you aware of this issue? And secondly, would you support the idea of exempting K-12 and higher education institutions from the requirements of Obamacare?

Secretary DUNCAN. I don't know those specific details. What I would be happy to do is if you give me his name and number, happy to reach out. We actually have a team in our department working on implementation of the Affordable Care Act.

Happy to talk to him, hear his concerns, see if there is anything we can do to be helpful. So if you could leave me his contact information we will follow up directly.

Mr. MESSER. Okay. Thank you. Appreciate your help.

Chairman KLINE. Gentleman yields back.

Ms. Bonamici?

Ms. BONAMICI. Thank you very much, Mr. Chairman.

Mr. Secretary, thank you for your testimony and your years of service and your obvious dedication to the students.

When I review the blueprint for reform and the budget summary I see a lot of discussion about accountability and assessment. Reminds me of the time a few years ago—your comment about P.E.—when I toured an elementary school in my district and they bragged about how great their third grade test scores were and I said, "How did you do that?" They said, "We cut P.E." Big concern.

And I see competitive funding proposals. And, Mr. Secretary, in your testimony you say budgets entail value choices, and what I am looking for is a value choice that furthers development of innovative, creative critical thinkers.

You talk about long-term vision, about global competitiveness, and frankly, I don't think businesses and employers are looking for good test-takers. They are looking for people who are inquisitive, collaborative, good communicators, people who are creative and innovative, who aren't afraid to take risks. And that comes from using both halves of the brain, from a well-rounded education that especially includes the arts, music, P.E.

We need to stimulate intellectual curiosity. You talked about the kids who drop out because they are bored.

So in the proposed budget there is $75 million to develop and expand innovative practices for improving teaching and learning and the arts, health education, foreign languages, civics and government, history, geography, environmental education, economics and financial literacy, and other subjects. $75 million.

So in light of the fact that a lot of students today will be doing jobs that don't exist now and making things that haven't been invested yet, what policies will lead to schools that really cultivate creative, entrepreneurial students—excuse me—and how can $75 million possibly be adequate for something that is so critical?

Secretary DUNCAN. Yes. No, it is a huge, important topic, and I appreciate you raising it. So that is obviously a funding source. I would argue to you that when you see states raising standards, college and career ready and critical thinking skills and all those things that you need to be successful with higher standards, that is a part of what you are getting at.

But please challenge me and challenge our team. I can't overstate how all those things you talked about need to be the norm for public schools, not the exception—and to be really clear, not the norm just of high school, but for first and second and third and fourth graders who then start to get these skills and self esteem and develop a passion or a love for something beyond just the traditional academic subjects.

So there are lots of other ways we are—STEM we, you know, haven't talked enough about, huge proposals around STEM, which gets to much of what you are asking. But please challenge us to do more.

The other thing that is so important in the waiver process—what I hated about No Child Left Behind was there was a fixation just on an absolute test score, and I do want to look at growth and gain and how much students are improving. Obviously if you have a, you know, great third grade test score and a 50 percent dropout rate you are not helping kids.

And what you have seen in many states through the waiver process is real creativity here, moving away from a focus on one test score, looking at graduation rates; looking at reductions in dropouts rates; looking at college-going rates; looking at what percent of students are staying in college—perseverance; looking at what percent of kids are going to college but need remedial classes, meaning they are really not ready. So just in our fundamental accountability system we have tried to move away from a focus just on a test score

to a more holistic, comprehensive set of indicators that, if you are going to reduce dropout rates, I think you have to attack all the things you are talking about and engage kids in different ways.

So we are trying to change the incentive structure. Happy to share what different states are doing. But those kinds of opportunities and learning experiences need to be the norm, not the exception. If you have thoughts on how we can do that better I would love to hear them.

Ms. BONAMICI. Thank you. Well, I am going to be introducing a resolution supporting the ASCD's Whole Child Initiative, also working on the STEM to STEAM Caucus.

Secretary DUNCAN. Yes.

Ms. BONAMICI. There is a lot of great brain research on how the arts and design actually improve and enhance the STEM disciplines.

And in my remaining time I just want to make a comment about the importance of early childhood education. Last weekend I had the opportunity to hear Dr. Donna Beegle in Oregon, who spoke about rising up out of poverty.

She is the only person in her family who has not been incarcerated. She came from very poor circumstances. Tough, tough life growing up.

And I kept waiting for her to say how she broke out of this cycle of poverty, and finally she did at the end. It was a Head Start teacher who got her on the right path. And what she is doing now compared to where she came from was really remarkable.

And it is anecdotal but it just goes to support the importance of that early learning. It is a great investment in early childhood education. If we want to get to the issues of income and equality we give every child an equal opportunity for that early learning.

So thank you and the administration for that priority. I really——

Secretary DUNCAN. Very quickly, Mr. Chairman, if I can, just on the arts piece quickly, another place where we are emphasizing the arts is in the turnaround space, these chronically underperforming schools. We have a set of schools that are using the arts curriculum to turn it around.

I was literally in one yesterday morning here in D.C., Savoy Elementary. I would encourage you to go visit—pretty amazing. I saw 3-and 4-year-olds working on an opera. That is not what I was doing when I was 3 and 4.

Ms. BONAMICI. And Orchard Garden—as well.

Secretary DUNCAN. That principal was with us yesterday. He is amazing.

So that is another funding stream where you have seen some really creative work to engage kids in their own learning.

Ms. BONAMICI. Thank you.

Chairman KLINE. Gentlelady's time has expired, and the world is a much better place because I never worked on opera.

Mr. Rokita?

Secretary DUNCAN. You and I both.

Mr. ROKITA. Yes. I thank the Chairman for not working on opera.

Secretary Duncan, thanks for being here today. I would say that I just saw the Joffrey Ballet, though, in Chicago a few weeks ago. I know you are probably familiar with that, and these kids in Chicago who are learning that, as well, is absolutely fascinating—one of the most athletic experiences I have witnessed, actually. Never thought I would see that in a ballet.

Talk to me a little bit about the waiver process. How much time do you spend—or did you spend—personally involved in that process, reviewing it, deciding who gets a waiver and who doesn't?

Secretary DUNCAN. Not a lot of personal time state by state—some. Where there were tough calls staff would bring that, you know, when things were on the fence. But where there is a pretty clear yes or no I spent less time. I spent a lot of personal time trying to think about what were the tenets, what was the philosophy behind the waivers, what we were trying to accomplish, what we were trying to move away from——

Mr. ROKITA. Okay. I appreciate that.

And the reason for my question is because in—you and I have had now two personal phone calls, and—which I, as I said on the phone calls and I will say on the record here, I greatly appreciate it. And regarding this administration, you are one of the ones that I think I can really communicate with and reason with and have a relationship with, and I appreciate that and I thank you for it.

But now I am seeing some letters that are coming, and I doubt you are writing them, that are—but—you know, if you are the head of an organization you are creating the culture. We are finding that out all around this country now in different places, especially the federal government. And the letters don't track our personal phone conversations in this respect.

Back in 2012 we asked to see your schedule for the purpose of determining—because we have oversight over No Child Left Behind and the waivers circumvent No Child Left Behind. You can argue if that is good or bad; that is not the point of my question. But we have a duty here to see what the Department is spending its time on and what you are spending your time on with regard to these waivers which, again, circumvent federal law.

And we couldn't—we got an objection to that looking at your schedule. Then I see a letter that—where you sent a letter to the states that received waivers asking about the implementation process, and that is the letter we sent. Then you felt the need to send a letter instructing the states so the Department has been transparent and assumed every other state would check with their legal counsel in responding to our—this committee's letter just like you did when you responded to our letter.

Now there are different ways—you can't read in the context of letters, but you could take that to mean it was almost like a subtle threat. "Check with your counsel. Don't have to respond to these people here until you have checked with your counsel and determined what is appropriate or not." Can you clear that up?

Secretary DUNCAN. Yes, absolutely, on both. So to be clear, I don't—wasn't even aware of the request of my schedule, but I think it would be hard to look at my schedule and know what time is spent——

Mr. ROKITA. It was a June 25, 2012 letter, and I will reintroduce it to the record——

[The information follows:]

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June 25, 2012

The Honorable Arne Duncan
Secretary
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202

Dear Secretary Duncan:

Thank you for your April 25, 2012 response to the committee's questions for the record following the March 28 hearing entitled, *"Reviewing the President's Fiscal Year 2013 Budget Proposal for the U.S. Department of Education."*

While I appreciate your responses, some were not complete and need further clarification. Enclosed are the questions that require additional explanation. Please provide written responses no later than Monday, July 9, 2012, for inclusion in the official hearing record. Responses should be sent to Mandy Schaumburg of the committee staff, who can be reached at Mandy.Schaumburg@mail.house.gov or (202) 225-6558.

Thank you again for your contribution to the work of the committee.

Sincerely,

John Kline

JOHN KLINE
Chairman
Committee on Education and the Workforce

Enclosures

1. In your response to the committee, you state that, "The department has increased productivity in the last decade, reducing staffing from 4,600 in 2001 to 4,245 today." What has been the overall reduction in staffing since January 20, 2009?

2. You state the department plans to provide additional resources for the Race to the Top – Early Learning Challenge competitive grant program paired with new investment by the Department of Health and Human Services. What specific portion of Race to the Top funds (in dollars) do you foresee going to the Early Learning Challenge? Will the additional funds be used for continuation grants or new competitions? Why was this information not included in your budget request?

3. You specifically mention new or expanded programs in Tennessee and Delaware implemented as a result of the Race to the Top competitions. What data demonstrate these newly implemented programs are improving student achievement?

4. Members of your staff have indicated the department is exploring the possibility of granting waivers from the requirements of No Child Left Behind to individual school districts. Under current law, the department can provide waivers to school districts, but the application must be submitted through the state, which has an opportunity to oppose the waiver. Under the plan envisioned by the department, will potential peer reviewers have access to the state's comments? What conditions will districts be expected to meet to quality for such a waiver? Will only those districts located in states that have chosen not to apply for a state waiver be eligible? How is the department proposing to monitor the thousands of school districts around the country that would be approved?

5. Your budget proposal suggests the department intends to cut funding from student loan programs to provide a one-year patch for the Pell Grant program. Your April 25 response reiterated this patchwork approach to funding Pell Grants. Please clarify what long-term solutions the department is contemplating to put the Pell Grant program on stable footing for years to come?

6. The committee has heard from borrowers whose loans were switched to a new servicer without any notice. As new student loan servicers are being brought on board to service Direct Loans, what notices are being sent to students from the department to tell them their loans have switched servicers? Please provide us with an example of each notice that could be sent to a borrower in this situation.

7. Recently, the House passed a one-year extension of low interest rates for subsidized Stafford student loans. The administration vowed to veto the measure if the proposal passed the Senate. If the House proposal is unacceptable to the president, what alternatives is the department exploring to pay for the nearly $6 billion price tag?

8. Recently, the House overwhelmingly passed H.R. 2117, the Protecting Academic Freedom in Higher Education Act, which would eliminate the problematic and burdensome state authorization regulation. Additionally, the United States Court of Appeals for the District of Columbia struck down the requirement that online institutions be authorized in every state. Does the department intend to re-regulate on this issue?

9. In the department's FY 2013 budget, you propose to eliminate subsidized loans for students who exceed 150 percent of program length. Have you conducted an analysis on how your current proposals would affect low-income or non-traditional students specifically? If so, what are the results?

10. The Higher Education Opportunity Act of 2008 required the department to provide institutions of higher education with an annual compliance calendar of regulatory requirements for colleges and universities. In the four years since the enactment of the Act – despite numerous new regulations for colleges and universities –we have yet to see a compliance calendar. In your April response, you cite a report that was neither requested by the department nor intended to serve as the annual compliance calendar. To what do you attribute the delay? Will the department produce the calendar before another July 1 deadline passes?

11. Thank you for providing a weblink to the comment periods for regulations issued by the department, however, I respectfully request you provide a list of regulations that did not have a 90-day comment period with an explanation of why you believe the comment period was sufficient to obtain public comment, including feedback from parents and other stakeholders.

12. I understand the department is working on the request for information about spending on conference planning. Please provide all relevant information by the date requested in this letter.

13. Please provide a list of meetings in which you participated that involved a discussion of the waiver package. Your response gave a general answer about various meetings involving your staff. I respectfully request you answer the question as posed, providing a list of all meetings, both in and outside of Washington, D.C., and a complete list of participants at your meetings, including their job titles and affiliations.

14. I appreciate your response to my question on how the department is improving implementation of the Teacher Incentive Fund (TIF). Can you provide any data or other information that demonstrates this program is successful and sustainable? I understand the final 2012 TIF application package was just released; can you detail the changes you have made to improve the program?

The Honorable Arne Duncan
June 25, 2012
Page 4

15. Thank you for your response explaining how you would use the requested increased funding for the Institute for Education Sciences (IES). I also asked when we could expect to see your proposal for reauthorization of the Education Sciences Reform Act (ESRA). Please tell me when you plan to share this proposal.

Secretary DUNCAN. That is fine.

Mr. ROKITA [continuing]. Without objection.

Secretary DUNCAN. Happy to give information that is helpful. My point is, looking at my schedule would not—it is a difficult way to figure out how much time, whether it is in meetings, doesn't know what the title of the meeting is, how much time at night I am spending thinking about this. To me it seems like a ham-handed way, frankly, to try and get at the issue.

If you have a direct question, happy to answer any question——

Mr. ROKITA. Well, okay. Would you send your schedule and then add to it a narrative about, "Hey, I am spending this"—round figures—"this kind of time, this much time."

Secretary DUNCAN. It would be a wild guess. We have spent a lot of time—lot of time thinking about it.

Mr. ROKITA. Could you try to re-answer the question then and give a date certain when you give us an answer?

Secretary DUNCAN. Happy to look again. Don't know the details. Not quite sure——

Mr. ROKITA. How much time do you need?

Secretary DUNCAN. Not quite sure what the intent of the question, what is the——

Mr. ROKITA. Anything you can ask, you can look at your schedule yourself, refresh your memory, and just give us a ballpark figure how much personal time you have spent or are spending on these waivers.

Secretary DUNCAN. Okay. And again, just to be clear, I have spent a lot of time thinking about the philosophy behind them; I have spent less time on individual waivers, just to be real clear.

Mr. ROKITA. What date might we expect something?

Secretary DUNCAN. I will check. Not sure. Happy to look——

Mr. ROKITA. You can't give us a date?

Secretary DUNCAN. No, I can't——

Mr. ROKITA. A month?

Secretary DUNCAN. I can't give you a date because it is a——

Mr. ROKITA. Two months?

Secretary DUNCAN [continuing]. It is an odd request, sir. I don't quite understand——

Mr. ROKITA. It shouldn't be that odd of a request to understand, when we are circumventing federal law, how much time you are personally spending on these decisions. I don't think that is a crazy question.

Secretary DUNCAN. It is the first time I have had that question in 4-something years, so that is why I am a little taken aback. Never had that question before in any—in any setting.

Mr. ROKITA. Okay, well it was asked first in—in June of 2012. Since we are running out of time, let me move on. On——

Secretary DUNCAN. I mean, the other one, just to be clear, obviously zero intent to do it ever. Frankly, states were a little worried when they received that letter and we have good relationships with virtually every state and we were trying to say, sort of, actually to mitigate, to—to knock down the worry. And the Chairman asked me lots of questions; I try and give lots of answers. He asked me some questions a couple days ago; got him some answers today. And we have a good, trusting relationship.

But frankly, it was scary to some states and we were trying to——

Mr. ROKITA. I appreciate that.

On Common Core—I know you got one question there today on that—the standard is for—for you to adopt college- and career-ready standards that are common to a significant number of states. That is the language.

Is there any other standard other than Common Core that would suffice in order——

Chairman KLINE. The gentleman's time is expired——

Secretary DUNCAN. No, no, no. This is an important one. I am sorry. Just really quickly, because it is——

Chairman KLINE. I am sorry. The gentleman's time has expired. We will take it for the record, or I will give you a chance later, Mr. Secretary.

Secretary DUNCAN. I need to take the chance because that is factually incorrect, so I need to be really clear.

Chairman KLINE. Noted.

Ms. Wilson?

Ms. WILSON of Florida. Thank you, Mr. Chair.

At a time when Congress is disinvesting from children I want to thank you, Mr. Secretary, and thank the President for putting forward a budget proposal that upholds our sacred obligation to educate our young people. In particular, I applaud your focus on funding early education at a time when sequester cuts are decimating programs like Head Start and research in STEM education.

Robust funding for education is essential for ensuring that young people can live out their fullest potential and that this nation's economy can reach its long-term potential. The earlier we begin teaching our children in the field of science, technology,—engineering, and math, I know it works. I served as an educational coordinator for Head Start for 3 years. We must start early.

I have one foster care advocate from Florida here today, Otto Phillips.

Raise your hand, Otto.

Research over the last decade shows how important rates of teacher qualification and retention are in ensuring that pre-K is high-quality and produces all the benefits for children we want to see. The findings of the National Institutes for Education Research demonstrate that low levels of compensation diminish the ability to retain the highly trained workforce necessary for high-quality early childhood education.

How can the Administration ensure that the workforce is adequately compensated and positioned to provide high-quality education that produces the desired benefits for children, especially in beginning science curiosity and math? They already are energized with technology by 2 years old; they can use the iPad. So what do you see as what the administration can do to hold that interest?

Secretary DUNCAN. Two-and three-year-olds are sometimes ahead of us, quite frankly——

Ms. WILSON of Florida. Yes.

Secretary DUNCAN [continuing]. And we have to start early, so it is a great point.

And again, this is a—I just want to—people to understand, this is a $75 billion proposal. This is—eclipses anything else we have done. This is a really, really big deal. We think it is an absolute game-changer.

And part of those resources can be used to better compensate teachers who will work in this space. Part of it can be to make sure they have the training and the professional development to work in these areas.

We have to upgrade—you know, again, to raise quality, the only way to do that is to raise the quality in the training of folks who

actually participate in these programs, so there is a huge emphasis there. Happy to follow up.

But if this is just sort of—you know, mediocre programming, that doesn't change kids' lives. It has to be about high quality, and the adults teaching those children every single day, their skills, their capacity, their ability to continue to learn and adjust as the world changes is hugely, hugely important to making sure we hit that quality benchmark.

Ms. WILSON of Florida. Okay. According to the Committee for Education Funding, the Republican budget—the Ryan budget—would cut Head Start by an additional $900 million on top of the $401 million in cuts from the sequester. What impact do you think this would have on our efforts to ensure all children have the skills they need to succeed in school?

Secretary DUNCAN. So I appreciate the question. And again, the facts are today—today—less than 3 in 10 young people have access to high-quality pre-K. Less than 3 in 10 4-year-olds. To me that is crazy.

So if we were to cut—and my numbers are the cut to Head Start would be about $1.4 billion—there would be, you know, thousands, tens of thousands fewer children would have the chance to go. And what we are already seeing right now due to sequester, right now you see Head Start programs ending early this year because they are running out of money due to sequester. And so a week or 2 weeks are being knocked off the end of these schedules.

Children need longer days, longer weeks, longer years, not less time. So again, why we do these things that are not in our nation's interest, I just—it is mind-boggling to me. It is just so disappointing.

Ms. WILSON of Florida. What do you think the administration can do to fill that gap, to make sure—do we plan to do any marketing or outreach to people to——

Secretary DUNCAN. I am traveling the country talking to everyone—and again, outside of Washington, frankly, there is a huge amount of interest. Republican and Democratic governors are investing very—you know, Michigan, you know, Nevada, Mississippi, Alabama—I can go right down the list of Republican Governors who are putting huge resources behind this.

So I think we can build an interesting coalition of bipartisan Governors; of CEOs who understand the return on investment—that is a language they get; of parents and Head Start communities; of the faith-based community; of military generals who like this; of states attorneys and police chiefs who know the reductions in crime and support this. So I think we can build a really interesting coalition. I was in Michigan recently with Governor Snyder, a Republican governor, who was very supportive—went to Ypsilanti, which is one of the, you know, sort of birthplaces of this work.

So for all the dysfunction here in Washington, in the real world there is a real chance, I think, to try and move this thing, and I am going to spend a huge amount of my time and energy traveling the country trying to build that coalition.

Ms. WILSON of Florida. Thank you.

Chairman KLINE. Gentlelady's time has expired.

Mr. Guthrie?

Mr. GUTHRIE. Okay. Thank you, Mr. Chairman.

Hey, thank you, Mr. Secretary, for coming here today. And I was on the committee my first 2 years here, left, and just came back, and part of the stuff I enjoyed was how we worked together and tried to work together, and your honesty in these meetings and moving forward.

The one thing, I was ranking member on Higher Ed at the time, so I got involved in the gainful employment part of—that was being discussed, and one thing that was bipartisan—I think it was kind of the—well, what was bipartisan was an agreement that we don't want kids graduating from school with too much debt, and whether they are at a for-profit school or whatever. I think the frustrating part was how that process went forward. I was in some meetings that was bipartisan, and some of the more frustrating people were actually not of my party in the meeting with members of your organization, or the Department, and I just want to talk about the—you had an I.G. report about that.

And then just last week, as you know, there was a report in the Wall Street Journal that a member of the Department is being investigated for leaking information around the Program Integrity. And then your own I.G. I think was asked by some—to come in and had some issues with the negotiated rulemaking process and I know they gave recommendations.

Can you kind of go through those—how this, maybe, particular individual affects where you are going forward with this?

Secretary DUNCAN. Doesn't affect it whatsoever. As you know, the I.G. is taking a thorough look there. We have a great relationship with the I.G. and I will, you know, obviously suspend, you know, judgment or opinion until that report comes back from the I.G.

Mr. GUTHRIE. So you don't have any recommendations as your—there are no recommendations yet from the I.G. to implement from this report?

Secretary DUNCAN. No. That is an ongoing investigation.

Mr. GUTHRIE. Okay, so moving forward with this——

Secretary DUNCAN. Yes.

Mr. GUTHRIE. Okay. Well, thank you.

I yield back.

Chairman KLINE. Gentleman yields back.

Mr. Tierney?

Mr. TIERNEY. Thank you, Mr. Chairman.

And thank you, Mr. Secretary. Good to see you.

First I just have to make a comment on the IDEA issue. I go over and over this. You know and I know, and most people know, that this was a judicial mandate back in the 1970s that communities educate all children fairly on that and that the communities, states went apoplectic, the federal government stepped in with IDEA, which states could voluntarily accept or not on that basis.

We authorized a certain amount of money per child's additional education needed on that but we never appropriated that full amount. But during the Gingrich years, when it was one of the 10 points, the Republicans on that—Ron Kind and I in this committee put forward an amendment to fully fund it and not a single one of

our Republican friends voted for it on that basis, so I am really glad to hear——

Mr. MILLER. Will the gentleman yield?

Mr. TIERNEY. Yes, I will.

Mr. MILLER. Yes. I think there were 320 members of Congress that signed a petition to the Committee to fully authorize it.

Mr. TIERNEY. And so I am really glad to hear Mr. Kline and others here saying that they are behind more money for IDEA. I just contrast that with the fact that the Republican budget, as you mentioned, cuts it by over $2 billion. So it is—we will put the rhetoric and the reality on a plane here.

We also hear people talking about not wanting to give the burden on our children for a deficit, but they apparently don't have the same concern about loading up student debt on them going forward. You know, given the fact that the Congressional Budget Office projects interest rate savings for students and parents between 2013 and 2018 to be over $30 billion of savings under the administration's proposal and a loss of at least $1 billion under the Republican proposal that passed in this committee recently, can I assume that you don't favor that Republican proposal, you do favor the Administration's plan?

Secretary DUNCAN. Obviously I favor the Administration's proposal. What I am interested in, ideally, is a long-term fix. Again, I just want us to take on tough issues, take them on, take them on for the long haul, and then frankly, move to all the other issues. There is so much, and I don't want to just keep coming back year after year on the same stuff.

So that is my strong, strong personal preference.

Mr. TIERNEY. So I would hope that we would think about keeping that 3.4 percent rate for the subsidized Stafford Loans, and in the context of the Higher Education reauthorization bill, look at that long-range proposal. That sound about right?

Secretary DUNCAN. I would love to figure out a long-term fix sooner than later.

Mr. TIERNEY. Yes. All right.

Tell me a little bit about the Administration's feelings on the income-based repayment plan and its importance in this process.

Secretary DUNCAN. Yes. Income-based repayment, I think, is an extraordinarily important opportunity. It is a terrible name; we need to come up with a better name. People don't understand it well enough and we have got to market it better.

But the chance to have—the short answer, to have people's—their repayments indexed to their income, so if you are making more money, a higher-paying job you pay more, if you are making less you pay less. That makes absolute sense. And the big bang for me that after 10 years of public service—being a teacher, other things—all that debt is forgiven, it is a remarkable opportunity.

So I think it is a great chance. We need to do a better job in terms of marketing, getting the word, out, naming. There are more young people out there who would take advantage who haven't yet, but I am thrilled that we were able to get that done.

Mr. TIERNEY. Let me also ask you a question—any number of millions of students that have graduated are out there carrying around a tremendous burden of debt on student loans at some real-

ly high interest rates. What are the administration's thoughts on getting some relief for that population?

Secretary DUNCAN. Yes. So happy to have, you know, conversation on any of these areas, whether it is folks coming out of school now, whether it is prospective students, or whether it is students who are, you know, 25, 30, 35 who are already out.

Again, let's work. Let's work in a bipartisan way. The fact that that debt surpasses $1 trillion, there is no upside there, and the more we think about these things, again, comprehensively in a bipartisan way, welcome that conversation.

Mr. TIERNEY. Well, our economists tell us that we could put $17 billion back in the economy, which would be a tremendous boost on that, and help all these families out on that, and I hope that we will look on that direction.

Secretary DUNCAN. You worry about people trying to buy a home, other things like that——

Mr. TIERNEY. To buy a home, try to buy a car, you know, try to start a life. We always joke, but it is not really that funny, most families, try to get them out of their parents' house, you know, and move forward on that. So——

Secretary DUNCAN. That is real. That is real.

Mr. TIERNEY. We have a bill in the House here; Senators Reid and Durbin have one in the Senate that addresses that and a long-term fix, and we will look forward to working with you on that.

I yield back.

Chairman KLINE. Gentleman yields back.

Dr. DesJarlais?

Mr. DESJARLAIS. Thank you, Mr. Chairman.

Welcome, Secretary.

I continue to be concerned about the runaway cost of the Pell Grant program. Just last week we received the figures from the CBO demonstrating that we are looking at another $5 billion funding gap for fiscal year 2015, and we must stop infusing the one-time mandatory funds into this program.

A minute ago you talked about the fact that we now have 9 million participants in the Pell Grant program. That is up from 5 million just 6 years ago. The cost 6 years ago was about $12 billion; now the cost is $42 billion. So yes, we have not quite doubled the number of participants, but we have tripled the cost.

What reforms do you have available or what ideas do you have to help lower this cost? And I will just mention, Dr. Roe, I know, before I got here asked you a question and I don't think you got to answer about community college students who are dropping out after receiving Pell Grant money. What can we do to bring the cost down rather than just keep infusing more money?

Secretary DUNCAN. Yes. I am going to be really clear. I don't think the goal should be to bring the cost down. I think this is the best investment we can make, and you are sitting next to a colleague who talked about Pell Grants enabling him to go to college——

Mr. DESJARLAIS. I am another one.

Secretary DUNCAN. So the real question should be, how do we make it more efficient, not to bring down the cost down? I would like to invest more to make higher education more affordable. And

so where there are thoughtful ways that we can make it more efficient to make sure the program isn't being abused somehow or that people aren't taking the money and doing other things, let's have that conversation. Let's think about that.

But I would like to see more—to be really clear, I would like to see more young people have access to Pell Grants, not less.

Mr. DESJARLAIS. Okay. Well, I think being more efficient and infusing more money is not necessarily mutually exclusive. I agree that we need to be more efficient. That is my whole point.

How do we be more efficient? Because right now the answer is just to throw more money at it. Again, we have doubled the number of students but we have tripled the cost.

We can't sustain that path or everyone is going to lose out on this. He won't have it; I won't have it; our kids won't have it.

Secretary DUNCAN. No, I understand. So I have talked a lot about a proposal to have a Race to the Top for higher education.

So at the end of the day what we have to do is we have to find ways to get states to invest. Forty states have cut their investment to higher education, Republican and Democrat. That is not good for the country.

We have to get universities to become more efficient—often use technology in different ways to get better results—and encourage universities to build cultures not just around access but around completion. And we think if we could provide some incentives—not sticks but carrots—get states and universities to behave differently, that might help on the runaway cost of higher ed, might bring down the cost for young people and make——

Mr. DESJARLAIS. Well, I would agree, there is no incentive for universities and colleges right now to be more efficient because we just continue to throw more money at them.

Secretary DUNCAN. Well, it is actually not true. Again, 40 states have cut funding to higher education, so universities are out there hurting. And for me it is not about pointing fingers, laying blame; it is about shared responsibility.

What is the appropriate federal role? What is the role of states? What is the role of universities? We need to not blame each other and sort of come together and see if we behave in a more productive way. That is what we are trying to——

Mr. DESJARLAIS. I will look forward to working with you. And again, I also, like my colleague, Mr. Rokita, appreciate your willingness to reach out. I think you are the only Secretary that came to my office and sat down and met with me and I think that we all appreciate that very much. So I do look forward to working on these issues with you——

Secretary DUNCAN. Put that on my time sheet for——

Mr. DESJARLAIS. Yes. Yes, we will add that——

[Laughter.]

It was a good hour, at least, wasn't it?

Secretary DUNCAN. Billable hour.

Mr. DESJARLAIS. But with that, let me yield the balance of my time to Mr. Rokita.

Chairman KLINE. Gentleman yields——

Mr. ROKITA. Thank you, Mr. Chairman. I appreciate that.

How much time do we have left, Mr. Chairman, in this——

Chairman KLINE. One minute and 24 seconds.

Mr. ROKITA. Perfect. Thank you very much.

I would like to pick up the conversation where we left off, Secretary. And we have enough time now. And I apologize. I was rushed in asking the question; maybe you were rushed in hearing it, but let me set it up again.

In your proposed budget request, as I understand it, you are saying that you are going to limit funding to states that have adopted, quote—"college and career ready standards that are common to a significant number of states." So is there any set of standards other than Common Core that fit that quote?

Secretary DUNCAN. Yes, absolutely. To be clear, in everything——

Mr. ROKITA. Which ones?

Secretary DUNCAN. Just to be really clear, in everything we have done, including the waiver package, our goal is not common, our goal is high standards—college and career ready. And we have provided waivers to states like Virginia and states like Minnesota that are not a part of the Common Core——

Mr. ROKITA. It is not really a waiver question. This is funding to states——

Secretary DUNCAN. In everything we do, let me just be really clear, obviously we——

Mr. ROKITA. The Assessment Grant program, excuse me.

Secretary DUNCAN. So which, just to be really clear——

Mr. ROKITA. Are the Assessment Grant program—and the recent proposal in the budget was about the Assessment Grant program, to limit those funds to states that have adopted college and career ready standards?

Secretary DUNCAN. Yes. Yes. So again, that is not common; it is high standards. In everything we have done—I am trying to be very, very clear—the goal is not common; the goal is high. And so we would not want to provide, you know——

Mr. ROKITA. But from a practical standpoint, is there anything but Common Core?

Secretary DUNCAN. Yes. Yes. Virginia, Minnesota are two examples.

Mr. ROKITA. Thank you. My time is expired.

Chairman KLINE. Thank the gentleman.

Mr. Yarmuth?

Mr. YARMUTH. Thank you, Mr. Chairman.

Mr. Secretary, welcome. And I would like to echo some of the comments. I don't know another person in government who shows as much passion for the people he serves as you do, and I appreciate that greatly.

Scattered throughout the hearing have been kind of discussions of how some non-necessarily educational factors affect education, and the Affordable Care Act has already been raised once today. So I want to ask you how important—and if there is any way to quantify, and there probably isn't—how important the expansion of Medicaid services, Medicaid eligibility under ACA and the availability of expanded coverage is going to be to educational achievement.

Secretary DUNCAN. Yes. I just think, again, there is a series of foundational things that, if we are serious about students begin academics and—academically successful they have to be in place.

So students' physical needs need to be met, their health care needs. They need to be safe. Their dental needs need to be met. If they can't see the blackboard they need eyeglasses. They need to be safe to and from school.

And so there is physical, there is social, and emotional needs. To me, I would say those are foundational.

When we meet them, then let's talk about A.P. calculus and physics and, you know, going to college and those kinds of things. But where children have aching cavities, where they can't see the blackboard, where they have health issues—diabetes, asthma—that aren't being addressed, it is pretty difficult to concentrate in class.

Mr. YARMUTH. And there is no question that those failing to do that severely impedes academic achievement and ultimately, long-term success, is there?

Secretary DUNCAN. No question. And I have worked in communities all my life where children didn't have those kinds of opportunities and the consequences—the loss of social potential, loss of human potential was pretty staggering. That is why I do what I do.

Mr. YARMUTH. A related figure—issue, we talked about STEM education, and that seems to be a national goal to entice people into those areas. How much difficulty is it to entice people into STEM and to generate enthusiasm for them when at the other end the country is cutting funding for research so that the jobs that those people might fill don't seem particularly appealing?

Secretary DUNCAN. Yes. No, that presents a real challenge, and not everyone agrees with me on this, but I think in areas like math and science, particularly in disadvantaged communities, be it inner city urban, or rural, or remote, or Native American reservations, I argue that we should pay math and science teachers more money. We have to find ways to compete with the private sector and to bring them in, again, particularly to help those kids that don't have those opportunities traditionally.

We haven't talked a lot today about technology. I think technology can also help to be a real equalizer here and game-changer. But this is where the world is going, and when our students don't have access to teachers who are comfortable and confident with the content in second and third and fourth grade, again, we limit—we put a cap on what they can accomplish.

Mr. YARMUTH. I was going to get to technology. I was a sponsor back in the 110th Congress of Digital Promise and very supportive of that effort.

I was in a middle school not too long ago in a very, very economically challenged area of my district and asked the principal if she could estimate how—what percentage of her students had access to the Internet at home.

Secretary DUNCAN. Yes.

Mr. YARMUTH. She said 10 percent.

Secretary DUNCAN. Yes.

Mr. YARMUTH. Is there anything that we can do on the federal level or on any level to try and correct that situation?

Secretary DUNCAN. We have to, and I just appreciate your interest and leadership so much. And technology can either be this great equalizer of opportunity or, frankly, it can create a greater divide. You know, we know a lot about the digital divide.

So I think the upside is so high and the downside is so low we have to take this on, but how we increase access, how we make sure, again, in rural areas where, you know, it is a tough issue sometimes, Native American reservations—how do we make sure children who traditionally have the least have a chance to play on a level playing field is hugely important.

I think we should all challenge ourselves across, you know, the federal government, across agencies. We work very hard with the FCC. You know, we need to find ways to make sure that children who should be able to learn anything anytime anywhere 24/7 have those chances.

Mr. YARMUTH. Got a few seconds left. Just a quick question: What does the President's budget do in relation to literacy programs, and I know you are trying to reshape them? Could you address that?

Secretary DUNCAN. Yes. I don't have the exact number in front of me but there is a significant investment there. And again, I—our hope is that where so many states are raising standards with a focus on being able to, you know, talk and express your ideas around complex issues—express yourself verbally and in writing—we hope that we can, over time, significantly improve the literacy rates in this country.

Mr. YARMUTH. Okay. Thank you, Mr. Secretary.

I yield back.

Chairman KLINE. Gentleman yields back.

Mr. Polis?

Mr. POLIS. Thank you, Mr. Chair.

First I do want to, in response to some of what Mr. Rokita was asking about, I want to acknowledge that many of us here, certainly myself included, feel whatever time you spent on the waiver process is time well spent. We appreciate that in the failure of this Congress to reauthorize, you used the process that was contemplated in No Child Left Behind rather than enforce criteria that education experts on the left and right agree is flawed. So thank you for whatever time was well spent. We appreciate it.

I also want to compliment you for your focus in your opening remarks on early childhood education. Seldom do we see as good an investment in our future.

Beyond the human factor, simply looking at the numbers, you cited the seven-to-one figure savings that have been demonstrated in lower special education costs, lower grade repetition rates, lower delinquency. The seven-to-one savings don't even take into account, if you will, the revenue side, meaning that investment in early childhood education leading to people having higher-income careers and paying greater taxes back to our country above and beyond the seven-to-one ratio.

The question I have for you today is about charter schools. The President's proposal includes an increase from $255 million to $295 million in the Title V charter school program, the federal government's program to support financing and growth of quality charter

schools across the country. The budget also expands the grants for the replication and expansion of high-quality charter schools—already supported more than 335 high-quality expansions.

I want to thank you, first of all, for being a champion for expanding educational choice, both in charters as well as in district schools across the country.

However, as you know, the supply of innovative, quality charter schools has not caught up with demand. Over 600,000 students remain on charter school waiting lists, unable to attend the school of their choice, forced to attend a school that the parents perceive is inferior and frequently, according to objective criteria, is inferior.

That is why I will soon reintroduce the All Students Achieving through Reform Act, the All-STAR Act, which will help enable and encourage new charter school startups, in addition to supporting the replication and expansion of high-quality charter schools. And of course, not all charter schools perform well, which is why my bill also includes stronger language around authorizing practices, including closing failing charters and more accountability for school performance.

I want to ask you today, what about the federal charter school program do you believe has been the most effective in spurring the growth of high-quality charter schools and how would you propose incentivizing states to promote the growth of high-quality charter schools?

Secretary DUNCAN. So first, I just want to thank you personally for your leadership on a whole host of education issues, and you think about this with a level of thoughtfulness and nuance and complexity that we desperately need, so I just appreciate the ongoing partnership and everything you bring to the table as we discuss these things.

So I met with a number of high-performing charter groups—CMOs—a month ago maybe, and it was uplifting. They have been able to dramatically expand the number of kids they are serving—exponential growth.

Still a real need. A waiting list that you talked about, but in all candor they said they would not have been able to have the expansion they have had and the reach they have had in the time that they have—in the short amount of time was it not for our support, so I felt really good about that.

Like you, there is nothing, to me, magic about charters. Good charters are part of the solution; bad charters are part of the problem.

We talk about failing schools—5,000 around the country. About 200 of them are charter schools, and we have challenged them to, as you have, to close down and do some other things.

So I think the question you can push me and my team on is, how do we continue to replicate faster high-quality? And to be really clear, for me that has got to be charter and district. And I think charters have actually been more nimble, more entrepreneurial than districts in replicating success.

And I was recently at a——

Mr. POLIS. With my limited time, if you could also address how we can further incentivize states and districts that have not been friendly to charters to encourage charters?

Secretary DUNCAN. So, I need to think about how we do a better job there I don't—I would give us probably a relatively low grade there, and putting the right carrots out there to have folks do that. There are some private foundations that are getting districts and charters, and for me, again, it is just totally the wrong fight.

We have one common enemy and that is academic failure. And whatever we can do to attack that together and replicate success, we need to do that.

Just quickly, I want to also encourage the districts to replicate their high-performing schools, and we have not seen enough creativity there. I want to challenge myself and my team to figure out how we incentivize that better.

Mr. POLIS. And when you look at accountability and looking at school turnarounds and would you look at charter schools and district schools the same way and encourage states and districts to do the same?

Secretary DUNCAN. Absolutely. Again, for me, no 7-year-old knows whether they go to a charter or a district or a magnet or a gifted. Does my teacher care about me? Am I learning? Am I safe? Is my principal helping me? We just need more schools that look like that—more public schools that look like that.

Mr. POLIS. Thank you for your work.

I yield back.

Chairman KLINE. Gentleman yields back.

Mr. Courtney?

Mr. COURTNEY. Thank you, Mr. Chairman.

First of all, for the record, Ms. Foxx asked the question who said, "Lies, damned lies, and statistics"? As any schoolchild in Connecticut knows, it was Mark Twain and he wrote it when he lived in Hartford, Connecticut. If only I could get Steven Spielberg to correct the mistake he made in the Connecticut delegation on the 13th Amendment in his movie, but that is another hearing.

First of all, I want to thank you for your visits to Connecticut in the wake of Newtown. I know you are coming on Friday, but someday we are going to get you across the Connecticut River to Eastern Connecticut. But again, it means a lot to the people of our—my state.

And your testimony, you know, on school safety, again, was eloquent in terms of the fact that, you know, when we talk about all these issues, if kids don't feel safe in schools the CDC numbers on mental illness with young children that came out a few—a couple days ago, I mean, this has got to be a focus. And again, Mr. Kline, to his credit, held a hearing on this topic and hopefully we can move that issue forward.

But I wanted to just spend a minute—I was out of the room for a second because I was actually talking to the Head Start director in Norwich, Connecticut, who last Monday had a staff meeting announcing six layoffs of teachers driven by sequester. This is 60 families that are going to lose home-based Head Start services. They are going to go into—they have 520 kids all together in the program and they are going to start going into classroom slots next if we don't turn the poison off here.

And, you know, again, looking at the budget that came out of the majority, which is below sequester levels, again, you know, all the

talk this morning about early childhood and the benefit, you know, the reality out there right now is we are going backwards and we have got to address this issue of sequester. And I am sure you are getting these calls and this sort of anecdotal input but it is going to pick up speed, and I am—frankly, I am looking to you to help sort of use your platform to warn people about the damage that we are doing right now.

Secretary DUNCAN. So push me. I mean, in the clips literally almost every day there are two or three or four articles in local communities around the country where the cuts are happening now.

And so whatever I can do to raise the alarm and to talk about the reality of not just what is going to happen but what is happening right now, if I am not doing enough, push me. I am trying to go out there everywhere I can to talk about it and to shine a spotlight on it.

And again, I hate to—you know, I think people here in Washington don't begin to understand the consequences of their actions. If they spent more time in the real world and out of here—how does anyone feel good about that? Is that why you guys came to Washington was to take away opportunities for poor kids to have a chance to get off to a good start in life? Is that what motivated you to enter public service? I don't believe it was.

Mr. COURTNEY. Well again, 3-and 4-year-olds didn't cause the structural deficit that we are in right now and they shouldn't bear the burden.

Secretary DUNCAN. Native American kids, the children of military families, families who are overseas, you know, literally giving their lives for us, and then we are going to give them a worse education and take away their counselors and social workers, which is happening right now? Families who deserve—you know, giving everything for us and we are going to deprive them? I don't get our values. I don't understand.

Mr. COURTNEY. And so in any case, you know, this is something I really think, you know, resonates with the public when they see that kind of damage that is being done. I was at a chamber of commerce meeting last week and kind of shared that outcome, and the room—a groan went up in the room.

So, you know, hopefully we can—again, sequester was not about having sequester go into effect; it was about forcing people to sit down and compromise. And Phil Gramm from Texas, who is the granddaddy of sequester, actually gave a speech in Washington, quote-unquote, where that is what he said was the purpose of it.

Lastly, and I know I have just got a few—Mr. Tierney asked about, you know, extending the 3.4 percent rate and, you know I would just say as someone who has been pushing that is that, you know, we need a Higher Ed reauthorization bill. We need to have a comprehensive, long-term solution, which I think everybody agrees with. We are not getting there in 40 days, which is really July 1st and the ticking clock.

And again, I think the President's proposal, using market-based—to a point, I think, has something that people can work with. There are a lot of proposals on the other side. That is a good thing. That didn't exist a year ago——

Secretary DUNCAN. Right. Right.

Mr. COURTNEY [continuing]. When we were doing this issue.

But frankly, we have got to make sure that kids who are making the decision now where to go to school have some confidence and horizon about what decisions they are making.

Secretary DUNCAN. First of all on sequester, if there are things that I can do better to articulate the reality, please push me and my team to do that. That is part of our job and if we are not doing that effectively enough we want to hear that.

Again, on this one, I know it is 40 days, but this one has some intellectual complexity but it is not that that hard. And again, I just with that—I think the expectations have gotten so low for Congress to get anything done.

I just wish we could take an issue or two issues and just figure it out. And again, we will all compromise; we will all—you know, no one will get exactly what they want. That is how this process is set up.

But I would just love to get it done and I would love to get it done for the long haul and again, move on to all these other really hard issues—dropout rates, ESEA reauthorization, Higher Ed reauthorization. You know, there are so many other things we need to be spending time on; I don't want to keep coming back year after year on this.

Mr. COURTNEY. Thank you, Mr. Secretary.

Chairman KLINE. Gentleman yields back.

Before we say goodbye and thank you to the Secretary I want to yield to Mr. Miller for any closing remarks he might have.

Mr. MILLER. Thank you, Mr. Chairman.

And, Mr. Secretary, again, thank you for your time. I agree with my colleagues here that the time you have spent on waivers, I think, is better spent than trying to get a bipartisan resolution out of this Congress, unfortunately, on ESEA.

But I think members ought to understand that, you know, in the case of Common Core standards and assessments, this was a creation of the Governors; this wasn't a creation of the federal government. In fact, a number of people were surprised when the Governors came forward after many years of working and trying to think, how are they a worldwide competitive entity. To attract companies or economic activity they needed a better school system with better standards and better performance.

And, you know, it is an important—you have allowed districts that really want to go to the future to go, not be held back by Congress' bickering back and forth. As I have said in my opening statement, I am concerned that they take everybody with them, they don't leave some people behind here, and that it—the hallmark of this law is the equity and the treatment and the opportunity for these students. Whether they succeed or not is somewhat, you know—we can't guarantee that, but we certainly can provide the opportunity to a first-class education and I think the waivers—and along with the common core.

I mean, I am quite surprised at the response of my state, how positive it is—California has been reluctant on a lot of this—how positive they are now and the, you know, the Governor is seeking appropriations to help them bring this about. The response of

teachers to training sessions and preparation sessions has just been dramatic across the state.

So that is all very, very encouraging. But I just—the equity portion of it is very, very important.

And I hope that we will be able to work out a long-term bipartisan support for student loan activity. We have got a very serious problem on our hands. I think there are new constructs that can be put together where, as you say, it is a shared responsibility.

If the states continue to walk away from public support for public institutions we can't keep putting money into the top and they are taking it out the bottom, and that is sort of what they have been doing here.

I know people are concerned about the growth in Pell Grant, but let's understand, there are a lot of people who never in their lives believed they would be eligible for a Pell Grant, but when they lost they job they lost their income and they had to go back to school. They found that to be very helpful to get a certificate, to get a training, to get an upgrade in their skills so that they would be ready as the recovery started to happen here. So they are not there by choice; they are there by circumstance, and that turned out to be a very expensive thing for the program, but obviously, some underpinnings for those families.

So I just—I want to thank you for these projects that you have undertaken. Again, you heard it from my colleagues—you know, there was a group of people who have been saying that college isn't worth it. Oh, yes it is. Oh, yes it is. By every measure it is worth it.

There is now a group of people saying early childhood education really isn't worth it. Oh, yes it is by almost every measure.

And it is incredibly important. We know the difference between families in vocabulary acquisition. We know what—that—the barriers to that child, their first encounter with the formal education system, whether it is the Head Start system or state-run program or kindergarten.

There is a big difference in terms of acquisition and reading skills and the rest of that—in terms of colors and numbers. And these sound so basic, and yet so many children come to school without the—without those components.

And, you know, I think we have gotten better at partnering up with parents in the involvement, in that education. Certainly in my area of the state it seems to have gone better. We realize we have got to transfer some of this.

And some very exciting things are being done in some school district, engaging parents in that early childhood education experience, in that kindergarten experience, and bringing them through and helping the child transition.

But again, if we are not going to build a first-class receptacle for the students that we are spending the money on—the children we are spending the money on in early childhood education and development, if we are going to dump them into a substandard system it is not going to work. And so, you know, we have to do a lot of things at one time here to get this system up and running.

And so I really just want to encourage the administration to continue to push on this. It is so important to the success of these

young children in terms of their participation in the fullness of American society and fullness of the American economy and to help us hold on to a democracy in a very diverse country. We need their participation—their full, informed participation in American society.

So thank you very much for spending this time with the committee.

Chairman KLINE. I, too, want to thank you, Mr. Secretary, for being with us today.

A couple of things: It has been an extraordinary bipartisan support here in the Congress for a long time for Pell Grants. We are concerned about how much money is going in them and is it being spent not only wisely but is it being abused?

And we certainly know there is anecdotal evidence that it is being abused. A student goes in, gets a Pell Grant, buys a car, never goes to school.

So we would like to work with you and we would ask the Department to really look at that program to make sure that we are, in fact, helping not only kids but, as the Ranking Member said, sometimes it is people coming back. They may be 58. I forgot who used that number here, but that is still young to me, I know, but people are going to come back; they need access to those Pell Grants. We just want to make sure it is not being abused in a large scale, which sometimes we are getting reports that indicate that that might be the case.

On student loans, you and I have talked about this again and again, we heard it talked about here, we had Republicans and Democrats trying to get to the solution which I think you and the President have asked for, and that is a long-term solution where we remove the interest rates to a place where the rates are determined by the market, and I hope you will continue to work with us because there is still work to be done here as we try to move this through. July 1st is coming and we are not done yet, but I would like to be able to continue to work with you to try to get that long-term solution.

And then finally, Mr. Salmon raised the point about what is called "incentive compensation for affiliated third party entities." Now, I mean, probably nobody outside this room or maybe only three people know exactly what that is, but actually you and I have talked about this a number of times. This is an issue that came about because of departmental action and it can be fixed by departmental action.

We were looking on a legislative solution here and we were close and thought we had it, but as so often happens around here, we missed by a little bit; but it doesn't mean we are going to give up. It is something that needs to be fixed. You can fix it and I hope you will look at it again.

And again, I want to thank you for coming here today. As always, it is a pleasure to have you. Very excellent testimony, complete answers to our questions.

And then again, I know that you are watching very closely what is happening in Oklahoma and those schools and that you share our concerns and prayers.

So, there being no further business, the Committee stands adjourned.

[Questions submitted for the record and their responses follow:]

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July 22, 2013

The Honorable Arne Duncan
Secretary
United States Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary Duncan,

Thank you for testifying at the committee's recent hearing entitled, "*Reviewing the President's Fiscal Year 2014 Budget Proposal for the U.S. Department of Education.*" I appreciate your participation.

Enclosed are additional questions submitted by committee members following the hearing. Please provide written responses no later than Monday, August 12, 2013 for inclusion in the final hearing record. Responses should be sent to Mandy Schaumburg of the committee staff.

Thank you again for your contribution to the work of the committee.

Sincerely,

JOHN KLINE
Chairman
Committee on Education and the Workforce

Enclosures

Rep. John Kline (R-MN)

1. Please provide the following figures quarterly from December 2008 to the present:
    a. Student loan delinquencies at Quarter end as a percentage of loans in repayment.
    b. Student loan defaults for the entire Quarter only as a percentage of loans in repayment.
    c. Total outstanding dollar amount of Direct Loans, FFELP loans held by the department, and FFELP loans, then the following information about the outstanding loan volume:
        i. Percent of outstanding loans in repayment,
        ii. Percent in deferment, and
        iii. Percent in forbearance.
    d. Dollar amount of delinquencies broken out by Stafford undergraduate, Stafford graduate, Parent PLUS and Grad PLUS.
    e. Delinquencies broken out by Stafford undergraduate, Stafford graduate, Parent PLUS and Grad PLUS as a percentage of loans in repayment.

2. The president's proposed Preschool for All program would be housed at the Department of Education while HHS plans to continue to operate Head Start and the Child Care and Development Block Grant, programs that provide education and care services primarily targeted to children ages zero to five. In fact, a 2012 Government Accountability Office (GAO) report found 45 such programs scattered across multiple agencies (including yours) costing taxpayers at least $13.3 billion annually. Why is the administration proposing to further fragment the federal government's early childhood education and care system?

3. The budget requests $415 million, $265 million of which is new money, for a new STEM Innovation and Effective Teaching and Learning initiative. It also calls for an investment of RESPECT Project funds to be used for a STEM Master Teacher Corps focused on developing and retaining highly effective STEM teachers. How are these programs not duplicative of one another? How do you differentiate and justify the substantial investment in both initiatives while simultaneously shortchanging Title I and IDEA?

4. You've publicly spoken about the devastating effects of sequestration on the Impact Aid program, yet you propose to zero out funding for the Payments for Federal Property program. Many school districts rely heavily on these funds in order to operate on a daily basis since they have a diminished tax base due to the presence of federal property in their boundaries which cannot be taxed. How can you justify zeroing out this program when you've stated how important Impact Aid funds are to school districts?

5. Your FY 2014 budget request calls for a tripling of investment ($98 million) in the School Leadership Program, which comes on top of a request for billions of mandatory money for teacher and school leader programs. Why, specifically, are you calling for this substantial new investment in the School Leadership Program? Is there any evidence that the program is effective, and if so, what is the evidence? Additionally, is this program not duplicative of the other initiatives you've proposed around school leaders, including the RESPECT initiative and the 25 percent setaside in the Effective Teachers and Leaders State Grant program to recruit, train, and support effective teachers and school leaders?

6. Mr. Secretary, the administration's budget continues to fund the Regional Educational Laboratories (RELs). Since 1996, the RELs have taken a significant proportion of the total federal funding in education research and development with little value to show for that investment. That is clear with your proposal for an entirely new agency, the Advanced Research Projects Agency for Education (ARPA-ED). The most recent re-competition changed the focus of the RELs, and the newly awarded contracts are well underway. Have you seen any improvements in the relevance and effectiveness of the program and timeliness of research since the re-compete? If so, can you provide specific details of these improvements and how you measured them?

7. Many questions have arisen as to the need for both the Regional Educational Laboratories (RELs) and Comprehensive Centers. We have heard complaints about little coordination between the programs and the constituents they serve. I know efforts were made to better align the regional areas both programs serve in the most recent re-competition of the Comp Centers. Has this regional alignment made any improvements in coordination between the programs? If so, can you detail them and how specifically you measured these improvements? Could one comprehensive program meet both current program purposes to better serve the needs of stakeholders to eliminate confusion?

Rep. Todd Rokita (R-IN)

1. Mr. Secretary, there has obviously been a lot of controversy about the Common Core State Standards. Many people on both sides of that debate have expressed concern about your intrusion into state adoption decisions through Race to the Top and ESEA waivers. Another set of common standards were released this spring called the Next Generation Science Standards. Leaving aside any questions about the quality or appropriateness of those standards, can you guarantee us that your department will remain totally uninvolved in state decisions to adopt or not adopt those standards? Can you guarantee us that your department will not use grant or waiver conditions, or any other authority the department could exercise, to encourage, incentivize, or coerce states into adopting those standards, or to otherwise promote those standards as a way to meet any such conditions?

2. Continuing with the common core, I would like to focus on a more narrow issue. Title VI of No Child Left Behind authorizes a state formula grant program for the development and implementation of state assessments. In the department's FY 2014 budget justifications is the following: "Starting with fiscal year 2015, funds would flow only to States that (1) have adopted college- and career-ready standards that are common to a significant number of States; and (2) are implementing, or have committed to implement, assessments in English-language arts and in mathematics in grades 3-8 and at least once in high school that are aligned with those standards." What "college- and career-ready standards that are common to a significant number of States" would a state have to adopt in order to be eligible for these funds in FY 2015? Does the department intend to condition these state assessment formula funds on a state's adoption of one of the assessment systems currently being developed by the Partnership for the Assessment of Readiness for College and Careers and the Smarter Balanced Assessment Consortium?

Rep. Matt Salmon (R-AZ)

1. It is my understanding that the president's budget request would shift/consolidate many government-wide STEM education programs into the Department of Education. Please describe how the department will be able to provide this greater role in STEM education.

2. Describe ways in which the Department of Education has tried to spur innovations that may lead to lower costs in higher education.

3. You stated in response to one of my questions at the May 21, 2013 hearing that Arizona has the absolute right to raise standards if they want. The National Common Core Standards were written by the National Governors Association ("NGA"), The Council of Chief School Officers ("CCSSO"), and Achieve, Inc. These standards are owned and copyrighted by NGA and CCSSO, which are D.C.-based trade organizations with no state legislative authority. Please explain what authority states would have to change any part of these standards, and what federal statutory or regulatory provisions, or conditions on federal funding, might limit that authority. Furthermore, could these organizations sell or transfer the standards to another entity that could change the standards without any state participation? In the event a state becomes dissatisfied with any part of the Partnership for Assessment of Readiness for College and Careers ("PARCC") or Smarter Balanced Assessment Consortium ("SBAC") assessment, would they have to obtain approval from the other member states of their own consortia before a change could be made?

4. You further stated at the May 21, 2013 hearing that the curriculum will be controlled at the local level. Bill Gates stated to the National Conference of State Legislators, "When the tests are aligned to the common standards, the curriculum will line up as well..." The DOE authorized $362 million in funding to PARCC and SBAC to develop assessments. You have stated both consortia "will be developing curriculum frameworks and ways to share great lessons plans." Please explain why the federal government is providing funds not only for assessment development, but also for the creation and implementation of a national curriculum.

5. In a Feb. 22, 2010 speech to the NGA, President Obama made clear states would need to commit to common core standards "as a condition of receiving access to Title I funds."

   The Race To The Top application process additionally:

   A. Required states to commit to standards and assessments without opportunity to study, pilot, or discuss with legislators and citizens (standards which were not revealed until after Phase I and assessments which are yet to be seen);
   B. Deprived states opportunity to do a cost analysis for the math and ELA standards (nor the upcoming science and social studies standards);
   C. Required states to commit to development of a student database tracking system which is a violation of Family Education Rights and Privacy Act ("FERPA") (DOE revised without legislative approval or parental consent); and
   D. Granted No Child Left Behind ("NCLB") waivers to states who adopted the Common Core standards and assessments.

The Race to the Top program, including the above four items constitute undue coercion upon states to accept national standards. Please explain the reasoning behind this coercion.

6. You continue to state these standards are "internationally benchmarked". There were members of the Validation Committee that stated the standards were sorely lacking in international competitiveness and they were not provided any material upon request that would prove otherwise. The Common Core State Standards Initiative has since changed their description from "benchmarked" to being "informed by" high-performing countries. In light of these findings and because the Common Core has not even been pilot tested, please explain why you believe the standards are internationally benchmarked.

Rep. Lou Barletta (R-PA)

I have heard from a lot of financial aid administrators within Pennsylvania that they are concerned about individuals who may be borrowing too much, too early, or who may be taking on more PLUS loan debt than they need.

1. What authority do financial aid administrators have to limit borrowing and do you support providing additional authority as a way to deal with student debt issues?

2. What is built into the Parent PLUS program to make sure that parents do not borrow more than they can afford to repay?

3. Is there any step in the process where the Department of Education evaluates a borrower's capacity for assuming debt and counsels parents that they might be borrowing too much for their circumstances?

4. What is the average balance of loans made to parents under Parent PLUS, and has that number increased or decreased over time?

5. How is the Department of Education's Parent PLUS loan portfolio performing, as far as delinquencies and defaults?

Rep. Martha Roby (R-AL)

Mr. Secretary, I know you believe that you have walked the appropriate line when it comes to not getting the department involved in the effort around common core. However, many folks strongly disagree and some even think that when you tied the adoption of common standards to Race to the Top, ESEA waivers, and other grant programs, you did a lot of harm to what was a state driven effort.

1. Can you tell me today what efforts you are taking to respect the proper role of the federal government in the adoption of standards?

Rep. Richard Hudson (R-NC)

As a consistent supporter of charter schools, I have always believed that they are a critical component in education reform. My home state of North Carolina is home to over one hundred charter schools that consistently exceed expectations and have proven to be a great success. I

would naturally like to see as many charter schools as possible in every state, but as it currently stands there are two issues coming from the Department of Education that might hamper this possibility.

First, I continue to have concerns about the management of the charter school program and how the department has been handling new and continuing grants.

1. What are you doing to ensure as many states as possible actually receive charter school program funding?

Second, I have heard concerns from charter school officials that ESEA waivers are adversely impacting their autonomy in operations.

2. Can you tell me what specific efforts you took to ensure charter schools were not adversely affected by your waivers?

Early college programs in North Carolina have been thriving and on a recent tour of local schools I saw the success they were having around my district.

3. What is the Department of Education doing to encourage more early college programs?

I have heard outrage from many people across North Carolina that the federal government is trying to dictate curriculum through Common Core standards. Three federal laws currently prohibit the federal government from being involved in curriculum: the General Education Provisions Act, the Department of Education Organization Act, and the Elementary and Secondary Education Act. Yet the Department of Education is heavily incentivizing states to adopt Common Core national standards and tests through Race to the Top grants, No Child Left Behind waivers, and by directly financing the corresponding national testing consortia.

4. Do you think this is in contravention with - or at least comes close to skirting - federal prohibitions against the Department of Education directing curriculum?

5. Why does your budget propose zeroing-out funding for the D.C. Opportunity Scholarship Program, despite evaluations by your Department of Education showing statistically significant increases in graduation rates as a result of voucher use?

6. How do you plan to pay for the administration's proposed "Preschool for All" initiative, which would add billions to the deficit despite little evidence of demand for more government preschool programs?

Rep. Rush Holt (D-NJ)

Secretary Duncan, I appreciate your recognition of the importance of STEM education in your testimony. It is not good enough to have <u>some</u> excellent science schools. It is not good enough to bring troubled schools up to barely acceptable performance in science. We need <u>all</u> students in <u>all</u> schools to have better teachers in science related fields. That was the reason for the Math Science Partnership and the Eisenhower grants.

I'm concerned that the department's STEM request includes only $80 million for STEM Teacher Pathways and only $35 million to establish a new STEM Master Teacher Corp. Between these two new programs, the president's budget includes only $115 million of dedicated funds for STEM teacher professional development, while also eliminating the Math and Science Partnership Program. In Fiscal Year 2013, the Math and Science Partnership is funded at $152 million under the current Continuing Resolution (which regrettably is only about half of the authorized amount).

1. What are these new programs doing differently than the Math and Science Partnership, and how are they doing it with $37 million less?

2. How will we have U.S. Department of Education Assistance that will benefit all students?

I had the privilege of meeting with your new Deputy Assistant Secretary Clay Pell recently, and I was encouraged by his perspective on foreign language development and his ideas to focus language and international development within the Department of Education and across the federal agencies.

3. Given the importance of language and international education for the 21st century, and given the overall 42 percent reduction in funding requests from the department for these programs since 2011, how does the department intend to promote language study in the nation's schools and colleges?

I'm pleased to know of the department's International Strategy and its emphasis on cooperation with other government agencies in areas of common mission.

4. Could you comment on specific plans going forward to improve cooperation with the U.S. Department of State, the Department of Defense, and ODNI in the area of foreign language and regional studies?

Congress can and should increase American competitiveness and national security by growing the STEM Workforce. Unfortunately, research shows that women and people of color are underrepresented in STEM fields.

5. What specifically is the Administration doing to encourage and provide the support for women and minorities to pursue STEM careers?

6. Does the Administration plan to finally fill the role of a Special Assistant for Gender Equity, and if so, when?

Rep. Susan Davis (D-CA)

In 2005, RAND synthesized studies on early education and found that 19 early intervention programs demonstrated significant and often sizable benefits, in some cases like the Perry Preschool Program, lasting benefits have been measured 35 years after the intervention ended. Evidence also indicates that there can be substantial gains in outcomes when it comes to special education placement. Early interventions have been shown to significantly lower special education placement.

1. Have these studies been sufficiently replicated and taken to scale? If not, does the secretary require action from Congress to pursue new research in this area?

As you know, every child who receives special education services under IDEA must have an IEP—Individualized Education Program. This is a written document, personalized by a local school team and the child's parents, which details the special educational services the child will receive. The purpose of the IEP is to set learning goals for a child, and to state the specific services that the school district will provide. Numerous studies by James Heckman and others show that the achievement gap begins before our kids even start kindergarten. By intervening early, the goal of the IEP is to help kids with disabilities stay on track and succeed.

2. Are we are doing enough to prepare teachers to meet the individualized needs of these children? Will this budget provide the resources necessary for teacher development?

FY 2014 is a critical budget year. The three largest Title VI center programs will be competing for their next 4-year grant cycle. In my district, for example, SDSU is running a very successful CIBER program to prepare students for a career in international commerce. Unfortunately, because of recent budget cuts, average grants have been cut by roughly 50% since FY 2011-12. On top of that, these important programs are being cut further in FY 2013 under sequestration. Today, many of us are concerned about how further cuts would affect such programs, particularly because the number of students taking international business and language courses – and benefiting from CIBER – has already decreased by 1.3 million or 50%. Without a robust restoration of funds in FY 2014, we could lose up to half of these critical CIBER programs.

3. What are the department's plans to rebuild Title VI and restore the CIBER program in view of the upcoming 4-year grant competition?

The president's recent budget proposal eliminates funding for Section 8002 (ESEA) of Impact Aid. As you know, Section 8002 was designed as a way to fairly compensate school districts for the loss of revenue resulting from the presence of federal, tax-exempt lands. Today, Impact Aid provides critical funding to over 1,300 public schools districts nationwide, including my local San Diego Unified School District. These communities depend upon our continued commitment in order to provide a quality education for their children. We shouldn't penalize kids by cutting a key component of this longstanding program.

4. In light of our commitment to these affected communities, what is the Administration's rationale for eliminating Section 8002 of Impact Aid?

Rep. Dave Loebsack (D-IA)

Mr. Secretary, I'm very concerned about the shortages of instructional support personnel in our schools. For example, the recommended ratio for school counselors is one for every 250 students, but the average ratio nationally is nearly double at 471 to one.

1. What is the Department of Education pursuing to address the shortage of instructional support personnel in our schools and ensure that enough new personnel are being trained to meet the needs of our students?

The Republican Budget freezes the maximum Pell award for 10 years and eliminates all mandatory funding for Pell Grants, and experts believe this will lead to a cut in the maximum award from $5,645 to $4,860.

2. Can you talk about how this cut would impact our ability to reach the goal of leading the world in college attainment by 2020?

Secretary Duncan, I have heard concerns that new loan volume is not being awarded to not-for-profit student loan servicers.

3. Can you explain why the loan volume has not been awarded?

4. When do you expect that the department will move forward with fully utilizing the capacity of nonprofit and state agencies engaged in federal student loan servicing?

Rep. Gregorio Kilili Camacho Sablan (D-MP)

I applaud the Administration's plan to make quality preschool available for all young children from low- and moderate-income families. And I appreciate that the Northern Mariana Islands and the other outlying areas are included in this universal preschool proposal in the form of a set-aside.

Regarding ESEA Title I, Part A allocations, the outlying areas also receive a set-aside. In this case, one percent is shared with the Bureau of Indian Education. The Department of Education, in its discretion provided by law, determines the amount each outlying area and the BIE receives using child poverty data, per-pupil expenditures and other factors. The department has also decided to include a hold harmless provision. I can see this as good practice for the states that get their poverty data updated every year. However, the outlying areas have to wait for the decennial census to have their data updated. The 2010 Census showed that over 52 percent of school age children in the Northern Marianas live below the poverty level, up from 35 percent in 2000.

For Fiscal Year 2013, three areas had their Title I funds reduced so that one area and the BIE could be brought up to their hold harmless funding level. With outlying area poverty data remaining unchanged for a whole decade, it would seem that some areas could be receiving relatively increased or decreased allocations for many years. Then, when new poverty data become available, a hold harmless minimum level would seem to prolong the unbalanced funding amount.

Unlike Title I grant allocations for LEAs in the states, the Department of Education is not statutorily required to apply a hold harmless provision to the outlying areas or the BIE. Yet, under its discretion, the department includes the provision which I believe produces an injudicious allocation by over compensating districts with relatively fewer poor children and under compensating those with relatively more.

1. Can you please explain why the department implements a hold harmless for the outlying areas despite the fact that their poverty data remains unchanged for a whole decade?

2. Is there any way the FY 2013 allocations can be recalculated without applying a hold harmless provision?

[Secretary Duncan's response to questions submitted for the record follows:]

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF LEGISLATION AND CONGRESSIONAL AFFAIRS

April 23, 2014

Honorable John Kline
Chairman, Committee on Education and the Workforce
United States House of Representatives
Washington, DC 20515

Dear Chairman Kline:

Attached are the Department's responses to the questions for the record submitted by Members of the Committee, following the Secretary's May 21, 2013 testimony, at the hearing "Reviewing the President's Fiscal Year 2014 Budget Proposal for the U.S. Department of Education." I apologize for our delay in replying. If you have additional questions concerning this matter, please do not hesitate to contact this office at 202-401-0020.

Sincerely,

Lloyd Horwich, Principal Deputy Assistant Secretary
Office of Legislation and Congressional Affairs

Enclosure

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www.ed.gov

The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

5/21/13 HOUSE COMMITTEE ON EDUCATION AND THE WORKFORCE QFRs

QUESTIONS SUBMITTED BY CHAIRMAN JOHN KLINE

STUDENT LOAN DELINQUENCIES

1. *Question.* Please provide the following figures quarterly from December 2008 to the present:

   a) Student loan delinquencies at Quarter end as a percentage of loans in repayment;

      The Department does not possess and cannot provide delinquency data on FFEL loans, as FFEL servicers are not required to report those data to Federal Student Aid. We would be pleased to brief your staff concerning student loan delinquency in our Direct Loan portfolio.

   b) Student loan defaults for the entire Quarter only as a percentage of loans in repayment;

      Please see the attached spreadsheet (Attachment A) which presents the total volume of FFEL and Direct Loans broken down by repayment status, including in-school/grace, deferment, forbearance, repayment and default for the most recent three quarters (FY 2014, Q1, FY 2013, Q2 and Q3).

   c) Total outstanding dollar amount of Direct Loans, FFELP loans held by the department, and FFELP loans, then the following information about the outstanding loan volume: i) percent of outstanding loans in repayment, ii) percent in deferment, and iii) percent in forbearance;

      Please see the attached spreadsheet (Attachment B) which includes the requested percentage breakdown of repayment status and loan type.

   d) Dollar amount of delinquencies broken out by Stafford undergraduate, Stafford graduate, Parent PLUS and Grad PLUS; and

      The Department does not possess and cannot provide delinquency data on FFEL loans, as FFEL servicers are not required to report those data to Federal Student Aid. We would be pleased to brief your staff concerning student loan delinquency in our Direct Loan portfolio.

   e) Delinquencies broken out by Stafford undergraduate, Stafford graduate, Parent PLUS and Grad PLUS as a percentage of loans in repayment.

The Department does not possess and cannot provide delinquency data on FFEL loans, as FFEL servicers are not required to report those data to Federal Student Aid. We would be pleased to brief your staff concerning student loan delinquency in our Direct Loan portfolio.

PRESCHOOL FOR ALL PROGRAM

2. *Question.* The President's proposed Preschool for All program would be housed at the Department of Education while HHS plans to continue to operate Head Start and the Child Care and Development Block Grant, programs that provide education and care services primarily targeted to children ages zero to five. In fact, a 2012 Government Accountability Office (GAO) report found 45 such programs scattered across multiple agencies (including yours) costing taxpayers at least $13.3 billion annually. Why is the Administration proposing to further fragment the Federal Government's early childhood education and care system?

Answer. The Administration's fiscal year 2014 (FY 2014) early learning proposal outlines a comprehensive plan to invest in children's early learning and development from birth to age five. The plan would target resources toward specific interventions along this continuum and streamline programs to better meet the needs of children and families. Our Preschool for All proposal is designed to avoid duplication in these programs. For example, as more four-year olds are served by Preschool for All programs, we anticipate that Head Start centers will serve a larger share of infants, toddlers, and three-year olds, thereby reducing any duplication in programs. These joint efforts are essential to reaching our goal of providing universal preschool for 4-year-olds from low- and moderate-income families, while at the same time strengthening existing programs across the continuum of early learning from birth through kindergarten.

STEM EDUCATION BUDGET REQUEST

3. *Question.* The Fiscal Year (FY) 2014 request includes $415 million, $265 million of which is new money, for a new STEM Innovation and Effective Teaching and Learning initiative. It also calls for an investment of RESPECT Project funds to be used for a STEM Master Teacher Corps focused on developing and retaining highly effective STEM teachers. How are these programs not duplicative of one another?

Answer. The Department of Education's FY 2014 request for STEM programs is part of a comprehensive, Government-wide reorganization of Federal investments in STEM education designed to increase the impact and improve the reach of these investments. In particular, our request supports (1) developing, validating, and scaling up effective practices in pre-K-12 STEM instruction; (2) increasing student engagement in STEM subjects; and (3) recruiting, preparing, and further developing highly effective STEM educators. The core of our FY 2014 request is our proposed STEM Innovation Networks (STEM-INs) program, which would provide competitive grants to local educational agencies (LEAs) or consortia of LEAs, in partnership with institutions of higher

education (IHEs), nonprofit organizations, other public agencies, museums, and businesses, to transform STEM teaching and learning in order to increase the number of students who seek out and are effectively prepared for postsecondary education and careers in STEM fields.

The STEM Master Teacher Corps would complement the other programs within the STEM Innovation initiative to support highly effective STEM teachers. In particular, Corps members could take on leadership roles in modeling and implementing effective classroom instruction in science and math, and validate and promote practices to improve STEM learning, working with a range of Federal STEM resources to enrich science and math teaching in their local communities. The $35 million discretionary request for the STEM Master Teacher Corps in FY 2014 would support a pilot start-up project for this program, while any additional funds provided through the RESPECT initiative would be used to scale up the Master Teacher Corps nationwide.

TITLE I AND IDEA FUNDING

4. *(Sub question) Question.* How do you differentiate and justify the substantial investment in both initiatives while simultaneously shortchanging Title I and IDEA?

Answer. Funding for our FY 2014 STEM request was made available through the consolidation and restructuring of 114 STEM programs across 14 Federal agencies, and thus did not involve redirecting new resources from other education priorities. Moreover, we believe that improving the effectiveness of the Federal investment in STEM education will contribute significantly to the impact and effectiveness of our Title I and IDEA programs. In fact, leveraging better use of the roughly $26 billion that we currently invest in Title I and IDEA is a key goal of all our reform programs.

IMPACT AID -- PAYMENTS FOR FEDERAL PROPERTY

5. *Question.* You've publicly spoken about the devastating effects of sequestration on the Impact Aid program, yet you propose to zero out funding for the Payments for Federal Property program. Many school districts rely heavily on these funds in order to operate on a daily basis since they have a diminished tax base due to the presence of Federal property in their boundaries which cannot be taxed. How can you justify zeroing out this program when you've stated how important Impact Aid funds are to school districts?

Answer. The policy of the Administration is to use available Impact Aid funds to help pay for the education of federally connected children, including children of members of the uniformed services, children of Federal employees who both live and work on Federal property, children of foreign military officers, children living on Indian lands, and children residing in federally assisted low-rent housing projects.

Unlike other Impact Aid programs, Payments for Federal Property (Sec. 8002) are made to LEAs without regard to the presence of federally connected children and do not necessarily support educational services for such children.

In addition, many LEAs receiving funds under this authority consist of two or more LEAs that consolidated, at least one of which originally met the eligibility criterion of a loss of 10 percent of the aggregate assessed value of real property removed from the tax rolls. The current statute allows such LEAs to retain eligibility even though they are no longer demonstrably burdened.

SCHOOL LEADERSHIP PROGRAM

6. *Question.* Your FY 2014 Budget Request calls for a tripling of investment ($98 million) in the School Leadership Program, which comes on top of a request for billions of mandatory money for teacher and school leader programs. Why, specifically, are you calling for this substantial new investment in the School Leadership Program; is there any evidence that the program is effective, and if so, what is the evidence?

Answer. The Department's FY 2014 request proposes to focus the program on professional development for school leaders. School leadership is critical to the success of elementary and secondary education reform, whether it's turning around low-performing schools, supporting the transition to new college- and career-ready standards and assessments, or implementing new State and locally developed teacher evaluation systems. We believe it is critical to help identify and scale up programs that help local school districts and schools provide principals with the skills they need to implement next-generation education reforms, improve the quality of instruction, and close achievement gaps.

OTHER SCHOOL LEADERSHIP PROGRAM INVESTMENTS

7. *(Sub question) Question.* Additionally, is this program not duplicative of the other initiatives you've proposed around school leaders, including the RESPECT initiative and the 25 percent set aside in the Effective Teachers and Leaders State Grant program to recruit, train, and support effective teachers and school leaders?

Answer. The Department would use the funds sought in our FY 2014 request for the School Leadership Program to award grants for high-quality, large-scale professional development for school leaders. This request is designed to complement the Administration's other proposals.

The RESPECT Project would more broadly support State and local efforts to reform the entire spectrum of the teaching and school leadership professions including: reforming teacher and principal preparation programs; strengthening teacher and principal evaluation and professional development systems; redesigning educator career ladders and compensation systems to attract and retain top talent; and creating conditions in schools that support effective teaching, including by providing teachers greater

autonomy, shared leadership and responsibility for student outcomes, and time for collaboration.

With funds reserved from the appropriation for Effective Teachers and Leaders State Grants, the Department would support the recruitment, preparation, and retention of school leaders and development of school leadership teams who are able to turn around low-performing schools.

REGIONAL EDUCATIONAL LABORATORIES

8. *Question.* Mr. Secretary, the Administration's budget continues to fund the Regional Educational Laboratories (RELs). Since 1996, the RELs have taken a significant proportion of the total Federal funding in education research and development with little value to show for that investment. That is clear with your proposal for an entirely new agency, the Advanced Research Projects Agency for Education (ARPA-ED). The most recent re-competition changed the focus of the RELs, and the newly awarded contracts are well underway. Have you seen any improvements in the relevance and effectiveness of the program and timeliness of research since the re-compete; and, if so, can you provide specific details of these improvements and how you measured them?

Answer. The 2012-2017 REL program prioritizes responsiveness and timeliness. Most REL work is conducted through research alliances, which are groups of practitioners, policymakers, and REL researchers who work over time to use data and research to better understand and address a locally prioritized issue in education. Research alliances provide a built-in primary audience for REL work. RELs currently are working with 70 research alliances across the country.

The REL program has emphasized that REL activities must have a clear audience and help to inform an SEA's or LEA's action or decision. A REL proposal for research, technical assistance, or dissemination will not be approved if it is justified as merely "interesting." Similarly, to be approved, proposed REL work must demonstrate clear buy-in and support from research alliance members.

Research is by its nature a longer-term activity than technical assistance or dissemination. Technical assistance and dissemination opportunities provide short-term learning opportunities, and in their first year-and-a-half, many RELs have emphasized these quick turnaround projects. However, the REL program has taken several steps to improve the timeliness of research. First, RELs are permitted to provide limited-distribution results of research to their alliances prior to broad publication of results, in order to encourage discussion and conversation among alliance members. Therefore, the immediate audience for the research can learn about results as the project is being conducted. Second, RELs are encouraged to produce several shorter reports that cumulate knowledge over time, rather than waiting to produce one long final report.

In all, the RELs have carried out hundreds of technical assistance and dissemination activities since the start of their contracts. Each REL has a website, and many RELs post videos or recordings of webinars, as well as other technical assistance materials.

As opposed to traditional education research, the request for support of the Advanced Research Projects Agency-Education (ARPA-ED), modeled after a similar agency in the Department of Defense, would fund efforts to pursue breakthrough research and development of educational technology and learning systems; support systems for educators; and tools that result in improvements for all students by increasing educational achievement and attainment for students in both traditional and non-traditional environments.

COORDINATION OF RELS AND COMPREHENSIVE CENTERS

9. *Question.* Many questions have arisen as to the need for both the Regional Education Laboratories (RELs) and Comprehensive Centers. We have heard complaints about little coordination between the programs and the constituents they serve. I know efforts were made to better align the regional areas both programs serve in the most recent re-competition of the Comprehensive Centers. Has this regional alignment made any improvements in coordination between the programs; and, if so, can you detail them and how specifically you measured these improvements?

Answer. IES has consistently communicated its expectation that the RELs coordinate with the Comprehensive Centers whenever feasible and appropriate. For example, information about Comprehensive Center events is shared in a weekly email to REL directors. RELs have been encouraged to hold joint events and activities with the Comprehensive Centers. Examples of REL-Comprehensive Center coordination include:

- REL Appalachia has a monthly coordinating call with the Appalachia Regional Comprehensive Center (ARCC).
- REL Southwest includes Comprehensive Center staff in its research alliance meetings.
- On September 18, the Northeast Educator Effectiveness Research Alliance at REL Northeast and Islands and the Northeast Comprehensive Center co-hosted an event providing information about the research base, implementation strategies, and effectiveness of using Student Learning Objectives (SLOs) to support effective teaching and learning.
- On June 28, REL Midwest and Midwest CC held a jointly sponsored event on competency-based education. The Midwest REL and CC have standing meetings in which staff discuss strategic ways to leverage their resources to serve LEAs and SEAs in Iowa. REL Midwest also has coordinated with the Midwest CC in providing technical assistance to the Minnesota Department of Education (MDE) as they develop surveys for use in their teacher and principal evaluation models.

- REL Midwest and the Great Lakes Comprehensive Center (GLCC) held a fall 2013 event for Michigan stakeholders on research-based strategies for dropout prevention. The REL and GLCC have met with top Ohio Department of Education (ODE) officials to discuss collaborating on quarterly webinars to present recent, relevant research that addresses issues of interest to ODE.
- REL West holds periodic meetings with key staff from the California and West CCs to share needs assessment information across key stakeholder groups and strategize on how to best respond to these needs in a collaborative manner. Stemming from these meetings, REL and CC staff have met with SEA leadership in California, Arizona, and Utah to discuss ongoing or future work in the region and how the RELs and CCs can be used in a way that best meets the needs of the states. In addition to these high-level meetings, the West CC has been closely involved with two Research Alliances in the region – the Educator Effectiveness Alliance, which includes stakeholders from Arizona and Nevada, and the English Learner Alliance, which includes all three states covered by the West CC. The CC's involvement in these alliances has included co-sponsoring events and workshops, as well as collaborative dissemination efforts and recruitment of stakeholders into these alliances.

MEETING STAKEHOLDER NEEDS

10. *(Sub question) Question.* Could one comprehensive program meet both current program purposes to better serve the needs of stakeholders to eliminate confusion?

Answer. The activities of the Regional Educational Laboratories (RELs) and the Comprehensive Centers are both different and complementary. Both provide vital supports to states and school districts and we believe continued support for both is warranted.

The REL program focuses on increasing SEA and LEA capacity to access, analyze, interpret, and apply data and research evidence in order to make improvements. To build this capacity, RELs work with SEAs and LEAs to use data to understand the nature and scope of an education challenge in a jurisdiction; access high-quality research that can inform decisions about how to respond to that challenge; identify opportunities to conduct original research on the effectiveness of approaches and investments; and track progress over time using credible data and methods.

The Comprehensive Centers also provide technical assistance but have a focus that complements the RELs' work. The Comprehensive Centers program is organized by regional and content centers. The regional centers are established by region, in alignment with the REL regions, and assist SEAs to build State capacity while content centers bring together resources and expertise to provide analyses, information, and materials in their focus areas for use by the regional centers and SEAs.

The Comprehensive Centers help SEAs effectively implement the ESEA, with a focus on developing SEA organizational capacities to plan, lead, and implement system improvements. While Comprehensive Center activities have a basis in research and sound education and management practices, they do not assist SEAs in conducting research as the RELs do. The Department recognizes that there are opportunities to continue to coordinate the technical assistance efforts authorized by various statutes. That is why, in the 2012 Comprehensive Center grant competition, we modified the regions to mirror the RELs (whose regions are statutorily defined) in order to strengthen regional partnerships across states, and, as noted in our Congressional budget justifications, we have undertaken a cross-Department initiative designed to better coordinate technical assistance to help meet State and local needs. Key goals of this initiative include improving support for critical reform priorities, avoiding duplication of effort, and better leveraging existing resources.

QUESTIONS SUBMITTED BY CHAIRMAN TODD ROKITA

COMMON CORE STATE STANDARDS

11. *Question.* Mr. Secretary, there has obviously been a lot of controversy about the Common Core State Standards. Many people on both sides of that debate have expressed concern about your intrusion into State adoption decisions through Race to the Top and ESEA waivers. Another set of common standards were released this spring called the Next Generation Science Standards. Leaving aside my questions about the quality or appropriateness of those standards, can you guarantee us that your Department will remain totally uninvolved in State decisions to adopt or not adopt those standards?

Answer. Decisions regarding the adoption of college- and career-ready academic standards for any particular subject are entirely up to States.

NEXT GENERATION SCIENCE STANDARDS

12. *(Sub question) Question.* Can you guarantee us that your Department will not use grant or waiver conditions, or any other authority the Department could exercise, to encourage, incentivize, or coerce States into adopting the Next Generation Science Standards to otherwise promote those standards as a way to meet any such conditions?

Answer. Decisions regarding the adoption of college- and career-ready academic standards for any particular subject, including science, are entirely up to States.

NO CHILD LEFT BEHIND STATE ASSESSMENTS

13. *Question.* Continuing with the Common Core, I would like to focus on a more narrow issue. Title VI of No Child Left Behind authorizes a State formula grant program for the development and implementation of State assessments. In the

Department's FY 2014 budget justifications is the following: "Starting with fiscal year 2015, funds would flow only to States that (1) have adopted college- and career-ready standards that are common to a significant number of States; and (2) are implementing, or have committed to implement, assessments in English-language arts and in mathematics in grades 3-8 and at least once in high school that are aligned with those standards." What "college- and career-ready standards that are common to a significant number of States" would a State have to adopt in order to be eligible for these funds in FY 2015?

Answer. The language in our 2014 budget justification reflects the Administration's ESEA reauthorization proposal. In the absence of reauthorization, ESEA does not require States to adopt college- and career-ready standards in order to receive formula funding under the Assessing Achievement program.

STATE ELIGIBILITY FOR STATE ASSESSMENT FUNDS

14. *(Sub question) Question.* Does the Department intend to condition these State assessment formula funds on a State's adoption of one of the assessment systems currently being developed by the Partnership for the Assessment of Readiness for College and Careers and the Smarter Balanced Assessment Consortium?

Answer. We do not intend to require States to adopt one of the assessment systems currently being developed by the Partnership for the Assessment of Readiness for College and Careers and the Smarter Balanced Assessment Consortium in order to receive formula funding under the Assessing Achievement program.

QUESTIONS SUBMITTED BY REP. MATT SALMON

STEM EDUCATION PROGRAM CONSOLIDATION

15. *Question.* It is my understanding that the President's budget request would shift/consolidate many Government wide STEM education programs into the Department of Education. Please describe how the Department will be able to provide this greater role in STEM education.

Answer. Part of the impetus for restructuring and consolidating Government-wide STEM education programs is to streamline and simplify administration and management of the Federal investment in STEM education, for both the Federal Government and for grantees. The proposed consolidation in our FY 2014 request would help reduce program fragmentation and more effectively align Federal investments in STEM education to the needs of students and teachers and to national priorities supporting our competitiveness in the global economy. The Department expects to carry out its role, which is focused on pre-K through grade 12 education, through the effective and efficient administration of key new programs, such as the proposed STEM Innovation Networks program, which will include collaboration with other Federal agencies where appropriate. The

Department also requests funds to support increased capacity to execute its leadership role in pre-K through grade 12 STEM education.

HIGHER EDUCATION INNOVATION

16. *Question.* Describe ways in which the Department of Education has tried to spur innovation that may lead to lower costs in higher education.

Answer. This Administration has managed to secure significant increases in the postsecondary financial assistance available to students and families over the past four years, but we recognize that student aid cannot keep pace with rising college costs indefinitely. In an effort to make college more affordable, the President's 2014 request includes funds for two key initiatives designed to improve affordability and quality.

The Administration FY 2014 request includes $1 billion for a Race to the Top – College Affordability and Completion initiative to drive change in State higher education policies and practices in order to improve college access, affordability, completion, and quality. This proposal would provide the incentive for States to implement essential reforms such as increasing fiscal support for higher education while modernizing funding policies to constrain costs and improve outcomes, removing barriers preventing the creation of innovative methods of student learning and new degree pathways, empowering consumer choice through increased transparency, and smoothing transitions for students from high school into college and between colleges.

The Administration's FY 2014 First in the World request would drive reform at the institutional level through competitive awards to institutions with innovative strategies to improve completion rates, increase productivity, build evidence of what strategies are successful, and scale up proven strategies. As with the i3 program for K-12, award sizes would depend on the level of evidence supporting the efficacy of the proposed strategy. The request also included funds to support the creation of third party validation systems that would identify appropriate competencies, assessments and curricula for high-need fields; and Pay for Success rewards to innovative providers that successfully produce free degrees tied to these validation systems.

NATIONAL COMMON CORE STANDARDS AND STATE RIGHTS

17. *Question.* You stated in response to one of my questions at the May 21, 2013, hearing that Arizona has the absolute right to raise standards if they want. The National Common Core Standards were written by the national Governors Association (NGA), The Council of Chief State School Officers (CCSSO), and Achieve, Inc. These standards are owned and copyrighted by NGA and CCSSO, which are D.C.-based trade organizations with no State legislative authority. Please explain what authority States would have to change any part of these standards, and what Federal statutory or regulatory provisions, or conditions on Federal funding, might limit that authority.

Answer. The adoption of the Common Core State Standards by the many States that have adopted them, was entirely voluntary, and any State is free to modify those standards consistent with its adoption agreement.

STATE PARTICIPATION IN CHANGING STANDARDS

18. *(Sub question) Question.* Furthermore, could these organizations sell or transfer the standards to another entity that could change the standards without any State participation?

Answer. The Department is not a party to the agreements and documents that govern the Common Core State Standards.

STATE ASSESSMENTS

19. *(Sub question) Question.* In the event a State becomes dissatisfied with any of the Partnership for Assessment of Readiness for College and Careers (PARCC) or Smarter Balanced Assessment Consortium (SBAC) assessment, would they have to obtain approval from the other member States of their own consortia before a change could be made?

Answer. Participation in either consortium is entirely voluntary.

FEDERAL ROLE AND ASSESSMENT DEVELOPMENT

20. *Question.* You further stated at the May 21, 2013, hearing that the curriculum will be controlled at the local level. Bill Gates stated to the National Conference of State Legislators, "When the tests are aligned to the common standards, the curriculum will line up as well..." The Department of Education authorized $362 million in funding to PARCC and SBAC to develop assessments. You have stated both consortia "will be developing curriculum frameworks and ways to share great lessons plans." Please explain why the Federal Government is providing funds not only for assessment development, but also for the creation and implementation of a national curriculum.

Answer. Standards are the goals set by States for what students should know and be able to do by a certain age. Curriculum is what teachers teach to help students meet those standards. Curriculum is generally chosen at the district or even the school level—and in many cases individual teachers actually decide on the curriculum and classroom content. The Federal Government does not set any requirements for any curriculum in any State, school district, or school.

FEDERAL ROLE AND COMMON CORE STANDARDS

21. *Question.* In a Feb. 22, 2010, speech to the NGA, President Obama made clear States would need to commit to Common Core standards "as a condition of receiving access to Title I funds."

The Race to the Top application process additionally:

a) Required States to commit to standards and assessments without opportunity to study, pilot, or discuss with legislators and citizens (standards which were not revealed until after Phase I and assessments which are yet to be seen);
b) Deprived States opportunity to do a cost analysis for the math and ELA standards (nor the upcoming science and social studies standards);
c) Required States to commit to development of a student database tracking system which is a violation of Family Education Rights and Privacy Act ("FERPA") (DOE revised without legislative approval or parental consent); and
d) Granted No Child Left Behind ("NCLB") waivers to States who adopted the Common Core standards and assessments.

The Race to the Top program, including the above four items constitute undue coercion upon States to accept national standards. Please explain the reasoning behind this coercion.

Answer. In the case of the Common Core State Standards, it is important to note that the effort by States, led by the NGA and the CCSSO, to develop common standards supporting college- and career-readiness started more than two years before we announced the criteria and priorities for our Race to the Top program. Under ESEA flexibility, which is a voluntary agreement between States and the Department, entirely separate from Race to the Top, a State may meet the requirement that it have in place college- and career-ready expectations for all students either by adopting standards that have been certified by a State network of IHEs such that students meeting the standards will not need to take remedial coursework at the postsecondary level or that are common to a significant number of States. Alaska, Minnesota, Texas, and Virginia are examples of states that received ESEA flexibility that adopted college- and career-ready standards that are not common, and that have been certified by a State network of IHEs. Under Race to the Top, States that had adopted common standards were awarded points toward their score.

BENCHMARK OF COMMON CORE STATE STANDARDS

22. *Question.* You continue to state these standards are "internationally benchmarked." There were members of the validation Committee that stated the standards were sorely lacking in international competitiveness and they were not provided any material upon request that would prove otherwise. The Common Core Standards Initiative has since changed their description from "benchmarked" to being "informed by" high-preforming countries. In light of these findings and because the Common Core has not even been pilot tested, please explain why you believe the standards are internationally benchmarked.

Answer. The Common Core State Standards Initiative web site states at http://www.corestandards.org/resources/frequently-asked-questions, that "International benchmarking played a significant role in both sets of standards. The college and career ready standards include an appendix listing the evidence that was consulted in drafting the standards and the international data used in the benchmarking process is included in this appendix." The site also notes that the evidence and criteria used in developing the Common Core included findings from the Trends in International Math and Science Study (TIMSS) and the "standards of top-performing nations."

QUESTIONS SUBMITTED BY REP. LOU BARLETTA

STUDENT DEBT

23. *Question.* I have heard from a lot of financial aid administrators within Pennsylvania that they are concerned about individuals who may be borrowing too much, too early, or who may be taking on more PLUS loan debt than they need.

    What authority do financial aid administrators have to limit borrowing and do you support providing additional authority as a way to deal with student debt issues?

Answer. Financial aid administrators play a very important role counseling students and their families through the difficult process of financing a postsecondary education.

Students that have questions about borrowing student loans can access tips from financial aid administrators on how to minimize borrowing. The administrators are also allowed to use debt-to-income measures to evaluate a borrower's ability to repay a PLUS loan. We believe it is important to consider the family's ability to repay before suggesting a PLUS loan.

One of the best ways to address student debt is to increase transparency in the costs of a postsecondary education and the options that exist to help pay for it. That is one reason why the Department developed a Financial Aid Shopping Sheet (http://collegecost.ed.gov/shopping_sheet.pdf), which, for the 2013-2014 academic year, provided nearly 1 in 5 students across the United States with a clear presentation of the cost of their education, important facts about their institution (such as its loan default rate and graduation rate), and a distinction between grant aid they are eligible for that they will not have to repay and which aid they will have to repay. In addition, the Department has launched the College Scorecard which helps students and their families find information about the colleges before and during the application process.

PARENT PLUS PROGRAM

24. *Question.* What is built into the Parent PLUS program to make sure that parents do not borrow more than they can afford to repay?

Answer. The Higher Education Act requires that PLUS loan borrowing in an academic year cannot exceed the cost of attendance at the student's institution less any other financial assistance. In addition, the Department reviews the credit history of Parent PLUS Loan applicants to determine their eligibility for those loans consistent with statutory requirements. The Department also works with financial aid administrators and others to educate students about their options for financing their postsecondary education, and encourages students to exhaust their other federal aid eligibility before turning to PLUS Loans.

COUNSELING PARENTS ON PLUS LOAN BORROWING

25. *Question.* Is there any step in the process where the Department of Education evaluates a borrower's capacity for assuming debt and counsels parents that they might be borrowing too much for their circumstances?

Answer. When a student or family completes the Free Application for Federal Student Aid (FAFSA), the Department uses the financial information they provide to calculate the student's expected family contribution (EFC). Institutions use this EFC to determine a student's eligibility for Pell Grant and Direct Subsidized Loan funds for that academic year. In addition, borrowers have the ability to take out additional Direct Unsubsidized Loan funds if their Pell and Subsidized Loan eligibility has been exhausted. Student borrowers receive counseling from their financial aid officers prior to taking out a federal student loan, and are required to participate in both entrance and exit counseling as part of the aid award process.

The process for determining a borrower's Direct PLUS Loan eligibility differs from other forms of aid. Under the HEA a borrower is not eligible to receive a Direct PLUS Loan if the borrower has an adverse credit history. The Department performs a credit check on each Direct PLUS Loan applicant to determine if the applicant has adverse credit. Only those applicants with an adverse credit history can be denied PLUS loans, although they can appeal this decision, or get an endorser (co-signer) that is creditworthy, or their dependent is eligible for higher unsubsidized Stafford amounts.

Parents looking for resources on long-term financial planning, college costs and how to pay for them, or information on how to complete the FAFSA, can find materials on these topics at http://studentaid.ed.gov/resources/parents.

PLUS LOAN AVERAGE BALANCE

26. *Question.* What is the average balance of loans made to parents under Parent PLUS, and has that number increased or decreased over time?

Answer. The average Parent PLUS loan is estimated to be $13,742 in 2014, an increase of 31 percent over the 2009 average loan of $10,479. For context, over this same period of time, the average Grad PLUS loan amount has increased by 39 percent, from $12,486 to $17,322.

PERFORMANCE OF PLUS LOAN PORTFOLIO

27. *Question.* How is the Department of Education's Parent PLUS loan portfolio performing, as far as delinquencies and defaults?

Answer. The Department publishes default rates for each loan program in the President's Budget. The President's FY 2014 Budget estimated a default rate of 9.15 percent.

QUESTIONS SUBMITTED BY REP. MARTHA ROBY

FEDERAL ROLE IN EDUCATIONAL STANDARDS

28. *Question.* Mr. Secretary, I know you believe you have walked an appropriate line when it comes to not getting the Department involved in the effort around Common Core. However, many folks strongly disagree and some even think that when you tied the adoption of common standards to Race to the Top, ESEA waivers, and other grant programs, you did a lot of harm to what was a State driven effort. Can you tell me what efforts you are taking to respect the proper role of the Federal Government in the adoption of standards?

Answer. In the case of the Common Core State Standards, it is important to note that the effort by States, led by the NGA and the CCSSO, to develop common standards supporting college- and career-readiness started more than two years before we announced the criteria and priorities for our Race to the Top program. Under ESEA flexibility, which is a voluntary agreement between States and the Department, entirely separate from Race to the Top, a State may meet the requirement that it have in place college- and career-ready expectations for all students either by adopting standards that have been certified by a State network of IHEs such that students meeting the standards will not need to take remedial coursework at the postsecondary level or that are common to a significant number of States. Alaska, Minnesota, Texas, and Virginia are examples of states that received ESEA flexibility that adopted college- and career-ready standards that are not common, and that have been certified by a State network of IHEs. Under Race to the Top, States that had adopted common standards were awarded points toward their score.

QUESTIONS SUBMITTED BY REP. RICHARD HUDSON

DISTRIBUTION OF CHARTER SCHOOL FUNDS

29. *Question.* As a consistent supporter of charter schools, I have always believed that they are a critical component in education reform. My home State of North Carolina is home to over one hundred charter schools that consistently exceed expectations and have proven to be a great success. I would naturally like to see as many charter schools as possible in every State, but as it currently stands there are two issues coming from the Department of Education that might hamper this possibility.

    First, I continue to have concerns about the management of the charter school program and how the Department has been handling new and continuing grants. What are you doing to ensure as many States as possible actually receive charter school program funding?

Answer. The Department anticipates conducting a competition for new Charter Schools Program grants to State educational agencies (SEAs) in fiscal year 2015. The Department was unable to make new State educational agency (SEA) or replication and expansion grants in fiscal year 2013 due to funding commitments to current Charter Schools Program grantees.

ESEA WAIVERS IMPACT ON CHARTER SCHOOLS

30. *Question.* Second, I have heard concerns from charter school officials that ESEA waivers are adversely impacting their autonomy in operations. Can you tell me what specific efforts you took to ensure charter schools were not adversely affected by your waivers?

Answer. In general, ESEA flexibility affects public charter schools (including public charter school LEAs and public charter schools within a regular LEA) in the same manner as it does all other LEAs and public schools. For example, the college-and career-ready standards that an SEA has adopted under Principle 1 apply to public charter schools and traditional public schools alike. Consequently, an SEA must include public charter school LEAs and schools in its plan to transition to those standards. Similarly, when an SEA develops high-quality assessments aligned with its college- and career-ready standards, the SEA must administer those assessments to students in public charter schools as well as other public schools.

Under Principle 3, charter schools must develop and implement teacher and principal evaluation and support systems that meet the elements of Principle 3 in the document titled *ESEA Flexibility*. To meet this requirement, a charter school may develop and implement a teacher and principal evaluation and support system that is consistent with the guidelines developed and adopted by the SEA. Alternatively, if the SEA can demonstrate to the Department that all charter schools in its State are held to a high

standard of accountability through a strong charter school authorizer system, the SEA may allow its charter schools to develop and implement evaluation and support systems that meet the elements of Principle 3, but do not necessarily adhere specifically to the SEA's guidelines.

EARLY COLLEGE PROGRAMS

31. *Question.* Early college programs in North Carolina have been thriving and on a recent tour of local schools I saw the success they were having around my district. What is the Department of Education doing to encourage more early college programs?

Answer. The President's 2014 request includes two significant investments designed to promote the goals of early college programs, including increasing the ability of high school students to earn college credits. First, the Administration proposes a $300 million High School Redesign program, which would offer competitive grants to school districts partnering with employers and colleges. Grantees would redesign high schools in innovative ways to prepare students for college and career success so that all students graduate from high school with (1) college credit, earned through dual enrollment, Advanced Placement courses, or other postsecondary learning opportunities; and (2) career-related experiences or competencies, obtained through organized internships and mentorships, structured work-based learning, and other related experiences.

In addition, the President's FY 2014 request includes $42 million for a demonstration and evaluation of Dual Enrollment programs that would make grants to establish or expand dual enrollment programs aligned with career pathways and local workforce needs that offer high school and adult students the opportunity to earn college credits while enrolled in a high school or GED program.

FEDERAL ROLE AND CURRICULUM DEVELOPMENT

32. *Question.* I have heard outrage from many people across North Carolina that the Federal Government is trying to dictate curriculum through Common Core standards. Three Federal laws currently prohibit the Federal Government from being involved in curriculum: the General Education Provisions Act, the Department of Education Organization Act, and the Elementary and Secondary Education Act. Yet the Department of Education is heavily incentivizing States to adopt Common Core national standards and tests through Race to the Top grants, No Child Left Behind waivers, and by directly financing the corresponding national testing consortia.

    Do you think this is in contravention with – or at least comes close to skirting – Federal prohibitions against the Department of Education directing curriculum?

Answer. Standards are the goals set by States for what students should know and be able to do by a certain age, while curriculum is what teachers teach to help students meet

those standards. Curriculum is generally chosen at the district or even the school level. The Federal Government does not set any requirements for any curriculum in any State, school district, or school.

D.C. OPPORTUNITY SCHOLARSHIP PROGRAM

33. *Question.* Why does your budget propose zeroing-out funding for the D.C. Opportunity Scholarship Program, despite evaluation by your Department of Education showing statistically significant increases in graduation rates as a result of voucher use?

Answer. The FY 2014 request includes $2.2 million for the D.C. Opportunity Scholarship Program to carry out the evaluation and administration activities of the program. Between this request and unexpended funds from previous years' appropriations, the program is expected to have sufficient funding to meet all costs, including scholarship costs, through the 2014-2015 school year.

PRESCHOOL FOR ALL

34. *Question.* How do you plan to pay for the Administration's proposed "Preschool for All" initiative, which would add billions to the deficit despite little evidence of demand for more Government preschool programs?

Answer. The Administration's Preschool for All initiative would be fully paid for by an increase in the Federal tax on tobacco, and would not add to the deficit. We believe that there is great demand from families, particularly low-income families, for high-quality preschool programs, as evidenced by efforts in many States and communities to create such programs. In addition, we have seen strong State interest in improving the quality of early learning programs through our Race to the Top: Early Learning Challenge program, which has received many more applications than we have been able to fund.

QUESTIONS SUBMITTED BY REP. RUSH HOLT

STEM EDUCATION FUNDING

35. *Question.* Secretary Duncan, I appreciate your recognition of the importance of STEM education in your testimony. It is not good enough to have some excellent science schools. It is not good enough to bring troubled schools up to barely acceptable performance in science. We need all students in all schools to have better teachers in science related fields. That was the reason for the Math Science Partnership and the Eisenhower grants.

    I'm concerned that the Department's STEM request includes only $80 million for STEM Teacher Pathways and only $35 million to establish a new STEM Master Teacher Corps. Between these two new programs, the President's budget includes only $115 million of dedicated funds for STEM teacher professional

development, while also eliminating the Math and Science Partnership Program. In fiscal year 2013, the Math and Science Partnership is funded at $152 million under the current Continuing Resolution (which regrettably is only about half of the authorized amount).

What are these new programs doing differently than the Math and Science Partnership, and how are they doing it with $37 million less?

Answer. The Administration is not proposing to eliminate the Mathematics and Science Partnerships program, but would replace it with a new program, Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics (STEM), that would provide grants to States to support State and local efforts to implement a comprehensive strategy for the provision of high-quality STEM instruction and support to students from prekindergarten through grade 12. We are requesting $149.7 million for this new program in fiscal year 2014, the same as the 2013 level.

STEM EDUCATION

36. *Question.* How will we have U.S. Department of Education assistance that will benefit all students?

Answer. The Department of Education's FY 2014 request for STEM programs supports a cohesive national STEM education strategy. The goal is to increase the impact of Federal investments in high priority areas, including K-12 instruction and informal education activities.

FOREIGN LANGUAGE STUDY

37. *Question.* I had the privilege of meeting with your new Deputy Assistant Secretary Clay Pell recently, and I was encouraged by his perspective on foreign language development and his ideas to focus language and international development within the Department of Education and across the Federal agencies.

Given the importance of language and international education for the 21st century, and given the overall 42 percent reduction in funding requests from the Department for these programs since 2011, how does the Department intend to promote language study in the Nation's schools and colleges?

Answer. For FY 2014, the Administration requested a total of $81 million for the International Education and Foreign Language programs, an increase of $6.9 million or 9.3 percent over the 2012 level. More specifically, the request includes $73.5 million for the Domestic Programs authorized by Title VI of the Higher Education Act of 1965, as amended, an increase of $6.9 million or 10.4 percent over the 2012 level. An additional $7.5 million, the same as the 2012 appropriation, was requested for the Overseas Programs authorized by the Mutual Educational and Cultural Exchange Act of 1961

(commonly known as the Fulbright-Hays Act). All of the funds would be used to support activities designed to develop expertise in strategic languages and area studies.

DEPARTMENTAL COOPERATION IN AREAS OF COMMON MISSION

38. *Question.* I'm pleased to know of the Department's International Strategy and its emphasis on cooperation with other Government agencies in areas of common mission.

    Could you comment on specific plans going forward to improve cooperation with the U.S. Department of State, the Department of Defense, and the Office of the Director of National Intelligence (ODNI) in the area of foreign language and regional studies?

Answer. Collaboration and communication between the Department of Education senior staff and officials from other Federal agencies is essential in order to help ensure that our country has the expertise needed for economic, foreign affairs, and national security purposes. Through this consultation and through other interagency efforts like the Interagency Language Roundtable, the Department is able to achieve consensus across agencies to ensure that national security needs are being addressed. In addition, the Department will continue working with the State Department, through an interagency agreement, on the administration of the Fulbright-Hays Overseas programs.

Consultations with other Federal agencies, such as the Departments of Agriculture, Commerce, Defense, and State will continue and will inform the priorities of the Title VI and Fulbright-Hays programs. The Department will continue to consult annually with all Cabinet Agencies to obtain recommendations on areas of national need for expertise in foreign languages and world regions. These recommendations are posted on the Department's Web site at http://www2.ed.gov/about/offices/list/ope/iegps/languageneeds.html.

WOMEN AND MINORITIES IN STEM FIELDS

39. *Question.* Congress can and should increase American competitiveness and national security by growing the STEM Workforce. Unfortunately, research shows that women and people of color are underrepresented in STEM fields. What specifically is the Administration doing to encourage and provide the support for women and minorities to pursue STEM careers?

Answer. The Committee on STEM Education (CoSTEM) released the Federal STEM Education 5-year Strategic Plan, which outlines specific goals for improving STEM education across the Administration, including better serving groups that are historically underrepresented in STEM fields. The Strategic Plan includes near-, mid-, and long-term action plans for reaching these goals. More specifically, plan goals include an "increase [in] the number of underrepresented minorities that graduate college with STEM degrees in the next 10 years and [to] improve women's participation in areas of STEM where

they are significantly underrepresented." To make progress in these areas, CoSTEM agencies will work together with relevant stakeholder groups and communities, including faculty, administrators, and students from Minority Serving Institutions (MSIs), to identify critical transition points to improve student recruitment and retention in STEM fields and work to promote broader participation in the STEM workforce. The FY '14 Budget supports this work by targeting 11 percent of the total $3.1 billion Federal investment in STEM education to MSIs, and also by including a focus on underrepresented groups in a significant number of programs.

SPECIAL ASSISTANT FOR GENDER EQUITY

40. *Question.* Does the Administration plan to finally fill the role of a Special Assistant for Gender Equity, and, if so, when?

Answer. While the Department has not filled the Special Assistant for Gender Equity position, promoting gender equity has been and continues to be a priority for the Department, especially in the areas of STEM. The responsibilities covered by this position have been carried out primarily by the Office for Civil Rights (OCR) and the Senior Advisor for STEM Education.

Specifically, OCR pursues gender equity by enforcing Title IX of the Education Amendments of 1972, which prohibits all forms of sex discrimination, including gender-based harassment, sexual harassment, and sexual violence in education programs. OCR's activities include proactive, large-scale compliance reviews, technical assistance events each year (including 158 events addressing Title IX issues in fiscal year 2012 alone), and policy guidance documents. For example, OCR has issued Title IX guidance over the past four years regarding schools' obligations to prevent and address sexual violence, the proper way to gauge student interest for purposes of providing equitable athletic opportunities to members of both sexes, and schools' obligations to respond to bullying and harassment based on sex.

OCR also plays a lead role in various women and STEM working groups organized by the White House Office of Science and Technology Policy, and has developed a STEM resources webpage to make clear to schools, students and parents that the civil rights enforced by OCR (Title IX of the Education Amendments of 1972) apply to STEM courses and programs.

And, OCR is deeply involved in the work of the President's Task Force to Protect Students from Sexual Assault. The prevalence of rape and sexual assault at our Nation's institutions of higher education is deeply troubling, and OCR is committed to making every effort to ensure that students have the freedom to study and to learn in safe, supportive environments.

QUESTIONS SUBMITTED BY REP. SUSAN DAVIS

EARLY INTERVENTION EDUCATION PROGRAMS

41. *Question.* In 2005, RAND synthesized studies on early education and found that 19 early intervention programs demonstrated significant and often sizable benefits, in some cases like the Perry Preschool Program, lasting benefits have been measured 35 years after the intervention ended. Evidence also indicates that there can be substantial gains in outcomes when it comes to special education placement. Early interventions have been shown to significantly lower special education placement.

    Have these studies been sufficiently replicated and taken to scale; and, if not, does the Secretary require action from Congress to pursue new research in this area?

Answer. President Obama and we absolutely believe that we have a sufficiently strong research base to justify a significant new Federal investment aimed at taking high-quality early programs to scale for all 4-year-olds from low- and moderate-income families. The evidence on the extraordinary return on investment from high-quality early learning programs is robust, longstanding, and compelling, which is exactly why the President has proposed the $75 billion Preschool for All program and the companion $750 million investment in Preschool Development Grants in the FY 2014 request.

SPECIAL EDUCATION TEACHER DEVELOPMENT

42. *Question.* As you know, every child who receives special education services under IDEA must have an IEP – Individualized Education Program. This is a written document, personalized by local school team and the child's parents, which details the special educational services the child will receive. The purpose of the IEP is to set learning goals for a child, and to state the specific services that the school district will provide. Numerous studies by James Heckman and others show that the achievement gap begins before our kids even start kindergarten. By intervening early, the goal of the IEP is to help kids with disabilities stay on track and succeed.

    Are we doing enough to prepare teachers to meet the individualized needs of these children; and, will this budget provide the resources necessary for teacher development?

Answer. Highly effective teachers are critical to ensuring that all of our students have access to a high quality education, especially those receiving special education services. However, we know that in many schools, districts, and regions, there simply are not enough highly effective staff to meet the myriad needs of students and families. The Department believes that addressing this shortage requires a focus on both the pre-service training of future teachers and service providers and the in-service professional development offered to existing staff members.

In the Department's Special Education Personnel Preparation program, for which the Administration has requested $85.8 million in fiscal year 2014, these issues are addressed from multiple angles. In FY 2013, 176 grants were awarded to high quality training programs focused on developing future teachers and related services providers. Scholars in these programs are required to undergo extensive training, with practicum and clinical experiences in high-need school districts and early childhood programs.

For institutions seeking to improve the quality of existing teacher training programs, the Department supported 47 grants focusing on programs preparing teachers and paraprofessionals. The Department also supported a national technical assistance center focusing on providing support to States seeking to reform their credentialing systems and to the institutions in those States trying to meet those new requirements. To help ensure that teacher preparation programs have access to high quality faculty, 69 grants were awarded in FY 2013 to institutions to support scholars seeking their doctoral degrees in special education or a related field.

To assist State education agencies in improving the knowledge and skills of current special education and regular education teachers serving children with disabilities and in recruiting and retaining highly qualified personnel providing services to children with disabilities, the Department made $41.6 million in grants to 40 SEAs in FY 2013 under the State Personnel Development program. This program provides competitive grants to help States reform and enhance their systems for personnel preparation and professional development in the areas of early intervention, educational, and transition services in order to improve results for children with disabilities. The Department is committed to ensuring that children with disabilities receive the services to which they are entitled, including by supporting efforts to increase both the quantity and the quality of the special education workforce.

CIBER PROGRAMS

43. *Question.* FY 2014 is a critical budget year. The three largest Title IV center programs will be competing for their next 4-year grant cycle. In my district, for example, San Diego State University (SDSU) is running a very successful Center for International Business Education and Research (CIBER) program to prepare students for a career in international commerce. Unfortunately, because of recent budget cuts, average grants have been cut by roughly 50 percent since FY 2011-12. On top of that, these important programs are being cut further in FY 2013 under sequestration. Today, many of us are concerned about how further cuts would affect such programs, particularly because the number of students taking international business and language courses – and benefiting from CIBER – has already decreased by 1.3 million or 50 percent. Without a robust restoration of funds in FY 2014, we could lose up to half of these critical CIBER programs.

    What are the Department's plans to rebuild Title VI and restore the CIBER program in view of the upcoming 4-year grant competition?

Answer. As demonstrated by our FY 2014 request for International Education and Foreign Language programs, the Department is committed to strengthening the national capacity to teach foreign languages, particularly those less commonly taught languages, in order to help ensure that our country has the expertise needed for economic, foreign affairs, and national security purposes.

Within these programs, the Department has developed an international strategy with the overall goal of strengthening U.S. education and advancing national priorities. To that end, most of the funds requested in fiscal year 2014 would be allocated to the National Resource Centers (NRCs) program and Foreign Language and Area Studies (FLAS) fellowship program. NRCs are the primary mechanism for developing U.S. language and area studies expertise. These grants help institutions of higher education to establish, strengthen, and operate advanced centers for the teaching and learning of foreign languages and area and international studies. Funding for the NRC program was cut drastically in 2011 and in 2014 we are proposing to restore 66 percent of the 2010 level. FLAS fellowships support undergraduate and graduate training programs at many NRCs. They provide opportunities for intensive study of less commonly taught languages and world areas both domestically and abroad during the summer or the academic year. Funding for FLAS would be maintained at the 2010 level.

To strengthen our capacity across institutions and at all levels, the Department is also proposing to restore 100 percent of the 2010 funding level for the Language Resource Centers (LRCs). Increased funding for this program will enable LRCs to improve outreach efforts to K-12 schools, in addition to sponsoring research, training, performance testing, educational technology, and materials development.

In addition, the Department proposes to allocate funds for new awards in the Centers for International Business Education (CIBE) program. CIBEs are designed to serve as regional and national resources for businesses, students, and faculty at all levels. They meet the need for research and training in the international aspects of trade, commerce, and other fields of study. CIBEs prepare students for careers in global economy by developing and promoting international business and economics academic programs and curricula. They also assist businesses in the region in exporting their products and services to other countries and/or importing what they need. CIBEs play an integral role in maintaining and increasing U.S. business global competitiveness.

In 2014, the Fulbright-Hays Overseas Programs funding would be used primarily for new awards under the following programs: Doctoral Dissertation Research Abroad (DDRA) program, which deepens research knowledge on and helps the Nation develop capability in areas of the world not generally included in U.S. curricula; and Group Projects Abroad (GPA) – Short-term projects, which give teachers and faculty the opportunity to benefit from overseas study of modern foreign languages and area studies.

These programs are key to strengthening the Nation's capacity to develop deep foreign language and area experts and to developing and sustaining the capacity of our education institutions at all levels to teach foreign languages and area studies.

IMPACT AID -- PAYMENTS FOR FEDERAL PROPERTY

44. *Question.* The President's recent budget proposal eliminates funding for Section 8002 (ESEA) of Impact Aid. As you know, Section 8002 was designed as a way to fairly compensate school districts for the loss of revenue resulting from the presence of Federal, tax-exempt lands. Today, Impact Aid provides critical funding to over 1,300 public schools districts nationwide, including my local San Diego Unified School District. These communities depend upon our continued commitment in order to provide a quality education for their children. We shouldn't penalize kids by cutting a key component of this longstanding program.

    In light of our commitment to these affected communities, what is the Administration's rationale for eliminating Section 8002 of Impact Aid?

Answer. The Administration's policy is to use available Impact Aid funds to help pay for the education of federally connected children, including children of members of the uniformed services, children of Federal employees who both live and work on Federal property, children of foreign military officers, children living on Indian lands, and children residing in federally assisted low-rent housing projects.

Unlike other Impact Aid programs, Payments for Federal Property (Sec. 8002) are made to LEAs without regard to the presence of federally connected children and do not necessarily provide for educational services for such children.

In addition, many LEAs receiving funds under this authority consist of two or more LEAs that consolidated, at least one of which originally met the eligibility criterion of a loss of 10 percent of the aggregate assessed value of real property removed from the tax rolls. The current statute allows such LEAs to retain eligibility even though they are no longer demonstrably burdened.

QUESTIONS SUBMITTED BY REP. DAVE LOEBSACK

INSTRUCTIONAL SUPPORT PERSONNEL

45. *Question.* Mr. Secretary, I'm very concerned about the shortages of instructional support personnel in our schools. For example, the recommended ratio for school counselors is one for every 250 students, but the average ratio nationally is nearly double at 471 to one.

    What is the Department of Education pursing to address the shortage of instructional support personnel in our schools and ensure that enough new personnel are being trained to meet the needs of our students?

Answer. The Elementary and Secondary School Counseling (ESSC) program provides grants to local educational agencies (LEAs) to establish or expand elementary school and secondary school counseling programs. In awarding grants, the Department must give consideration to applications that demonstrate the greatest need for services, propose the most promising and innovative approaches, and show the greatest potential for replication and dissemination.

Also, the Administration's FY '14 Successful, Safe, and Healthy Students proposal would help schools improve conditions for learning, including through the use of program funds for school counseling programs that contribute to the reduction or prevention of drug use, alcohol use, bullying, harassment, or violence, and that promote and support the physical and mental well-being of students.

PELL GRANTS AND FIRST IN THE WORLD

46. *Question.* The Republican Budget freezes the maximum Pell award for 10 years and eliminates all mandatory funding for Pell Grants, and experts believe this will lead to a cut in the maximum award from $5,645 to $4,860.

    Can you talk about how this cut would impact our ability to reach the goal of leading the world in college attainment by 2020?

Answer. Pell Grants are currently funded with both discretionary and mandatory appropriations. In academic year (AY) 2014-15, the estimated $5,785 maximum award would be funded with $4,860 appropriated from discretionary funds, and an estimated $925 appropriated from mandatory funds. The Health Care and Education Reconciliation Act established the calculation to determine the mandatory add-on amount, which is based on the Consumer Price Index beginning in AY 2013-14. Pell Grants are fundamental to meeting the President's goal. They are the foundation of the federal student aid programs and nearly 41 percent of all undergraduates receive a Pell Grant

NOT-FOR-PROFIT STUDENT LOAN SERVICERS

47. *Question.* Secretary Duncan, I have heard concerns that new loan volume is not being awarded to not-for-profit student loan servicers. Can you explain why the loan volume has not been awarded?

Answer. The Department monitors all servicers' performance (including NFP servicers) against a number of metrics, including operational data, financial stability, and customer experience results. The Department also chose to allocate long-term borrowers to the NFP servicers first, to provide the NFP servicers with time to work out any "learning curve" issues and to ensure that their performance is accurately reflected in our metrics.

FEDERAL STUDENT LOAN SERVICING

48. *Question.* When do you expect that the Department will move forward with fully utilizing the capacity of nonprofit and State agencies engaged in Federal student loan servicing?

Answer. The Department is reviewing servicer performance trends across all types of servicers to ensure that borrowers receive the best service possible.

QUESTIONS SUBMITTED BY REP. GREGORIO KILILI CAMACHO SABLAN

HOLD-HARMLESS PROVISIONS AND OUTLYING AREAS

49. *Question.* I applaud the Administration's plan to make quality preschool available for all young children from low-and moderate-income families. And I appreciate that the Northern Mariana Islands and the other Outlying Areas are included in this universal preschool proposal in the form of a set-aside.

    Regarding ESEA, Title I, Part A allocations, the outlying Areas also receive a set-aside. In this case, one percent is shared with the Bureau of Indian Education (BIE). The Department of Education, in its discretion provided by law, determines the amount each Outlying Area and the BIE receives using child poverty data, per-pupil expenditures and other factors. The Department has also decided to include a hold-harmless provision. I can see this as good practice for the States that get their poverty data updated every year. However, the Outlying Areas have to wait for the decennial census to have their data updated. The 2010 Census showed that over 52 percent of school age children in the Northern Marianas live below the poverty level, up from 35 percent in 2000.

    For fiscal year 2013, three areas had their Title I funds reduced so that one area and the BIE could be brought up to their hold-harmless funding level. With Outlying Area poverty data remaining unchanged for a whole decade, it would seem that some areas could be receiving relatively increased or decreased allocations for many years. Then, when new poverty data become available, a hold-harmless minimum level would seem to prolong the unbalanced funding amount.

    Unlike Title I grant allocations for LEAs in the States, the Department of Education is not statutorily required to apply a hold harmless provision to the Outlying Areas or the BIE. Yet, under its discretion, the Department includes the provision which I believe produces an injudicious allocation by over compensating districts with relatively fewer poor children and under compensating those with relatively more.

Can you please explain why the Department implements a hold-harmless for the Outlying Areas despite the fact that their poverty data remains unchanged for a whole decade?

Answer. The Department implements the statutory hold-harmless provisions for the BIE and the Outlying Areas consistent with how the law requires these provisions to apply for other LEAs: to ensure that the high-poverty school districts and schools served by the Title I program do not suffer a rapid, precipitous decline in Federal financial support due to changes in formula allocations. Rather, the hold-harmless provisions support State and local efforts to gradually adjust to reduced Title I allocations, and to minimize the negative impact of these reductions on students and schools. The hold-harmless provisions may actually be more important for the BIE and the Outlying Areas than for other LEAs, since the decennial census updates otherwise could result in extreme swings in Title I funding producing significant harm to schools and students alike. Sudden changes in Title I allocations are less likely for LEAs in the 50 States, for which LEA poverty estimates are updated annually.

FY 2013 OUTLYING AREAS ALLOCATIONS

50. *Question.* Is there any way the FY 2013 allocations can be recalculated without applying a hold-harmless provision?

Answer. The Department believes that omitting the hold-harmless provisions from its longstanding methodology for determining Title I allocations to the BIE and Outlying Areas would be neither fair to grantees nor consistent with the best interpretation of Congressional intent as reflected in the authorizing statute.

Direct Loan Portfolio by Loan Status

Includes outstanding principal and interest balances

Data Source: National Student Loan Data System (NSLDS)

Federal Fiscal Year		In-School		Grace		Repayment		Deferment		Forbearance		Default		Other	
		Dollars Outstanding (in billions)	Recipients (in millions)	Dollars Outstanding (in billions)	Recipients (in millions)	Dollars Outstanding (in billions)	Recipients (in millions)	Dollars Outstanding (in billions)	Recipients (in millions)	Dollars Outstanding (in billions)	Recipients (in millions)	Dollars Outstanding (in billions)	Recipients (in millions)	Dollars Outstanding (in billions)	Recipients (in millions)
2013	Q3	$133.8	7.9	$40.4	1.9	$237.4	10.8	$75.6	3.2	$48.3	1.8	$30.5	2.1	$3.2	0.1
2013	Q4	$152.9	8.8	$47.6	2.2	$236.4	10.6	$81.8	3.4	$53.7	1.9	$33.8	2.2	$2.9	0.1
2014	Q1	$146.8	8.7	$27.0	1.4	$272.5	11.7	$77.1	3.3	$63.6	2.2	$35.2	2.4	$4.3	0.2

Federal Student Aid Portfolio Summary

Includes outstanding principal and interest balances

Data Source: National Student Loan Data System (NSLDS)

Federal Fiscal Year[2]		Direct Loans		Federal Family Education Loans (FFEL)		Perkins Loans		Total[1]	
		Dollars Outstanding (in billions)	Recipients[3] (in millions)	Dollars Outstanding (in billions)	Recipients (in millions)	Dollars Outstanding (in billions)	Recipients (in millions)	Dollars Outstanding (in billions)	Unduplicated Recipients (in millions)
2007		$106.8	7.0	$401.9	22.6	$8.2	2.8	$516.0	28.3
2008		$122.5	7.7	$446.5	23.7	$8.5	2.9	$577.0	29.9
2009		$154.9	9.2	$493.3	25.0	$8.7	3.0	$657.0	32.1
2010		$224.5	14.4	$516.7	25.1	$8.4	2.9	$749.8	34.3
2011		$350.1	19.4	$489.8	23.8	$8.3	2.9	$848.2	36.5
2012		$488.3	22.8	$451.7	22.4	$8.2	2.9	$948.2	38.3
2013	Q1	$508.7	23.4	$444.9	22.1	$8.2	3.0	$961.9	38.7
	Q2	$553.0	24.1	$437.0	21.6	$8.3	3.0	$998.6	38.9
	Q3	$569.2	24.3	$429.5	21.2	$8.2	2.9	$1,006.8	38.7
	Q4	$609.1	25.6	$423.0	20.9	$8.1	2.9	$1,040.2	39.6
2014	Q1	$626.5	26.2	$417.1	20.6	$8.2	3.0	$1,051.8	40.0

Notes:

[1] Totals may not equal the sum of Direct Loans, FFEL, and Perkins Loans due to rounding and the timing of the data runs.

[2] Data is run at the end of the corresponding federal fiscal year or at the end of each quarter listed by federal fiscal year. Each federal fiscal year begins October 1 and ends September 30. Q1 ends 12/31, Q2 ends 3/31, Q3 ends 6/30, and Q4 ends 9/30.

[3] Recipient is the student that benefits from the federal student loan. In most cases, the recipient is the borrower, but in parent PLUS loans, the parent is the borrower and their child is the recipient.

[Whereupon, at 12:29 p.m., the committee was adjourned.]

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