

U.S. Secretary of Education

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House Committee on Education and Labor

**“Building a Stronger Economy: Spurring Reform and Innovation In American Education”
Testimony**

Chairman Miller, Ranking Member Kline and Members of the Committee:

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

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

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

In addition, the Recovery Act helped to jumpstart a new era of innovation and reform, including through the \$4 billion Race to the Top program and the \$650 million Investing in Innovation Fund. States already have demonstrated their interest in the reforms called for by the Recovery Act and Race to the Top. Just in preparation to apply for Race to the Top grants, States have made essential changes, such as allowing data systems to link the achievement of individual students to their teachers and enabling the growth or expansion of high quality charter schools. States also are demonstrating the progress they have made toward implementing the reforms called for in the State Fiscal Stabilization Fund in their applications for Phase II of that funding. We must continue to invest in innovation and scale up what works to make dramatic

improvements in education. The President's fiscal year 2011 budget ("budget request") includes \$1.35 billion for Race to the Top awards, both for States and for a new school district-level competition – and we greatly appreciated your statement of support for that initiative, Mr. Chairman. The 2011 budget request also includes \$500 million for the Investing in Innovation (i3) program.

This Committee also developed and helped to win House passage of the Student Aid and Fiscal Responsibility Act (SAFRA), which would make much-needed reforms to Federal postsecondary student aid programs that would enable us to make key investments in education by redirecting the tens of billions of dollars that otherwise would be spent on unnecessary subsidies to lenders over the next decade. These investments include expanding student aid through a more generous Pell Grant program and low-cost student loans, preparing students and workers for 21st Century jobs to increase our social well-being and economic prosperity, including through President Obama's American Graduation Initiative, and helping more low-income children enter school with the skills they need to succeed through the President's Early Learning Challenge Fund. SAFRA also includes important investments in Historically Black Colleges and Universities and minority-serving institutions. We share your commitment to this important legislation, which is strongly supported by the 2011 budget, and are working to win Senate approval for it as soon as possible.

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

PRESIDENT OBAMA'S 2011 BUDGET REQUEST

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

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

ESEA REAUTHORIZATION

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

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

COLLEGE- AND CAREER-READINESS

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

States would measure school and LEA performance on the basis of progress in getting all students, including groups of students who are members of minority groups, low-income, English learners, and students with disabilities, on track to college- and career-readiness, as well as closing achievement gaps and improving graduation rates for high schools. States would use this information to differentiate schools and LEAs and provide appropriate rewards and supports, including recognition and rewards for those showing progress and required interventions in the lowest-performing schools and LEAs. To help turn around the nation's lowest-performing schools, our budget would build on the \$3 billion in school improvement grants provided in the Recovery Act by including \$900 million for a School Turnaround Grants program (currently School Improvement Grants). This and other parts of our budget demonstrate the principle that it

is not enough to identify which schools need help – we must encourage and support state and local efforts to provide that help.

EFFECTIVE TEACHERS AND SCHOOL LEADERS

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

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

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

IMPROVING STEM OUTCOMES

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

The 2011 request includes several activities that support this agenda and connect with President Obama’s “Educate to Innovate” campaign, which is aimed at fostering public-private partnerships in support of STEM. Our goal is to move American students from the middle of the pack to the top of the world in STEM achievement over the next decade, by focusing on (1) enhancing the ability of teachers to deliver rigorous STEM content, and providing the supports

they need to deliver that instruction; (2) increasing STEM literacy so that all students can master challenging content and think critically in STEM fields, and participate fully as citizens in an America changed by technology in ways we cannot envision; and (3) expanding STEM education and career opportunities for underrepresented groups, including women and girls and individuals with disabilities.

Specifically, we are asking for \$300 million to improve the teaching and learning of STEM subjects through the Effective Teaching and Learning: STEM program; \$150 million for STEM projects under the \$500 million request for the i3 program; and \$25 million for a STEM initiative in the Fund for the Improvement of Postsecondary Education to identify and validate more effective approaches for attracting and retaining, engaging and effectively teaching undergraduates in STEM fields. And, I have directed the Department to work closely with other federal agencies, including the National Science Foundation, the Department of Defense, the National Aeronautics and Space Administration, and the National Institutes of Health to align our efforts toward our common goal of supporting students.

COMPREHENSIVE SOLUTIONS

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

COLLEGE ACCESS AND COMPLETION

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

Just as essential to preparing students for college is ensuring that students and families have the financial support they need to pay for college. As I noted earlier, the Administration supports passage of SAFRA, which would make key changes in student financial aid and higher

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

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

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

IMPROVING OUTCOMES FOR ADULT LEARNERS

The 2011 budget request includes funding for a variety of programs that support adult learners, including career and technical education, and adult basic and literacy education. These programs provide essential support for State and local activities that help millions of Americans develop the knowledge and skills they need to reach their potential in a global economy. For example, our request would provide \$1.3 billion for Career and Technical Education (CTE) State Grants, to support continued improvement and to increase the capacity of programs to prepare high school students to meet state college and career-ready standards. One of our greatest challenges is to help the 90 million adults who would enhance their career prospects by increasing their basic literacy skills. For this reason, we also are asking for \$612.3 million for Adult Basic and Literacy Education State Grants, an increase of \$30 million over the comparable 2010 level, to help adults without a high school diploma or the equivalent to obtain the knowledge and skills necessary for postsecondary education, employment, and self-sufficiency.

IMPROVING OUTCOMES FOR PERSONS WITH DISABILITIES

The budget also includes several requests and new initiatives to enhance opportunities for students and other persons with disabilities. For example, the budget request includes a \$250 million increase for grants to States under the Individuals with Disabilities Education Act, to help ensure that students with disabilities receive the education and related services they need to prepare them to lead productive, independent lives. The \$3.6 billion request for Rehabilitation Services and Disability Research would consolidate nine programs under the Rehabilitation Act

into three, to reduce duplication and improve the provision of rehabilitation and independent living services for individuals with disabilities. The request includes a \$6 million increase over the 2010 level for a new Grants for Independent Living program (which consolidates the Independent Living State Grants and Centers for Independent Living) and would provide additional funding for States with significant unmet needs. It also includes \$25 million for a new program that would expand supported employment opportunities for youth with significant disabilities as they transition from school to the workforce, through competitive grants to States to develop innovative methods of providing extended services.

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

CONCLUSION

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

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