

Testimony of U.S. Secretary of Education Arne Duncan
“The Budget and Policy Proposals of the U.S. Department of Education”
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Chairman Kline, Ranking Member Miller, and Members of the Committee:

Thank you for this opportunity to appear before this Committee to discuss President Obama’s education policy proposals and the fiscal year 2012 education budget.

Our policies, including those embodied in the President’s budget, reflect our Administration’s dual commitments to reducing spending and becoming more efficient while investing to secure our future -- and education is at the very top of the list of investments we must make.

Education is the foundation of a free and democratic society. It is the blanket of security for the middle class and the path out of poverty for millions of Americans who continue to struggle because of the changing economy.

Education gives immigrants and their children the chance to be productive citizens and contribute to our collective wealth.

Education prepares students with disabilities to be full participants in our economy and our communities.

Education enables us -- as a country -- to compete in a global economy with other countries that are heavily investing in the preparation of the next generation of innovators and leaders in business.

Education is not just an economic security issue -- it’s a national security issue -- which is why retired General Colin Powell, for example, devotes so much of his energy to education. Last year, military leaders stood with me and called for more education funding because only one in four young high school graduates today is educationally and physically equipped to serve their country.

Today, all across America, people are meeting the challenge of improving education in many different ways -- from creating high-quality early learning programs, to raising standards, improving teacher quality, and aggressively closing achievement gaps and increasing high school and college completion.

While the federal government contributes less than 10 percent of K-12 funding nationally, our dollars play a critical role in promoting excellence and equity, protecting children at risk, and, more recently, supporting significant educational reform at the state and local levels.

In terms of reform, the last Administration focused on, among other areas, charter schools and performance pay -- two programs that benefitted my school system when I was CEO of the Chicago Public Schools.

Our Administration has used competitive dollars to incentivize state and local educators to think and act differently. Our Administration's Race to the Top program has prompted governors and educators to jointly embrace bold systematic reforms.

For example, 41 states and the District of Columbia have adopted higher standards and several states have passed new laws and policies on teacher evaluation. Several states have altered their charter school laws and policies to foster the creation of new learning models, all for the purpose of increasing student achievement.

Race to the Top also prompted us to rethink the federal role. As I said, the department was established to promote excellence and equity in education and protect students most at risk. To that end, we have steadily boosted our commitment to formula programs like Title I and the Individuals with Disabilities Education Act, or IDEA.

The federal government also has a long history of supporting higher education -- from the land-grant colleges in the 19th century to the GI Bill and the Pell Grant program in the 20th. This budget would further increase our investments in higher education with further innovation, incentive and performance-funding for both student lending programs and incentives designed to foster reforms and innovations necessary to increase college completion.

Today, our most critical role in pre-K through 12 education is in supporting reform at the state and local level by providing flexibility and incentives -- while holding states and districts accountable in a fair, honest, and transparent way. In fulfilling this role, we must strike the right balance -- providing as much freedom as possible to schools while ensuring that all children receive the services and supports they need to leave school prepared for college and career.

Last week, at the request of Governor and National Governors Association Chair Christine Gregoire, we shared a series of documents with our nation's governors outlining ways they can save costs, cut spending, and use existing flexibilities under federal law in ways that will best serve our students. We're doing what we can to get out of the way of governors and local leaders who know what's best for their students, but to truly make an impact, we need to fix the No Child Left Behind Act (NCLB).

I have spent two years traveling the country, visiting many of your states and districts and talking with teachers and parents. As you all know, there is a lot of dissatisfaction with NCLB. Many people believe that the law goes too far with sanctions -- mislabeling schools and issuing one-size-fits-all mandates tied to a chain of punitive sanctions that haven't been working.

NCLB was right to shine a bright light on achievement gaps and set a clear expectation that all students must learn to the same standards. This has led to great progress in schools focusing more on the needs of English learners and students with disabilities and other at-risk students. But we need to raise the bar by ensuring that every student graduates from high school ready for college and a career. We need to move away from punitive measures based on a single test on a single day, and toward recognizing and rewarding schools and teachers based on growth and progress. And we need to give states and districts much more flexibility, while focusing interventions where they are most needed.

To ensure an excellent education for every child, our focus must change from labeling and punishing schools to preparing and supporting effective teachers and school leaders. We need rigorous state and local definitions of teacher effectiveness that consider student growth in significant part as well as other measures of instructional practice and better teacher evaluation systems that inform professional development and practice. And we need to reorient decision-making in our schools around the simple question of how we ensure that every student has an effective, well-supported teacher.

That's why we are asking Congress to fix NCLB -- and I look forward to working with you in the months ahead to do that. We're now halfway through another school year, and we have an obligation to ensure that when the next school year begins, we've done our job to give states and communities the flexibility they need.

Despite these concerns, as I travel the country I also hear a deep appreciation for the federal commitment to children and learning. Parents and educators are grateful for our support of science, technology, engineering and mathematics (collectively known as STEM) subjects. Americans know that -- even in challenging fiscal times like these -- we must prepare our young people to compete in tomorrow's economy.

They know that -- even as states face greater financial pressure than at any time in recent history -- we cannot put our children at risk -- so our budget reflects these aspirations and commitments.

Overall, we are seeking a \$2 billion increase in non-Pell spending. That includes increases in formula programs like Title I and the IDEA while maintaining programs for English Learners and other at-risk populations such as rural, migrant, and homeless students.

We are calling for a new round of Race to the Top funds, with which we would make grants directly to school districts rather than states, and include a carve-out for rural communities. We want to work with State and local leaders, including leaders of rural communities, and with the members of this committee as we design this program, as well as the Investing in Innovation fund, or i3, in a way that reflects local needs.

At their core, Race to the Top and i3 are about spurring reform by rewarding success and giving flexible funding to implement good ideas. Especially in a time of tight budgets, we need to make the most effective use of federal funds. Formula funds alone won't drive the kind of transformational reform our education system needs -- we need to combine a strong foundation of formula funding with targeted use of competitive grant funds.

We want to continue to invest in innovation and research. We want to support a well-rounded education that includes the arts and foreign languages, literacy, STEM, and physical education.

We want to strengthen the teaching profession in a number of ways and work harder to attract top students to pursue teaching careers. We want to attract effective teachers into high-poverty schools and hard-to-staff subject areas and fill shortage areas by supporting teachers in obtaining dual certification in special education or English language acquisition. Also, we want to help states strengthen their early learning systems.

And we are challenging states to boost college completion. Today, more than half of our young people who go to college fail to earn a degree. As a nation, we cannot sustain that any longer.

In the 2010 budget enacted by Congress, we eliminated four programs saving \$360 million. In our proposed 2012 budget, we propose eliminating 13 more programs in order to save another \$147 million. Together these savings would total more than \$500 million annually -- which is helping fund our other priorities.

Mindful of the paperwork burdens we place on local school districts, we are proposing to consolidate 38 separate elementary and secondary education programs into 11 funding streams. These common-sense reforms will make it easier for school districts to focus on educating children, rather than bureaucratic compliance. And, as I mentioned, we are supporting governors in taking similar steps at the state level by providing guidance on how to spend federal funds flexibly and cut costs in a way that protects all students.

We are also proposing to reduce our investment in career and technical education (CTE) -- not because we don't believe in CTE -- but because we feel the current program is not getting the results we need. We are still seeking a billion dollars for CTE and we are committed to working with states to reform these programs to better prepare students to meet the needs of the new economy. We look forward to working with Congress to strengthen the program and improve its alignment with the education reform efforts at the core of our Elementary and Secondary Education Act (ESEA) reauthorization proposal, so that the Perkins Act is a stronger vehicle for supporting the President's 2020 college completion goal and the Department's secondary school agenda.

This year, we have also identified efficiencies in the student aid programs that, coupled with a change in Pell Grant policy, will help close a \$20 billion shortfall in the Pell Grant program and save \$100 billion over the next decade. Those savings mean that we can protect the \$5,550 maximum Pell award and help millions of students and their families meet rising tuition costs.

Those savings also mean that we can meet the skyrocketing demand for Pell Grants which has risen from less than 4 million grants in the year 2000 to a projected 9.6 million grants next year. In the last two years alone, an additional 3 million students received Pell grants.

In my view, this is a good problem to have. We need more young people and workers displaced by the recession going to college, and in this economy they desperately need our help. But we must do more to make sure that they finish college and earn their degrees and certificates.

So, we share with you the responsibility for being efficient and smart in how we invest. But we share an even greater responsibility, which is to prepare the next generation to lead.

We share responsibility for the 20 million disadvantaged students served by Title I, the nearly 7 million students served by the IDEA, the 5 million English language learners, and the 16 million college students who benefit from student aid programs.

In his State of the Union address, the President talked about winning the future. To emphasize the point, he announced his budget at an elementary school in Baltimore. He believes, as I do, that winning the future starts in the classroom.

He also believes that government spends too much, and he has outlined more than a trillion dollars in deficit reduction over the next decade. This is an important national conversation that will take a great deal of time, energy, and thought.

It will also take courage -- real courage on the part of Congress and the Administration. We have to be truthful with each other and truthful with the American people about what is and isn't working. We have to take the heat together for the cuts we are making.

To win the future while cutting spending, we must be absolutely vigilant about how we invest and how we support reform at the state and local levels. We must be responsible in what we say and do, and we need to show results.

Responsibility, reform, and results are the hallmarks of our budget and our Administration and the guiding principles as we move forward.

I want to close by thanking Congress for your support of education over the last two years. Because of you, we protected millions of children in classrooms all across America from the greatest economic crisis since the depression.

Because of you, we helped states and districts all across America advance their reform agendas, raise standards, and challenge the status quo. Because of you, a thousand underperforming schools have launched dramatic restructuring plans to improve the lives of children -- and many more are in the process.

Because of you, there is a greater determination than ever before to ensure that all of our children can compete in the global economy. And because of you, we face a brighter future and a greater prospect that the world we leave behind will be better than the one we inherited.

So on behalf of 80 million students of all ages, their parents and our hard-working teachers, principals, and administrators -- and all of the people of America who value education and recognize its importance -- I thank you for your leadership.

And now, I would be happy to take your questions.