

Many of us in Congress have heard a great deal about the proposed national standards for American history and world history. What is the situation with respect to the development of these standards? Will they be high standards for the study of history?

Do you support the use of non-profit firms in managing public schools?

Isn't the National Educational Standards and Improvement Council (NESIC) really a national school board in disguise?

Isn't GOALS 2000 the same as "outcomes based education" (OBE) that has been sharply criticized and, in fact, rejected by several states?

What is the Department's policy with respect to high stakes testing linked to high standards?

How can education help the nation deal with the problems of crime and welfare dependency?

GOALS 2000 - how is it going? Are the states participating?

School-to-Work - how is it going?

Direct Loan Program - how is it going?

These are the questions
Tom asked the
"Democrats" to ask.
Jf

There are Republican
Questions

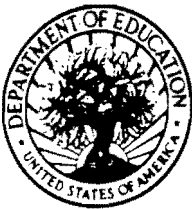
I'm not sure who
is wrong —

[67] From: Sandra Cook at WDCE03 1/10/95 12:52PM (2754 bytes: 44 ln)
Priority: Urgent
To: Sharon P. Robinson at WDCR03, Judy Wurtzel at WDCE02
Receipt Requested
cc: Kay Casstevens at WDCB01, Tom Wolanin, Rita Lewis, Thomas Kelley,
Jack McGrath, Sue Betka at WDCE05
Subject: Secretary's Hearing on Thursday

----- Message Contents -----

This morning I discussed Thursday's hearing with John Barth on Congressman Goodling's staff. During the course of the discussion he suggested several more questions which may be asked at the hearing. Sharon, could you provide me with an answer to question #7 by the end of the day today?

1. Does the current reform agenda give us an opportunity to refine the respective roles of federal and state governments?
2. Should we block grant federal education programs? If Congress decides to block grant programs, can you see 3-6 areas in which programs could be packaged?
3. If we block grant to states, what accountability mechanisms should be used?
4. There has been a great deal of discussion about decentralization at both the federal and state level. From your experience as Secretary, are there additional actions that the Department would want to take to streamline its operations? From your experience as Governor of S. C., what steps could be taken at the state level to streamline and make more effective uses of personnel, dollars, etc.?
5. Do you share Alice Rivlin's view regarding devolution? What are reasonable activities at the federal level? If you shift the responsibility back to the states, how do you build capacity at the state and local level?
6. In view of the Ohio civil rights compliance review, is it going to be necessary for us to re-examine the way we balance issues of quality and equality?
7. What kinds of research should we be doing? Applied or basic? Both? What should our long range research agenda be? How should we make certain that the results of the research get to the teacher in the classroom?
8. What is the best role for the federal government in getting technology into the classroom? What role should the federal government play in professional development? What should be done to ensure that pedagogy changes as technology is added to the classroom?



UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

**Testimony of
Richard W. Riley
U.S. Secretary of Education
before the
House Committee on Economic
and Educational Opportunities**

**The Federal Role in American Education
Thursday, January 12, 1995
Washington, D.C.**

Mr. Chairman, it is a great pleasure to come before the committee and talk about the federal role in American education. With the permission of the Chairman, I would like to submit for the record my prepared testimony and a background paper that describes how the U.S. Department of Education functions.

This Committee has always had a strong bipartisan commitment to improving education. I want to assure the Chairman and committee members that I will continue to work with you in this spirit of bipartisanship. We are not educating our children as Republicans, or Democrats, or as Independents. Our children are learning as Americans, the future of our country.

Education is a national priority, but a state responsibility under local control. I believe strongly in state and local decision making. I have been there as a governor. At the same time, I believe education must be part of our national purpose. Our economic prosperity, our national security, and our nation's civic life have never been more linked to education than they are today as we enter the Information Age of the 21st century.

I am a believer in education. As a governor and now as the U.S. Secretary of Education, I have worked to improve this nation's education system. There is nothing more important to the future of this country. In the decade since the release of the report, "A Nation at Risk," we have come a great distance in redesigning American education for the 21st century. We are not there yet; but we are moving forward. We are making steady progress.

In the last two years, this Committee has demonstrated creative leadership in working to put excellence back into American education. "Far reaching," "unprecedented," and "historic" are some of the words that have been used to describe the bipartisan legislative effort of the last two years.

The Goals 2000 Act; the creation of a new school-to-work opportunity initiative; our new direct lending program; our substantial new investment in technology; refocusing our research arm; and the Safe Schools Act are all part of the federal effort to help state and local decisionmakers move their classrooms forward.

This committee has set a very high standard. I urge the committee to stay on course even as we continue to work with you to improve federal support for local and state reform. We can always do better. I believe if we stay on course we will be doing the right thing for our children and this nation's future.

EDUCATION IS THE FUTURE

The American people may be angry or anxious about many things, but they still place a very high value on education. The American public is pro-education. The American people know instinctively that education is the future. Peter Drucker makes this critical point in an Atlantic magazine article entitled "The Age of Social Transformation." I cannot emphasize his point enough. In the new, emerging "knowledge society," he writes,

"Education will become the center of the knowledge society, and the school its key institution."

Mr. Drucker's point helps to explain the result of a recent national poll on a proposed balanced budget amendment -- the *New York Times*/CBS poll published on December 15th. In this poll, people were asked whether they favored a balanced budget amendment. The sentiment in favor of such an amendment was favorable by a very large measure -- 81 percent.

But when the people polled were asked a follow up question -- about whether they favored cuts in education spending for the purpose of balancing the budget -- public support headed South -- to use a phrase. Only 22 percent of the people polled favored balancing the federal budget by cutting spending on education, a drop of 59 percent.

The American people know that we are in a unique time of economic and social transition. If the locus of power in this society is ultimately the self-reliant American and not the government, we ought to recognize that our self-reliance comes largely from education -- and even more so in this new knowledge-driven age in which our children are growing up. I know the American people are prepared to invest in education.

I want to underscore the fact that our future is one of crowded classrooms. We are in the midst of a second baby boom that has gone largely unnoticed and unreported. We anticipate that by 1996, elementary and secondary school enrollment will surpass the previous high set in 1971 by the baby boomers. In the next ten years, an additional 5.9 million children will enter classrooms all across this nation.

Increasingly in the future, high-paying jobs will require both more skills and more knowledge, and different kinds of knowledge and skills -- analytical skills, problem-solving skills, and the ability to use modern technology. Every child must know his or her basics. But in an era where information is exploding all around us, the skills people need will change rapidly; thus, the need for what Mr. Drucker calls the "habit of continuous learning," and what the President has called a

"culture of learning."

This is a critical time for American education. Not only are we on the threshold of a new economic age, but we are already under enormous pressure to educate millions of additional children, to teach them not only the basics, but to help them grasp the technology of the future. How we meet these two challenges will determine the future prosperity and economic security of this country.

THE NATIONAL INTEREST IN EDUCATION

Economic Development and Success: Historically, the national government has moved to support education in times of significant economic transition. Creation of our land grant college system (Morrill Act, 1862) and support for vocational education as the United States fully emerged into the industrial era (Smith/Hughes Act, 1917) are significant examples of the national commitment to education in times of economic transition.

The passage of the G.I. Bill in 1944, which sent 2.2 million veterans to college, was a clear national recognition that this nation's future economic success was linked to giving as many Americans as possible access to a higher education. Between 1948 and 1973, for example, one-fifth of our nation's GNP was related to access to education.

In the 1990s, the link between education and our nation's future economic competitiveness is just as clear. In 1992, the average annual earnings for those with a bachelor's degree were almost **twice** those of people with only a high school diploma, and more than two-and-a-half times greater than those who had not graduated from high school (Chart 1). In this decade, 89 percent of the jobs being created require some form of post-secondary training.

Today, we have a national and international economy, and we live in a truly mobile society. Almost one of ten Americans moves across state lines every five years. A young person educated in Ohio may go to college in Michigan, get married in California, and find a job in Texas. The local quality of education has national implications on employment and economic growth.

National Security: The federal government's interest in supporting education to protect our national security needs is long-standing. National security was at the very heart of the passage of the National Defense Education Act (NDEA) in 1958, with its strong emphasis on math and science training following the Sputnik scare. NDEA helped to educate a generation of scientists who won the Cold War.

Our nation's armed forces also place a higher premium on a quality education. This year, the armed forces will recruit 180,000 young Americans to serve their country. Our military has learned from long experience that having recruits who are highly educated means higher retention rates, reduced training time, and increased productivity -- all of which ensure unit

readiness.

Responsible Citizenship: Access to a high-quality education for all Americans is the critical element in sustaining this nation's civic life. We seek to educate self-reliant Americans, citizens who will actively participate in our democracy. As a nation, we seek to guarantee access to quality education; we do not guarantee equal outcomes.

Two key facts suggest a powerful rationale for giving every young person access to a high-quality education: about 44 percent of those on welfare are high school dropouts; and 82 percent of all the people locked up in America's prisons and jails dropped out of school as well. If you want to end welfare, and if you want to end the violence and spiritual numbness that grips some of our young people, then I urge this Committee to continue its investment in education.

Responsible citizenship begins with the family. The American family remains the rock on which a solid education can and must be built. Thirty years of research support this conclusion. This is why I have spent much of my effort in the last year encouraging parents to reconnect to the learning process through our "Family Involvement Partnership for Learning."

The national commitment to supporting parents who want their children to be part of the American Dream has led the federal government to make access to a quality education, at all levels, a center point of its support for American education. In many respects, the American middle class is what it is today because of this federal support. This is particularly true with regard to higher education. In the last 20 years, 40 million Americans have received a federal student loan.

Access and Civil Rights: Ensuring the Constitutional rights of all Americans regarding education is clearly a function of our national government. In the 1960s, this nation moved to redress our long history of denying minority Americans the equal opportunity to get a first-class education.

At the same time, we also recognized the economic implications of this continuing inequality. An American denied an equal opportunity to a first-class education had little chance of bootstrapping his or her way out of poverty. The 1965 Elementary and Secondary Act (ESEA), especially Title I, sought to raise the academic achievement of poor and disadvantaged students. Since the 1970s, the achievement gap between black and white students has narrowed substantially. Laws to remove gender and disability barriers to educational opportunity are also a reflection of our national commitment to equal opportunity in education.

STATE AND LOCAL RESPONSIBILITY

The national interest in supporting and encouraging the advancement of American education has always been governed by a clear recognition that education is a state and local responsibility. I am a firm believer in the 10th Amendment.

As a former governor, I know first-hand the enormous effort that has been made, and is being made, by our nation's governors and state legislatures, community and business leaders, educators and parents to improve this nation's schools and colleges.

The governors of this nation have been at the forefront of the bipartisan and national effort to improve our schools and to raise academic standards. The process to establish a set of national education goals began at the historic Charlottesville Summit of the nation's governors hosted by then President Bush in 1989.

I am not an advocate of a national exam or the intrusion of the federal government into state and local decision making regarding curricula or, for that matter, any other area of responsibility that can best be done at the state and local level. The great strength of American education, and here I include higher education, is the American tradition of decentralization, public, private and parochial schools existing side-by-side.

Last year, this Committee went to great lengths to pass the Goals 2000: Educate America Act, which is a model of how the federal government can encourage effective local and state reforms without burdensome regulations. We seek to support and encourage; we do not dictate or determine local or state policy.

Massachusetts, for example, is already using its state planning money to support the creation of fourteen charter schools. Kentucky is using its money to encourage parental involvement in Kentucky's on-going reform efforts. Oregon is using its Goals 2000 money to support the Oregon Benchmarks, the citizen-based vision of education for the 21st century.

CHANGING THE WAY WE DO BUSINESS

We have made significant reforms in many federal education programs in the last two years -- reforms that were, to my mind, long overdue. I believe in increased flexibility from federal regulations and the broad use of waivers. We have done a great deal of streamlining of this Department's programs, and we will certainly do more.

We have moved away from the 1960s categorical, top-down approach and placed a strong emphasis on flexibility, giving local decisionmakers the power and responsibility to achieve the basics and advanced skills geared to high standards in return for accountability. We believe this shift from "remedial" education to high academic standards is long overdue.

The Goals 2000 Act is a case study of thinking and designing a federal program differently. The short-easy-to-read grant application is a total of four pages. No regulations will be issued for Goals 2000 state and local reform grants. And, in the second year, 90 percent of all funding flows directly to local school districts.

Our new direct lending program is another example of redesigning a federal program to deliver

services in new ways to our customers. A financial aid officer at the State University of New York in Brockport said in September that this new program is so much simpler that they have completed awarding aid to 800 more students than at the same time the previous year. I have seen first hand the surprise of students when a school can process a loan, produce a promissory note for them to sign, and transfer funds to them in the same day.

In the last two years, we have worked very hard to improve the management of the Department to respond to Congressional concerns and serious criticisms about our operations. In 1993, the General Accounting Office (GAO) issued a report sharply criticizing the Department's inattention to crucial management issues. We are two years into the process of streamlining how this Department functions. For the first time in our history, we have a strategic plan with clear performance measurements.

I am not averse to change or new thinking, and I look forward to working with new Committee members to understand their concerns and priorities. Our children and the education of students of all ages are too important to be stuck in the same old way of doing things. I believe in public school choice, encouraging charter schools, and supporting experiments in privatization if local school boards feel that is the right way to go.

But I am also aware that the siren call of the new fad -- the hot "silver bullet" solution that will solve all of our problems -- is all too often the great stumbling block to improving American education over the long term. The paradox of education reform is that if we want to "jump start" our young people into this new Information Age, we can really only succeed by taking a step-by-step approach to making our schools and colleges better.

Like the students we are trying to educate, our Nation's schools and colleges need continuity and stability as they push forward toward high standards. This does not imply rigidity, or an adherence to old ways of thinking, or burdensome regulations, but it does imply clear goals, a focus on the essentials of teaching and learning, and a willingness to allow progress to be achieved.

THE ROLE OF THE DEPARTMENT OF EDUCATION

The federal government has a particular obligation to undertake activities that are clearly national in scope. It also has an equally important role in addressing areas of critical national concern. Today those concerns are ensuring our economic and national security and a responsible citizenry. We fulfill these two defining roles in a number of ways.

First, through our statistics, research and dissemination activities, we act as a clearinghouse of good ideas and a catalyst for sound solutions. Second, we support access to college and other post-secondary education to create the middle class of the future -- a truly national activity that also addresses our critical national interests.

Third, we seek to respond to the critical national needs of today by creating partnerships with state and local communities to help students learn to challenging standards. Finally, we are a national voice for excellence and high standards.

A CLEARINGHOUSE OF GOOD IDEAS; A CATALYST FOR SOLUTIONS

Research: One of the most basic and established tasks of this Department is research and information collection. Indeed, the Congressional mandate to collect information on education dates back to 1867. Our reports often have a national impact. The 1973 report, "Building Capacity for Renewal and Reform" by the National Institute of Learning, was a precursor of the seminal report, "A Nation at Risk", released in 1983, by then-Secretary of Education Terrel Bell. It woke America up to the reality that our nation's schools on the path toward mediocrity.

In the last two years, with the support of this Committee, we have moved energetically to fundamentally refocus our research capacity to narrow the enormous gulf that sometimes exists between best research and practice -- to understand its customer's information and service needs - and by connecting our customers to new research through the advanced technology.

In this regard, we have piloted state of the art technology in the award winning AskERIC program and the soon to be released PATHWAYS. PATHWAYS exemplifies the way we are ready to place state of the art knowledge about best practices into the hands of teachers across the country who have access to the Internet.

Technology: In the form of computer networks, interactive video connections, and multimedia software on CD-ROM disc, advanced technology has begun to make its way into American schools and libraries, promising to fuel this nation's long-term productivity and economic growth. States and many individual school districts have begun to make multi-million dollar investments in hardware, software, and networks.

The Technology for Education Act - Title III of IASA - authorizes \$40 million for these efforts. Specifically, \$27 million is given over to a Challenge Grant program which funds pathbreaking efforts to use technology in schools and build partnerships between schools and communications and software companies.

We are at a critical juncture in the development of a national telecommunications policy that will have an enormous impact on how we educate children in the coming years. This Congress will, in all likelihood, define this nation's telecommunication policy for the 21st century.

We must guard against a future in which some schools and school districts become islands of excellence because they have access to vast technological resources while others do not. A recent survey of teachers suggests that today, fewer than four percent of classrooms have connections to the Internet. This will surely increase in the years to come, but I am deeply concerned that rural schools and inner-city schools not be left out as we move rapidly into the

Information Age.

My ability as the U.S. Secretary of Education to work with the Congress in redesigning this nation's telecommunication policy, and my continuing dialogue with Reed Hundt, the Chairman of the Federal Communications Commission, have been and will continue to be, in my opinion, one of my most important responsibilities.

Catalyst for solutions: This Department seeks to be a catalyst for solutions in other ways as well. Six million dollars is available to support specific demonstrations of charter schools. We will also support new "character education" initiatives. Our Fund for the Improvement of Education seeks to support innovative solutions to educational problems including local efforts at public school choice and school-based decisionmaking.

Another example of using our research capacity to find solutions worthy of national attention is a new five-year effort working with John Hopkins University and Howard University to determine just how we can help put an end to the cycle of student failure among at-risk youth.

ACCESS TO HIGHER EDUCATION: CREATING THE MIDDLE CLASS OF THE FUTURE

The creation of the American middle class, as I said earlier, reflects a sustained commitment by the federal government, now dating back 50 years, to supporting the American quest for a higher education. The Higher Education Act of 1965 and the creation of the Pell Grant program in 1972, like the 1944 G.I. Bill, have served as springboard to the middle class for millions of Americans.

Between 1964 and 1993, college enrollment nearly tripled (from 5 million to 14 million), the percentage of high school graduates attending college has increased by one-third (from 48 percent to 63 percent), and college enrollment rates for minority students increased by nearly two-thirds (from 39 percent to 62 percent).

Student Aid: Today, 75 percent of all the student aid for Americans seeking some form of higher education comes from the federal government. This is a vital national function given the importance of education and training in our changing economy and the rising cost of higher education.

Charges at public post-secondary institutions rose from 10 percent of median family income to 14 percent between 1980 and 1991. Charges at private post-secondary institutions rose from 23 percent of median family income to 37 percent between 1980 and 1991. As a result, there has been a substantial increase in student borrowing.

Total borrowing in the Student Loan programs increased by 29 percent between FY 1993 and 1994. The number of loans increased by 19 percent during the same period of time. Seen in that

light, the President's proposal in his "Middle Class Bill of Rights" to allow a tax deduction for college tuition makes a great deal of sense for hard-pressed middle-income families that seek the American Dream for their children.

The President's Middle Class Bill of Rights is a sensible and future-driven initiative. The President's plan seeks to hold down the national deficit and encourages us, at the same time, to invest in America's future through education. I urge the Committee to see this positive initiative as a logical extension of our bipartisan efforts of the last two years.

At the same time, we continue to place a strong emphasis on access to higher education through the \$6.2 billion Pell Grant program that provides financial aid to 4 million disadvantaged young people. Most Pell recipients are from families earning less than \$20,000 a year. Two-thirds of students from families earning less than \$10,000 a year and almost half of those with family incomes between \$20,000 and \$30,000 benefit from student aid. (Chart 2)

I am also encouraged by the support we are receiving from the higher education community for streamlining and improving the federal college loan program. The federal student loan program was badly managed for many years with little accountability to taxpayers. At times, the default rate exceeded 20 percent. In contrast, we believe that when fully implemented, the Direct Student Loan program will save taxpayers a minimum of \$4.3 billion and save students \$2 billion in interest by 1998.

School to Work: To create the middle class of the future, we seek to pay special attention to creating new educational stepping stones for young people that fit the needs of this Information Age. In the 1980's, the gap between what a male college graduate earned and what his male high school counterpart received widened by more than half. This gap will continue to widen, for both men and women, until we bridge the gap by creating new links between high school graduates and the workplace.

The task of local educators in the 1990s is to reinvent the American high school, to recognize that a high school diploma is no longer a final end point, but an essential, intermediate step, before moving on to other forms of post-secondary education. The School-to-Work Opportunities Act responds to this need by providing federal funds to state and local partnerships to create a new model of education that links academic programs to work-based learning in high schools and post-secondary institutions.

CREATING A NEW PARTNERSHIP WITH THE STATES

The creation of the national education goals by our nation's governors and the passage of the Goals 2000 Act last year by the Congress marks, in my opinion, a decisive turning point in the national effort to improve American education.

These two historic acts define education as part of our national purpose in a new and

fundamental way. They recognize that the advancement of American education depends on a new partnership between our national government and the various states. They suggest that each level of government -- local, state and federal -- has an important and proper function to play in advancing teaching and learning for this nation's children.

They also recognize that the challenges today are both quality and equality. In today's competitive economy it is essential that every child learn to high standards. Access, equality and excellence are all part of the same piece. They go hand in hand.

I believe that in the past the federal government has been far too prescriptive in dictating to states and local school districts how they should run their schools. The Goals 2000, the reformed Elementary and Secondary Education Act, and the School-to-Work Opportunities Act are based on a new partnership with states and communities that develops a framework to help all students learn to challenging standards.

This new partnership is based on just a few key principles. Our focus must always be on challenging standards and improving student achievement for all students. We must promote flexibility for states, school districts and schools, while ensuring accountability for results.

Broad waiver provisions, whole-school approaches, a Department-wide emphasis on fewer regulations, charter schools, and investing in teams of teachers, parents and school and community leaders to find quality solutions are all elements of a new flexibility. And we seek to invest in those areas that we know are critical to success, such as ensuring that teachers have the skills they need to help children learn to high standards, and ensuring that students have access to technology in the classroom.

The need to do this is most critical in our nation's distressed inner cities and high poverty rural communities. We know, for a fact, that people at the lowest level of literacy are ten times more likely to be in poverty than persons at the highest level of literacy. We also know that the sheer drag of poverty can have a detrimental effect on even the brightest young person in a high poverty school.

More importantly, we now know that changing our expectations of what poor and disadvantaged children can achieve is central to helping them to learn their way out of poverty. Two decades of research tells us that disadvantaged students can learn far more than we generally expect of them. In the 1990's equality and excellence must be seen as one and the same. One cannot happen without the other.

This is why we have made a significant effort to fundamentally shift the direction of Title I of the Improving America's School Act, which targets federal support to school districts with high rates of poverty. This is one of our largest programs, close to \$7 billion a year, that supports the education of 6 million children.

This is also why we remain committed to working to improve the educational results of the nation's five million students with disabilities. The Individuals With Disabilities Education Act, major portions of which will be reviewed by Congress this year, allocates \$3 billion through three state grants to support efforts to provide appropriate learning experiences for children and youth with disabilities.

A VOICE FOR EXCELLENCE AND HIGH STANDARDS

The release of the landmark report "A Nation At Risk" by then-U.S. Secretary of Education Terrel Bell in 1983 set off a decade of reform and improvement in American education that is starting to make a difference. As a governor, I heard that call and I can tell you that having a national voice for excellence in education made a difference to education reform in South Carolina. Let me cite three examples.

First, the clarion call for raising high school graduation requirements helped inspire and gear our South Carolina effort to substantially increase high school graduation requirements and college entrance requirements. Both resulted in substantial increases in the number of young people going to college and fewer students needing remedial work once in college.

Second, we applied to a one-time federal funding source to develop our statewide partnership and grassroots effort to involve parents, teachers, and education, business and community leaders in both crafting and implementing the actions to improve education in the state. As a result, the support from parents, education organizations, and the public for the South Carolina reform in the 1980s was the highest in the nation.

Third, the Title I program of the Elementary and Secondary Education Act that provides extra help to students in the basics served as a model for the development of the South Carolina Basic Skills program for students and schools not served by Title I.

In the decade since Terrel Bell did his good deed for the nation, a new awareness have taken hold of education's central and increasing role in defining our future economic prosperity. Between 1982 and 1990 the percent of high school graduates who completed the core curriculum recommended in "A Nation at Risk" rose from 13 percent to 40 percent. (CHART 3)

Education leaders also have come to recognize that new linkages must be forged between the American business community and every level of education; and that breaking down institutional barriers between secondary education and higher education has to be seen as one of the key ways to increase the pace of reform and change.

The Goals 2000 Act reflects this new awareness that education is a national priority and a new partnership between all levels of government and all levels of education. Sustaining this new partnership ought to be seen as the single most vital task of any Secretary of Education, Republican or Democrat.

To be a national voice for excellence and high standards does not require a Secretary of Education to dominate the debate about the direction of American education. There are many voices in our national education community and they all must be heard. But a Secretary of Education can play a positive role in keeping that debate focused on the essentials and linking the discrete parts of our broad education community to the larger national purposes -- economic success, national security, responsible citizenship, and supporting the basic civil rights of Americans who want to get an education.

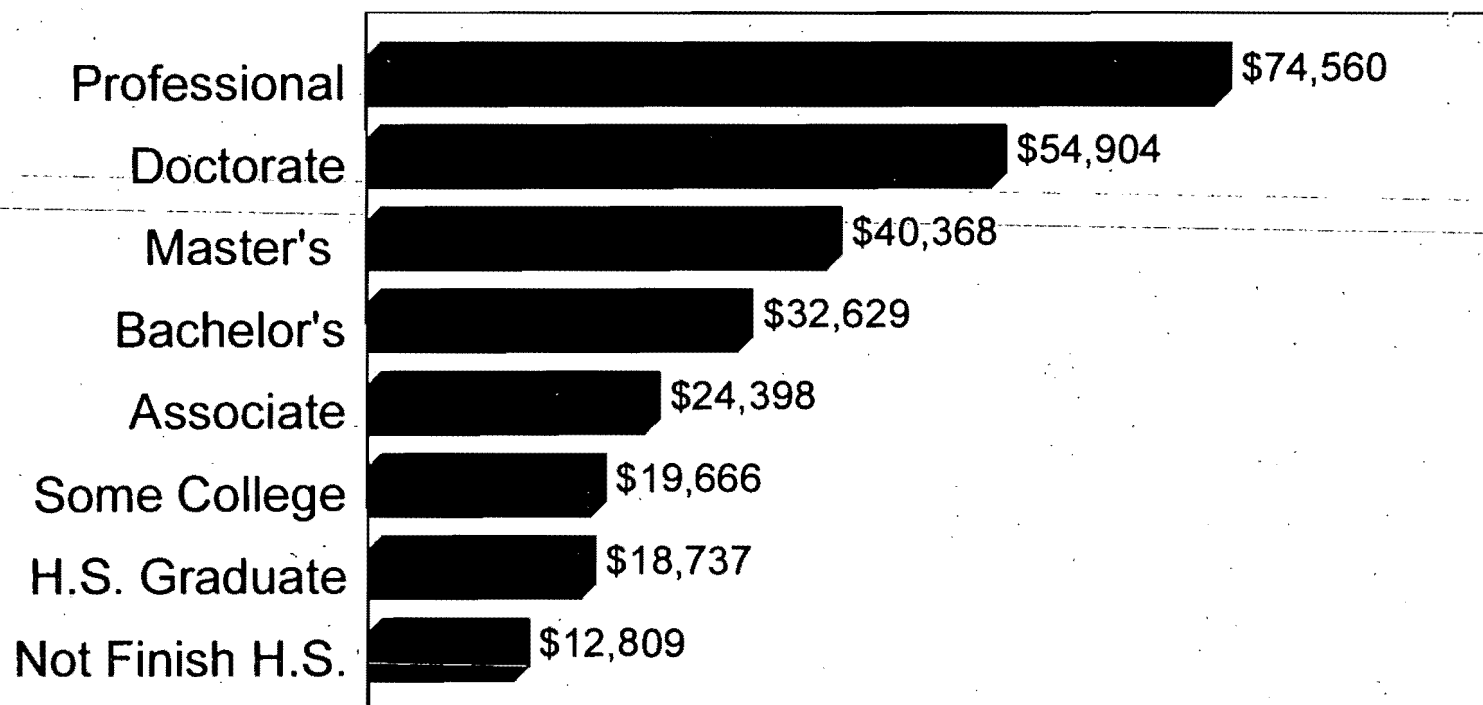
CONCLUSION

The American people know that we are in a new time in the life of this nation. The Industrial era that we grew up in is giving way to something new. If we hold fast to rigid ways of thinking, or if we believe that we can return to a simpler time when education was less important to our economic prosperity we will surely miss the mark altogether.

We need as a nation to commit ourselves to high standards, make our schools havens of order and discipline, recognize that teachers are at the heart of our effort to reach for excellence, reconnect the American family to learning, and find new concrete ways to make sure every student who can make the grade can find a way to pay for college. That, in a nutshell, has been and remains the education agenda of President Clinton.

Thank you.

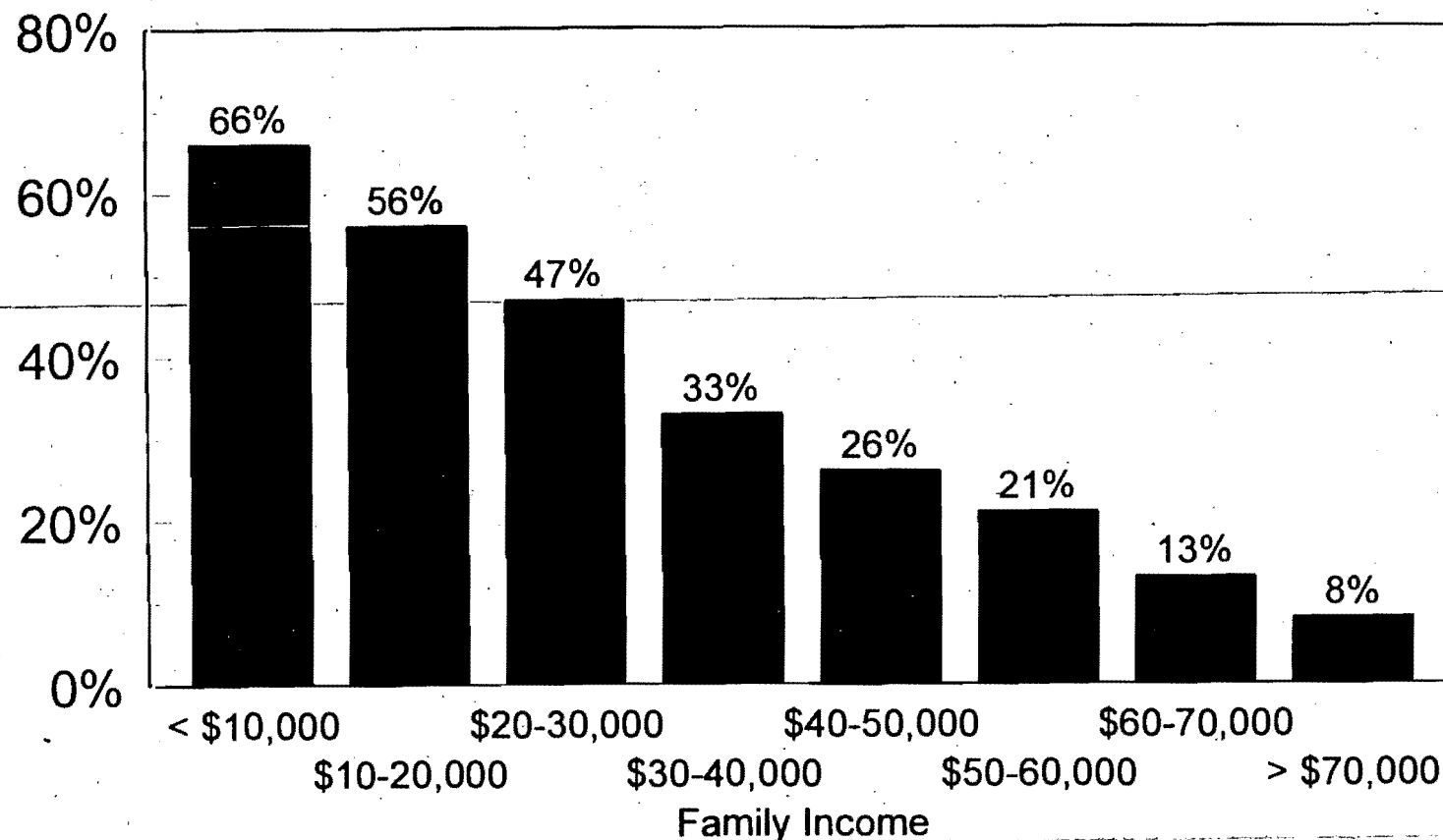
Average Annual Earnings by Level of Education: 1992



Source: U.S. Bureau of the Census (1994)

Percent of Full-Time Postsecondary Students Receiving Federal Aid by Family Income

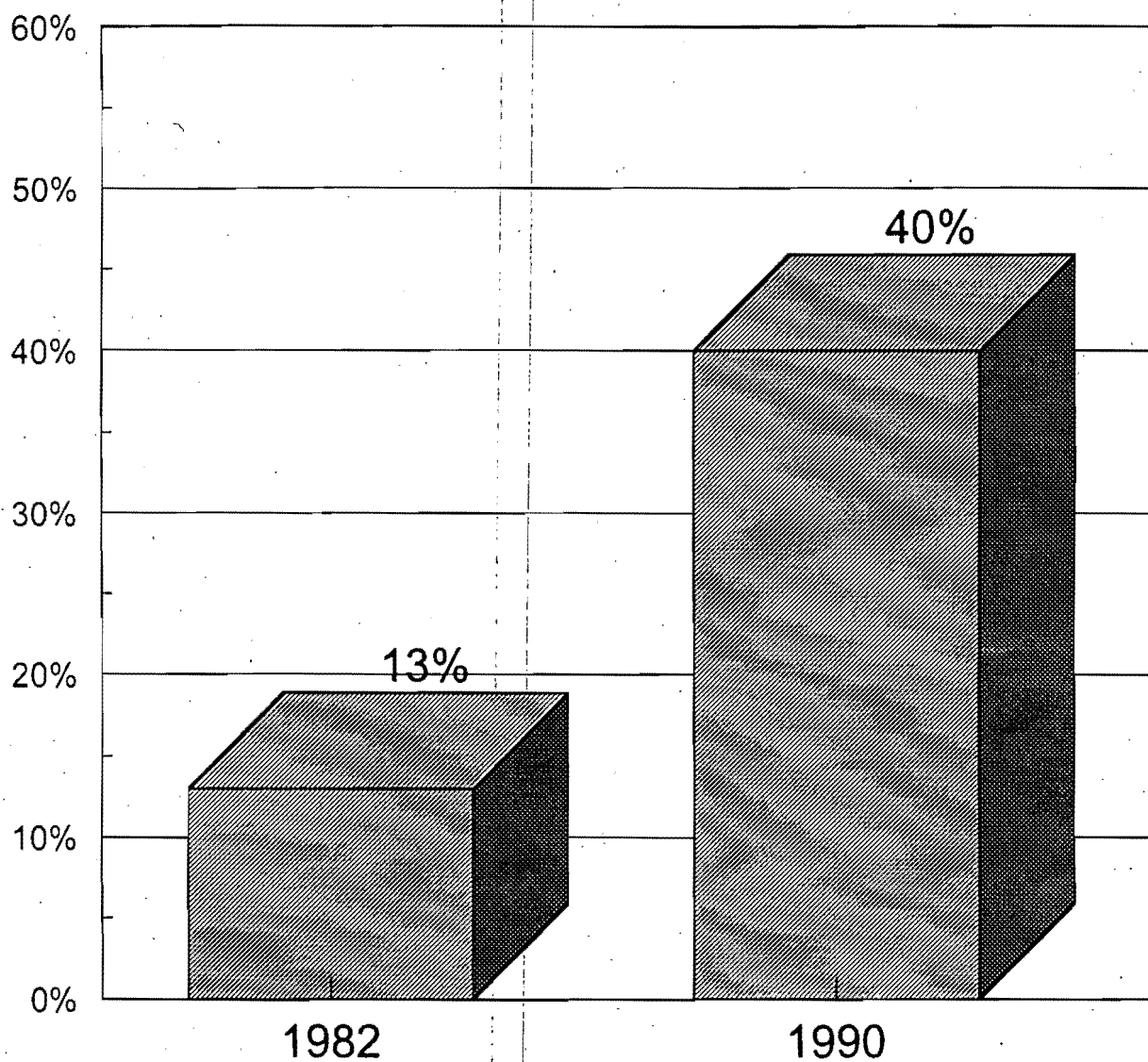
Percent of Full-Time Students



Source: National Postsecondary Student Aid Survey (1990)

Increased Percentages of High School Graduates Who Completed the Core Curriculum Recommended in A Nation At Risk

Percent of High School Graduates



Source: National Center for Education Statistics, *The 1990 High School Transcript Study*, Washington, D.C., 1993

THE UNITED STATES DEPARTMENT OF EDUCATION

A SUMMARY OF MAJOR ACTIVITIES

Overview

Education is the largest, most broadly-based enterprise in America. Nearly 70 million Americans are involved in education as students or teachers from preschool education through postdoctoral research. The nation spends more than \$500 billion a year on education at the elementary, secondary, and postsecondary levels. State, local, and private expenditures account for about 92 percent of this spending, while the federal government contributes only 8 percent.

Despite the U.S. Department of Education's limited role, its elementary and secondary programs serve 15,000 local school districts and almost 50 million students attending more than 84,000 public schools and more than 14,000 private schools. Approximately 7 million postsecondary students received financial aid this year from the Department. Over the past 20 years, the Department's student financial aid programs have helped approximately 40 million students attend college. An additional 4 million adults receive assistance annually to become literate and upgrade their skills.

The U.S. Department of Education currently administers about \$33 billion in education funding that is distributed through 240 separate programs. Of the \$33 billion, \$25 billion falls under the discretionary spending authority of Congressional appropriators, while \$8 billion is considered mandatory. Mandatory education spending includes the postsecondary student loan and vocational rehabilitation programs. The Department administers only about 5 percent of all the government's discretionary funds.

The Department and its programs are administratively lean. The Department currently employs about 5,100 FTE, making it the smallest Cabinet agency, and it will be streamlined to 4,750 FTE by 1999. Department staffing has fallen significantly from the approximately 7,700 employed in 1979 by the former Office of Education and related agencies within the old Department of Health, Education, and Welfare. This has made the U.S. Department of Education one of the most efficient of the 14 Cabinet agencies in administering federal funds, with only one employee for every \$6 million in budget authority.

The responsibilities of the U.S. Department of Education to promote excellence in education for every student generally fall into seven important areas: (1) providing national leadership and partnership building to address current issues in American education; (2) serving as a national clearinghouse of good ideas; (3) helping families pay for college; (4) helping local communities and schools meet the needs of their students; (5) preparing students for employment and keeping up with a changing economy; (6) ensuring non-discrimination; and (7) developing and demonstrating effective changes in educational practices. In addition, the

Department is striving to improve its management and transform itself into a high performance organization that can more effectively serve its customers and do more with less.

I. National Leadership and Partnership Building to Address Critical Issues in American Education

Various Secretaries of Education have highlighted contemporary education problems that need to be addressed across America. Secretary of Education Ted Bell issued A Nation A Risk, which galvanized public concern about education when it warned that low student achievement levels were threatening the nation's international competitiveness. In response, many states and communities raised their high school graduation requirements and the proportion of high school graduates taking the core curriculum recommended in the report (4 years of English, 3 years of social studies, 3 years of science, 3 years of math) more than tripled between 1982 and 1992.

Secretary Riley has identified eight issues that need this nation's attention: improving safety and discipline, strengthening basic and advanced skills for all students tied to challenging standards, better teaching, greater parental involvement, greater connection between school and work, better access for students to technology, better access to financial aid for students to attend college and training, and making the Department more streamlined and efficient.

Partnership building has included an extensive set of partnerships to increase family involvement in learning. For example, more than 130 groups, including representatives of 75 percent of all organized religious groups in America, have agreed to work to improve family involvement in learning.

II. A National Clearinghouse of Good Ideas

The original U.S. Department of Education was created in 1867 to collect information on schools and teaching that would help the states establish efficient school systems. While the agency's name and location within the executive branch have changed over the past 128 years, this emphasis on promoting educational excellence by collecting and disseminating nationwide information on education remains an important role.

The Department supports research on effective educational practices for all students and monitors the performance of the American education system through the collection of statistics and evaluation data. For example, the Department supports long-term research and development through its university-based education research centers. Many of the nation's school improvement efforts have been based on research originally funded by federal education research programs.

The Department's National Center for Education Statistics (NCES) annually publishes the primary reference volume on education in the nation—**The Digest of Education Statistics**, a comprehensive review of education statistics on elementary, secondary, postsecondary and adult education. The Center also publishes an annual report on **The Condition of Education**, which includes information on such indicators as enrollment rates, dropout rates, trends in academic achievement, and education spending. The Department also funds the National Assessment of Educational Progress (NAEP), which for more than 20 years has served as "the Nation's Report Card." NAEP is the only nationally representative assessment of what our nation's students know and can do and is the primary source of data on educational achievement in the core academic subjects. Since 1990, on a voluntary basis, NAEP has also collected and published state-level data for certain assessments, which allows participating states to track how their students are performing, both over time and relative to other states.

In order to help state and local decisionmakers improve their schools, the Department disseminates the latest research findings and information on education to parents, teachers, school board members, policy makers, and the general public. For example, the Department recently published **Strong Families, Strong Schools**, which summarizes 30 years of research on strengthening family involvement in education. The Department-funded regional educational laboratories develop materials and provide assistance to states and local educators based on the most recent knowledge about improving teaching and learning. Since 1966, the Educational Resources Information Center (ERIC) has distributed education information on subjects ranging from elementary and early childhood education, to education for disabled and gifted children, to rural and urban education. ERIC is used by more than 500,000 people each year.

The Department also holds monthly satellite town meetings to share effective ideas about solving current problems in education. Led by Secretary Riley and Deputy Secretary Kunin, these town meetings are broadcast to education, parent, community, and business leaders through hundreds of satellite down-links as well as on open access television channels in most major cities and the Discovery Channel which reaches 60 million homes. The town meetings are supplemented by a Community Update newsletter, with a distribution of over 80,000, on promising solutions to education problems that communities face.

The Department also has applied its growing understanding of effective policy and practice to evaluating and improving its own programs. For example, findings from assessments of vocational education and Chapter 1 have figured prominently in the reforms reflected in the reauthorizations of these programs.

III. Helping Families Pay for College

Approximately 40 percent of the Department's budget is devoted to postsecondary education, most of which is used for student financial aid. The history of federal financial assistance to

college students goes back to the G.I. Bill of 1944, which served as the springboard to the middle class for millions of American servicemen and their families. More than 12.4 million veterans attended college on the GI Bill between 1944 and 1989. The generation that followed received federal assistance to pay college costs through the National Defense Student Loan program. Subsequently, the Higher Education Act—first passed in 1965 and reauthorized half a dozen times since then—served as the framework for the current set of federal grant, loan, and work-study programs aimed at helping poor and middle-class students of all ages pursue postsecondary education.

The \$6.2 billion Pell Grant program makes grants averaging \$1,600 to nearly 4 million postsecondary students every year. Most Pell recipients are from families earning less than \$20,000 a year.

The Department also operates two major student loan programs for which almost all students are eligible. The first is the new Federal Direct Student Loan program, which loans federal funds directly to postsecondary students and provides a wide variety of repayment options, including income-contingent repayment. By reducing bureaucracy and cutting out the middlemen in the student loan process, the Federal Direct Student Loan program is expected to save the taxpayers \$4.3 billion over the next five years while also providing more options and better service to students and postsecondary institutions. It will also save students about \$2 billion through reduced interest rates over five years. The second major student loan program is the Federal Family Education Loan Program, which since 1965 has provided loan subsidies and guarantees against default on loans made to students by private lenders. Together, the loan programs currently make nearly \$26 billion in loans to about 6.5 million postsecondary students and their families.

The Department's campus-based aid programs give postsecondary institutions great flexibility in making need-based financial assistance available to students. These programs include the low-interest Federal Perkins Loans program; the Federal Supplemental Educational Opportunity Grant program, which gives additional grant assistance to needy college students; and the Federal Work-Study program, which supports mostly part-time on-campus jobs allowing 700,000 students to earn about \$1,000 annually. Each of these programs requires a match from participating institutions.

Together these programs have helped to make college affordable for middle- and low-income families and have contributed to the dramatic growth in college enrollments at a time when education and training beyond high school is increasingly important to individual self-sufficiency and the nation's productivity. Between 1964 and 1993, college enrollments nearly tripled (from 5 million to 14 million), the percentage of high school graduates who go on to college increased by one-third (from 48 percent to 63 percent), and college enrollment rates for minority high school graduates increased by nearly two-thirds (from 39 percent to 62 percent). Federal support, particularly for low- and middle-income students, helped make this growth possible by easing the financial burden on families.

Because of concern about high default rates and inadequate loan collection in the student aid programs, Congress and the U.S. Department of Education have taken recent actions to reduce defaults—including management reforms and increased attention to "gatekeeping" to weed out unsound postsecondary institutions. As a result, default rates decreased from a high of 22 percent in 1991 to the most recent rate of 15 percent. At the same time, the dollar value of defaults has declined from \$3.6 billion in 1991 to \$2 billion in 1994. In addition, Department collections of defaulted student loans rose to \$500 million in 1994. Poor-performing institutions also are being dealt with: since 1994 the Department has eliminated 609 postsecondary education institutions from the student loan programs for persistent, excessive default rates.

IV. Helping Local Communities and Schools Meet the Needs of Their Students

The Department delivers almost \$13 billion to states and school districts through formula-based grant programs designed to support improvements in basic and academic skills geared to challenging standards, school safety, parent involvement, and teacher quality, and to help states and school districts meet the special needs of schools and students.

Just six authorities account for about 95 percent of the Department's funding to elementary and secondary education: the Goals 2000: Educate America Act, Title I of the Elementary and Secondary Act (ESEA), the Dwight D. Eisenhower Professional Development Program, the Safe and Drug-Free Schools Program, Impact Aid, and Part B of the Individuals with Disabilities Education Act.

The Goals 2000: Educate America Act is the Department's flagship education program to help parents, teachers and community leaders improve their own schools by raising standards; addressing safety, discipline and basic skills; attracting and holding better teachers; and strengthening parent involvement. This \$400 million program provides great flexibility to schools, school districts and states to develop and implement actions locally, based on their own challenging standards for every student. Funds may be used for a broad range of activities aimed at ensuring that discipline, teaching, use of technology, and assessments all will help students reach challenging standards. Accountability is based on improved student learning. The Department is administering the program with little paperwork and with extensive flexibility: the state application form is 4 pages; there are no regulations; extensive waivers are available to assist states and school districts in implementing their school improvement efforts. Of the 41 states and 9 territories that have already submitted applications for first-year funds to develop their state-wide reform plans, 40 states and 4 territories have been funded.

The Improving America's Schools Act (IASA), passed by Congress in 1994, reauthorized the Elementary and Secondary Education Act (ESEA), and at \$10 billion is the federal government's largest investment in elementary and secondary education. ESEA addresses four key priorities: (1) ensuring access to a quality education for our most disadvantaged

students so they can learn the basics and improve achievement geared to challenging academic standards; (2) improving safe, disciplined, and drug-free schools; (3) ensuring that today's and tomorrow's teachers have the training and skills necessary to help all children reach challenging standards; and (4) assisting states by alleviating burdens caused by federal activities, such as federally owned land that provides no tax revenues.

The Title I program, first established in 1965, directs about \$7 billion to more than 6 million disadvantaged children in more than 50,000 schools nationwide—about half of all the schools in the country. Most of the funds go to high poverty schools where students score much lower than their peers in low-poverty schools on achievement tests—achievement levels that contribute greatly to high dropout rates, illiteracy, and poor employment prospects. High-poverty schools use Title I funds to help close this gap. As reauthorized in 1994, Title I emphasizes high standards and accelerated learning in the core academic subjects rather than watered-down standards often found in remedial instruction. High-poverty schools are encouraged to develop schoolwide programs aimed at raising the basic and academic performance of all students, not just those eligible for Title I. Required federal testing has been replaced by locally- and state-designed accountability. For the first time, schools may seek waivers of statutory or regulatory provisions that may impede their efforts to improve student achievement and learning.

Achievement of disadvantaged students has risen dramatically in the years since Title I was first enacted. But much more needs to be done to keep up with these changing times. Minority students achieved substantial gains in science, math, and reading between the 1970's and 1992, reducing the gap between minority and white student achievement. For 9-year-olds, for example, the achievement gap between black and white students' scores on the National Assessment of Educational Progress narrowed by 32 percent in science, 18 percent in science, and 25 percent in reading. Among college-bound students, SAT scores increased across all race/ethnic groups from 1980 to 1993, with minority students earning the largest increases. For example, the average math score increased from 466 in 1980 to 478 in 1993 (a 12-point gain), recovering much of the ground lost during the 1970's. Dropout rates for 16- to 24-year-olds declined from 17 percent in 1967 to 11 percent in 1993, and the dropout rate for blacks fell even more dramatically, from 29 percent to 14 percent.

The Dwight D. Eisenhower Professional Development program supports locally-guided teacher training in the core academic subjects. High-quality and well trained teachers are essential to any improvement of education. The program distributes \$320 million to states and school districts to help ensure that teachers are prepared to teach to the high standards states are now developing. The focus will be on local principals, teachers, and parents deciding what professional development is needed to improve their schools. No longer will professional development rely on programs that lack depth, quality, and a sustained commitment to assist teachers in the development of their skills to significantly improve instructional practice.

The third major priority in ESEA, the Safe and Drug-Free Schools program, responds to the

continuing crisis of violence and drugs in our schools by supporting comprehensive school- and community-based drug abuse and violence prevention programs. This \$500 million program gives school districts the flexibility to design their own programs to reflect local needs. Activities may include conflict resolution and peer mediation training, substance abuse prevention education, service learning, the purchase of metal detectors, and the hiring of security personnel.

The \$730 million Impact Aid program is the major program assisting states and local communities impacted by federal activities. The Impact Aid program helps pay for the education of children in school districts affected by federal activities, such as the presence of a military base or federal ownership of a significant proportion of local property. In these districts the federal presence substantially reduces the local property tax base that ordinarily serves as a major source of school funding. Impact Aid is intended to help replace this lost revenue.

Like the Goals 2000: Educate America Act, ESEA's support of states and local communities couples flexibility with accountability for academic achievement. The new flexibility in the reauthorized ESEA means less fragmented, categorical approaches, more school-wide approaches, fewer reporting requirements, and broad waiver authority. The emphasis is on effectiveness and efficiency, not paperwork.

The U.S. Department of Education also helps states and school districts meet their responsibility to provide a free appropriate public education for children with disabilities. Two landmark federal court decisions in the early 1970's established the constitutional right of children with disabilities to an equal educational opportunity. In 1975 a federal law, now known as the Individuals With Disabilities Education Act (IDEA), was enacted to provide a framework for appropriately serving these children as well as federal financial assistance to help pay for the education of students with disabilities. Today the Department allocates nearly \$3 billion through three state grant programs intended to help states meet the developmental and educational needs of students with disabilities from birth through age 21.

Since IDEA was enacted, students with disabilities have measured substantial gains. While in 1975 more than 1 million children with disabilities were excluded from school, today all children with disabilities are in educational programs and the number of children placed in costly state institutions has decreased dramatically. High school graduation rates have increased significantly, and 57 percent of youth with disabilities are competitively employed within five years of graduation from high school—compared to a competitive employment rate of only one-third for all adults with disabilities.

V. Preparing Students for Employment and Keeping Up with the Changing Economy

A growing understanding of the relationship between our educational performance and our competitiveness in the global economy has led to a new emphasis on the connections between

school and work, and a new appreciation of the importance of vocational education and opportunities for lifelong learning.

The U.S. Department of Education administers several programs that respond to this new emphasis and that help schools and colleges working through states and school districts give young people and adults the knowledge and skills they need for changing careers that often demand further education and training. The 1994 School-to-Work Opportunities Act provides seed money to every state and to interested communities to develop and launch a comprehensive school-to-work system. These systems will combine school-based and work-based learning with activities designed to prepare students for a first job. The School-to-Work program, currently funded at \$125 million, is specifically designed to sunset after five years.

Perkins Act Vocational Education state grants provide nearly \$1 billion to help pay for vocational training programs at both the secondary and postsecondary levels. Funds may be used in accordance with state-developed plans to support activities ranging from pre-vocational courses for secondary school students to retraining adults in response to changing technological and labor market conditions. The Department is currently completing work on a proposal to align the Perkins program more closely with the School-to-Work Opportunities Act while tightening accountability requirements and consolidating categorical programs to increase state and local flexibility.

In addition to these programs aimed at preparing students for changing employment opportunities, the Department supports literacy and basic skills training through a combination of state formula and competitive grant programs. The Adult Education Act state grant program provides about \$270 million to help approximately 4 million educationally disadvantaged adults achieve literacy, certification of high school equivalency, and English language proficiency. The \$100 million Even Start program, authorized under Title I of the Elementary and Secondary Education Act, delivers formula grants to states for the support of intergenerational literacy projects combining early childhood education for children and literacy training for their parents.

Another area of significant federal support for state and local job training is Vocational Rehabilitation. The Department provides more than \$2 billion a year in Vocational Rehabilitation state grants that assist 1 million individuals with disabilities, most of them severe, in achieving successful employment outcomes and independent living. As a result of this program, about 200,000 individuals with disabilities are placed each year in jobs in the competitive labor market or become self-employed. About 80 percent of those individuals report that their own income, rather than public assistance or family income, is their primary source of support.

VI. Ensuring Nondiscrimination by Recipients of Federal Education Funds

The Department's Office for Civil Rights (OCR) is responsible for enforcing a variety of

federal statutes prohibiting discrimination by recipients of federal education funds on the basis of race, color, national origin, gender, disability, or age. OCR focuses on encouraging voluntary compliance with civil rights laws by providing policy guidance, staff training, and technical assistance. In its work, it forges relationships and communication between those enforcing civil rights and others whose business is the promotion of the best education possible for all of our students. As a result, most of OCR's work is nonadversarial. For example, OCR handles more than 5,000 complaints a year. More than 95 percent of these are resolved by agreement, without the need for court or administrative hearing proceedings, most within the same school year.

VII. Developing and Demonstrating Effective Changes in Educational Practices

The Department administers a wide variety of competitive grant programs that support efforts by states, schools and school districts, community groups, and postsecondary institutions to develop and demonstrate innovative approaches to solving problems in the schools and to improving the effectiveness of education.

These programs range from very broad authorities, such as the Fund for the Improvement of Education (FIE) and the Fund for the Improvement of Postsecondary Education (FIPSE), which sponsor innovation in elementary, secondary, and postsecondary education, to specific demonstrations of promising strategies of national importance such as the Charter Schools program in ESEA, which provides seed-money for the development of charter schools in states that have enacted charter school laws.

Ensuring that students have better access to technology is an important new focus of the Department's efforts to promote effective changes in educational practices. The new \$40 million Technology in Education program will help schools make the transition to the information age by providing information, research, and assistance to educators and promoting partnerships that will link schools and communities with communications and software companies. The \$30 million Star Schools Program supports distance education technologies to help students in 5,000 schools learn to challenging standards.

VIII. Transforming the Department into a High-Performance Organization

In the past few years, substantial strides have been made toward transforming the agency into a more effective and efficient organization that can better serve its customers and do more with less. The Department has established a clear strategic agenda defined by four priorities: (1) Helping all students reach challenging academic standards so that they are prepared for responsible citizenship, further learning, and productive employment; (2) creating comprehensive school-to-work opportunities systems in every state; (3) ensuring access to high-quality postsecondary education and life-long learning; and (4) transforming the U.S. Department of Education into a high-performance organization. These four priorities are the framework for the Department, including our management and regulatory reforms. We have already made significant progress in our management reforms.

In elementary and secondary education, we are improving the Department's capacity to better serve states and communities as they seek to improve education. For example, the Department is reducing regulations and paperwork in new programs such as the Goals 2000: Educate America Act, which is being operated without regulations, and Title I of ESEA, where regulations will be drastically reduced. In program monitoring, the Department is shifting from compliance to performance—from a focus on narrow reporting and audit-type requirements to one that provides flexibility to states and local school districts in raising student performance. Another example is the creation of "area desks" to allow staff to provide technical assistance and monitoring across categorical programs, thus enhancing state and local efforts to improve their entire education system.

In postsecondary education, the Direct Student Loan program is an example of reinventing government to deliver needed services at lower cost, with less bureaucracy, and with greater simplicity for the Department's customers. The initial stage of direct loan implementation has been extremely successful, with positive reviews from schools and students and cost savings of about \$1 billion a year. In addition to implementing the new direct loan program, the Department has improved the management of all its student financial aid programs—reducing default rates and increasing loan collection.

Other streamlining and reinvention efforts within the Department include providing educators, parents, and community leaders with easy access to information about the Department's programs and strategies to improve program effectiveness. The Department is also streamlining the grant award process by eliminating 6,000 unnecessary negotiations a year, notifying grantees earlier, and distributing many grant funds electronically.

These management improvements are the beginning steps in long-term efforts to be more responsive to customers and effectively promote education improvements.

January 10, 1995

Ohio Case

Q. Your Office for Civil Rights recently investigated the State of Ohio because its minimum proficiency exam had a disparate impact on minority students. Is your policy that tests should have equal results by race? How can you say you support high standards and then challenge minimum proficiency exams? Doesn't OCR's focus on Ohio's program to prepare students to pass its exam implicitly impose mandatory opportunity-to-learn standards, contrary to congressional intent in passing the Goals 2000 law?

A. --These are difficult issues where it is easy to misunderstand the connection of the civil rights laws to our educational reform initiatives. Let me say at the outset that our responsibilities in both areas are in harmony. Our goal is to reach for high standards for all children. I am pleased that the Ohio case was constructively resolved consistent with this principle.

-- OCR investigated Ohio based on complaints that its examination violated title VI of the Civil Rights Act, which bars discrimination based on race or national origin. The fact that an examination has disparate passing rates by race is not in itself a violation of title VI. Title VI does not require equal results by race, and I could not support such a legal standard.

-- OCR's actions in the Ohio case are consistent with our commitment to high standards. ~~The case was amicably settled based on Ohio's voluntary commitment to take additional steps to address the needs of all of its students in achieving high standards.~~

--The civil rights issue in Ohio was whether the state was using an invalid test that resulted in the failure of a disproportionate number of minority students. Part of the criteria for whether a test is valid is whether it measures students on material in which they received instruction. That was the sole basis for OCR inquiring into instructional programs; to see if the test was valid. Neither OCR nor any other part of the Department would presume to tell Ohio or any State what its curriculum should be or to impose any opportunity-to-learn standards.

The case was amicably settled based on the fact Ohio was already committed to high standards.

Kansas City Desegregation Case

Q. Why is the U.S. Government advocating in the Kansas City, Missouri, desegregation case (Missouri v. Jenkins) that the State continue to pay for compensatory education programs and other programs until the achievement test scores of black students improve to a level comparable to that of students in the suburbs?

A. This case currently is pending before the Supreme Court. Although the Government is not a party, it is participating in the case as a friend of the court. Our position simply is that student achievement test scores are one of many relevant factors to be considered in determining whether the remnants of past discrimination have been eliminated.

We believe the courts below were correct in ruling that test scores were one relevant factor to be weighed. We do not advocate, nor did the courts below rule, that the test scores of black students had to rise to any pre-set level before the State could be released from its obligation to assist with funding for the desegregation of the school district.

Although we recognize that the State has spent a great deal of money to help remedy the problems caused by decades of segregation in the Kansas City schools, we also recognize that the State-funded programs were only in place for three years when the State asked to be released from its funding obligations. We agree with the district court that the State should be required to show in court that the effects of its prior discrimination have been eliminated -- "to the extent practicable." This standard already has been established by the Supreme Court, and we agree with it. We do not believe that a simple dollar level of expenditures or a specific time-frame is the proper standard for compliance.

Higher Education Desegregation: Fordice Case

Q. Why is the Department's Office for Civil Rights (OCR) continuing to be involved with the state systems of public higher education in the Southern and Border states when we all know that black students have been allowed to enroll in state colleges for years?

A. In 1992 the Supreme Court decided the Mississippi higher education desegregation case, U.S. V. Fordice. The Supreme Court held that states that previously had dual higher education systems -- one for whites and one for blacks -- must do more than simply allow black students to enroll in the formerly white schools. The Court ruled that a variety of factors must be considered by the courts to determine whether the remnants of the prior de jure segregated dual system have been eliminated. These factors include admission policies, program offerings at geographically proximate traditionally black and white colleges, and faculty integration.

This Department published a Notice in the Federal Register soon after the Supreme Court decided the Fordice case. In the Notice, we stated not only that we would adhere closely to the Supreme Court's decision but also that the decision paralleled the Department's long standing practice in the area. In its decision, the Supreme Court noted with approval the 1978 publication by OCR of criteria for acceptable plans to desegregate State systems of public higher education.

The Department will examine a wide range of factors -- on a case by case basis -- when deciding whether a state system of public higher education has eliminated the remnants of prior segregation.



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

January 9, 1995

TO: Senior Officers and Senior Staff

FROM: Philip S. Link *Phil*
Director, Executive Secretariat

RE: Testimony and Background Paper

Attached please find a draft copy of the Secretary's testimony scheduled for Thursday, January 12, as well as a background paper to be submitted with the testimony.

Please review it and provide any comments you may have directly to Mike Smith, Room 5164 FB-10B. Comments are due by COB today.

January 9, 1994

To: Assistant Secretaries

Fr: Mike Smith

Re: Congressional Testimony

Attached is the draft testimony that the Secretary will submit for the record for the Congressional hearing scheduled for January 12th and a background "what we do" paper that will be submitted with the paper.

The testimony seeks to outline our basic philosophy regarding the federal role. The background paper provides a more detailed picture of the Department. The Secretary's will speak from a short four or five page summary.

Please return your comments by close of business today.

DRAFT #2

Monday, 01/09/95

11:00am

DRAFT

Testimony of
Richard W. Riley
U.S. Secretary of Education
before the
House Committee on Economic
and Educational Opportunities

The Federal Role in American Education
Thursday, January 12, 1995
Washington, D.C.

Mr. Chairman, it is a great pleasure to come before the committee and talk about the federal role in American education. I am happy to share this opening session with Ted Sanders, the very able Ohio Superintendent of Education. Ted is a strong proponent, as I am, of excellence and high standards for all children. He is a thoughtful educator ... an American who is thinking ahead about our Nation's children.

With the permission of the Chairman, I would like to submit for the record my prepared testimony, a background paper that describes how the U.S. Department of Education functions, and a recent law review article that I wrote describing the specific, limited, but vital role that the federal government plays in supporting American education.

This Committee has always had a strong bipartisan commitment to improving education. I want to assure the Chairman and committee members that I will continue to work with you in this spirit of bipartisanship. We are not educating our children as Republicans, or Democrats, or as Independents, but as Americans.

Quality education has always been the foundation of our free enterprise system and of our wonderful democracy. And for 100 years, there has been some federal role in education. I would like to begin by discussing with you how education relates to America's future. Excellence in education is a national priority but a state responsibility under local control. Defining that balance is the purpose of this hearing

DRAFT

EDUCATION IS THE FUTURE

The American people may be angry or anxious about many things but they still place a high value on education. They are pro-education. The American people know instinctively that education is the future. And it is the driving force creating a rising tide of expectations among our young people.

The educational aspirations of our young people have jumped enormously in the last ten years -- up almost twenty percent. Almost a decade after the release of the ground-breaking report, "A Nation at Risk," the majority of young people are now taking college preparatory courses. But many more young people will need better academic and occupational preparation in junior high and high school if they are to achieve these goals.

Peter Drucker, the well-known thinker, made this critical point in a recent article in Atlantic Magazine entitled "The Age of Social Transformation." I cannot emphasize it enough. In the new, emerging "knowledge society," he writes,

"education will become the center of the knowledge society, and the school its key institution."

This point may explain the results of two recent national polls on a proposed balanced budget amendment -- the New York Times/CBS poll published on December 15th and the January 6th poll by the Washington Post. Both polls tell us that two-thirds of the American people are unlikely to support deep cuts in education spending.

The American people know that we are in a unique time of economic transition. Parents and grandparents all across this country know that raising academic standards -- making sure every child knows the basics and then some; having safe and disciplined schools; getting technology into the classroom; and helping good teachers become better teachers make up the American ticket to success in this new technological age. The American people are prepared to invest in education.

DRAFT

3

The Speaker, Mr. Gingrich, in his remarks before the House Ways and Means Committee last week, suggested that every federal program should be re-evaluated by answering one overarching question: Does the program help or hinder the national effort to "accelerate us into a Third Wave-Information Age?"

I want to suggest that the answer to that question writ large is education. Education is the future. If the "locus of power" in this society is the self-reliant American and not the government, it's more urgent to realize that our self-reliance comes largely from our education, and even moreso in this new knowledge-driven age in which our children are growing up.

My work with Congress since I appeared in Washington two years ago has been to reform education programs and has had, for that reason, a strong future orientation -- particularly our emphasis on high standards, our new school-to-work initiative and the extra effort we are making to insure that the technological revolution does not bypass the Nation's classrooms.

We have worked hand-in-hand with this Committee to begin to make more effective and efficient the way the federal government supports education. This has led to significant reform of many federal education programs in the last two years -- reforms that were, to my mind, long overdue. I believe in increased flexibility from federal regulations and the broad use of waivers. We have done a great deal of streamlining of this Department's programs and we will certainly do more.

I am not ~~averse~~ ^{averse} to change or new thinking and I look forward to working with new Committee members to understand their concerns and priorities. Our children and the education of students are too important to be stuck in the same old way of doing things. I believe in public school choice, encouraging charter schools, and supporting experiments in privatization if local school boards feel that is the right way to go.

But I am also aware that the siren call of the new fad -- the hot "silver bullet" solution that will solve all of our problems -- is all too often the great stumbling block to improving American education over the long term.

DRAFT

The paradox of education reform is that if we want to "jump start" our young people into this new Third Wave-Information Age, we can really only succeed by taking a step-by-step approach to making our schools and colleges better.

Like the students we are trying to educate, our Nation's schools and colleges need continuity and stability as they push forward toward high standards. This does not imply rigidity, or an adherence to old ways of thinking, or burdensome regulations, but it does imply clear goals, a sharp focus on the essentials of teaching and learning, and a willingness to allow progress to be achieved. We must help to address the critical problems facing our students -- safety and discipline in our schools, firm foundations in the basics and core academics, quality teachers, bringing technology into the classrooms, school-to-work transition, and access to higher education.

We should also recognize that the best way to improve education is to help parents slow down their lives ... to encourage and support parents' efforts to educate their children. The American family remains the rock on which a solid education can and must be built. This is why I have spent much of my effort in the last year encouraging parents to reconnect to the learning process.

To my mind, there is no more important place to begin putting our house in order than by recognizing that our children's expectations about the future are rooted in the day-to-day family activities that help children learn and develop good character. I am greatly encouraged by the response to our "Family Involvement Partnership for Learning" initiative, particularly the response from the broad-based religious community. Over 125 organizations are now part of this initiative. Right before Christmas, 75 percent of all the organized religions endorsed a powerful statement of common purpose to help increase family involvement in learning.

E-1157

A FUTURE OF CROWDED CLASSROOMS: THE NEW BABY BOOM

I also want to underscore the fact that the future is a future of crowded classrooms. We are in the midst of a second baby boom that has gone largely unnoticed and unreported. There are currently 48.8 million students in our Nation's elementary and secondary schools, both public and private. We anticipate that by 1996, elementary and secondary school enrollment will surpass the previous high set in 1971 by all of you baby-boomers.

We are currently projecting a 14 percent increase over the course of the next ten years for a total of 55.6 million students in the year 2005, an increase of approximately 6.7 million children. We can give these children a first-class education that meets world-class standards, or continue to give them a watered-down curriculum that does not do the job. And we need to be preparing now for what this means to higher education in the near future.

In the next few months the Congress will give much of its attention over to how to reform welfare. I would urge Committee members to consider these two facts: 70 percent of all the people on welfare are high school dropouts; 82 percent (check) of all the people locked up in America's prisons dropped out of school as well. If you want to end welfare, and if you want to end the violence and spiritual numbness that grips too many of our young people, then invest in education.

Put another way, this Nation does not have a welfare problem -- we have an education opportunity. And I do not mean just an opportunity to throw money at the problem. The role of the family, the power of strong principals to create a culture of responsibility in schools, and raising expectations about what disadvantaged children can learn are all part of the equation.

This then, to my mind, is a critical time for American education. Not only are we on the cusp of a new economic age but we are already under enormous pressure to educate millions of additional children, to teach them not only the basics but to help them grasp the new technology of the future. How we meet these two challenges will determine the future prosperity of this country. In that context, I want to describe three basic trends that have come to define American education and the federal role.

EMPOWERING THE AMERICAN INDIVIDUAL: ACCESS AND EQUITY

First, the role of education is to empower each American individual to make the most of their God-given talent. We need to give every young person the opportunity to get an education that allows him or her to prosper and be a freestanding individual able to contribute to the civic life of this Nation.

A good first-class education has been, and remains to this day, the open door to American success and good citizenship -- the American way to achievement and freedom. We seek to guarantee access to quality education; we cannot guarantee equal outcomes. Getting a good education is ultimately a personal responsibility.

At the same time, there is a broad and abiding American consensus that each American student should be given access to and have the opportunity to receive a first-class education. Access and equity are at the very heart of the federal mission in supporting American education.

One fact alone may suggest the magnitude of our effort to ensure access and support to Americans who seek to advance themselves. 70 percent of all the student aid that is now provided to Americans, who are either going to college or some other form of post-secondary education, comes from the federal government.

In many respects, the American middle class is what it is today, in part, because the American people believe it is part of our national purpose to give every American the opportunity and access to a high quality education if they can make the grade. Between 1958, when the Congress passed the National Defense Education Act and 1990, total post-secondary enrollment increased from 3.2 million in 1958 to 13.8 million in 1990.

In the last 20 years, 40 million Americans have gone to college or gotten some form of post-secondary education using federal loans and grants to pay their way. Currently, 7 million Americans are getting some form of post-secondary education with our help.

Providing access to some form of a post-secondary education has become a basic and growing function of the federal government, ever since the passage of the GI Bill in 1944. The President's strong emphasis on education in his "Middle Class Bill of Rights" and our recent efforts to create a streamlined new direct lending program are a natural extension of this long term commitment to access.

The federal government also has a specific role to ensure equity. The effort of the federal government to support state and local efforts to improve equity has led to a substantial reduction in last two decades of the great "education" gap that existed for many of our minority youth.

Among college-bound students, for example, minority student participation in the SAT nearly doubled from 1980 to 1992, and the achievement gap for black students narrowed by 14 percent in math and 23 percent in verbal.

More importantly, the dropout rate is declining. The dropout rate for all 16 to 24 year-olds declined from 17 percent in 1967 to 11 percent in 1993, while the dropout rate for blacks fell from 29 percent to 14 percent (during the same time period -- check). As a result, minority enrollments in higher education have risen dramatically.

The federal TRIO programs, that target over 650,000 minorities each year to go on to college, have had a substantial positive impact. Between 1970 and 1990 black enrollments in higher education increased by 600 percent (CHECK) and Hispanic enrollments increased by 53 percent from 1980 to 1990.

ECONOMIC STRENGTH/NATIONAL SECURITY

Second, education is the very foundation of our nation's future economic security and our national security. Study after study in the last decade has demonstrated that America's ability to compete in the new global economy is linked to the reform and improvement of American education.

Between 1948 and 1973, for example, one-fifth of our nation's GNP was related to access to education. And, each year the link between education and our nation's future economic competitiveness grows stronger. Between 1992 and the year 2000, for example, 89 percent of the jobs being created will require some post-secondary training. This may explain why 50 percent of all 16-to-24-year-olds who lack a high school diploma are now unemployed and 70 percent of prison inmates were high school dropouts.

The national interest in creating a robust economy has always been clear. Much of the \$87.5 billion (FY93) that the federal government expends each year to support education is directed at supporting this nation's scientific and technological research base. Between FY 1980 and 1993, for example, on-budget federal funding for university research increased 53 percent.

In terms of national security, the federal government has had a long history of supporting and encouraging improvements in American education. National security needs were at the very heart of the passage of the National Defense Education Act in 1958 with its strong emphasis on math and science training after the Sputnik scare. As a result of that effort, the number of students earning Bachelor's degrees in science and engineering doubled between 1958 and 1968.

Our nation's armed forces also place a high premium on a quality education at the secondary level. This year, our nation's armed forces will recruit 200,000 young Americans to serve our country. Our military has learned from long experience that recruiting Americans who are highly educated means higher retention rates, reduced training time, and increased productivity, all of which insure readiness.

In that sense, our efforts to raise education standards is consistent with the long term recruitment needs of our armed forces. Last year, for example, 96 percent of all new recruits were high school graduates, compared to the national average of 75 percent for American youth, ages 18-23. In addition, 72 percent of these recruits scored above average in aptitude tests, compared to 50 percent of the overall youth population. Quality voluntary armed forces depend on our capability nationwide to both raise standards and continue to decrease the high school dropout rate.

STATE AND LOCAL RESPONSIBILITY

Third, education is a state and local responsibility. I am a firm believer in the 10th Amendment. As a former Governor, I know, first hand, the enormous effort that has been made and is being made by our nation's Governors and state legislatures, community and business leaders, and educators to improve this nation's schools and colleges.

The effort to create a set of national education goals came at the historic Charlottesville Summit of the nation's Governor's hosted by then President Bush in 1989. The Governors of this nation have been at the forefront of the national effort to improve our schools and raise academic standards. This is how it should be.

I am not an advocate of national exams or the intrusion of the federal government into state and local decision making regarding curricula or for that matter any other area of responsibility that can best be done at the state and local level. The great strength of American education, and here I include higher education, is the American tradition of decentralization, the freedom to allow public, private and religious minded schools to exist side-by-side.

But I do recognize that the national concern about improving education at the elementary and secondary level exists precisely because that is where the greatest gains can be made to improve American education. Twenty to 30 million Americans remain functionally illiterate and hundreds of thousands of young people give up each year and drop-out of school. Our system of higher education is the finest in the world yet 30 percent of all college freshmen take a remedial course.

Last year, this Committee went to a great lengths to pass the Goals 2000: Educate America Act, which is a model of how the federal government can encourage effective local and state reforms without burdensome regulations. Ninety percent of all funding in the Goals 2000 Act, for example, goes directly to local school districts.

The Goals 2000 Act, then, is a block grant to the states, which allows each state and community to define its own goals and improvements as long as they are focused on today's real problems -- safety and discipline, raising the standards in the core basics, better teachers, greater parent involvement and XXXX kids to technology. Massachusetts, for example, is already using its state planning money to support the creation of fourteen charter schools. We seek to support and encourage, we do not dictate or determine local or state policy.

I will be the first to tell you that improving education must be locally driven and involve parents and just about every other aspect of a community. This is one reason why the GOALS 2000 Act is a block grant, why we have worked so hard to free up the Title 1 program from the old, top-down, categorical approach, and why I asked for a broad waiver authority to move the process of change along.

The fact that GOALS 2000 passed this Committee and, subsequently, the full Congress with strong bipartisan support is testimony to the diligent effort by the Chairman and other members to find the proper balance between federal support and local decision making.

A LIMITED BUT VITAL FEDERAL ROLE

Fourth, the national government has a limited but vital role to support and encourage the improvement of American education at the state and local level. Historically, as I have said before, our national government has done this in the interest of our national security or in times of economic transition such as we live in today. The list of major federal education initiatives clearly defines this pattern of federal engagement.

- * The Morrill Act of 1862 created our land grant college system in the midst of the Civil War.
- * The Smith/Hughes Act of 1917 fostered vocational education as we entered the industrial era.
- * The 1944 GI Bill gave 2.2 million Americans access to a college education immediately after World War II.
- * The 1958 National Defense Student Loan Act helped to educate a generation of scientists in the midst of the Cold War.
- * The 1965 Elementary and Secondary Education Act has been so instrumental in closing the education gap for minorities as we entered the Civil Rights Era.
- * Our most recent effort in the Goals 2000: Educate America Act, as we enter the new Information Age, will raise standards, put new technology into the classroom and support local reform.

Indeed, we can trace the first federal effort to encourage and support education to the passage of the Northwest Ordinance of 1787, two years before the inauguration of President George Washington. But how today do we define the federal role and, in the specific, the role of this Department?

Six specific ways come to mind (1) acting as a national clearinghouse of good ideas and a catalyst for community-based solutions for better schools and colleges (2) supporting access to higher education (3) providing extra help in the basics for students being impacted by poverty or disability and ensuring equity for all Americans (4) being a voice for excellence and high standards. Let me briefly explain each to the Committee. More detailed descriptions of specific programs and initiatives can be found in the attached background paper.

A CLEARINGHOUSE OF GOOD IDEAS; A CATALYST FOR SOLUTIONS

One of the most basic and established tasks of this Department is research and information collection. Indeed, the Congressional mandate to collect information on education dates back to 1867. This we continue to do today generating hundreds of reports yearly about teaching and learning. We provide educators and the American public with a detailed picture of American education and act to stimulate the debate about best practices.

We seek to be a catalyst for solutions, connecting local decision makers with the best information possible that they can use as they see fit. At best, our reports have a national impact. The 1973 report, "Building Capacity for Renewal and Reform" by the National Institute of Learning, was a precursor of the seminal report, "A Nation at Risk", released in 1983, by then-Secretary of Education Ted Bell, which woke America up to the reality that our nation's schools were verging toward mediocrity.

Our efforts to encourage improvement led to the release of a significant report in 1987 entitled, "What Works: Research About Teaching and Learning." We also believe in reports that help the broader American public. Probably the most noted of this type of report is the 1989 publication, "Growing Up Drug Free", which has been distributed to 35 million Americans.

I believe two reports released in the last year will have a strong impact in the years ahead. "Prisoners of Time" defines how American schools use "time" and seeks to engage educators in a thoughtful debate about changing the structure of the school day. The second report, "Strong Families, Strong Schools," brings together 30 years of research to underscore the absolute importance of the family in the education of this nation's children.

The latter report, "Strong Families, Strong Schools" is a good example of how this Department is using its research to create community-based solutions. Working with parent groups, civic organizations, business leaders and the broad American religious community we are carrying the message that supporting parents in the education of their children is the critical link to improving American education.

We also seek to be a catalyst for solutions in other ways as well. We have set aside \$6 million to support specific demonstrations of charter schools. We will also support new "character education" initiatives. Our Fund for Improvement of Education seeks to support local efforts at public school choice and school based decision making.

Another example of using our research capacity to find solutions worthy of national attention is a new five-year effort working with Johns Hopkins University and Howard University to determine just how we can help put an end the cycle of student failure among at-risk youth.

It is critical to have quality information about what works and what doesn't work in education. However, it is equally important to take the information out of studies and convert it to useful tips and ideas for teachers, parents, principals, educators, community and business leaders. One innovative way we share what works is to sponsor a monthly informative XXXX town meeting and newsletter. For instance, next Tuesday's program will highlight effective approaches for communities to provide quality school-to-work opportunities for their students.

It is precisely this effort to be a catalyst for solutions that has led this Department to move away from the prescriptive, categorical top-down approach of the past to encourage increased flexibility in federal programs.

EQUITY AND EXCELLENCE IN EDUCATION

The vast majority of the Department's funding, approximately 90 percent of its annual appropriation is targeted on access for at-risk populations. This strong commitment to the disadvantaged reflects an older reality, for a better part of this century poor and minority Americans were denied equal access to a good education.

I know in my own home state of South Carolina, with its strong agrarian tradition, many African-Americans were not expected to seek an education beyond grade school.

For the last 30 years this nation has made a concentrated effort to rectify this situation and open the door to education to all Americans. Passage in 1965 of the Elementary and Secondary Education Act, the creation of the Pell Grant program in 1972, our support for Historically Black Colleges and Universities (HBCU's) and other programs have all had a major impact in closing the very wide "education" gap that existed between minorities and the rest of our young people.

As a result, minority students made substantial gains in science, reading and math between 1970's and 1992. For example, the achievement gap for black 9-year-olds was reduced by 36 percent in science, 32 percent in reading, and 24 percent in math according to data from the National Assessment of Educational Progress. Black 13 year olds and 17-year-olds showed similar gains, and Hispanic students also made significant strides in reducing the achievement gap.

But making the connection between equity and educational excellence is something that must be done with each new generation. The "education gap" between minorities and other young people began to widen again in the mid-1980's. In addition, we are confronted by a destructive belief, among some of our youth, that excellence is only for other people -- that using your mind is a sign of weakness.

Probably the most striking failure of American education today is our inability to provide a first class education to young people in our inner cities. We know, for a fact, that people with a low level of literacy are ten times more likely to be in poverty than persons with high literacy levels. We also know that the sheer drag of poverty can have a detrimental effect on even the brightest young person in a high poverty school.

More importantly, we now know that changing our expectations of poor and disadvantaged children can achieve is central to helping them to learn their way out of poverty. I will be the first to tell you that about the surest way I know to create an angry, 16 year-old dropout is to give that young person a watered down curriculum from first grade on which effectively says to them: young student, you aren't good enough to learn anything hard, so why even try.

Yet, we know from two decades of research that "at risk" young people (students in high poverty schools, or those with limited English proficiency and immigrants), learn far more than we generally expect of them. If we set our expectations low and those expectations are further diminished by the culture of the street that does not value learning, is it any wonder that we confront so much violence among our young people?

Let us also recognize that the median income of young men between the ages of 20 and 24 has been in nose dive since 1970 and especially so for minority youth. Unless we educate these young men for this new emerging economy, unless we give them some economic hope we have little chance of stemming the violence or creating two parent families that can provide the economic where-with-all for our nation's children.

Investing in education of these young people, then, is good economics and an essential building block for rebuilding the social fabric of our cities. Raising our expectations of what these young people can learn is a first step in that direction. There can be no equality and opportunity in this Nation without a renewed commitment to excellence and high standards for all of our children. One cannot happen without the other.

This is why we have made significant effort to fundamentally shift the direction of Title 1 of the Improving America's School Act, which targets federal support to school districts with high rates of poverty. This is one of our largest programs, close to \$7 billion a year, that supports the education of 6 million children.

We have moved away from the 1960's categorical, top down approach and placed a strong emphasis on flexibility, giving local decision makers the power and responsibility to achieve the basics and advanced skills geared to high standards in return for accountability. We believe this shift from "remedial" education to high academic standards is long overdue.

We are encouraging schools that receive Title 1 funding to adopt a "school wide" approach that will invite people closest to students -- parents, teachers and principals -- to combine Title I funding with other sources of support to improve the whole school.

In higher education, which I mentioned earlier in my testimony, we continue to place a strong emphasis on the \$6.2 billion Pell Grant program that provides financial aid to 4 million disadvantaged young people who are seeking to advance themselves.

We also play an important role in supporting state and local efforts to insure that disabled children gain a proper education. The Individual With Disabilities Act, which is for renewal this year, allocates \$3 billion through three state grant funds to support efforts to provide appropriate learning experiences for the disabled.

ACCESS TO EDUCATION: CREATING THE MIDDLE CLASS OF THE FUTURE

As I said earlier in this testimony there is along established federal role in supporting the efforts of Americans to gain a higher education. Our recent efforts to increase access to higher education and other forms of post secondary training include our new direct lending program, our new school-to-work initiative and increased funding for the Pell Grant program.

We continue to seek new ways to provide financial support for Americans seeking to advance themselves for one clear reason. The cost of learning is rising. Charges at public post-secondary institutions rose from 10 percent of median family income to 14 percent between 1980 and 1992. Charges at private post secondary institutions rose from 23 percent of median family income to 38 percent between 1980 and 1992.

As a result there has been a substantial increase in student borrowing. Total borrowing in the Student Loan programs increased by 29 percent between FY 1993 and 1994. The number of loans increased by nineteen percent during the same period of time.

Seen in that light the President's proposal in his "Middle Class Bill of Rights" to allow a tax deduction for college tuition makes a great deal of sense. I am encouraged by the positive response of the Speaker to this initiative.

I am also encouraged by the support we are receiving from the higher education community for streamlining and making more responsive the federal college loan program. For example, our new direct lending program, which now provides financial aid to 1.6 million students. The federal student loan program was for many years badly managed with little accountability to the taxpayer or to students and families, with a default rate of over 20 percent at times. In contrast, we believe that when fully implemented the Direct Student Loan program will save taxpayers a minimum of \$4.3 billion by 1998.

To create the middle class of the future we also need to paying specific attention to creating new educational stepping stones for young people that fit the needs of this Information Age. In the 1980's the gap between what a male college graduate earned and what his high school counterpart received widened by more than half. This gap will continue to widen, for both men and women, so long as we remain passive and do not "bridge" the gap by creating a new link between the American high school graduate and the workplace.

The task, then, of the American high school in the 1990's is to reinvent itself, to recognize that a high school diploma is no longer a final end point but an essential but inter-mediate step before moving on to other forms of post secondary education. The School-to-Work Opportunities Act responds to this need by providing federal funds to state and local partnerships to create a new model of education that links academic programs to work based learning.

A VOICE FOR EXCELLENCE AND HIGH STANDARDS

One of the most important roles a Secretary of Education can play is to use the "bully pulpit" of this office to be a national voice for excellence in education. Never was this more important then now in the new emerging knowledge society that we are rapidly creating for our children.

Clearly, the clarion call by then Secretary of Education Ted Bell in 1983 to end the slide toward "mediocrity" in American education is one of the defining moment in American education in the last decade. The release of the landmark report "A Nation At Risk" set off a decade of focus on increasing high school graduation requirements and that is starting to make a difference.

Bill Bennett spoke out clearly for the need for high standards as well as the dangers of drugs. Lamar Alexander put great energy into and took the first concrete steps to focus on the National Education Goals proposed by the nation's Governors and President Bush at the Charlottesville Education Summit through creating America 2000. We have continued these efforts with the bipartisan support of Congress last year by investing in school, community and state solutions to raise education standards, make schools safer, improve teacher quality, and link high school students to work and college. In other words, we have provided assistance to help reach the bipartisan education goals.

This decade long effort to make the improvement of education part of our national purpose, as we enter the Information Age, has made a substantial and I believe positive difference in American education. The awareness of how necessary education is to this generation of young people if they are to prosper continues to grow. New linkages have been created and fostered between educators and the American business community that reflect a keen awareness that creating a first class system of education is essential to our future economic prosperity.

Sustaining this new awareness of how essential education is to our national purpose and sustaining the new linkages between educators and other parts of the broader American community ought to be seen as one of the critical tasks of any Secretary of Education. Equally important, a Secretary can play a useful and helpful role in breaking down those institutional barriers between secondary education and higher education that delay the pace of reform and change.

Helping to keep the focus on the future and articulating the needs of America's parents, teachers and children has its function here in Washington, D.C., especially in this dramatic time of change. I believe one of the most important things I have done in the last two years is to have a continuing dialogue with Reed Hundt, the Chairman of the Federal Communications Commission on how our nation's schools fit into and become part of the Information Age.

(insert two paragraphs)

ACCOUNTABILITY TO THE TAXPAYERS

The Secretary of Education has served as a catalyst for effective change and building partnerships. Knowing of the critical role families play in the life of this Nation and in learning, I have created a set of partnerships to promote family involvement in learning, including a partnership with over 100 parents, community, education, business and religious groups. It is through these national groups of local community members that we can help address the gap in family involvement in learning.

The Department of Education is the smallest Cabinet Agency in the federal government. With annual budget of \$31 billion, we represent 5% of all discretionary federal funding. While our funding has increased 115% since 1980, staff for this Department has declined 33% during the same period of time, from 7700 in 1980 in the old Office of Education (HEW) to approximately 4,500 in 1993 even as we have accepted the added responsibility of 110 new federal programs. We want to continually become more effective, efficient and responsive to American students, parents and educators.

In the last two years we have worked very hard to improve the management of the Department to support major changes, respond to Congressional action and respond to serious criticisms about our operations. In 1993, the General Accounting Office (GAO) issued a report sharply criticizing the Department's inattention to crucial management issues.

The report, in a word, was scathing citing lack of management vision, inadequate basic management systems and processes, and poor human resources management. The report also criticized the Department for being focused on the short-term, being highly centralized, and lacking effective communications.

The administration of the Student Loan program was under particular criticism from all sides including the GAO, the Office of Management and Budget, Congress, our own Inspector General and the press. A multitude of problems -- high default rates, poor relations with customers, costly administration and a "turnstile" approach to management -- eleven Deputy Assistant Secretaries for Financial Aid Programs (?) in less than a decade -- gave impetus to the need for reform.

We began first by establishing a clear strategic agenda defined by four priorities and established a clear set of performance indicators to hold ourselves accountable. These four priorities include: helping all students to reach challenging academic standards, school-to-work opportunities systems, reforming post secondary education and lifelong learning, and transforming the Department of Education into a high performance organization.

These four priorities provide a framework for implementation of our policy agenda, our management and regulatory reforms, and development of our budget. We have made significant progress in our management reforms and are already starting to see fruition of our strategic plan's management objectives. For example:

- * The Department's implementation of the new Direct Student Loan program has been widely praised by many of the initial set of participating institutions for its efficiency.
- * The student loan default rate -- an especially serious problem for the Department is continuing to decline. In 1990, 22 percent of all loans were in default. By 1993, only 15 percent of all loans were in default.
- * Collection of student loans in default has risen. In 1989, 879 million (CHECK) was collected. In 1993, \$1.5 billion was collected.
- * The Department has streamlined its grant award process by eliminating 6,000 unnecessary negotiations a year, by giving grantees much earlier notification of their status, and by distributing many grant funds electronically.
- * We have brought the Department into the modern age when it comes to computer technology, moving from only about 20 percent in 1992 to almost 100 percent of our employees on computers and connected to our computer network by 1994.
- * The "Low Hanging Apples" team, a group of employees charged with cutting red tape, has eliminated over 70 needless procedures, including redundant paperwork, duplicative clearances, unnecessary forms, and improved employee incentives for saving time, paper, and money.

THE UNITED STATES DEPARTMENT OF EDUCATION

A SUMMARY OF MAJOR ACTIVITIES

Overview

Education is the largest, most broadly-based enterprise in America. Over 65 million Americans are involved in education as students or teachers from preschool education through postdoctoral research. The Nation spends over \$500 billion a year on education at the elementary, secondary, and postsecondary levels. State, local, and private expenditures account for about 92 percent of this spending, while the federal government contributes only 8 percent.

Despite the U.S. Department's limited role, its elementary and secondary programs serve 15,000 local school districts and 50 million students attending 110,000 public schools and _____ private schools. Approximately seven million post-secondary students received financial aid this year from the Department. Over the past 20 years, the Department's student financial aid programs have helped approximately 40 million students attend college. An additional _____,000 adults receive assistance to become literate and upgrade their skills.

The U.S. Department of Education currently administers about \$31 billion in education funding that is distributed through 240 separate programs. Of the \$31 billion, \$25 billion falls under the discretionary spending authority of Congressional appropriators, while \$6 billion is considered mandatory. Mandatory education spending includes the postsecondary student loan and vocational rehabilitation programs. The Department administers only about 5% of all the government's discretionary funds.

The Department and its programs are administratively lean. The Department currently employs about 5,100 FTE, making it the smallest Cabinet agency, and it will be streamlined to 4,750 FTE by 1999. In fact, Department staffing has fallen significantly from the 7,700 employed in 1979 by the former Office of Education within the old Department of Health, Education, and Welfare. This has made the Department of Education one of the most efficient of the 14 Cabinet agencies in administering federal funds, with only one employee for every \$6 million in budget authority.

Most federal education dollars end up with the Department's customers -- the students. Less than 5 percent of federal elementary and secondary education funding is used to cover the administrative costs of States and school districts, while less than 1 percent of federal postsecondary education spending is used by colleges and universities for program administration.

The responsibilities of the U.S. Department of Education to promote excellence in education for every student generally fall into seven important areas: (1) national leaderships and

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partnership building for addressing current issues in American education; (2) a national clearinghouse of good ideas; (3) helping families pay for college; (4) helping local communities and schools meet the needs of their students; (5) preparing students for employment and keeping up with a changing economy; (6) developing and demonstrating effective changes in educational practices; and (6) ensuring non-discrimination.

I. National Leadership and Partnership Building for Addressing Current Issues in American Education

Various Secretaries of Education have highlighted contemporary education problems that need to be addressed across America. Secretary of Education Ted Bell issued A Nation At Risk, which galvanized public concern about education when it warned that low student achievement levels were threatening the nation's international competitiveness. In response, many states and communities raised their high school graduation requirements for graduation and the proportion of high school graduates taking the core curriculum recommended in the report (4 years of English, 3 years of social studies, 3 years of science, 3 years of math) more than tripled between 1982 and 1992.

Secretary Riley has identified eight issues that need this nation's attention: improving safety and discipline, strengthening basic and advanced skills, better teaching, greater parental involvement, greater connection between school and work, better access for students to technology, better access to financial aid for students to attend college and training, and making the Department more streamlined and efficient.

Partnership building has included an extensive set of partnerships to increase Family Involvement in Learning. For example, 75% of all organized religious groups in America have agreed to work to improve Family Involvement in Learning.

II. A National Clearinghouse of Good Ideas

The original Department of Education was created in 1867 to collect information on schools and teaching that would help the States establish effective school systems. While the agency's name and location within the executive branch have changed over the past 128 years, this emphasis on promoting educational excellence by supporting research, collecting nationwide information on education, and disseminating research findings and best practices remains an important role.

The Department supports research on effective educational practices for all students and monitors the performance of the American education system through the collection of statistics and evaluation data. For example, the Department supports long term research and development through its educational research centers. Much of the nation's school improvement efforts have been based on research originally funded by federal education research programs.

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The Department's National Center for Education Statistics (NCES) annually publishes the primary reference volume on education in the nation -- **The Digest of Education Statistics**, a comprehensive review of education statistics on all information available about elementary, secondary, postsecondary and adult education. **The Condition of Education**, which reports on such indicators as enrollment rates, dropout rates, trends in academic achievement and education spending. The Department also funds the National Assessment of Educational Progress (NAEP), which for over 20 years has served as "the Nation's Report Card." NAEP is the only nationally representative assessment of what our nation's students know and can do and is the primary source of data on educational achievement in the core academic subjects. Since 1990, on a voluntary basis, NAEP has also collected and published state-level data for certain assessments which allows participating states to track how their students are performing, both relative to other states and over time.

In order to translate research into practice and help state and local decisionmakers improve their schools, the Department disseminates the latest information on education to parents, teachers, school board members, policy makers and the general public. For example, the Department recently published **Strong Families, Strong Schools** which summarizes 30 years of research on strengthening family involvement in education. The Regional Education laboratories develop materials and provide assistance to states and local educators based on the most recent knowledge about improving teaching and learning. Since 1966, the Educational Resources Information Center (ERIC) has distributed education information on subjects ranging from elementary and early childhood education, to disabled and gifted children, to rural education and small schools. ERIC is used by over ___, 000 teachers, parents, and policy makers each year.

The Department also holds monthly satellite town meetings to share effective ideas about solving current problems in education. Led by Secretary Riley and Deputy Secretary Kunin, these town meetings are broadcast to education, parent, community and business leaders through hundreds of satellite down-links as well as on open access television channels such as ___ and _____. The town meetings are supplemented by a monthly newsletter on promising solutions that communities face with a distribution of approximately ___, ____.

The Department has also applied its growing understanding of effective practice and policy to evaluating and improving its own programs. For example, findings from assessments of vocational education and Chapter 1 have figured prominently in the reauthorizations of these programs and have helped in their reform.

III. Helping Families Pay for College

Approximately half of the Department's budget is devoted to post-secondary education, most of which is used for student financial aid. [check #] The history of federal financial assistance to college students goes back to the G.I. Bill of 1944, which served as the springboard to the middle class for millions of American servicemen and their families. Over 12.4 million veterans attended college on the GI Bill between 1944 and 1989. The

generation that followed received federal assistance to pay college costs through the National Defense Student Loan program. Subsequently, the Higher Education Act — first passed in 1965 and reauthorized half a dozen times since then — served as the framework for the current set of federal grant, loan, and work-study programs aimed at helping poor and middle-class students of all ages pursue postsecondary education.

The Department of Education delivers most postsecondary financial assistance to students directly to students and through campus-based programs giving institutions flexibility in awarding aid.

Direct aid to students includes the \$6.2 billion Pell Grant program, which makes grants averaging \$1,600 to nearly 4 million postsecondary students every year. Most Pell recipients are from families earning less than \$20,000 a year.

The Department also operates two major student loan programs for which almost all students are eligible. The first is the new Federal Direct Student Loan program, which loans federal funds directly to postsecondary students and provide a wide variety of repayment options, including income-contingent repayment. By reducing bureaucracy and cutting out the middlemen in the student loan process, the Federal Direct Student Loan program is expected to save the taxpayers \$4.3 billion over the next 5 years while also providing more options and better service to students and post-secondary institutions. The second major student loan program is the Federal Family Education Loan Program which since 1965 has provided loan subsidies and guarantees against default on loans made to students by private lenders. Together, the loan programs currently make nearly \$26 billion in loans to about 6.5 million post-secondary students and their families.

The Department's campus-based aid programs give postsecondary institutions great flexibility in making need-based financial assistance available to students. These programs include the low-interest Federal Perkins Loans program; the Federal Supplemental Educational Opportunity Grant program, which gives additional grant assistance to needy college students; and the Federal Work-Study program, which supports mostly part-time on-campus jobs allowing 700,000 students to earn about \$1,000 annually. Each of these programs requires a match from participating institutions.

Together these programs have helped to make college affordable for middle- and low-income families and contributed to the dramatic growth in college enrollments at a time when education and training beyond high school is increasingly important to individual self-sufficiency and the nation's productivity. Between 1964 and 1993, college enrollments nearly tripled (from 5 million to 14 million), the percentage of high school graduates who go on to college increased by one-third (from 48 percent to 63 percent), and college enrollment rates for minority students increased by nearly two-thirds (from 39 percent to 62 percent). Federal support, particularly for low- and middle-income students, helped make this growth possible by easing the financial burden on families.

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Because of concern about high default rates and inadequate loan collection in the student aid programs, Congress and the U.S. Department of Education have taken recent actions to reduce defaults -- including management reforms and increased attention to "gatekeeping" to weed out unsound post-secondary institutions. As a result, default rates decreased from a recent high of 22 percent to 16 percent in the latest year. At the same time, Department collections of defaulted student loans rose x% to [\$500? 1.1 bil?]. And, poor performing institutions are being dealt with by (ADD)

IV. Helping Local Communities and Schools Meet the Needs of Their Students

The Department delivers almost \$13 billion to local schools going through States and school districts through formula-based State grant programs designed to support improvements in basic and academic skills, school safety, parent involvement, raising standards, teacher quality and to help States and school districts meet the special needs of schools and students.

Just six authorities account for about 95% of federal funding to elementary and secondary education: The Goals 2000: Educate America Act, Title I of the Elementary and Secondary Act (ESEA) for the Education of the Disadvantaged, the Dwight D. Eisenhower Professional Development Program, the Safe and Drug-Free Schools Program, Impact Aid, and Part B of the Individuals with Disabilities Education Act

The Goals 2000: Educate America Act is the Department's flagship education program to help local parents, teachers and community leaders improve their own schools by raising standards, addressing safety, discipline and basic skills, attracting and holding better teachers, and strengthening parent involvement. This \$400 million program provides great flexibility to schools, school districts and States to develop and implement actions locally based on their own challenging standards for every student. Funds may be used for a broad range of activities aimed at ensuring that discipline, teaching, use of technology and assessments all reflect high standards. Accountability is based on improved student learning. The Department is administering the program with little paperwork and extensive flexibility: the state application form is 4 pages; there are no regulations; extensive waivers are available to assist states and school districts in implementing their school improvement efforts.

The Elementary and Secondary Education Act (ESEA), which was reauthorized and reformed by Congress in 1994, is at \$10 billion, the federal government's largest investment in elementary and secondary education. ESEA contains four key priorities: (1) ensuring access to a quality education for our most disadvantaged students so they can learn the basics and improve achievement geared to challenging academic standards; (2) improving safe, disciplined and drug-free schools; (3) ensuring that today and tomorrow's teachers have the training and skills necessary to help all children reach challenging standards; and (4) assist states by alliviating burdens caused by federal activities, such as federally owned land that provides no tax revenues.

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The Title I program, first established in 1965, directs about \$7 billion to over 6 million disadvantaged children in over 50,000 schools nationwide -- about half of all the schools in the country. Most of the funds go to high poverty schools where students score much lower than their peers in low-poverty schools on achievement tests -- contributing greatly to high dropout rates, illiteracy, and poor employment prospects. High-poverty schools use Title I funds to help close this gap. As reauthorized in 1994, Title I emphasizes high standards and accelerated learning in the core academic subjects rather than watered-down standards often found in remedial instruction. High-poverty schools are encouraged to develop schoolwide programs aimed at raising the basic and academic performance of all students, not just those eligible for Title I. Required federal testing has been replaced by local and state designed accountability. For the first time, schools may seek waivers of statutory or regulatory provisions that may impede their efforts to improve student achievement and learning.

Achievement of disadvantaged students has risen dramatically in the years since Title I was first enacted. But much more needs to be done to keep up with these changing times. It appears that the extra help provided by Title I and related programs helped minority students achieve substantial gains in science, math, and reading between the 1970's and 1992, reducing the gap between minority and white student achievement. For 9-year-olds, for example, the achievement gap between black and white students scores on the National Assessment of Educational Progress declined by 29 percent in science, 15 percent in science, and 24 percent in reading. Among college-bound students, SAT scores increased across all race/ethnic groups from 1980 to 1993, with minority students earning the largest increases. For example, the average math score increased from 466 in 1980 to 478 in 1993 (a 12-point gain), recovering much of the ground lost during the 1970's. Dropout rates for 16 to 24-year-olds declined from 17 percent in 1967 to 11 percent in 1993, and the dropout rate for blacks fell even more dramatically, from 29 percent to 14 percent.

The Dwight D. Eisenhower Professional Development program supports locally-guided teacher training in the core academic subjects. High quality and well trained teachers are essential to any improvement of education. The program distributes \$320 million to States and school districts to help ensure that teachers are prepared to teach to the high standards states are now developing. The focus will be on local principals, teachers, and parents deciding what professional development is needed to improve their schools.

The third major priority in ESEA, the Safe and Drug-Free Schools program, responds to the continuing crisis of violence and drugs in our schools by supporting comprehensive school- and community-based drug abuse and violence prevention programs. This \$500 million program gives school districts the flexibility to design their own programs to reflect local needs. Activities may include conflict resolution and peer mediation training, substance abuse prevention education, service learning, the purchase of metal detectors, and the hiring of security personnel.

The \$730 million Impact Aid program is the major program assisting states and local communities impacted federal activities. The Impact Aid program helps pay for the

education of children in school districts affected by federal activities, such as the presence of a military base or federal ownership of a significant proportion of local property. In these districts the federal presence substantially reduces the local property tax base that ordinarily serves as a major source of school funding, and Impact Aid is intended to help replace this lost revenue.

Like Goals 2000: Educate America Act, ESEA's support of states and local communities couples flexibility with accountability for academic achievement. The new flexibility in the reformed ESEA means less categorical approaches, more school-wide approaches, fewer reporting requirements, and broad waiver authority. The emphasis is on effectiveness and efficiency, not paperwork.

The Department of Education also helps States and school districts meet their responsibility to provide a free appropriate public education for children with disabilities. Two landmark federal court decisions in the early 1970s established the constitutional right of children with disabilities to an equal educational opportunity. In 1975 a federal law, now known as the Individuals With Disabilities Education Act (IDEA), was enacted to provide a framework for appropriately serving these children as well as substantial federal financial assistance to help pay for the education of students with disabilities. Today the Department allocates nearly \$3 billion through three State grant programs intended to help states meet the developmental and educational needs of students with disabilities from birth through age 21.

Since the IDEA was enacted, students with disabilities have measured substantial gains. While in 1975 more than 1 million children with disabilities were excluded from school, today all children are in educational programs and the number of children placed in costly state institutions has decreased dramatically. High school graduation rates have increased significantly. And 57% of youth with disabilities are competitively employed within 5 years of graduation from high school -- compared to a competitive employment rate of only one-third for all adults with disabilities.

V. Preparing Students for Employment and Keeping Up with the Changing Economy

A growing understanding of the relationship between our educational performance and our competitiveness in the global economy has led to a new emphasis on the connections between school and work, and a new appreciation of the importance of vocational education and opportunities for lifelong learning.

The Department of Education administers several programs that respond to this new emphasis, and that help schools and colleges working through States and school districts give young people and adults the knowledge and skills they need for changing careers that often demand further education and training. The 1994 School-to-Work Opportunities Act provides seed money to every State and to interested communities to develop and launch a comprehensive school-to-work system. These systems will combine school-based and work-

based learning with activities designed to prepare students for a first job. The School-to-Work program, currently funded at \$125 million, is specifically designed to sunset after five years.

Perkins Act Vocational Education State grants provide nearly \$1 billion to help pay for vocational training programs at both the secondary and postsecondary levels. Funds may be used in accordance with State-developed plans to support activities ranging from pre-vocational courses for secondary school students to retraining adults in response to changing technological and labor market conditions. The Department is currently completing work on a proposal to align the Perkins program more closely with the School-to-Work Opportunities Act while tightening accountability requirements and consolidating categorical programs to increase state and local flexibility.

In addition to these programs aimed at preparing students for changing employment opportunities, the Department supports literacy and basic skills training through a combination of State formula and competitive grant programs. The Adult Education Act State grant program provides about \$270 million to help approximately __,000 educationally disadvantaged adults achieve literacy, certification of high school equivalency, and English language proficiency. The \$100 million Even Start program, authorized under Title I of the Elementary and Secondary Education Act, delivers formula grants to States for the support of intergenerational literacy projects combining early childhood education for children and literacy training for their parents.

Another area of significant federal support for State and local job training is Vocational Rehabilitation. The Department provides more than \$2 billion a year in Vocational Rehabilitation State grants that assist 1 million individuals with disabilities, most of them severe, in achieving successful employment outcomes and independent living.

V. Developing and Demonstrating Effective Changes in Educational Practices

The Department administers a wide variety of competitive grant programs that support efforts by States, schools and school districts, community groups, and postsecondary institutions to develop and demonstrate innovative approaches to solving problems in the schools and to improving the effectiveness of education. The total funding for these competitive programs is approximately \$ ____.

These programs range from very broad authorities, such as the Fund for the Improvement of Education (FIE) and the Fund for the Improvement of Post-Secondary Education (FIPSE), which sponsor innovation in elementary, secondary and postsecondary education, to specific demonstrations of promising strategies of national importance.

One example is Charter Schools program in ESEA which provides seed-money for the development of charter schools in states that have enacted charter school laws. Another

example is the new \$40 million Technology in Education program which will help schools make the transition to the information age by providing information, research and assistance to educators and promoting partnerships that will link schools and communities with communications and software companies.

VII. Ensuring Nondiscrimination by Recipients of Federal Education Funds

The Department's Office for Civil Rights (OCR) is responsible for enforcing a variety of federal statutes prohibiting discrimination by recipients of federal education funds on the basis of race, color, national origin, gender, disability, or age. OCR focuses on encouraging voluntary compliance with civil rights laws by providing policy guidance, staff training, and technical assistance. In its work, it forges relationships and communication between those enforcing civil rights and others whose business is the promotion of the best education possible for all of our students. As a result, most of OCR's work is nonadversarial. For example, OCR handles over 5000 complaints a year. Over 95% of these are resolved by agreement, without the need for court or administrative hearing proceedings, most within the same school year.

January 8, 1994

To: Addressees
From: Judy Wurtzel
Date: 1/9/95

Attached is a document describing what the Department does. It is intended to be shared with Members as part as the larger package we send up with the testimony.

I would appreciate your comments on it by 3pm today.

Addressees: Frank Holleman, Kay Casstevens, Tom Wolanin, Kay Kahler, Terry Peterson, Susan Frost, Mike Cohen, Kevin Salmon

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THE UNITED STATES DEPARTMENT OF EDUCATION

A SUMMARY OF MAJOR ACTIVITIES

Overview

Education is the largest, most broadly-based enterprise in America. Over 65 million Americans are involved in education as students or teachers from preschool education through postdoctoral research. The Nation spends over \$500 billion a year on education at the elementary, secondary, and postsecondary levels. State, local, and private expenditures account for about 92 percent of this spending, while the federal government contributes only 8 percent.

The U.S. Department of Education currently administers about \$31 billion in education funding that is distributed through 240 separate programs. Of the \$31 billion, \$25 billion falls under the discretionary spending authority of Congressional appropriators, while \$6 billion is considered mandatory. Mandatory education spending includes the postsecondary student loan and vocational rehabilitation programs. The Department administers only about 5% of all the government's discretionary funds.

The Department's elementary and secondary programs serve 15,000 local school districts and 50 million students attending 110,000 public schools and _____ private schools. Approximately seven million post-secondary students received financial aid this year from the Department. Over the past 20 years, the Department's student financial aid programs have helped approximately 40 million students attend college.

The Department and its programs are administratively lean. The Department currently employs about 5,100 FTE, making it the smallest Cabinet agency, and it will be streamlined to 4,750 FTE by 1999. In fact, Department staffing has fallen significantly from the 7,700 employed in 1979 by the former Office of Education within the old Department of Health, Education, and Welfare. This has made the Department of Education the most efficient of the 14 Cabinet agencies in administering federal funds, with only one employee for every \$6 million in budget authority.

Most federal education dollars end up with the Department's customers -- the students. Less than 5 percent of federal elementary and secondary education funding is used to cover the administrative costs of States and school districts, while less than 1 percent of federal postsecondary education spending is used by colleges and universities for program administration.

I. National Leadership and Partnership Building for Addressing

Current Issues in American Education.

Various Secretaries of Education have highlighted contemporary education problems that need to be addressed across America. Secretary of Education Ted Bell issued A Nation At Risk, which galvanized public concern about education when it warned that low student achievement levels were threatening the nation's international competitiveness. In response, many states and communities raised their high school graduation requirements for graduation and the proportion of high school graduates taking the core curriculum recommended in the report (4 years of English, 3 years of social studies, 3 years of science, 3 years of math) more than tripled between 1982 and 1992.

Secretary Riley has identified eight issues that need this nation's attention: improving safety and discipline, strengthening basic and advanced skills, better teaching, greater parental involvement, greater connection between school and work, better access for students to technology, better access to financial aid for college and training, and making the Department more streamlined and efficient.

Partnership building has included an extensive set of partnerships to increase Family Involvement in Learning. For example, 75% of all organized religious groups in America have agreed to work to improve Family Involvement in Learning.

II. A National Clearinghouse of Good Ideas

The original Department of Education was created in 1867 to collect information on schools and teaching that would help the States establish effective school systems. While the agency's name and location within the executive branch have changed over the past 128 years, this emphasis on promoting educational excellence by supporting research, collecting nationwide information on education, and disseminating research findings and best practices remains an important role.

The Department supports research on effective educational practices for all students and monitors the performance of the American education system through the collection of statistics and evaluation data. For example, the Department supports long term research and development through its educational research centers. Much of the nation's school improvement efforts have been based on research originally funded by federal education research programs.

The Department's National Center for Education Statistics (NCES) annually publishes the primary reference volume on education in the nation -- **The Digest of Education Statistics**, a comprehensive review of education statistics on all information available about elementary, secondary, postsecondary and adult education. The

Condition of Education, which reports on such indicators as enrollment rates, dropout rates, trends in academic achievement and education spending. The Department also funds the National Assessment of Educational Progress (NAEP), which for over 20 years has served as "the Nation's Report Card." NAEP is the only nationally representative assessment of what our nation's students know and can do and is the primary source of data on educational achievement in the core academic subjects. Since 1990, on a voluntary basis, NAEP has also collected and published state-level data for certain assessments which allows participating states to track how their students are performing, both relative to other states and over time.

In order to translate research into practice and help state and local decisionmakers improve their schools, the Department disseminates the latest information on education to parents, teachers, school board members, policy makers and the general public. For example, the Department recently published **Strong Families, Strong Schools** which summarizes 30 years of research on strengthening family involvement in education. The Regional Education laboratories develop materials and provide assistance to states and local educators based on the most recent knowledge about improving teaching and learning. Since 1966, the Educational Resources Information Center (ERIC) has distributed education information on subjects ranging from elementary and early childhood education, to disabled and gifted children, to rural education and small schools. ERIC is used by over ___, 000 teachers, parents, and policy makers each year.

The Department also holds monthly satellite town meetings....(violence)... [KIRK]

The Department has also applied its growing understanding of effective practice and policy to evaluating and improving its own programs. For example, findings from assessments of vocational education and Chapter 1 have figured prominently in the reauthorizations of these programs and have helped in their reform.

III. Helping Families Pay for College

Approximately half of the Department's budget is devoted to post-secondary education, most of which is used for student financial aid. [check #] The history of federal financial assistance to college students goes back to the G.I. Bill of 1944, which served as the springboard to the middle class for millions of American servicemen and their families. Over 12.4 million veterans attended college on the GI Bill between 1944 and 1989. The generation that followed received federal assistance to pay college costs through the National Defense Student Loan program. Subsequently, the Higher Education Act -- first passed in 1965 and

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Just six authorities account for about 95% [check] of federal funding to elementary and secondary education: The Goals 2000: Educate America Act, Title I of the Elementary and Secondary Act (ESEA) for the Education of the Disadvantaged, the Dwight D. Eisenhower Professional Development Program, the Safe and Drug-Free Schools Program, Impact Aid, and Part B of the Individuals with Disabilities Education Act

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students so they can learn the basics and improve achievement geared to challenging academic standards; (2) improving safe, disciplined and drug-free schools; (3) ensuring that today and tomorrow's teachers have the training and skills necessary to help all children reach challenging standards; and (4) assist states by alleviating burdens caused by federal activities, such as federally owned land that provides no tax revenues.

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Since the IDEA was enacted, students with disabilities have measured substantial gains. While in 1975 more than 1 million children with disabilities were excluded from school, today all children are in educational programs and the number of children placed in costly state institutions has decreased dramatically. High school graduation rates have increased significantly. And

57% of youth with disabilities are competitively employed within 5 years of graduation from high school -- compared to a competitive employment rate of only one-third for all adults with disabilities.

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A growing understanding of the relationship between our educational performance and our competitiveness in the global economy has led to a new emphasis on the connections between school and work, and a new appreciation of the importance of vocational education and opportunities for lifelong learning.

The Department of Education administers several programs that respond to this new emphasis, and that help schools and colleges working through States and school districts give young people and adults the knowledge and skills they need for high-skill, high-wage careers and for further education and training. The 1994 School-to-Work Opportunities Act provides seed money to every State and to interested communities to develop and launch a comprehensive school-to-work system. These systems will combine school-based and work-based learning with activities designed to prepare students for a first job. The School-to-Work program, currently funded at \$125 million, is specifically designed to sunset after five years.

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V. Developing and Demonstrating Innovative Educational Practices

The Department administers a wide variety of competitive grant programs that support efforts by States, schools and school districts, community groups, and postsecondary institutions to develop and demonstrate innovative approaches to solving problems in the schools and to improving the effectiveness of education. The total funding for these competitive programs is approximately \$____. [check-- exclude all research/dissemination etc..]

These programs range from very broad authorities, such as the Fund for the Improvement of Education (FIE) and the Fund for the Improvement of Post-Secondary Education (FIPSE), which sponsor innovation in elementary, secondary and postsecondary education, to specific demonstrations of promising strategies of national importance.

One example is Charter Schools program in ESEA which provides seed-money for the development of charter schools in states that have enacted charter school laws. Another example is the new \$40 million Technology in Education program. [add]

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The Department's Office for Civil Rights (OCR) is responsible for enforcing a variety of federal statutes prohibiting discrimination by recipients of federal education funds on the basis of race, color, national origin, gender, disability, or age. OCR focuses on encouraging voluntary compliance with civil rights laws by providing policy guidance, staff training, and technical assistance. [add from q&a]

January 8, 1994