

TO: ✓ FRANK HOLLEMAN  
MIKE SMITH  
TERRY PETERSON  
KAY CASSTEVENS

JENNIFER DAVIS  
SUSAN FROST  
KAY KAHLER

FR: Mike Cohen

We are scheduled to meet with the Secretary from 4:00 - 5:00 today to discuss his June 29 testimony on education reform and the proposals to abolish the Education Department.

Several of us met earlier this week and agreed on a general direction for his testimony, based on a memo I had circulated earlier. In general we agreed that:

1. The testimony ought to argue that: (1) education is vital for our future; (2) the federal government needs to be a partner in the education process; (3) while we still have a long way to go, we are on the right track with respect to education performance, state and local reform, and the federal role; (4) now is the time to stay on course, not abandon our efforts or the Department.

Bill Cordiss has produced a first draft of the testimony, which roughly tracks this line of argument. I have not yet had a chance to review it, but I am distributing it for your review and comment.

2. While a statement reflecting the line of argument above is necessary, the Secretary's actual testimony has to generate some good press coverage--we won't change any minds or votes on the committee anyway, and we need to get our arguments across to the public. While we do not yet have a specific approach here, we are in general agreement that the Secretary will have to make some clear and strong attacks on the two proposals to abolish the Department right up front.

When we meet this afternoon, I would like us to review these issues with the Secretary, and come out with a clear sense of direction he wants us to pursue.

## NOTE TO MIKE COHEN

Here's a first draft of the June 29 hearing testimony. This is the long version, but it can easily be shortened to something along the lines of what Frank seemed to be looking for. I think it's a good start, but see what you think.

A few caveats:

- The draft does not include point 2 from your outline, because I couldn't quite see how it fit, or why it was necessary. It seems to me our whole education reform program, and the primacy of education in the Clinton Administration, demonstrates this point. Also, the testimony makes clear that we are moving in the right direction at least in part because of the Federal role in education.
- I think I have covered point four, but you may want to strengthen it, especially the part about keeping education above partisan politics (although I think this is lost on Scarborough and friends, and why not, since it also appears to be lost on those who should know better, like Alexander, Bennett, and Dole).
- I didn't mention vouchers, because I think discussing it would "take us off course," and because I think it's hard to talk so much about flexibility and innovation and then say no to vouchers, an experiment that some communities may well want to try.
- I don't think we need to respond to the Broder piece in this testimony.
- I didn't deal with Goals and block grant proposals because I still believe that's a slippery slope that can wait till another day. If you disagree, I'll work on something based on your outline.
- Didn't get that final, upbeat note yet.

I'll probably be in briefly on Thursday, hopefully to collect a PC to use at home. Once I get it, I'll stay in touch by cc:mail. Till then, I'll check in with Sally periodically.

*Bill*

## **DRAFT TESTIMONY FOR JUNE 29 HEARING**

Mr. Chairman, it is a pleasure to see you and the other Members of this Committee today, and to have this opportunity to come before you and discuss the important issue of education as you begin consideration of several proposals to significantly change both the structure and the functions of the Department of Education.

This Committee has long demonstrated a strong bipartisan commitment to improving education. Just last year, for example, the Committee succeeded in passing important education reform legislation, including Goals 2000 and the School-to-Work Opportunities Act, while also completing a comprehensive reauthorization of the Elementary and Secondary Education Act. This bipartisan approach has always required compromise from both sides, but on balance has produced much that has been positive for American education.

I am hopeful that we will maintain this spirit of bipartisan cooperation in education, for we are not educating our children as Democrats or Republicans, but as Americans who represent the future of this great Nation.

### **THE IMPORTANCE OF EDUCATION**

There is no doubt that education is absolutely vital for the future of America. Congressman Gunderson has often spoken of the importance of education for preparing a highly skilled workforce to compete in global economy, and I agree with him. I also agree with President Clinton's description of education as the "fault line" dividing those of our fellow citizens who are able to compete successfully and achieve the middle-class American Dream from those who are falling behind.

It is simply disingenuous, for example, to argue for the end of affirmative action and the creation of a color-blind society without acknowledging the role of education in leveling the playing field so all may compete on a truly equal basis. And the growing disparity in incomes between those whose education ends with high school and those who go on to college suggests that in the long-run, we face an education deficit even more threatening than the Federal budget deficit.

The American people clearly grasp this connection: every poll that I have seen this year shows that large majorities — ranging from two-thirds to over 80 percent — believe that continued support for the Department of Education and its programs is more important than deficit reduction.

### **A RECORD OF IMPROVEMENT**

There is good reason for this high level of support for the Federal role in education: over the past 15 years the Department has served as a powerful voice in identifying critical education issues and in focusing national attention on the need for education reform.

The 1983 Department report, *A Nation At Risk*, sounded the alarm over the failure of our schools to prepare students for the rigors of global economic competition. In 1989, the Department helped stage the Education Summit with the Governors in Charlottesville, Virginia — a historic meeting that produced the bipartisan National Education Goals. And in 1994 — as I noted earlier — the Department worked closely with this Committee to win bipartisan passage of critical education reform legislation, including the Goals 2000: Educate America Act, the School-to-Work Opportunities Act, and the Improving

America's Schools Act (IASA), which reauthorized and improved the landmark Elementary and Secondary Education Act of 1965.

In addition to providing leadership, the Department and its programs have contributed to measurable improvements in educational opportunity and academic achievement over the past decade. For example, nearly half of all high school graduates now take the tougher core curriculum recommended in *A Nation At Risk*. The number of students participating in the Advanced Placement program has tripled since 1982. The dropout rate for 16- to 24-year olds fell from 14 percent in 1982 to 11 percent in 1993. And the proportion of people age 25 and over completing four or more years of college rose from 18 percent in 1982 to 22 percent in 1993, with the largest gains in college attainment coming among minority group members.

States and local school districts deserve the lion's share of credit for these improvements, of course, but many of the innovations and reforms now underway have been encouraged by the Federal government. At the 1989 Education Summit, for example, President Bush accelerated the movement toward standards-based reform, which emphasized the development and adoption of high academic standards, giving educators the flexibility needed to help all students reach those high standards, and ensuring accountability by measuring results, not regulatory compliance. One leading-edge State that has adopted comprehensive reforms based on this approach is Kentucky, which has overhauled its entire educational system and achieved dramatic improvements in student test scores in mathematics, reading, science, and social studies.

## **CHANGING THE DEPARTMENT TO BETTER SUPPORT STATES AND COMMUNITIES**

The Governors assembled at the Education Summit asked the Federal government for greater program flexibility — including waivers of regulatory requirements — in exchange for better results in terms of student achievement. Since I arrived at the Department over two years ago, we have worked hard to meet that request and to make countless other changes designed to make the Department of Education a more supportive partner to States and school districts working to improve their schools.

We began by endorsing the Department mission statement developed by our predecessors and by building on the customer-focused management reforms begun by former Deputy Secretary David Kearns, who had successfully applied continuous improvement techniques as CEO of the Xerox Corporation.

We developed a Strategic Plan that established clear priorities and set performance targets in each priority area. These priorities include support for State and local efforts to help all students reach high academic standards, assisting States and communities in the creation of school-to-work systems, ensuring access to postsecondary education and lifelong learning, and transforming the Department into a responsive partner that provides effective, flexible support for reaching the other priorities.

With the help of this Committee, we succeeded in winning passage of legislation giving us most of the tools we need to implement this comprehensive plan. Our education reform legislation reflects principles that I believe most of you share: cutting red tape, less paperwork, reduced regulation, and waivers that permit innovation — all

aimed at giving States and local communities maximum flexibility in the use of Federal education funds to help students reach high academic standards.

For example, we are administering Goals 2000 and School-to-Work without issuing a single regulation. Of the 49 programs included in the Improving America's Schools Act, only 11 will require regulatory guidance. We have also taken action to reduce existing regulations. President Clinton's regulatory reinvention initiative has already led to the elimination of 30 percent of the Department's regulations. Many of the regulations that remain are mandated by statute; we look forward to working with you to revise these statutes where possible to further reduce regulatory burden.

The Department also is using a combination of common sense and technology to greatly reduce the paperwork involved in Federal education programs. For example, switching from paper Student Aid Reports to an electronic system helped eliminate 4 million paper forms that represented an unnecessary burden to students, parents, schools, and the Department alike. Most of the programs authorized by the Improving America's Schools Act now require reporting once every two or three years instead of annually — permitting States, schools, and teachers to focus on what really counts: educating students, not paperwork. We also are encouraging States to take advantage of the new provision permitting a single consolidated application for all Elementary and Secondary Education Act programs, a change that promises not only to eliminate paperwork but also to promote comprehensive planning.



In addition, our new legislation permits broad waivers of statutory and regulatory requirements. If States and school districts find that such requirements present an obstacle to innovative reform efforts, they may seek waivers of the requirements from the Secretary. For example, Palm Beach, Florida, and the Metropolitan District of Decatur

Township, Indiana have already been approved for Title I waivers under the Improving America's Schools Act. The most far-reaching approach is the new ED-FLEX demonstration, which gives State-level officials blanket authority to approve waivers of Federal statutory and regulatory requirements that stand in the way of effective reform. These waiver provisions are allowing us to deliver on the request made by the Governors at the Education Summit.

You may have noticed one thing that hasn't been a big part of our efforts to transform the Department: money. This absence of big budgets reflects two realities: first, acknowledgment that in general, money is not the answer to our education problems; and second, the determination of the President and the Vice President to achieve meaningful deficit reduction and to do more with less.

For example, each of our budgets has proposed eliminating or consolidating dozens of programs that are no longer necessary. We are cutting our staff and reducing administrative layers as part of a streamlining plan aimed at improving customer service and increasing efficiency. And we are saving billions in mandatory spending through implementation of the new Direct Loan program for postsecondary students.

One fact that you may not be aware of is that the Department of Education already has an impressive record of doing more with less. Our current staff of 5,000 is one-third smaller than the 7,700 employees who administered Federal education programs in several different agencies prior to the Department's creation in 1979. This reduction was accomplished even though both our budget and the number of programs we manage have doubled over that same period. As a result, administrative costs absorb just 2 percent of our budget, and we deliver 98 cents on the dollar in education assistance to States, school districts, postsecondary institutions, and individuals.

*Some of that 72% spent on accountability - such as collecting student loans and auditing some federal taxpayers' dollars are spent appropriately.*

## ON THE RIGHT TRACK

We have accomplished much: a clear mission, a Strategic Plan, comprehensive education reform legislation, reduced paperwork and regulation, increased flexibility for States and local school districts, the elimination of outdated programs, downsizing and streamlining bureaucracy, and contributing to deficit reduction. I think these achievements represent significant progress toward transforming the Department of Education into an effective partner to States and communities seeking to reform their schools. I believe that we are on the right track.

We have reached a broad, bipartisan consensus on how the Federal government can best contribute to effective education reform. We are implementing the legislation that grew out of that consensus. States and school districts are developing comprehensive reform plans that take full advantage of the new, more flexible assistance available from the Department.

Those who still think of the Department of Education as a dinosaur — big, clumsy, obsolete, not very smart — should take a second look. You owe it to your constituents to see for yourself how much we have changed. If we hadn't, I wouldn't be here. I didn't come to Washington to defend bureaucracy or to protect the status quo. I came because I saw an opportunity to change things for the better. I think we have done that, and that's why I'm here today.

There is of course room for further innovation and improvement in Federal education programs, but we must be careful not to undo what has been achieved, not to undermine the efforts of States and communities across the Nation. This, I am afraid,

would be the rapid and certain result of the proposals now before the Committee calling for the elimination of the Department.

### PROPOSALS TO ELIMINATE THE DEPARTMENT

Representative Gunderson and his co-sponsors — including the Chairman of this Committee — are proposing to combine the Department of Education, the Department of Labor, and the Equal Employment Opportunity Commission (EEOC) into a single new agency that would be called the Department of Education and Employment.

Representative Scarborough and his co-sponsors are proposing in H.R. 1883 to dismantle the Department by transferring its functions — including administration of two large block grants created by eliminating certain programs and consolidating others — to other agencies, primarily to the Department of Health and Human Services.

We have analyzed each of these proposals carefully. We believe that in view of the positive changes that I have described in American education and within the Department, a substantial burden of proof rests on any restructuring proposal to demonstrate that it would (1) contribute to the progress that we have made over the past two years and continue to move the Department and the Nation in the right direction, or (2) produce substantial savings without disrupting services to States and school districts. Both proposals fail to meet either of these tests.

The merger proposal and H.R. 1883 share the following flaws:

Both would silence the voice of education in the President's Cabinet. It is difficult to imagine the high visibility and attention that education has enjoyed at the national level during the past 15 years without the existence of a Cabinet-level

Department of Education. *A Nation At Risk*, the Education Summit, the National Education Goals, the current emphasis on the importance of education amidst efforts to balance the Federal budget — all of these reflect the enhanced status of education since the creation of the Department in 1979.

Both would bury Federal education programs deep within mega-bureaucracies, hurting both responsiveness and accountability to the Department's customers. States, districts, schools, students, and parents would find it more difficult to obtain assistance. Department staff would face a daunting new hierarchy of control and are unlikely to be empowered to meet customer needs in the most efficient manner.

Both project large administrative savings with little justification. For example, the draft GAO report on the merger proposal warns that experience from the private sector shows that large staffing reductions taken without adequate planning “frequently are not successful” and that “projected savings are often not realized.” H.R. 1883 deserves a similar caveat, particularly since the last time Federal education programs were administered in several different agencies — as the bill proposes — total staffing was 7,700, compared to just 5,100 in the current Department of Education. Moreover, the GAO cautions that “extensive planning and follow through” is required to absorb staff reductions without hurting service quality and the ability to meet future challenges. There is little evidence of this kind of planning in either proposal.

Both would sidetrack education reform for several years by forcing the Department and its staff to concentrate on the complicated logistics of organizational restructuring instead of helping States and communities improve

their schools. For example, the merger proposal calls for a planning task force composed of the Secretaries of Education and Labor, the Chairman of the EEOC, the GSA Administrator, and representatives from the White House and OMB. This task force is expected to consult frequently with reorganization experts and to report periodically to Congress on its progress. The merger would be implemented over a three-year period, which means that the earliest we could hope to get back to the business of improving education is 1999. H.R. 1883 might set us back even further since the reorganization would require coordination by several different agencies, yet could not be a major priority for any one of them in view of their other, ongoing functions.

To my mind, these flaws constitute a large, yellow warning sign that Congress and the Nation cannot afford to ignore if we care about education. We already are moving in the direction needed to bring about real improvement in our schools, and it simply doesn't make sense to disrupt our progress with what really amounts to little more than an exercise in moving boxes around on an organization chart.

A further warning comes from a study cited by Congressman Gunderson in his recent testimony before this Committee. Of 531 organizations surveyed that downsized in the early 1990s, just 61 percent were able to reduce costs, and less than half (46 percent) increased profitability. Since I believe that public sector downsizing is actually more complicated than in the private sector, those figures suggest that the disruption and dislocation created by either the merger proposal or H.R. 1883 will neither lower costs to taxpayers nor improve service to our customers. The obvious question for the Committee is this: why try either one?

*Costs. Expense of moving people around. Destroys efficiencies of an education-focused agency.*

~~—~~ OTHER CONCERNS WITH THE PROPOSALS

In addition to the common defects afflicting the two proposals, specific aspects of each plan are likely to create additional problems. For example, merger plan largely ignores the very different roles of the Departments of Education and Labor, and how these roles might interact in negative ways. The Federal role in education is not focused on narrow training programs, as the author of the merger proposal strongly suggests. The Department's far broader purposes include supporting access to postsecondary education for middle- and low-income students, providing resources and research to help States and communities improve teaching and learning, and helping to prepare our children with a solid foundation of skills to be good citizens as well as good workers. The focus of the new agency on workforce issues is likely to de-emphasize these other purposes.

Another potential problem could arise from submerging a small assistance agency like the Department of Education — currently moving toward deregulation and increased flexibility in the use of Federal education funds — inside the culture of a much larger regulatory enforcement bureaucracy like the Department of Labor. It may be difficult in such an atmosphere to maintain our momentum toward reduced regulatory burden.

Our major concern specific to H.R. 1883 is the block grant proposals. First, we believe that block-granting nearly all Federal elementary and secondary education programs is merely the first step toward dramatically reducing — and possibly even eliminating — Federal financial assistance for elementary and secondary education. This isn't just conjecture on our part: the Reagan Administration's 1981 consolidation of elementary and secondary programs into the Chapter 2 block grant resulted in a 37 percent reduction in funding. Moreover, the sunset provision in H.R. 1883 for the new

*removed Department of*  
*of*  
*the ED*  
*the EDO*

Office of Economic Opportunities provides additional evidence of the intention to simply eliminate the Federal role in education.

Second, the block grant concept would preclude the targeting of Federal education funds to disadvantaged populations that characterizes most of our current programs. States theoretically would be free to continue favoring poor students and communities in allocating funds, but the large number of school finance equity lawsuits over the past two decades suggests how difficult States have found it to allocate according to need.

And third, the block grant approach complicates efforts to ensure accountability for the use of Federal funds. The “no-strings” block grant promised in the House Republican proposal could result in the use of Federal dollars for activities of little or no educational value. The accountability problem often contributes to our first concern about block grants — that they lead to reduced funding. Particularly in the context of continuing efforts to erase the Federal budget deficit, it will be very difficult to maintain block grant funding without accountability to taxpayers for how the funds are used; or worse, if funds end up being used for things no taxpayer would support.

## CONCLUSION

After carefully considering both of these proposals and their implications, I can discern only political motives for supporting either of them. Neither the Gunderson merger plan nor the Scarborough elimination proposal provides a single sound policy or management justification for dismantling the current Department of Education, ending ongoing reinvention efforts, and undermining Federal support for State and local education reform. I urge you to reject both proposals.

June 23, 1995

# RUSH

NOTE TO MIKE COHEN

Attached are the briefing materials you requested on:

ED's Accomplishments in Cutting Red Tape and Encouraging Flexibility

Trends in SAT Achievement and Participation and chart

Summary of RAND's *Student Achievement and the Changing American Family*

I have also sent you the files of the text on cc:mail. We hope this information is useful.



Val Plisko

Attachments

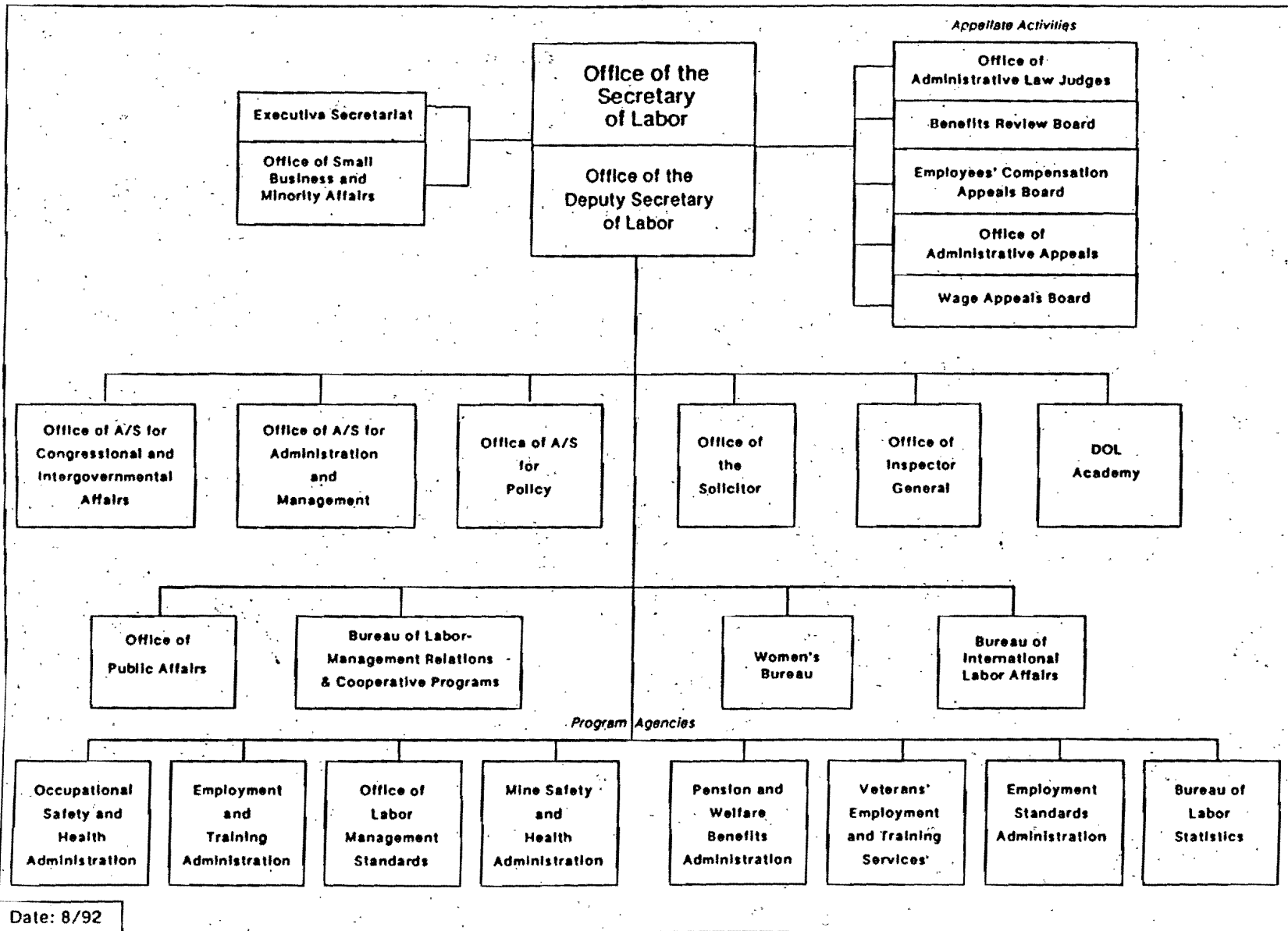
cc: Alan Ginsburg

Og charts

CRS - Ginsburg

EV

U.S. Department of Labor



Source: U.S. Department of Labor, Washington, 1992.

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Date: 8/92

Author: Mike Smith at WDCT01

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TO: Jennifer Davis at WDCB02

TO: Kay Casstevens at WDCB01

TO: Tom Wolanin at WDCE03

TO: Mike Cohen at WDCB01

TO: Frank Holleman at WDCB01

CC: Regan Burke at WDCB02

Subject: Re: Action Steps from Today's Meeting

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

I am going to try to summarize what we agreed would be next steps to prepare for the two upcoming hearings:

1. Mike C. would work with Sarah Davis regarding questions for the Ds for the hearing on June 21. He will also follow-up to see that we have a spokesperson who will be positive on school reform issues--like Chris Cross. He will also check to be sure that Sarah is all set regarding questions/information for the panel that will focus on choice/vouchers.

2. Kay would investigate the possibility of scheduling a meeting between the Secretary and the D. Caucus of the Committee before the Secretary's testimony on June 29. We will try to include Gephardt if possible. Prior to this happening, Kay and Mike will meet with a subset of the members to talk about the Department (Kildee, Miller, Green, Sawyer, Reed).

3. Mike S. will talk with Bill C. about writing the Secretary's testimony. Mike C. will do an outline first and include Bill in a meeting with the rest of us to be sure we all agree on the direction. SALLY SHOULD HAVE TALKED WITH BILL ABOUT THIS -- MIKE C. NEEDS TO GET IN TOUCH WITH HIM.

4. Kay's staff will compile all the testimony on the Department--especially the testimony that the Secretary has given before on this issue--for Mike C. and Bill C. to review. An analysis of key points would be helpful--Kay could someone on your staff do this?

5. Kay could you get Mike C. a copy of the Labor GAO letter re: Gunderson proposal for his reference? Bill Cordes has this.

6. Jennifer will work with Judy W. on the Q & As--review what we already have and discuss what else is needed.

7. Should I investigate the possibility of getting three kids at the hearing who have been impacted by our programs? (e.g. a disabled student, a college grad, a School-to-Work participant, a Title I student or one involved in our safe and drug free program?) The Secretary to reference the students in his remarks--it could be a nice touch??!! I THINK THIS WOULD BE A MISTAKE.

Did I miss anything?

Regan can you please schedule some briefing time for the Secretary.

THANKS!

Jennfier

Com  
Phil  
Lawyer  
Miller  
Keldice

6/29

**1. The federal government has made a positive difference in education; despite myths to the contrary, the federal government's track record in accomplishing its objectives is positive.**

Examples:

(1) Increase access to and participation in higher education/make it easier for large numbers of students to attend college. First through the G.I. Bill, then through National Defense Education Act student loans, other loan program, Pell Grants, etc.

participation in higher education has grown considerably, from xx% in 1957 to yy percent in 1965 to zz percent at present.

(2) Improve basic skills for economically disadvantaged students. Title 1 program, enacted in 1965, targets funds to schools serving disadvantaged students. According to a Rand report, gap in achievement between rich and poor has narrowed considerably; federal program was necessary because states and localities were not investing in these children. federal investment has paid off.

(3) Guarantee access to education for students with disabilities. Congress enacted 94-142 special education program. Prior to this, many handicapped students were ignored entirely, or had no access to regular school. In 1973 that changed, and today.....

(4) education r&d...

**2. Education has been improving, but there is still a long way to go.** The popular misconception is that things are terrible, when in fact there have been significant improvements in education since 1983 nation at risk report. Course taking, academic performance, especially in light of expansion of poverty, etc. However, while many of the trends are in the right direction, many others are not. reading is flat, concerns about safety are up, and overall achievement levels are still low compared with other countries.

The good news is not a reason for complacency; rather, it should be a spur to further action. It shows we can make a difference when we put our minds to it.

**3. Education is more important today than ever.**

**4. The federal role is essential. It will take efforts of every level of government, of local schools, of parents and students, and of teachers.** Everybody has to do something, including the federal government.

5. We are reinventing/overhauling ED do be consistent with their new role.

6. all of this needs to stay in a cabinet agency. scattering no good; megabureaucracy also no good. The cost of changing to new organizational boxes will be high

**U.S. Department of Education**

Testimony

of

Secretary Richard W. Riley

on

Departmental Reorganization

before the

Committee on Economic and Educational Opportunities

June 29, 1995

## INTRODUCTION

Mr. Chairman, it is a pleasure to see you and the other Members of this Committee today, and to have this opportunity to discuss with you the important issue of education as you begin consideration of several proposals to significantly change both the structure and the functions of the Department of Education.

This Committee has long demonstrated a strong bipartisan commitment to improving education. Just last year, for example, the Committee succeeded in passing important education reform legislation, including the Safe Schools Act, the Goals 2000: Educate America Act, and the School-to-Work Opportunities Act, while also completing a comprehensive redesign of the Elementary and Secondary Education Act and the Office of Educational Research and Improvement. This bipartisan approach, on balance, has produced much that has been positive for American education.

I am hopeful that we will maintain this spirit of bipartisan cooperation in education, for we are not educating our children as Democrats or Republicans, but as Americans who represent the future of this great Nation. Our Federal education programs serve an essential national purpose and meet important national needs. For example, the Department provides over half of all financial assistance for college students, delivers substantial support for States and schools in meeting the educational needs of disadvantaged, disabled, and limited English proficient

elementary and secondary students, helps nearly all school districts make their schools safer and drug-free, serves as a catalyst for effective innovation, and gathers national statistics on education.

### **THE IMPORTANCE OF EDUCATION**

There is no doubt that education is absolutely vital for the future of America. Just a few weeks ago, Congressman Gunderson testified before this Committee on the importance of education for preparing a highly skilled workforce to compete in a global economy, and I agree with him. I also agree with President Clinton's description of education as the "fault line" dividing those of our fellow citizens who are able to compete successfully and achieve the middle-class American Dream from those who are falling behind.

For example, in 1979, the annual earnings of college graduates were 43 percent higher than high school graduates. By 1992, this earnings gap had climbed to 82 percent. The growing disparity in incomes between those whose education ends with high school and those who go on to college suggests that in the long-run, we face an education deficit even more threatening than the Federal budget deficit. This education deficit cannot be fixed with a little short-term training. We cannot ignore the fundamental need of each citizen for a solid education foundation in our schools and colleges. Education is a powerful force for good, for creating order from disorder, and for civic responsibility — helping to develop our children into good parents, good neighbors, and solid, contributing members of civic and religious groups.

The American people clearly grasp this connection: every poll that I have seen this year shows that large majorities — ranging from two-thirds to over 80 percent — believe that continued support for the Department of Education and its programs is as important as reducing the budget deficit.

### **A RECORD OF IMPROVEMENT**

There is good reason for this high level of support for the limited Federal role in education: over the past 15 years the Department has served as a strong voice in identifying critical education issues and in focusing national attention on the need for educational reform and improvement.

The 1983 Department report, *A Nation At Risk*, sounded the alarm over the failure of our schools to prepare students for the rigors of global economic competition. In 1989, the Department helped organize the Education Summit with the Governors in Charlottesville, Virginia — a historic meeting that produced the bipartisan National Education Goals. And in 1994, — as I noted earlier — the Department worked closely with parents, educators, business, and this Committee to win bipartisan passage of critical education reform legislation.

In addition to providing leadership, the Department and its programs have contributed to measurable improvements in educational opportunity and academic achievement over the past

decade. We still have a long way to go, of course, but there is ample evidence that education in America is moving in the right direction. For example, nearly half of all high school graduates now take the tougher core curriculum recommended in *A Nation At Risk*. Since 1982, student performance in mathematics on the National Assessment of Educational Progress has risen at all grade levels tested. This improvement is especially important because of the emphasis on taking tougher math courses and the rigor of the challenging math standards developed by the Nation's math teachers. It is clear that raising standards works.

The number of students participating in Advanced Placement programs has tripled since 1982. The dropout rate for 16- to 24-year olds fell from 14 percent in 1982 to 11 percent in 1993. And over the same period, the proportion of people age 25 and over with at least four years of college increased from 18 percent to 22 percent, with the largest gains in college attainment coming among minority group members.

I want to emphasize that these improvements didn't happen by chance: a concerted, sustained effort was made nationwide to attack low math and science achievement, increase Advanced Placement participation, lower the drop-out rate, and raise college attainment.

States, local school districts, schools, and colleges deserve the lion's share of credit for these improvements, of course, but many of the innovations and reforms now underway have been encouraged by the Federal government. At the 1989 Education Summit, for example, President

Bush and then-Governor Clinton worked with all the Governors to accelerate the movement toward raising educational standards and achievement. Their efforts emphasized (1) the development and adoption of high academic standards, (2) giving educators the flexibility needed to help all students reach those high standards, and (3) ensuring accountability by measuring results, not regulatory compliance.

One leading-edge State that has adopted comprehensive reforms based on this approach is Kentucky, which has overhauled its entire educational system and achieved dramatic improvements in student test scores in mathematics, reading, science, and social studies. In reading, for example, the percentage of 4th graders scoring at the proficient level increased from 7 percent to 12 percent. Not only do these results document progress, they also show that States are willing to set challenging standards presently met by only a small proportion of students.

## **CHANGING THE DEPARTMENT TO BETTER SUPPORT STATES AND COMMUNITIES**

The Governors assembled at the Education Summit argued strongly that the Federal government should provide more flexibility in the use of Federal education funds — through waivers of regulatory requirements, for example — in exchange for better results in terms of student achievement. With the enactment of Goals 2000, we have delivered on that request, and

we have worked hard to make countless other changes designed to make the Department of Education a more supportive partner to States and communities working to improve their schools.

When I arrived at the Department in early 1993, I found an agency with widespread management weaknesses, a demoralized staff, crumbling and dangerous (asbestos) physical infrastructure, outdated technology, and poor internal communications. These weren't just my impressions: the General Accounting Office (GAO) documented many of the same problems in a report conducted in late 1992 entitled "Long-Standing Management Problems Hamper Reforms."

We responded to these weaknesses by borrowing from the customer-focused management practices of successful businesses, beginning with a strategic planning process that established clear priorities and set performance targets in each priority area. These priorities include supporting State and local efforts to help all students reach high academic standards, assisting States and communities in the creation of school-to-work systems, ensuring access to postsecondary education and lifelong learning, and transforming the Department into a responsive partner that provides effective, flexible support for reaching the other priorities.

With the help of this Committee, we succeeded in winning passage of legislation giving us most of the tools we need to implement this comprehensive plan. Our education reform legislation reflects principles that I believe most of you share: cutting red tape, less paperwork,

reduced regulation, and waivers that permit effective innovation — all aimed at giving States and local communities maximum flexibility in the use of Federal education funds to help students reach high academic standards.

For example, we are administering Goals 2000 and School-to-Work without issuing a single regulation. Of the 49 programs included in the Improving America's Schools Act, only 11 will require regulatory guidance. We have also taken action to reduce existing regulations. President Clinton's regulatory reinvention initiative has already led to the elimination of 30 percent of the Department's regulations. Many of the regulations that remain are mandated by statute; we look forward to working with you to revise these statutes where possible to further reduce regulatory burden.

The Department also is using a combination of common sense and technology to greatly reduce the paperwork involved in Federal education programs. For example, providing notice of student aid eligibility through a computer-based system is helping to eliminate 4 million paper forms that represent an unnecessary burden to students, parents, schools, and the Department alike. Most of the programs authorized by the Improving America's Schools Act require reporting once every two or three years instead of annually — permitting States, schools, and teachers to focus on what really counts: educating students, not paperwork.

We also are encouraging States to take advantage of the new provision permitting a single consolidated application for all Elementary and Secondary Education Act programs, a change that promises not only to eliminate paperwork but also to promote comprehensive planning. For the upcoming school year — the first under the new ESEA — 32 States have taken advantage of this provision and submitted a single plan for all ESEA funding.

In addition, our new legislation permits broad waivers of statutory and regulatory requirements. If States and school districts find that such requirements present an obstacle to innovative reform efforts, they may seek waivers of the requirements from the Secretary. For example, the Department has approved a request from the Fort Worth Independent School District in Fort Worth, Texas, to modify the distribution of Title I funds to provide extra per child funding to four high poverty elementary schools engaged in systemic education reform.

One interesting point that has emerged from this waiver process is the nature of the requests, particularly in view of the many Department critics who claim that Federal requirements are too intrusive or burdensome and have led to a “Federal takeover” of local schools. In fact, nearly all requests are related to the targeting requirements for funds provided under the Title I program for disadvantaged students. There is no evidence thus far of any other requirements that are causing great difficulty for States or school districts.

The most far-reaching waiver approach is the new ED-FLEX demonstration, which allows the Department to give State-level officials broad authority to approve waivers of Federal statutory and regulatory requirements that stand in the way of effective reform. We already have approved this ED-FLEX authority for the State of Oregon, and the number of States that have shown interest far exceeds the 6 authorized under the demonstration.

Another important part of changing the way we do business at the Department has been our efforts to streamline and downsize Department operations. These efforts reflect the determination of the President and the Vice President to reach the twin goals of meaningful deficit reduction and improving service to our customers by learning to do more with less.

I have to tell you that this is one area where I really believe the President has not gotten the credit he deserves. Terminating unnecessary programs and shrinking the size of government have been a priority of this Administration from the first day President Clinton took office. And it has not been easy. In each of our budgets we have proposed eliminating or consolidating dozens of programs, many with strong supporters both in the education community and on both sides of the aisle here in Congress. These proposals angered more than a few friends, and I have taken many calls on them. And for the most part, we have stuck to our guns, because it is the right and responsible thing to do.

In addition to program eliminations, we are cutting our staff and reducing administrative layers as part of a streamlining plan aimed at improving customer service and increasing efficiency. And we are saving billions in mandatory spending through implementation of the new Direct Loan program for postsecondary students.

One fact that you may not be aware of is that the Department of Education already has an impressive record of doing more with less: Our current staff of 5,000 is one-third smaller than the 7,700 employees who administered Federal education programs in several different agencies prior to the Department's creation in 1979. This reduction was accomplished even though both our budget and the number of programs assisting students, schools, and colleges have doubled over that same period. As a result, administrative costs absorb just 2 percent of our budget, and we deliver 98 cents on the dollar in education assistance to States, school districts, postsecondary institutions, and students.

It is important to note as well that much of that 2 percent — particularly in the postsecondary area — is spent on improving accountability and making sure that taxpayer dollars are used appropriately. For example, by reducing the student loan default rate and increasing collections on defaulted loans, the Department has cut the costs to taxpayers of defaulted loans by over 50 percent.

## ON THE RIGHT TRACK

We have accomplished much: a clear mission, a Strategic Plan, comprehensive education reform legislation, reduced paperwork and regulation, increased flexibility for States and local school districts, the elimination of outdated programs, downsizing and streamlining bureaucracy, and contributing to deficit reduction. And most importantly, these changes are helping us to meet challenges confronting America's students: learning the basics and reaching for high academic standards; ensuring a safe, disciplined, and drug-free environment; improving teaching; promoting parental involvement; getting more computers into the classroom; and improving access to higher education for deserving students.

I think these achievements represent significant progress toward transforming the Department of Education into an effective partner to States and communities seeking to improve their schools and colleges. In fact, the idea of partnerships has been central to everything we have done over the past 2 years. Perhaps the best example of this approach is the Family Involvement Partnership for Learning, an organization representing more than 100 parent, education, business, religious, and community groups. One of the Family Involvement Partnership projects is READ\*WRITE\*NOW, a program that brings adult and teen volunteers together with elementary school children to encourage reading and writing during the summer months. In addition to the Family Involvement Partnership, we have worked with business and religious groups; we have held a conference on character education; we have worked with States to promote innovative

Charter Schools; and we have reached out to parents, educators, and citizens across the Nation through our satellite Town Meetings.

Working with Congress, we have reached a broad, bipartisan consensus on how the Federal government can best contribute to effective education reform and improvement. It is important to point out that this consensus was primarily a response to reforms underway in States like Kentucky, Missouri, Utah, Oregon, Delaware, Massachusetts, and Vermont. The legislation that we now are implementing reflects this "bottom-up" approach, and States and school districts are developing comprehensive reform plans that take full advantage of the new, more flexible assistance available from the Department.

These partnership efforts and your bipartisan support have led to a very positive response from parents, educators, civic and business leaders, schools, and colleges. Let me give you a few examples. Calls on our toll-free number (1-800-USA-LEARN) to request materials on community-based solutions to education problems have jumped from about 150 calls a day when I came into office to about 1,000 a day — over a six-fold increase. Almost 40 percent of college students will have access to the streamlined direct loans this year. In many States, requests for Goals 2000 funds to implement reform plans exceed available funding by 4-8 times. The Department's computer-based, Online Library is "visited" over the Internet about 20,000 times each week for research data, information on Department programs, and ideas that work. Overall,

well over 1 million individuals have called, written, or visited the Department in person or on-line to ask questions or express their concerns about their children's education.

Those who still think of the Department of Education as a dinosaur — big, clumsy, obsolete, not very smart — should take a second look. You owe it to your constituents to see for yourself how much we have changed. If we hadn't, I wouldn't be here. I didn't come to Washington to defend the bureaucracy or to protect the status quo. I came because I saw an opportunity to change things for the better. I think we are doing that, and that's why I'm here today.

In short, I believe we are on the right track. There is of course room for further improvement and streamlining in Federal education programs, but we must be careful not to undo what has been achieved, not to undermine the educational opportunities of students of all ages. This, I am sure, would be the rapid and certain result of the proposals now before the Committee calling for the elimination of the U.S. Department of Education.

### **PROPOSALS TO ELIMINATE THE DEPARTMENT**

Representative Gunderson and his co-sponsors are proposing to combine the Department of Education, the Department of Labor, and the Equal Employment Opportunity Commission (EEOC) into a single new agency that would be called the Department of Education and

Employment. Representative Scarborough and his co-sponsors are proposing in H.R. 1883 to dismantle the Department by transferring its functions — including administration of two large block grants created by eliminating certain programs and consolidating others — to other agencies, primarily to the Department of Health and Human Services.

We have analyzed each of these proposals carefully. We believe that in view of the positive changes that I have described in American education and within the Department, a substantial burden of proof rests on any restructuring proposal to demonstrate that it would (1) contribute to the progress that we have made over the past two years and continue to move the Nation in the right direction, or (2) produce substantial savings without disrupting services to students in schools and colleges — often those students who need help the most. Both proposals fail to meet either of these tests.

The merger proposal and H.R. 1883 share the following flaws:

Both would silence the voice of education at the national level. It is difficult to imagine the high visibility and attention that education has enjoyed at the national level during the past 15 years without the existence of a Cabinet-level Department of Education. *A Nation At Risk*, the Education Summit, the National Education Goals, and the current emphasis on improving the quality of schools, parental involvement, and increasing access to higher

education — all of these reflect the enhanced status of education since the creation of the Department in 1979.

Both would bury Federal education programs deep within mega-agencies, hurting both responsiveness and accountability to the Department's customers. Parents, students, schools, districts, colleges, and States would find it more difficult to obtain assistance. Department staff would face a daunting new hierarchy of control and are unlikely to be empowered to meet customer needs in the most efficient manner.

Neither would deliver the large administrative savings promised. The draft GAO report on the merger proposal warned that experience from the private sector shows that large staffing reductions taken without adequate planning "frequently are not successful" and that "projected savings are often not realized." H.R. 1883 deserves a similar caveat, particularly since the last time Federal education programs were administered in several different agencies — as the bill proposes — total staffing was 7,700, compared to just 5,100 in the current Department of Education.

Moreover, the GAO cautioned that "extensive planning and follow through" are required to absorb staff reductions without hurting service quality and the ability to meet future challenges. There is little evidence of this kind of planning in either proposal. However, we have been engaged in exactly this kind of planning at the Department for over 2 years

now, and we have the results to show for it: real savings through downsizing and streamlining and improved service to our many customers. Clearly you don't need to dismantle the Department of Education to save money.

Both would undermine Federal support for addressing America's educational needs for several years. At a time when local schools need stable, predictable support for their efforts to improve educational effectiveness, when postsecondary students need financial assistance to reach their career goals, when individuals with disabilities need education to join the mainstream and vocational rehabilitation to join the workforce, the lengthy and complicated reorganizations required by these proposals would create massive confusion and bring great disruption over a period of several years to a network of Federal assistance that now supports more than 60 million students at 85,000 elementary and secondary schools and 7,500 postsecondary institutions.

Instead of helping communities improve their schools and ensuring the availability of financial aid for college students, the Department and its staff would be forced to concentrate on the complicated and potentially costly logistics of organizational restructuring. For example, the merger proposal calls for a planning task force composed of the Secretaries of Education and Labor, the Chairman of the EEOC, the GSA Administrator, and representatives from the White House and OMB. This task force is expected to consult frequently with reorganization experts and to report periodically to

Congress on its progress. The merger would be implemented over a three-year period, which means that the earliest we could hope to get back to the business of improving education is 1999. H.R. 1883 might set us back even further, since the reorganization would require coordination by several different agencies, yet could not be a major priority for any one of them in view of their other, ongoing functions.

To my mind, these flaws constitute a flashing yellow warning signal that Congress and the Nation cannot afford to ignore if we care about our children's education. We already are moving in the bipartisan-agreed-upon direction needed to bring about real improvement, and it simply doesn't make sense to reverse course by engaging in an exercise in moving boxes around on an organization chart.

A further warning comes from a study cited by Congressman Gunderson in his recent testimony before this Committee. Of 531 organizations surveyed that downsized in the early 1990s, just 61 percent were able to reduce costs, and less than half (46 percent) increased profitability. Since I believe that public sector downsizing is actually more complicated than in the private sector, those figures suggest that the disruption and dislocation created by either the merger proposal or H.R. 1883 will neither lower costs to taxpayers nor improve service to our customers. The obvious question for the Committee is this: why try either one?

## **OTHER CONCERNS WITH THE PROPOSALS**

In addition to the common defects afflicting the two proposals, specific aspects of each plan are likely to create additional problems. For example, the merger plan largely ignores the very different roles of the Departments of Education and Labor, and how these roles might interact in negative ways. The Federal role in education is not focused on narrow training programs aimed at securing a job, but on improving the overall quality of education and quality of life for both the individual and the Nation. By providing resources and research to help States and communities improve teaching and learning, and by ensuring access to postsecondary education, the Department helps support families in preparing their children with a solid foundation of knowledge and skills to be good citizens, responsible parents, and involved community leaders as well as good workers. The focus of the new agency on workforce issues would de-emphasize these other purposes.

Our major concern specific to H.R. 1883 is the block grant proposals. First, we believe that block-granting nearly all Federal elementary and secondary education programs is merely the first step toward dramatically reducing — and possibly even eliminating — Federal financial assistance for elementary and secondary education. This isn't just conjecture on our part: the 1981 consolidation of elementary and secondary programs into the Chapter 2 block grant program resulted in a 37 percent reduction in funding. Moreover, the sunset provision in

H.R. 1883 for the new Office of Economic Opportunities provides additional evidence of the intention to simply eliminate the Federal role in education.

Second, the block grant concept would preclude the targeting of Federal education funds to disadvantaged populations that characterizes most of our current programs. In theory, States would be free to continue favoring poor students and communities in allocating block grant funds. However, my own experience as a former Governor, as well as the fact that over half of our States are currently involved in school finance litigation, tells me that the reality is far different, and that States may face great difficulty in allocating education funding to those students with the greatest need for assistance. Federal need-based formula grant programs — especially Title I — help compensate for this difficulty. In my view, rolling up these programs into a single block grant — allocated on the basis of population — would do just the opposite by exacerbating existing school financing inequities within States.

And third, the block grant approach complicates efforts to ensure accountability for the use of Federal funds. The “no-strings” block grant proposed in H.R. 1883 could result in the use of Federal dollars for activities of little or no educational value. A recent GAO study confirmed these fears. There is a clear need to focus on accountability for results, and funding formulas must reflect need and the ability to pay. Particularly in the context of continuing efforts to erase the Federal budget deficit, it will be very difficult to maintain block grant funding to improve

education without accountability to taxpayers for how the funds are used, or worse, if funds end up being used for things no taxpayer would support.

### **CONCLUSION**

I have examined all the different aspects of these proposals, and do not see any possible way for either of them to do anything helpful to American education. The issues addressed by the proposals appear to be derived more from political than educational considerations, and as such, I believe they would be harmful to America's children. I urge the Committee to reject both proposals.



**Testimony of Robert G. Morrison  
Education Policy Analyst  
Family Research Council  
before the House Committee on Economic  
and Educational Opportunities  
June 29, 1995**

Mr. Chairman and Members of the Committee: my name is Robert G. Morrison and I am here to represent Gary Bauer and the Family Research Council. Our organization serves more than 250,000 members nationwide. I served with Gary Bauer in the U.S. Department of Education from 1985-87. My testimony today will call for the disestablishment of the Department of Education and the repeal of Goals 2000, the Educate America Act.

In 1979, when President Jimmy Carter first proposed the creation of a U.S. Department of Education to repay the National Education Association for its political support, columnist Marvin Stone warned of the centralization of power over education: writing for *U.S. News & World Report*, Stone asked: "Would the Education Department have the power to tamper with America's traditional local control of education? Of course it would. Where there is money to be given, there is the implicit responsibility to make sure that it is spent according to the purposes of the donors -- or else." Despite half-hearted objections at the time, the Department has moved inexorably toward greater and greater control over local education. With Goals 2000, the U.S. Education Department and other federal bureaucracies seek to tighten their grip on the genuine education reform movement and extinguish it.

Of course, these ceaseless efforts at centralization will fail. They must fail, because they sap local community spirit and individual responsibility. They must fail because, as Mr. Jefferson said: "If we waited for Washington to tell us when to sow and when to reap, we should soon want bread." They must fail for an even more profound reason. Alexis de Tocqueville has been recently quoted both by President Bill Clinton and by Speaker Gingrich. But Tocqueville, as a genius of political science, explained *why* the attempt to centralize administration ultimately fails.

*However enlightened and skillful a central power may be, it cannot of itself embrace all the details of the life of a great nation. Such vigilance exceeds the powers of man. And when it attempts unaided to create and set in motion so many complicated springs, it must submit to a very imperfect result or exhaust itself in bootless efforts.*

*Alexis de Tocqueville*

*Democracy in America, 1835*

“Imperfect results” and “bootless efforts” pretty well describe the record of the U.S. Education Department. Under the spur of Goals 2000, the Department has seen fit to endorse the new national history standards. These politically-correct standards seek to teach all American students that Madonna and the Simpsons are significant figures, while neglecting Paul Revere, the Wright Brothers, Marian Anderson and Jonas Salk. They speak of “Soviet advances in space” and the *Challenger* disaster, while completely omitting the U.S. landing on the moon even though Arthur Schlesinger, Jr., a respected liberal historian, has said that the moon landing may be the most significant event of the twentieth century. Worse, the standards could be fairly termed “anti-American” history standards because they teach young people that U.S.-Soviet “swordplay” led to the American involvement in Korea, Vietnam and U.S. interventions around the world. Never do the standards speak of Soviet invasions of Hungary, Czechoslovakia or Afghanistan. Never do the standards acknowledge communist efforts at subversion in the U.S. or Western Europe. We urge this committee and the full House to join the Senate in denouncing these history standards.

Not only do we at Family Research Council believe that the national history standards that have been produced are unacceptable, we believe that *any* effort of the federal government to dispense official truth is misguided and dangerous. We have only to look at the Clinton administration’s recently reported failure in the area of childhood immunizations to recognize the harm that government can do when it manufactures a crisis based on faulty data and a political agenda. Yet, if there are any of our liberal friends who still defend the idea of a political determination of U.S. history, we would ask them to consider this: what if national history and economics standards were to be devised by Professor Gingrich, Professor Gramm and Professor Armey?

The reality in contemporary American life is that parents, taxpayers and citizens generally are not of one accord about all education programs. There is broad support, measured by polls, for safe and drug-free schools. There is consistent public backing for schools which teach children reading, writing, arithmetic and history, for schools which impart reliable standards of right and wrong. But there is no stable consensus on many other hotly-debated issues. Family life and sex education continue to be points of contention. Methods of teaching reading, similarly, divide Americans. So, too, does the teaching of evolution. Even bilingual education is fraught with controversy. What the Education Department and Goals 2000 do is put the federal government in the middle of all these controversies.

When the federal government becomes an antagonist, it is viewed increasingly as hostile to one or another group of parents or interests. That is why we at Family Research Council support the *disestablishment* of the U.S. Department of Education and the *repeal* of Goals 2000. We seek the return of decision-making authority to local communities -- to elected school boards which are close to the people they serve. We also strongly support parental choice of schools. Only when every parent can freely choose a safe and effective public, private, religious or home school will we have an end to the interminable clashes over education and values.

Many in the education establishment, we know, question whether parents are capable of wisely choosing a school for their children. To this we can only answer: if parents are capable of choosing presidents, governors and members of congress, then surely they can choose a school. Further, if advocates of a public school monopoly persist on this point, we must challenge them. If Americans cannot make an *educated* choice of schools for their own children, whom they love, then who bears the responsibility for their failure? We have had compulsory public schools in this country for a century and a half. Nearly ninety percent of Americans attend those schools. The fact is, of course, parental choice works. That's why some of those most knowledgeable about education -- including teachers' union members, the Clintons and the Gores -- choose their own children's schools.

Our vision for education reform includes a de-centralization of decision-making which will not only be effective in getting us "back to basics," but which will also reinvigorate democracy at the grassroots. One of the reasons why Goals 2000 will fail is because it saps local initiative and disperses accountability. There are also historical reasons. We have attempted a more modest, arguably a more realistic national goals effort before.

In 1984, the Reagan administration sought to set out Goals 1990. It hoped to have American students recoup just *one-half* of the points lost in the SATs since the mid-60s. Initially, there were some hopeful upticks. But, by the end of the decade of the 80s, it became clear that American students were not listening to even the best lectures from the Bully Pulpit. In 1990, President Reagan had retired to California, deservedly honored for his central role in the defeat of communism, respected throughout the world for unleashing a great and productive economy and looked to with gratitude by millions of American families for his championing of parental rights and traditional values. No one criticized Ronald Reagan for the failure of U.S. students to achieve Goals 1990.

The education establishment says that "kids deserve a place at the table with the President." It's an attractive soundbite. But it would be far better for us to have a nation of "education mothers and fathers" and empowered local education leaders than it would be to hold out a role for the President or Congress that is neither realistic nor constitutionally appropriate. The truth is, the President and Congress are always going to be preoccupied with taxing and trading, with national defense and international cooperation. We need to move beyond "kids as props" to show Washington's intimate concern for education.

This Congress has before it legislation which will disestablish the Department of Education and repeal Goals 2000. Family Research Council shares these objectives. We look forward to working with the members of this committee and with your staff to perfect it. We urge this committee to give the resources and the responsibility back to the parents, taxpayers and locally elected leaders who can most effectively act to improve education.

To de-centralize education decision-making is to recognize once again “the genius of the people” of which Madison spoke in *The Federalist Papers*. By disestablishing the U.S. Department of Education and repealing Goals 2000, this Congress will demonstrate its respect for the Constitution and, especially, the Tenth Amendment. This Congress will show that it listens to the petitions and the concerns of millions of parents. Congress will also prove that it is serious about cutting wasteful federal spending. While this action may not gain this body the title of the “Education Congress” from the vested interest, it will win for this Congress a new measure of gratitude and respect for restoring “Democracy in America.”

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## GOALS 2000: THE CASE FOR REPEAL

by

*Jennifer A. Marshall*

If further centralization of education and added bureaucracy will improve America's schools, if federal coercion will promote school autonomy, if government nannies are expert teachers of parenting skills -- then Goals 2000 is exactly what the ailing American education system needs.

But Americans overwhelmingly rejected last fall the "government knows best" philosophy of which Goals 2000 is another manifestation. If this Congress intends to keep its campaign promises of decentralizing authority, returning power to states and localities, empowering American families, balancing the budget, and reducing the deficit, then Goals 2000 must be repealed. It is an impediment to these goals. Leaving intact the Goals 2000 formula for restructuring American education will undo any education reform this Congress hopes to accomplish.

Goals 2000 (P.L. 103-227) is the Clinton Administration's plan to drastically restructure the American education system. "Goals 2000 establishes overall direction for a new local-state-federal partnership in education," writes Gordon M. Ambach, executive director of the Council of Chief State School Officers.<sup>1</sup> It increases the federal role by imposing a congressional formula for reform on any state, school district, or school that wishes to receive funding under this act.

The priority of the restructuring agenda can be seen in the appropriations. Less than half the funding for Goals 2000 will reach local schools in this first year of its existence. Of the \$105 million appropriated for Goals 2000 in FY 94, \$92.4 million (88 percent) is targeted toward state grants. Stipulations in the law require that only 45 percent of each state's grant be filtered down to individual schools.<sup>2</sup> That means only \$42 million, or 40 percent of the original appropriation, will ever reach the schools. The other 60 percent constitutes the bureaucratic skim that is being used at each level to create the new framework for the educational system.

The danger of the Goals 2000 restructuring agenda is that all future federal experimentation with education will be easily inculcated into the new network. Local schools will be extremely vulnerable to manipulation and have little, if any, autonomy.



FAMILY  
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Gary L. Bauer  
*President*

The bureaucratic waste and ominous restructuring agenda of Goals 2000 are just the beginning of the argument against this legislation that will radically change American education. Its ten titles contain dozens of problem areas that warrant the repeal of Goals 2000.

## TITLE I -- NATIONAL EDUCATION GOALS

This title codifies eight national education goals. Six were developed by 49 governors and President Bush in 1989 at the Charlottesville education summit. The other two goals, parental participation and teacher education, were added as bait to sell the Goals 2000 legislation to interest groups, such as teacher unions and the PTA, which supposedly represent the views of teachers and parents.

- The concept of national education goals is based on faulty logic. If the federal government is setting goals, that presupposes that it has the authority and ability to ensure the accomplishment of the goals. Reaching national education goals will require an unprecedented federal intrusion in schools.
- Had the goals been popularly developed and had Americans asked for federal supervision in achieving them, Goals 2000 might be procedurally, if not philosophically, a legitimate plan. They did not and it is not. Secretary Riley reveals this as he retells the history of the Goals 2000 legislation:

In the first place, educators had not been in on the ground floor when the National Education Goals were developed in 1989 and 1990. The goals were viewed by many as a classic example of a top-down reform imposed on localities.... Nor had parents, citizens, or the business community been brought into the picture in a meaningful way.... Finally, neither members of Congress nor state legislators had a hand in crafting the goals.... The truth was that the reform movement at the national level had absolutely no statutory basis.... The National Education Goals, three years after their announcement, had no legal standing of any kind.<sup>3</sup>

- National education goals cannot be reached through a *voluntary* program. If the Clinton Education Department intends to reach these goals, they certainly cannot believe that Goals 2000 is voluntary, or at least they do not intend that it will be optional for long. The goals are stated in section 102 using all-inclusive language: "all students will leave grades 4, 8, and 12 having demonstrated competency over challenging subject matter....," and "every school in the United States will be free of drugs...." These goals absolutely cannot be accomplished through a voluntary program. The crafters of this legislation were either deceived or deceptive when they touted Goals 2000 as voluntary.

## TITLE II -- NATIONAL EDUCATION REFORM LEADERSHIP, STANDARDS AND ASSESSMENTS

Understanding title II is key to understanding the significance and danger of the Goals 2000 legislation. This title is the heart of the restructuring agenda. It creates two new national bureaucracies: the National Education Goals Panel (NEGP) and the National Education Standards and Improvement Council (NESIC).

The driving force of the Goals 2000 reform plan lies in title II: *standards*. Three types of national standards are defined: content standards, performance standards and opportunity-to-learn standards. In order to apply for a grant under Goals 2000, each state must develop its own content, performance and opportunity-to-learn standards, or adopt the national standards in each of the three areas (see title III).

Title II is very problematic for anyone who believes in a decentralized system of education:

- Clearly, adding bureaucracy is contrary to the goals of this Congress. It will not lead to better education, only waste.
- Goals 2000 called for the creation of the National Education Standards and Improvement Council (NESIC) within 120 days of the law's enactment (March 31, 1994) [Sec. 212(e)]. The council was not named during that time, nor has it been since then, yet in FY 94 \$2 million was appropriated for its use. To what end are these funds being used?
- NESIC was to "identify areas in which voluntary national content standards need to be developed" [Sec. 213(a)(1)(A)]. Since NESIC has not been formed it obviously has not performed this function. Which bureaucrat decided what standards projects would be funded? With such anonymity there is no accountability.
- The content standards are being presented to school personnel and the general public as though they have been officially and legally approved. Neither of these can happen because the body set up by law to certify the standards -- NESIC -- does not exist. It is misleading to present these as *the* "national standards" when they have been neither federally nor popularly approved.

The *National Standards for United States History*, produced by the Center for History in the Schools, are a case in point. A politically correct account of American history, these standards are being presented to history teachers as *the national standards*. While Congress may believe it has addressed the issue with the Senate's 99 to 1 vote to reject the U.S. history standards, this non-binding resolution was merely symbolic. In Goals 2000, Congress gave authority over the standards to NESIC. That makes the Senate's resolution only a good gesture. Congress should follow this vote to reject the history standards with a vote of much greater significance: the repeal of the entire Goals 2000 legislation, which calls for national standards and has the potential to produce more material like the U.S. history standards.

- The federal government should not be involved in the creation of standards. Government-endorsed standards are by nature coercive, not voluntary, and will create a body of "official knowledge." This is contrary to the American tradition of freedom of thought. Furthermore, content standards deal with curriculum, an area which the federal Department of Education was expressly forbidden to enter when it was created in 1979. The creation, critique and usage of standards must remain a community endeavor. No further federal money should be spent on standards projects, and there should be no federal certification or endorsement of existing standards.

Opportunity-to-learn (OTL) standards are an especially troublesome element of title II:

- These standards shift the focus of reform back to increasing inputs into education, a tried-and-failed method. OTL standards chosen by states and school districts will require schools to provide adequate resources -- including such things as gender-equitable materials, curriculum aligned with national content standards, and anything else NESIC deems appropriate.

- OTL standards are measuring sticks for schools and teachers, not for students. They are not a reliable method for improving student achievement. Indeed, numerous studies linking dramatically increased spending and declining test scores indicate that spending does not drive academic success.<sup>4</sup>

- OTL standards invite further federal intrusion in American education. Diane Ravitch, an assistant secretary of education in the Bush administration, wrote, "[T]he new standards, euphemistically called 'opportunity-to-learn' standards, would permit Federal regulation of curriculum, textbooks, facilities and instructional methods.... The bill describes the Federal 'opportunity-to-learn' standards as 'voluntary,' but litigation would quickly turn them into mandates."<sup>5</sup>

The idea of lawsuits and mandates is not an alarmist fabrication; an Alabama state court recently declared the state school system unconstitutional for not providing adequate education to its students. The judge's 125-page opinion imposes OTL-type standards on the state's schools.<sup>6</sup>

### **TITLE III -- STATE AND LOCAL EDUCATION SYSTEMIC IMPROVEMENT**

This title authorizes block grants to states and subgrants to local school boards [Sec. 309(a)].

- In order to receive a grant under Goals 2000, a state is obligated to adhere to the federal outline for reform: opportunity-to-learn standards, content and performance standards, assessments, etc. State improvement plans must be approved by the Secretary of Education. Never before have states had to submit such lesson plans to the federal government for approval. Contrary to the rhetoric of Goals 2000, this is not a formula for local authority

over school reform; it makes the word *voluntary* moot.

- In its grant application, a state must include "an assurance that State law provides adequate authority to carry out each component of the State's improvement plan..." [Sec. 305(a)(2)(B)]. In other words, the state must explain how it will impose the Goals 2000 agenda on each of its school districts, voiding the voluntary option for them as well.
- The Goals 2000 prescription for reform encourages states to include plans to transform schools into "one-stop shopping" centers which offer a variety of social services, including health care and child care [Sec. 306(f)(2)]. This coordination of services tends toward a collectivism which is contrary to our nation's history as a free society. Concentrating the services in one place and on one group of people may lead to a sense of dependency.
- Advancing social services, health care and related services likely includes the promotion of school-based clinics (SBC). The term "coordinated services" has been used by proponents to refer to school-based clinics. These clinics commonly distribute contraceptives and, when these measures fail, the clinics refer for abortion.

#### **TITLE IV -- PARENTAL ASSISTANCE**

This title provides for parental information and resource centers and describes parental involvement in education. Laudable as it sounds, this title is problematic:

- Goal 8 (parental participation) and title IV (Parental Assistance) assume that schools and parents have equal authority over and responsibility for children. The legislation denies the fact that parents' authority over their children is intrinsic and that schools have only a delegated authority.
- To improve family life and help parents, Goals 2000 suggests more programming, more meetings, more time at school and with school personnel, and more home visits from professionals. All of this leaves less time for parents and children to spend together.
- With their Goals 2000 grants, states must spend money on "parent education." Parents as Teachers (PAT), which advocates home visits by counselors beginning at birth, is one of the programs specifically endorsed by the law. Not only are states encouraged to use their "parent education" money to fund PAT programs, but the objectionable organization was directly appropriated \$10 million under Goals 2000 for FY 1995. The House Education, Labor, HHS Subcommittee for Appropriations is to be commended for targeting this program for termination. Its rationale for proposing cuts to parent education programs is that "these are the very paternalistic and 'government knows best' programs that the American people rejected last year."
- Publicly-funded institutions like PAT are not equipped to improve families because they cannot speak to the values issues inherent in the breakdown of families. Private voluntary

associations and individuals must take responsibility in this arena.

## **TITLE V -- NATIONAL SKILL STANDARDS BOARD**

Title V is devoted to linking education to business and industry. It authorizes the creation of another national bureaucracy: the National Skill Standards Board (NSSB). NSSB will establish business-education partnerships and oversee development of skill standards and assessments.

- The \$3 million spent in 1994 to develop skill standards is another misguided appropriation of funds. It also calls for the development of national assessments to certify achievement of the skill standards. These additions, however, will not produce better candidates for business. According to a *Chicago Tribune* article, employers seek critical thinking and creativity, but when it comes to promoting those skills, "most of the visible school reform efforts, such as uniform national testing schemes, head 180 degrees in the wrong direction."<sup>7</sup>

## **TITLE VI -- INTERNATIONAL EDUCATION PROGRAM**

Title VI calls for evaluation of foreign education systems. It also sets up a program of education personnel exchange with central and eastern European countries and any country formerly a part of the Soviet Union.

- The United States does not have the resources to "provide Department of Education personnel and technical experts to assist eligible countries to establish and implement a database or other effective methods to improve educational delivery systems, structure and organization" [Sec. 601(c)(5)]. Moreover, U.S. envoys should not be pushing the Goals 2000 agenda, unproven in our own country, on eastern European countries.

## **TITLE VII -- SAFE SCHOOLS**

This title provides grants to local school districts to achieve safe and drug-free schools. Section 705 describes types of programs to be implemented to prevent violence.

- Conflict resolution, anger management, and peer mediation are cited as "programs of demonstrated effectiveness in addressing violence" (Sec. 705). In reality, experts are skeptical of these soft-approach violence prevention programs.<sup>8</sup>
- We cannot afford to spend millions on a violence prevention strategy that includes programs of no proven effectiveness. Serious efforts must be made to curb violence, but conflict resolution and peer mediation will not get to the real solution: changed lives and families.

## TITLE VIII -- MINORITY-FOCUSED CIVICS EDUCATION

This title provides grants for teacher seminars on minority-focused civics and government.

- Minority-focused courses will likely promote versions of history similar to that produced by the Center for History in the Schools in its *National Standards for United States History*: politically correct, victim-focused, anti-American, and inaccurate. Claiming to be multicultural, the standards selectively include minority figures from American history who are currently in vogue. Teaching minorities using such curriculum will not produce acculturation but cultural friction and fragmentation.

## TITLE IX -- EDUCATIONAL RESEARCH AND IMPROVEMENT

Title IX makes organizational changes in the Department of Education's Office of Educational Research and Improvement (OERI); prescribes OERI's functions in relation to Goals 2000; establishes within OERI a National Educational Research Policy and Priorities Board, five National Research Institutes, and a National Education Dissemination System linking federal and local agencies. It also authorizes expansion of research grants for comprehensive school health education (Sec. 971).

- Once again, Goals 2000 aims to improve education by adding and reshuffling bureaucracy.
- Health education, which includes sex education, has already been a major source of grief to parents. Advancing these programs will undoubtedly lead to an increase in challenges to parental authority.

## TITLE X -- MISCELLANEOUS

This catch-all title contains a gun-free school act, a non-smoking policy for children's services in schools, a policy for distribution of contraceptive devices, and authorization of grants for Midnight Basketball programs.

- The Goals 2000 policy on contraceptive devices further marginalizes parents. Section 1018 states that "all federally funded programs which provide for the distribution of contraceptive devices to unemancipated minors [shall] develop procedures to encourage, **to the extent practical**, family participation in such programs" (emphasis added). How unlikely is it that a school administrator will find it impractical to listen to parental objections to its condom distribution policy?
- Midnight Basketball was originally a private sector plan. There is no need for government to get involved in these charitable efforts and regulate them to death.

## CONCLUSION

The proposed rescissions and terminations in Goals 2000 appropriations are good: reduction in state grants, terminating Parents as Teachers, cutting back school-to-work activities, etc. Especially significant is the \$21.5 million proposed cut in the Goals 2000 National Programs, wiping out all FY 95 funding for this account which supports development of standards and assessments.

The proposals do not go far enough, however. The Goals 2000 restructuring agenda will continue to spread like kudzu throughout America as long as states receive Goals 2000 grants. Furthermore, zero-funding the Goals 2000 programs individually leaves open the possibility of future funding. Complete repeal of Goals 2000 is the only solution.

Education reform at this historic moment calls for a reduction in the role of the federal government in the system and a return to the traditional role of school: teaching students basics like reading, writing, and arithmetic. A decisive first step will be the repeal of Goals 2000, which subverts education reform with more federal regulation and spending.

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## ENDNOTES

1. Gordon M. Ambach, "Goals 2000: A New Partnership for Student Achievement," *National Issues in Education: Goals 2000 and School to Work*, ed. John F. Jennings (Bloomington: Phi Delta Kappa, 1995) 68.
2. In the formula for first-year funding under Goals 2000, a state is required to offer competitive subgrants to local education agencies with 60 percent of the total state grant. Local education agencies must then pass on 75 percent of their monies to local schools. See section 308(a)(1) and section 309(a)(6).
3. Richard W. Riley, "Goals 2000: Educate America Act. Providing a World-Class Education for Every Child," *National Issues in Education: Goals 2000 and School-to-Work* 5-6.
4. One example is: William J. Bennett, *The Index of Leading Cultural Indicators: Facts and Figures on the State of American Society* (New York: Simon & Schuster, 1994) 82.
5. Diane Ravitch, "Clinton's Math: More Gets Less," *The New York Times* 26 May 1993.
6. Bruno V. Manno, "Deliver Us From Clinton's Schools Bill," *Wall Street Journal* 22 June 1993.
7. Tom Peters, "Creative Highflyers: Cuckoo or King of the Roost?" *Chicago Tribune* 21 November 1994.

8. See: Rochelle L. Stanfield, "Safe Passage," *The National Journal* 25 September 1993. See also: Sheryl Stolberg, "Nipping Violence in the Bud," *Los Angeles Times* 31 December 1993.

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# Family P O L I C Y

## Freeing America's Schools *The Case Against the U.S. Education Department*



century and a half ago, Alexis de Tocqueville recognized that increased centralization and bureaucratization saps civic and individual responsibility. "[A] centralized administration is fit only to enervate the nations in which it exists, by incessantly diminishing their local spirit,"<sup>1</sup> wrote Tocqueville.

Cathy Duffy, in a new book titled *Government Nannies*, echoes Tocqueville's observation: "History and common sense tell us that people are more likely to assume responsibility when they know that no one else will. If I knew that no one else was going to watch my car's gas gauge and remind me to fill the tank before it hits empty, I would do it myself. But my husband watches it closely and puts gas in the car for me. As a result of his kindness, I rarely look at the gas gauge."<sup>2</sup>

Unfortunately, many Americans seem to have forgotten this principle and have yielded responsibility for certain domestic functions to

central planners working in the federal government. Nowhere is this more apparent than in the area of education, where increased bureaucratic control has bred local apathy which, in turn, has bred greater bureaucratic control. Indeed, many contemporary

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***In the area of education, increased bureaucratic control has bred local apathy which, in turn, has bred greater bureaucratic control.***

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Americans resemble the 19th century European described by Tocqueville:

*The condition of his village, the police of his street, the repairs of the church or the parsonage, do not concern him; for he looks upon all these things as unconnected with himself and as the property of a powerful stranger whom he calls the government.... This want of*

*interest in his own affairs goes so far that if his own safety or that of his children is at last endangered, instead of trying to avert the peril, he will fold his arms and wait till the whole nation comes to his aid....<sup>3</sup>*

Tocqueville warns that, when a nation reaches this point, "it must either change its customs and its laws, or perish; for the source of public virtues is dried up; and though it may contain subjects, it has no citizens."<sup>4</sup>

### **Ending the Federal Role in Education**

The United States Constitution is a document of enumerated powers. That is, the Federal government is permitted to do only what the Constitution specifically lists. This is expressed clearly and succinctly in the 10th amendment: "The powers not delegated to the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Since education is not listed as a

GAO

Testimony

Before the Committee on Economic and Educational  
Opportunities, U.S. House of Representatives

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For Release on Delivery  
Expected at 10:00 a.m.  
Thursday, June 29, 1995

FEDERAL  
REORGANIZATION

Proposed Merger's Impact on  
Existing Department of  
Education Activities

Statement of Linda G. Morra, Director  
Education and Employment Issues  
Health, Education, and Human Services Division



Mr. Chairman and Members of the Committee:

We are pleased to be here today to take part in the Committee's continuing series of hearings to examine the congressional proposal to merge the current Departments of Education and Labor. The proposal would also merge Equal Employment Opportunity Commission (EEOC)--the federal agency enforcing laws prohibiting employment discrimination--with the two departments. The merger would combine these agencies with other selected federal programs to create a new Department of Education and Employment. Our report on the merger proposal will serve as the basis of my remarks.<sup>1</sup>

In today's statement, you asked that we (1) describe the structure and resources envisioned by the proposal, (2) discuss the proposed merger's impact on the current Department of Education's programs and activities, and (3) identify planning and transition issues that would need to be addressed.

Briefly, we found that the proposal to merge the Departments of Education and Labor and EEOC into a new Department of Education and Employment could result in savings of about \$1.65 billion in selected administrative costs through the year 2000. However, downsizing existing agency operations to the degree necessary to

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<sup>1</sup>Federal Reorganization: Congressional Proposal to Merge Education, Labor, and EEOC (GAO/HEHS-95-140, June 7, 18985).

achieve these savings must be carefully planned. The proposal's cost savings goal in addition to its organizational requirements would significantly change Education's existing structure, program offerings, and processes. The proposal would also raise program consolidation, workforce, accountability, implementation, and oversight issues that the Congress, Education, and other agencies may need to address to ensure that federal education and training programs meet our nation's needs.

#### BACKGROUND

According to congressional sponsors, the proposal for the Department of Education and Employment is based on the premise that the nation cannot adequately prepare its youth for the challenges of the 21st century until fundamental changes are made in federal policy on education and employment issues. The sponsors believe such policy changes would require merging federal duties and responsibilities into a single Department.

As one of the three agencies included in this merger proposal, Education manages the federal investment in education and is involved in the long-term effort to improve education. Established in 1980, Education's mission is to help ensure access to education and to promote improvement in the quality and usefulness of education. In fiscal year 1995, Education was appropriated \$32.1 billion and authorized 5,131 full-time equivalent (FTE) positions

to administer and carry out its activities. Education administers about 240 programs with its budget.

Over the years, the Congress and others have criticized Education for not carrying out its responsibilities effectively. In our 1993 report of Education's management, we highlighted several weaknesses such as lack of top-level leadership and clear priorities, poor financial management, and low staff morale.<sup>2</sup> However, Education has taken steps to improve its management and culture by, among other things, articulating management priorities, instituting a new management structure, and implementing various total quality management initiatives within the agency. According to Education, some of its improvement may realize budget savings.

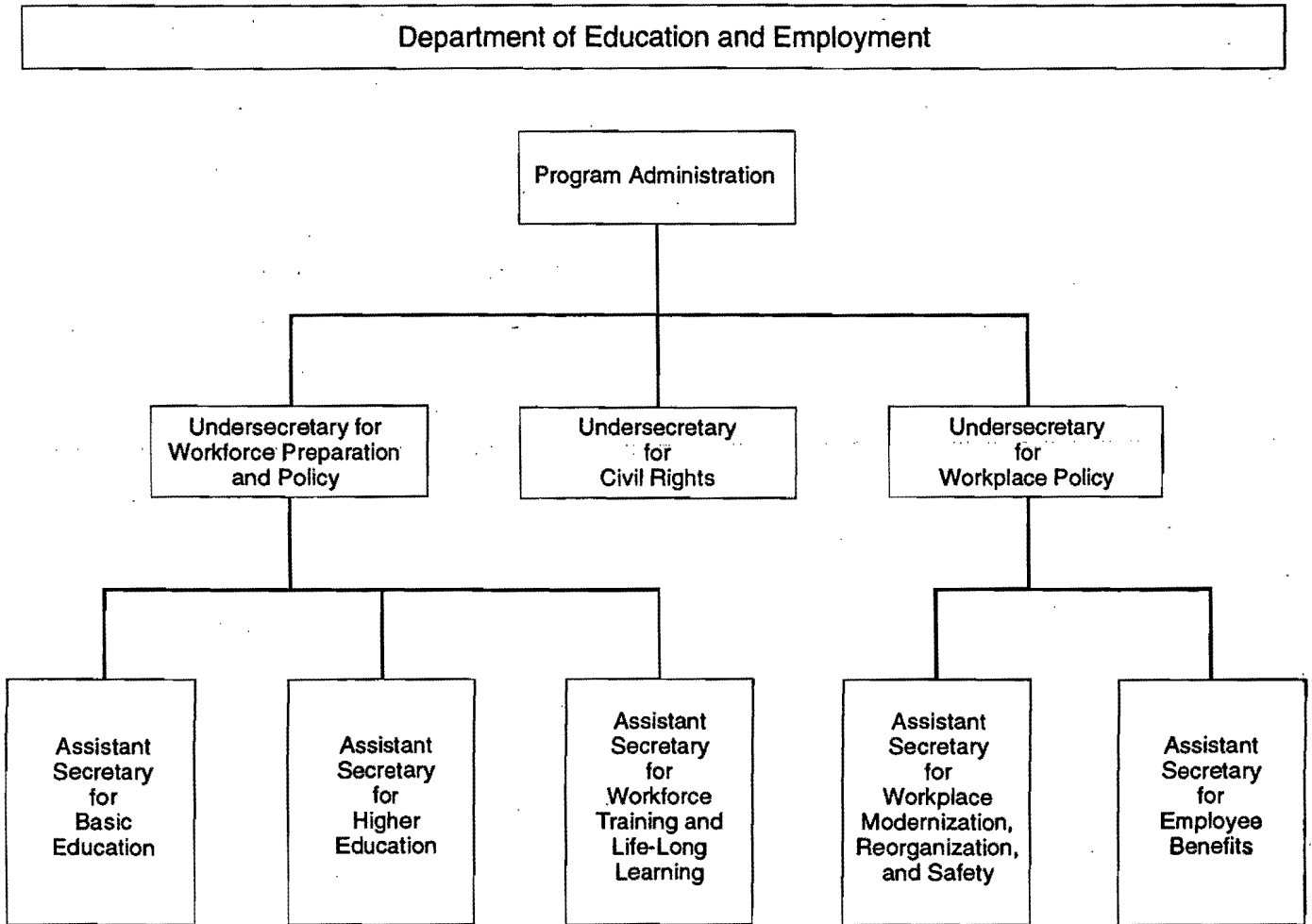
#### THE MERGER PROPOSAL

The Education-Labor-EEOC merger proposal, first announced in February, has two major components: (1) the consolidation, elimination, and reduction of existing management functions and programs from existing agencies into a new cabinet-level organizational structure and (2) the achievement of administrative cost savings resulting from this new structure. The structure of the proposed Department of Education and Employment is shown in figure 1.

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<sup>2</sup>Department of Education: Long-Standing Management Problems Hamper Reforms (GAO/HRD-93-47, May 28, 1993).

**Figure 1: Proposed Department of Education and Employment**



Overall Department direction and vision would be provided through its Program Administration function. It would include all departmentwide management functions such as the Offices of the Secretary; Deputy Secretary; public, congressional, and intergovernmental and interagency affairs; management and budget; adjudication; general counsel and solicitor; inspector general; as well as statistical collection and dissemination activities.

In addition, three Undersecretaries would oversee all program-related activities: one for Workforce Preparation and Policy would manage most education and adult training programs; the second for Civil Rights would direct the enforcement of all civil rights laws and the elimination of education and employment discrimination; and the third for Workplace Policy would administer programs focusing on workplace modernization, safety, and benefits.

On the basis of fiscal year 1995 data and information available to us when we completed our work, the proposed Department would initially have a budget of almost \$71 billion. In addition, the new Department would have about 25,650 FTE positions and over 1,200 field offices throughout the country (see table 1.).

Table 1: Staffing Levels for the Proposed Department of Education and Employment

Function/office in the proposed Department	Fiscal year 1995 staffing level <sup>a</sup>			Number of field offices
	Total	Headquarters	Field	
Program administration	7,007	4,604	2,403	154
Office of Civil Rights <sup>b</sup>	4,809	1,079	3,730	125
Office of Basic Education	851	691	160	12
Office of Higher Education	1,481	835	646	10
Office of Workforce Training and Life-long Learning	1,930	773	1,157	296
Office of Workplace Modernization, Reorganization, and Safety	6,544	894	5,650	549
Office of Employee Benefits	3,030	1,188	1,842	76
Total	25,652	10,064	15,588	1,212 <sup>c</sup>

Source: The Departments of Education, Labor, and Health and Human Services and EEOC.

<sup>a</sup>Authorized FTEs.

<sup>b</sup>This office would bring together (1) EEOC; Labor's Office of Federal Contract Compliance Programs, Directorate for Civil Rights, and the President's Committee for the Employment of People With Disabilities; and Education's Office for Civil Rights and Training and Advisory Services program (under Title IV of the Civil Rights Act).

<sup>c</sup>Totals do not add because, due to organizational changes called for in the proposal, 10 Labor field offices supporting job training activities are counted twice.

According to the proposal, administrative spending would be reduced by approximately 20 percent from current levels over the next 5 years. Our report illustrated the potential effects of these savings on current staffing levels under two different reduction scenarios. Both scenarios would save \$1.65 billion in administrative costs over 5 years--\$990 million in compensation and benefits; \$530 million in other expenses, such as rents, utilities, and travel; and \$140 million in administrative costs from eliminated programs. The first scenario would achieve the \$990 million through a 1-year reduction in staffing. This would mean that 3,500 FTEs would have to be eliminated in the first year to achieve a \$198 million reduction, which would equal \$990 million over the 5-year period.

Our past work has shown that staffing reductions of this size often require reduction in force (RIF) procedures.<sup>3</sup> If that is the case, under the 1-year scenario, additional staffing reductions--possibly one-third more--could be required to cover the costs associated with RIFs.<sup>4</sup> That would mean that the actual number of FTEs that might need to be eliminated may be closer to 4,600 (3,500 plus an additional 1,100).

The second scenario would be a more gradual staffing reduction--one that is phased in over 3 years. This would mean a relatively

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<sup>3</sup>Reduction in Force Can Sometimes Be More Costly to Agencies Than Attrition and Furlough (GAO/PEMD-85-6, July 24, 1985).

<sup>4</sup>Congressional Oversight: The General Accounting Office (GAO/T-OCG-95-4, Mar. 30, 1995).

smaller FTE reduction the first year, but, overall, it could yield a greater staffing reduction to achieve the \$990 million in compensation and benefit savings. Our analysis showed that such an approach would require a reduction of almost 4,200 FTEs over 3 years to achieve the \$990 million in the 5-year period. While this approach would allow for additional alternatives to reduce staffing (such as attrition or buy-out incentives), a RIF of some kind could be necessary. If so, this would increase the number of FTEs--beyond 4,200--that would need to be eliminated.

Our past work on the downsizing experiences of private-sector organizations and state and foreign governments showed that decisions to downsize in the private sector were the result of corporate restructuring designed to make work processes more efficient or eliminate unnecessary functions. Reducing employment was seldom the initial objective; rather, it was the consequence of eliminating unnecessary work.

PROPOSED MERGER'S IMPACT  
ON DEPARTMENT OF EDUCATION

The merger proposal would significantly impact Education's (1) organizational structure and related staffing levels and (2) mix of programs and services.

Organizational Structure and Staffing

On the basis of the merger proposal, specific management and research functions within Education would be combined with those of other agencies to eliminate the redundancy of administrative and oversight activities. The proposal calls for most of Education's departmentwide management functions--such as the Secretary, Chief Financial Officer, Inspector General, and Public and Congressional Affairs--to be consolidated with similar functions from Labor to form the proposed Department's Program Administration function. Currently, 2,354 Education FTEs carry out these functions. Merging the functions of these two departments might eliminate, for example, the need for separate management positions or personnel and computer systems. Education's civil rights activities, however, would not become part of the proposed Department's Program Administration; instead, they would be managed by the Undersecretary for Civil Rights.

Proposal sponsors anticipate a 40-percent administrative cost reduction in departmentwide management functions, including both

Education and Labor positions. On the basis of our analysis, this could result in reduced staffing in this area of 1,578 or 2,009 FTEs in 1 or 3 years, respectively.

Education's National Center for Education Statistics and National Occupational and Information Coordinating Committee would be combined with Labor's Bureau of Labor Statistics, Women's Bureau, America's Job Bank, and National Occupational and Information Coordinating Committee to form the Bureau of Education and Employment Statistics. According to the proposal, this new Bureau, included in the Program Administration function, would realize efficiencies from administrative and data consolidations. About 150 Education FTEs carry out education statistics functions. We determined that the Bureau of Education and Employment Statistics would need to reduce its staffing by 133 FTEs in 1 year or 146 FTEs in 3 years to help achieve the proposal's overall cost reduction goal.

In addition, under the direction of the Undersecretary for Workforce Preparation and Policy, three Assistant Secretaries would manage education-related programs in the proposed new Offices of Basic Education, Higher Education, and Workforce Training and Life-Long Learning to create a consistent strategy for providing education and training for youth and adults of all ages.

The merger proposal did not designate an administrative cost savings goal for specific types of education programs. It did, however, specify about a 30-percent reduction in administrative costs

for all education programs to be included in the Offices of Basic Education, Higher Education, and Workforce Training and Life-Long Learning. Our analysis showed that, to achieve the proposal's overall administrative cost reduction goal of \$1.65 billion in 5 years, these three offices would have to be reduced by 1,069 positions in 1 year or 1,241 positions in 3 years.

### Mix of Programs and Services

Some of Education's current categorical programs, including the Title I program--the largest Education categorical grant program--would be absorbed into the proposed Department in their present form, while others could become components of consolidation grants. Still other programs would be eliminated or transferred to other federal agencies.

About 115 programs currently administered by Education would continue to be managed by the proposed Offices of Basic Education, Higher Education, and Workforce Training and Life-Long Learning. These programs would support the general education of U.S. youth from kindergarten through adulthood, including programs targeting special populations such as the disadvantaged, disabled, limited-English proficient, and Native American children. These programs received about \$31 billion in fiscal year 1995 in grants and represent about 2,443 FTEs.

Proposal sponsors anticipate that Education programs supporting vocational and adult education, school-to-work transition, vocational rehabilitation, and literacy would become parts of four proposed consolidation grants. These grants were suggested in the merger proposal and included in H.R. 1617 introduced in the Congress on May 11, 1995. With this legislation--titled the Consolidated and Reformed Education, Employment and Rehabilitation Systems (CAREERS) Act--sponsors intend to repackage the array of categorical workforce development and literacy programs now administered by Education and other federal agencies into a comprehensive system to meet the education, employment, and training needs of U.S. youth and adults. States would be eligible to receive funding from one or more of the following consolidation grants: Youth Workforce Preparation and Development; Adult Employment and Training; Adult Education, Family Literacy, and Library Technology; and Vocational Rehabilitation.

The proposal also earmarked 20 Education programs for elimination and two others (Innovative Community Services Projects and Urban Community Service) for transfer to the Corporation for National Service. The CAREERS bill also identifies for elimination at least 10 Education programs supporting postsecondary education included in the proposal and over 20 others not included.

## SIGNIFICANT PLANNING AND TRANSITION

### ISSUES NEED TO BE ADDRESSED

If the proposed merger takes place, congressional and federal officials responsible for planning the merger and transitioning current Education programs and functions into the new agency would face challenging issues. Education and other affected and designated officials would likely work together to address the following consolidation, workforce, accountability, implementation, and oversight issues.

#### Consolidation

Should education-related programs currently administered by other federal agencies also be managed by the proposed Department?

On the basis of our past work, we have identified education- and employment training-related categorical programs that may be candidates for consolidation. At least 13 federal agencies other than Education manage these programs now. For example, the Departments of Veterans Affairs, Energy, and Health and Human Services administer about 32 postsecondary education programs.

#### Workforce

What skills, roles, and staff would be needed to implement the proposed Department's priorities and manage the new mix of education-related programs and activities? On the basis of our past work,

movement toward a streamlined, more consolidated array of programs may dictate a change in the skills, roles, and number of staff administering these programs. For example, certain grant processing activities associated with managing categorical programs could be eliminated or devolved to grantees, requiring more emphasis on data collection, compliance, and other assessment activities at the federal level. In addition, the proposed Department's "reinvented" role in education envisioned by sponsors of this proposal could require a workforce with skills that differ from those of the current workforce.

To what extent would field offices still be needed to implement certain programs and administrative functions effectively? Our work on the merger proposal identified field office functions, as well as headquarters positions, that must also be considered in merger deliberations. Currently, 22 Education field offices support the agency's inspector general, management, and intergovernmental affairs functions as well as and its vocational rehabilitation services and student financial assistance activities. Proposed decreases in the number of programs to be administered and changes in the types of programs available may require a reexamination of these offices within the new Department's organizational structure.

## Accountability

How would the proposed Department ensure the accountability of states and localities that receive federal consolidation grants?

Ensuring a focus on program results and outcomes while preserving the flexibility inherent in consolidation grants could be extremely challenging. The Congress maintains an interest in the use and effectiveness of federal funds provided through consolidation grants. We found, however, on the basis of our past work, that when information is lacking about these types of grants, the Congress becomes more prescriptive.<sup>5</sup> The proposed Department, in consultation with the Congress, would need to decide the nature and kind of information needed to assess program results.

## Implementation

How would current Education functions be realigned in the proposed organization, and who would lead the transition effort?

As with other federal reorganizations (most recently the Social Security Administration), someone must be directly accountable for ensuring that the transition of Education's programs and functions proceeds in a manner least disruptive to its staff and customers.

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<sup>5</sup>Block Grants: Characteristics, Experiences, and Lessons Learned (GAO/HEHS-95-74, Feb. 9, 1995).

On the basis of our past work, we suggested a high-level, interagency implementation team could be established to plan and oversee the transition process.<sup>6</sup> Our work indicates that this team could consist of representatives from the affected agencies and perhaps the Office of Management and Budget, General Services Administration, and Office of Personnel Management. This team would be responsible for developing an implementation plan that, among other things, addresses issues of staff, funding, office space, and administrative support function requirements as soon as practicable. More importantly, the team would have the authority to ensure that sufficient resources and support functions are available on the first day of the proposed Department's existence so that administrative problems would not distract managers from their new missions and responsibilities. Such a team could be especially useful for addressing sensitive topics such as field office closings.

### Oversight

The Congress has had a long-standing and important role in overseeing federal reorganizations. We expect that as merger plans proceed, the Congress will continue its vital role and strive, through hearings and other public forums, to involve the public by giving affected parties the opportunity to comment on planned and ongoing activities.

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<sup>6</sup>Implementation: The Missing Link In Planning Reorganizations (GAO/GGD-81-57, Mar. 20, 1981).

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Mr. Chairman, that concludes my prepared statement. At this time, I will be happy to answer any questions you or other members of the Committee may have.

For more information, please call Fred Yohey at (202) 512-7218 or Karen Whiten on (202) 512-7291. Other major contributors to this testimony included Nancy Kawahara and Lori Rectanus.

(104824)

**Summary of William Brock's Testimony  
Committee on Economic and Educational Opportunities  
June 29, 1995**

In 1985, when I was named Secretary of Labor under President Reagan, one of my first tasks was to meet with Secretary of Education, William Bennett, and Secretary of Health and Human Services, Otis Bowen. There was then, there is now, a critical need for these departments to interact. Today, with the ever increasing demands of a global economy and the need for a highly skilled workforce, it is imperative that these Departments become one entity, thereby insuring policy and program coordination of human resource activities in our government.

While at the Department of Labor, I commissioned the landmark study, *Workforce 2000* which analyzed workforce and workplace trends. That report brought new attention to the serious weaknesses within our current education and training systems. For America to be competitive, these systems must change radically.

In the United States today, too many students are graduating from high school without the necessary skills needed to compete effectively in the global market. Educators, as well as government and business leaders, are redirecting their focus towards this country's most important asset--human capital. This nation's greatest resource is an educated workforce, our future depends on it.

Further, the National Center on Education and the Economy said that the United States has the worst school-to-work transition of any advanced industrial country. We have a problem of enormous magnitude.

An acute shortage of highly skilled workers in the marketplace will short circuit this nation's ability to compete in the global economy. Given the terrible inadequacy of today's public education, the future looks bleak.

For much of America's history, its public schools have been a cornerstone of progress. In the last 20 years, however, these same educational foundations our society have been eroded by a "rising tide of mediocrity that threatens the nation." By our failure to change how and what our schools teach our young people, we have put our country on a downward path toward low skills, low productivity, and low wages. We are threatening the future of our children.

Let's try to put our nation's priorities in order. There is no higher imperative than restoring our Human Resource. If the merged effects of these two Departments can contribute to that cause, it will be worth a great deal.

**Statement by**

**William D. Hansen**

**on**

**U.S. Department of Education Reorganization**

**before the**

**House Committee on Economic  
and Educational Opportunities**

**June 29, 1995**

**Statement by**  
**William D. Hansen**  
**on**  
**U.S. Department of Education Reorganization**

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to appear before you today to testify on reorganizing the Department of Education. My comments today reflect my experiences during the Reagan and Bush Administrations as well as my observations related to the direction that I believe federal education policy should be headed.

As the Committee carries out its responsibilities for departmental oversight, management review, and policy direction, it is important to understand the broader context of the Department's mission and the appropriate federal role in education. By first determining the appropriate federal role in education, answering questions relating to cost savings, program consolidation and elimination, and management improvements may be more appropriately addressed.

Mr. Chairman, much has been said about the November 1994 elections and the subsequent six months of actions taken by Congress to fundamentally change the role of government in our lives. Upon assuming the chair of this Committee, you stated that you were going to conduct a comprehensive review of the agencies and programs under your jurisdiction and hoped that the "term 'reauthorization' be stricken from the dictionary. . . We shouldn't assume programs are going to continue year after year, but intensively examine them to make sure they

are still needed and are achieving their purpose. I would suggest adding sunsets to some programs, laws and regulations."

Similarly, on January 19, 1995, the President stood with the Vice President at the White House who stated the following to the American people:

"We propose to stop doing things that government doesn't do very well and that don't need to be done by government. Over the next several months, we will be looking at every other agency and program asking the direct question, do we really need this agency; do we really need this program; is there a better way to do it; is there an opportunity here to give middle-class Americans a break? We have already eliminated over 100 programs. We will eliminate a lot more in the weeks and months ahead."

It is with these directives in mind that I will address several areas relevant to the Department of Education today: (1) the Federal Role in Education; (2) the Size and Scope of the Department; (3) Proposals to Dismantle the Department of Education; and, (4) Additional Recommendations for Consideration.

### **Federal Role in Education**

Mr. Chairman, we must keep in mind that the federal contribution to education today consists of only six percent of the total elementary and secondary dollars spent nationwide. It is in the context of this limited contribution that the appropriate federal role in support of elementary and secondary education should be established. Six percent of total elementary and secondary spending nationwide can and should be directed toward ensuring equal access and promoting educational excellence. Such limited funding cannot and should not be represented as a substitute for the local resources available and should not be provided to states in a manner that undermines the proper administration of the 94 percent of resources provided at the state and local level.

My experience in managing programs and personnel at the Department of Education suggests that the benefits derived from dozens of the federal elementary and secondary programs may be outweighed by the administrative burdens associated with administering those programs.

Ohio Governor George Voinovich recently wrote:

"The federal share of primary and secondary education funding is minuscule, only six percent, in comparison to the vast contributions states and local communities make to educate our children. It is time that we put to rest the myth that a federal education department can make a significant difference in improving the nation's education system. Schools simply will not be fixed and student performance will not improve because a centralized bureaucracy in Washington enforces new laws and regulations that merely mandate actions by states and local agencies hundreds and even thousands of miles away.

Today there are hundreds of federal education programs that are highly prescriptive and heavily regulated. These programs literally are substituting Washington's judgements for those of states, communities and families. This micro-management often imposes burdensome mandates on local communities, which can least afford the intrusion. For example, a recent Ohio study determined that a local school may have to submit as many as 170 federal reports totaling more than 700 pages during a single year, consuming vital resources without any improvement in the quality of education children receive."

I agree with Governor Voinovich that, "Allowing states and communities to have greater control and flexibility over education dollars is a sure way to see those dollars reach the place where they are most needed -- America's classrooms -- and used in the most effective way to improve our nation's education system." From both a practical and budgetary perspective, it is wise public policy to return responsibility for education programs from the federal government to states, communities and parents.

The Department of Education should be restructured, downsized, privatized, and reassessed to ensure that the appropriate federal role in education is determined and its subsequent programs specifically target that proper role. Restructuring and downsizing the Department is about quality education. The Administration's attempts to label such efforts as anti-education, is a weak argument to deflect from the real issues of quality and control. Giving

parents more control and opportunity, returning to local communities and states control over education policy, and reducing the federal budget deficit are pro-education, pro-family, and pro-child propositions. Every American child in school today already owes \$18,000 as his or her share of the national debt. Senator Tom Harkin said recently that, "It's time we pass on to our kids more opportunity, not more debt." I agree with that statement.

The Administration's arguments strongly suggest that they are more concerned with protecting a centralized bureaucracy rather than sending home the responsibility for educating our children. America and American education thrived for over 200 years without a building in Washington, D.C. bearing the nameplate of "U.S. Department of Education."

### **Size and Scope of the Department**

The current appropriation for the Department totals nearly \$33 billion which funds 240 categorical programs. The Department's first budget year as a cabinet agency was FY 1980 when its budget was just over \$14 billion, funding about 130 programs. The Department's budget has grown over 50 percent in real dollars since its creation. This expansion of programs has led to obvious duplication and increased federal intrusion at the state and local levels.

Since 1980, more than \$350 billion have been appropriated to carry out the Department's programs. Of course, there has been some good accomplished with these funds. Millions of disadvantaged youth have received Chapter 1 services, disabled youngsters have been given opportunities they may not have known thirty years ago, and millions of students have had a postsecondary education made more affordable. However, any success could have been achieved whether education programs were housed at ED, HHS, Labor, or some other federal office. For example, when P.L. 94-142 was enacted in the early 1970's, it was housed at the old

HEW. Clearly, this special education law has made a positive difference in the lives of millions of children and in society. Earlier this century, over 90,000 disabled children were institutionalized. Today, only 6,000 disabled children live in such circumstances. The bottom line is this, Congress and the American public demanded an appropriate education for handicapped youngsters and much success has been realized as a result of this law. I am convinced that these same results would have come to pass regardless of which cabinet agency this program was administered by. It was the law and the commitment by families and society that brought about the changes we have witnessed, not a specific cabinet agency.

Between 1981 and 1992, there were numerous legislative and administrative initiatives to help mold the mission of this new cabinet agency. In the early 1980's a major consolidation of 42 elementary and secondary programs took place which resulted in the creation of the Chapter 2 Block Grant. During that same time period, the student loan collection activities were privatized. Although not termed "reinventing government" the Department was downsized from 7,500 employees in 1980 to an average of about 4,500 employees during the late 80's and early 90's. At the same time, the number of programs authorized and funded by Congress grew from 132 to 240. Clearly, more was done with less.

We are now told the Department of Education is once again reinventing itself. Given the high-level of parental and general frustration with education quality, it is appropriate for this Committee to provide the Department with a clear indication of the direction this reinvention should take. Congress should examine several areas of recent activities at the Department of Education and set clear priorities for the Department. The fact that the Department already has grown to over 5,100 employees and plans to hire 520 employees to manage the direct student loan program is cause for concern about the Department's mission in a time of government-wide

streamlining and privatization.

Since the establishment of the Department of Education under President Carter, Presidents of both political parties have submitted budget requests to zero-fund dozens of education programs because they have largely or completely achieved their original intended purpose, were duplicative of other programs, or could be supported by other funding sources. For example, in President Bush's final budget, he called for the elimination of 39 education programs that fell into the categories just mentioned. President Clinton, both in his budget submission last year and as part of the National Performance Review recommended that 34 programs be eliminated -- almost identical to a list that President Bush developed. Last year, Congress did eliminate 12 of these programs. President Clinton's FY96 budget proposal calls for 15 program terminations in FY 1995 (savings \$122.7 million), 21 program terminations in FY 1996 (savings \$504.1 million), five program phase-outs (savings \$120.9 million), and 27 program consolidations (added cost \$46 million).

Notwithstanding such efforts to reinvent the Department, public confidence in America's education system appears to be close to an all time low. Parents and the public generally question whether the federal mandates in programs in the education area are producing the results they desire for their children. Given that the concept of an aggressive, expansive federal leadership role has been tested over the past decade, I believe it is time to give state and local administrators, and even more importantly families, the leadership opportunity.

We as taxpayers, and the Members of this Committee, should ask tough questions regarding each of the federal education programs. Are students performing as well today as their parents did? Are we rewarding dependency and mediocrity? How can we reward quality and excellence? How can parents be given more control and responsibility over local education? Is

the public getting its money's worth? I believe that many of the current programs fail to positively address the standards reflected in these questions.

Former Education Secretary Lamar Alexander has written that there are five defining characteristics of a problem-laden central government agency: *centralization, uniformity, governmental, monopolistic, and no-fault*. The opposite of each of these characteristics offers citizens and managers clear direction: *decentralization, diversity, privatization, competition, and high morals*.

Some of these problem-laden management characteristics are reflected in the current state of affairs at the Department of Education. For example, the Department is growing -- it has received a waiver from the President's Executive Order on downsizing their personnel rolls. They have divided management responsibilities for the high-risk student aid programs to benefit political appointees, rather than using responsible management principles. They have created new layers of bureaucracy and new federal panels. They have crafted expansive new regulations and added new federal mandates. This Committee should exercise its proper oversight authority in reviewing such management practices at the Department of Education.

### **Proposals to Dismantle the Department of Education**

In this Congress, since last November, the Senate Majority Leader, the Speaker of the House, and many Committee Chairmen have called for the abolition or consolidation of the Department of Education. Several members of this Committee have signed on as original cosponsors to H.R. 1883, the "Back to Basics Education Reform Act." This bill was introduced with 107 cosponsors. The key themes embodied in the bill suggest that "decisions about our children's education need to be made by parents, teachers, communities, and states -- not distant

bureaucracies in Washington D.C." I strongly support most of the principles that this bill promotes, such as: retaining and improving appropriate federal activities such as special education , impact aid, Indian education, student loans and grants; replacing hundreds of categorical programs with block grants to state Governors; repealing unfunded, expansive and intrusive programs such as Goals 2000 and Direct Lending; eliminating volumes of burdensome regulations; reducing the bureaucracy and saving administrative funds by consolidating management activities with the Department of Health and Human Services.

Similarly, the concepts outlined by Mr. Gunderson to consolidate the Departments of Education and Labor is a positive development. This effort to create a comprehensive department supporting workforce preparation and workplace modernization is a marked improvement from the status quo. The proposal would also reduce overlapping bureaucracies and would result in a smaller government.

There are concerns with both measures, but my primary concern with the latter measure is that in a push to prepare our children for the world of work, we may be moving away from preparing them for life. Since our country's colonial times, citizens have been educated in both primary and higher education in the disciplines of mathematics, natural science, language, literature, philosophy, and history. Undergraduate liberal education and secondary schooling consisted of a core curriculum. It was intended to perfect the student's reasoning ability and prepare him or her for life and leadership in the free and civilized community. Efforts to get back to the basics should be the top priority with the workforce preparation needs integrated into that effort.

Efforts to achieve the appropriate federal role in education should be pursued vigorously by this Committee. However, Congress should oppose any effort to simply change the name on

the door of the Department. Transferring functions and shifting duplicative, intrusive, and inefficient programs elsewhere will get us nowhere. Rather, Congress should start with a clean slate and determine what the appropriate federal role should be in education, determine how to best address targeted needs, and develop a delivery mechanism that best serves families and taxpayers. Reforms such as block grants to states or schools, tax cuts, vouchers or scholarships to families, and functional swaps between the federal and state governments would reduce bureaucracy, regulations, and federal control of education.

### **Additional Recommendations for Consideration**

#### ***Deauthorize and Deregulate***

The Department has taken on a high handed regulatory effort with States, school districts, and college campuses that should be reined in. One of the best ways that Congress can curtail the Department's zeal to overregulate is by abolishing or amending burdensome programs and using its oversight authority as a means for providing a proper check and balance.

The Congress, in particular the authorizing committees, should deauthorize all unfunded programs. This initiative would also assist on the deregulation front and prevent unnecessary budget battles.

#### ***Program Swaps***

Congress may wish to consider major program swaps with States to better focus the federal role and to correct unfunded mandates that Congress has created for States and communities. For example, the Individuals with Disabilities Act (IDEA) calls for a forty percent federal share in educating youths with disabilities but the federal contribution is only about seven percent today. If all other elementary and secondary programs were turned back to the States and

the \$10 billion funding was shifted to the IDEA, this would meet the federal mandate of IDEA and increase local flexibility in all other elementary and secondary education programs.

The Individuals with Disabilities Act, originally enacted in 1975 as P.L. 94-142, gives parents a much stronger role in deciding their child's educational program. The rights and protections under the IDEA are based on constitutional provisions of Equal Protection Under Law and Due Process. Congress created these processes to ensure that children with disabilities, who had often been excluded from public education, are provided a free, appropriate public education. As Congress reauthorizes this program, I would encourage you to consider this swap idea in addition to the other program improvement themes you are considering such as: Strengthening the family's role and education quality; improving dispute resolution and mediation; giving teachers the information and resources they need to adapt to the changing classroom; and, building a strong research base for future reforms and improvements.

***Cap or phase-out the Direct Student Loan Program***

This new program runs directly counter to the principles outlined in the National Performance Review. Mr. Chairman, your bill H.R. 530, will stop the reckless destruction of the successful public-private partnership that has financed the college educations of millions of students. If the Administration has its way, students and schools within two years will have no choice but to turn to the federal government if they want a loan to help pay for college.

Mr. Chairman, this is nothing but more big government coming at a time when the American people have stated clearly that they want less government, not more. Ironically, the June 6 *Washington Post* carried a report in which the President praises the public-private partnerships involved in helping Americans purchase homes. Yet in the case of student loans, the Administration is engaged in an all-out campaign to drive out the private sector.

The private lending industry has improved service to families, reduced costs to students and improved efficiency. It has also substantially lowered default rates -- saving taxpayers \$1 billion per year.

Mr. Chairman, this Administration had the audacity to tell us in December that in response to the November elections, it would cut government, cut bureaucracy, reduce federal spending, and stop doing what is best left to the marketplace. And yet the Administration submitted a budget to you that calls for a complete government takeover of the student loan industry. Your bipartisan legislation seeks to put a stop to the government's takeover of the student loan system. The government has never successfully implemented a direct lending program. Just look at the Farmers Home Administration for an example of bad service and tremendous cost to the taxpayer.

In the upcoming academic year the Department plans to increase its lending by 800 percent, even though only a tiny fraction of students have begun to repay their loans. In subsequent years, the Department plans to issue 50 percent of loans, then 60 percent -- \$18.6 billion -- all before knowing if its program will work. But even that level is not enough for the Administration as they have announced that it plans to force all students and all schools into the untested Federal Direct Student Loan Program within two years.

Mr. Chairman, this is foolhardy. Under this plan the Department of Education will become one of our country's largest banks, lending out the taxpayers money by the billions, without any indication that the Department can accomplish large-scale loan servicing. Under the President's plan, in 10 years the Department of Education will have a \$200 billion loan portfolio to service. In 15 years, the portfolio will approach \$300 billion. That's a \$300 billion increase in the national debt. The federal government has often shown that it can give away money. But

these are not grants; these are loans. The taxpayers deserve to know if the Department of Education can collect a \$300 billion loan portfolio.

H.R. 530 has received strong bipartisan support as it will also improve the integrity of the direct loan program. Also, Congressmen Istook, Porter, Kasich, Boehner and others have introduced H.R. 1501 which would repeal the Direct Loan program and look for increased privatization as does H.R. 1883 (Back to Basics Education Reform Act).

### ***Downsize Now***

Lastly, the Department should downsize itself now. The Department should work with Congress to restructure itself in light of anticipated changes that this Committee is considering (ie. block grants, program eliminations, and new reforms). The President's waiver of his Executive Order on freezing hiring should be removed and a freeze of new hiring should be instituted. Reductions in the number of Assistant Secretaries and Deputy Assistant Secretaries can be made and should be made. The number of political appointees and outside contract work should be reduced as well.

### **Conclusion**

This Committee and this Congress have a unique opportunity to improve the quality of education as it reviews the Department as a whole and every individual categorical program within the Department. Former Education Secretary William J. Bennett, recently said, "An important consensus is emerging in the House and in the Senate that the federal government has become too meddlesome and too intrusive. The November elections sent a clear and unambiguous message: the time has come for a fundamental redirection of political power. The federal government's involvement is hurting American education. Empirical evidence and the

experience of educators have exploded the myth that educational excellence depends on having a federal Department of Education. Decisions on education should belong with parents, communities and states. That's where the action is. We do not need a giant federal bureaucracy. And we surely do not need a federal Department of Education."

Even the *Washington Post* concedes that "the country could get along just fine, for example, without...an education department." Mr. Chairman, it is the programs and opportunities that Congress creates that are important, not a symbolic bureaucracy of where such programs are housed.

Thank you for the opportunity to testify before the Committee. I will be happy to respond to any questions you or Committee Members may have.

TESTIMONY OF BETSY BRAND  
PRESIDENT  
WORKFORCE FUTURES, INC.

BEFORE THE  
HOUSE COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES

JUNE 29, 1995

Chairman Goodling and Members of the Committee, thank you for the opportunity to appear before you today to discuss the future of the U.S. Department of Education. I commend the Committee for raising the difficult issues of reviewing the structure of the Department of Education and its status as a Cabinet-level agency, and I commend the Committee for taking on the difficult task of revising and simplifying many of the current education and job training programs through pending legislation, H.R. 1617, the CAREERS Act. Your leadership in challenging the status quo and searching for better ways to design and administer programs is welcome and needed.

My testimony reflects my service as Assistant Secretary for Vocational and Adult Education at the U.S. Department of Education for four years under the Administration of President Bush. In addition, I had the privilege to serve as a professional legislative staff person on the House Education and Labor Committee and on the Senate Committee on Labor and Human Resources for a total of 12 years. Currently I am President of a consulting firm, Workforce Futures, which provides strategic planning and policy analysis on education and workforce development programs and issues.

The debate about the structure and reorganization of the Department of Education is really a debate about the appropriate role of the Federal Government in education and, I would include, workforce development. Increasingly both education and workforce skills are

seen as necessary to succeed in our changing economy, and this effort to integrate these two separate worlds is very positive. Many Members of this Committee, especially Rep. Gunderson, have provided the leadership in Congress to refashion our notion of education to include career preparation, workforce development, and lifelong learning.

With hundreds of scattershot and unconnected education and training programs housed at several Federal agencies, it is no wonder that the public and the Congress are challenging the need for a Department of Education and so many discrete programs, particularly because many of these programs have provided little measurable benefit. Further complicating the public perception of the value of the education and training programs is the ongoing effort to reduce federal spending. In my view, this situation demands a review and refocusing of government efforts in education and training. The best ways to help states and communities design and administer high quality, customer-sensitive, performance-driven education and workforce development programs need to be identified.

The existence of separate Cabinet-level Departments to administer various workforce development and education programs is an obstacle to developing broad, integrated education and workforce development programs and policies. In particular, the Department of Education, as it has been recently constituted, prevents the necessary restructuring of programs. I believe the Department of Education is an outdated structure that does not meet the current need for innovation, flexibility, collaboration, and control at the state and local level, increased accountability, and improved responsiveness to labor market demands. And, in times of dwindling resources, both duplication of effort and an administrative structure evidencing inflexibility can no longer be acceptable.

Mr. Chairman, however well-intentioned past Federal efforts in education have been, they have raised the voice of widespread public doubt as to whether or not we need a Federal

presence in education. This is unfortunate. I personally believe there is a role for the Federal Government in education and workforce development that can help meet the needs of states and communities striving to improve their schools and provide a better prepared workforce for American business.

First, the Government must protect the rights of students and workers consistent with the civil rights laws of our nation. Those laws should be fully and fairly enforced through the most efficient system we can design. My previous experience at the Department of Education with civil rights enforcement cases leads me to believe that we have a long way to go to develop an efficient system.

Second, the Federal role in providing for education for the disabled through the Individuals with Disabilities Education Act (IDEA), has allowed a group of formerly disenfranchised individuals to enter the economic mainstream and contribute more fully to our society. The federal leadership role and federal funding to support IDEA should be continued.

Third, I believe the Government should continue its efforts to promote the development of national academic and industry skills standards, so that our education and workforce development system can become performance-based and ensure that our students will meet world class standards. While this is a relatively new role for the Federal government in education, it is, in my opinion, one of the most critical. Holding our schools and colleges accountable for performance is alien to the way the Department of Education and most of the Government works. In the past, we have worried about schools spending their money in a timely manner, in some cases even punishing grantees if they didn't spend their money on time, with no concern for the outcomes reached. The Federal Government can play an important role in helping to promote the development of thoughtful academic and

industry standards with significant involvement from a broad spectrum of stakeholders.

Fourth, I believe there is a role for the Government to conduct research on promising educational practices in an applied manner, so that the research becomes valuable for teachers, administrators, practitioners and parents. Most of the current research done never gets translated into actionable items to change teaching and learning behaviors in the classroom -- current research reports sit on shelves. Parents need information on successful reform practices and promising school design to allow them to participate in community schools more effectively. Much more applied research should be conducted in the exciting and promising field of learning technologies and how teachers at all grade levels can integrate emerging technologies into their classrooms.

Fifth, Federal programs should be aimed at helping disadvantaged communities and disadvantaged schools in a manner that promotes broad and systematic reform, rather than just funding single, discrete programs. Programs should be focused on groups of students within appropriate age ranges or on major functional areas. Congress should set clear priorities for spending, but allow enough flexibility to deal with state and local concerns. The distinctions that have been made between high school programs such as Bilingual Education, Vocational Education, and Chapter 1 and Chapter 2 need to be broken down. These programs all serve the same student population, yet they are worlds apart in philosophy, design, and delivery. Both the current legislation and the resultant Departmental structure perpetuate these separate worlds.

Finally, federal support for postsecondary students at both vocational-technical and traditional schools should be continued as a means to better develop the education levels of our workforce and promote lifelong learning.

Mr. Chairman, the role of our Government is in many ways shifting from program orientation to process orientation. The small, categorical programs that have shaped the way we think and see education and training are not consistent with this vision. Education and workforce development are a process, they need to operate as a system, dependent on many interconnected parts. A reorganized Department of Education, or a transfer of the programs currently administered by the Department to other agencies, could contribute to a more holistic vision.

The proposal put forth by Rep. Gunderson moves in the right direction of combining programs around broad functional categories and broad age groups rather than narrow categorical programs for very special populations or categories of students. While Rep. Gunderson is proposing "the form" before "the function" has completely been decided, his proposal has merit in that it seeks to dramatically simplify the federal structure and provide clear Federal priorities. The Federal role and priorities in education and workforce development must be determined, however, before creating a final administrative structure.

Although I believe this Committee should closely examine the Gunderson proposal, I do have two reservations about the proposal to merge the Department of Education, the Department of Labor, and the Equal Employment Opportunities Commission.

First, there is a perception that a merger of the Departments of Education and Labor will limit the Federal Government's involvement in education solely to workforce preparation, in order to meet business and economic development needs. The underpinning of any successful employee is a strong academic foundation, along with problem-solving skills, higher order and critical thinking, awareness of civic duties, and a commitment to lifelong learning, and thus there is a natural link between education and work. But, the proposal does not address the priorities for primary and elementary and higher education in the same detail

as it does for workforce development. Engaging stakeholders from these communities in the development of the proposal could result in a common vision and understanding that education and economic well-being are interrelated and in the best interest of us all.

Secondly, in my opinion, the Department of Labor is a regulatory agency, which has a strong culture of wanting to maintain tight control over programs. The Department of Labor is also very centralized and, for the most part, conducts its programs from the national level and not through local communities. I would hope that in a merged agency, this tendency to regulate and keep central control, just as we are working to decentralize and provide greater flexibility at the state and local level, would be minimized.

In closing, I believe that your examination of the role and structure of the Department of Education and of other agencies is timely and needed. The federal education bureaucracy and much education and training legislation is too static to deal with the emerging challenges, problems, relationships, and opportunities faced by our states and communities.

Mr. Chairman, thank you, again, for the opportunity to testify. I will be happy to respond to any questions.