Mike Cohen

Discuss with Susan Frost

Mike Cohen

9/7/95

Mike —

Enclosed are —

(1) list of original organization in Ad Hoc Committee

(2) list of organizations which have reaffirmed their support of the Dept.

(3) 1st draft of letter I would send to organizations associated with Ad Hoc Committee plus current organizations which were not affiliated.

Let's talk about the status of the effort to save the Dept.

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Associations which have reaffirmed their support for the Department of Education. May-July 1995.

*** American Associaiton of Colleges for Teacher Education, One Dupont Circle, NW, Suite 610, Washington, DC 20036. Tel: 202-293-2450; Fax: 202-457-8095. Contact: Penny M. Earley**
*** American Association of Community Colleges, One Dupont Circle, NW, Suite 410, Washington, DC 20036. Tel: 202-728-0200, Ext. 224; Fax: 202-833-2467. Contact: David Baime**
*** American Association of School Administrators, 1801 North Moore St., Arlington, VA 22209. Tel: 703-875-0775; Fax: 703-807-1849. Contact: Nick Penning**
***American Association of University Professors, 1012 14th St., NW, Suite 500, Washington, DC 20005. Tel: 202-737-5900; fax: 202-737-5526. Contact: Marcia Adler**
***American Educational Research Association, 1230 17th St., NW, Washington, DC 20036. Tel: 202-223-9485; fax: 202-775-1824. Contact: Gerald Stroufe**
***American Federation of Government Employees**
***American Federation of Government Employees, Local 2607 (representing the Department of Education), FOB-10, 600 Independence Ave, SW, Room 2117, Washington, DC. Tel: 202-401-0945. Contact: Sandra Steed**
***American Federation of State, County, and Municipal Employees (AFL-CIO), 1625 L Street, NW, Washington, DC 20036. Tel: 202-429-1178; fax: 202-223-3413. Contact: Carol Yontz**
***American Library Association, 110 Maryland Avenue, NE, Suite 101, Washington, DC 20002. Tel: 202-547-4440; Fax: 202-547-7363 Contact: Carol C. Henderson**
***American Counseling Association, 5999 Stevenson Avenue, Alexandria, VA 22304. Tel: 703-823-9800, Ext. 231; Fax: 703-823-0252. Contact: Richard Yep**
***American Vocational Association, Tel: 703-683-9315 Contact: Brett lovejoy**
***Association of Community College Trustees, 1740 N Street, NW, Washington, DC 20036. Tel: 202-775-4667; Fax: 202-223-1297. Contact: Melanie Jackson**
***Council for Educational Development and Research, 2000 L Street, NW, Suite 601, Washington, DC 20036. Tel: 202-223-1593; Fax: 202-785-3849**
***Council for Exceptional Children, 1920 Association Drive, Reston, VA 22091. Tel: 703-264-9498; Fax: 703-264-9494. Contact: Joe Ballard**
***Council of Chief State School Officers, One Massachusetts Avenue, NW, Suite 700, Washington, DC 20001. Tel: 202-336-7009; Fax: 202-408-8072. Contact: Carnie Hayes**
***International Reading Association, 444 North Capitol St., NW, Suite 422, Washington, DC 20001. Tel: 202-624-8800; Fax: 202-624-8826. Contact: Richard Long**
***National Council of Educational Opportunity Associations, 1025 Vermont Avenue, NW, Washington, DC 20005. Tel: 202-347-7430; Fax: 202-347-0786. Contact: Maureen Hoyler**
***National Association for Equal Opportunity in Higher Education, Black Higher Education Center, Lovejoy Building, 400 12th St., NE, Washington, DC 20002. Tel: 202-543-9111; Fax: 202-543-9113. Contact: Bea Smith**
***National Association of Elementary School Principals, 1615 Duke Street, Alexandria, VA 22314. Tel: 703-518-6263; Fax: 703-548-6021. Contact: Sally McConnell**

* National Association of School Psychologists, 4340 East West Highway, Suite 402, Bethesda, MD 20814. Tel: 301-657-0270; Fax: 301-657-0275. Contact: Linda Lucas
*National Association of Secondary School Principals, 1904 Association Drive, Reston, VA 22091. Tel: 703-860-0200; Fax: 703-476-5432. Contact: Steve Yurich
*National Association of State Boards of Education, 1012 Cameron street, Alexandria, VA 22314. Tel: 703-684-4000; Fax: 703-836-2313. Contact: Adele Robinson
* National Association of State Directors of Special Eeducation, 1800 Diagonal Road, Suite 320, Alexandria, VA 22314. Tel: 703-519-3800; fax: 519-3808. Contact: Myrna Mandlawitz
* National Community Education Association, 3929 Old Lee Highway, Suite 91-A, Fairfax, VA 22030. Tel: 703-359-8973; fax: 703-359-0972. Contact: Starla Jewell-Kelly
*National Congress of Parents and Teachers Contact: Arnold Fege
* National Council for the Social Studies, 444 North Capitol St., NW, Suite 422, Washington, DC 20001. Tel: 202-624-8800; Fax: 202-624-8826. Contact: Richard Long
*National Council of Teachers of English, 444 North Capitol St., NW, Suite 422, Washington, DC 20001. Tel: 202-624-8800; fax: 202-624-8826. Contact: Richard Long
*National Council of Teachers of Mathematics, 444 North Capitol St., NW, Suite 422, Washington, DC 20001. Tel: 202-624-8800; fax: 202-624-8826. Contact; Richard Long
*National Education Association, 1201 16th St., NW, Washington, DC 20036. Tel: 202-822-7310; fax: 202-822-7741. Contact: Dale Lestina
*National School Boards Association, 1680 Duke Street, Alexandria, VA 22314. Tel: 703-838-6722; fax: 703-548-5613. Contact: Michael Resnick

AD HOC COMMITTEE FOR A CABINET DEPARTMENT OF EDUCATION (Chaired by Allan S. Cohen, Illinois Department of Education) (Dec. 6, 1978-May 4, 1980)

1. Adult Education Association of U.S.A.
2. American Alliance for Health, Physical Education, and Recreation
*3. American Association of Colleges of Teacher Education
*4. American Association of Community and Junior Colleges
5. American Association of School Administrators
*6. American Association of University Professors
7. American Association of Workers for the Blind
8. American Choral Directors Association
9. American Coalition of Citizens with Disabilities
10. American Dance Guild
11. American Dietetic Association
*12. American Educational Research Association
13. American Federation of Government Employees (AFL-CIO)
14. American Federation of Government Employees, Local 2607 (representing Education Division HEW)
15. American Federation of State, County, and Municipal Employees (AFL-CIO)
#16. American GI Forum Education Foundation
*17. American Library Association
*18. American Personnel and Guidance Association
19. American School Food Service Association
*20. American Society for Public Administration
*21. American Theatre Association
*22. American Vocational Association
23. Americans for Democratic Action
24. Americans for Indian Opportunity
25. Asian and Pacific Educational Alliance
#26. ASPIRA of America
27. Association for Childhood Education International
*28. Association of Community College Trustees
*29. Association for Educational Communications and Technology
*#30. Association of Mexican American Educators, Tucson Chapter
31. Association of School Business Officials (ASBO)
*32. Association of Schools and Colleges of Education in State Universities and Land-Grant Colleges and Affiliated Private Universities
33. Association for Supervision and Curriculum Development
34. Coalition of American Public Employees
*35. Coalition of Independent College and University Students (COPUS)
36. College Art Association of America
37. College Band Directors National Association
38. College Music Society
39. Committee on Research in Dance
40. Congress of D.C. PTA
41. Council for the Advancement and Support of Education

*42. Council for Educational Development and Research (CEDAR)
43. Council for Exceptional Children
44. Council of Chief State School Officers
45. Council of Great City Schools
46. Council of State Administrators of Vocational Rehabilitation
#47. Cuban National Planning Council
*48. Deans Network (Schools of Education)
*49. Education Commission of the States
*#50. El Congreso Nacional De Asuntos Colegiales (CONAC)
51. European Congress of American Parents, Teachers and Students
52. Home Economics Education Association
53. International Council of Fine Arts Deans
54. International Reading Association
#55. League of United Latin American Citizens (LULAC)
#56. Mexican-American Legal Defense and Educational Fund (MALDEF)
#57. Mexican-American Women's National Association (MAWNA)
58. Mid-America Association
*59. Music Educators National Conference
60. Music Teachers National Association
*61. National Art Education Association
*62. National Academy of Education
*63. National Alliance of Black School Educators
#64. National Alliance of Spanish Speaking People for Equality, Inc.
#65. National Association for Bilingual Education
#66. National Association for Equal Educational Opportunities
*67. National Association for Equal Opportunity in Higher Education
68. National Association of Administrators of State and Federal Education Programs
69. National Association of College Wind and Percussion Instructors
#70. National Association of Cuban American Women Inc. of the U.S.A.
71. National Association of Elementary School Principals
72. National Association of ESEA Title I Coordinators
73. National Association of School Psychologists
*74. National Association of Schools of Art/National Association of Schools of Music
75. National Association of Secondary School Principals
76. National Association of State Boards of Education
77. National Association of State Directors of Migrant Education
78. National Association of State Directors of Special Education
79. National Association of State Directors of Vocational Education
80. National Association of Supervisors and Directors of Secondary Education
81. National Association of the Deaf
82. National Audio-Visual Association
*83. National Caucus of Black School Board Members

84. National Center for Higher Education Management Systems
#85. National Coalition of Hispanic Mental Health and Human Services Association
86. National Commission on Libraries and Information Services
87. National Committee for Citizens in Education
88. National Community Education Association
89. National Conference of State Legislatures
90. National Congress of Parents and Teachers
*91. National Council for the Social Studies
*#92. National Council of La Raza
93. National Council of Negro Women
94. National Council of State Agencies for the Blind
*95. National Council of Teachers of English
*96. National Council of Teachers of Mathematics
97. National Dance Association
98. National Education Association
99. National Federation of the Blind
100. National Guild of Community Schools for the Arts
#101. National Image, Inc.
#102. National Puerto Rican Forum
103. National Rehabilitation Association
104. National School Boards Association
105. National School Public Relations Association
106. National School Supply and Equipment Association
107. National School Volunteer Program
108. National Student Education Fund
*109. National Third World Student Coalition
110. National University Extension Association
*111. National Urban League
112. Overseas Education Association
113. Pacific Asian Coalition
114. People United to Save Humanity (OPERATION PUSH)
#115. Puerto Rican Legal Defense and Education Fund, Inc.
116. Research for Better Schools
#117. Secretariat for Hispanic Affairs (U.S. CATHOLIC CONFERENCE)
*118. Speech Communication Association
*119. State College and University Presidents for an Education Department
*120. State Higher Education Executive Officers Association (SHEEO)
121. Student National Education Association
*122. Teacher Education Council of State Colleges and Universities
123. United Auto Workers (UAW)
#124. United Farm Workers (UFW)
#125. United Latin American Action Institute

*126. United Negro College Fund
*127. United States Student Association
128. Young Audiences, Inc.
129. City of Chicago Board of Education
130. California State Department of Education
131. Florida State Department of Education
132. Illinois Office of Education
133. Maryland Department of Education
134. Michigan State Department of Education
135. North Carolina Department of Public Instruction
136. Washington State Department of Education
#137. California Parent Association
#138. Texas Teachers Association
*139. University of Houston, Office of the Vice President for Public Affairs
140. National Association for Retarded Citizens
141. National Women's Political Caucus
142. National Urban Coalition

HEW Coalition (chaired by Evelyn Moore)
1. Black Nurses Association
2. National Black Psychiatrists of America
3. National Center for Community Action
4. National Association of Black Social Workers Inc.
5. Institute for Urban Affairs and Research
6. Washington D.C. Parent and Child Center, Inc.
7. National Black Child Development Council of America, Inc.
8. National Urban League
9. Association of Black Sociologists
10. Commission for Racial Justice
11. Association of Black Psychologists
12. Black Family Life Inc.

Hispanic Department of Education Coalition (chaired by Pepe Barron)
(see organizations marked #)

Higher Education Coalition (chaired by Alfred D. Sumberg)
(see organizations marked *)

DRAFT

1309 Fallsmead Way
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September 7, 1995

Dear Colleague:

You are aware, I am certain, that the Department of Education is under attack by the Republicans in the House. Hearings have been held on proposals to eliminate the Department of Education or combine it with the Department of Labor and the Equal Employment Opportunity Commission. Secretary Richard Riley and Undersecretary Marshall Smith have testified in opposition to such legislation. On June 16 Rep. Joe Scarborough (R-FL) introduced H.R. 1883 to eliminate the Department of Education and redefine the federal role in education. The bill was introduced with 106 co-sponsors, including 104 Republicans and two Democrats. We expect that legislation sponsored by Rep. Steve Gunderson (R-WI) combining Education, Labor, and the EEOC will be introduced shortly.

You may be aware that in 1978-1979 the Ad Hoc Committee for a Cabinet Department of Education, composed of 150 organizations and including a Higher Education Coalition and a Hispanic Coalition worked tirelessly and successfully to win Congressional approval for President Carter's legislation to create a cabinet-level Department of Education. The vote was overwhelming (72-21) in the Senate but close in the House (210-206). Many of us attended the signing ceremony and later the White House ceremonies for the opening of the Department. The Ad Hoc Committee became the Department of Education Transition Coalition in May, 1980, and worked closely with the Carter Administration and Secretary of Education Hufstedler over the next several months.

The advent of the Reagan Administration in January, 1981, with a commitment to eliminate the Department of Education was a challenge to the members of the coalition, which transformed itself into the Department of Education Coalition. For the next four years the coalition lobbied the White House and Congress to prevent the Department's demise. When the White House issued a budget that failed to mention the Department of Education or cited a proposed foundation to administer programs which would remain if the department were eliminated, the coalition pointed that the department deserved the same credibility and attention that all other Cabinet-level departments enjoyed. When in the FY1983 budget the Administration proposed a 30% cut in education funds, the Committee for Education Funding on behalf of the education community went to Congress and the media with its arguments for increased funding. At the close of the debate, Congress approved level funding for the programs administered by the Department. Finally, when Secretary Ted Bell resigned at the end of President Reagan's first term and the President nominated William Bennett to succeed Bell, the Senate held up the nomination at the request of Senator Lowell Weicker until the President informed the Senate that he would not continue his effort to eliminate the department.

President Reagan responded on January 29, 1985, with a letter to Senator Orrin Hatch acknowledging that his proposal to eliminate the Department of Education had received "very little support in Congress." In a statement that should be read by current House Republicans, President Reagan said: "I have no intention of recommending abolition of the Department of Education to the Congress at this time; instead, I have asked Dr. Bennett to advise me on the best ways possible for the Federal government to assist in improving the quality of American education." President Reagan honored his pledge throughout his second term; President Bush, who advanced the discussion of "the quality of American education" in his meeting with the governors at Charlottesville, also honored the Reagan pledge. President Clinton has made education a national priority and opposes any effort to abolish the department.

Whenever 106 members of the House co-sponsor legislation, we must view it seriously. In this case, the House Republicans have repeatedly announced their intention to eliminate Education. Senate Republicans have not demonstrated a similar interest. Several of us who played roles in the earlier period have met since January to develop a strategy to forestall the efforts of the House Republicans. We are concentrating on legislative, media, and issues strategies. In 1978-1985 I served as chair of the Higher Education Coalition and co-chair of the larger coalitions (Ad Hoc Committee, Transition, and Department of Education Coalition). Since May I have been contacting many of the organizations that participated in the Ad Hoc Committee and some that have been established since 1985. The former have reaffirmed their commitment to support the Department of Education and the latter have been willing to consider the request. Whether this is short-term or long-term, we will need the maximum and united strength of the education community to preserve the federal role in education and to maintain the Department of Education.

Currently, as In the 1980's, there are three issues that have been joined: (1) the federal role in education, (2) federal support for education, and (3) the cabinet=level Department of Education. In the last 15 years much has been spoken and written about each of these subjects. They are joined now because the proposed 30% or more reduction in federal education funding is an attack on both the federal role and the Department of Education. And similarly the effort to eliminate the Department of Education masks efforts to reduce or eliminate both federal funding of education and the federal role in education. Efforts by the sponsors of H.R. 1883 to convince the public that federal education programs will be preserved and that adequate funds will be sent to the states in the form of block grants ring hollow. In the end, there would be virtually no federal education funds and the programs would lose their authorizations. And thus the federal role in education would be eliminated.

In recent weeks House Majority Leader Richard Armey has acknowledged that he could not muster sufficient funds to pass either the Scarborough or Gunderson bills during the current session. Therefore, the opponents of the Department are concentrating on cutting the Education budget by $4.8 (??) billion in FY 1996. Supporters of the Department have been actively engaged in opposing such radical cuts in education funding. We know that a cut of that magnitude will severely reduce the impact of the federal role in education reform, support for programs affecting poor and low-income families, and college students who depend on Pell Grants and low-cost student loans. We also know that the ultimate target of the House Republican leadership is the Department of Education.

It took four years of continuous struggle with the Reagan Administration before President Reagan acknowledged that his proposals to eliminate the Department had received "very little support in Congress." We are assured of at least a two-year struggle but perhaps longer depending on the results of the Congressional and Presidential elections in 1996. President Clinton strongly supports retention of the Department and has made education funding a significant part of his agenda.

For those organizations which were part of the 1978-1985 coalitions (Ad Hoc Committee, Transition, and Department of Education Coalition) we ask you to reaffirm your commitment to a cabinet-level Department of Education. Please make the commitment part of your legislative agenda and be prepared to lobby Congress in defense of the Department and the federal role in education. For all other organizations we ask you to join us by affirming your commitment to a cabinet-level Department of Education and participating actively in defense of the Department and the federal role in education. Our purpose over the next few months is to demonstrate the strength of the education community in support of adequate funding of education, a significant federal role in education, and the Department of Education.

I recognize that not all education associations agree with all of the programs proposed or implemented by the Department of Education since 1980. [Increase in funding vs. decrease in share of federal budget].

FEDERAL ROLE IN EDUCATION

1) **Why should there be a federal role in education? The federal government contributes less than 10 percent to education and the Constitution has given the responsibility of educating our children to the states. Why shouldn't we just give the money to the states?**

Education is a national concern; critical to a competitive national economy and the nation's sense of a fair and just society. Also, while the federal government contribution is less than 10% of total education spending, the Department is a major contributor to specific purposes:

- provide 70% of student financial aid, helping deserving college students in a streamlined, efficient manner;
- extra help to 10 million students who don't read and write well;
- provide funds to local partnerships of businesses, schools, and community colleges to strengthen students' technical skills to fit today's jobs;
- Expand the availability of computer technology in the classroom (something schools and states alone could not afford).

STRONG ECONOMY

- **Education is foundation of better economic performance.** Census Bureau survey of American businesses found that <u>increases in workers' education levels produce twice the gain in workplace efficiency as comparable increases in the value of tools and machinery</u>. A 10% increase in the educational attainment of a company's workforce resulted in a 8.6% gain in productivity, compared to a 3.4% productivity gain from a 10% increase in the value of capital stock.

  In this century, educational increases in the workforce accounted for almost 30% of the growth in the nation's wealth; educational increases combined with other advances in knowledge (R&D, new technologies) accounted for 55%.

- **High returns to education for individuals.** In 1992, the average annual earnings for those with a bachelor's degree were almost double the earnings of those with only a high school diploma -- and 2.5 times earnings of those who did not finish high school.

- **Increasing need for a well-educated workforce.** In today's information age, 89% of the jobs being created require some form of postsecondary education. More require a high school diploma.

EQUITY AND CIVIL RIGHTS

Simple fairness dictates that students who are disadvantaged, disabled, or have limited English proficiency must not be left behind. Federal funds are targeted to ensure that opportunity is afforded to students from elementary through postsecondary education.

- ESEA focuses on raising academic achievement of poor and disadvantaged students. Since the law was enacted in 1965, the achievement gap between black and white students narrowed substantially, and the overall dropout rate (for 16-24 year olds) declined dramatically -- from 17 percent in 1967 to 11 percent in 1993.

- 20 years ago, close to a million children with disabilities were entirely excluded from school. Now children with disabilities are in school, and many are in the regular classroom.

- Student financial aid has helped millions of poor and middle-class students go to college.

PUBLIC SUPPORT FOR A FEDERAL ROLE IN EDUCATION

- 79% oppose reducing funding for the Department of Education, while only 15% support this. Wall Street Journal poll, March 1995.

- 81% support the balanced budget amendment. But only 22% favor balancing the budget by cutting spending on education -- a drop of 59%. New York Times/CBS poll, December 1994.

- Over three-fourths of the public (77%) oppose eliminating the Department of Education to cut the deficit, higher than the percentage opposed to reducing cost-of-living adjustments in Social Security.

2) **Given the federal government's limited role in education, why do we need a separate Cabinet agency? Why can't its essential functions and programs be transferred to other agencies such as HHS, Treasury, and Labor?**

- **Need national voice for education.** Without a Cabinet level Department, education would be de-emphasized at a time in our history when it is more important than ever.
  - -- We are in an information age. In this decade, 89% of jobs being created require some form of postsecondary education. Even more require a high school diploma.
  - -- Eliminating the Department today would be like eliminating the Defense Department during the Cold War.

- The **Alexander/Bennett/Coates proposal** to distribute Department of Education programs among several different agencies -- student financial aid to Treasury, vocational education to Labor, education research to NSF, and other programs to HHS -- **would create a bureaucratic nightmare** for parents, educators, schools, communities, and States who would not know where to turn for assistance.
  - -- Now, schools and others concerned with education can look to one agency. Under the proposal they would have to go all over the government.
  - -- Less accountability -- fragmentation and lack of coherence and consistency.
  - -- A single agency provides clear lines of accountability, maximizes customer service, minimizes school burden, and saves taxpayer dollars.

- The **Gunderson proposal** to merge the Departments of Education, Labor, and the EEOC **would create a "mega-bureaucracy"** that would decrease accountability and efficiency.
  - -- A mega-bureaucracy would make education information and programs less accessible to parents, teachers, community and business leaders, and policy makers. One of the primary reasons for the creation of the Department was that the enormous HEW bureaucracy, with added layers of review by HEW officials outside the Office of Education, resulted in a lack of coherence and responsiveness that was very frustrating to state and local educators.
  - -- Placing an education office in a larger agency is not necessarily more efficient or more responsive to local concerns. Under HEW, the Office of Education had 7,700 employees. The Department currently has 5,000 employees, and is planning to reduce this number by another 10%.

- **Massive reorganization would distract attention from the important task of improving education.** <u>We would spend years rearranging organizational boxes</u> rather than continuing our efforts to streamline Department operations, reduce bureaucracy, consolidate programs, improve efficiency, effectiveness, and accountability, and address the critical education problems facing America.

3) **What has the Department, with its 240 programs, accomplished in the past 15 years?**

Since its creation, the Department of Education has given education a national visibility that it never had before. The Department has played a leadership role in promoting higher standards for student achievement and helping deserving students to have access to high-quality education. Since the Department of Education was created:

- Prominent Department-sponsored studies such as A Nation at Risk have galvanized public support for improving their schools.

- National Education Goals have helped to focus school improvement efforts on needs that are important to the nation as well as to local communities.

- Especially during the past two years, the Department has worked for the passage of an integrated set of legislation that recognizes national priorities while increasing state and local flexibility in exchange for greater accountability for results.

- School-to-Work program is helping states develop training systems that combine work experience with academic and skills development, so that high school students can become productive members of the workforce upon graduation.

- Safe and Drug-Free Schools and Communities program provides support for school- and community-based programs to prevent drug and alcohol abuse and make schools safe environments for learning.

- Funds for Goals 2000: Educate America Act are assisting schools and communities to improve their schools, raise their learning standards, and encourage students to meet them so they are prepared to go to college or directly enter the workforce.

- Student loan program has been changed to help more students go to college by allowing students to borrow money at lower interest rates, pay it back over a longer period of time, and tie loan repayment to current salary so that graduates aren't required to make monthly payments that they can't afford.

- Family involvement initiative has spurred interest in over 120 organizations to promote family involvement in learning.

These accomplishments have been achieved with a very lean administrative staff; in fact, the Department currently employs about 5,000 staff, one-third less than the 7,700 employed by the former Office of Education at HEW. Efforts continue to consolidate, streamline, and reduce unneeded regulations.

4) **Where will you be able to save money in the near future?**

- Changing student loan program to <u>100 percent Direct Loans will save $5.2 billion more through the year 2000</u>. This, added to the $6.8 billion from Student Loan Reform Act of 1993, will total $12 billion in savings through 2000.

- <u>Eliminating 41 programs</u> as proposed in the President's Budget <u>will save $4.1 billion by 2000</u>.

- The <u>reduction of 8.4% of Department employees from 1995 levels will save $110 million by 2000</u>.

- These are savings that streamline government and cut costs without hurting students.

5) **Since the creation of the Education Department, test scores have declined, the number of dropouts has increased, and violence in schools has escalated to unprecedented levels. Hasn't the Department been completely ineffective in improving education for our children?**

On the contrary, let me set the record straight. In the 15 years since the Department was created, it has contributed to positive trends in American education by directing national attention to the imperative for reform, by supporting state and local reform efforts, and more recently by focusing our initiatives on increasing the quality of teaching and learning. While we can certainly do better, and the pace of improvement isn't fast enough, education has improved since the 1970's, particularly areas emphasized since the 1970's. [**For response on violence, see answer to question 6.**]

- **Students are taking tougher courses.** By 1992, the proportion of high school graduates taking the core curriculum recommended in *A Nation at Risk* (4 years of English, 3 years of social studies, 3 years of science, 3 years of math) had increased to 47 percent, up from 13 percent in 1982. The average number of credits in these courses taken by seniors has also increased.

  More high school students are taking worthwhile math and science instruction. Raising standards has increased enrollments in core courses such as mathematics and science **without** weakening course content or driving up dropout rates, according to analysis of experience in various parts of the nation and aggregate results. *Education Week* (May 17, 1995) recently reported that tougher graduation requirements in New York City public schools are spurring thousands more high school students to take and pass college-preparatory mathematics and science courses.

- **Participation in the advanced placement (AP) program has increased dramatically.** Since 1982, the number of participants has risen from 140,000 to 450,000, and the percentage of students participating has also increased sharply. Especially impressive was the growth in participation on the part of minority students. In 1994, 28 percent of AP candidates were minority students, compared to 13 percent in 1982.

- **Achievement is up, particularly in math and science.** On the National Assessment of Educational Progress (NAEP), student performance has increased since the 1980's in science and math. Results from national longitudinal studies show that the math performance of high school sophomores improved between 1980 and 1990, consistent with tougher course-taking.

- **Comprehensive school reforms in leading-edge states are showing impressive gains in student performance.** For example in Kentucky, a state that has overhauled its entire educational system, 4th, 8th, and 12th graders demonstrated 'dramatic' improvement on 1993-94 assessments over previous years' tests in mathematics, reading, science, and social studies.

- **On the SAT, participation is way up and scores have been rising over the past decade.** According to Donald Stewart, president of the College Board, "[T]his growth would normally exert downward pressure on the scores but that effect has been more than offset by a rise in academic study." Participation by members of minority groups increased from 18 to 31 percent between 1982 and 1994. Math scores increased across all race/ethnicity groups from 1982 to 1994. Scores increased by 22 points for Asian American and black students. Verbal scores increased for all minority groups except Mexican Americans between 1982 and 1994, although they decreased slightly for white students. (These trend results are unaffected by recent changes made to the SAT program.)

- **Dropout rates have declined.** Overall, the dropout rate for 16- to 24-year olds declined from 14 percent in 1982 to 11 percent in 1993. Dropout rates declined between 1982 and 1993 by 4 percentage points for whites and 5 percentage points for blacks (although dropout rates for Hispanics remain high).

- **Postsecondary enrollment and attainment have increased to record levels.** Over the past decade, enrollment in postsecondary institutions has grown steadily. The proportion of people ages 25 and over who have completed four or more years of college increased from 18 percent in 1982 to 22 percent in 1993. The proportion of minority group members (ages 25 and over) who have completed four or more years of college increased from 12 percent in 1982 to 18 percent in 1993.

6) **What is the federal role in reducing violence in schools? Since the Drug Free Schools funds didn't seem to make a difference, what can the Department do?**

First, there is clear evidence that exemplary Safe and Drug-Free Schools programs make a difference. {See new booklet}. It takes an entire school and community working together to curb violence. Safe and Drug Free Schools funds support such efforts.

- There is some indication that without the assistance of the Safe and Drug-Free Schools program the increase in drug use would be even higher. Many experts believe that prevention programs, such as those supported by the Safe and Drug-Free Schools Act have limited the increase in drug use.

- Districts that have implemented comprehensive programs based on research and evaluation findings have reduced alcohol and drug use. Programs such as the one founded by the Cornell University and supported by the U.S. Departments of Health and Human Services and Education have proved that prevention does work—if a well designed program is implemented, alcohol and drug use among students can be prevented.

The Department plays a significant role by working in partnership with states and districts to develop strategies and programs that make their schools and communities safer. The federal role includes:

- Identifying model programs and policies to prevent school violence. We believe that school districts across the country are implementing effective methods for reducing violence in schools. The federal government can identify these models and disseminate the information to states and districts.

- Conducting research about safe schools and making the findings available to schools. An example is the study by the Department and the Centers for Disease Control on violent deaths associated with schools.

- Providing technical assistance and training. The Department has provided assistance to hundreds of school districts across the country, ranging from how to cope with a crisis such a shooting to how to train staff to deal with disciplinary problems. Many school personnel are inadequately prepared to deal with the crises they currently face. For the last two years the focus of our training has been helping states establish resource centers to assist districts.

- Providing funding for demonstrations to identify new strategies and programs that work and disseminating information regarding these activities to the states.

- Collaborating with other federal agencies and private groups in joint efforts. We recognize that creating safe schools is the responsibility of the entire community. Education, Justice, HHS, HUD, Labor, and other relevant agencies all need to share ideas, resources, and expertise in addressing this issue.

7) **When do you expect to see results from the President's school reform initiatives?**

Improvements in student learning are expected to take time. However, key interim performance measures will enable the Department to track progress and report back to Congress and the field on an ongoing basis evidence on what is working and what is not working. Information from leading-edge schools and states will also help gauge the potential impact on student performance.

- **Improved student learning** -- based on national exams such as NAEP and state assessments -- will be tracked and reported over time.

- **School and classroom practices to support improved learning** -- will also be tracked longitudinally to learn what actions contribute most to improved performance.

- **Implementation of Federal, state and local supports for improving teaching and learning** -- will be reported regularly, based on information gathered through state progress reports, Department monitoring, and implementation studies at the federal, state and local level.

The Department will submit to Congress, the results of mandated evaluations of Goals 2000, the Improving America's Schools Act, and the School-to-Work program. The first mandated report, providing interim findings of the National Assessment of Title I of the IASA, is due to Congress on January 1, 1996. This report will provide baseline data regarding the program's implementation. Final mandated studies of elementary/secondary programs (authorized under both Goals 2000 and IASA) and the School-to-Work Opportunities Act are due to Congress in 1998. Evaluation findings will also be shared with state and local practitioners to improve practice. However, several of the budget proposals eliminate funding for evaluations.

8) **Former Secretaries Bennett and Alexander recommend that the guiding principles for federal education programs should be choice, deregulation, innovation, accountability, and assessment. What do you think of those principles?**

- These principles are basic to improving education--and they have been central to every piece of education legislation during this administration: Goals 2000, IASA, proposal for reauthorization of VocEd.

- These principles must be used in ways that do not undermine the neighborhood school and the American community. The details matter:

  -- Expand choice -- but ensure meaningful choice and effective use of scarce tax dollars.

  -- Encourage effective innovation -- but in ways that allow our nation to cumulate the gains rather than reinventing the wheel.

  -- Deregulate -- but in ways that ensure accountability and improvement.

  -- Accountability -- for performance and spending of tax payer dollars but don't undermine the autonomy of private and parochial schools.

  -- Assess -- in ways that improve education and encourage progress.

- Access and excellence must be the guiding principles. If necessary resources and the best and brightest students are drawn away from public schools, it will make things worse, not better. Dismantling community schools and providing quality schools for only those who can afford it is a recipe for national disaster undermining the American tradition of public education. The principles identified by Secretary Bennett and Secretary Alexander must be put in this broader context of national interest.

9) **Why shouldn't federal funds for elementary and secondary education be given to states in the form of block grants?**

I support "responsible block grants," by which I mean programs with the following elements:

- Clear national priorities
- Flexibility for states and localities over how they achieve these goals
- Ensuring equity for students most at-risk
- Accountability for results.

- Education legislation enacted with bipartisan support under this Administration--Goals 2000, the School to Work Opportunities Act -- and Administration proposals for reauthorization and transformation of vocational education -- can be considered "block grants" of this type.

- Since the Federal government provides only about 6% of educational spending, it must be used strategically and for critical needs not adequately addressed by other levels of government or the private sector. Simply giving Federal money to schools without clear goals or focus or accountability is a poor use of the taxpayers' money.

- Typical block grants have no focus or accountability. The pressure is to give a little to everyone and there is little assurance that they will address the fundamental problems of our schools. For example, evaluation of the Chapter 2 block grant found that the impact of Federal dollars in that program is barely discernable and it is not possible to evaluate the effectiveness of the expenditures.

- Block grants will not produce cost savings, unless combined with significant program cuts, because the cost of administering the Federal programs is not high. In fact, the Department's administrative expenses are only about 2 percent of our budget.

EDUCATION AND TRAINING

Why shouldn't the Departments of Education and Labor be merged?

The Departments of Education and Labor should not be merged because:

1) **Their missions are different.** ED's mission is education; DOL focuses on a variety of worker issues including workplace safety, unemployment compensation, and training, mainly for adults. The vast majority of the staff and budget of Labor has nothing to do with education. Mine-safety inspectors and elementary schools have nothing in common.

2) **Education and training are not the same thing**, and their purposes are best served if the distinction is preserved.

3) In the search for efficiency and effectiveness, **merging the two Departments would be counterproductive** by making a mega-bureaucracy with most functions unrelated.

These three reasons are discussed separately below.

1) The missions of the Departments of Education and Labor are very different and both very important.

In the arena of training, where there is commonality, education and training policy and programs should be closely coordinated. In fact, the Administration itself has moved in this direction through its School-to-Work initiative and in the Administration's new proposals for youth and adult workforce training.

However, most of what the Department of Labor does is unrelated to training.

- For example, of DOL's $34 billion budget, only about $7 billion is for the administration of employment and training programs.

- Two-thirds of DOL's budget goes to unemployment insurance, pensions and other programs totally unrelated to education and training.

- Of DOL's 17,000 staff, less than 2,000 work on employment and training issues. The remainder work on worker health and safety, enforcement of minimum wage and hour laws, laws relating to conditions in and changing needs of the workplace, labor statistics, and income-maintenance programs mentioned above.

The Department of Education's goals and the populations it serves are far broader than those of workplace training.

- The main mission of the Department of Education is to ensure educational excellence and equity. Department priorities focus on building a solid base of academics and other knowledge and skills for learners of all ages. While of course this should improve worker performance in the long run, training in narrow workplace skills is not ED's mission.

- Of ED's $31 billion budget, by far the biggest expenditures are for programs to improve access and achievement among educationally disadvantaged populations from the primary through the postsecondary levels. The Department focuses on students in educational institutions and settings across the country.

All of our major international competitors have separate Departments, Ministries, or Councils of Education (and among all developed nations, to our knowledge only Australia has combined the functions of Labor and Education; the consolidation was accompanied by a substantial budget increase, not a reduction).

In summary, consolidation of the two U.S. departments would merge two organizations with very different missions and would symbolically de-emphasize the importance of education at a time when educational improvement is critical for the United States.

2) There is a fundamental difference between education and training.

Education is defined as the development of a person's knowledge, skill, mind, and character. It involves expanding the mind; in essence, education is learning to learn. **Education is a foundation not only for work, but for all aspects of life.**

Training, on the other hand is "to instruct so as to make proficient or qualified."[1] **Training prepares a person for a specific job.**

Not only are education and training not the same thing, in some cases they may conflict.

- For example, an employer may have an immediate need for someone trained as a machine tool operator. Because education and training are expensive, there is a strong short-term incentive to train as narrowly and quickly as possible. Yet in the long run, the best employee--the one who helps the employer increase productivity, the one who eventually becomes an excellent team leader and idea generator--may well be the person who learned to analyze problems and communicate with others through a sound and broad basic education, not the person with the ability to run the machine according to the training manual. **Merging education and training will make it more likely that the short-term incentives will win out over the longer term good of both the economy and the individual.**

Through education, we promote human development as well as economic development. In a democratic society, our purpose in investing in education goes beyond the need to turn out productive workers. Societies can instill in their citizens certain facts and skills so that they can

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[1] Webster's New World Dictionary of the American Language

be economically productive--but that isn't our vision of a good society or an educated citizenry. Through education, we believe we can foster personal growth, creativity, and qualities like responsibility and mutual respect that are required for a democratic society and self-sufficiency.

3) Consolidating all of education and labor programs in one Department likely would produce limited savings, if any, and would decrease efficiency and effectiveness.

You don't need to create a mega-Department to integrate overlapping programs or to coordinate programs with related purposes when most of the functions are unrelated (e.g., OSHA enforcement in Labor vs. research on how to improve student math achievement in Education). Integration and coordination are underway.

- **In the few areas where ED and DOL programs are closely related today, such as in the School-to-Work area, we are already coordinating very closely and effectively.**

- Further, as part of the GI Bill for America's Workers, the Administration has proposed integrating some 70 programs into a few flexible state grants for education and training for youth and adults, with very close coordination between the two federal agencies and their partners in states and communities around the country.

- We believe that examining all programs for effectiveness--integrating or eliminating those that are duplicative and coordinating others that are related--can result in increased efficiency and effectiveness. (Of course, many of the programs on the GAO list are widely recognized not to be "training" programs and not to be duplicative; for example, Even Start family literacy and the Targeted Jobs Tax Credit.)

The proposal to merge the two Departments, on the other hand, could create a megabureaucracy that would actually decrease accountability and efficiency.

- **Bigger isn't necessarily better.** For a time, Education was an office within a larger department. This was not an efficient arrangement and involved more employees.

- **The country has more of a focus on education with a separate Cabinet-level agency.** Since 1980, the National Education Goals have been adopted and the country has narrowed the gap between minority and majority student achievement. Test scores are generally up, and dropout rates are down. Citizens across the country have become increasingly aware of the need to improve education in America.

Massive reorganization would distract attention from the important task of improving education. There is considerable enthusiasm and energy in states, communities, and schools today to make educational improvements and to take advantage of the resources of reform consistent with Goals 2000, ESEA, and the School-to-Work Opportunities Act. For example, in a sample of 8 states, 4 times as many communities applied for Goals 2000 funds to build local partnerships and start school reforms as there is money available. Reorganizing today at the federal level could well set back the clock in all of those areas. Maintaining a spotlight on education will facilitate the country's progress in this central area.

1) **Doesn't the Direct Lending Program duplicate private sector programs and thus eliminate the competitive advantage in the student loan industry?**

The Direct Loan Program does not duplicate the existing FFEL Program. The Direct Loan Program is a streamlined cost-effective replacement for the FFEL that eliminates the complexity and inefficiencies in the FFEL Program.

Furthermore, the FFEL Program is not a private sector program. It is a government program with government guarantees for which we pay all the bills and a substantial amount of fees and profit to the participating entities. We will gain the best of private sector expertise and knowledge in the Direct Loan Program as virtually all of the processing and operations will be performed by firms that win competitive contracts. There will be no sole source or sweetheart deals in the Direct Loan Program; something we wish we could say for FFELP.

2) **Are the cost and savings estimates real? Why do some assert that there will be no savings from Direct Loans and that reported savings are due to distorted budget scoring rules?**

Our estimates are consistent with those reached independently by the non-partisan CBO. The methodology used by the Department to calculate Direct Loan costs and savings is required by law for all Federal credit programs. In all cases, conservative assumptions were used for future projections.

The major issue raised regarding the scoring rules reflects administrative costs that are treated on a cash basis and not a present value basis. However, even if the scoring method were to be changed by law, savings would remain substantial because the Direct Loan program obviates the need for payments to middlemen, i.e. 7,500 banks, 41 guarantee agencies and 90 secondary market participants that bear no relationship to cost incurred by these intermediaries in administering the program.

3) **Shouldn't we wait to see if the program works, if we get our money back, before we expand it further?**

Every indicator available— the OIG audit, independent surveys, sign-up requests, and our own independent evaluation —says the program works. Under current law, growth in the program is dependent upon growth in demand on the part of institutions.

The method of loan collection is no different in Direct Lending than in the FFEL Program. There are already 41,000 borrowers in repayment in Direct Lending and we have already collected $4 million from these individuals.

4) **Won't the Department's repayment options, particularly income-contingent repayment, greatly increase time in repayment, causing borrowers to pay more interest and possibly affecting their ability to purchase homes, pay for their children's education, and save for retirement?**

The Department's repayment options provide opportunities for borrowers to match their repayment plans to their ability to pay. The numerous options facing graduates today cannot be best met by mandating a one-size-fits-all payment plan. No borrower will have an extended or graduated payment plan unless he or she specifically requests it. No borrower in good standing will have an income contingent repayment plan unless it is specifically requested.

With the information that will be provided to borrowers , we are confident they will be able to make the decision that best fits their needs.

5) **Isn't the Direct Loan Program another top-down federal program with lots of rules and regulations?**

To the extent that the statute requires regulations to implement the law, we shall provide them. I can assure you that the simplicity of the program has substantially reduced the number of regulations affecting program participants.

The program has been built - to the greatest extent possible - from the bottom up. We went through an extensive period of negotiated rule-making with members of the community and we have revised the regulations, the software, and the processes to reflect the needs of the program participants. It is not a top-down program in any sense.

The Direct Loan Program provides greater flexibility to schools to manage their loan programs to better serve borrowers. Institutions can choose their level of participation and they have control over their financial aid operations.

6) **Won't income contingent repayment hide default problems, making it difficult to weed out bad schools? How will ED collect money once it's been lent? How will collection practices differ from those under FFEL?**

The Department is in the process of developing additional indicators of poor schools to augment default rates. We currently use the same cohort default rate triggers in both FFEL and Direct Loans and are working on developing additional performance indicators appropriate to the use of income contingent repayment of Direct Loans.

ED will collect money in the same way it has in the past: collect payments from those borrowers who make payments and initiate actions so that defaulters begin to pay. Actions available to us include administrative garnishment of salaries, IRS tax offset, establishing an income contingent repayment plan and the application of disincentives to defaulters such as bad credit reports and etc.

A major difference from the FFEL Program is that ED will keep 100 percent of defaulted loan collections instead of giving 28 percent to Guarantee Agencies.

7) **Doesn't the Direct Loan Program add hundreds of new federal employees? How many people will the Department hire to operate the Direct Loan program? How does staffing for Direct Loans compare to that of the Federal Family Education Loan (FFEL) program?**

The Department is planning on making significant reductions in total staff. Between 1995 and 1999, total ED staff is expected to decline from 5,131 to 4,698. Staff needed to operate the Direct Loan and FFEL programs is expected to decline from 809 to 732.

The Direct Loan Program is very efficient. Our FY '96 request authorizes 496 FTEs for Direct loans. This is in contrast to 330 FTE for FFEL for FY '96 to which we must add the staffs of 41 Guarantee Agencies and 7,500 lenders. The staff to loan ratio, counting total participants, is much lower for Direct loans. The money paid as salaries to staff currently working at Guarantee agencies and at lenders will be available to loan to students instead of contributing to the overhead of the FFEL Program as schools choose to move to the Direct Loan Program.

The 496 FTE for Direct Loans for FY '96 is an increase of 150 from the prior year.

8) **What is the role of the IRS in collecting student loans? Aren't we adding new burdens to students and institutions as a result of the intrusive new role the IRS plays?**

IRS has no new role in the collection of student loans. If a student requests an income contingent repayment plan, the student gives permission to the IRS to release the Adjusted Gross Income (AGI) to ED. There is no requirement that a borrower do so.

The role that IRS has, of operating the tax offset system, remains the same. The IRS tax offset program has been very successful : since 1986 we have recovered $2.9 billion from students in default through this program. In 1994 alone we collected $596 million which was sent to Treasury.

9) **What has been the nature of ED's reconciliation process for Direct Loans?**

For the second year of Direct Loans the Department has taken a strong proactive stance in training institutions and providing procedures as well as improved software to make the reconciliation process work smoothly. [Don W. can address year 1 if the question is asked]

DEPARTMENTAL MANAGEMENT

1) **The Department has a long history of poor management, particularly in the area of student loans. What are you doing to turn these problems around?**

The Department has done and is continuing to do a great deal to improve the management of the Financial Aid Programs. We are moving aggressively to effectively administer the student loan programs. For the first time we were able to get a clean audit report of a loan program: the Direct Loan Program.

We have implemented new regulations for accrediting agencies and for establishing the eligibility of institutions to participate in our programs. We have continued to improve collection on defaults while at the same time preventing low quality schools from joining the programs because their students often don't acquire enough education to get a job to pay back the loan. To further reinforce this preventative approach, we are expanding our Quality Assurance Program. The coordination of problem prevention with targeted improvements results in more effective program delivery and service to institutions and to students.

Since 'FY 94 ED has made over 600 schools with high default rates ineligible to participate in the Title IV programs; we are collecting record amounts of defaulted loans and for the first time, the cumulative amount of defaulted dollars is decreasing. Annual defaults and default rates are also declining.

Net Defaults	FY '91	$2.8 Billion
	'92	1.7
	'93	1.6
	'94	0.9

Total Default Rates	1989	21.4%
	1990	22.4%
	1991	17.5%

We have implemented The Student loan Reform Act with improvements in the FFEL Program and introduced Direct Loans.

ED was fortunate to be able to recruit Don Wurtz to become Chief Financial Officer. Mr. Wurtz had formerly been at GAO where he had introduced the High Risk designation for Federal programs, including the FFELP, where taxpayer dollars were at risk.. With the introduction of the Direct loan Program, and the subsequent clean audit report, we have significantly reduced risks to the taxpayer.

We have brought in new staff with technical skills that we have needed in the past but have not had until now. We have made substantial improvements in the Title IV Delivery System and are hard at work in making additional improvements.

2) **Why is the Department asking for an increase in S&E for FY 1996 when almost all other Federal agencies are drastically reducing their size and scope and over 440 employees have opted for the retirement buyout?**

The Department is planning on making significant reductions in both total staff and staff needed to manage and operate the student loan program. Between 1995 and 1999, staff needed to operate the Direct Loan and FFEL programs is expected to decline from 809 to 732 while total ED staff declines from 5,131 to 4,698.

The overall increase in the Department's S&E budget in 1996 is for administration of the new Direct Loan program:

Increase with Direct Loans ($217 million) is 25%; however, increase without Direct Loans ($11.5 for all discretionary programs) is only 2%.

Staff level goes down by 71 FTE in total, and goes down by 221 FTE without Direct Loans - a 5% decrease without Direct Loans.

Except for several one-time only or mandatory built-in increases, the funding for non-Direct Loans accounts goes down. These increases include:

FOB-6 Renovation ($20 million)
Government-wide pay increase ($5 million)
Rent ($2 million)
Postage ($4 million)

Additional funds are being used for financial management and technology improvements, which will reduce future funding and staffing needs.

Retirement buyout. The Department is replacing a limited number of those employees to meet current and future needs of the Department, but at lower grade levels than the employees leaving. The retirement buyouts and limited number of replacements will still save the Department money now and over the next several years.

Streamlining administration. The Department is working to reduce headquarters and overhead positions, reduce managerial layers, cut in half supervisor-to-staff ratios, and streamline organizational structures within offices.

3) **What has the Department done to reduce the more than two dozen federal advisory committees?**

Currently, the Department has only 12 functioning federal advisory committees. This is a reduction from fiscal year 1994, when the Department had an inventory of 15 advisory committees. Of the current 12 committees, at least one more will terminate by the end of fiscal year 1995.

The Department continues to explore options for terminating unnecessary federal advisory committees, in response to Presidential directives, while continuing to comply with statutory mandates for certain committees.

The Department also supports 6 operational committees that develop, rather than recommend, Department policy. This is a reduction from 7 in fiscal year 1994.

4) **What do you think of transferring the student aid programs to the Treasury Department? Aren't they already involved in helping to administer these programs?**

Administering student loans and student grants is much more than a series of financial transactions.

The Treasury Department does a good job in the things it does, but the Treasury Department, with all its strengths, is not equipped to run the Student Aid Programs. The Higher Education Act, as amended, requires detailed knowledge of the financial aid programs as well as the operations and education components of colleges and universities. Treasury is involved, now, in the areas in which they have expertise. They provide the funds for Direct loans and they maintain a network with the Federal Reserve that allows us to transmit funds electronically to institutions .Besides transmitting funds, they administer, through IRS, the tax offset program. They are experts in finance, not student aid or college education.

IRS has estimated it would take several hundred million dollars for them to build a loan collection system to replace the system ED has in place. ED's retention of the program management responsibility provides clear lines of accountability, maximizes customer service, minimizes employer burden, saves taxpayer dollars and reduces defaults.

5) **Since its inception in 1980, the Department of Education has grown tremendously in terms of dollars and employees. How can you justify that? What has the Department done in the areas of reducing the size and scope of the agency?**

While FTE has increased slightly in recent years, it is still significantly lower than in 1980. For example, in the 15 years between 1980 and 1995, the number of the Department's programs grew about 50 percent (from 155 to 240) while staff decreased by over one-third (from 7,528 to 5,131).

In spite of repeated attempts by the Department in recent years to eliminate unnecessary or duplicative programs, Congress has not agreed. The Department must administer the programs legislated by the Congress. These new programs have resulted in a corresponding increase in the Department's budget.

In its 1996 budget request, the Department is continuing its efforts to keep the deficit under control and streamline operations by proposing a budget of $30.4 billion, a decrease of $1.4 billion, or 4.4 percent, from the 1995 appropriated level of $31.8 billion. The budget proposal would consolidate almost 70, or 30 percent, of the 240 programs the Department currently administers, resulting in substantial administrative savings. For example, while FTE for management of the new Direct Loan program would increase by 150 FTE, staff in the rest of the Department would decrease by 221 FTE.

6) **What are the Department's proposals for Phase II of the Vice President's reinvention initiative? What will be the performance partnerships for the Department?**

The Department will adopt three overriding strategies in its proposal for Phase II:

- Establish new performance partnerships;
- Streamline programs and reengineer ED;
- Giving students and taxpayers greatly improved service at reduced cost, saving the taxpayers and additional $4 billion over four years, totaling $21 billion saved since President Clinton took office.

The Department's performance partnerships will build upon work already underway:

- As part of the GI Bill for America's Workers, the **Vocational Education partnership** consolidates 23 Perkins programs for a more effective school-to-work system.

- In addition, the bill consolidates **Adult Education** Act programs and Even Start to support high-quality services for adults, encouraging one-stop career centers.

- The Department is also streamlining the **Postsecondary institutional gatekeeping** system to focus on quality and results, rather than regulatory rigidity and complexity.

7) **How is the Department using the latest advances in technology?**

- ED operates a toll-free bulletin board where publications, announcements, program descriptions, research, statistics, teaching materials and computer programs are available to the public and the teaching community.

- INET, ED's internet node, offers electronic mail, World Wide Web, Gopher, Wide Area Information Server (WAIS), and Telnet services. INET facilitates the sharing of information among ED's major research, development and dissemination institutions. It provides the public with a broad range of databases, research and development information aimed to improve teaching and learning.

- The ED Online Library receives more than 17,000 visits each week. Visitors to this Internet-based resource view (on screen) or download information.

- The Education Resources Information Center (ERIC), an education information system, provides ready-access to a database of education-related literature. The largest source of education information in the world, available in more than 300,000 locations worldwide, ERIC contains more than 850,000 abstracts of documents and journal articles on education research and practice. Sixteen national clearinghouses prepare these documents. The ERIC index is available on CD-ROM.

- AskEric, a question and answer service for ERIC users, yearly provides almost a million responses to education queries from parents, students, teachers and others using electronic technology. Questions are answered by an ERIC researcher within 48 hours either by electronic mail, fax or telephone. A library of information guides is being developed based on the most frequently asked questions. Several state education networks extensively use AskERIC, including Texas, New York, and North Dakota.

- Last year, through technology, over 3/4 of a million citizens accessed ED information on topics ranging from "Helping Your Child Learn Math" to funding opportunities for teachers. Many use America On-Line and Prodigy to visit ED's Internet service.

- The Department convenes conferences for state and local education technology planners to share state of the art technology practices and developments. All states and territories have participated in these conferences.

- More than 1,000 people participate in e-mail discussions (known as "listservs"), including one for teacher leaders and school technology coordinators.

- Satellite communications are utilized in ED's Satellite Town Meetings, in which Secretary Riley and Deputy Secretary Kunin lead cable-televised forums on school reform issues such as family involvement in learning, improving science and math instruction, and community partnerships for school reform. A toll-free line and community newsletter connect tens of thousands of community and education leaders working to improve schools.

Technology within the Department:

- ED has introduced advanced office communications technologies into the workplace such as voice messaging, teleconferencing, speaker phones, and multiple-line telephones.

- Desktop computers are now typically networked, upgraded with better software, faster microprocessors, larger capacity disk drives, and coupled with more advanced, networked laser printers. Increasingly, documents are readily shared electronically, within and across ED offices nationwide. We intend to connect all offices electronically through EDNET by the end of 1995.

8) **Why did the Department separate the administration of the Direct Loan Program from the rest of the Office of Postsecondary Education? Doesn't this create another new bureaucracy?**

We are committed to implementing a successful Direct Loan Program. In order to do so, we made the management decision to hire a first-rate manager, give him a staff, have him report to the Secretary, and let him go to work. It's worked. Direct Loans has made every milestone.

We believe this success is due, in part, to the fact that Direct Loans reports directly to the Secretary. No new bureaucracy has been created. Overall Department staffing is down. OPE is operating two loan programs with the same functional organization as they did when they had only FFELP. Using teams and other reinvention concepts we have minimized bureaucracy and allowed the civil servants who understand financial aid to work with institutions in developing the new program.

9) **We have heard from various sources, including the Federal Page of the Washington Post, that the Office of Postsecondary Education within the Department is experience serious personnel problems, including death threats. Are things out of control there?**

No, things are not out of control. We did have a very serious set of circumstances arise in one office, which we responded to immediately and appropriately. The Federal Page accurately reported that in one area of the Office of Postsecondary Education, a unit with about 45 employees, there has been tension between the management staff and employees. We have been working intensively to gain control of this situation, have done so, and are moving forward with our efforts to improve the organization, not only for the 45 employees in the office but for all the 1500 employees of the Office of Postsecondary Education.

The reported tensions were the exaggerated consequence of natural conflict in an organization that is undergoing the substantial change in workplace culture that accompanies aggressive reinvention activities such as those in which the Department is currently engaged. As we work to change the nature of the relationship between managers and those who work for them, many managers and workers find the transition difficult. Yet this transition is absolutely necessary for us to become the high performing organization we aspire to be.

In this specific case, neither the managers nor the workers were prepared for such a significant change in their traditional relationships. The consequence was the hostility that erupted.

10) **How much Pell Grant money goes to non-U.S. citizens? Shouldn't this assistance be reserved for U.S. citizens?**

Under current law, certain non-U.S. citizens are eligible for participation in the Pell Grant and other Title IV programs. About 10 percent of all Pell Grants are awarded to <u>eligible</u> non-citizens. This comes to about $600 million in awards and 400,000 recipients. An eligible student must meet one of the following criteria:

- a citizen or national (e.g., Puerto Rican) of the United States,
- a permanent resident of the United States,
- in the U.S. for other than a temporary purpose with the intention of becoming a permanent resident or U.S. citizen, or
- a permanent resident of the Marshall Islands, Palau, Guam, the Northern Mariana Islands, or the Federated States of Micronesia.

11) **The Education Department's Inspector General reports that $70 million per year is awarded to ineligible non-U.S. citizens. What is the Department doing to correct this situation?**

The Office of the Inspector General tested the reported citizenship status of all 1992-93 Pell Grant recipients against citizenship data maintained by the Social Security Administration. The OIG found 45,000 recipients whose SSA records indicated non-U.S. citizenship. Awards to these students totalled over $70 million.

While we believe that any level of misappropriation is unacceptable, the true level of error is somewhat less than the $70 million estimated by the OIG. Some of the students who failed the test may have been eligible non-U.S. citizens. Others may have been naturalized, but not yet updated in the SSA data base. The OIG is in the process of cross-checking the results of the SSA match with other data sources. That effort will be completed within a month, and then we will be able to accurately assess the true magnitude of the problem.

As noted in the OIG audit report, the Department currently verifies the immigration status of applicants who claim to be eligible non-U.S. citizens. The citizenship of those who claim to be U.S. citizens is not verified, leaving the Title IV programs vulnerable to misreporting of citizenship and ultimately awards to ineligible students. The Office of Postsecondary Education has designed a corrective action plan with OIG under which OPE will verify citizenship in its SSA data match beginning next year. No student will then receive an award unless verified as a U.S. citizen or eligible non-citizen.

REGULATORY RELIEF -- Q & A

1) **What are you doing to relieve the burden on states and districts that apply for and administer federal programs?**

The Department is reducing the time required to complete applications and plans in a number of ways.

- Single plan to cover many programs. Under the Improving America's Schools Act, States and districts are encouraged to submit a single consolidated plan and application that covers all ESEA programs and, as an option, GOALS 2000, the School to Work Opportunities Act, the Perkins vocational education basic state grant program, and other programs that the Secretary may designate. This not only eliminates paperwork but also promotes comprehensive planning.

- Applications are shorter and simpler; the Goals 2000 application was only four pages.

- Plans cover longer periods--up to five years, so States and districts may submit plans less frequently. Multi-year grants to reduce the number of times States and districts must apply.

New legislation greatly reduces requirements and increases flexibility.

- Goals 2000 authorizes Ed-Flex demonstrations that enable State officials, not the Department, to decide on waivers requests. Oregon, though a simple review process is the first state to participate. Waiver requests under Title I have also been submitted and approved.

- Schoolwide option for Title I expands the option so all high-poverty schools can blend Title I and other federal funds with State and local resources to upgrade the quality of teaching and learning in entire schools. More than 20,000 schools can take advantage of this option.

- Regional teams that monitor integrated performance across programs are moving away from strict compliance monitoring for all grantees.

REGULATORY RELIEF -- Q & A

2) **You say the Department is becoming less burdensome and more flexible, yet states and districts still tell us they have to spend too much of their valuable time and money administering federal requirements. How can this be?**

Much of the new flexibility and reduction in burden is just now beginning to take effect. In the coming year, states and local districts will begin to experience real relief in administering federal education programs, and this relief will get progressively greater each year. For example:

- Two of our recent and most significant programs, School-to-Work and Goals 2000, have been implemented without issuing a single regulation.

- For the new Improving America's School Act (IASA), we are minimizing regulations beyond those mandated by Congress; most IASA programs have no new regulations.

We are reducing the number of Departmental regulations as set forth in our strategic plan. We are using a performance-based, targeted approach to eliminate burdens and reward good records.

-- As part of the president's regulatory reinvention effort under direction of the vice president, 88 regulations will be eliminated today, and more will be deleted soon.

The Department is also working to reduce the number of educational programs by three fourths.

- Fifty-nine programs were eliminated or have been proposed by the Department or Congress for elimination in FY's 94, 95, and 96.

- The Department has proposed cutting 27 more by consolidating 39 programs into 12:

  --In vocational education, consolidation of 23 Perkins vocational education programs into a single flexible state grant program, with a set-aside for program improvement, that will create effective school-to-work systems.

  --In adult education and family literacy, consolidation of 12 programs, including Even Start, into a single state grant program, with a set-aside for program improvement, focusing adult education on outcomes and close linkages with vocational training.

  --In postsecondary institutional gatekeeping, the current campus-based student aid system would be streamlined by establishing partnerships with higher education institutions to exchange federal aid to their students in return for demonstrated basic educational quality and financial integrity. Three supplemental aid programs would be consolidated.

- By year 2000, the Department expects to consolidate additional programs for public libraries, education improvement, vocational rehabilitation, and at-risk students.

REGULATORY RELIEF -- Q & A

3) **A 1991 survey of Ohio school districts found that each district was required to complete 173 federally required reports and forms. What can the Education Department do to make things easier on states and districts?**

The Department's strategic plan identifies performance indicators for major Departmental initiatives that will focus data collection on important measures, holding data burden down. These performance indicators will be used across programs, substantially reducing the number of required performance reports and data collection activities, and giving States and local communities the flexibility they need over resources in return for accountability.

We are working with the Office of Management and Budget to develop indicators for four major program areas that are consistent with the Department's strategic plan--Goals 2000 and Title I; School-to-Work, Perkins Vocational Education Act, and the Job Training Partnership Act (JTPA); postsecondary gateway programs; and the Rehabilitation Service Act.

- For Goals 2000 and Title I, a limited set of performance indicators have been developed for student performance; classroom improvements; and federal, state, and local supports that can be used across ESEA programs. This will radically reduce both the number of required reports and forms as well as the amount of information States and local communities will be required to report at the federal level.

- In developing an integrated set of performance indicators cutting across School-to-Work, Perkins, and JTPA, we have worked with the Department of Labor to identify core goals common to these programs, indicators of whether the are being achieved, and the data sources upon which we well rely.

It is important to note that certain requirements, even if they impose some burden, are necessary to ensure proper expenditure of taxpayer dollars or to protect the rights of students and their parents.

Also, many of the requirements that states and local districts regard as burdensome are statutory. The Department's legislative proposals will continue to stress flexibility and simplification, as was the case for Goals 200, School-to-Work, and IASA.

WAIVERS, Q &A

1) **You recently sent out a mailing touting the Department's flexibility and providing waivers of the requirements of its elementary and secondary education programs as a prime example of that. Can you tell us how many waiver requests the Department has granted thus far? Is there a backlog?**

The Department considers waivers an important aspect of its commitment to support, in a flexible manner, state and local school improvement efforts. As such, we have provided our guidance explaining the new waiver authorities in the Goals 2000 Act, the School-to-Work Act, and the Improving America's Schools Act, and the process by which applicants may seek waivers, to every State and public school district throughout the nation.

To insure that all requests under these authorities are considered fair, thorough, and expeditious manner, the Department has established a Waiver Action Board, comprised of senior officers from across the Department and chaired by the Assistant Secretary for the Office of Elementary and Secondary Education. The Waiver Action Board considers requests and makes recommendations to the Under Secretary, who has been delegated final decisionmaking authority over all waivers. We have also established a Waiver Assistance Line, which has received dozens of calls from states and districts, many of which raise issues which have been settled without any need for waivers. This line gives us invaluable information on how federal programs are being implemented and policy decisions or clarifications which need to be made in order for progress to occur.

To date (as of 5/17/95) the Department has received 35 waiver requests. Of those, two were granted, one was withdrawn, and one was resolved without a waiver. Several others currently under analysis are also likely to be resolved without need for a waiver. As our cross-Department Waiver Action Board gets into full swing, we expect that decisions will be made promptly and fairly, with every consideration given to the plans and concerns of those making use of federal program resources to improve teaching and learning at the local level.

The Department has announced its intention to respond to the vast majority of requests within 60 days. Of currently pending requests, only two have been under consideration for longer than that.

2) **Didn't your first request take over four months to grant?**

The Palm Beach County, Florida, waiver did take too long-- far longer than most requests will. The request was received on November 28, 1994, and the district was formally notified of approval on March 15, 1995. However, we first received the waiver request barely a month after the Improving America's Schools Act was signed (October 20, 1994), before we had established a system for considering waiver requests fairly and thoroughly, and before we had issued any guidance to the states on waivers. Once our procedures were established, we considered the request expeditiously.

WAIVERS, Q &A

3) **Aren't you required to publish a notice of each waiver granted in the Federal Register? Why hasn't that been done?**

We plan to publish lists of waivers granted in groups, on a quarterly basis. Because we only had one request considered and granted this spring, we decided to wait until we had a group of decisions to publish together. We plan to publish our first list on our about July 1.

4) **What provisions do applicants most frequently seek to waive?**

Thus far, the majority of requests have been from local school districts which seek to serve individual schools, or to vary per-pupil amounts of federal funds provided to individual schools, which would not be allowed under the provisions of Title I. The first waiver granted by the Secretary under the new waiver authority, which was given to Palm Beach County, Florida, is an example of such a waiver. There the district sought a one-year waiver in order to complete a three-year plan to implement schoolwide programs in several elementary schools, while taking a year to plan adequately to begin providing Title I services in certain secondary schools. We are giving each such request careful consideration.

5) **Speaking of the Palm Beach County waiver, I have recently reviewed the documents pertaining to the Department's decision in that case, which Chairman Shays requested. It seems that you asked for a lot of information that had little to do with the substance of the request, such as how the district went about providing notice of the waiver request.**

Palm Beach County initially submitted its request before we had issued our guidance, and did not provide information necessary to a fair and complete review. In addition, this was the first waiver ever considered by the Department, and so, in attempting to be good stewards of this authority provided by Congress, we exercised special caution. With respect to the notice, in most instances each local district will have its own, routine process for providing information to the public regarding similar actions, and this will be acceptable to the Department. Palm Beach County indicated to the Department that it had no such regular procedure, and so we had to agree on a method which would provide adequate notice to those who would be affected by the waiver, including the parents of students receiving Title I services.

We continue to believe the provisions of our programs within the Improving America's Schools Act, as well as other initiatives such as Goals 2000, are sound and support state and local efforts to improve teaching and learning for all students. The Department's new waiver authority is useful in those instances where federal requirements impede, rather than support, local strategies for school improvement. In addition, the waiver authorities provide a valuable opportunity for the Department to assess continually the impact of its programs at the ground level, and to adjust its policies accordingly.

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How We Help America Learn:

A Summary of Major Activities

May 1995