

TALKING POINTS ON BLOCK GRANTS

1. When people say "block grant" they mean very different things

- consolidation of other programs
- programs with greater flexibility and fewer requirements

2. People advocate block grants for very different reasons

- cut paperwork
- more flexibility
- consolidation of programs
- eliminate programs
- cost savings

3. I support what helps students – Responsible block grants

Elements of a responsible "block grant:

- clear national priorities
- flexibility for states and localities on how to achieve them
- accountability for results
- ensuring equity for those most at risk

Goals 2000, School to Work, ESEA are "responsible block grants."
(Governor Tommy Thompson described School-to-Work as a block grant.)

Responsible block grants can cut paperwork, increase flexibility, consolidate programs to make them more effective and eliminate programs that are no longer needed.

We are already doing this:

- o reduced paperwork (Goals application 4 pages);
- o increased flexibility (Goals and STW are state-generated reforms; waivers; charter schools);
- o reduced regulations (Goals and STW none; ESEA fewer; doing thorough review of all regulations);
- o proposed eliminating 41 programs for a savings of \$700 million by FY96 and consolidating an additional 27 into broader authorities

4. The problems with "irresponsible" block grants

A. No clear national priorities or accountability

Without clear purpose, there can be no accountability and, often, no improvement in teaching and learning. Money is used on unconnected activities and key elements of school improvement can be lost. Examples:

In the early 1970's, studies showed Title I funds were being spent to carpet principals' offices, buy band uniforms and build swimming pools. Title I was then focused on basic skills instruction. As a result, disadvantaged and minority students began to close the previously existing gap in basic skills test scores.

In tight budgets, professional development is first thing to be cut because it is not tied to jobs and fails to produce immediate tangible results. This occurs even though the critical role of professional development in school reform is widely recognized. The new Title II program is designed to respond to this reality.

A Chapter 1 director in KY had a room full of computers, but no one knew how to use them or teach their students how.

However, high poverty schools often have been able to use the clear focus in Title I schoolwide to leverage overall reforms. By asking schools to look at upgrading entire program, develop alternatives to what they are doing, and adopt research based strategies, schoolwides can make it easier for those who want to, to do the right thing.

B. No targeting of resources on those most at risk

In 1981, the emergency school aid program was consolidated into the new Chapter 2 "block grant" authority that did not contain specific targeting provisions. The result: Chapter 2 funds were spread across all districts, and the high poverty schools lost significant funding. In response, Congress created yet another targeted federal education program: the magnet schools program.

Historically, school districts have tended to distribute Title I funds to as many schools as possible, which often results in many high poverty schools receiving amounts too small to make a difference. Without some

targeting parameters, districts often cannot withstand the pressure to serve as many schools as possible.

5. I do not support cutting investment in education because these cuts will hurt students

Re-naming grants as "block grants" should not be used as a veil to conceal cutbacks in aid.

The notion in Congress today is that you can block grant programs and then cut funding without having any negative affect on students. The theory is that education programs are bureaucratic and costly to run -- and that if we blockgrant them states and district can be more efficient and cuts in funding will not hurt children.

This is a myth. There is no big administrative cost for states and districts. Chapter 1 is an example:

Dollars spent on federal program implementation at the local level tend to be lower than the costs of administering non-categorical state and locally-supported efforts.

– Districts devoted a greater percentage of their Chapter 1 expenditures to classroom services (73%) than other district funds (62%).

Moreover, data from GAO, the U.S. Chamber of Commerce and the Department of Education show that the costs associated with administering federal programs vary widely across states and districts. This suggests that the costs depend in large part on choices that each state and district makes in how they administer their programs.

6. Quotes from local educators

March 8 article in Education Week raises points made by various local educators:

o Without targeting and accountability, districts may use funds intended for poor children to buy everything from airplanes to carpeting.

An elementary school principal in Tennessee says: "I'm telling you. I've been there. I know."

A local superintendent in Wisconsin says: "I'd like to do away with the paperwork. . . . But if it involves millions and millions of dollars, someone has to administer it."

o Need to go slowly.

A deputy state superintendent in Utah who is a former aide to Orris Hatch says: Congress is "just moving so rapidly. They ought to take a year out and study what they are doing."

7. Most Department funding is directed at a few critical national purposes

We have about 140 elementary and secondary education programs; about 45 percent of our total budget.

Most of this funding goes to States and school districts through just a few major programs focused on critical needs: helping all children learn to high standards, ensuring schools are safe and drug free, training teachers, preparing students for the transition from school to work, and serving children with disabilities.

Just eight major formula grant programs — Goals 2000, Title I, Eisenhower Professional Development, Safe and Drug Free Schools, Impact Aid, Innovative Education Program Strategies, Vocational Education Basic Grants and Special Education state grants — account for 80 percent of Federal elementary and secondary education funding.

The same is true of Federal support for postsecondary education. We administer about 70 postsecondary programs funded at more than \$15 billion in 1995.

More than 90 percent of our postsecondary dollars are delivered through just six student aid programs: Pell Grants, Supplemental Educational Opportunity Grants, Work-Study, Perkins Loans, Federal Family Education Loans, and Direct Loans.

What this means is that most of our dollars are already delivered in essentially block grant form, but with some targeting on important national purposes as defined by Congress, and with accountability that allows us to tell taxpayers in California, for example, how their money is being used in South Carolina.

EFFECTIVENESS OF MAJOR FEDERAL EDUCATION PROGRAMS

Question: What do we know about the effectiveness of major federal education programs?

Answer: Federal programs have been effective in increasing access to higher education, increasing access of minorities and low-income students to quality education, and supporting a national effort for challenging standards for all children.

- **The Higher Education Act of 1965 made financial aid widely available for college students, particularly those from middle and low-income families, fueling a dramatic rise in college enrollments.**
 - Enrollment in postsecondary education increased four-fold between 1958 and 1990, from 3.2 million to 13.8 million.
 - Minority enrollments in higher education have risen dramatically, with black enrollments increasing by 600 percent from 1970 to 1990.
- **Title I and IDEA increased the access of low-income, minority and disabled students to quality education.**
 - Minority students achieved substantial gains in science, reading, and math between the 1970's and 1992. (The achievement gap for black 9-year-olds was reduced by 36 percent in science, 32 percent in reading, and 24 percent in math, according to NAEP).
 - Prior to the enactment of the IDEA in 1975, when one million children with disabilities were excluded from school altogether. Today, graduation rates are up; 57 percent of youth with disabilities are competitively employed within 5 years of leaving school.
- **Federal education initiatives in the 1980's and 1990's have focused attention on the need for excellence and high standards in education.**
 - The proportion of high school graduates taking the core curriculum recommended in *A Nation at Risk* tripled between 1982 and 1990, from 13 percent to 40 percent.
 - Participation in Advanced Placement (AP) courses tripled from 1982 to 1994 (to 450,000).
 - Overall student performance in science, math, and reading has increased. For example, math proficiency for 9-year olds increased from an average score of 219 in 1978 to 230 in 1992.

FEDERAL ROLE IN EDUCATION

HISTORY

Important federal role for over 100 years in K-12 and post-secondary.

- o land grant college system (Morrill Act, 1862)
- o established office of education in 1867 (research & statistics)
- o vocational education (Smith Hughes Act, 1917)
- o GI bill (1944 – sent 2.2 million veterans to college)
- o National Defense Education Act for math and science. (1958)

NATIONAL DEFENSE

- o Armed Forces this year will recruit almost 200,000 young americans
- o To preserve military preparedness their goal is for at least 90% to have a high school diploma and at least 60% to have above average skills

STRONG ECONOMY

- o **Education foundation of better economic performance.** In this century, educational increases in the workforce accounted for almost 30% in the growth of the nation's wealth; advances in knowledge (better education, R&D, and new technologies) accounted for 55%.
- o **High returns to education for individuals.** In 1992, the average annual earnings for those with a bachelor's degree were almost twice those with only a high school diploma; and two and one-half times those who did not finish high school.
- o **America's mobile population.** Almost one-tenth of our population moves across state lines every five years. This the local quality of education has national implications—whether dealing with unemployment or promoting economic growth. Weak schools have consequences all across the nation.

EQUITY AND CIVIL RIGHTS

- o Children who are disadvantaged, disabled or have limited english proficiency must not be left behind.

RESPONSE TO BRODER CHARGE THAT DEPARTMENT IS 'TOP HEAVY'

- o When I first took office, we set some priorities for what needed to be accomplished.
- o We decided that our first priority needed to be overhauling the federal role in education and key federal programs--Goals 2000, ESEA, School-to-Work, Direct Lending, overhaul of the research function, etc. recognized that the structure of the Department needed to be addressed.
- o Our second priority was streamlining the management and operation of the Department, within the existing structure. We've done this through such efforts as the development of a Department mission and strategic plan; integrated program reviews, the use of consolidated plans, and a significant reduction in regulations and paperwork in elementary and secondary education programs; restructuring the Office of Education Research and Improvement; and initiating the Direct Lending program on a sound footing.

We have a solid record of accomplishment in these areas.

- o While we knew that the basic structure of the Department also needed attention, we also recognized that a Department-wide reorganization--elimination or consolidation of offices--would be very time consuming and would demand great attention of the leadership of the Department. I believed then, and I believe now, that it was more important to focus our attention externally--on how our programs impact on students, schools and institutions of higher education, parents, teachers, and state and local education agencies--than on how we are organized internally, or how many assistant secretaries we have.
- o While our program overhaul and management improvements continue full force, we have also been working closely with Vice President Gore and the Administration's National Performance Review II to look carefully at ways in which the Department could be further streamlined. In the near future I expect to announce the steps we will take to further streamline the agency and reduce management layers.
- o Since this review is still underway within the Executive Branch, I cannot offer details on our plans yet.

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1-A -

Disadvantaged -
Disabled -
(44% on welfare - drop
29% in prison

IMPORTANCE OF DEPARTMENT OF EDUCATION

- o National Voice for Education
 - Challenging standards for all children - National Goals/Charlottesville
 - Nation at Risk
 - A seat in the Cabinet
- o Access to higher education: creating the middle class
 - -75% of all student aid is from federal government
 - in last 20 years, 40 million have received a federal student loan
 - college enrollments have risen
- o A clearinghouse of good ideas: catalyst for solutions
 - research (AskEric; demonstrations; charter schools)
 - technology
 - facilitating exchanges of information between 50 states and 16,000 school districts
 - seed money for effective strategies (ex: Tech Prep has spread widely; federal support has spurred states to adopt this strategy with their own funds)
- o A supportive partner to states, communities, schools and colleges
 - Goals 2000
 - School to Work
- o Supporting elements essential to good schools
 - safe and drug free schools
 - high standards
 - teacher training
 - family involvement
- o Ensuring no children are left behind
 - Disadvantaged, disabled, limited english proficient

Boells

Met. - 16
Reg. Center - 8

(1-A)

Disadvantaged - ESEA

(1-A)

Disabled - IDEA

Polls -

- o Given competing needs and fiscal strains at state and local level, assist communities by targeting resources to the most needy.
- o ESEA focuses to raise academic achievement of poor and disadvantaged students. Since the law was enacted in 1965, achievement gap between black and white students narrowed substantially.
- o 20 years ago, close to a million children with disabilities were entirely excluded from school. Now they are in school, and many are in the regular classroom.
- o Student financial aid has helped millions of poor and middle-class students go to college.

FOUNDATION FOR DEMOCRACY AND RESPONSIBLE CITIZENSHIP

- o About 44% of welfare recipients are school drop outs.
- o 82% of all people locked up in jail and prisons are drop outs.
- o Education is a powerful welfare and crime elimination program. America simply cannot afford not to invest in education.

TODAY IS THE EDUCATION ERA: ADDRESSING THE "HUMAN DEFICIT"

- o New Demands: technology, international competition
- o In this decade, 89% of jobs being created require some form of post secondary training. Even more require a high school diploma.

PUBLIC SUPPORT FOR EDUCATION

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

OPPORTUNITIES FOR SAVINGS

Question: What do you see as opportunities for cost savings over the next few years?

Answer:

- Changing law to 100 percent Direct Loans will save \$5.2 billion more through 2000. This, added to the \$6.8 billion from Student Loan Reform Act of 1993, will total \$12 billion through 2000. 12 bil
(5.2 bil
4.1
- Eliminating 41 programs as proposed in the President's Budget will save \$4.1 billion by 2000. from 1995
- The reduction of 8.4 percent of Department employees will save \$110 million by 2000. 110

• Savings that do not hurt students 8.4.21
Draft

May

MANAGEMENT IMPROVEMENTS

Question: How are you improving management of the Department?

Answer: When I came to the Department there were significant management problems. GAO identified problems in the areas of leadership, program monitoring, financial management, and student aid administration.

Full-scale effort to improve management includes:

- strategic plan – which includes detailed performance indicators.
- successfully implemented the Direct Student Loan program to save at least \$12 billion by FY 2000; simplified the loan process for students, their parents, and schools.
- strengthening the student financial aid "gatekeeping" process – as a result defaults are down (22 percent to 15 percent) and loan collections are up. *by half a billion a year.*
- shifting the emphasis of program monitoring from compliance, which focuses on reporting requirements, to performance, which focuses on technical assistance to improve student *outcomes.*
- streamlining the Department's grants process. The Department has improved the timeliness of grantee notification, distributed funds electronically, simplified review procedures, and eliminated unnecessary requirements.
- Improved customer service by reducing regulations and paperwork in new programs such as Goals 2000, which is operated without any regulations and minimal paperwork, and Title I, where regulations will be dramatically reduced.
- Reducing the size of the Department. Even as we hire additional staff to implement Direct Loans, we are able to reduce overall staffing. In areas other than Direct Loans, we will reduce staff by 221 in 1996 and by another 386 by 1999 – for a 16 percent total reduction between 1993 and 1999.

• NPR II

Boulder State
Brief

STATE BURDEN TO ADMINISTER FEDERAL PROGRAMS

Question: States and districts complain about how much personnel they need to apply for and administer Federal programs. What are you doing about this?

Answer:

- Reducing the time required to complete applications and plans in a number of ways.
- New legislation greatly reduces requirements and increases flexibility. Also reducing regulations.
- Shorter, simpler applications – Goals 2000 was 4 pages.
- Fewer applications. Reduction is being achieved through a number of strategies:
 - longer-term plans, so that States and districts submit plans less frequently.
 - single plan to cover many programs. Under new ESEA, States and districts have option to submit only one plan that covers various ESEA programs and, if they want, Goals 2000: Educate America Act, the School to Work Opportunities Act, the Perkins Vocational Education basic state grant program, and other programs that the Secretary may designate.
 - multi-year grants to reduce the number of times States and districts must apply.

CHANGES IN REGULATIONS PROCESS

Question: Could you describe changes in how the Department deals with regulations since you became Secretary?

Answer:

- Developed a set of simple criteria for when and how to regulate. We are applying these common sense criteria to all our programs. The result will be far fewer, shorter, less prescriptive regulations.
- Whether to regulate:
 - When essential to promote quality and equality of opportunity in education.
 - When a demonstrated problem exists and cannot be resolved without regulation.
 - When entities or situations to be regulated are so different that a uniform solution does more harm than good.
 - When necessary to provide legally binding interpretation to resolve ambiguity.
- How to regulate:
 - Regulate no more than necessary.
 - Minimize burden and promote multiple approaches to meeting statutory requirements.
 - Encourage federally-funded activities to be integrated with State and local reform activities.
 - Ensure that benefits justify costs of regulation.
 - Establish performance objectives, rather than specify the manner of compliance.
 - Encourage flexibility so that institutional forces and incentives achieve the desired result.

APPLICATION OF NEW REGULATORY PRINCIPLES

Question: How are you applying these new regulatory principles?

Answer:

- No regulations for Goals 2000 or School to Work
- NO regulations to implement Eisenhower Professional Development, Safe and Drug-Free Schools program, and waiver provisions of the Improving America's Schools Act.
- Minimal regulations for Title I – most of which are being developed through a statutorily-mandated negotiated rule-making process which included parents, teachers, principals and state leaders.
- Eliminating obsolete and unnecessary regulations ⁸ - a thorough review
- Making regulatory process more customer friendly
 - internet
 - voluntary negotiated rulemaking ("reg neg")
 - regional meetings on regulations (1994-elementary and secondary, bilingual, special ed and student aid)
- Better than a moratorium

NEW WAIVER AUTHORITY

Question: Can you explain more about the new waiver authority you keep mentioning?

Answer:

- **Goals 2000: Educate America Act** permits us to waive many statutory and regulatory requirements applicable to key department programs. Waivers may be granted when the Secretary determines that a requirement impedes the applicant's ability to carry out a Goals 2000 State or local improvement plan. The Secretary can grant waivers to States, school districts and schools.
- **IASA** provides for broad waivers to States, school districts and schools of IASA statutory and regulatory requirements, with narrow exceptions similar to those in Goals 2000. There is an especially broad waiver authority for public charter schools – extending to any ED statutory or regulatory requirement.
- **School-to-Work Opportunities Act** provides for waivers of statutory and regulatory requirements of JTPA and Perkins as well as of relevant IASA programs.
- Created a Waiver Action Board that will provide "one-stop shopping for education waivers".

ED-FLEX

Question: What is Ed-Flex?

Answer:

- Under Goals 2000, States with approved plans may apply to be Ed-Flex States.
- The Secretary may authorize up to six selected States to have the full power to waive the ESEA and Perkins requirements, without having to seek the Secretary's approval.
- A notice inviting applications under this program has been published and provided to every Governor and Chief State School Officer.

In your testimony, you suggested that there are a number of myths and misconceptions about Goals 2000. What do you have in mind?

Goals 2000 has been targeted by a small but vocal and organized group who are spreading misinformation about what is actually in the Act. These critics claim that Goals 2000:

NOTHING COULD BE FURTHER FROM THE TRUTH -- DECISIONS
REGARDING HEALTH, EDUCATION, CURRICULUM, AND TEACHING
METHODS ARE ALL LOCAL DECISIONS.

The Act prohibits the federal government from making these decisions.

I urge these critics to stop misleading the public with untruths.

Goals 2000 provides flexible funds to states and communities to design their OWN approach to improving their schools. 48 states across the country are using the funds to support teacher training, computers in the schools, and communities in their efforts to develop their strategic plans for school improvements.

I request that you challenge any of you here to ask state and local officials who are actually participating in the Goals 2000 program if any of these accusations are true. They will confirm they are not.

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Myth

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Myth: GOALS 2000 will lead to a federal government takeover of local education.

Reality: Section 318 of the GOALS 2000: Educate America Act makes it absolutely clear that there are no mandates, and there will be no federal takeover:

"Nothing in this Act shall be construed to authorize an officer or employee of the Federal Government to mandate, direct, or control a State, local educational agency, or school's curriculum, program of instruction, or allocation of State or local resources or mandate a State or any subdivision thereof to spend any funds or incur any costs not paid for under this Act." Section 319 of the Act again clarifies that Congress "reaffirms that the responsibility for control of education is reserved to the States and local school systems."

Participation in GOALS 2000 is completely voluntary.

The goal of the GOALS 2000: Educate America Act is to encourage local community-based actions that meet pressing educational needs, help more students achieve to higher standards, increase parental participation, and improve teaching. GOALS 2000 provides federal support for local and state reforms.

Myth: Goals 2000 advocates Outcome-Based Education (OBE).

Reality: The legislation doesn't promote any particular education philosophy or approach; that is a local decision.

GOALS 2000 focuses on upgrading academic achievement and preparing students for the world of work.

Each state, school district, and school determines what content it wants students to learn, and whether that content should focus strictly on core academic and basic skills or should also include other areas. The federal government will not be involved in those kinds of local decisions.

Myth: GOALS 2000 creates the National Education Standards and Improvement Council (NESIC), which will act as a "national school board" and control what is taught in the classroom.

Reality: NESIC was initially recommended in 1992 by a bipartisan group, authorized by Congress and appointed by Secretary Lamar Alexander, and cochaired by Governor Carroll Campbell (R-SC) and Governor Roy Romer (D-CO). The council included, among others, Representative Goodling, Senator Hatch, Lynne Cheney, and Chester Finn.

The purpose of the council was to provide an independent review of the quality of model national and state academic standards being developed by professional organizations in each discipline. These standards would be submitted voluntarily.

There was no requirement that a state receive certification as a condition of participating in any federal education program, such as Chapter 1, Drug-Free Schools, vocational education, or GOALS 2000.

NESIC also would not review a state's school improvement plan developed under GOALS 2000.

NESIC was to be comprised of 19 members, including educators, employers, and state and local officials, appointed by the president from nominations made by the National Education Goals Panel (comprised of governors, state legislators, Congress, and the administration), the House and Senate leadership, and the secretary of education.

Despite the carefully delineated authority provided to NESIC under the GOALS 2000 Act, many people are concerned about any national certification of standards.

Upon recommendation by the National Education Goals Panel on January 28, 1995, I asked the president not to appoint NESIC.

The House has already passed a bill that will eliminate the Council. I supported this action.

3

History Stand
— Health Clinics

Myth: GOALS 2000 requires the use of the national history standards recently released.

Reality: Under GOALS 2000, states and school districts determine their own academic standards that outline what they want their children to learn.

If they choose, states and communities can use voluntary national standards developed by professional organizations as models to design their own challenging standards. Several states are adopting parts of the model national standards while others are developing their own standards.

National standards are voluntary. No funds are tied to the use of these standards, or of any subset of these standards. No law or regulation requires their use in any way.

Although the release of the history standards has evoked a great deal of controversy, efforts to develop voluntary national standards in other content areas, coordinated by such groups as the National Council of Teachers of Mathematics, the Center for Civic Education, and the National Geographic Society, have been well received.

Drafts of these standards have been reviewed by hundreds of teachers and other concerned citizens. The standards represent what teachers and scholars believe students should know in subject areas such as math, geography, civics, and the arts by certain points in their education. The much acclaimed math standards, released in 1989, are being used in classrooms across the nation.

Myth: GOALS 2000 will encourage the proliferation of school-based health clinics, and move schools away from the fundamental duty of education and into the provision of reproductive services.

Reality: The focus of the GOALS 2000: Educate America Act is improving student achievement, greater parental participation, discipline and safety in our schools, better teaching, higher high school graduation rates, and greater rates of adult literacy.

GOALS 2000 does not change the fact that decisions regarding school-based health clinics and the distribution of contraceptives remain a state and local responsibility.

In addition, section 1018 of the Act requires that states and local communities that choose to use federal funds for health programs develop procedures to encourage family participation in such programs.

Myth: GOALS 2000 is another burdensome federal program with a multitude of rules and regulations.

Reality: GOALS 2000 is a "responsible block grant."

It sets broad objectives and goals, but allows the states to determine the means to reach them.

The Department of Education has not, and will not, issue any regulations for GOALS 2000.

The Department of Education has designed a streamlined application procedure for states that cuts paperwork considerably. The initial application for states to request GOALS 2000 money is only 4 pages long, asks only for information required by law to award funds, and eliminates numerous forms.

Myth: GOALS 2000 does not promote innovative approaches to school reform.

Reality: GOALS 2000 encourages the creation of new innovative partnerships, and provides historic flexibility and waiver authority. For example, Massachusetts is using its GOALS 2000 funds to support the creation of 14 charter schools.

Myth: GOALS 2000 promotes opportunity-to-learn standards that focus on inputs rather than on standards for student achievement.

Reality: GOALS 2000 reflects an unwavering commitment to results. Developing and implementing challenging standards for what students should know and be able to do in key subject areas, and effectively measuring student performance against these standards, are cornerstones of the bill. States and school districts--not the federal government--will define and monitor these standards. The federal government will not be involved in monitoring individual schools or teachers.

The Act also provides for establishing opportunity-to-learn standards or strategies, which are very carefully defined to reflect the essential areas related directly to teaching and learning: quality and availability of curriculum, instructional materials, and technologies; the capacity of teachers to provide quality instruction in each content area; and the access of teachers and administrators to professional development. The opportunity-to-learn standards or strategies are intended to serve as a guide, and their implementation is voluntary.

Myth: The GOALS 2000 Act is the result of the liberal education establishment's wish list.

Reality: GOALS 2000 passed the Congress with strong bipartisan support, and has been endorsed by national business organizations, including the U.S. Chamber of Commerce, the National Alliance of Business, the Business Roundtable, and the National Association of Manufacturers.

The GOALS 2000 Act supports an education reform agenda that was spearheaded by governors of both parties. It is a balanced bill, one that provides national leadership and some federal funds to support grassroots, bottom-up reform.

May 10, 1995 k:\shared\g2k\myths

For the first time in history, under GOALS 2000, the secretary of education has the authority to waive statutory and regulatory requirements of many other federal education programs, such as Title I, the Safe and Drug Free Schools Act, or the Carl Perkins Vocational Education Program. Waivers are granted if the requirements of other programs interfere with the ability of a state, school district, or individual school to carry out its own approach to educating students to challenging standards. In order to be eligible, a state develops a statewide education reform plan. Once the plan is completed, every school district and school in the state—regardless of whether it receives funds under GOALS 2000—is eligible to request federal waivers, as long as the state has approved its local education improvement plan.

GOALS 2000 also includes the Ed-Flex Demonstration program, which extends this waiver authority even further. Under this pro-

gram, the secretary delegates the new waiver authority to six states. In this way, the federal government can learn how to better support effective local reforms and responsible state leadership. In February 1995, Oregon was selected as the first Ed-Flex state. Its local school districts or schools that encounter federal obstacles to their improvement efforts can request waivers from state education officials in Salem, Oregon rather than from federal officials in Washington, D.C.

New Ways of Doing Business

Implementing GOALS 2000 has also brought about some significant changes in how the U.S. Department of Education is doing business. For example:

★ **No new regulations are being issued**

To preserve flexibility for states and localities included in the GOALS 2000 Act, the Education Department is not issuing regulations to specify how states must implement the law.

★ **The application process is streamlined**

In the past, applying for federal education funds required completing lengthy paperwork, answering numerous questions, and filling out scores of assurances. This process was reinvented for GOALS 2000. States need answer only four questions to receive first-year funds. On average, state funding awards have been granted in less than a month following submission of the application. Forty-six states, the District of Columbia, and Puerto Rico have applied for and received funds under this streamlined process. Ohio has applied and will receive funds shortly. ■

For those who ask "What can I do to improve our schools?" there is GOALS 2000, which offers new tools and opportunities to states and communities to improve teaching and learning, and achieve high standards in education. States and communities have responded to this offer, as demonstrated in the chart below and the examples on the following pages.

GOALS 2000 State Subgrant Awards

STATE	INVOLVEMENT OF DISTRICTS	APPLICATIONS	FUNDING
Illinois	315 of 915 districts	160 submitted 61 awarded	\$7.9 million requested \$2.4 million awarded
Kansas	217 of 305 districts	75 submitted 37 awarded	\$958,000 requested \$488,000 awarded
Kentucky	a/ 52 of 176 districts	102 submitted 38 awarded	\$2.0 million requested \$817,000 awarded
Louisiana	59 of 66 districts	45 submitted 25 awarded	\$2.2 million requested \$1.1 million awarded
Massachusetts	b/ 185 of 350 districts	over 100 submitted 38 awarded	\$5.2 million requested \$1.1 million awarded
Michigan	552 of 624 districts	108 submitted 24 awarded	\$11 million requested \$2.1 million awarded
Oregon	c/ 132 of 218 districts	53 submitted 12 awarded	\$2.3 million requested \$575,000 awarded
Pennsylvania	302 of 501 districts	181 submitted 58 awarded	\$13.3 million requested \$2.2 million awarded

* Those who submitted at least one application, either independently or as part of a consortium.

** Includes single-district and consortia applications submitted for professional development, preservice teacher education, and local reform.

a/ In Kentucky, only those districts with a district improvement plan were eligible to apply for the subgrants. For this reason, the number of applications submitted may be lower than if every district had been eligible.

b/ In Massachusetts, the state believes that some districts that may have applied for funding decided to wait until the next round of applications when a larger pool of money is anticipated.

c/ In Oregon, the number of districts that applied and that are eligible reflects the new alignment of districts that is to occur on July 1, 1995.

NOTE: Districts could have submitted up to three different types of applications. Also, a district could be involved with a consortium of other districts in submitting an application.

HOW CAN CONGRESS HELP THE DEPARTMENT
IMPROVE TEACHING AND LEARNING?

- I welcome your recommendations on how we can improve our work, but together the bipartisan Congress and this Administration have done a great deal over the last two years to help support improved learning in America --

Goals 2000 Act; School-to-Work Act; Reauthorization of the Elementary and Secondary Education Act -- all promote maximum flexibility and improved learning.

- Allow us the opportunity to implement these new laws and build new partnerships with states and communities to do so.
- At the same time, I will continue to also focus on improving Department management, efficiency and flexibility. --

There are questions the Democrats are likely to ask.

- 1 How can Cong. help?
- 2 How does Goals-2000 work?
- 3 Myths + Misconceptions

OVERALL POINTS TO MAKE

This movement for educational improvement and reform began at the state and local level. The Governors at the Education Summit with President Bush in 1989 asked for federal assistance and new flexibility to support state and local improvement efforts--we have delivered on that request through Goals 2000. And now virtually every state is participating.

We are doing what States want → (flexibility, etc)

Goals 2000 is not an intrusive program--it promotes grassroots community involvement in education. As a former Governor, I know how important this is!

We should be talking about 48 who are participating

WHY ARE NEW HAMPSHIRE AND VIRGINIA NOT PARTICIPATING IN GOALS 2000?

It is important to remember that only two states of 50 are not now participating in the Goals 2000 program.

9 Territories

Governor Allen asserts that the absence of federal regulations for this program make it impossible to determine how the program will be implemented. I must confess, in my eight years as Governor of South Carolina and nearly two and a half years as Secretary of Education, this is the first time I can remember a governor complaining about a lack of federal regulation.

New Hampshire
~~We have been working with New Hampshire and I understood that the Chief State School Office in New Hampshire is a supporter of Goals 2000 as are parent, teacher and business groups in the state, but the state board and the Governor still have questions about the program. We have tried to be very responsive and answer all their questions.~~

one supporter

WHAT ABOUT MONTANA?

Encourage Gov. Merrill & Gov. Allen

The Governor and the Chief State School Officer support Goals 2000. In this state, the state legislature voted to keep the state from participating in year 2. We hope this will change when the

legislature next meets.

WHY IS THERE OPPOSITION TO GOALS 2000?

There is a small but vocal group spreading misinformation about Goals 2000--not based in fact. I challenge you to ask any state and local official who is actually participating and implementing the program if the accusations are true. They will confirm they are not! —

I also believe that some are using Goals 2000 for political purposes--to bash public education or President Clinton.

Our children's future is too important for this kind of political mudslinging. We need to come together as a nation to help all our children receive a quality education.

BLOCK GRANTS TO STATES

Question: Why not just give States and communities the resources to do the job and get out of their way? Why not just use block grants?

Answer: I support "responsible blockgrants," by which I mean programs with the following elements:

- clear national priorities
 - flexibility for states and localities over how they achieve those goals
 - ensuring equity for students most at-risk
 - accountability for results
- Our new legislation – Goals 2000, the School to Work Opportunities Act – can be considered block grants of this sort.
- Since the Federal Government provides only 6 percent of education spending, it must be used strategically. Simply giving Federal money to schools without clear goals or focus or accountability is a poor use of the taxpayer's money.
- Typical blockgrants have no focus or accountability. The pressure is to give a little something to everyone and there is little assurance that they will address the fundamental problems of our schools. Our recent evaluation of the Chapter 2 blockgrant shows that the impact of Federal dollars in that program is barely discernable and it is not possible to evaluate the effectiveness of the expenditures.
- Blockgrants will not produce cost savings, unless combined with significant cuts, because the cost of administering the Federal programs is not high.
 - ED's administrative expenses are only about 2 percent of our budget
 - for higher education, only 1 percent of funds are used by colleges and universities for administration
 - for K-12, States use only an average of 6 percent for administration and districts use only 4 percent for administration. On average, a higher percent of Federal Title I dollars goes to the classroom than does State education dollars.

TALKING POINTS ON BLOCK GRANTS

1. When people say "block grant" they mean very different things

- consolidation of other programs
- programs with greater flexibility and fewer requirements

2. People advocate block grants for very different reasons

- cut paperwork
- more flexibility
- consolidation of programs
- eliminate programs
- cost savings

3. I support what helps students – Responsible block grants

Elements of a responsible "block grant":

- clear national priorities
- flexibility for states and localities on how to achieve them
- accountability for results
- ensuring equity for those most at risk

Goals 2000, School to Work, ESEA are "responsible block grants."
(Governor Tommy Thompson described School-to-Work as a block grant.)

Responsible block grants can cut paperwork, increase flexibility, consolidate programs to make them more effective and eliminate programs that are no longer needed.

We are already doing this:

- o reduced paperwork (Goals application 4 pages);
- o increased flexibility (Goals and STW are state-generated reforms; waivers; charter schools);
- o reduced regulations (Goals and STW none; ESEA fewer; doing thorough review of all regulations);
- o proposed eliminating 41 programs for a savings of \$700 million by FY96 and consolidating an additional 27 into broader authorities

4. The problems with "irresponsible" block grants

A. No clear national priorities or accountability

Without clear purpose, there can be no accountability and, often, no improvement in teaching and learning. Money is used on unconnected activities and key elements of school improvement can be lost. Examples:

In the early 1970's, studies showed Title I funds were being spent to carpet principals' offices, buy band uniforms and build swimming pools. Title I was then focused on basic skills instruction. As a result, disadvantaged and minority students began to close the previously existing gap in basic skills test scores.

In tight budgets, professional development is first thing to be cut because it is not tied to jobs and fails to produce immediate tangible results. This occurs even though the critical role of professional development in school reform is widely recognized. The new Title II program is designed to respond to this reality.

A Chapter 1 director in KY had a room full of computers, but no one knew how to use them or teach their students how.

However, high poverty schools often have been able to use the clear focus in Title I schoolwide to leverage overall reforms. By asking schools to look at upgrading entire program, develop alternatives to what they are doing, and adopt research based strategies, schoolwides can make it easier for those who want to, to do the right thing.

B. No targeting of resources on those most at risk

In 1981, the emergency school aid program was consolidated into the new Chapter 2 "block grant" authority that did not contain specific targeting provisions. The result: Chapter 2 funds were spread across all districts, and the high poverty schools lost significant funding. In response, Congress created yet another targeted federal education program: the magnet schools program.

Historically, school districts have tended to distribute Title I funds to as many schools as possible, which often results in many high poverty schools receiving amounts too small to make a difference. Without some

targeting parameters, districts often cannot withstand the pressure to serve as many schools as possible.

5. I do not support cutting investment in education because these cuts will hurt students

Re-naming grants as "block grants" should not be used as a veil to conceal cutbacks in aid.

The notion in Congress today is that you can block grant programs and then cut funding without having any negative affect on students. The theory is that education programs are bureaucratic and costly to run -- and that if we blockgrant them states and district can be more efficient and cuts in funding will not hurt children.

This is a myth. There is no big administrative cost for states and districts. Chapter 1 is an example:

Dollars spent on federal program implementation at the local level tend to be lower than the costs of administering non-categorical state and locally-supported efforts.

-- Districts devoted a greater percentage of their Chapter 1 expenditures to classroom services (73%) than other district funds (62%).

Moreover, data from GAO, the U.S. Chamber of Commerce and the Department of Education show that the costs associated with administering federal programs vary widely across states and districts. This suggests that the costs depend in large part on choices that each state and district makes in how they administer their programs.

6. Quotes from local educators

March 8 article in Education Week raises points made by various local educators:

o Without targeting and accountability, districts may use funds intended for poor children to buy everything from airplanes to carpeting.

An elementary school principal in Tennessee says: "I'm telling you. I've been there. I know."

A local superintendent in Wisconsin says: "I'd like to do away with the paperwork. . . . But if it involves millions and millions of dollars, someone has to administer it."

o Need to go slowly.

A deputy state superintendent in Utah who is a former aide to Orris Hatch says: Congress is "just moving so rapidly. They ought to take a year out and study what they are doing."

7. Most Department funding is directed at a few critical national purposes

We have about 140 elementary and secondary education programs; about 45 percent of our total budget.

Most of this funding goes to States and school districts through just a few major programs focused on critical needs: helping all children learn to high standards, ensuring schools are safe and drug free, training teachers, preparing students for the transition from school to work, and serving children with disabilities.

Just eight major formula grant programs — Goals 2000, Title I, Eisenhower Professional Development, Safe and Drug Free Schools, Impact Aid, Innovative Education Program Strategies, Vocational Education Basic Grants and Special Education state grants — account for 80 percent of Federal elementary and secondary education funding.

The same is true of Federal support for postsecondary education. We administer about 70 postsecondary programs funded at more than \$15 billion in 1995.

More than 90 percent of our postsecondary dollars are delivered through just six student aid programs: Pell Grants, Supplemental Educational Opportunity Grants, Work-Study, Perkins Loans, Federal Family Education Loans, and Direct Loans.

What this means is that most of our dollars are already delivered in essentially block grant form, but with some targeting on important national purposes as defined by Congress, and with accountability that allows us to tell taxpayers in California, for example, how their money is being used in South Carolina.

(2)

Gunderson
Best - doing Savings

~~GOODLING~~ GUNDERSON PROPOSAL

Question: What is your position on the ~~Goodling~~ Gunderson proposal?

Answer: I did not come to Washington to defend bureaucracy. I came to create a lean and effective Department.

- We are moving on our own to reduce bureaucracy, streamline, consolidate, and save taxpayers' dollars. We are interested in any proposal to help improve teaching and learning.
- The ~~Goodling~~ Gunderson proposal would create a "mega-bureaucracy" by combining the Departments of Education, Labor and EEOC. (It shifts and consolidates some functions, but does not set forth any steps to improve education.) It downgrades the importance of education and eliminates the "bully pulpit".
- Such a "mega-bureaucracy" would decrease accountability and efficiency, make education information and programs less accessible to customers, and excessively concentrate decision making.
 - For example, it would establish an Assistant Secretary for Workforce Preparation and Policy who would have responsibility for over \$38 billion in program funds, more than the entire Department of Education budget.
- Such massive bureaucracy building would distract attention from our important task of improving education. We would spend years rearranging organizational boxes rather than continuing our efforts at streamlining the Department.
- Would ^{focus} ~~focus~~ too much on regulatory functions
- Education about more Than work force preparation - vibrant democracy
- less accountability, bad for our customers
- Can get savings without consolidation

Mr. Gunderson estimates that his proposal would save \$4 billion a year. However, most of this savings would be from eliminations and consolidations of programs – savings that can be – and are being – achieved by Education and Labor.

- Claimed savings of \$4 billion:

- \$900 million cut from the consolidated total of \$1.9 billion for Eisenhower Professional Development, Charter Schools, Impact Aid, Safe and Drug Free Schools, and Innovative Education Programs

- \$100 million by reducing Bilingual Education

- \$100 million by reducing Title III Developing Institutions

- \$600 million by eliminating funding for 29 programs from ED, Labor, and other agencies

- \$200 million by reducing Workplace Safety and Employee Benefit programs

- \$2.3 billion cut from a total of \$12 billion for Workforce Preparation and Life-Long Learning programs which could be combined into 4 block grants

- \$100 million from reducing duplicate staff offices and cutting civil rights unit

Gen Staff → \$19 mil - The dislocation & loss of Mission would cost (probably) more than this -

Same for 1833

ALEXANDER/BENNETT/COATES PROPOSAL

Question: What is your position to the Alexander/Bennett/Coates proposal to abolish the Department?

Answer: I understand that they have proposed making education an office within a larger department and distributing many functions of the Department to other agencies. For example, student financial aid for college would go to the Treasury Department, vocational education to Labor, educational research to NSF, and so on.

- Need a national voice for education. Without a Cabinet level department education would be deemphasized at time in our history when it is more important than ever before.
- Proposal would create a bureaucratic nightmare for schools, communities, and States. Now, States, communities and others concerned with education can look to one agency. Under the proposal they would have to go all over the government. ~~CHART~~

• *Less accountability; no coherent policy; fragmentation*
Creating an office in a larger agency is not necessarily more efficient or more responsive to local concerns. When Education was in HEW

- The Office of Education had 7,700 employees. The Department currently has ~~one-third fewer~~ employees;
5,000
- The Secretary of HEW could not devote much attention to education;
- The lack of attention and large HEW bureaucracy resulted in a lack of coherence and responsiveness that impeded State and local educators.

During Congressional Hearings in 1979, on whether a Department of Education should be created, Terrel Bell testified that for these reasons creating a Department of Education would reduce Federal control of education and Federal red tape.

• religious conservative antileakable → *know where need to go* - Private Schools Conference (?)

FEDERAL ROLE IN EDUCATION

HISTORY

Important federal role for over 100 years in K-12 and post-secondary.

- o land grant college system (Morrill Act, 1862)
- o established office of education in 1867 (research & statistics)
- o vocational education (Smith Hughes Act, 1917)
- o GI bill (1944 – sent 2.2 million veterans to college)
- o National Defense Education Act for math and science (1958)

NATIONAL DEFENSE

- o Armed Forces this year will recruit almost 200,000 young americans
- o To preserve military preparedness their goal is for at least 90% to have a high school diploma and at least 60% to have above average skills

STRONG ECONOMY

- o **Education foundation of better economic performance.** In this century, educational increases in the workforce accounted for almost 30% in the growth of the nation's wealth; advances in knowledge (better education, R&D, and new technologies) accounted for 55%.
- o **High returns to education for individuals.** In 1992, the average annual earnings for those with a bachelor's degree were almost twice those with only a high school diploma; and two and one-half times those who did not finish high school.
- o **America's mobile population.** Almost one-tenth of our population moves across state lines every five years. This the local quality of education has national implications—whether dealing with unemployment or promoting economic growth. Weak schools have consequences all across the nation.

EQUITY AND CIVIL RIGHTS

- o Children who are disadvantaged, disabled or have limited english proficiency must not be left behind.

RESPONSE TO BRODER CHARGE THAT DEPARTMENT IS 'TOP HEAVY'

- o When I first took office, we set some priorities for what needed to be accomplished.
- o We decided that our first priority needed to be overhauling the federal role in education and key federal programs--Goals 2000, ESEA, School-to-Work, Direct Lending, overhaul of the research function, etc. recognized that the structure of the Department needed to be addressed.
- o Our second priority was streamlining the management and operation of the Department, within the existing structure. We've done this through such efforts as the development of a Department mission and strategic plan; integrated program reviews, the use of consolidated plans, and a significant reduction in regulations and paperwork in elementary and secondary education programs; restructuring the Office of Education Research and Improvement; and initiating the Direct Lending program on a sound footing.

We have a solid record of accomplishment in these areas.

- o While we knew that the basic structure of the Department also needed attention, we also recognized that a Department-wide reorganization--elimination or consolidation of offices--would be very time consuming and would demand great attention of the leadership of the Department. I believed then, and I believe now, that it was more important to focus our attention externally--on how our programs impact on students, schools and institutions of higher education, parents, teachers, and state and local education agencies--than on how we are organized internally, or how many assistant secretaries we have.
- o While our program overhaul and management improvements continue full force, we have also been working closely with Vice President Gore and the Administration's National Performance Review II to look carefully at ways in which the Department could be further streamlined. In the near future I expect to announce the steps we will take to further streamline the agency and reduce management layers.
- o Since this review is still underway within the Executive Branch, I cannot offer details on our plans yet.

①

Henderson - Hood

OPPOSITION TO MERGING EDUCATION AND LABOR

① Departments of Education and Labor and EEOC have fundamentally different missions, with little overlap:

Labor and the EEOC are primarily regulatory agencies (workplace safety, mine safety, workplace equity). ED has worked hard to move away from regulations -- to be a support agency and a partner with states and districts.

For DOL: Training accounts for only 9% of staff (2,000 of 17,000) and 27% of budget (\$7 of \$34 billion) while ED's entire mission is helping educate children and adults.

Good coordination already exists between ED and Labor on issues where the work of the two Departments is related-- e.g., School-to-Work.

② The proposed savings from the merger would have to come from program cuts, not administrative savings

Of \$20 billion in proposed savings over 5 years, only \$1.6 billion would come from administrative costs; the rest would come from unspecified program cuts.

If cost savings are what Congress is after, the merger is not the most effective approach. We are already consolidating and eliminating ineffective programs.

③ Merger would create a mess

Large bu: ① - Henderson and accessible to parents, ② - HR 1883 less leaders, and polycyma

National ③. Ed. Improvements since DOL Ed iminished.

Reorganiz: ④ "Response" Block Grants support education improve organizat years rearranging interests ⑤ DOL - efficiency, serving children's

④ Most impc ⑥ S + E Budget merger help children?

① Why we need

② History Standard

- ① Best framed on real issues to improve schools & colleges
- ② Improve mgmt. - mission & strategic plan - Regs - too deep
- ③ NPR - 2 - Other ways to streamline dept. - (Some announcements this fall) -

(2)

Freshman Republican
Fugate

HR-1883

OPPOSITION TO BACK TO BASICS REFORM ACT (FRESHMAN PROPOSAL)

- o Proposal significantly reduces, then proposes to eliminate, federal role in education

Proposes two major block grants (\$9 billion elementary/secondary; \$2 billion higher ed)

Proposes to end all federal programs by 2000

- o Proposed block grants have no clear purposes and no accountability. "It is a block and cut strategy."

- o Proposal disperses accountability, by spreading federal programs around to 5 different agencies, and by burying most programs deep within HHS.

- o Proposal will force state education officials, parents, students and community leaders to have to deal with 5 different agencies on education issues. / How will that help children?

- o Proposal ends national voice for education when education is more vital than ever for this nation.

(3)

*Improvements since
SCEJ created -*

THERE HAVE BEEN EDUCATION IMPROVEMENTS SINCE DEPARTMENT WAS CREATED

FACTS:

- o Students are taking more challenging courses**
1982: 1.9%
1992: 23.2%
- o More students are participating in Advanced Placement Courses**
1982: 140,000
1994: 450,000
- o High School drop out rate has decreased**
1980: 13.0%
1993: 10.6%
- o Postsecondary enrollment increased**
1980: 49.3%
1993: 62.6%
- o College Completion Up**
1950: 6%
1995: 22%

o SAT Performance 1976-1994

Participation in test has expanded:

Percentage of high school graduates taking the test increased from 32% to 42%

Percentage of minorities taking the test increased from 15% to 31%

Increased Verbal Scores 1976-1994:

African-Americans: 20 point gain

Other minorities: 15 point gain

Increased Math Scores 1976-1994:

African-Americans: 34 point gain

Native-Americans: 21 point gain

Asian and Mexican Americans: 17 point gain

RESPONSE ON BLOCK GRANTS

- o Believe strongly in providing flexibility and accountability for results
- o Goals 2000 and School-to-Work already are "responsible" block grants
- o Willing to consider block grant proposals, if they:
 - o have clear national purposes, goals and objectives
 - o have clear accountability for results
 - o provide adequate funding and do not reduce overall investments in education
 - o do not hamper efforts to target funds to neediest schools and communities
- o Opposed to block grant proposals that drastically reduce funding--While block grants are intended to increase flexibility, reduced funding will, in fact, decrease flexibility
- o Limited federal dollars need to be strategically targeted for critical needs--such as children in poverty and safe schools.
→ Simply giving Federal money to states without clear goals or focus on accountability is a poor use of taxpayer's money.

(like Revenue Sharing)

EDUCATION DEPARTMENT EFFICIENCY

Department Efficiency

- o ED spends less than 2% of \$33.7 billion budget on administration. These funds are primarily focused on fiscal controls and accountability.
- o ED has smallest ratio of staff to grant volume in federal government: 1 employee per \$6 million in grants
- o The Department is the smallest of 14 Cabinet agencies with 5,131 full-time equivalent employees. Since 1981, Department employees have been reduced by 33% and we plan to cut another 8%.
- o ED has proposed savings of \$100 million in personnel costs from FY 1995 (5,131 FTE) to FY 2000 (less than 4,700 FTE)
- o In our FY 1995 and FY 1996 budgets, we have proposed eliminating 59 education programs and consolidating 27 others for a savings of 4.6 billion by 2000. We are exploring ways in which we can eliminate other programs hat do not produce results.

Flexibility

- o We have dramatically turned around the regulatory process. Recently eliminated 88 regulations--399 pages in all.
- o No regulations for Goals 2000 or School-to-Work
- o Our new laws allow me to grant waivers to statutory and regulatory requirements.
- o Reduced paperwork--eliminated duplicative forms and encourage consolidated plans from states.

Principles
Criteria for
existing -
...any new reg

Improved Management

- o We have upgraded technology and invested in training of our employees.
- o For the first time in the Department's history, the student loan program has received an unqualified "clean" opinion from an outside auditing firm.
- o We are implementing a customer-responsive Agency with 1-800-information lines and computer help lines.

(6)

DOEd - S + E
Budget

Staffing and S & E: Why Has ED Had Increases?

- o The new Direct Student Loan program accounts for the increase in the S & E budget by 25% -- but if we don't include Direct Student Loans, the budget increase was only 2%
- o The total Department staff, (as well as the staff needed to operate the new student loan program) will be reduced over the next five years by over 400 employees, or 8.4%) *Staff reduced*

(The projected reduction in Direct Student Loan staff will be 9.5%)

①

Why We Need
DOED

WHY DO WE NEED AN INDEPENDENT U.S. DEPARTMENT OF EDUCATION

if it closed tomorrow

- o Education needs a strong national voice--a cabinet Secretary at the President's policy and budget table to focus the nation's attention on educational needs and advocate for funds and other support to address those needs.
- o A Department and a Cabinet Secretary focus the nation's attention on education. In 1983, Ronald Reagan's Secretary of Education commissioned the report, A Nation At Risk which sparked state and local school improvement efforts across the nation. / George Bush's Secretary of Education worked with the Governors to establish the National Education Goals in 1991, which provided new momentum to the state and local reforms already underway.
- o Parents, state officials, community leaders, teachers, and students need one federal agency to go to for answers to all education-related questions/needs. 1-800-USA-LEARN
ASK ERIC (Internet)
- o There will be no organized or consistent approach to education policy if the functions are spread throughout the federal government.

IF THE DEPARTMENT CLOSED TOMORROW, WHO WOULD NOTICE OR CARE?

- o The 900,000 members of the public ^{who} ~~that~~ call the Department every year for information about education.
- o Poor children and children with disabilities who are not having their needs met by their districts or states. *Lim. Eng. Prof. children*
- o College students who depend on the Department of Education to provide them loans.

History Standards

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

Answer: Let me start by being very clear. / States and communities across this nation are developing their own academic standards for what they want children to learn. Those are the standards that count. / Voluntary national standards in Civics, science, history and other areas are models for states to use if they choose to.

The nation's Governors and President Bush, (when they established the National Education Goals), launched a movement focused on improving academic standards and student achievement.

Stand
movement

Lamar Alexander

As one of the follow-up steps to establishing the Goals, then-Secretary Lamar Alexander and other members of the Administration funded several national standards projects in the areas of science, history, civics and government, English, geography, the arts, and foreign language.

Lynne Cheney

In 1991, Lynne Cheney, Chair of the National Endowment for the Humanities, in conjunction with the Department of Education selected the grantee and funded the history standards project.

The recently released history standards were produced with participation of a cross section of historians and teachers. / However, the release of these documents marks the completion of only the first stage of a continuing effort.

Now →

It is my understanding that the "Council for Basic Education," with support from private foundations, is convening two independent panels to consider the major criticisms that have been directed toward the history standards and propose revisions.

This is an important next step in the process of ensuring that these history standards represent the best scholarship and quality.

There has been much confusion on this issue. / These standards are, and will always be, voluntary. / No law requires states or districts to use them. / The Goals 2000 Act asks that states develop their OWN challenging standards in core academic areas of their choosing. / So, what is most important, is that a dialogue and debate about academic achievement take place in each state.

Ultimately, the value of voluntary national standards will be determined by their usefulness to communities, states, and teachers who choose to draw on them for ideas.

9

History Standard
6.

June 15, 1995 • Education Daily

P-3

Two Panels To Review National History Standards

The Council for Basic Education (CBE) is convening two panels of experts to review voluntary national history standards that brewed a storm of protest.

With an eye toward defusing the situation, CBE last week announced its plan to bring together historians and education experts to discuss the standards, their impact and the need for revisions, said Patte Barth, assistant director of the core-curriculum advocacy group.

The standards drew fire from conservatives who charged that they rewrite or ignore much of American history to give students a politically correct view of the past.

"We were concerned that all of the debate and controversy about the history standards might extend into the standards reform movement in general," Barth said.

Board members have scheduled their first meetings for June 28-30 in Philadelphia. They plan to issue a final report in October, suggesting standards revisions, as well as guidance on general standard-setting issues.

The National Center for History in the Schools, which drew up the standards, will wait for that report before issuing revised documents, Director Gary Nash said.

Barth said she hopes "we will have a general statement of principles and some consensus of the shared issues on the U.S. and world history" standards.

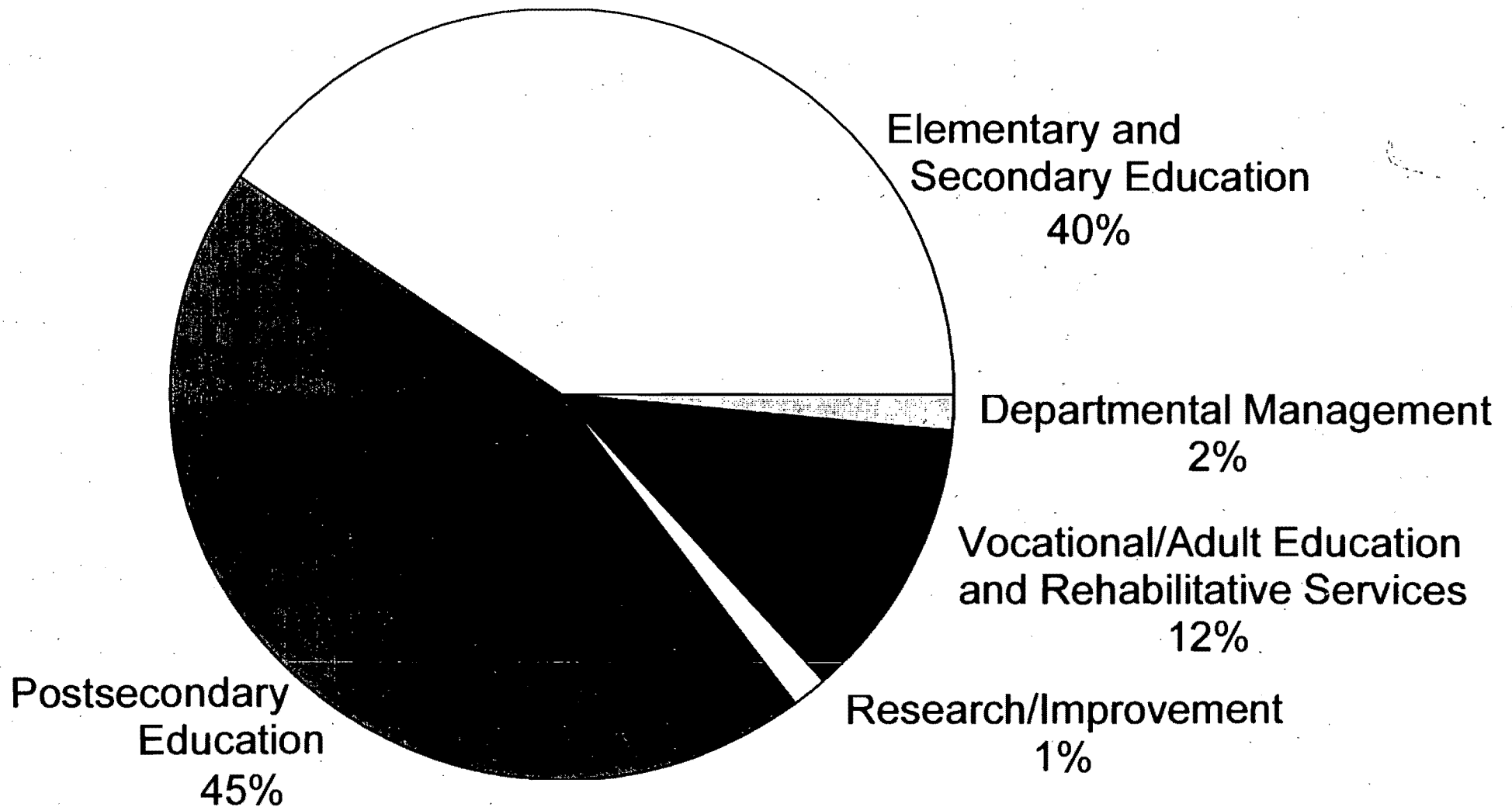
The two panels include members with a range of political philosophies, Barth said.

Former Minnesota Gov. Albert Quie will chair the U.S. history panel and Steven Muller, president emeritus of Johns Hopkins University, will chair the world history panel.

Members include Diane Ravitch, a former Education Department official and current education professor at New York University, and Evelyn Brooks Higginbotham, an Afro-American studies professor at Harvard University.

The Pew Charitable Trusts, the John T. and Catherine D. MacArthur Foundation and the Ford Foundation are funding the panels.
—Mary-Ellen Deily

Department of Education Funding



FY 1995

Budget Service
June 2, 1995

Explanation of Department of Education Program Lists

This packet contains two lists of Department of Education programs:

1. Fiscal Year 1996 Department of Education Programs, By Office: This list reflects the number of separate program activities that are administered by each program office within the Department. The 1995 version of this list is the source of the "240 programs" figure that the Department has used in budget documents and testimony before Congress. The number of programs on the 1995 list actually totals 243. The 1996 list totals 152 programs — or 91 fewer than in 1995 — assuming Congressional approval of the Administration's proposals for eliminating, phasing out, and consolidating Department programs.
2. Summary of Program Terminations and Consolidations in ED's 1996 Budget: This document reflects line-items in the appropriations bill funding the Department's activities. The total number of line-items that would be eliminated, phased-out, or consolidated by the Administration's proposals is 68. This lower number reflects the fact that a single line-item may fund several separate programs. For example, the single line-item for Education for Native Hawaiians funds 6 different programs supporting such diverse activities as community-based learning centers, teacher training, special education, and higher education. Accounting for these separate program activities brings the total decrease in the number of programs that would be administered by the Department under the President's budget proposal to 91, the same as reflected in document #1.

Line items funding multiple programs include the following:

<u>Line Item</u>	<u># of Programs</u>
Education for Native Hawaiians	6
IDEA Deaf Blindness	4
IDEA Serious Emotional Disturbance	2
IDEA Severe Disabilities	2
IDEA Early Childhood Education	7
IDEA Secondary and Transitional Services	5
IDEA Media and Captioning Services	4
IDEA Personnel Development	5

FISCAL YEAR 1996 DEPARTMENT OF EDUCATION PROGRAMS, BY OFFICE

OBEMLA

Bilingual Enhancement Grants
Bilingual Comprehensive School Grants
Bilingual Systemwide Grants
Bilingual Teachers and Personnel Grants
Bilingual National Professional Institutes
Immigrant Education
Foreign Language Assistance

Number of OBEMLA programs:

7

OERI

Research Centers
OERI Field-Initiated Studies
Regional Laboratories
ERIC Clearinghouses
Other Research
Statistics
Assessment
National Library of Education
Eisenhower Prof. Dev. National Activities
Technology for Education
Star Schools
Ready to Learn Television
Telecommunications Demonstration
FIE Comprehensive Program
FIE Comprehensive School Health Education
Javits Gifted and Talented Education
National Diffusion Network
Regional Math and Science Consortia
Civic Education
International Education Exchange
National Board for Prof. Teaching Standards
Public Library Services
Public Library Construction

Number of OERI programs:

23

OESE

Goals 2000 State and Local Grants
Goals 2000 National Programs
Goals 2000 Parental Assistance
ESEA Title I Grants to LEAs
ESEA Title I Capital Expenses
ESEA Title I Migrant Program
ESEA Title I Neglected and Delinquent
ESEA Title I State School Improvement Grants
Tit.I Demonstrations of Innovative Practices
Impact Aid Construction
Impact Aid Basic Support Payments
Impact Aid Heavily Impacted Districts

OESE

Impact Aid Facilities Maintenance
Impact Aid Increases in Military Dependents
Eisenhower Prof. Develop. State Grants
Safe and Drug-Free Schools State Grants
Safe and Drug-Free Schools National Programs
Inexpensive Book Distribution
Arts in Education
Magnet Schools Assistance
Homeless Children and Youth
Women's Educational Equity
Training and Advisory Services
Charter Schools
ESEA Comprehensive Regional TACs
Family and Community Endeavor Schools

Number of OESE programs: 26

OIE

Indian Education Grants to LEAs
Programs for Indian Children/Demonstrations
Programs for Indian Children/Prof. Develop.
Programs for Indian Children/Fellowships
Programs for Adult Indians
Indian Education National Activities

Number of OIE programs: 6

OPE

Federal Pell Grants
Supplemental Educational Opportunity Grants
Federal Work-Study
Federal Perkins Loans
Perkins Loans Cancellations
State Postsecondary Review Program
FFEL Stafford Loans
FFEL Unsubsidized Stafford Loans
FFEL PLUS Loans
FFEL Consolidation Loans
Direct Stafford Loans
Direct Unsubsidized Stafford Loans
Direct PLUS Loans
Direct Consolidation Loans
Hispanic-Serving Institutions
Strengthening HBCUs
Strengthening HBGIs
FIPSE Comprehensive Program
FIPSE Special Focus Program
Minority Teacher Recruitment Partnerships
Minority Teacher Recruitment Placement
Minority Science Improvement
National Resource Centers
Foreign Language and Area Studies Fellowships
Undergraduate International Studies

OPE

International Research and Studies Projects
Business and International Education Projects
International Business Education Centers
Language Resource Centers
American Overseas Research Centers
Fulbright-Hays Program
International Public Policy Institute
Interest Subsidy Grants
Student Support Services
Upward Bound
Talent Search
Educational Opportunity Centers
McNair Postbaccalaureate Achievement
TRIO Staff Training
Byrd Honors Scholarships
Graduate Assistance in Areas of National Need
Faculty Development Fellowships
School, College, and University Partnerships
Howard University
HBCU Capital Financing Program

Number of OPE programs:

45

OSERS

IDEA Part B Grants to States
IDEA Part B Preschool Grants
IDEA Part H Infants and Families
IDEA Research and Demonstrations
IDEA Technical Assistance and Systems Change
IDEA Professional Development
IDEA Parent Training
IDEA Technology Development and Support
Vocational Rehabilitation State Grants
Client Assistance State Grants
VR Training - Long-Term
VR Experimental and Innovative Training
VR Training - Continuing Education
VR Training - In-Service
VR Training - Short-Term
VR Training - Interpreter
VR Parent Information and Training
Special Demonstration Programs
Migratory Workers
Recreational Programs
Protection and Advocacy
Projects With Industry
Supported Employment State Grants
Independent Living State Grants
Independent Living Centers
Independent Living/Older Blind
Helen Keller National Center
Rehab. Research & Training Centers
Rehab. Engineering Research Centers
NIDRR Research and Demonstrations

OSERS

NIDRR Dissemination and Utilization
NIDRR Field-Initiated Research
NIDRR Research Training
NIDRR Spinal Cord Injury Centers
Assistive Technology
American Printing House
Nat. Technical Institute for the Deaf
Gallaudet University

Number of OSERS programs: 38

OVAE

School-to-Work State Grants
School-to-Work Local Partnerships
School-to-Work National Programs
Vocational Education State Grants
Vocational Education National Programs
Adult Education/Family Literacy State Grants
Adult Education/Family Literacy Nat. Programs

Number of OVAE programs: 7

Total Number of Department of Education Programs: 152

SUMMARY of PROGRAM TERMINATIONS and CONSOLIDATIONS
in ED'S 1996 BUDGET

	Number of Programs	(\$ in 000's) Change from 1995 Enacted
Program Terminations by 1995 Rescissions	-15	-\$122,735
Program Terminations in 1996	-21	-504,102
Program Phase-outs beginning in 1996	-5	-120,975
Subtotal	-41	-747,812
 Program Consolidations into Broader, More Flexible Programs, Net	 -27	 +46,337
 TOTAL PROGRAM TERMINATIONS, PHASE-OUTS, AND CONSOLIDATIONS	 -68	 -701,475

February 23, 1995

Program Terminations and Consolidations in ED's 1996 Budget

	(\$ in 000's)
Program Terminations by 1995 Rescission	FY 1995 Appro.
Instruction in Civics, Government, and the Law	\$5,899
Dropout Prevention Demonstrations	28,000
Ellender Fellowships	4,185
Vocational Education Community-Based Organizations	9,479 /1
Vocational Education Consumer and Homemaking Education	34,409 /1
Eisenhower Leadership Program	4,000
Law School Clinical Experience	14,920
National Early Intervention Scholarships and Partnerships	3,108
National Academy of Science, Space, and Technology	2,000
Olympic Scholarships	1,000
Teacher Corps	1,875
College Housing and Academic Facilities Loan Subsidies (\$10 M in new loans)	168
21st Century Community Learning Centers	750
Library Literacy Programs	8,026 /2
Library Education and Training	4,916
Subtotal	122,735

Program Terminations in 1996

Migrant High School Equivalency Program	\$8,088
College Assistance Migrant Program	2,204
Impact Aid Payments for Federal Property	16,293
Innovative Education Program Strategies State Grants (prev. Chapter 2)	347,250
Christa McAuliffe Fellowships	1,946
Education for Native Hawaiians	12,000
HEA III Endowment Challenge Grants (excludes HBCU set-aside)	6,045
Native Hawaiian and Alaska Native Culture and Arts Development	1,000
Innovative Projects for Community Service	1,423
Cooperative Education	6,927
Urban Community Service	13,000
Student Financial Aid Database and Information Line	496
Mary C. McLeod Bethune Memorial Fine Arts Center	4,000
National Science Scholars	4,424
Douglas Teacher Scholarships	14,599
Javits Fellowships	7,787
Harris Fellowships	20,244
Legal Training for the Disadvantaged	2,964
National Writing Project	3,212
Interlibrary Cooperation	23,700
Library Research and Demonstrations	6,500
Subtotal	504,102

/1 Proposed for consolidation under the Vocational Education Program. (Note: Programs included on OMB's list of consolidations rather than terminations.)

/2 Proposed for consolidation under the Adult Education and Family Literacy Program. (Note: Program included on OMB's list of consolidations rather than terminations.)

**Program Terminations and Consolidations
in ED's 1996 Budget**

		(\$ in 000's)	
Program Phase-outs beginning in 1996		FY 1995 Appro.	FY 1996 Estimate
Education Infrastructure		\$35,000	\$35,000
Impact Aid Payments for Children with Disabilities		40,000	40,000
Training in Early Childhood Education and Violence Counseling		13,875	9,600
HEA Strengthening Institutions-excludes HBCU's and Hispanic-serving institutions		80,000	40,000
State Student Incentive Grants		63,375	31,375
	TOTAL	197,250	120,975
TOTAL AMOUNT OF PROGRAM TERMINATIONS		\$824,087	
Number of Program Terminations by 1995 Rescission	-15		
Number of Program Terminations in 1996	-21		
Number of Program Phase-outs	-5		
Total Number of Program Terminations	-41		

		(\$ in 000's)	
Program Consolidations		FY 1995 Appro.	FY 1996 Estimate
Special Education:			
Research and Demonstrations		---	\$63,000
Technical Assistance and Systems Change		---	50,000
Professional Development		---	97,000
Parent Training		---	14,534
Technology Development and Support		---	29,500
Deaf-blindness		\$12,832	---
Serious Emotional Disturbance		4,147	---
Severe Disabilities		10,030	---
Early Childhood Education		25,167	---
Secondary and Transitional Services		23,966	---
Postsecondary Education		8,839	---
Innovation and Development		20,635	---
Media and Captioning Services		19,142	---
Technology Applications		10,862	---
Special Studies		4,160	---
Personnel Development		91,339	---
Parent Training		13,535	---
Clearinghouses		2,162	---
Regional Resource Centers		7,218	---
Rehabilitation Services Special Demonstration Programs:		---	23,942
Special Demonstration Programs		19,942	---
Supported Employment Projects		10,616	---
National Technical Institute for the Deaf:		---	43,041
Operations		42,705	---
Endowment Grant		336	---
Construction		150	---
Gallaudet University:		---	80,030
University Programs		54,244	---
Elementary and Secondary Education Programs		24,786	---
Endowment Grant		1,000	---

**Program Terminations and Consolidations
in ED's 1996 Budget**

		(\$ in 000's)	
Program Consolidations (Continued)		FY 1995 Appro.	FY 1996 Estimate
Vocational Education Consolidation:			
State Grants		---	\$1,141,088
National Programs		---	37,000
Basic State Grants		\$955,626	---
Basic Grants Territorial Set-aside		2,015	---
Basic Grants Indians and Hawaiian Natives Set-aside		15,109	---
Tech-Prep Education		108,000	---
Tribally-Controlled Postsecondary Vocational Institutions		2,919	---
State Councils		8,848	---
Vocational Education Research		7,851	---
Vocational Education Demonstrations		20,684	---
NOICC		6,000	---
Adult Education and Family Literacy Consolidation:			
State Grants		---	479,487
National Programs		---	11,000
Even Start		102,024	---
Adult Education State Programs		336,506 /3	---
Adult Education Evaluation and Technical Assistance		3,900	---
National Institute for Literacy		4,869	---
State Literacy Resource Centers		7,787	---
Workplace Literacy Partnerships		18,736	---
Literacy Training for Homeless Adults		9,498	---
Literacy Programs for Prisoners		5,100	---
	TOTAL	2,023,285	2,069,622
Total Number of Programs Consolidated		-39	
Total Number of Broader, More Flexible Programs		12	
Net Change		-27	

/3 Adjusted for comparability. Includes \$84,161 thousand for literacy training carried out prior to 1996 under the Job Training Partnership Act in the Department of Labor; such activities will be incorporated into the Adult Education and Family Literacy consolidation and carried out by the Department of Education as part of the GI Bill for America's Workers.

February 23, 1995

The Department of Education: Highlights of Mike Smith's May 23, 1995 Testimony

[Greeting]

Good Afternoon, Chairman Horn, Representative Maloney, members of the Committee. I am joined today by Don Wurtz, Chief Financial Officer of the Department and former Director of Financial Integrity Issues at the General Accounting Office.

[Introduction]

Thank you for the opportunity to speak with you today. I will take this opportunity to do 3 things: (1) speak to the record of the Department; (2) discuss the changes we are making to serve the American people more effectively; and (3) talk about the future of the Department.

The federal government has a particular obligation to undertake activities that are clearly national in scope. People with more education are more likely to vote and less likely to be on welfare; they tend to live more satisfying lives and to contribute to their communities. Federal involvement in education supports our democracy and our economy. These are not just state and local interests; they are national interests. In pursuing that national interest, the U.S. Department of Education acts in partnership to support and encourage states, districts, and schools; education remains a state and local responsibility.

Our mission at the U.S. Department of Education is to ensure equal access to education and promote educational excellence.

[Public Support for the Department]

Recent polls show the public's strong support for the Department and its mission.

- In a poll released just last week, over three-fourths of the public (77 percent) oppose eliminating the U.S. Department of Education to cut the deficit. The same percentage (77 percent) reject cuts to student loans and other education programs to reduce federal spending (*Time/CNN*, May 1995) (Chart 1).

[The Department's Contribution]

But, we are often asked, what do we do at the U.S. Department of Education?

- We provide approximately 60 percent of the nation's student aid, about \$32.5 billion. Every year, Pell Grants assist 4 million low-income students, loans help 6.5 million low and middle income students; Federal Work Study aids 700,000 students each year.

- Through the Title I program, we direct \$7 billion to more than 6 million children every year in our highest poverty schools, to strengthen the teaching of basic and advanced skills. Between 1960 and the late 1980's, the achievement of children from disadvantaged communities rose, closing the performance gap between disadvantaged students and their more advantaged peers by one-third to one-half.
- We provide nearly \$3 billion a year to help communities meet the needs of over 5 million children and youths with disabilities to prepare them for independent living, further education, and employment.
- Through research, evaluation, and technical assistance, the Department helps people identify what works in improving schools and children's performance.
- We provide a national voice for education, a voice for excellence and progress. For example, every single Department Secretary, Republican and Democrat, has spoken out strongly for higher standards for student achievement and has encouraged education reform.

Recently, through the initiative of Secretary Riley, over 120 organizations have come together in a "Family Involvement Partnership for Learning" to support the American family, the foundation of a solid education. This initiative has been accomplished without creating a single new program.

Just yesterday, to extend partnership, the Secretary [*joined by Representative Tom Davis,*] launched a reading and writing initiative, to encourage parents, other adults, and older students to read with younger children. Secretary Riley spoke to me enthusiastically about Beach Tree Elementary School, which he and Congressman Davis visited yesterday.

[The Effects of the Department]

What effect has the Department had over the last 15 years? While we cannot attribute a direct cause and effect relationship, I am encouraged by the progress American education has made since the Department was created in 1980. While U.S. education can certainly do better, there have been a lot of success stories; education has turned the corner.

Students are taking tougher courses (Chart 2):

- By 1992, the proportion of high school graduates taking the core curriculum recommended in *A Nation at Risk* had increased to 47 percent, up from 13 percent in 1982.
- In addition, participation in the advanced placement program has increased dramatically (Chart 3).

- More high school students are taking worthwhile math and science instruction as a result of state, district, and school standard-setting. *The New York Times* (May 9, 1995) reports 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.
- Student achievement is up, particularly in math and science (Chart 4).
- Dropout rates have declined (Chart 5).
- Postsecondary enrollment and attainment have increased to record levels.

For those who are surprised by these facts, I would point out that American business and American workers have regained their status as the most productive in the world, an impossible accomplishment without a more educated workforce. Indeed, in this century, educational increases in the workforce have accounted for almost one-third of the growth in the nation's wealth. We have a long way to go, but we should be proud of our nation's schools, public and private.

[Size of the Department]

As for the Department itself, we are a small department with low administrative costs, and we plan on getting smaller.

- With 5,131 FTE, we already have a significantly smaller staff than the 7,700 employed in 1979 by HEW and 6 related agencies to administer education programs.
- Our administrative costs account for only 2 percent of our budget.
- We have the smallest ratio of employees to total budget in the government: 1 employee for every \$6 million in our budget—funds that provide services for states, schools, and students.
- We plan on reducing our staff even further, to less than 4,700 FTE (about 9 percent), a savings of \$100 million over 5 years.

[Our Progress in Reimvention]

Now I'd like to give you a few highlights of what we've been doing to improve our management. We have used strategic planning, consistent with the Government Performance and Results Act,

to guide our efforts.

- **First, we are streamlining our programs to save taxpayers' money, a total of at least \$16.7 billion by 2000.**

Overall, in our FY 1995 and 1996 budgets, we have proposed eliminating 59 education programs and consolidating 27 others. This reduces the number of our programs by over one-third, for a savings of \$4.6 billion by 2000. We will shortly propose further reductions.

In the student loan program over the next 5 years, we will save \$12 billion through accelerating the Direct Loan program to 100 percent of new loan volume by 1997-98 (Chart 6). Moreover:

We have decreased the student aid default rate from a peak of 22 percent to 15 percent, and we intend to keep driving it down even further (Chart 7).

We have also increased our student loan collection efforts, cutting in half the cost of defaulted loans to the taxpayer (Chart 8).

The Direct Loan program is a source of savings, simplification, and increased private sector involvement (Chart 9). The program's customers—schools and students—have been extremely enthusiastic in their support of the new, more efficient program. For example, 92 percent of Direct Loan institutions surveyed express their satisfaction.

- **Second, we are cutting regulations as part of President Clinton's regulatory reinvention initiative, under the Vice President's leadership.**

Today we eliminated 88 of those regulations—399 pages in all. That's 30 percent of our total regulations. We will shortly be announcing dozens of other regulations targeted for elimination, reinvention, and simplification.

- **Third, we are providing more flexibility to states, districts, schools, and families.**

For example, Oregon is the first state to participate in Ed-Flex, a new 6-state demonstration authority under Goals 2000 that provides an unprecedented opportunity to encourage innovation along with performance accountability. Officials in the Ed-Flex states, not the federal government, decide on waiver requests.

New waiver authority in the Improving America's Schools Act has encouraged communities such as Palm Beach County, Florida and the Metropolitan District of Decatur Township, Indiana to request and receive waivers in Title I and other elementary and

secondary programs.

[The Future of the Department]

Finally, I would like to speak about the future of the Department itself. The U.S. Department of Education has a limited but crucial role. We are a national voice for education, a partner in state and local reform efforts, a provider of access for over 6 million postsecondary students, and a leader in addressing issues of national concern.

A number of people in Congress and elsewhere advocate abolishing the Department and sending its programs to a variety of other agencies or merging it with another department.

- These moves would save little, if any, money in administrative costs and may end up costing more, through duplicated, uncoordinated efforts if programs are split and scattered or in increased bureaucracy if a merger takes place.
- Moreover, for states, local governments, postsecondary institutions, and other customers, these proposals would cause confusion, leaving them uncertain about where to go for information and assistance, or else swamping them in a newly-created mega-bureaucracy.
- Finally, either of the proposed changes would send a signal that the U.S. is turning its back on education at a critical time in its history.

To quote Secretary Riley, "It is clear that the future strength of our nation lies in the education of our citizens and in how well prepared they are to meet the challenges of the 21st century. This is not the time to walk away from our children and (their) education."

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

PRESIDENT CLINTON'S COMMITMENT TO EDUCATION AND TRAINING

The fundamental goal of President Clinton's comprehensive economic policy is to raise the living standards and expand opportunity for hard-working Americans--so that every American has the chance to realize the American Dream. While supporting deficit reduction, open trade, innovation and job creation, the President has recognized that nothing is more critical to our nation's future than ensuring that all Americans have the education and skills they need to succeed in the new economy. The President has made an unprecedented commitment to lifelong learning--from the expansion and improvement of early childhood education to a bold new reform of adult education and training programs.

EDUCATION IS THE KEY TO RISING STANDARDS OF LIVING

In an economy where technology is constantly changing, trade is expanding, and capital is mobile, education has become the fundamental fault-line running through the work force. Most Americans have seen their incomes stagnate over the last fifteen years; the real income of the typical family actually declined. Yet college graduates have bucked the trend. In 1979, a male college graduate earned 39 percent more than a man with only a high school degree. By 1993, this gap had doubled, and a male college graduate out-earned his school graduate counterpart by 80 percent. In addition, the availability of health coverage, pension plans, and other work-related benefits has become closely correlated with education levels.

A BIPARTISAN EDUCATION RECORD

While bringing the deficit down by historic amounts--over \$600 billion so far--President Clinton has also made investing in education a top priority. During the last Congress, Republicans and Democrats shared his commitment to lifelong learning, and together they enacted a historic series of initiatives to expand the amount and the quality of educational investment in America. Landmark legislation includes:

- **Head Start Amendments of 1994** (signed 5/18/94; passed House 393-20; Senate 98-1).
- **Goals 2000: Educate America Act** (signed 3/31/94; passed House 306-121; Senate 63-22).
- **Improving America's Schools Act** (signed 10/20/94; passed House 362-132; Senate 77-20).
- **School-to-Work Opportunities Act** (signed 05/04/94; passed House 339-79; Senate Voice Vote)
- **National and Community Service Trust Act** (signed 9/21/93; passed House 275-152; Senate 57-40)
- **Direct Lending and Pay-as-You-Can Loans** (signed on 8/10/93 as part of the Omnibus Budget Reconciliation Act)

This year, President Clinton went a step further and proposed expansions and improvements in these and other education investments. In addition, as part of his Middle Class Bill of Rights, the President has sought to work with Republicans on two new initiatives:

- **Education and Training Tax Deduction** up to \$10,000.
- **The G.I. Bill for America's Workers**--consolidating 70 programs and putting Skill Grants directly into workers' hands.

DRAWING THE LINE ON EDUCATION

Despite the bipartisan efforts that expanded educational opportunities last year, the current House and Senate budget proposals point to a fundamental divide between the President and the Republican Congress over the right economic strategy for the nation. While the President believes that we need to launch an all-out effort to expand educational opportunity, these budgets dramatically decrease educational opportunity in order to pay for large tax cuts and meet arbitrary deficit reduction targets. It makes no sense to cut investments in children and workers in what is supposed to be a budget for the future. To the degree that the Republican Congress believes that cutting education and training is the way to move our nation forward, the President profoundly disagrees.

EDUCATION TARGETED FOR CUTS

Republican budgets cut domestic discretionary spending by 30 percent in 2002. Rather than insulate a vital investment such as education from this deep cut, Republicans have subjected education investments to cuts of equal--and, in some cases, greater--magnitude.

President Clinton will fight the efforts of Republicans to reduce, gut, or eliminate key investments in education and job training. Following is a brief outline of the fundamental differences between the President's approach to education and the Republican approaches to education -- from pre-school through post-secondary training. The details include proposals from the Republican rescission bill and the House and Senate Budget Resolutions.

I. PRE-SCHOOL EDUCATION.

President Clinton has made expanding and improving pre-schooling the starting point for his lifelong learning agenda. Republicans would slash these investments.

- **HEAD START:** *President Clinton Expands It by \$760 Million; GOP Cuts It by \$3 Billion.*

President Clinton expanded investment in Head Start by \$760 million from 1993 to 1995. The President has also reformed the way Head Start works to improve the quality of teaching and facilities for hundreds of thousands more children.

Republicans propose cutting Head Start by \$600 million in 1996 alone and over \$3 billion over 7 years. This cut would deny Head Start opportunities to as many as 100,000 children--or force severe cuts in the quality of Head Start programming.

II. K-12 EDUCATION

President Clinton has lent national support to local efforts to reform our schools, recognizing that the federal government is an important partner with states and communities in improving K-12 education, setting high academic standards, and ensuring equitable treatment for all our children. Republicans would eliminate national support for local reform, leaving students without crucial resources they need to succeed.

- **SCHOOL-TO-WORK OPPORTUNITIES.** *President Clinton Has Supported A New 50-State Movement; Republicans Would Stop It In Its Tracks.*

President Clinton, with bipartisan support, signed into law the most important national program ever to ensure that all young people--including the 70% of young Americans who don't get four-year degrees--get the skills they need to obtain good jobs with a future. All states have received planning funds, and eight "leading edge" states have programs underway that are getting positive reviews from companies nationwide. Twenty more states will come into the program this year, as President Clinton has proposed increasing support by 60% for FY 1996 to \$400 million.

Republicans significantly cut School-to-Work in their rescission bill and would cut fully 20% to 25% in their budgets. These cuts would likely deny the opportunity for nearly half the states--22 states--to join the program after this year, and reduce support for the 28 states that will already be implementing programs by year end.

- **GOALS 2000.** *President Clinton Created It; Republicans Would Eliminate It.*

President Clinton helped create Goals 2000, which supports community and school efforts to raise academic standards and encourage students to work hard meet them. Forty seven states are already participating in this program. In his 1996 budget, the President calls for a \$347 million increase in funding for Goals 2000.

Republicans propose deep cuts in Goals 2000 in their rescission bill, eliminating support for higher standards at 2,000 schools. In their budgets, Republicans would actually eliminate Goals 2000--undermining what was once a bipartisan effort to spur bottom-up development of goals, standards, accountability and innovation across the nation.

- **TITLE ONE (Formerly Chapter One).** *President Clinton Has Expanded and Strengthened It; Republicans Would Cut by over \$5 billion and Deprive 700,000 Children of Added Educational Assistance.*

President Clinton supports Title One, designed primarily to provide much-needed resources to students from disadvantaged backgrounds. The program has been reoriented so that schools have more flexibility to support effective innovations to help all students to read and write well and meet challenging academic standards. The President increased Title One funding by \$524 million over two years.

Republicans would cut Title One by \$730 million in 1996 alone. This cut would mean that over 700,000 children in our poorest communities would be denied the extra instruction they need to achieve the same high standards as other children.

- **SAFE AND DRUG-FREE SCHOOLS:** *President Clinton Has Supported It; Republicans Would Gut It.*

President Clinton supports this initiative to make our schools safe from guns, drugs, and violence. The program funds everything from innovative anti-violence education and after-school programs to metal detectors and security personnel.

Republicans cut Safe- and Drug-Free schools in half in their rescission, cutting \$236 million and eliminating support for anti-drug and anti-violence efforts serving nearly 20 million children. In their budget, Republicans propose eliminating the program and replacing it with a block grant with 30% less funding--thereby threatening to cut off support for anti-drug and anti-violence efforts serving 39 million children in over 90% of the school districts in the nation.

- **TECHNOLOGY LEARNING CHALLENGE (TECHNOLOGY FOR EDUCATION):** *Republicans Would Gut This Clinton Initiative That Leverages Private Money for Technology in Public Schools.*

President Clinton has helped initiate this challenge to the private sector to join with public school districts to put computers and technology in the classroom. A \$50 million federal investment in 1996 will leverage hundreds of millions of dollars in private support.

Republicans would eliminate this innovative new program, denying school districts across the country the ability to participate in this initiative, and halting an effort to leverage millions more from the private sector.

- **SUMMER JOBS.** *President Clinton Supports Work Experiences for Youth; the Republicans Would Cut These Jobs.*

President Clinton recognizes that the summer jobs program is an important first opportunity to get work experience for many low-income youths - especially those in inner cities where jobs are scarce. Without these opportunities, these young people might not otherwise have any chance to learn skills and workplace behavior during their formative years. The President has proposed financing 615,000 jobs.

Republicans have proposed cutting summer jobs by 25 percent--slashing the President's request by \$300 million in 1996 and eliminating this valuable work experience for 170,000 at-risk youth each year. Over one million jobs would be denied to young people over the next seven years.

III. POST-SECONDARY EDUCATION

Now more than ever, education and job training are the gateway to America's middle class. Studies show that for every year of training a person gets after high school, his or her earnings rise by 6 to 12 percent. After 15 years in which college costs increased far faster than inflation but family incomes stagnated, President Clinton has initiated historic efforts to expand college access. Republican proposals would devastate grants and loans, college and job training, setting back college access by years if not decades.

- **DIRECT LENDING AND INDIVIDUAL EDUCATION ACCOUNTS.** *President Clinton Supports Expanding These Initiatives; Republicans Want To Raise the Cost to Students and Reduce Access.*

President Clinton supports expanding the new direct lending program and individual education accounts. With the passage of the Student Loan Reform Act, 104 schools and over 252,000 students are already participating in the program. This year more than 1,400 schools -- representing 40% of all loans and the maximum allowed under this year's authorization -- have committed to enrolling. This program is already saving \$6.8 billion for taxpayers, lowering interest rates for students, and allowing borrowers to choose flexible repayment arrangements -- including pay-as-you-earn plans through Individual Education Accounts.

Republicans have proposed legislation to reduce funds available for direct lending, prevent schools from choosing to participate in the initiative, and cap participation at 40 percent of all loans.

- **IN-SCHOOL INTEREST EXEMPTION.** *Republicans Raise College Costs for 4 Million Students By Up to \$3,000 Each.*

President Clinton supports the in-school interest exemption, under which four million need-tested students with Stafford loans do not have to pay interest while enrolled in school and during the grace period (six months) between leaving school and entering repayment.

Republicans propose eliminating the in-school interest exemption for these 4 million students each year. This proposal could have a severe impact on college access; two-thirds of all Stafford borrowers are from families that earn less than \$30,000. For a four-year undergraduate who borrowed the maximum amount (\$17,125) at the maximum statutory interest rate (8.25%), the Republican proposal would increase costs by \$3,150--or 18 percent.

- **PELL GRANTS.** *President Clinton Raised the Maximum to a Record High; Republicans Cut It By 10 Percent Or More.*

President Clinton has supported the Pell Grant program, increasing the maximum Pell Grant by 12 percent to its highest level ever, \$2,620.

Republicans would freeze Pell Grant funding so that 4 million students will see their Pell Grants cut by about \$250 each. For millions of students, grants make the difference between going to college and not going--between staying in school and dropping out. For example, \$250 equals approximately 25% of tuition and fees of community colleges.

- **AMERICORPS.** *President Clinton Offers Opportunities to 20,000 Young People This Year Alone; Republicans Would Eliminate 300,000 Service Opportunities.*

President Clinton created this initiative to enable young people to earn money for education by serving their communities--teaching, caring for the sick, making the streets safer. Already 20,000 Americans are serving in AmeriCorps; hundreds of thousands more would join over the next seven years.

Republicans cut \$210 million in their rescission bill, preventing 15,000 young people from serving, and in their budgets propose eliminating AmeriCorps, depriving at least 300,000 young people of the chance to pay for college through national service over the next seven years.

- **EDUCATION AND TRAINING TAX DEDUCTION.** *President Clinton Supports A Deduction; With All Their Tax Breaks for the Wealthy, Republicans Don't.*

President Clinton supports a tax deduction for middle-class families with education and job training expenses up to \$10,000. This deduction would provide tax-favored treatment to education similar to the benefits for other investments like housing and equipment. It invests in those who invest in themselves and in America.

Republicans do not yet support the education and training tax deduction. With its \$20,000 tax cut for the wealthiest 1%, the Contract with America includes tax breaks for capital gains, gifts and inheritances in excess of \$600,000, and the depreciation of business purchases--but not for education.

IV. LIFELONG LEARNING

In order to maintain good job prospects throughout their lives in a fast-changing economy, Americans need to be trained again and again throughout their lives. President Clinton wants to support lifelong learning by reforming job training programs and putting resources and information directly into workers' hands. Republicans just want to slash job training.

- **G.I. BILL OF RIGHTS FOR WORKERS (SKILL GRANTS).** *President Clinton Supports Skill Grants for America's Workers; Republicans Want At Least a 25% Cut in Job Training Funds.*

President Clinton's G.I. Bill for America's Workers would consolidate or eliminate over 70 job training programs while putting resources and information directly into workers hands as Skill Grants. Under the proposal, low-income or unemployed workers could go to a One-Stop Center and learn about the services and track records of job training programs and community colleges in the fields they wanted to study. Then, they could apply their Skill Grants to skills training at those institutions. Under the President's proposal, there will be 2.1 million Skill Grants.

Republicans would, under the guise of consolidation, use training programs as a bank to pay for tax cuts, dramatically cutting re-employment and training opportunities for 2.1 million American workers.

V. THE DEPARTMENT OF EDUCATION

President Clinton's commitment to a lifelong learning agenda reflects his belief in the critical role of education in building America's future, and in the federal government's role as a partner in that effort. Everyone acknowledges that states and localities have been and continue to be the lead on education. But education is a national interest, and it requires a national role to ensure that all children have the opportunity to reach challenging standards of academic achievement.

President Clinton believes strongly that education is a national issue, and that abolishing the Department of Education now would be the equivalent of abolishing the Department of Defense in the middle of the Cold War.

Republicans want to abolish the Department of Education.

Public Support for Education and the Department

The public views the education system and educational reform as critical if we are to prosper as a nation.

- Eighty-four percent agree that our nation's ability to compete in the global economy is directly affected by the quality of our education system. Chilton, 1993
- Fully 95 percent of respondents believe that it is urgent that the U.S. adopt school reforms to make the labor force more competitive, and 81 percent think that to produce a more skilled labor force will require "changing the present education system in major ways." Harris, 1992
- The Council on Competitiveness rates improving K through 12 education as the number one priority for boosting U.S. competitiveness; 91 percent of its members say this should be the top priority for U.S. policy for the next five years. COC, 1994

The public has expressed willingness to invest more money in educational reform.

- Even members of the public who favor a balanced budget amendment oppose cutting education spending. When supporters of a balanced budget amendment (81 percent of those surveyed) were asked if they would favor such an amendment if "balancing the federal budget required cuts in spending on education," only 22 percent said they would continue to support such an amendment; 59 percent would oppose it. CBS/NY Times, 1994

The public has expressed support for the U.S. Department of Education.

- Fully 80 percent of Americans think the federal Department of Education is necessary and 70 percent say it is "very necessary." NBC/WSJ, 1995
- Over three-fourths of the public (77 percent) oppose eliminating the Department of Education to cut the deficit. Public opposition to eliminating the Department was indeed higher than that for reducing cost of living adjustments in Social Security and eliminating the Departments of Energy and Commerce. The same percentage (77 percent) reject cuts to student loans and other education programs to reduce federal spending. Yankelovich Partners, 1995

SOURCES

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Chilton, 1993 Chilton Research, Education Excellence Partnership press release, "Highlights of Baseline Assessment Study for Education Excellence Partnership on Promoting Public Awareness and Education Reform," September 30, 1993.

COC, 1994 Council on Competitiveness, Competitiveness Index 1994, July 1994.

Harris, 1992 L. Harris, "The Public Takes Reform to Heart," Agenda, Winter 1992.

NBC/WSJ, 1995 NBC News/The Wall Street Journal, January 1995.

Yankelovich, 1995 Yankelovich Partners, May 14, 1995.



UNITED STATES DEPARTMENT OF EDUCATION

PUBLIC AFFAIRS

Remarks Prepared for U.S. Secretary of Education Richard W. Riley

HOUSE ECONOMIC AND EDUCATIONAL OPPORTUNITIES COMMITTEE

Washington, D.C.

Thursday, June 29, 1995

Mr. Chairman, I am pleased to come before the Committee as always, to discuss what we can do to advance American education together. I would like to submit my testimony for the record and make some general opening remarks.

We are now engaged in a great debate about the federal role in education -- indeed about the future of education in our country. I welcome this debate. If we conduct this discussion responsibly, it will be to the benefit of all of our citizens, especially to our children.

Today, our debate centers primarily on the future of the U.S. Department of Education. I want to begin this discussion by thinking through with you the basic criticisms that have been leveled at this Department. I want to speak to these criticisms because they provide much of the fire and heat in the continuing debate about the future of this Department.

I want to suggest to the Committee that we need to put some "future" into this discussion ... that the proposals now before the Committee to eliminate or merge the department will not meet the demands that will be placed on American education in the 21st century.

I have just come back from trips to California and Oregon -- and I can tell you flat out that there is a tidal wave of young people coming our way. The central question for this committee really ought to be this: What can we do to prepare all levels of American education for the tidal wave of students -- six million strong by the year 2005.

I am concerned that we are starting to lose our focus on the issues that matter -- safe and disciplined schools, more academic rigor at all levels, parental involvement, the re-creation of a culture that believes in reading and writing, access to technology for all students, and the very strong need to ensure access and equal opportunity to higher education for deserving Americans as costs continue to rise.

I recognize and welcome any discussion that leads to good and better management. But the last thing we should do is let ourselves get caught in the classic Washington trap of moving boxes around on an organizational chart.

Now let me turn my attention to some of the criticism that seems to be fueling this debate. The first criticism of the Department is simply that it has no business existing in the first place. Public education is a state and local function and the federal government has no business involving itself in the progress of public education.

As a former Governor from a state with a very long history of state's rights, I am well acquainted with this type of thinking. And I surely respect the many Americans who believe that parents need to direct and be more connected to the learning process. I have spent the better part of the last two years calling for more parent involvement in the education of America's children.

So I think I am about as sensitive as anyone to the concerns raised by those who believe that education is a state and local function. However, the education of America's citizens -- old and young -- must be a clear national priority. This has never been more important than now -- in the middle of this "Information Era." But it is a state responsibility and a local function.

This is precisely why Goals 2000 was designed as a "responsible" block grant -- one with broad national goals and accountability for results -- and it is why Goals 2000 and our new School-to-Work initiative have no federal regulations. We have made an enormous effort in the last two years to establish a new regulatory environment in the Department where "less is better."

I want to point out that the majority of critics who fall into this camp all too often skim over the long established federal role in providing access to higher education -- which makes up about half of my Department's budget.

Some of these same critics lose sight of history as well. They forget that children with disabilities were denied their Constitutional rights, and that poor children all too often did not receive a decent and equal education.

So what then is the issue? The issue is really one of trust, and fear that state and local control of schools is being questioned. Here it might be useful to listen to the words of Robert Jones, the executive vice-president of the National Alliance for Business, at a recent National Press Club forum on federal involvement in education:

"When we go from state to state -- I've been in Vermont and Virginia and Texas -- in listening to these public debates, 99 percent of what they don't like about Goals 2000 are state legislated issues."

Mr. Jones makes a point well worth considering. Goals 2000 moves the federal government away from a top-down, heavy-handed regulatory approach, and toward an entirely new relationship based on encouragement, support and partnership -- and this process injects an enormous amount of flexibility into the system.

This is a new and creative way for the federal government to do its business. I suspect a good many people just don't believe it can be done. But it is being done and we ought to give it a chance.

The second critique of the Department is that it is a large, bloated bureaucracy with a 1960's management structure. Indeed, the Department was plagued with a long history of rapid turnover of senior appointees. The Office of Student Financial Aid, for example, which administers the very large and important student loan program, was managed by thirteen different directors over the course of fifteen years.

Well, things are different now, and I urge the Committee to take an honest look at what we have done to give this Department some sound, hard-nosed and practical management. We have given this Department stable leadership at all levels which has led to rapid and significant progress.

This is difficult work. When you are flattening an organization out, when you are restructuring and reorganizing at all levels, it's about the same as gutting a building and starting over. It's hard work, but we are getting the job done.

We have cut red tape, reduced paperwork and cut existing regulations by 30 percent, and we intend to do more. Our new reforms, like Goals 2000 and School to Work, as I said earlier, have no regulations.

By reducing the student default rate (from 22 percent to 15 percent) and increasing collections on defaulted loans, the Department has cut the costs of defaulted loans by over 50 percent. These management savings alone have offset the administrative costs of running the entire Department (\$500 million per year) during the last three years.

As a result of our efforts, administrative costs absorb just 2 percent of our budget. We deliver 98 cents on the dollar in education assistance to states, school districts, colleges and students.

We have been in the forefront of change, the use of technology, and making this Department more efficient. In our FY 95/96 budgets we proposed the elimination or consolidation of 86 programs for a savings of \$4.6 billion by the year 2000.

Our new direct lending program has received high marks from all concerned. We have eliminated the completion of 4 million paper forms by using technology, and we have probably saved a medium-sized forest in the process.

Our current staff of 5,000 is one-third smaller than the 7,700 employees who administered Federal education programs prior to the Department's creation in 1979. This reduction was accomplished even though our services to students in schools and colleges doubled over the same period of time.

The small increase we have made in our staffing to improve debt collection and manage direct lending pays for itself many times over.

I want to urge the Committee to recognize that stability leads to steady progress. If we get mired in another round of reorganizations, we will have every teacher, principal, college president, and parent in this country staring at organizational charts for years to come. It's not the way to go.

I didn't come to Washington to defend bureaucracy or to protect the status quo. I came to change things for the better. I think we have done that, and that's why I'm here today.

The third argument for eliminating the Department is the belief held by some that public education has declined because of federal involvement. This is not accurate, and this criticism is all too often a back-handed attack on the institution of public education itself.

The improvement of public education began over a decade ago when the American people tuned in to the now famous report entitled *A Nation At Risk* that was issued by Terrell Bell, the second Secretary of Education.

A decade of steady effort on targetted areas of concern has moved us forward. 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 while math and science scores have increased for all age groups during the same period.

The dropout rate for 16-to 24-year olds has fallen from 14 percent in 1982 to 11 percent in 1993. And the percentage of high school graduates who have enrolled in college has increased from 49 percent in 1980 to 62 percent in 1992. This is an extraordinary record of educational opportunity and our student aid programs now account for almost 70 percent of all student aid.

Public education surely needs to be more demanding. We haven't moved fast enough or far enough, in my opinion, to say we have achieved success. But we are turning the corner and public education is not flunking out by a long shot.

Public education is also at ground zero of almost every social, economic and cultural tension of our times. And, in some communities -- that are almost dysfunctional -- the local public school often remains the best and only anchor for young people who are trying to pull themselves up.

Let's remember that, for all of its many problems, public education is still sending millions of bright, young students to the finest and most open higher education system in the world.

Before turning to the specifics of the proposals before the Committee, I want to make one final comment about the criticism leveled at this Department. Everyone has the right to have their say. That's what our democracy is all about.

But I am concerned that the debate over education and this Department is becoming much too negative. There is too much intensity to this debate, and you have a lot of misinformation and myths out there. This Department seems to get blamed for everything from the disappearance of Amelia Earhart, to the death of Elvis, to last year's baseball strike.

I urge committee members to listen to the conscientious parents and principals who have rolled up their sleeves to make our schools better, and to the teachers who are working the extra hours to make a difference. You can have loud voices in a debate and you can have insistent voices but they are not the majority.

Every poll that I have seen this year shows that large majorities — ranging from two-thirds to over 80 percent of the American people — see a valid purpose for this Department and recognize that balancing the budget should not come at the expense of education.

Now, let me make a few comments about the specific proposals before the Committee and then go to Q&A's. It seems to me that both the proposed merger proposal and H.R. 1883 have significant problems. Four stand out.

- Both would silence the voice of education in the President's Cabinet.
- Both would bury Federal education programs deep within mega-agencies.
- Neither realizes savings without substantial cuts in services to students and schools.
- Both would sidetrack education reform and, in all likelihood, will stunt, if not kill off, our efforts to increase flexibility in federal education programs.

I also cannot tell you that I see Mr. Gunderson's merger proposal as a positive alternative to the proposal to eliminate the Department.

The proposal by Mr. Gunderson has the Director of Mine Safety, the Director of HeadStart and the person responsible for improving elementary education reporting to the same cabinet Secretary. I cannot imagine how this works. It's mix that just doesn't match.

I also believe that Mr. Gunderson's proposal places too much of its emphasis on short-term job training while paying scant attention to the far broader purposes of American education -- learning the basics, good citizenship, character development and American values. I do not think the American people see education so narrowly.

In addition to destroying the national focus on education, my additional concern with H.R. 1883 is the block grant proposals. I believe that this block-grant proposal is merely the first step toward dramatically reducing — and possibly even eliminating — federal financial

assistance for elementary and secondary education. In addition, it lacks any meaningful accountability mechanisms. Over time, it will shift focus away from a targeted population that really does need the help.

In conclusion, I want to urge the committee to be cautious before acting and to once again commend to the committee the value of stability and steady progress. This Department is a small but active Department that is changing for the better.

We have a focus, a clear sense of mission and we have an important purpose in contributing to the educational advancement of over 60 million Americans of all ages. We are a voice for excellence and high standards. We are a catalyst for solutions and a clearinghouse for good ideas. We are committed to greater flexibility and a new partnership with the states. And we are committed to ensuring access to higher education, to creating the middle class of the future.

In the decade ahead, education will be the touchstone in defining the progress of this great nation. As a nation, we are going to have our hands full educating this coming tidal wave of new students and responding to the concerns of millions of parents who want to be sure that we are doing everything possible to improve education and to insure access to higher education.

I urge the Committee to take the long view ... to see the value of what we are accomplishing. I will be happy to answer any questions.