

DEPARTMENT OF EDUCATION

Statement by

**Arne Duncan
Secretary of Education**

on the

U.S. Department of Education Fiscal Year 2012 Budget Request

Chairman Harkin, Ranking Member Shelby, and Members of the Committee:

Thank you for this opportunity to talk about President Obama's fiscal year 2012 budget to help America out-educate the rest of the world. While the President's overall request for 2012 reflects broad agreement that the Federal government has to start living within its means, we believe it is absolutely essential to keep investing in education so that, as the President put it, "every American is equipped to compete with any worker, anywhere in the world."

FINAL FISCAL YEAR 2011 APPROPRIATION

I want to begin by thanking the Chairman, the Ranking Member, and other Members of this Subcommittee for your work on the fiscal year 2011 appropriation for education. I know that you faced some tough decisions in reaching agreement on the 2011 budget, but I believe the final appropriation reflected a responsible mix of continued investment in high-priority activities as well as reductions in programs and activities based in large part on the recommendations in the President's 2012 budget.

In particular, I want to thank you for your renewed support of the Race to the Top program, which now includes the Early Learning Challenge competition. In May, I was pleased to share the podium with Secretary of Health and Human Services Kathleen Sebelius to announce a \$500 million competition that will reward States that create comprehensive plans to transform their early learning systems by coordinating services, raising standards, and increasing the effectiveness of pre-K teachers. I also announced separately that we will use the remaining \$200 million in fiscal year 2011 Race to the Top funding to support a competition involving the nine States that were high-scoring finalists but did not receive funding in the first two rounds of Race to the Top.

I'm also grateful that Congress provided \$150 million for a second Investing in Innovation (i3) competition, as well as \$30 million to keep moving forward with our Promise Neighborhoods initiative. In addition, Congress did the right thing by providing the significant funding and programmatic changes needed to maintain the \$5,550 maximum Pell Grant award, as well as essential funding for the continued effective and efficient administration of the Department's postsecondary student financial aid programs.

PRESIDENT OBAMA'S 2012 BUDGET REQUEST

Turning to 2012, we recognize that the final 2011 appropriations bill will have an impact on the levels provided in fiscal year 2012, and we are aware of the ongoing bicameral, bipartisan discussions between the Administration and congressional leadership on the Nation's long-term fiscal picture, which may result in further adjustments to funding levels for 2012. Nonetheless, the 2012 budget request for the Department of Education reflects the Administration's policy priorities and remains a good starting point for developing these funding levels. The request represents both fiscal constraint and investment in education reforms that will deliver results. The overall discretionary request for the Department of Education, excluding Pell Grants, is \$48.8 billion.

As you know, financing the Pell Grant program, which is funded through a combination of discretionary and mandatory appropriations and has faced growing demand in recent years as more and more students and working adults seek to improve their knowledge and skills, has been a real challenge for the Department and for the Congress. The President's Budget responds to this challenge by proposing a combination of tough choices to generate savings from Pell Grants and student loan programs and increased discretionary funding. The overall goal of our Pell Grant proposals is to protect the \$5,550 maximum Pell Grant award, put the program on more sustainable financial footing in 2012 and beyond, and ensure that more than 9 million low-income students can continue to rely on Pell Grants to enter and complete a college education.

Our 2012 request included a Pell Grant Protection Act that was designed to rein in Pell costs and place the program on more solid financial footing by eliminating the extra Pell Grant, ending the interest subsidy for graduate student loans, and allowing the conversion of guaranteed student loans to the Department. This proposal, combined with administrative action to implement enhanced income verification procedures for Pell Grant applicants as part of improvements in the processing of the Free Application for Federal Student Aid (FAFSA), would have produced an estimated \$100 billion in discretionary Pell Grant savings over the next ten years. The final 2011 appropriations act ended the extra Pell Grant, achieving a significant portion of the savings proposed in our 2012 request, and we will be working with the Subcommittee to build on those savings in negotiations over the 2012 appropriation.

MAKING TOUGH CHOICES

Before I describe some of the key investments we are proposing for 2012, I want to emphasize that our overall strategy for supporting effective education reform is fully consistent with the current fiscal environment. From the beginning, this Administration has envisioned a smaller Federal role focused on key priorities and structured to ensure the most productive use of the resources entrusted to us by taxpayers and the Congress. This is why, for example, our reauthorization proposal for the Elementary and Secondary Education Act (ESEA) would consolidate 38 existing programs into 11 more flexible authorities that would give communities more choices to implement their own research-based reform strategies.

We also have worked hard to identify and eliminate duplicative, unnecessary, or ineffective programs, and Congress accepted many of these recommendations in its final action

on the fiscal year 2011 appropriation. Key eliminations included Even Start, Smaller Learning Communities, Educational Technology State Grants, Tech Prep Education State Grants, and Leveraging Educational Assistance Partnerships, as well as a number of smaller programs. While each of these programs undoubtedly provided meaningful benefits to students and schools over the years, we recognize that all levels of government are challenged to do more with less in these times of financial constraint. That's why our 2012 budget places a priority on spending smarter through cost-effective reforms that improve student outcomes, including by consolidating and, where appropriate, eliminating programs.

But make no mistake; the President's request for education is about investing in our Nation's future. President Obama has said that to win the future, we have to win the education race, and his 2012 budget reflects what is needed to educate our way to a better economy. More specifically, the 2012 request for education is designed to promote reform, reward success, and support innovation at the State and local levels while maintaining strong support for students most at risk of educational failure. To meet these goals, our 2012 investments in education are divided into four significant priorities.

SUSTAINING REFORM MOMENTUM

First, our request includes an additional \$900 million for Race to the Top, which already has demonstrated how competitive rewards create powerful incentives for State and local leaders to make groundbreaking education reforms. In the first two RTT competitions, forty-six States created bold comprehensive reform plans that have buy-in from governors, legislators, local educators, union leaders, business leaders and parents. As noted earlier, we will use 2011 Race to the Top funds to make awards to high-scoring but unfunded finalists from the first two rounds of Race to the Top. The 2012 request would focus on supporting district-level reform plans while also emphasizing cost-effective strategies that improve student achievement in a time of tight budgets. The Department would also carve out a portion of funds for rural school districts to ensure that communities of all sizes and from all geographic areas are able to compete for a fair share of Race to the Top funds.

While we are very pleased that we will be able to launch the Early Learning Challenge Fund with fiscal year 2011 Race to the Top funds, we are seeking additional funding in 2012 to continue critical investments in early learning that will support model systems of high-quality early learning supports and services for children from birth to kindergarten entry. These investments would complement proposed 2012 increases for programs in the Department of Health and Human Services, including increases for Head Start and for quality child care.

The 2012 request also would encourage reform and innovation through a \$300 million request for the Investing in Innovation (i3) program to develop, evaluate, and scale up promising and effective models and interventions with the potential to improve educational outcomes for hundreds of thousands of students. The request includes priorities for science, technology, engineering, and mathematics (STEM) education and early learning, as well as an overall focus on increasing productivity to achieve better student outcomes more cost-effectively. The Department would include a refined rural priority in the i3 competition to ensure geographic diversity in the communities served by recipients, and would fund applications from providers

and other entities proposing evidence-based approaches to address the unique needs and priorities of rural districts and schools. We also would take a page from the Department of Defense by creating a new Advanced Research Projects Agency: Education (ARPA-ED) that would use both discretionary and mandatory funds to pursue breakthrough developments in educational technology and learning systems, support systems for educators, and tools that improve outcomes from early learning through postsecondary education. We see this as a natural complement to the innovations found in the field through the i3 program.

In addition, our request would significantly boost funding for the Promise Neighborhoods program to \$150 million to support comprehensive, innovative and cost effective approaches to meeting the full range of student needs, drawing on the contributions of schools, community-based organizations, local agencies, foundations, and private businesses. Also, the request would maintain funding for safe school programming designed to reduce substance use, violence, and bullying while providing states with greater ability to adapt interventions to school needs and drive resources to the most unsafe schools.

GREAT TEACHERS AND LEADERS

Our second priority is teachers and school leaders. I think we can all agree that nothing is more important, or more likely to improve student achievement and other key educational outcomes, than putting a great teacher in every classroom and a great principal in every school. Our 2012 request, together with a proposed restructuring of teacher and leader recruitment and preparation programs as part of our ESEA reauthorization plan, is designed to support State and local reforms of systems for recruiting, preparing, supporting, rewarding, and retaining effective teachers and school leaders. For example, the budget includes funding for a Teacher and Leader Innovation Fund to support ambitious reforms, including innovative teacher evaluation and compensation systems, to encourage effective teachers, principals, and school leadership teams to work in high-need schools. We also are seeking funds for Teacher and Leader Pathways to expand high-quality traditional and alternative pathways into teaching, with an emphasis on recruiting, preparing, placing, and supporting promising teacher candidates for high-need (including rural) schools, subject areas, and fields. Included in this request is a set-aside to help prepare 10,000 new STEM teachers over the next two years, as part of the President's plan to prepare 100,000 new STEM teachers over the next decade. In addition, the Presidential Teaching Fellows program (formerly the TEACH program), paid for with mandatory funds, would award \$10,000 scholarships to the best students attending our most effective teacher preparation programs who agree to work in high-need schools.

COLLEGE COMPLETION

Our third priority is college completion. I've already talked about the Pell Grant program, which is the foundation of Federal efforts to support both increased college access and completion for low-income students. Unfortunately, we know that far too many students who enroll in college drop out and never earn a degree. Currently, one-third of postsecondary students leave school without earning a degree and only half finish after six years. Clearly, access isn't enough, and we need a much stronger emphasis on attainment in postsecondary education. Through the \$123 million "First in the World" competition, we'll provide venture

capital to develop innovative approaches to increase college completion rates and improve educational outcomes while lowering costs and time to degree for students in higher education. And through our proposed College Completion Incentive Grants program, we would provide mandatory funding over the next five years in grants to States to reward institutions with exemplary college completion outcomes.

The President's budget also would continue support for key existing programs supporting college access and completion, particularly for minority and disadvantaged students. The request includes funding for the Federal TRIO programs and the GEAR UP program, which helps an estimated 756,000 middle and high school students prepare for and enroll in college. The 2012 budget also provides discretionary and mandatory funding for the Aid for Institutional Development programs, which support institutions that enroll a large proportion of minority and disadvantaged students, and discretionary and mandatory funding for the Aid for Hispanic-Serving Institutions programs, which help ensure that Hispanic students have access to high-quality postsecondary education opportunities.

We also look forward to working with Congress to strengthen the Perkins Act, which shapes the Career and Technical Education program, and improve its alignment with the education reform efforts at the core of our ESEA reauthorization proposal, so that the Perkins Act is a stronger vehicle for supporting the President's 2020 college completion goal and the Department's efforts to improve secondary schools.

SUPPORT FOR AT-RISK STUDENTS AND ADULTS

Finally, the President's 2012 budget for education would maintain, and in some cases expand, the Federal government's commitment to formula programs for students most at risk of educational failure. For example, our request for the reauthorized Title I College- and Career-Ready Students program (currently Title I Grants to Local Educational Agencies) includes increased funding to recognize and reward high-poverty districts and schools where disadvantaged students are making the most progress. The \$600 million request for a reauthorized School Turnaround Grants program would expand support for school districts undertaking fundamental reforms in their persistently lowest-achieving schools, while the budget also provides funding to help English Learners meet the same college- and career-ready standards as other students.

In Special Education, our request for Individuals with Disabilities Education Act Grants to States would help States and school districts pay the additional costs of educating students with disabilities, while our request for Grants for Infants and Families program would complement the proposed Early Learning Challenge Fund.

The 2012 request also provides significant resources to help adults pursue educational and employment opportunities, including funding for Adult Basic and Literacy Education State Grants to help adults without a high school diploma or equivalent to become literate and obtain the knowledge and skills necessary for postsecondary education, employment, and self-sufficiency, and mandatory and discretionary funds for Vocational Rehabilitation (VR) State

Grants to help States and tribal governments to increase the participation of individuals with disabilities in the workforce.

We are looking forward to the reauthorization of the Workforce Investment Act (WIA) so that low- skilled adults and individuals with disabilities have access to the education and training they need to be successful in the 21st century economy. A reauthorized WIA would provide opportunities to upgrade the skills of our nation's workers so that they are able to compete in this new economy. One of those opportunities includes a new Workforce Investment Fund, which we are proposing in partnership with the Department of Labor, to help provide flexibility for the connections necessary to get people into good jobs or the education needed for a better job. The Fund will also provide resources to evaluate and replicate best practices so that we better serve those who have the hardest time finding work -those with limited basic skills and individuals with disabilities.

CONCLUSION

In conclusion, President Obama's 2012 budget for education is part of a comprehensive and responsible plan that will put us on the path toward fiscal sustainability in the next few years. Like every other agency across the government, we are working hard to more efficiently steward the Department's resources. At the same time, education remains a priority for the Administration due to the critical importance of our education system for our continued economic prosperity. The Department's budget includes a responsible mix of savings and investments that will promote reform and innovation, support a comprehensive ESEA reauthorization, and encourage improved postsecondary outcomes. I look forward to working with the Committee to build support for the President's 2012 budget for education and to secure the best possible future for America by providing the best possible education for all of our children.

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