

DEPARTMENT OF EDUCATION

Statement by

**Arne Duncan
Secretary of Education**

on the

U.S. Department of Education Fiscal Year 2011 Budget Request

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to testify on behalf of the President's 2011 budget request for education. I want to begin by thanking all of you for your commitment to our children's education. This Committee has played a critical role in helping the Department to accomplish an extraordinary amount of work over the past year, both to help America's education system weather the economic recession and to launch key initiatives to improve the quality of that system.

It was just over a year ago that Congress and President Obama worked together to complete the American Recovery and Reinvestment Act of 2009 (Recovery Act). This legislation is delivering nearly \$100 billion in education funding to Recovery Act recipients, including States and school districts, to help address budget shortfalls in the midst of the most severe financial crisis and economic recession since the Great Depression. To date, the Department has awarded more than \$69 billion. For the quarter ending December 31, 2009, recipients reported that assistance from the Department of Education funded approximately 400,000 jobs overall, including more than 300,000 education jobs, such as principals, teachers,

librarians and counselors. These numbers are consistent with the data submitted in October, during the first round of reporting, and this consistency reflects the steady and significant impact of the Recovery Act. Although State and local education budgets remain strained, schools systems throughout the country would be facing much more severe situations were it not for the Recovery Act. The Recovery Act also increased Federal postsecondary student aid to help students and families pay for college.

I believe that the Recovery Act did much more than just provide short-term financial assistance to States and school districts. Indeed, I think the Recovery Act will be seen as a watershed for American education because it also laid the groundwork for needed reforms that will help improve our education system and ensure America's prosperity for decades to come. Thanks to the Recovery Act, all States now are working to strengthen their standards and assessments, improve teacher and leader effectiveness, improve data systems and increase the use of data to improve instruction, and turn around low-performing schools.

In addition, the Recovery Act helped to jumpstart a new era of innovation and reform, particularly through the \$4 billion Race to the Top program and the \$650 million Investing in Innovation Fund. Many States already have demonstrated their interest in Race to the Top by making essential changes, such as allowing data systems to link the achievement of individual students to their teachers and enabling the growth or expansion of high-quality charter schools, and on March 29 we were pleased to announce the first two Race to the Top awards to Delaware and Tennessee. Both of these States submitted applications demonstrating a successful track record, bold reforms, broad buy-in and statewide impact. Tennessee capitalized on its value-

added assessment system as the foundation for future reforms, while Delaware is building on its Vision 2015 blueprint. Both states also secured broad support through a combination of changing their state laws and coalition-building among school districts, unions, businesses, advocacy groups, and local philanthropies. I am confident that other States will draw on these lessons to submit even stronger applications during the second phase of the Race to the Top competition this summer.

States also are demonstrating the progress they have made toward implementing the reforms called for in the State Fiscal Stabilization Fund in their applications for Phase II of that funding. We must continue to invest in innovation and scale up what works to make dramatic improvements in education. The President's fiscal year 2011 budget requests \$1.35 billion for Race to the Top awards, both for States and for a new school district-level competition, as well as \$500 million in additional funding for the Investing in Innovation (i3) program.

Most recently, I want to thank all of the Members of the Committee who supported the Health Care and Education Reconciliation Act, which President Obama signed into law on March 30, 2010. This legislation will allow the Department to make much-needed reforms to Federal postsecondary student loan programs that will save an estimated \$68 billion over the next 11 years. These savings will be redirected toward a more generous and fiscally stable Pell Grant program, lowering the cost of student loans, improving our community college system, and increasing support for Historically Black Colleges and Universities and other minority-serving institutions.

PRESIDENT OBAMA'S 2011 BUDGET REQUEST

The centerpiece of the 2011 budget request for the Department of Education is the pending reauthorization of the Elementary and Secondary Education Act (ESEA). The President is asking for a discretionary increase of \$3.5 billion for fiscal year 2011, of which \$3 billion is dedicated to ESEA, the largest-ever requested increase for ESEA. Moreover, if Congress completes an ESEA reauthorization that is consistent with the President's plan, the Administration will submit a budget amendment for up to an additional \$1 billion for ESEA programs. We would greatly appreciate your support for this historic budget.

The Department's budget and performance plan for 2011 also includes a limited number of high-priority performance goals that will be a particular focus over the next two years. These goals, which will help measure the success of the Department's cradle-to-career education strategy, reflect the importance of teaching and learning at all levels of our education system. The Department's goals include turning around struggling schools, improvements in the quality of teaching and learning, implementation of comprehensive statewide data systems, and simplifying student aid. These goals and other performance information are included in the President's Fiscal Year 2011 Budget materials and are on www.ed.gov.

FISCAL YEAR 2011 BUDGET REQUEST AND ESEA REAUTHORIZATION

Our 2011 budget request incorporates an outline of our key principles and proposals for ESEA reauthorization. These proposals are explained in more detail in our "Blueprint for

Reform,” which was released on March 13, 2010 and which also is available at www.ed.gov.

We have thought a great deal about the appropriate Federal role in elementary and secondary education, and want to move from a simple focus on rules, compliance, and labeling of insufficient achievement, toward a focus on flexibility for States and local educational agencies (LEAs) that demonstrate how they will use program funds to achieve results, and on positive incentives and rewards for success. That is why, for example, our 2011 budget request includes \$1.85 billion in new funding for the Race to the Top and Investing in Innovation (i3) programs. In addition, our reauthorization proposal for Title I, Part A of ESEA would reward schools or LEAs that are making significant progress in improving student outcomes and closing achievement gaps. Our budget and reauthorization proposals also would increase the role of competition in awarding ESEA funds to support a greater emphasis on programs that are achieving successful results.

We believe that our goals of providing greater incentives and rewards for success, increasing the role of competition in Federal education programs, supporting college- and career-readiness, turning around low-performing schools, and putting effective teachers in every classroom and effective leaders in every school require a restructuring of ESEA program authorities. For this reason, our budget and reauthorization proposals would consolidate 38 existing authorities into 11 new programs that give States, LEAs, and communities more choices in carrying out activities that focus on local needs, support promising practices, and improve outcomes for students, while maintaining Federal support for the most disadvantaged students, including dedicated formula grant programs for students who face unique challenges,

such as English learners, homeless children, migrant students, and neglected and delinquent students.

COLLEGE- AND CAREER-READINESS

Another key priority is building on the Recovery Act's emphasis on stronger standards and high quality assessments aligned with those standards. We believe that a reauthorized Title I program, which our budget request would fund at \$14.5 billion, should focus on graduating every student college- and career-ready. States would adopt standards that build toward college- and career-readiness, and implement high-quality assessments that are aligned with and capable of measuring individual student growth toward these standards. To support States in this effort, our request would provide \$450 million, an increase of 10 percent, for a reauthorized Assessing Achievement program (currently State Assessments).

States would measure school and LEA performance on the basis of progress in getting all students, including groups of students who are members of minority groups, from low-income families, English learners, and students with disabilities, on track to college- and career-readiness, as well as in closing achievement gaps and improving graduation rates for high schools. States would use this information to differentiate schools and LEAs and provide appropriate rewards and supports, including recognition and rewards for those showing progress and required interventions in the lowest-performing schools and LEAs. To help turn around the nation's lowest-performing schools, our budget would build on the \$3 billion in school improvement grants provided in the Recovery Act by including \$900 million for a School

Turnaround Grants program (currently School Improvement Grants). This and other parts of our budget demonstrate the principle that it is not enough to identify which schools need help – we must encourage and support State and local efforts to provide that help.

EFFECTIVE TEACHERS AND SCHOOL LEADERS

We also believe that if we want to improve student outcomes, especially in high-poverty schools, nothing is more important than ensuring that there are effective teachers in every classroom and effective leaders in every school. Longstanding achievement gaps closely track the inequities in classrooms and schools attended by poor and minority students, and fragmented ESEA programs have failed to make significant progress to close this gap. Our reauthorization proposal will ask States and LEAs to set clear standards for effective teaching and to design evaluation systems that fairly and rigorously differentiate between teachers on the basis of effectiveness and that provide them with targeted supports to enable them to improve. We also will propose to restructure the many teacher and teacher-related authorities in the current ESEA to more effectively recruit, prepare, support, reward, and retain effective teachers and school leaders. Key budget proposals in this area include \$950 million for a Teacher and Leader Innovation Fund, which would support bold incentives and compensation plans designed to get our best teachers and leaders into our most challenging schools, and \$405 million for a Teacher and Leader Pathways program that would encourage and help to strengthen a variety of pathways, including alternative routes, to teaching and school leadership careers.

We also are asking for \$1 billion for an Effective Teaching and Learning for a Complete Education authority that would make competitive awards focused on high-need districts to improve instruction in the areas of literacy, science, technology, engineering, mathematics, the arts, foreign languages, civics and government, history, geography, economics and financial literacy, and other subjects. Our request also includes \$2.5 billion for an Effective Teachers and Leaders formula grant program to help States and LEAs improve teaching and enhance the teaching profession.

In addition, throughout our budget, we have included incentives for States and LEAs to use technology to improve effectiveness, efficiency, access, supports, and engagement across the curriculum. In combination with the other reforms supported by the budget, these efforts will pave the way to the future of teaching and learning.

IMPROVING STEM OUTCOMES

One area that receives special attention in both our 2011 budget request and our reauthorization plan is improving instruction and student outcomes in science, technology, engineering, and mathematics (STEM). The world our youth will inherit will increasingly be influenced by science and technology, and it is our obligation to prepare them for that world.

The 2011 request includes several activities that support this agenda and connect with President Obama's "Educate to Innovate" campaign, which is aimed at fostering public-private partnerships in support of STEM. Our goal is to move American students from the middle of the

pack to the top of the world in STEM achievement over the next decade, by focusing on (1) enhancing the ability of teachers to deliver rigorous STEM content and providing the supports they need to deliver that instruction; (2) increasing STEM literacy so that all students can master challenging content and think critically in STEM fields; and (3) expanding STEM education and career opportunities for underrepresented groups, including women and girls and individuals with disabilities.

Specifically, we are asking for \$300 million to improve the teaching and learning of STEM subjects through the Effective Teaching and Learning: STEM program; \$150 million for STEM projects under the \$500 million request for the i3 program; and \$25 million for a STEM initiative in the Fund for the Improvement of Postsecondary Education to identify and validate more effective approaches for attracting, retaining, engaging and effectively teaching undergraduates in STEM fields. In addition, I have directed the Department to work closely with other Federal agencies, including the National Science Foundation, the Department of Defense, the National Aeronautics and Space Administration, and the National Institutes of Health to align our efforts toward our common goal of supporting students in STEM fields.

COMPREHENSIVE SOLUTIONS

We also recognize that schools, parents, and students will benefit from investments in other areas that can help to improve student outcomes. Toward that end, we are proposing to expand the new Promise Neighborhoods program by including \$210 million in our budget to fund school reform and comprehensive social services for children in distressed communities

from birth through college and career. A restructured Successful, Safe, and Healthy Students program would provide \$410 million to – for the first time – systematically measure school climates, which we know can affect student learning. This will help direct funding to schools that show the greatest need for resources to increase students’ safety and well-being by reducing violence, harassment and bullying; promote student physical and mental health; and prevent student drug, alcohol, and tobacco use.

COLLEGE ACCESS AND COMPLETION

The Administration has made college- and career-readiness for all students the goal of its ESEA reauthorization proposal, because most students will need at least some postsecondary education to compete for jobs in the 21st Century global economy. For this reason, we are proposing a College Pathways and Accelerated Learning program that would increase high school graduation rates and preparation for college by providing students in high-poverty schools with opportunities to take advanced coursework that puts them on a path toward college. This new program would help expand access to accelerated learning opportunities such as Advanced Placement and International Baccalaureate courses, dual-enrollment programs that allow students to take college-level courses and earn college credit while in high school, and “early college high schools” that allow students to earn a high school degree and an Associate’s degree or two years of college credit simultaneously.

Just as essential to preparing students for college is ensuring that students and families have the financial support they need to pay for college. We took a giant step toward this goal

with the passage of the Health Care and Education Reconciliation Act, which will make key changes in student financial aid and higher education programs that are consistent with President Obama's goal of restoring America's status as first in the world in the percentage of college graduates by 2020. In combination with the Reconciliation Act, the 2011 request would make available more than \$156 billion in new grants, loans, and work-study assistance—an increase of \$58 billion, or 60 percent, over the amount available in 2008—to help almost 15 million students and their families pay for college. And another achievement of the Recovery Act, the new American Opportunity Tax Credit, will provide an estimated \$12 billion in tax relief for 2009 filers. The budget proposes to make this refundable tax credit permanent, which will give families up to \$10,000 to help pay for four years of college.

The Reconciliation Act also will invest more than \$40 billion in Pell Grants to ensure that all eligible students receive an award and that these awards are increased in future years to help keep pace with rising college costs. Beginning in 2013, the Act will provide annual increases based on the change in the Consumer Price Index that are expected to raise the maximum Pell award from \$5,550 in 2013 to \$5,975 in 2017. In addition, by the 2020-21 academic year, the number of Pell Grant recipients is expected to grow by more than 820,000.

Finally, the Reconciliation Act will allow postsecondary students enrolling in 2014 or later, and who obtain a Federal student loan, to limit their monthly loan payments to 10 percent of their discretionary income, down from the previous requirement of 15 percent of income. More than 1 million borrowers will be eligible to reduce their monthly payments, and to obtain

forgiveness of all remaining student loan debt after 20 years of payments, or just 10 years for public service workers such as teachers or nurses or those in military service.

IMPROVING OUTCOMES FOR ADULT LEARNERS

The 2011 budget request includes funding for a variety of programs that support adult learners, including career and technical education, and adult basic and literacy education. These programs provide essential support for State and local activities that help millions of Americans develop the knowledge and skills they need to reach their potential in the global economy. For example, our request would provide \$1.3 billion for Career and Technical Education State Grants to support continued improvement and to increase the capacity of programs to prepare high school students to meet State college and career-ready standards. One of our greatest challenges is to help the 90 million adults for whom increasing basic literacy skills is a key to enhancing their career prospects. For this reason, we are asking for \$612.3 million for Adult Basic and Literacy Education State Grants, an increase of \$30 million over the comparable 2010 level, to help adults without a high school diploma or the equivalent to obtain the knowledge and skills necessary for postsecondary education, employment, and self-sufficiency.

IMPROVING OUTCOMES FOR PERSONS WITH DISABILITIES

The budget also includes several requests and new initiatives to enhance opportunities for students and other persons with disabilities. For example, we are proposing a \$250 million increase for Grants to States under the Individuals with Disabilities Education Act to help ensure

that students with disabilities receive the education and related services they need to prepare them to lead productive, independent lives. The \$3.6 billion request for Rehabilitation Services and Disability Research would consolidate nine Rehabilitation Act programs into three to reduce duplication and improve the provision of rehabilitation and independent living services for individuals with disabilities. The request includes a \$6 million increase over the 2010 level for a new Grants for Independent Living program (which consolidates Independent Living State Grants and Centers for Independent Living) and would provide additional funding for States with significant unmet needs. It also includes \$25 million for a new program that would expand supported employment opportunities for youth with significant disabilities as they transition from school to the workforce, through competitive grants to States to develop innovative methods of providing extended services.

The Budget provides \$112 million for the National Institute on Disability and Rehabilitation Research to support a broad portfolio of research and development, capacity-building, and knowledge translation activities. And the request includes \$60 million—\$30 million under Adult Education and \$30 million under Vocational Rehabilitation—for the Workforce Innovation Fund, a new initiative in partnership with the Department of Labor. The proposed Partnership for Workforce Innovation, which encompasses \$321 million of funding in the Departments of Education and Labor, would award competitive grants to encourage innovation and identify effective strategies for improving the delivery of services and outcomes for beneficiaries under programs authorized by the Workforce Investment Act. This investment will create strong incentives for change that, if scaled up, could improve cross-program delivery of services and outcomes for beneficiaries of programs under the Workforce Investment Act.

CONCLUSION

In conclusion, we have made extraordinary progress in meeting the needs of our schools and communities in the midst of financial crisis and recession, making long-needed reforms in our Federal postsecondary student aid programs, and reawakening the spirit of innovation in our education system from early learning through college. The next step to cement and build on this progress is to complete a fundamental restructuring of ESEA, and we believe strongly that our 2011 budget request is essential to that effort. I look forward to working with the Committee toward that goal and have every confidence that with your continuing leadership and strong support from President Obama and the American people, we will accomplish this important task.

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