

**Under Secretary of Education
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March 11, 2010
House Appropriations Subcommittee on Labor/HHS/ED
“Putting Adults Back to Work: FY 2011 Budget Overview”**

Good morning, Chairman Obey and Members of the Subcommittee. Thank you for inviting me to testify on the President’s FY 2011 budget request for the Department of Education programs that play a key role in developing a workforce that will be well-prepared to seize the opportunities and meet the challenges of the 21st century.

During the past year, our team at the Department of Education has largely focused on awarding nearly \$100 billion provided under the American Recovery and Reinvestment Act. We believe that this funding, which was provided during the most severe financial crisis in our country since the Great Depression, helped significantly to avert economic disaster. The billions of dollars we’ve awarded to States and school districts have helped them deal with budget shortfalls and save or create an estimated 400,000 jobs across the country. The President’s FY 2011 request for Department of Education program will build on ARRA by investing in the future. We see education as a key driver of America’s future economic prosperity and the President’s budget reflects this principle by making a number of critical investments. Today I will highlight some key changes in student financial aid and new higher education programs that are consistent with President Obama’s ambitious goal of restoring America’s status as first in the world in the percentage of its citizens with college degrees by 2020. I will also discuss the role of adult and career and technical education in preparing our workforce and the importance of creating pathways into higher education.

In today’s world, the skill-level of the workforce has a more significant impact on regional and metropolitan growth in per capita income and worker productivity than any other factor.¹ Unfortunately, millions of Americans are not receiving the education they need to obtain high-paying jobs and it is these lower-skilled workers who have been

¹ <http://edq.sagepub.com/cgi/content/abstract/17/4/325>

disproportionately impacted by the economic downturn. By 2016, just six years from now, four out of every 10 new jobs will require some advanced education or training. Thirty of the fastest growing fields will require a minimum of a bachelor's degree.² We believe a greater investment in college access and attainment is essential, to preparing our workforce for job opportunities needed to move America ahead.

Our programs support this goal in two major ways: (1) **financial aid** that empowers citizens to choose the education and training that suits their interests and abilities; and (2) **institutional support** for programs that meet particular needs.

The student loan and Pell grant programs have seen unprecedented demand in this recession. Last year a record 19 million Americans completed the FAFSA to access federal financial aid. To ensure that our Federal programs provide the assistance that students need, we support the Student Aid and Fiscal Responsibility Act (SAFRA). SAFRA would increase the maximum Pell Grant to \$5,710 next year and index future increases to inflation plus 1 percent. Almost 8 million students will receive Pell Grants in the 2010-11 academic year. The cash value would increase 13 percent, and by the end of the decade, using current inflation projections, Pell Grants would increase to \$6,900. Those increases are paid for by making student loans both more reliable and more efficient through the Direct Loan Program.

To address those situations where Pell Grants and Stafford loans are not enough, SAFRA would revamp and expand the Perkins loan program so that colleges would be able to provide extra loan funds to students in need. The President's budget also calls for making permanent the expansion of the American Opportunity Tax Credit. This credit provides \$10,000 over four years to families struggling to pay for higher education.

² <http://www.census.gov/population/socdemo/education/cps2008/Table1-01.xls> and <http://www.bls.gov/news.release/ecopro.t06.htm>

Our efforts in adult education and career and technical education to strengthen the nation's workforce education and preparation programs are also important elements in our reform agenda.

This year we have a very specific opportunity to strengthen adult education through the reauthorization of the Workforce Investment Act (W-I-A). The Department of Education is currently serving approximately 2.4 million individuals in English literacy, adult basic education, and adult secondary education programs funded under the Adult Education and Family Literacy Act (Title II of W-I-A). We must expand our capacity to serve more individuals in high-quality programs and to ensure that basic skills education prepares adult learners for postsecondary education, advanced training, and employment in jobs that provide opportunity for advancement and offer family sustaining wages. We have sought input from the field on ways to strengthen W-I-A through a series of 20 community conversations in 8 states and through web-based outreach to practitioners, administrators, and national leadership organizations. Five broad themes emerged in the feedback we gained through this outreach, all pointing to a need to:

1. Provide incentives to spur innovation in the delivery of adult education services;
2. Make meaningful advances to ensure that our students have highly effective instructors and to professionalize the field of adult education;
3. Prepare our students for careers in the twenty first century;
4. Build on the strengths of the adult education accountability system; and
5. Codify the work over the last decade to prepare our non-citizen English learners for citizenship and all English learners for more rich civic and workforce participation.

We are working with Congress and our partners in the Department of Labor, Domestic Policy Council, and the Office of Management and Budget to incorporate these recommendations into legislation.

To stimulate reform in adult education, the President's budget also includes funding for a Workforce Innovation Fund. The Fund would be used to support competitive grants for projects that propose strategies for improving service delivery and eliminating fragmentation between State and local agencies and the education and workforce systems.

While the Department is making strides to build capacity and quality in adult education, we are also working hard to build a pipeline of students who are ready for college and careers. The demands for a highly skilled workforce place a premium on innovative approaches to adult education and career and technical education. State and local efforts are beginning to show promise that career pathways and programs of study, as set forth in the currently authorized Carl D. Perkins Career and Technical Education Act provide a viable framework for delivering rigorous and relevant learning opportunities that bridge education and careers. These programs:

- Incorporate state academic standards;
- Link secondary and postsecondary education in a coordinated, non-duplicative progression of courses;
- Offer opportunities for students to earn postsecondary education credit in high school; and
- Lead to industry-recognized credentials, certificates, and associates and baccalaureate degrees.

I want to emphasize that when we talk about college and career readiness, we are not talking about two separate tracks. Research conducted by Achieve, as well as others, shows a “convergence in the expectations of employers and colleges in terms of the knowledge and skills that high school graduates need to be successful after high school.”

Developing and strengthening a pipeline of talented students who are ready for college and careers puts us ahead in the quest for a skilled workforce. The Administration's

plan includes \$14.5 billion for the reauthorized College-and Career-Ready Students program, which would focus on graduating every student college- and career-ready through State adoption of standards that build toward readiness and assessments aligned with these high standards that measure individual student growth towards those standards. To strengthen high school, the Administration supports \$1.2 billion over 3 years for Graduation Promise Grants. The President's FY 2011 budget also includes approximately \$910 million for the Federal TRIO programs and \$323 million for GEAR UP. These programs will continue to play an integral role in the Department's strategy to reach the President's 2020 goal for college completion.

Community Colleges are at the nexus of our efforts to build pathways into higher education. SAFRA would also provide \$10.6 billion to support community colleges' efforts to increase access, quality, and student achievement, using best practices and evidence-based innovations. Right now, 60% of freshmen enter higher education needing remedial coursework and in community colleges, only 25% of students earn degrees within six years. This is the population we need to reach. We must also reach the 75 million Americans, aged 18-64, who are already in the workforce who do not have a postsecondary credential but need further education to advance in their careers and achieve greater economic security for themselves and their families.

Our strategies will address basic literacy skills and create opportunities for incumbent and dislocated workers to return to schools to gain the skills they need for good jobs. Right now, approximately 93 million adults in the U.S. lack the basic literacy and numeracy skills they need to compete for our fastest-growing sector of jobs – that is, middle-skills jobs that require more than secondary school but less than a bachelors degree.

In addition, SAFRA would:

- Create the College Access and Completion Fund, which directs \$3.5 billion dollars to expand access to higher education and help ensure that

- Provide \$2.5 billion over 10 years for new investments in Historically Black Colleges and Universities and other minority-serving institutions to help students stay in school and graduate.

In addition to directing our own programs to support workforce development, we have expanded our partnerships to advance interagency efforts to promote job creation and economic revitalization. We are active partners in the Regional Innovation Clusters that will promote sector strategy approaches to advance low-wage workers through skills attainment while stimulating regional economic growth. We are also working very closely with the Departments of Energy, Labor, and Health and Human Services to connect education to new jobs in renewable energy, energy efficiency, and health information technology. Partnerships such as these are not only cost-effective, but create a more coordinated approach to federal policy and programming that we hope will endure long after we have emerged from this period of economic recovery.

Furthermore, the President's Budget includes \$16 billion for a variety of programs authorized under the Individuals with Disabilities Education and the Rehabilitation Act that are designed to provide Americans with disabilities with the opportunities and services they need to succeed in school, in the workplace, and in the community.

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. We look forward to continuing collaboration with the Department of Labor and working with

Congress to ensure that the individuals served by our programs have the skills they need to become full and successful contributors to our nation's economy.

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