

U.S. DEPARTMENT OF EDUCATION

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STAKEHOLDERS FORUM:

FISCAL YEAR 2013 DEPARTMENT OF EDUCATION
BUDGET REQUEST

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TUESDAY, FEBRUARY 14, 2012

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The Stakeholders Forum was held in the U.S. Department of Education, Barnard Auditorium, at 400 Maryland Avenue, Southwest, Washington, D.C., at 10:00 a.m., Massie Ritsch, Deputy Assistant Secretary, External Affairs and Outreach, presiding.

PRESENT:

- ARNE DUNCAN, United States Secretary of Education
- MARTHA KANTER, Undersecretary of Education
- CARMEL MARTIN, Assistant Secretary for Planning, Evaluation and Policy Development
- MASSIE RITSCH, Deputy Assistant Secretary, External Affairs and Outreach
- THOMAS SKELLY, Director of the Budget Service

TABLE OF CONTENTS

	<u>PAGE</u>
I. Opening Remarks	3
II. Comments by Secretary Duncan	5
III. Question/Answer Session	14
IV. Discussion re: FY 2013 Budget	20
V. Question/Answer Session	42

1 P-R-O-C-E-E-D-I-N-G-S

2 (10:07 a.m.)

3 MR. RITSCH: Good morning. Good
4 morning, everybody. Happy Valentine's Day. I
5 hope you picked up some candy on the way in,
6 which was paid for with personal funds, not
7 with appropriated funds.

8 (Laughter.)

9 Welcome to our annual budget
10 briefing this year for the fiscal year 2013.
11 Of course, to celebrate the day of love and
12 red and pink and purple, we picked a gray
13 color this year for the budget briefing book.

14 And we hope you got copies on the way in, if
15 you had not already taken a look at the budget
16 proposal online on ed.gov.

17 We decided this year to give you
18 some time to digest it. In the spirit of
19 Valentine's Day, it's a bit of a seduction.
20 So yesterday we put out the budget briefing,
21 and then today we brought you in here with
22 candy. There will be some Barry White music
23 playing later.

1 So we did want to give you a
2 little more time than we normally do, so that
3 you could have the most informed questions,
4 the questions you really want to ask this
5 morning, and the comments that you want to
6 make. And we will have, of course, plenty of
7 time for that.

8 We are broadcasting this on
9 USTREAM, so hello to our online audience. And
10 this will also be archived for people to watch
11 later. And we will have a transcript of it
12 later as well.

13 So in addition to our Secretary,
14 who will kick things off this morning, we have
15 on our panel Carmel Martin, who is our
16 Assistant Secretary for Planning, Evaluation
17 and Policy Development; in the middle, we have
18 Martha Kanter, our Undersecretary; and then we
19 have Tom Skelly, Director of the Budget
20 Service; all here to take you through the
21 proposal and answer your questions.

22 We are also going to do a breakout
23 after this, specifically on the higher

1 education, the postsecondary elements of the
2 budget proposal. We will have Michael
3 Dannenberg from the Undersecretary's office
4 and Denise Forte from our policy office. We
5 will do this more or less immediately
6 following this briefing. It will probably
7 kick off around 11:30 in our Training and
8 Development Center.

9 So if you exit through the doors
10 you likely came in through, just walk toward
11 the Training Center and we will be in Rooms
12 105/108 there. And that will be a time when
13 you can ask -- when we can drill down into
14 that segment of the proposal.

15 You can certainly ask those
16 questions here, but just know you will have
17 another opportunity with the folks who really
18 specialize in that work later.

19 All right. Without any further
20 ado, I would like to bring up our Secretary,
21 Arne Duncan. Arne?

22 (Applause.)

23 SECRETARY DUNCAN: Thank you,

1 Massie. I will just say a couple of quick
2 things and take any questions folks might
3 have. We have a whole PowerPoint presentation
4 to walk you through all of the numbers, so I
5 am not going to, you know, belabor that right
6 now.

7 Tom Skelly will be autographing
8 copies of the budget book in the back.

9 (Laughter.)

10 And they are going like wildfire
11 on eBay. So if you don't want it, you can
12 sell it.

13 (Laughter.)

14 But just really appreciate all of
15 the hard work. And even if I get into the
16 budget, it has obviously been a huge couple of
17 weeks for us. Last week, obviously, going out
18 with a flexibility package, I just want to
19 thank -- publicly thank our staff for an
20 extraordinary amount of work and real
21 partnership with the states.

22 I am happy to take questions on
23 that. I know it's not the topic today. But

1 we saw some real innovation coming from the
2 states and moving way beyond just a focus on
3 test scores and looking at a whole set of
4 measures which we think are a much more
5 comprehensive, holistic view of success and
6 where we are struggling.

7 When and if Congress gets their
8 act together and moves towards
9 reauthorization, there is now, again, some
10 really interesting models out there for them
11 to look at. So it is not just better for
12 these states now. Hopefully, it will inform
13 the national conversation.

14 At the end of last week, we did a
15 conference with almost 30 districts around
16 school turnarounds, the SIG efforts. Very,
17 very promising work there. It is obviously
18 really early, and by no means declaring
19 success, a long way to go in all of these
20 schools. But as we come out with data either
21 late spring or early summer, many of these
22 schools have moved forward just in the first
23 year in very significant ways that folks

1 didn't anticipate, and significant increases
2 in test scores, reductions in dropout rates,
3 more students graduating, more students going
4 to college, truancy down, attendance up,
5 behavioral issues down, and so pretty
6 interesting. Stay tuned on that.

7 And then, obviously, towards the
8 end of last week, and then yesterday, really
9 getting into the budget. So a lot going on.
10 I hope it's keeping you guys' lives
11 interesting. Our lives here are pretty
12 interesting. But I feel very, very good about
13 where we're at.

14 The big bucket -- and everybody
15 here knows this -- on the budget is, first,
16 trying to really break through on this college
17 cost idea. And the President is asking for a
18 significant one-time investment in college
19 costs, in teachers and other areas, trying to
20 make sure schools are affordable, trying to
21 make sure, particularly folks who are coming
22 from more disadvantaged backgrounds, don't
23 just have access to Pell grants but they are

1 graduating.

2 We have done a lot on the input
3 side to increase access. We have not done
4 enough to focus on completion, on attainment,
5 so a real push there. Trying to challenge
6 universities to become more productive, more
7 efficient. We are seeing some real creativity
8 in some places; other places we are not. And
9 we are challenging states to continue to
10 invest.

11 And so when we talk about shared
12 responsibility, we absolutely mean it. We
13 want to be a great partner. We are trying to
14 step up to the plate with some very
15 significant resources, but by no means at all
16 can the Federal Government do this by
17 ourselves. We have to get universities to
18 focus on completion. We have to get
19 universities to focus on becoming more
20 efficient. We have to get states to not walk
21 away in tough budget times from higher
22 education.

23 So we can talk to any level of

1 detail, but a series of sort of incentive
2 carrots, and potentially some sticks, if we
3 see behavior where folks aren't taking this
4 work seriously that we are going to push very,
5 very hard on.

6 Secondly, teachers and principals,
7 for the rest of this year, and over the next
8 five years hopefully, we want to spend a huge
9 amount of time thinking about how we transform
10 the teaching profession.

11 And you guys have heard me
12 numerous times talking about a baby boomer
13 generation moving towards retirement, the need
14 over the next four to six years for as many as
15 a million new teachers, and our ability to
16 attract and retain that talent shaping public
17 education for the next 30 years. It's a once-
18 in-a-generation opportunity.

19 So \$5 billion in the budget to
20 really think about how we attract and retain,
21 and recruit and train in very different ways,
22 how we stop having shortages in areas like
23 STEM, how we systemically think about how we

1 get the hardest-working, the most committed
2 teachers and principals to the children who
3 need the most help, be that inner-city, urban,
4 or rural. But we can't tinker around the
5 edges here and want to spend a lot of time
6 thinking about this in a huge way.

7 And then, the third big bucket is
8 obviously around jobs and trying to help folks
9 now, not down the road, now, get back on their
10 feet. Eight billion dollars there, half going
11 to us, half going to our partners at the
12 Department of Labor, to really think about
13 those community colleges, how do we increase
14 their capacity. We have some that are
15 operating literally 24 hours a day now,
16 students going 24 hours a day.

17 How do we create more
18 opportunities where there are true public-
19 private partnerships to have folks get the
20 skills they need to retrain and retool: green
21 energy jobs, health care jobs, IT jobs, and --
22 I keep saying this -- families get back on
23 their feet?

1 The country is going to get back
2 on its feet. Some progress has been made in
3 the right direction, still a long way to go.
4 But I'm just convinced community colleges have
5 a huge, huge role to play there. Obviously,
6 there is no coincidence that the President
7 made his budget address from a community
8 college yesterday, and we think they have been
9 this unpolished or unrecognized gem along the
10 education continuum.

11 Martha Kanter and her team has
12 provided so much leadership and vision here,
13 and I think this is really community college's
14 day in the sun. And we want to continue to
15 support them as they help 18-year-olds and 58-
16 year-olds take that next step up the economic
17 ladder.

18 We want to continue to invest in
19 Race to the Top and have a particular focus on
20 the early childhood side. I love that we were
21 able to do that this past year. FY12 we want
22 to focus on the district level competition.
23 FY11 there were many states that had fantastic

1 applications that we simply didn't have enough
2 money to fund them. So we want to play pretty
3 significantly there.

4 We want to increase funding for
5 Promise neighborhoods, trying at the community
6 level to build that network of supports and
7 interventions to help young people be
8 successful, continue to invest in an i3 fund,
9 \$150 million there.

10 Maintain funding for Title I,
11 maintain funding for IDEA, increase funding
12 for IDEA Part C to really make sure our babies
13 are entering kindergarten with the skills they
14 need to be successful. So try to put an extra
15 push there. And, in tough economic times,
16 maintaining our funding for English language
17 learners and homeless children and other
18 disadvantaged groups that are so integral, so
19 fundamental, to our role here in the Federal
20 Government.

21 So relative to the tough economic
22 times, I think we had the largest increase in
23 funding of any sort of non-security-related

1 kind of agency. Really, really appreciate the
2 President's support for the hard work.
3 Appreciate all of the advocacy and hard work
4 that the community is doing.

5 And if we can have these
6 opportunities to transform what is going on on
7 the higher ed side, to really take teachers
8 and principals who make such a huge difference
9 in children's lives, take that entire
10 profession to a different level and help folks
11 today who are trying to get back on their
12 feet, we think we can do something pretty
13 special.

14 I will stop there and take any
15 questions on the budget. Again, these guys
16 have thorough presentations coming next,
17 walking you through the numbers. I can take
18 questions on waivers, take questions on SIG,
19 or anything else you might have for a couple
20 of minutes, and then we will get back to the
21 formal presentation. But I'm happy to take
22 questions.

23 We have a couple of mics, if you

1 would just come up to the mics. And if I
2 could please ask not for statements but
3 questions, and we will try and answer them
4 quickly as well.

5 Joel, we've got one here; and,
6 there's another one over here.

7 MS. JONES: I could ask Joel's
8 question.

9 SECRETARY DUNCAN: Okay.

10 MS. JONES: I know exactly what it
11 is.

12 (Laughter.)

13 SECRETARY DUNCAN: Preempt Joel,
14 and we'll go to the next question.

15 (Laughter.)

16 MS. JONES: Good morning, Mr.
17 Secretary. My name is Kimberly Jones. I'm
18 with the Council for Opportunity in Education.
19 We represent TRIO.

20 Understanding the political
21 climate we're in, and the reports that the
22 budget is dead on arrival to some in Congress,
23 what are your thoughts about leveraging

1 existing programs like TRIO and other things
2 that are already kind of authorized and in the
3 pipeline and on the ground to effectuate some
4 of the goals as far as completion and other
5 things?

6 SECRETARY DUNCAN: So, first of
7 all, I am not the political pundit, and, you
8 know, folks saying it's DOA or not, who knows?

9 I just continue to say that education has to
10 be the one thing that we work together on and
11 work in a bipartisan way.

12 And I go back to waivers. For all
13 of the drama and all of the yelling here in
14 Washington, you saw strong Democratic
15 governors, you saw strong Republican
16 governors, putting forth great waiver
17 applications and working with their
18 communities. And the real world outside of
19 Washington doesn't sort of buy into the
20 dysfunction here.

21 So we continue to listen to folks
22 in the real world, great state chiefs, great
23 principals, great superintendents, great

1 governors from across, you know, political
2 lines, across the political spectrum, who are
3 doing the right thing.

4 And so hopefully, you know, this
5 stuff is not DOA. This really is the right
6 thing to do for the country.

7 Having said that, obviously, where
8 you have great programs, TRIO, GEAR UP, others
9 that are making a difference, we want to
10 continue to make sure they are absolutely
11 efficient, make sure we are demonstrating
12 effectiveness.

13 We see great work going on. As I
14 travel the country, I can't tell you how many
15 times I meet the students in TRIO or talk
16 about the difference it has made in their
17 lives, and the personal impact it has had on
18 them. And we want to continue to leverage the
19 scarce resources we have to make a difference.

20 I wish, in all of these areas, we
21 could invest a lot more. Given the tough
22 economic times, I am very pleased with what we
23 got. But I think sort of the battle we have

1 here and across the country is, is education
2 an expense, or is it an investment?

3 In the present, I just firmly
4 believe it is an investment. Not everyone
5 agrees with that, and I think that is the big
6 battle we're fighting. But using resources
7 like TRIO, using resources like GEAR UP,
8 Upward Bound, that are making a difference,
9 that is -- we have to do that. We have to do
10 that.

11 MS. JONES: We look forward to
12 doing that with you, sir. Thank you.

13 SECRETARY DUNCAN: Joel?

14 MR. PACKER: Hi. Thank you, Mr.
15 Secretary. I will ask the question Kim
16 thought I was going to ask to keep her happy.

17 (Laughter.)

18 So, as you know, and your staff
19 knows, the biggest threat education faces is
20 from sequestration. Unless Congress changes
21 the law, come January 2nd next year we are
22 going to face cuts of nine percent in every
23 program other than Pell grants, which would

1 more than wipe out all of the increases you
2 have proposed and the President proposed.

3 You know, I have said this before
4 when I met with OMB. It would be really
5 helpful if the Department did an analysis of
6 what would sequestration mean, how many
7 students would lose services, how many
8 educators would lose jobs, etc. That would
9 help us and help you work together to get, you
10 know, a broader deficit reduction plan enacted
11 that stops sequestration and allows us to have
12 these investments.

13 So I will just make that point
14 again, that that kind of analysis from the
15 Department and having you talk about why these
16 cuts in education are unacceptable would be
17 very helpful.

18 SECRETARY DUNCAN: I more than
19 hear it, and we probably have the vast
20 majority of that analysis done. We can start
21 to talk about it publicly. I just can't see,
22 as a country, us going that direction, and I
23 think our job is to make sure we don't. But I

1 think there has to be a clear bottom line.

2 Carmel, have you got anything you
3 want to add on that one or --

4 MS. MARTIN: Yes. I mean, I guess
5 I would say that our position, the President's
6 position, is sequestration should not happen.

7 There are options on the table for fulfilling
8 the requirements of the Deficit Reduction Act
9 and not having to move forward with
10 sequestration.

11 MR. PACKER: Thanks.

12 SECRETARY DUNCAN: Anything else
13 for me?

14 (No response.)

15 Thank you so much. Appreciate it.

16 MR. RITSCH: Great. Thank you,
17 Arne.

18 And now we will take you through
19 in detail what is in those gray books. And,
20 again, we've got Carmel Martin, Martha Kanter,
21 and Tom Skelly to do that for you. And then
22 we will get back to questions, answers, and
23 comments.

1 Carmel?

2 MS. MARTIN: Great. Thanks,
3 everybody. Good morning. Happy Valentine's
4 Day.

5 We will -- I can't think of a
6 better way to spend Valentine's Day than with
7 all of you --

8 (Laughter.)

9 -- talking about the details of
10 the budget.

11 I am just going to -- Martha is
12 going to help me, quickly go through the
13 framework of our budget, and we will give you
14 some high-level numbers, which this year
15 you've had a whole day with. So I'm sure you
16 spent your night last night studying our
17 beautiful gray book. Tom, beautiful color.

18 MR. SKELLY: You like that gray?

19 MS. MARTIN: Yes. And then we
20 will try to save most of the time for
21 questions.

22 So as the Secretary said, this
23 year's budget demonstrates once again that the

1 President is making education a high priority.

2 But at the same time, the overall budget does
3 put us through -- keep us on a path toward
4 fiscal sustainability and works within the
5 discretionary spending limits set by the
6 Budget Control Act.

7 Education is one of the top
8 priorities, which you can see in this budget.

9 The discretionary budget for the education,
10 our baseline budget, has an increase of \$1.7
11 billion, and it is -- that increase is
12 accompanied by \$14 billion in one-time reform
13 investments, and continued commitment to the
14 education pieces of the American Jobs Act, \$55
15 billion in funding for education jobs and
16 school construction.

17 With respect to the one-time
18 investments in reform, I will get into more
19 details here in a minute.

20 Basically, we feel like our budget
21 breaks down to a five-point plan. First is
22 tackling college affordability and quality.
23 The second is raising up the teacher

1 profession, as the Secretary mentioned. And
2 the third is aligning job training and
3 education programs with workforce demands,
4 while also protecting formula programs for at-
5 risk populations and building on the momentum
6 for innovation and reform that we started in
7 our last three budgets.

8 I am going to turn it over to
9 Martha to talk through the first topic, which
10 is college affordability and quality.

11 DR. KANTER: So you see in this
12 chart a generation ago we were first in the
13 world. I am very sad to report that we are
14 now 16th in the world when you look at the
15 countries that participate in OECD. So this
16 is the attainment slide of Americans ages 25
17 to 34 years old who have a bachelor's degree.

18 And so you have heard the
19 President in numerous talks, and most recently
20 this week, talking about getting back to
21 becoming first in the world. It doesn't mean
22 that other countries can't also be first in
23 the world, but we have lost our share.

1 So if we want to just go ahead
2 with the next slide.

3 You know, the President talked
4 about college affordability and quality. He
5 acknowledged the historic investments that we
6 have made in this administration since he
7 started in 2009. We have doubled funding for
8 Pell grants, which actually now have gone from
9 six million students in 2008 to over 9.4
10 million in 2011/12.

11 So we have increased by 50 percent
12 the number of students from the lowest income
13 families coming from high schools and from
14 communities into higher education, and we will
15 plan to raise the maximum award to \$5,635 for
16 FY13, and hopefully serve a little under 10
17 million students next year. That's the plan.

18 Another proposal is to build on
19 the success of the American Opportunity Tax
20 Credit, tell more Americans that they qualify,
21 and make that tax credit permanent. And then,
22 you've seen a lot of the work that we have
23 done in the loan program with income-based

1 repayment, income-contingent repayment, public
2 service loan forgiveness.

3 All of those are another whole
4 speech, which we don't have time to talk about
5 today. But really, the idea is to make
6 college affordable by helping students pay
7 their loans after graduation.

8 Also, you heard Secretary Duncan
9 talk about college affordability and the price
10 of college, and what is not well understood is
11 the difference between the sticker price that
12 is advertised for many colleges and
13 universities around the country and the net
14 price, the price that students and families
15 actually pay to get their kids to college and
16 working adults going back.

17 So this slide tells you that, if
18 you look at the public institutions since
19 2006/07, the net price increased just \$170.
20 For community colleges it actually decreased
21 \$840. But you also see slides where the cuts
22 in public institutions and higher education
23 have been pretty dramatic over the last five

1 years. More than three-fourths of states have
2 really decreased their funding.

3 So while the funding has stayed
4 stable, those cuts just to keep up have been
5 pretty harsh on the public systems.

6 So you heard Secretary Duncan and
7 the President talk about Federal Government as
8 one partner. We have partners in states,
9 institutions, students, and families, and so
10 the next slide talks about our four-part plan
11 for college affordability and quality.

12 And the first is, as I said, to
13 maintain the maximum Pell grant, freeze the
14 interest rate. That interest rate over five
15 years is due to expire in July, and we hope
16 that won't be an additional burden on incoming
17 freshmen into higher education.

18 It is just more that Americans
19 have to pay. And you heard the President is
20 seeking to freeze it, and Congress would have
21 to act on that to do so. And then, making the
22 AOTC permanent, as I said.

23 Then the other parts, what can we

1 do at the state level, the institutional
2 level, and what are we going to do for
3 students and families?

4 So the next slide talks about --
5 you heard the President yesterday propose a \$1
6 billion fund for Race to the Top, for college
7 affordability and completion. As I said on
8 the front end, we have made increases into
9 higher education, but the graduation rates
10 have stayed low.

11 So only half of students are
12 getting through in six years. We really want
13 to ramp that up as we are doing with the high
14 schools and elementary schools. We have got
15 to get more people moving through the system,
16 and to address the drivers of tuition by doing
17 that -- finding ways for states to really
18 reinvest in higher education, and K-12 of
19 course, and then look at some of the ways that
20 states can be more efficient and help
21 institutions, especially the public
22 institutions, fix the remedial program.

23 I know the college I came from --

1 15 percent of our dollars in our community
2 college was going to remedial programs. Are
3 there more effective ways to really provide
4 remediation, easier ways to align the credit,
5 so students don't have to repeat what they
6 already know and get credit for that, and then
7 shorten the time to degree, so it is not
8 taking six, seven, eight years to get a four-
9 year baccalaureate degree or three, four, five
10 to get a community college degree?

11 The next slide is talking about
12 our institutional -- what we are going to do
13 for institutions. So you have heard me talk
14 about what we are doing at the Federal level
15 to preserve the historic investments and
16 maintain Pell; at the state level, then, with
17 the Race to the Top for college affordability
18 and quality. And then, at the institution
19 level what we want to do is really drive
20 reform for colleges and universities.

21 One of the changes here is to
22 expand and reform at the same time campus-
23 based aid. That is going have a lot of

1 discussion. We have had a Supplemental
2 Educational Opportunity Grant program for many
3 years. And federal work-study for \$1.1
4 billion, and Perkins loans.

5 The plan here is to increase
6 federal work-study, to actually double federal
7 work-study over five years, so that more
8 students -- 700,000 more students -- can have
9 an opportunity to earn while they go to
10 college and get that career opportunity with
11 business and on campus, in the labs, and so
12 forth. It will help STEM teachers, etc.

13 The big one here is increasing
14 Perkins loans by \$7.5 billion. So that would
15 be a really exciting expansion. But we also
16 want to get a deliverable. We want these
17 funds, whether it's SIG, work-study, or
18 Perkins, to really help colleges do a better
19 job in the areas that I talked about, and
20 reward colleges that are moving in that
21 direction. So we are meeting with the higher
22 ed communities and postsecondary training
23 communities to look at, how can we do this?

1 How can we really reform campus-based aid?

2 And then, finally, there is a
3 \$55 million fund that will be restoring FPSE
4 in one sense, but make it really focused on
5 quality and affordability improvements, of
6 which \$20 million would be a setaside for
7 minority-serving institutions to compete. And
8 this is really a competition to improve
9 quality, productivity, and college completion.

10 So we would be scaling up, much
11 like i3 for those of you that are familiar
12 with the i3 program.

13 And then, finally, empowering
14 students and families. The President has
15 proposed a college scorecard. You see it on
16 the left. We also have a financial aid
17 shopping sheet. The difference is the
18 scorecard is going to really help you look at
19 the metrics on institutions that students may
20 wish to attend.

21 You can look at graduation rates
22 or loan repayment rates or the net tuition, as
23 I mentioned before, while the financial aid

1 shopping sheet is going to let you load in
2 your personal financial information and look
3 at which packages are best for you.

4 So those are our really two public
5 accountability tools that we really want to
6 work with the communities to look at, you
7 know, how we can do a better job notifying and
8 helping students and families make good
9 decisions about institutions that they are
10 going to spend their own money attending.

11 And then, finally, we have a
12 continuation of our investments that are
13 designed to support low income students. We
14 are continuing the historic investments in
15 TRIO and GEAR UP, in the minority-serving
16 institutions' programs. You can see the
17 dollars there that are continuing.

18 And at the bottom, the Hawkins
19 Centers of Excellence, that is a new fund that
20 would provide \$30 million to help minority-
21 serving institutions really ramp up their
22 teacher preparation programs. They are
23 serving about half of the minority teachers in

1 the country. I call them, actually, the
2 majority teachers in the country now. And we
3 need to do more to get more of those role
4 models and teachers in the classroom.

5 So with that, I am going to turn
6 this back over to Carmel.

7 MS. MARTIN: Great. The next area
8 we wanted to talk about was our proposals to
9 raise up the teaching profession. These
10 proposals look at the education profession as
11 a whole, and this first chart is designed to
12 explain the why -- why this is one of our top
13 priorities for this budget and for our policy
14 agenda moving forward.

15 There was a recent study that was
16 put out from some professors at Harvard that
17 showed that there was a correlation in terms
18 of outcomes for students, not just in terms of
19 test store outcomes but also lifetime
20 outcomes, including things like likelihood of
21 getting pregnant while a teenager, going on to
22 college, completing college, but also in terms
23 of earnings.

1 So given the focus on the economy
2 and the need to help Americans be prepared for
3 the jobs of the future, we think that this is
4 a critical area. And their studies showed
5 that there was a direct correlation between
6 the teacher's effectiveness and their
7 students' ability to earn a higher income. It
8 rolls up to about \$250,000 per classroom. So
9 as you can imagine, a single teacher teaches
10 many classrooms, so over their lifetime the
11 economic power of that is tremendous.

12 I would also point out that there
13 are other areas that this study showed that
14 the teacher had a dramatic impact on students.

15 This is probably intuitive to many of us who
16 have children and see the impact that their
17 teachers have on them every day. But I feel
18 like this makes a really good case for big new
19 investments in this space.

20 As the Secretary mentioned, part
21 of our agenda here is to have \$5 million in
22 one-time funding for states and school
23 districts that really want to take on the full

1 spectrum of the teaching profession.

2 So looking at issues starting
3 with, how do we select the candidates who go
4 into teacher preparation? How are they
5 prepared? How are they licensed once they
6 exit their teacher preparation program? How
7 are they supported once they get to the
8 classroom?

9 Most high-performing countries
10 that we have looked at -- all new teachers
11 have a supportive work environment. They are
12 not just thrown into the classroom and told to
13 do their work. They are given supports in
14 apprenticeship-like models or residency-like
15 models, similar to what you see in the medical
16 profession.

17 We also want them to look at
18 career advancement structures. When we have
19 high-performing teachers, we want to keep
20 them, and we want to give them a sense that
21 they don't have to exit the classroom in order
22 to stay in education and feel like they are
23 advancing in their craft. So giving them

1 opportunities to serve as instructional models
2 through master teacher systems or other mentor
3 teacher mechanisms.

4 And then, also, looking at how we
5 evaluate them on a regular basis to provide
6 them greater information about how things are
7 going, so they can use that information to
8 improve their practice. Our proposal also
9 contemplates looking at the way schools are
10 organized, so that we can make sure that they
11 are set up so teachers and other educators in
12 schools are set up to be successful. So that
13 is part of this proposal as well.

14 We are having an event here at the
15 Department tomorrow. Right, Massie?
16 Tomorrow?

17 MR. RITSCH: Yes.

18 MS. MARTIN: Yes, Wednesday, where
19 the Secretary is going to talk in a little bit
20 more detail about this initiative.

21 And it will be complemented by us
22 continuing and investing in some areas that we
23 have -- that have been in our budget

1 previously, and also retooling some of the
2 existing investments, which includes a larger
3 setaside within our Effective Teachers and
4 Leaders Fund that would be focused on
5 recruitment and preparation of teachers,
6 creating more robust pathways into teaching,
7 and that initiative includes the \$80 million
8 the President has called for to specifically
9 tackle the issue of recruiting and training
10 STEM teachers.

11 We have also asked for continuing
12 investments in the Teacher and Leader
13 Innovation Fund under the current
14 authorization -- that program is called TIF --
15 so \$400 million for that.

16 And then, we have also restated
17 our objective to create a Presidential
18 Teaching Fellows program, which would be a
19 scholarship program for students attending
20 high quality teacher preparation programs.

21 The third area -- and I will ask
22 Martha to jump in on this one as well -- is
23 our effort -- in this budget we have worked

1 with other agencies, including the Department
2 of Labor and other agencies, to create a
3 comprehensive proposal for ensuring that both
4 job training and education programs are
5 designed to support workforce needs.

6 This slide is the why on that
7 front. I'm sure most of you are familiar with
8 these kinds of numbers. We are obviously
9 tackling unacceptable employment rates. We
10 are making progress in bringing those down,
11 but we really want to accelerate that
12 progress.

13 In terms of taking a long-term
14 view of that, the more that we can help people
15 to attain at least high school diplomas,
16 hopefully some kind of college or certificate,
17 that they are much, much less likely to be
18 unemployed.

19 So in that space, we are going to
20 be looking at a comprehensive plan for both us
21 and the Department of Labor in terms of
22 increasing training tied to high-wage, high-
23 skill sectors and occupations. Our goal is to

1 have two million more individuals who are
2 prepared for those sectors.

3 We also have additional assistance
4 for dislocated workers, assistance for low-
5 skilled adults and youth, so that they can get
6 on a path to employment, and simplified job
7 center resources.

8 One of the new resources that our
9 budget calls for is a joint initiative with
10 the Department of Labor centered on community
11 colleges. It's the Community College Career
12 Fund. This builds on our current joint
13 initiative with Labor in the TAA space.

14 But we are -- in this budget we
15 are appreciating that in the current global
16 economy it is less important why the person
17 lost their job and more important that we need
18 to get them the assistance they need to help
19 them move forward and become employed in good
20 jobs.

21 The second is, at the bridge
22 between secondary and postsecondary education,
23 we would like to have a jumpstart initiative

1 in career academies, which as you know
2 combines college preparatory and college to
3 career -- a career and technical curriculum
4 with a specific career theme, like health care
5 or engineering or other high demand jobs.

6 And then, lastly, we have a
7 proposal and we will be announcing -- Brenda
8 Dann-Messier, our Assistant Secretary for our
9 Career and Technical Education programs, will
10 be announcing more detail around her
11 comprehensive reauthorization proposal for
12 Perkins. And this budget supports that vision
13 for the reauthorization.

14 The next area is protecting
15 formula programs related to students at-risk
16 and supporting students' not just academic but
17 non-academic needs. The budget continues
18 investments in college and career-ready
19 students, Title I, IDEA, the program for
20 English learner education, and other programs
21 devoted to particular groups of students,
22 including migrant students, neglected and
23 delinquent, homeless, Indian, Native Hawaiian,

1 Alaskan-Hawaiian, and rural education
2 programs.

3 We have also called for continued
4 investments in the 21st Century Community
5 Learning Centers, our Promise Neighborhoods
6 Initiative, with a \$40 million increase, so we
7 can continue to provide implementation grants
8 in that program, which brings together all of
9 the community's resources around student
10 success, and \$195 million for Successful,
11 Safe, and Healthy Students programs.

12 And then, finally, we are
13 continuing to build on the momentum we have
14 started around innovation and reform with
15 continued investments in Race to the Top. As
16 the Secretary mentioned, our proposal is to
17 dedicate a significant portion of those funds
18 to the Early Learning Challenge program that
19 we started up last year.

20 Again, working in close
21 collaboration with HHS, we are proposing
22 continued investments in i3 and are also
23 asking for funding for ARPA-Ed within the i3

1 umbrella, which is an initiative to develop
2 breakthrough learning technologies.

3 We are requesting under the Fund
4 for the Improvement of Education \$30 million
5 for an initiative around math instruction,
6 which will complement a similar initiative at
7 NSF. And we will work with them in
8 collaboration on those two initiatives.

9 We also have a request for \$5
10 million for innovative approaches to educating
11 disconnected youth. Again, that is an
12 interagency initiative that we would work on
13 with other agencies, including DOJ and HHS and
14 the Department of Labor. And we have asked
15 for continued investments in both the charter
16 school and magnet school programs.

17 We have asked for an increase in
18 funding for our Promise initiative, which is
19 focused on families who have children who are
20 on Social Security, to help them. It would
21 fund a pilot demonstration program in how to
22 better leverage the various resources
23 available to those families.

1 And then, finally, we are asking
2 for an increase in our statewide data system
3 initiative, with a particular focus on
4 connecting K-12, P-12, with postsecondary and
5 workforce data systems.

6 So that is the big picture, and
7 with that we will turn it over to any
8 questions that you have.

9 MR. RITSCH: All right. So we
10 have microphones here and here. Please come
11 up to them, and let us know your name and the
12 organization you are representing. Please
13 speak clearly, so that we can hear you, and so
14 everyone in the room and online can hear you
15 as well.

16 Questions/comments are welcome.
17 Jeff?

18 MR. SIMERING: Jeff Simering with
19 Great City Schools. I notice that there is no
20 increase for Title I again in the budget, but
21 there seems to be some proposals for changing
22 how Title I would operate. I don't know if
23 this is a revision. I guess it's a revision

1 of the Blueprint.

2 It appears that you are proposing
3 to reinstate the 20 percent setaside in some
4 fashion. It looks like you may be increasing
5 the state setaside in Title I to five percent.

6 I don't know if that is in addition to the
7 four percent in Section 10.03(a), or in
8 replacement of that.

9 There appears to be a setaside for
10 rewards of two percent, a setaside for
11 evaluation of a half a percent, a setaside for
12 parent engagement of three percent. A bunch
13 of these are different than was in the
14 original Blueprint.

15 So I guess a twofold question.
16 Number one, how do some of those operate?
17 And, number two, what is the basis or
18 rationale for wanting to increase the
19 setasides that are taken out of the LEA
20 grants?

21 MS. MARTIN: So, Jeff, I am happy
22 to talk to you in greater detail offline. The
23 only change -- I believe the only change we

1 are making relative to our Blueprint is having
2 the rewards funding be a setaside within the
3 overall program.

4 We believe that this is a
5 relatively modest amount of money nationally,
6 but based on our interaction with states and
7 districts around our ESEA flexibility
8 proposals we are affirmed in our belief that
9 creating mechanisms that send signals to
10 schools and to teachers and to students that
11 the system is not just about identifying
12 failure but also about recognizing success can
13 be a very powerful lever for change and for
14 continuous improvement in schools.

15 So, you know, that is part of our
16 reauthorization proposal. If reauthorization
17 doesn't happen, those wouldn't come into
18 effect. We would like in future budgets to be
19 able to grow the funding stream, so things
20 like the reward setaside would be new money as
21 opposed to a setaside within existing money.

22 But we do think in the short term
23 that there is a really compelling reason to

1 ask states and districts to set aside a
2 portion of their funding to recognize
3 successful models.

4 We saw in several of the ESEA
5 flexibility requests some really exciting
6 ideas, again, modeled around what we see in
7 many high-performing nations where they
8 identify schools that are high-performing, and
9 high-performing not just in terms of all your
10 kids are proficient, but that your kids
11 weren't proficient.

12 And you have made extraordinary
13 growth and progress with those students,
14 identifying those schools, and asking them to
15 partner with schools that have not made
16 progress to help them to learn from their
17 example and get better.

18 We think setting aside a small
19 amount of money for that purpose will help
20 drive how the existing funding will be used in
21 a more effective way.

22 MR. SIMERING: If my recollection
23 of the Blueprint is correct, I don't think you

1 had the 20 percent setaside in the Blueprint
2 last year.

3 MS. MARTIN: So in the Blueprint
4 we called for not a 20 percent setaside for
5 SES and choice, but giving districts the
6 authority to reserve 20 percent of funds for
7 school improvement initiatives of their
8 design.

9 So that would be something that
10 districts and their states would design, and
11 that is what we are seeing in the ESEA
12 flexibility context as well, that it gives the
13 districts the flexibility to use that money
14 for whatever -- the schools that aren't
15 meeting their performance targets, they can
16 ask the question, well, what is the best use
17 of the funds to help that school get better?
18 And that could be used for an extended
19 learning program. It could be used for
20 tutoring. It could be used for choice, if
21 that's what the district chose. Or it could
22 be used for some other purpose that is helping
23 build the capacity of that school to meet the

1 needs of the students in the school that
2 aren't meeting their performance targets.

3 MR. SIMERING: And the five
4 percent state setaside, is that in addition
5 to?

6 MS. MARTIN: It wouldn't be on top
7 of --

8 MR. SIMERING: Or in place?

9 MS. MARTIN: It's in place of.

10 MR. SIMERING: In place of, okay.

11 MR. RITSCH: Thanks. We'll just
12 alternate between mics. We'll head over here.

13 MS. BAXTER: Good morning. Jamie
14 Baxter with the Association for Career and
15 Technical Education.

16 First of all, I would like to
17 thank you for investing in career and
18 technical education in this year's budget.
19 And I was wondering if you could talk a little
20 bit more about the Career Academies Initiative
21 and how you envision that working and how you
22 see it playing out congressionally.

23 DR. KANTER: Yes. We see a really

1 wonderful set of conversations about how to
2 really get more from career academies to
3 realign, as I think Carmel said when she put
4 the slide up, the career technical education
5 programs with college prep.

6 And I know, for example, a good
7 example I have in my own sort of pocket was
8 automotive technology program where the
9 faculty in the community college met with the
10 high school faculty, did the redesign, and
11 made sure that all of the math in the high
12 school automotive program met the
13 qualifications for college- and career-ready
14 standards, what we call college- and career-
15 ready standards.

16 So students could get jobs
17 directly from high school, could go on to a
18 community college or four-year university,
19 because they weren't held back because they
20 didn't have the level of mathematics needed to
21 continue on.

22 And what happened in that example
23 was that they created an engineering-

1 automotive tech math sequence. And it was a
2 lot of work on the faculty, but that is the
3 kind of thing that K-12 teachers, high school
4 teachers specifically, and university and
5 community college teachers can do with this
6 career academy expansion, because that is what
7 happened -- you know, in the past we just did
8 not have the standards really embedded in the
9 curriculum.

10 So we are very excited about that.

11 We know that if you go to a career academy,
12 students who graduate have higher GPAs, they
13 do better in life and in further education,
14 they are half as likely to drop out, and they
15 are more likely to go to college.

16 So we really see this as a way to
17 really have the conversations and really
18 revamp, and we are very excited about that
19 expansion.

20 MR. RITSCH: Thanks, Jamie.

21 MS. CHOISTE: Hi. Vickie Choiste
22 from the Center for Law and Social Policy.
23 There is a lot to be excited about in this

1 budget. Thank you.

2 I do have a question on the data
3 work that was described in the education
4 highlights from the OMB version that came out
5 yesterday. One of the sections talks about
6 improving the quality of postsecondary outcome
7 data. And I'm just wondering if you could
8 elaborate on that. Specifically, I'm
9 interested in which particular data sets would
10 be included in that review.

11 If adult education, the OVAE side
12 of the house, would be included in that? And
13 then, what sorts of connections there would be
14 between the SLDS, the workforce data quality
15 initiatives, and other initiatives to try to
16 make linkages across workforce, adult
17 education, and postsecondary education.

18 MS. MARTIN: This is building on
19 work that we have done in the past with the
20 SLDS program and in the current grant
21 competition that is ongoing with '12 funds.
22 We did invite applicants to apply for a grant
23 that would -- with the purpose of connecting

1 P-12 systems to both early learning data
2 systems and postsecondary as well as workforce
3 data systems.

4 So it is something that we see as
5 an ongoing part of the program. We very much
6 want to continue to invest in improving P-12
7 data systems and also very eager to do more
8 work in developing early learning data
9 systems.

10 The increase in this budget is
11 looking to really try to tackle what seems to
12 be the hardest nut to crack, which is
13 connecting with workforce systems, adult
14 education systems. So we very much do want to
15 fund grants that are looking to do that.

16 We basically would be looking for
17 states to apply to us to further develop their
18 state longitudinal data systems in those
19 areas, but it is something that is part of the
20 program right now and would continue to be
21 part of the program moving forward.

22 DR. KANTER: I would just add
23 specifically, you know, we know that the IPEDS

1 database needs a lot of work, and we had a
2 great set of recommendations from the
3 Committee on Student Success' measures that
4 were focused on community colleges. But,
5 frankly, the recommendations will really be
6 informing the postsecondary data set, so we
7 want to count part-time students as well as
8 full-time. We don't only want to
9 count first-time full-time freshmen, but
10 changing data systems is a long-term prospect
11 and we are very excited about moving forward
12 on that. So I hope that helps.

13 With adult education, we want to
14 look at all students. Let me just say that
15 the feasibility of doing them, the cost of
16 doing that, and the cost to states and
17 institutions to make what we call
18 interoperable, Florida has done it.

19 We would like to follow some
20 examples that are already out there. That is
21 why I think the Race to the Top for
22 affordability and quality has a component in
23 it, or is expected to have a component in it,

1 to continue the work, so we can move ahead on
2 those fronts.

3 MS. CHOISTE: Thank you.

4 MR. RITSCH: Yes, ma'am.

5 MS. JONES: Good morning. My name
6 is Katie Jones. I'm an education policy
7 fellow at the National Congress of the
8 American Indian. Indian country is really
9 excited about the new initiatives you have
10 talked about that will strengthen higher
11 education and better align it with workforce
12 demands. And that is actually something that
13 we have been working on at NCAI.

14 I have two questions. Will tribes
15 be eligible for the college Race to the Top
16 and the general Race to the Top this coming
17 year? And will tribal colleges be eligible
18 for the community college to career fund?

19 MS. MARTIN: We plan to
20 incorporate tribes and Native American
21 students in the Race to the Top for college
22 affordability and completion. We haven't
23 worked out the details about the best way to

1 do that, whether that is making sure that
2 states are partnering with them where they are
3 located or whether there is an opportunity to
4 have separate funding for tribal communities.

5 On the second question, we would
6 definitely have tribal colleges be eligible
7 for the community college funding.

8 MS. JONES: Thank you.

9 MR. FEGE: Good morning, Massie.
10 How are you this morning?

11 I have two recommendations. One
12 is, to leverage this budget, I think one of
13 the strategic plans would be to get Massie on
14 the Jay Leno Show. So that would be the first
15 recommendation.

16 MR. RITSCH: No, no.

17 MR. FEGE: The second -- this is
18 to Carmel. We are encouraged by the detailed
19 teacher preparation plan. Did you agree with
20 me on that, or --

21 MR. RITSCH: No. No, we did not.

22 MS. MARTIN: No, I -- I don't
23 disagree, but I just was going to flag that

1 the Secretary is going on The Daily Show, and
2 he, as you can imagine, is getting lots of
3 coaching from Massie.

4 (Laughter.)

5 MR. FEGE: The pressure is on,
6 Massie. We'll be watching.

7 This is Arnold Fege with the
8 Public Education Network. My members are
9 extremely encouraged by the detailed teacher
10 preparation policies that you just enumerated,
11 Carmel.

12 One of the things that is getting
13 in the way, as you obviously know, is the
14 current definition of "highly qualified
15 teachers," which was in the HR -- they got in
16 the HR at 9:25 at night, the dead of the
17 night.

18 Does this mean that the Department
19 is moving away from this policy of defining a
20 highly qualified teacher as somebody who is in
21 training and somebody who is even not
22 evaluated, and taking a look at a more fully
23 prepared teacher, especially in the most

1 difficult schools where we have the most
2 inexperienced teachers?

3 And we'd like to work with you on
4 that as you begin I think moving away from
5 that policy, but I would like to have you talk
6 about that.

7 MS. MARTIN: So the new
8 initiatives and existing initiatives in the
9 budget are designed to move us beyond what we
10 see as a very inadequate measure of teacher
11 quality, which is HQT.

12 I think the Secretary feels like
13 it had a very valuable purpose when it was
14 initially created, because I don't think there
15 was as much focus in the idea that a math
16 teacher should know math to be a math teacher,
17 and that we should be not putting emergency
18 credentialed teachers in classes and expecting
19 them to be successful.

20 So I do think we are trying to
21 move beyond it, though, to a world where every
22 teacher, no matter where they were prepared or
23 how they were prepared, could be -- we could

1 help support them to get better, but also
2 measure whether they are being effective. So
3 that is the long-term plan.

4 I think in the short-term plan we
5 are not proposing to drop HQT or the
6 regulations that support them, because we feel
7 like at this point in time that would do more
8 damage than good for students essentially.

9 I think the issue of whether we
10 allow folks coming in from alternative routes
11 to teach while they are gaining certification
12 is a tricky one. But I don't think students
13 would be well served if we were to say that
14 those teachers could no longer be in the
15 classroom, because there are many very good
16 teachers who are allowed to continue to teach
17 under HQT, just as there are many veteran
18 teachers who are allowed to continue to reach
19 under the House definition of HQT.

20 So I think, big picture, we feel
21 like it is a flawed measurement system. We
22 are moving towards a new one, but not planning
23 to make dramatic changes to the current system

1 while we work on the next generation.

2 MS. MARTIN: Thank you.

3 MS. CLARENBACH: Good morning.
4 Jane Clarenbach from the National Association
5 for Gifted Children. I would like to ask you
6 about the college pathways and accelerated
7 learning program, which of course requires a
8 new authorization.

9 It is great to see support for
10 high-ability students from low income
11 backgrounds. So I would like to ask two quick
12 questions. Number one, do you anticipate
13 modifying the high school graduation
14 initiative grant program in the short run, in
15 order to take advantage of -- or I should say
16 in order to work towards the goal of this
17 program in the absence of a reauthorization of
18 ESEA?

19 And the second question is, there
20 already is a program in ESEA that focuses on
21 the same population of children -- the Javits
22 program -- which doesn't appear in the budget
23 document. And my question about that is: why

1 not support that program, at least through
2 reauthorization, in order to meet the goals of
3 this college pathways and accelerated learning
4 initiative?

5 MS. MARTIN: So to answer your
6 first question, the statutory language related
7 to the high school graduation initiative does
8 not allow us to deviate from the focus on
9 dropout prevention and recovery, which we
10 think is a very valid objective and something
11 -- we are very excited about the grants that
12 we are making in that space. We want to
13 continue to invest in that area.

14 So we couldn't use that funding to
15 accomplish the goals of college pathways,
16 although we have encouraged in that space
17 grants that try to tackle both objectives at
18 the same time. As I'm sure you're aware, many
19 students drop out because they are not being
20 challenged by high-level curricula, so we do
21 have grants there that get at that issue as
22 well as looking at things like dropout
23 recovery.

1 So, and then in terms of our long-
2 term plan, we feel strongly that we need to
3 invest in programs that help students at all
4 levels of the performance spectrum, and we
5 have many investments in helping students to
6 access challenging content.

7 We have a suite of programs that
8 we have titled Effective Teaching and
9 Learning, in STEM, in literacy, and in well-
10 rounded education. And those are designed to
11 help educators be able to do things like
12 differentiate instruction, include challenging
13 content in heterogeneous classrooms. So we
14 feel like we have many initiatives that are
15 targeting not just that group of students, but
16 the full spectrum of students.

17 MS. CLARENBACH: And the Javits
18 program question?

19 MS. MARTIN: So we decided that
20 the better strategy is through our teaching
21 and learning initiatives rather than through a
22 funding stream dedicated to just a subset of
23 students on the performance spectrum.

1 MS. CLARENBACH: Thank you.

2 MR. RITSCH: Thanks, Jane.

3 Tom has not had to answer
4 questions yet. Don't make him feel lonely.

5 MS. MARTIN: So ask something
6 really hard.

7 MS. MARTIN: Yes. Stump him.
8 Nancy?

9 MS. REDER: Hi. I'm Nancy Reder
10 with the State Directors of Special Education.
11 Two questions.

12 The \$25 million setaside under
13 Part B for technical assistance, that
14 basically amounts to a cut to states and to
15 local school districts, doesn't that?

16 MR. RITSCH: Tom?

17 (Laughter.)

18 MR. SKELLY: We've had that
19 technical assistance setaside for some time.
20 We've used the money for a number of years, so
21 it is really not new.

22 MS. REDER: It's not new.

23 MR. SKELLY: Maybe we haven't

1 described it in the budget documents this way,
2 but we certainly have used money for technical
3 assistance.

4 MS. REDER: Because my
5 understanding is that most of that money for
6 TA is coming out of Part D. I didn't know
7 there was a setaside in Part B. So that's
8 money that is kept at the Federal level.

9 MR. SKELLY: Well, we are
10 obviously awarding it to people, but there is
11 technical assistance money that we have used
12 for a number of years there.

13 MS. REDER: Oh, okay. My second
14 question has to do with the personnel prep
15 line item in Part D, with all of your emphasis
16 on, you know, improving teacher quality. I
17 was just curious as to why you cut that
18 particular line item, since that money goes to
19 teacher prep programs.

20 MR. SKELLY: And I don't -- Carol,
21 do you recall? I mean, I think we are just
22 balancing little things. I don't recall that
23 as a cut.

1 MS. REDER: And thank you very
2 much for increasing money for the SPEDUs,
3 which is great. That goes for money for
4 training teachers who are already in place.
5 And I can give you wonderful examples of how
6 that money has been put to terrific use. So
7 thank you very much for increasing that line
8 item.

9 MR. RITSCH: And thank you for
10 using the acronym SPEDU. I think it's one of
11 the better ones that we have.

12 (Laughter.)

13 Joel?

14 MR. PACKER: Hi. Joel Packer,
15 Committee for Education Funding. So I will
16 ask two questions. I will ask one to Tom and
17 one to Carmel.

18 Tom, with all of the proposed new
19 mandatory programs -- and this is a Carmel
20 question -- the new community college, \$8
21 billion; the \$5 billion for teacher
22 effectiveness -- is the Department going to
23 actually release legislative language about

1 those? Or when will more details of those
2 come out?

3 MS. MARTIN: So we will have more
4 details on each of those. I'm sure we will
5 provide Congress with legislative language
6 with respect to them, but we don't have a
7 timeline set for that.

8 MR. PACKER: And then, my follow
9 up, within the teaching area -- so you have
10 the new \$5 billion program, you have a 25
11 percent setaside out of the revised Title II,
12 and then extra money for the revised TIF. Can
13 you just briefly explain what the difference
14 between those three pots of money would be?

15 MS. MARTIN: Yes. I mean, I think
16 we have at least a dozen programs within our
17 budget that are designed to tackle support for
18 educators -- teachers, principals, other
19 support staff in schools, professionals in
20 schools.

21 So with respect to each of them,
22 we are trying to align them towards a new
23 vision for the teaching profession. The

1 existing funding streams -- many of them are
2 smaller, they are trying to tackle a
3 particular piece of the overall profession,
4 and we are looking to ensure that they are all
5 working towards the same goals.

6 But the \$5 billion is designed to
7 really try to find some states and districts
8 that want to work on a comprehensive strategy
9 for lifting up the teaching profession, and to
10 think about it in very different ways at every
11 spectrum.

12 So folks who get those grants need
13 to think about everything, from how do we
14 recruit people into teacher prep programs,
15 through how do we advance teachers. And when
16 they are struggling, how do we connect to them
17 when they are not doing what's needed -- give
18 them support to get better and ask them --
19 counsel them out of the profession when they
20 are not able to improve.

21 So it is the full spectrum, but in
22 each of these other investments we are also
23 trying to look in the meantime -- you know,

1 those that are in the short term. We are
2 fairly confident we will be able to get
3 funding for those things in the short term and
4 want to make sure that they are helping
5 promote that longer term vision.

6 So, for example, in TIF or in our
7 TLIF initiative, the focus is, per the
8 statute, on differential compensation systems.

9 In this next round, we really want to build
10 it up and also look at the concept of career
11 advancement, career pathways for teaching, but
12 we are also thinking about it as we do the
13 ESEA flexibility initiative.

14 How can we get states to be
15 putting in place better evaluation systems,
16 because we feel like a lot of the other
17 investments can't be spent well if we don't
18 know whether they are working or not.

19 So you see in Race to the Top, in
20 the ESEA flexibility initiative, in several
21 others of our funding streams, a focus on
22 developing those teacher evaluation systems.
23 But I think what you see in this big, new

1 initiative is that we could have the best
2 evaluation systems in the country and that
3 wouldn't be enough.

4 We need to do more to support
5 teachers and help them -- and leaders and
6 principals and other educators in schools --
7 to be able to be successful. So in the larger
8 initiative, we are trying to bring that all
9 together into a comprehensive vision.

10 MR. PACKER: So is the 25 percent
11 setaside -- that is not just an expanded
12 version of the current one and a half percent
13 setaside. It is different, I assume?

14 MS. MARTIN: Yes. It would be --
15 a portion of it would be used for competitive
16 grants to national organizations tackling the
17 issues that the current seed program tackles.

18 And we would have a certain amount of that
19 funds dedicated to recruitment and preparation
20 of STEM teachers.

21 But then we would also be using
22 that for a program that is aligned with our
23 Blueprint around pathways into teacher and

1 leader pathways. So I would refer you to the
2 Blueprint for what that would look like.

3 MR. PACKER: Okay. Thank you.

4 MR. RITSCH: Thank you. Yes,
5 ma'am.

6 MS. ZIEGLER: Good morning. Happy
7 Valentine's Day. Thanks for the treats,
8 Massie.

9 Deb Ziegler, Council for
10 Exceptional Children. I have a question about
11 the new initiative on rebuilding the teaching
12 profession. I am very interested, and I am
13 glad to see emphasis in this area.

14 As we know, special education
15 teachers are part of the greater workforce,
16 and oftentimes are not included in some of the
17 initiatives -- I think not from a desire to
18 purposely leave them out, but sometimes they
19 present with some difficult and challenging
20 issues. And we don't always know the answers
21 to those or the paths to proceed.

22 One example is particularly with
23 teacher evaluation, and I know that this is

1 going to be a big component of that. We know
2 that Race to the Top states are struggling
3 with that, with all teachers, but particularly
4 with special education teachers.

5 So I'm wondering what the
6 Department is thinking about with regard to
7 rebuilding the teaching profession and the
8 emphasis they may place on special educators.

9 MS. MARTIN: So I think that is a
10 really important area and something that we
11 are very focused on. We have created
12 communities of practice around teacher
13 evaluation systems through our Race to the Top
14 grants, and we are trying to learn from what
15 they are experiencing in real time and
16 standing up those systems in their state and
17 have states share best practices with each
18 other.

19 In the ESEA flexibility
20 initiative, we also asked states to
21 specifically speak to how they were going to
22 stand up those new teacher evaluation systems
23 and meet the particular needs of students with

1 disabilities and English learners. And all of
2 the states have committed to do that and
3 described ways that they were planning to do
4 that.

5 We brought in the researchers from
6 the Harvard study that I mentioned earlier,
7 and we talked to them about how to tackle
8 teacher -- you know, measuring teacher
9 effectiveness when teachers are providing
10 instruction to students with disabilities.

11 What they found in their research
12 is that it worked, that with the system that
13 they used for measuring it, you were able to
14 adjust with respect to teachers of students
15 with disabilities, that the results were valid
16 for those teachers.

17 They said that the biggest issue
18 to tackle was where you -- if you had self-
19 contained classrooms, you really needed to get
20 expertise and figure out how to tackle teacher
21 evaluation in that context. So we were
22 planning on convening some experts to help us
23 work through those issues.

1 So I don't know that we have all
2 of the answers at this point, but it is
3 something that we are looking to have a
4 specific and dedicated focus on, ensuring that
5 as states stand up these systems that they are
6 addressing those particular needs.

7 MS. ZIEGLER: Good to hear. Thank
8 you. CEC looks forward to working with you on
9 this.

10 MR. RITSCH: Thanks. Yes, ma'am.

11 MS. SMITH: Hi. Cheryl Smith with
12 Kaplan. First of all, thanks for the work on
13 Pell grants and the increase in the budget for
14 Pell grants. My question has to do with the
15 offsets.

16 Could you talk a little bit more
17 about the proposal to eliminate the in-school
18 interest subsidy after 150 percent of program
19 completion? Kind of your thinking behind
20 that, and have you done any modeling to
21 understand what the impact is in terms of
22 students impacted and the additional debt that
23 students would assume?

1 MS. MARTIN: So the proposal is to
2 align our loan policy with what is currently
3 the Pell policy. In the last budget cycle,
4 there was a limitation to Pell eligibility to
5 150 percent of expected time to completion.

6 That timeline is adjusted for
7 part-time students, so it would be a longer
8 timeline for part-time students than for full-
9 time students. And we believe that it is a
10 policy that is aligned with this concept of
11 completion that we want to encourage schools
12 and students to help get to completion within
13 at least 150 percent of the timeline that you
14 are expected to complete.

15 We do have analysis. I don't have
16 that off the top of my head, but we can -- Ben
17 and Michael are there in the back. They can
18 help you with that. But we feel like it is
19 the right thing to do in terms of encouraging
20 completion and ensuring that we have the funds
21 available to shore up the maximum Pell grant.

22 MS. SMITH: Thank you.

23 MR. RITSCH: Thanks, Cheryl. We

1 have at least one more question or comment.

2 Yes, sir.

3 MR. SNYDER: Hi. Neil Snyder.

4 I'm with the American Speech-Language-Hearing
5 Association.

6 Just curious, based on some of the
7 questions that Joel asked, and other
8 questions, these teacher setaside pots, you
9 used the term "teacher, leader, and
10 educators." I'm wondering if the Department
11 would consider grants that would help non-
12 education professionals like speech language
13 pathologists to help with the workforce
14 development issues that school districts are
15 facing in attracting some of these non-
16 teaching professionals that don't seem to be
17 addressed anywhere else in the budget.

18 MS. MARTIN: Yes. So the answer
19 is yes, several of these programs would allow
20 for inclusion of professionals in the building
21 who are not teachers. For example, in our
22 existing TIF program, we asked for and
23 received legislative language from the

1 appropriations committee to be able to allow
2 TIF grants to be used for all of the
3 professionals -- professionals and non-
4 professionals actually.

5 All of the adults working in the
6 building can be part of those differential
7 compensation systems. In the \$5 billion,
8 there will be specific focus on how to
9 organize schools in ways that support
10 teachers, and in that context we are planning
11 on looking at ways that other individuals or
12 professionals in the building can help support
13 teachers to be successful.

14 MR. SNYDER: And would that
15 include the revisions to literacy? Don't you
16 have a teacher setaside for the literacy
17 program as well?

18 MS. MARTIN: So we have a literacy
19 initiative. It is --

20 MR. SNYDER: Right.

21 MS. MARTIN: It is a competitive
22 funding stream that had been defunded, and we
23 were able to get it reinstated in the last

1 budget cycle. And our budget proposes
2 continued funding for that purpose.

3 I believe that grantees can use
4 the funds for -- it is designed to support,
5 you know, at the local level, design programs
6 to support literacy. And if a grantee
7 proposed to use funds to use speech
8 pathologists or other professionals to help
9 children to learn to read, that that would be
10 something that they could do.

11 MR. SNYDER: Okay. Thank you.

12 MR. RITSCH: Thanks, Neil. Rich?

13 MR. LONG: Thank you. I had to
14 step out to take a call, which is actually --
15 if the question has come forward so -- if Joel
16 put this into his package, my apologies.

17 MR. RITSCH: And will you let us
18 know who you are representing?

19 MR. LONG: Oh, my apologies. My
20 name is Rich Long. I work with the National
21 Title I Association.

22 I am getting calls from states and
23 locals, and I have a presentation to make in a

1 couple of days, and the question that is
2 surfacing after we get to how much is the
3 proposal for X, is how much should I set aside
4 of my Title I dollars to deal with this
5 sequester thing? And can you explain it to
6 me?

7 And the reason I bring it up is
8 people are putting their budgets together now,
9 and that even though that this -- the politics
10 of this is going to play out over some time,
11 the reality is you can feel that some places
12 are going to start withholding funds so they
13 don't have to jerk them out.

14 So how you deal with advance
15 funding, and how all of this is interpreted,
16 is going to be critical, then critical to get
17 the information out to the field, so they
18 react with information and clarity, not
19 guesswork.

20 MS. MARTIN: So Joel did ask the
21 Secretary that question, Rich. And, you know,
22 his answer is that we are looking at that
23 question, but our position is that

1 sequestration should not happen, that we are
2 going to be fighting to ensure that it doesn't
3 happen and working with Congress to pass
4 legislation that meets the requirements of the
5 Budget Control Act without having to kick in
6 the sequestration.

7 MR. RITSCH: Thanks, Rich.

8 Any other questions, comments,
9 that you want to bring to the mic?

10 (No response.)

11 Okay. A reminder -- we will -- we
12 are planning to do a breakout on the
13 postsecondary aspects of the budget to drill
14 deeper. A show of hands if you are planning
15 to stick around for that. Okay. Good.

16 Again, the way to get there is to
17 go out this door and head to our Training and
18 Development Center to Room 105 and 108.

19 We have evaluations on your chair.

20 We hope you will fill them out, let us know
21 how we did with this thing today, and you can
22 hand them to any staff member on the way out.

23 As always, the transcript and

1 video of this will be posted to our website
2 later this week. And if you are joining us
3 for the higher ed briefing, we will start that
4 in about 15 minutes in the Training Center.

5 Our cafeteria is on this side, if
6 you wanted to grab a cup of coffee, and we
7 will see you back shortly.

8 Thank you, folks, for coming
9 today. And we will look forward to working
10 with you on this budget throughout the year.

11 (Whereupon, at 11:16 a.m., the proceedings in
12 the foregoing matter were
13 concluded.)