

DEPARTMENT OF EDUCATION

**Statement by Betsy DeVos
Secretary of Education
Before the Committee on Education and Labor
United States House of Representatives
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Chairman Scott, Ranking Member Foxx, and Members of the Committee:

Thank you for the opportunity to testify on this Administration's education priorities and initiatives, many of which are reflected in the President's Fiscal Year 2020 Budget Request for the Department of Education.

The Department's mission focuses on coming alongside teachers and parents in their efforts to help each student pursue the education that works for them. This Administration is committed to improving student outcomes by expanding education freedom. We propose making targeted investments in such freedom for school leaders, for teachers, and for students and their families. The Budget would also expand the opportunity to use Pell Grants for high-quality, short-term training, enhance workforce development and career and technical education, and streamlining and improving student loan repayment.

Elsewhere in the President's fiscal year 2020 budget, the Administration is proposing a Federal tax credit to encourage voluntary contributions of up to \$5 billion each year for scholarships to elementary and secondary students. Here are three things the Committee needs to know about our Education Freedom Scholarships proposal.

First, it relies entirely on voluntary contributions to State-identified, non-profit organizations that give scholarships to students. So, the proposal does not divert a single penny away from public school teachers or public school students. It is merely a mechanism to empower families to choose the best educational options for their children.

Second, it is not a Federal program. States will control how to design their own programs. States will determine which students will be eligible, which educational providers can participate, how much scholarships should be, and every other detail.

Finally, the proposal is not just for students who wish to attend private schools. States can decide to use scholarships to expand public school options—such as career and technical education (CTE), apprenticeships, dual enrollment programs, or transportation to out-of-zone schools. We hope States will empower families to choose all options including private education, but I am also committed to letting States make their own decisions when it comes to their scholarship programs.

In the area of elementary and secondary education, the Budget request reflects our continued commitment to providing States and those closest to students with the resources and flexibility to ensure that students facing the greatest challenges can pursue a great education. In particular, we have protected funding for the key formula grant programs that support America's most vulnerable children. To supplement State efforts to support nearly 25 million low-income children, the Budget proposes \$15.9 billion for Title I programs—the same level as the fiscal year 2019 appropriation. And to help support local efforts to serve nearly 7 million students with disabilities, the Budget proposes \$13.2 billion for Grants to States under IDEA. That's the same level as the fiscal year 2019 appropriation, as well.

We are committed to expanding options for families, so that parents can find the best educational setting for their children. We propose investing taxpayer dollars in opening and expanding high-quality, public charter schools and for helping finance charter school facilities; public Magnet schools; and districts that participate in a student-centered funding pilot that will

help districts transition to transparent funding systems where funding follows students, not buildings.

We also seek to empower teachers and elevate the teaching profession. Specifically, we propose a demonstration project under the Education Innovation and Research program that would provide individual professional-development stipends, or “vouchers,” that would replace district-driven professional development activities with those that empower teachers to select training opportunities tailored to their individual needs and those of the students they are serving. In several conversations and roundtables I’ve recently hosted with a number of teachers, they consistently criticize the quality of the professional development programs they are forced to attend. These stipends will free teachers to study and learn what they know will most benefit themselves and their students—not what’s dictated to them by the district office.

The proposed Budget also reflects our focus on supporting the expansion of quality teacher mentoring and residency programs. Many of the teachers I’ve met have spoken with great passion about the important role that quality mentors and residencies have played in helping them improve their knowledge and skill and become excellent instructors. Those who weren’t so lucky describe how ill-prepared they were for the classroom. We want to test whether good mentors and residency programs can cost-effectively improve both teacher induction and retention while creating compensated leadership opportunities for the best teachers. The proposal would also encourage increased recruitment and retention of effective educators in high-need subjects such as STEM and computer science.

This Administration is committed to ensuring that students are able to learn in safe and secure educational environments. The Budget includes approximately \$700 million, an increase of \$196 million compared to 2019, for grant programs in the Departments of Education, Justice,

and Health and Human Services, to give States and school districts resources they need should they choose to implement recommendations of the Federal School Safety Commission, which I co-chaired. The Department of Education is proposing a \$100 million School Safety State Grant program that would help build State and local capacity to identify and address the wide range of school safety and student health concerns authorized under Title IV-A. Our request also would maintain support for School Climate Transformation Grants, Project Prevent, and Mental Health Demonstration Grants that we will award later this year.

We also support students in continuing their lifelong learning journeys by investing in career and technical education, promoting multiple pathways to successful careers, and streamlining and improving Federal student aid programs. The Budget also continues support for Federal programs that help prepare low-income and minority students for postsecondary education and strengthen postsecondary institutions serving large proportions of minority students. These proposals support recent congressional efforts to modernize and reauthorize the Higher Education Act to be responsive to the needs of both students and employers.

Specifically, the Budget requests \$1.3 billion for Career and Technical Education State grants, which help ensure students have access to CTE opportunities in high school as well as a wide array of postsecondary options including certificate programs, applied associate degree programs, and apprenticeships. The Budget also includes \$20 million for CTE National Activities to help students enter careers in STEM-driven and information technology-related programs, such as advanced manufacturing, biotechnology, engineering technology, allied health and mechanics. The Budget includes \$60 million under Adult Education National Leadership Activities to support State efforts to create pre-apprenticeship programs that increase the number of adults who are able to meet the basic entrance requirements of apprenticeship programs. We

have heard from too many employers that they want to provide apprenticeship opportunities, but cannot find interested participants who have the underlying math, science and reading skills they need to succeed.

There are many paths to successful careers, and federal student aid programs should be flexible enough to support students on the path of their choice. And so, the Budget would expand Pell Grant eligibility to include high-quality short-term programs, helping more Americans access education programs that can prepare them for well-paying jobs in high-demand fields more quickly than traditional degree programs.

The 2020 Budget would also reform campus-based programs by focusing limited resources on bolstering effective workforce development opportunities for students with the most need. The Budget proposes to reform the Federal Work Study program to support workforce and career-oriented education opportunities for low-income undergraduate students, rather than subsidizing on-campus employment, so that low-income students are engaged in work experiences while in school that will lead to higher-paying jobs when they graduate.

Our proposal also ends the practice of diverting the largest portion of campus-based aid to the institutions that need it least and serve the fewest high-risk, high need students. Our proposal allocates funds to schools based on enrollment of Pell grant recipients, rather than their historical participation.

Importantly, we propose to improve student loan repayment by consolidating multiple Income Driven Repayment (IDR) plans into a single plan. This is urgently necessary because at almost \$1.5 trillion, Federal Student Aid's loan portfolio is the largest consumer loan portfolio in America—larger than J.P. Morgan and Bank of America. And 43 percent of those student loans

are at risk. Meaning, the borrowers are in default, more than 30-days delinquent, or negatively amortized. Another 20 percent of loans are in forbearance or deferment.

In order to effectively implement the student aid programs, we are pursuing an innovative strategy to deliver Federal student aid services and information to our customers, and the Budget includes strong support for this initiative. Next Gen FSA, will create an improved, world-class customer experience for FSA's millions of customers, while creating a more agile, flexible model that will streamline FSA's existing operations. The key to the Next Gen FSA transformation will be a comprehensive, FSA-branded customer engagement layer that will create an environment where the Department's customers will receive clear, consistent information and readily accessible self-service options at every stage of the student aid lifecycle, something I think we can all agree is worth supporting. The numerous IDR options currently offered to borrowers overly complicate choosing and enrolling in the right repayment plan, and provide disproportionate benefit to students who complete expensive graduate education, but are more likely to enjoy higher earning potential over their lifetime.

The proposed single IDR plan would cap a borrower's monthly payment at 12.5 percent of discretionary income. For undergraduate borrowers, any balance remaining after 15 years of repayment would be forgiven. For borrowers with graduate debt, any balance remaining after 30 years of repayment would be forgiven. We also propose auto-enrollment for severely delinquent borrowers and institutes a process for borrowers to consent to share income data for multiple years to reduce the burden on an individual borrower to submit forms and proof of earnings. To facilitate these improvements and to reduce improper payments, the Budget proposes to streamline the Department's ability to verify applicants' income data held by the Internal Revenue Service. This improvement would also make it easier for students to complete their

FAFSA application and would reduce the added burden to institutions when they are asked to provide additional verification of student eligibility.

To further simplify the student loan program and take the government out of the business of picking winners and losers among students who may have the same debt and earn the same salary—simply because their employers have a different tax status or their parents had different earnings—we propose eliminating Public Service Loan Forgiveness (PSLF) and Subsidized Stafford Loans for new borrowers. The PSLF program is not only complicated for borrowers to navigate, mostly because of how the program was designed when it began in 2007, but it uses taxpayer resources to encourage students to take jobs based on the tax-status of their employer, rather than on a student’s unique talents or local workforce needs.

The subsidized loan program provides an after-the-fact benefit that doesn’t help students complete their program and does not take into account borrower earnings in their chosen profession. It sends the wrong message to suggest to students that just because their parents were low-income, they will be too. Instead, we propose to support all borrowers pursuing any career through the Single IDR plan which will allow borrowers to make affordable monthly payments based on their income.

The Budget also supports important investments in the academic quality, institutional management and capacity, infrastructure and student support services for Minority Serving Institutions (MSIs) and Historically Black Colleges and Universities (HBCUs). Specifically, the Budget proposes to improve grantmaking by consolidating six MSI programs into a \$148 million formula grant, which will provide funds the institutions can rely on as well as improve program management efficiencies. In recognition of the extraordinary contribution provided by HBCUs,

the Budget includes \$626 million for programs that provide funding to help these institutions strengthen their capacity to provide the highest quality education.

Our priorities, and this Budget, reflect our commitment to spending taxpayer dollars wisely and efficiently while supporting our Nation's students of all ages. Because that's who budgets are for—students. If this country is to remain secure, strong, prosperous, and free, we need students who are prepared to pursue successful careers and lead meaningful lives.

Thank you for this opportunity to testify. I am happy to respond to any questions you may have.