

MEMORANDUM**TO: ASAHP Members****FROM: Kristen Truong****DATE: April 1, 2019****RE: Senate Committee on Appropriations, Labor, Health and Human Services, Education, and Related Agencies Subcommittee Hearing on “Review of the FY2020 budget request for the U.S. Department of Education”**

March 28, 2019, 10:00 AM, 124 Dirksen

[\[HEARING LINK\]](#)**Overview:**

The Senate Committee on Appropriations, Labor, Health and Human Services, Education, and Related Agencies Subcommittee held a hearing on “Review of the FY2020 budget request for the U.S. Department of Education” in which Education Secretary DeVos testified on behalf of the Department’s budget request.

Bipartisan support surrounded funding for the Special Olympics, CTE awareness for high school students and families, apprenticeships, and short-term Pell grants. Ranking Member Patty Murray (D-WA) expressed concern about the Department issuing higher education regulations for accreditation and distance learning as she and Sen. Lamar Alexander (R-TN) work on reauthorizing the Higher Education Act.

Democrats expressed frustration with the Department’s slow progress to approve borrower defense claims (especially for students defrauded by for-profit colleges), proposal to cut PSLF, and cuts to GEAR UP and TRIO. Republicans supported the Department’s proposals for teacher professional development vouchers and the Education Freedom scholarships.

Opening Statement Summaries:**Subcommittee Chairman Roy Blunt (D-CT) [\[Full Statement\]](#)**

Last year we passed a Labor/HHS bill prior to the start of the fiscal year for the first time in 22 years. The conference agreement received 93 votes on the Senate floor.

FY2020 budget request for the Department of Education is \$64 billion in discretionary funding, \$7.4 billion, or 10 percent, less than FY2019. This subcommittee will not pass an appropriations bill that eliminates large state formula grants that support afterschool programs, STEM education, school safety, and teacher professional development. We both agree, and I think the entire subcommittee does as well, that decisions affecting the education of children should be made as close to the student as possible – by parents, teachers, schools, and school districts. That’s exactly what these programs do, many of which go directly to local school districts to be used for a range of activities to best meet the needs of local communities.

There is a proposal for a new Adult Education Fast Track Apprenticeships for Low-Skilled Adults program. This subcommittee has strongly supported investments in apprenticeship programs through the Department of Labor over the past four years.

When I was in St. Louis in February with the Secretary of Labor, we met with students taking part in a program run by the St. Louis Community College’s Center for Workforce Innovation. This program offers students multiple career pathways, including pre-apprenticeship in advanced manufacturing and pre-employment programs in aircraft assembly, allowing students to apply any credits earned toward a degree using Pell Grants.

Subcommittee Ranking Member Patty Murray (D-WA) [\[Full Statement\]](#)

Your budget fails to invest in our youngest learners, fails students in public schools, fails students struggling to better themselves in higher education, and fails the student loan borrowers saddled with debt.

As you sit before us requesting devastating cuts to public education, the President’s budget proposal is still pushing for your privatization agenda. Your budget request cuts more than \$4 billion from afterschool programs

and other needed investments in public school students, including completely eliminating federal support for the program that supports our nation's teachers, and requesting no additional funding for low-income students and students with disabilities—at a time when many of our schools are struggling to meet the needs of those students. You're also asking for more money for charter schools when you're having trouble spending the increase Congress appropriated last year.

This budget proposes cutting funding to colleges and universities that primarily enroll low-income students and students of color, including minority-serving institutions, and proposes to take more than \$200 billion from the pockets of student loan borrowers by making them pay back more, making some pay back longer, and eliminating PSLF. These divisive proposals would not only harm students and families, but they are in stark contrast with the efforts Chairman Alexander and I—along with our colleague in the House—are making to find common ground and reauthorize the Higher Education Act.

You have ignored committee report language directing the Department to protect student loan borrowers from unfair, deceptive practices of student loan companies and have ignored Committee directives to provide loan relief to students defrauded by for-profit colleges.

Witness Testimony

The Honorable Betsy DeVos, Secretary, U.S. Department of Education [[Full Testimony](#)]

Q&A

Subcommittee Chairman Roy Blunt (R-MO): The idea comes up of what we can do to give people better choices and more info earlier. All of our funding programs focus on traditional 2- or 4-year college degrees. What can we do to make it more possible to get people into CTE? Can we restructure Pell?

Sec. DeVos: One proposal is short-term Pell grants, and the second is [Education Freedom](#) scholarships to extend from young children to lifelong learning.

Subcommittee Chairman Roy Blunt (R-MO): Other apprenticeship programs, not trade unions, how do we certify whether they qualify for a 15-week certificate or access to Pell?

Sec. DeVos: We'd work with Congress for guardrails.

Subcommittee Ranking Member Patty Murray (D-WA): Federal student loan borrowers who were cheated by their colleges and overwhelmingly by for-profits have been blocked from getting relief. You tried to reduce the amount of debt relief that students can receive and tried to block new rules put in place by Obama Administration to streamline borrower defense process. Roughly 140,000 borrower defense claims are pending review by your Department. When was the last time the Department approved a borrower defense claim?

Sec. DeVos: We are in the process of doing so.

Subcommittee Ranking Member Patty Murray (D-WA): Earlier this year, your Department attempted to replace the acting IG with a Department employee after your deputy secretary requested that the OIG "reconsider any plan that it might have to review the Department's 2018 decision and recommendation" to rerecognize the accrediting council for independent colleges and schools. This accrediting agency looked the other way when students were cheating by for-profit institutions. Will you provide answers? **Mr. Chairman**, I think we have to act to establish the same protections for this Department's OIG that several other subcommittees have done to provide their IG the ability to be independent and objective. I'd like to work with you on that.

Subcommittee Chairman Roy Blunt (R-MO): I'm glad to work with you further on that.

Sen. Lamar Alexander (R-TN): I appreciate the President's Executive Order about colleges having skin in the game when loaning money for students to go to college. Sen. Murray and I are working to reauthorize the HEA, and accountability and colleges having more participation is an important part of that discussion. Sen. Murray and I cosponsored legislation to take 22 questions off FAFSA and to allow families to import Treasury Department info to student aid. I want to commend you for your support for charter schools. I'm intrigued by your idea of giving stipends to teachers. What is your thinking of stipends for teachers to choose their own professional development?

Sec. DeVos: We want to empower teachers directly through a teacher voucher and would demonstrate the effectiveness in a pilot program.

Sen. Richard Durbin (D-IL): What percentage of student loan defaults are students from for-profit schools? 9% of students from postsecondary go to for-profits.

Sec. DeVos: 34%

Sen. Richard Durbin (D-IL): Do you know the teacher shortage and the damage it's been causing? Principals can't pay teachers enough to stay and are burdened with student debt. Your Department's unwillingness to deal with PSLF is destroying an incentive.

Sen. James Lankford (R-OK): There's debate in my state legislature to double a program like Education Freedom scholarships. CTE in OK is ranked number one in the country. If there's an issue with accreditors, there seems to only be a heavy hand to take them out entirely. That affects all institutions. Are there specific areas you're trying to evaluate to work with accreditors that are there?

Sec. DeVos: We're in the negotiated rulemaking session around accreditation and innovation in higher education. Soon, we'll be able to put forward recommendations to making accreditation more relevant for today.

Sen. Jeanne Shaheen (D-NH): First generation college students and those from lower income families face many challenges. 2 programs that have good data to show how successful they've been are TRIO and GEAR UP. I'm concerned about your proposal to cut part of TRIO and eliminate GEAR UP. Can you explain the cuts?

Sec. DeVos: I'm with you that these students need opportunities. We proposed GEAR UP be folded into TRIO to be a state formula funded program.

Sen. Marco Rubio (R-FL): In the direct federal loan, interest would be removed and there would be a one time fee to account for cost of servicing the loan. The bill would place borrowers on a repayment plan based on income. What is the Department's sense of that? We want to focus on the burden of the accrued interest.

Sec. DeVos: I look forward to working with you on that.

Sen. Jack Reed (D-RI): FIOA – [CFPB report](#) analyzed college campus relationship with banks. Relationships show that students pay higher rates as a result. What are you doing that schools act in best financial interest of students?

Sec. DeVos: We launched a pilot program debit card for students with NextGen program, so banks can't require a fee.

Sen. Jack Reed (D-RI: House Education and Labor Chairman Bobby Scott (D-VA) has joined to Rebuild America's Schools Act ([House bill](#); [Senate bill](#)) to invest \$100 billion in school infrastructure. Schools need updating especially in technology.

Sec. DeVos: It's an interesting proposal; I would advocate for more freedom for students and parents to find schools that best fit them.

Sen. Cindy Hyde-Smith (R-MS): It's imperative to address research grants for rural schools and districts. The Department has Education, Innovation and Research grants. How are you working to ensure teacher recruitment and literacy? How are you ensuring geographic grant programs?

Sec. DeVos: EIR voucher and mentorship program. Working flexibly can help rural schools.

Sen. Cindy Hyde-Smith (R-MS): With reauthorization of CTE legislation, there are many of these well-paying jobs that are waiting to be filled. It's important that we remove any remaining stigmas with career and technical jobs. What can the Dept and Congress do to expand access to CTE in our K-12 system and community colleges?

Sec. DeVos: Implement Education Freedom scholarships plan. There is a \$60 million pre-apprenticeship program in high schools for students to explore these opportunities. We need to introduce CTE in middle school. Short-term Pell helps to allow students to pursue certificate programs.

Senators Chris Murphy (D-CT) and Tammy Baldwin (D-WI) questioned the rationale of the Department to cut Title IV, and specifically Title IV-A, especially with increased concerns for school safety and mental health.

Sen. Jeff Merkley (D-OR): PSLF – 99% of people who apply for this program get rejected by your Department and loan servicers. What are you doing about the loan servicers? This is a massive disservice to those who have served.

Sec. DeVos: Congress made it difficult for students to qualify. We are forgiving student loans as are qualified.

Subcommittee Chairman Roy Blunt (R-MO): In the SUPPORT Act (about opioids), \$15 million grant program for trauma services in schools for addictions. Budget request didn't include any funding for that. Are you open to more feedback on this to work what might be available?

Sec. DeVos: We ran a few new grant programs and expect to make 80 awards to local districts for programs targeting on opioid prevention under the School Climate Transformation Grants, which will total \$40 million in 2019.

Subcommittee Chairman Roy Blunt (R-MO): Where are most of the \$700 million school safety funds from?

Sec. DeVos: Spread between DHS, DOJ, and HHS.

Subcommittee Chairman Roy Blunt (R-MO): On loan servicing, what you see is a patchwork – I see as competitive environment. Both in FY19 and FY18, the bill required language to ensure certain elements were included in NextGen for accountability and competition. Will the Department fully comply?

Sec. DeVos: We have been and will continue to do so.

Subcommittee Ranking Member Patty Murray (D-WA): I'm working Sen. Alexander to reauthorize HEA and hopeful for a bipartisan bill. Your Department has been considering major regulatory changes for higher education. We are having bipartisan HEA negotiations. Will you commit that the Department will not issue proposed or final regulations during negotiations?

Sec. DeVos: I don't think we'll have final rules prior to Memorial Day but will continue with our timeline.

Subcommittee Ranking Member Patty Murray (D-WA): I'm disappointed and that makes it difficult for us. More than 5 weeks ago, **House Labor, HHS, Education Appropriations Subcommittee Chair Rosa DeLauro (D-CT)** and I wrote to you about the Department's lack of responsiveness to a directive included in last year's Senate committee report for the Secretary to respond to enforcement disclosure requests within 10 days of receipt and explain its policy about disclosures. AG in WA and 19 other AGs have expressed concerns about Department's actions. We don't have a response to this letter and why?

Sec. DeVos: Our goal is to provide responses in a timely manner.

Subcommittee Ranking Member Patty Murray (D-WA): I'm disappointed with the budget and confident that **Sen. Blunt** and I will work together to fund our education system adequately. I know we need a budget cap adjustment. We want to work to make sure our schools and students are getting the support they need. Earlier this year, the [Foundations for Evidence Based Policymaking Act of 2018](#) legislation I worked with Speaker Ryan became law. It will make sure the DoED and other federal agencies will make policies based on evidence and I expect your Department and others to quickly and effectively implement that law.

Subcommittee Chairman Roy Blunt (R-MO): I share Sen. Murray's concerns on this. Not uniquely you, but we haven't gotten responses from 2-3 Departments as timely as we'd like.