**CGA Hearing Summary**

**Date:** February 5, 2013

**Committees:** House Committee on Education and the Workforce

**Hearing Subject:** Challenges and Opportunities Facing America’s Schools and Workplaces

**Members Present:** Chairman John Kline (R-MN); Ranking Member George Miller (D-CA); Joe Wilson (R-SC); Virginia Foxx (R-NC); Scott DesJarlais (R-TN); Todd Rokita (R-IN); Susan Brooks (R-IN); Luke Messer (R-IN); Rob Andrews (D-NJ); Bobby Scott (D-VA); John Tierney (D-MA); Susan Davis (D-CA)

**Witnesses:**

Hon. Gary Herbert (R) – Governor of Utah

Hon. Laura Fornash – Secretary of Education, Commonwealth of Virginia

Dr. Jared Bernstein – Senior Fellow, Center on Budget and Policy Priorities

Mr. Jay Timmons – President and CEO, National Association of Manufacturers

**Opening Statements:**

Chairman John Kline (R-MN) began by discussing issues in K-12 and higher education in the context of the recession and subsequent weak recovery, noting the difficulty recent graduates face in securing a job in the current job market. Chairman Kline also noted the issue of mounting college debt, and asserted that “confusion and uncertainty” in the education system has been exacerbated by a “convoluted” system of regulations and waivers at the federal level. He continued to say that meaningful action was needed to accelerate a disappointing recovery, and emphasized the role of local and state officials in working towards such solutions.

 Ranking Member George Miller (D-CA) noted the relative strength of the recovery in terms of corporate profits and the stock market and stressed the need to focus on working families who continue to suffer from high unemployment and stagnant wages despite signs of recovery. Miller also stressed the need to rewrite the No Child Left Behind Act, while praising the administration for waiving some of its requirements for states in the present. He also called for a program of “rebuilding and modernizing” schools and community colleges, both for the long-term improvements that could be made to learning environments and for the short-term benefits such an offer could bring in terms of construction jobs and activity. Miller noted a report that suggested that 63% of jobs in 2018 will require post-secondary education, and linked this to education access and affordability as priorities. Finally, Miller argued that a recent history of governing “from fiscal cliff to fiscal cliff” has hurt the economy, and advocated instead for an agenda focused on economic growth.

**Testimony:**

Utah Governor Gary Herbert (R) began by emphasizing his state’s strong record in promoting private sector growth, noting for example that his state has been named the best state for business and careers for three years in a row. He linked this record to his state’s commitment to investment in higher education, providing the example of a new facility built by software maker Adobe, which he states was drawn to his state on the basis of its highly educated workforce and proximity to over 100,000 students at nearby universities. Governor Herbert then introduced three major initiatives his state was pursuing. First, his state is pursuing and initiative called “66% by 2020”, based on a Georgetown University study of his state which suggested that two thirds of all jobs in Utah in 2020 will require a post-secondary degree, compared to 43% of the workforce that currently meets that requirement. Second, he noted that the state is focusing on STEM education, as a priority for both K-12 programs and higher education programs in his state. Third, Governor Herbert touted his state’s immersion programs in Spanish, French, and Chinese, linking these programs to the economic needs of a globalized economy. He continued to say that a major barrier to continued progress is federal policies that are excessively bureaucratic, including an intensive grant-seeking process through the Workforce Innovation Fund that replaced the flexibility previously offered through discretionary funds in the Workforce Investment Act.

 Secretary Laura Fornash spoke about the progress her state has made with its K-12 and higher education systems, focusing on the standards her state has introduced for literacy and high school diploma requirements, as well as initiatives designed to ensure access to dual enrollment classes through community colleges for credentials that transfer to public and private four-year institutions. Fornash then discussed the Virginia Higher Education Opportunity Act of 2011, which set a goal of 100,000 new degrees over 15 years with a focus on Science, Technology, Engineering, Mathematics, and Health (STEM-H) degrees. Additionally, the state has introduced a points-based performance funding model to incentivize increased associate’s and bachelor’s degree production, as well as STEM-H degrees and accelerated time-to-degree programs. She noted that in the past year her state achieved a yearly average tuition increase of 4% at public colleges and universities, the lowest recorded for her state. Fornash also endorsed a report released by the Bill & Melinda Gates Foundation, “The American Dream 2.0: How Financial Aid Can Help Improve College Access, Affordability, and Completion.” Fornash also discussed her state’s leading role in higher education data transparency, noting that her state now releases wage outcomes data on college graduates, to the level of major and institution, and will be releasing similar statistics on education debt by August 2013. Fornash finished with a discussion of K-12 education, echoing an earlier call for a rewrite of the No Child Left Behind Act.

Jared Bernstein presented data illustrating unequal wage growth, with low and medium income earners falling behind higher earners. Berstein noted that expanded access to education can play a role in reversing this trend. He also presented data showing a decline in real weekly earnings for workers with bachelor’s degrees, even before the recession. Bernstein argued that a focus on budget deficits has hurt the recovery and reduces important investments in higher education, specifically discussing the role of cuts to non-defense discretionary (NDD) funding. He argued, for example, that a shortfall in Pell Grant funding in the next decade will be worsened by further budget cuts.

 Jay Timmons began by discussing the ability of manufacturers to compete against foreign competitors as well as raising a number of concerns about the National Labor Relations Board (NLRB). He went on to discuss the role of education in the job market, noting that recent surveys show that up to 600,000 job openings are currently unfilled because of a lack of qualified applicants. He endorsed a system of nationally portable credentials for manufacturing skills that could be used to narrow this gap. Timmons also gave his support to immigration proposals to allow skilled workers to live in the country, and noted the high proportion of companies started by immigrants or children of immigrants. He also argued for education reform in the “STEM pipeline,” noting that 31% of Chinese bachelor degrees are awarded in engineering fields, compared to 4% in the United States.

**Question and Answers:**

Chairman Kline began by asking Governor Herbert about state level initiatives that he has had success with in Utah that could be reproduced at a federal level. Herbert replied that government regulations are often a hindrance to businesses, and that his state initiated a process by which a department counted and reviewed all existing regulations, which concluded with the elimination or modification of a significant number of regulations deemed to have “no public purpose”. Kline then asked Timmons about ways to improve job training programs and Timmons replied by recommending the consolidation of several programs, also noting the existence of industry partnerships with community colleges and collaborations with the military to determine what skills veterans have that could be considered manufacturing skill credentials. Kline then asked Timmons about his earlier figure of 600,000 job openings, and Timmons replied that approximately 5% of manufacturing jobs are open, which includes both STEM and basic skill level work.

 Ranking Member Miller asked Dr. Bernstein about the economic effects of “governing from fiscal cliff to cliff,” as well as the economic damage caused by long term unemployment. Miller continued to complain about the use of the debt limit as a legislative gambit, lamenting the fact that the government has operated on a “90-day leash.” Bernstein replied by noting that, contrary to the focus of other testimony, the effects of general economic uncertainty far outweigh the effects of regulatory uncertainty on the overall economy. Bernstein identified uncertainties generated by the fiscal cliff as a major source of such uncertainty. He went on to say that among economists, there is a consensus that we are in a cyclical, as opposed to a structural, economic crisis, and therefore while issues such as skills training are important, they are not central to our current economic problems. Miller then moved on to ask Timmons about the exclusion of unions in legislation supported by his organization, noting examples of collaboration between unions and community colleges. Timmons declined to answer the question.

 With respect to education, Joe Wilson (R-SC) discussed the relationship between current economic problems and higher tax rates. He went on to ask Fornash about the No Child Left Behind Act, and asked what the proper role of the federal government was in education. Fornash responded that the federal government should continue to focus on supplemental funding and aid to disadvantaged students. She stressed the need for local flexibility.

 Rob Andrews (D-NJ) focused his remarks on NLRB.

 Scott DesJarlais (R-TN) discussed rising costs for public four year colleges. He also noted issues with degree completion rates and student debt levels. DesJarlais asked Herbert about costs at higher education institutions. Herbert suggested that federal involvement in higher education is linked to rising costs and tuition rates. He recommended greater use of technology to reduce costs, and discussed the differences between STEM education and “degrees to nowhere”. Herbert also suggested that the involvement of private donors could reduce costs to the state and to students. Fornash also responded that her state’s points-based funding model includes a four-year graduation rule, and also endorsed the use of technology to reduce costs. Fornash also recommended that schools find ways to use facilities year-round to reduce costs.

 Bobby Scott (D-VA) asked Fornash about a controversy over low targets set for minority students in her state. Fornash replied that after uneven testing results, her state has developed a methodology for all students to achieve the same goal. Scott expressed skepticism that this approach could narrow the achievement gap, to which Fornash replied that it was her state’s intention to eliminate the achievement gap. Scott then asked Bernstein about the effects of the sequester or a replacement to the sequester on the economy. Bernstein replied that both the sequester and a possible replacement could harm economic growth, and predicted a rise in unemployment resulting from either option. Scott asked Bernstein about the effects of such economic harm on low-wage earners. Bernstein replied that his advice was for the government to “do no harm” by not following through on the sequester, and to increase the minimum wage. Scott asked Fornash about the effects of budget cuts on states, to which Fornash replied that the governor had worked to restore funding lost as a result of recent budget cuts.

 [Not present for remainder of hearing]

- Tucker Doherty, Cornell University and Intern, A۰P۰L۰U