

Why Investing in Education is Vital to America's Future

Written Testimony

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Chairman Yarmuth, Ranking Member Womack, and members of the Committee:

Thank you for inviting the Committee for Education Funding to testify today on a panel with these experts to discuss the importance of federal investments to economic and national security, including investments in education. Without a substantial increase in the non-defense discretionary spending caps, the education investments that form the foundation of the nation's prosperity, safety, and growth are in jeopardy. It is a real honor to be invited here; I have spent literally hundreds of hours in this room over the course of more than 18 years when I had the privilege of working for the Budget Committee under five different chairmen, and with several of the current members.

I am speaking on behalf of the Committee for Education Funding, the nation's oldest and largest education coalition, which is a non-partisan, non-profit collaboration of education associations and institutions that advocate to increase federal investments in education, which are among the best investments the government can make. CEF members represent the entire education continuum, from early childhood education through elementary and secondary education to higher education, career and adult education, and out-of-school education needs and enhancements such as afterschool programs, libraries and museums, and PTAs. Our members are teachers and school leaders, parents and students, counselors, school board members, universities and school districts, associations and others with the common goal of ensuring that education is adequately funded.

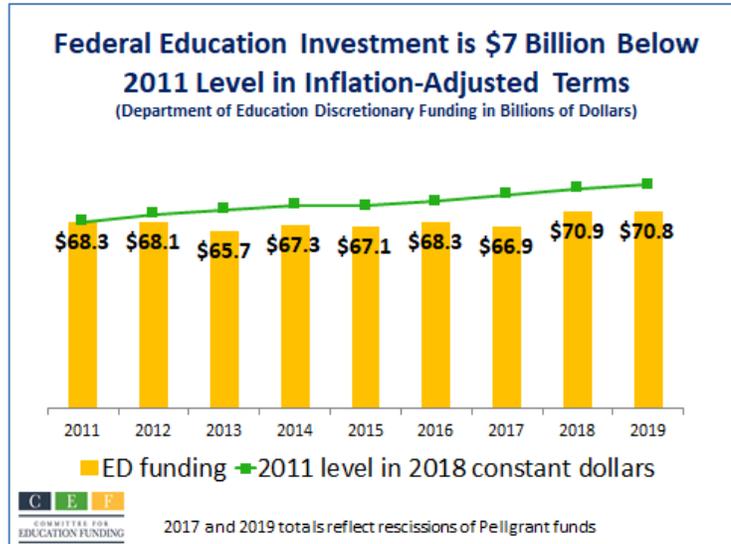
Public Support for Education Investments

In addition to representing its membership, the Committee for Education Funding also speaks for a majority of Americans who want to increase education investments. A Politico/Harvard poll in December¹ found that 73 percent of those surveyed thought that increasing federal spending on public elementary and secondary education was an "extremely important priority," and a Morning Consult +POLITICO poll² from 2017 found that the area where voters most wanted to see more government spending was education – more people wanted to increase education spending than those who wanted to increase defense, border security, or health care spending.

¹ POLITICO and Harvard T.H. Chan School of Public Health, *Americans' Priorities for the New Congress in 2019* (2018)

² Yokley, *Many Voters Support Foreign Aid Cuts, but Want More Spent at Home* (2017)

Unfortunately, the tight caps on non-defense discretionary funding have constrained federal education investments in recent years. In fact, from 2012 until 2018, appropriations for the Department of Education remained below the 2011 level even in nominal dollars, only surpassing that high-water mark in fiscal year 2018, when Congress significantly raised the cap on non-defense discretionary spending. Sadly, for fiscal year 2019 net appropriations for the Department of Education decreased after accounting for a \$600 million rescission of previously appropriated Pell Grant funds. The impact is even worse when measuring federal support for education in inflation-adjusted terms, which show federal investments more than \$7 billion below the 2011 level, supporting fewer of the education services than the government intends to provide.

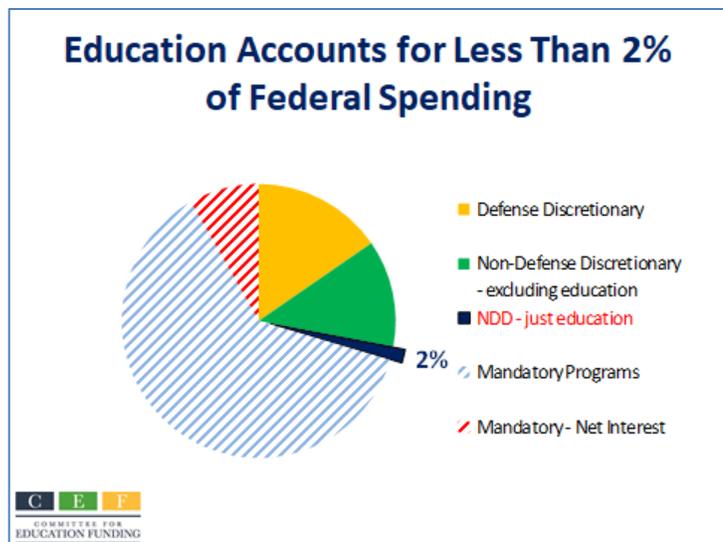


Returns on Investments in Education

But focusing on budget totals and spending cuts is just talk about numbers. What matters is their impact. Education investments have wide-ranging effects far beyond just helping students get a better and longer education. Society as a whole reaps many benefits from a well-educated population beyond just thoughtful adults well prepared to compete in a rapidly changing and interconnected world. A better educated workforce leads to more research and innovation, economic growth, and national security in many ways, not the least of which is a military ready for today’s challenges.

Simply put, education pays.

Those with more education earn dramatically more over their lifetime and have higher employment rates. Countries with higher educational achievement have greater economic growth. About 11 percent of total public expenditure in the U.S.³ is for education, but most of

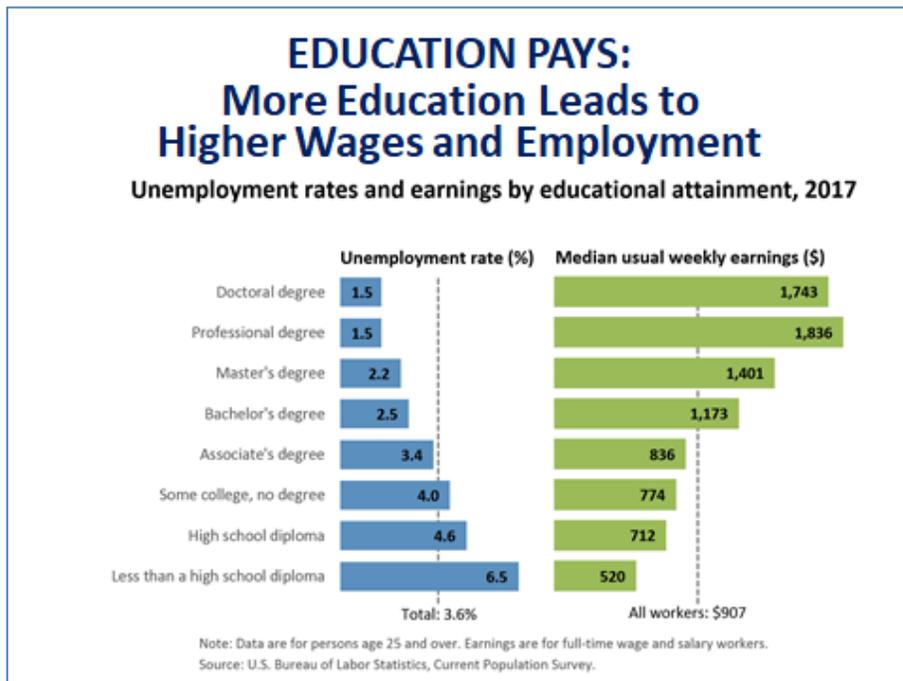


³ OECD, Education at a Glance 2018, Table C4.1 – Total Expenditure on Education as a Percentage of Total Government Expenditure (2015)

that is at the state and local level. Many other countries spend more of their budget on education. The United States currently devotes less than 2 percent of the federal budget to education.⁴

We think that low level of investment is a mistake.

There are many benefits of education investments along the continuum. For example, studies have found that participation in high-quality early childhood education not only has an important immediate impact on children’s learning, but has an enormous long-term benefits as well— a return of more than \$7 for every \$1 invested through better lifetime outcomes in terms of increased health, reduced crime,



higher employment and income, and more civic involvement.⁵ Money also matters in elementary and secondary education, where studies found that school reform efforts that led to increased spending resulted in real gains in student achievement. The gains from investments in early childhood and elementary education will only be realized if the investment continues through high school in college-preparation or career education classes but unfortunately, there is typically less investment in high school programs.

Finally, those with education beyond a high school degree have higher earnings and employment rates. During the 2008 economic recession there was an even starker difference, as those with less education experienced a greater spike in unemployment. The federal government helps people achieve the benefits of higher education by providing grants to low-income students, institutional support, and loans to students and parents.

Caps on Non-Defense Discretionary Funding Constrain Education Investments

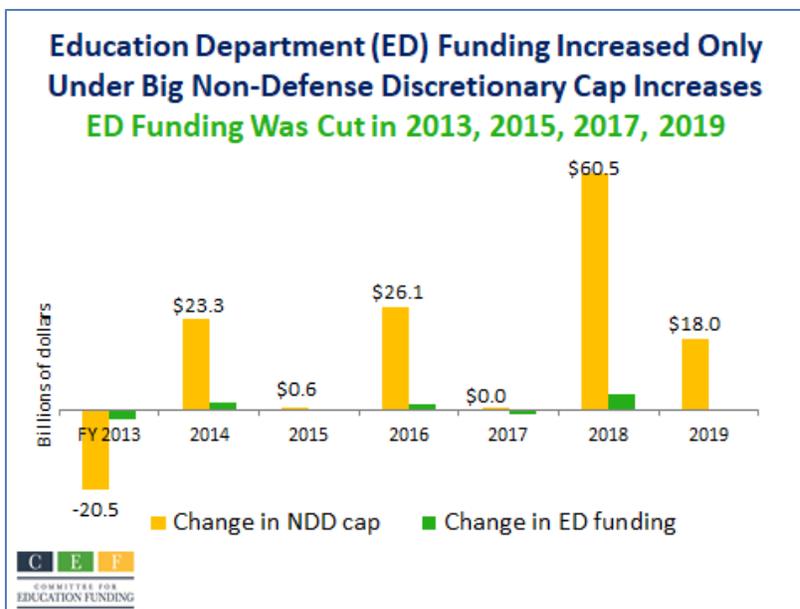
One factor inhibiting the federal investment in education is the fierce competition for non-defense discretionary dollars under the caps set by the Budget Control Act and under the even tighter sequester-level caps that went into effect starting with an across-the-board cut for fiscal year 2013. Those

⁴ Office of Management and Budget, FY 2019 Budget, *Table 8.1 – Outlays by Budget Enforcement Act Category: 1962-2023*

⁵ Heckman, García, Ermini Leaf, Prados, *Research Summary: The Lifecycle Benefits of an Influential Early Childhood Program* (2016)

sequester caps are so tight that Congress has not been able to enact appropriations bills within the limits, and has had to raise the caps on both defense and non-defense discretionary funding via three separate budget deals that covered two years each.

Even though the budget deals allowed higher spending education programs did not see any meaningful gains until 2018, and those gains did not continue for 2019. First, the higher caps did not result in substantial increases for the bill that covers the Departments of Labor, Health and Human Services, and Education. That bill contains one third of all non-defense funding – it is the largest non-defense appropriations bill and covers many vital programs and services that Americans need, including education. However, the allocations for this bill have not reflected the size of the increases in the non-defense discretionary funding caps.



Second, funding for Department of Education programs – which I am using as a proxy for federal education investments, although there are education-related programs outside the Department – only increased for the years that Congress had provided very large year-over-year increases in the non-defense discretionary caps: that is fiscal years 2014, 2016, and 2018. When the caps were basically frozen at the prior year’s level – as they were for fiscal years 2015 and 2017 – education funding was cut. Even the \$18 billion increase for non-defense discretionary funding for fiscal year 2019 did not lead to an overall increase in net resources for education. As Congress debates what to do about the fiscal year 2020 and 2021 caps, I urge you to keep in mind that education funding only increased when Congress provided truly substantial increases in the non-defense discretionary caps.

Need for Greater Federal Education Investments

The tight budget constraints of recent years have left many education needs unfilled. I’d like to provide just a few examples of the many areas in need of federal investments along the education continuum.

In 1975, Congress mandated that all students with disabilities have access to a free appropriate education, and in return pledged to cover up to 40 percent of the additional cost associated with educating children with disabilities. However, that pledge has never come close to being fulfilled, and the federal share of special education funding has declined to less than 15 percent of the additional costs – less than half of the 40 percent “full funding” percentage pledged. That means the vast majority of special education costs are borne by state and local education budgets. If Congress were to meet its

obligation and provide more for the Individuals with Disabilities Education Act programs, that additional investment would benefit all students, including those who do not directly receive special education services, because more of the state and local budgets could be used to meet other education needs, such as school construction and repair, teacher training, transportation, teacher pay, etc.

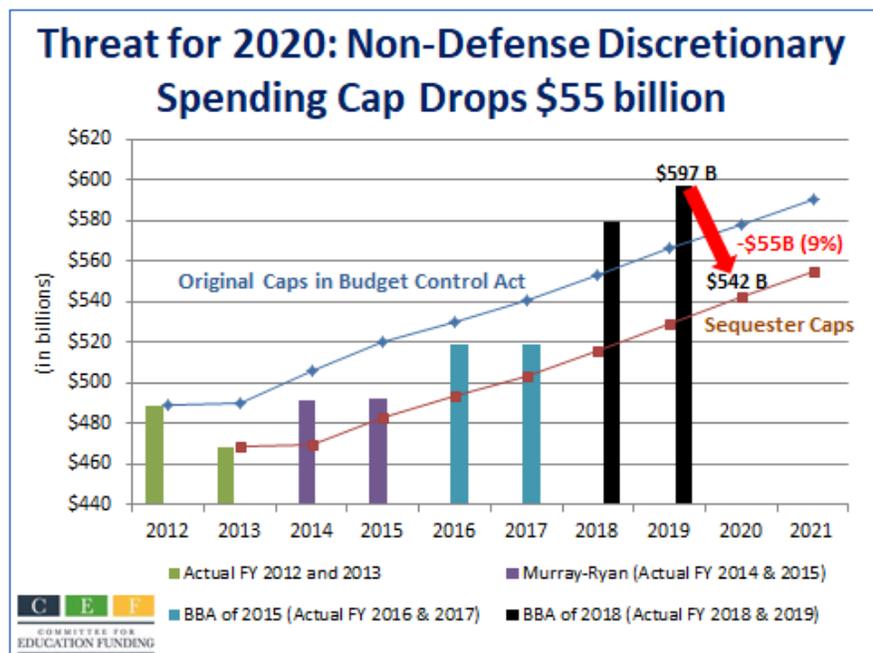
The largest federal investment in early childhood education is Head Start, but the current funding of \$10.1 billion provides services to fewer than 4 of every 10 eligible children.⁶ Investments in early childhood education lead to large societal savings later in life, so this is an area where we are being penny wise but pound foolish, or rather, dollar wise but many-billions-more foolish.

There is a large demand for afterschool programs – for every child enrolled, two are waiting to get in – and three in rural communities.⁷ The 21st Century Community Learning Centers provides before- and afterschool and summer learning services to 1.7 million children, but there are 10.1 million who would attend if a program were available. While federal funding for this program has barely increased over the last ten years, it has declined by almost 15 percent in real, inflation-adjusted terms, leaving many children without access to the academic and other supports offered.

A final example – shortly after Congress enacted the Pell Grant program in the 1970s, the maximum award covered 88 percent of the average cost of attending a 4-year public college. These grants help more than 7 million low-income students obtain a college education, but the Pell Grant has not kept up the growth in college costs over time, and today covers only 28 percent of average 4-year public college costs.⁸ The U.S. could increase access to higher education if it increased the maximum Pell Grant.

Why Congress Must Substantially Raise the Non-Defense Discretionary Cap

Congress will not be able to fill any of these and the many other pressing needs along the education continuum, or even maintain current funding, unless it raises the non-defense discretionary cap, which for the coming fiscal year drops \$55 billion, or 9 percent. However, the cut to current non-defense discretionary programs would be greater



⁶ National Head Start Association, *Access to Head Start in the United States of America* (2017)

⁷ Afterschool Alliance, *America After 3pm Special Report: The Growing Importance of Afterschool in Rural Communities* (2016)

⁸ Institute for College Access & Success, *Pell Grants Help Keep College Affordable for Millions of Americans* (2018)

than \$55 billion because Congress will need to provide much more funding for the decennial census and for the VA Choice program. The total for those two items is likely more than \$10 billion extra to fit under the non-defense discretionary cap, which would mean cutting existing programs by \$65 billion, or 11 percent.

A cut that large would be devastating. One can get a measure of the cuts required by looking at the President's last two budget requests, which cut education funding by 11 percent. To reach savings of that magnitude, the President's 2019 budget outright eliminated 32 education programs, including the \$1 billion afterschool program, the \$2 billion teacher and school leader training program, and the \$1 billion Student Support and Academic Enrichment block grant created by the Every Student Succeeds Act. The President's budget also reduced funding for 25 other education programs, including cutting in half support for the Federal Work Study program that helps provide paying jobs for low-income college students.

Deep cuts like these fly in the face of the need to make foundational investments that grow the economy, support our families and communities, and make the nation stronger. Today's successful students are tomorrow's research scientists who will discover cures to illnesses. Today's STEM students are vital to military readiness as they become tomorrow's weapons designers and programmers keeping us safe from debilitating cybercrime. Some may argue that even when federal education support was cut, classroom doors still opened and some students still managed to get a post-secondary education, but the system is fraying. We see teachers facing classes of 40 students, in rooms with only 30 desks and disintegrating textbooks. We see the impact of crushing student loan debt that keeps adults from being able to buy a home or car, or start a family. We see the herculean efforts this has required of schools, families, and communities.

We urge Congress to take the steps needed to allow for greater investments in education along the continuum – in early childhood education, K-12 education, career and adult education, higher education, and out-of-school educational opportunities. The first step is to raise the fiscal year 2020 limit on non-defense discretionary funding substantially above the 2019 level. The second step is to provide the Labor-HHS-Education appropriations bill with a much larger allocation to allow for necessary investments in education that will enhance America's economic and national security.

Thank you again for providing the opportunity to testify about the need for greater education investments. I am happy to answer any questions.