

# **Opening Statement of Chairman Ron Johnson**

## ***“A Review of the Department of Education and Student Achievements”***

### **September 30, 2015**

*As submitted for the record:*

Good morning and welcome.

Effectively educating our nation’s students, ensuring they have the tools and means to succeed, is one of the most important things we can do as a country to build a strong economy. And the federal Department of Education (ED) plays no small role in our country’s education system with, by its own description, “programs that touch on every area and level of education.” That amounts to 50 million elementary and secondary students, and some 20 million college students.

In two weeks, it’ll be exactly 36 years ago that President Carter signed the law establishing the current Department of Education as a cabinet-level agency. It was in fact this committee that reported out that legislation, so it is fitting that we are conducting this oversight on the department, taking a macro look at the interaction of federal policy and students. And we’re doing so on the eve of a new fiscal year, no less.

In total, \$1.53 trillion (in current dollars) has been spent by the Department of Education since its inception in 1980. In that year, annual appropriations were \$14 billion. Last year, we spent more than that on Title I funding alone, and twice that amount on Pell Grants. FY 2015 appropriations totaled \$87.4 billion: \$37.1 billion on elementary and secondary programs, and \$43.5 billion on postsecondary. Are we seeing commensurate improvements in learning? That’s what we are here to find out. I have a number of questions about our education system: the successes, the failures, and the unintended consequences.

- Between 1980 and 2011, we’ve increased per pupil public school spending (at all levels) by 367 percent (78 percent in inflation-adjusted terms). Why do NAEP scores in reading and math for seniors remain relatively flat through all that time? What can we do to make sure these additional resources go to improving learning?
- On higher education, our children have become increasingly indebted, year after year, in order to attend college and earn a degree. This debt now totals over \$1.15 trillion. Who will ultimately bear the cost of this rising debt? Whose kids and grandkids will be saddled with its lasting burden?
- Since 1963, the price of college has increased by 1,850 percent – more than two-and-a-half times the overall price level. Why has it increased so fast, so consistently? Doesn’t this erode the return on investment in college? At what point does college simply

become too expensive to be worthwhile, and what can be done to prevent us reaching that point?

- Economists at the Federal Reserve Bank of New York recently found that up to 65 cents of every dollar increase in federal subsidized loans is passed through in the form of higher tuition costs. Does our current federal student aid system have the unintended consequence of raising college costs, which in turn requires more debt to finance, creating a vicious cycle for students and families?
- \$452 billion (one-third) of the \$1.3 trillion lent to students by the federal government over the last 20 years is for graduate and professional programs. As the New York Fed's Director of Research pointed out recently, one of the major factors driving this increase in student debt is "students are staying in college longer and attending graduate school in greater numbers, and loans to finance graduate study have become more readily available." Now some propose that federal taxpayers help relieve this debt. Is it fair that all taxpayers, including those without any college degree at all, would have to pay off the debts of people with high levels of education, even those with elite levels of education?

In business, regular reviews of a department or unit's performance, by laying out budget realities and assessing progress on strategic goals, is a normal occurrence. I'd like to see such reviews become more common in the federal government as well. It's with that goal in mind that we're holding today's hearing.

Thank you. I look forward to your testimony.

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