

Outlook for Education in the 112th Congress

January 2011

In light of the President's State of the Union address, the new Congressional landscape, and the focus on Federal education spending, we have prepared this document to provide you with an overview of what we believe may be discussed and considered in education as the 112th Congress gets under way. Specifically:

- **Legislative Priorities**
- **Legislative Timing**
- **Education Policymakers in the 112th Congress**

Legislative Priorities

An Overview

House Republicans are calling for significant cuts to domestic spending, including cuts to education. As demonstrated by the President's State of the Union Address, where he highlighted education policy as a core area needing to be addressed to improve America's economic outlook, the Administration and likely the Democratic-run Senate, will oppose cuts to education funding. Opposition is likely in the areas of STEM, Pell Grants, and K-12 funding, which includes the Race to the Top Program and the Investing in Innovation (i3) Fund created by the American Recovery and Reinvestment Act (ARRA) in the 111th Congress.

We believe the policymaking and funding processes in this Congress will have a significant impact on Federal education reform. Below is a breakdown of those pieces of legislation we believe could be the most influential this Congress.

Funding

Fiscal Year 2011 Appropriations:

- Remains uncompleted from last Congress
- Federal Government could shut down if not passed
- House passage likely to include significant cuts to all Federal programs
- Spending reductions could be challenged by the Senate and President
- Expect to see education funding at slightly lower levels than Fiscal Year 2010, but to include some key Presidential priorities, including Race to the Top

Fiscal Year 2012 Appropriations:

- No earmarks to be included in House or Senate bills
- No increases in education funding expected - level-funding at best



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- Expect to see major cuts to education funding in the House
- May include riders to preventing some regulations and waivers from taking place – could affect higher education regulations

Raising the Debt Ceiling:

- Expect consideration after completion of fiscal year 2011 appropriations legislation
- If agreement not reached, Government could face defaults on outstanding bonds and other debt instruments
- Republicans may use as a vehicle to push for additional spending cuts and potentially some policy changes
- Education could play a significant role in this debate

Policy

ESEA Reauthorization:

- High priority for the Obama Administration
- Discussions in both the House and Senate about moving ESEA reauthorization
- Under the leadership of Chairman Tom Harkin, Senate seeking to pass a comprehensive and bipartisan reauthorization bill
- Chairman Harkin and staff working on a Committee draft
- Other Democratic Senators, including a group of moderate Democrats, working on their own proposals to tie into the process
- Senate Republicans may be split as well – those aligned with HELP Committee Ranking Member Michael Enzi and Ranking Member of the HELP Children and Families Subcommittee, Lamar Alexander, whose views are similar to Secretary Duncan's and those conservatives who seek to reduce the Federal role in education
- House may try to pass ESEA in pieces to examine better all of its components and avoid political setbacks
- Both Republicans and Democrats in the House Committee currently focused on organizing the Committee and educating Members

Higher Education:

- Two issues that may arise this Congress pertaining to higher education – Regulations and Funding issues
- The Department of Education's higher education regulatory process has been debated for some time, particularly those rules pertaining to "gainful employment"
- Expect Department to issue guidance on their regulations, as well as the final "gainful employment" regulation within the next few weeks
- Regulations could be subject of Congressional hearings and possibly legislation this Congress
- Regarding higher education funding, expect the focus to be on the Pell Grant shortfall



- Shortfall likely to be an issues as fiscal year 2012 budget is completed and could lead to potential changes to some Pell Grant program provisions

Legislative Timing

Although the exact timeline for consideration of these issues remains unclear, below is the tentative schedule we expect Congress to follow for the legislative priorities listed above:

- Fiscal year 2011 Appropriations – end of March 2011
- Fiscal year 2012 Appropriations – end of 2011
- Raising the debt ceiling – after the conclusion of 2011 appropriations, possibly April
- ESEA reauthorization – possible Senate draft by spring; unclear in House
- Higher education – guidance on regulations in the next few weeks; hearings and legislation on regulations later this year

Education Policymakers in the 112th Congress

House

The Committee on Education and the Workforce has 22 Republicans and 17 Democrat Members. The Chairman of the House Committee is Representative John Kline (R-MN) who has served on this Committee since 2003. The new Chairman of the Committee's Early Childhood, Elementary and Secondary Education Subcommittee is Representative Duncan Hunter (R-CA) who is in his second term in Congress. The new Chair of the higher education Subcommittee is Representative Virginia Foxx (R-NC), a former college administrator and conservative Republican focused on limiting the role of the Federal government in education. On the Democratic side, Representative George Miller (D-CA) will serve as Ranking Democrat of the Committee. Rep. Dale Kildee (D-MI) will serve as Ranking Member of the Committee's Early Childhood, Elementary, and Secondary Education Subcommittee. Representative Ruben Hinojosa (D-TX) is the Ranking Member of the Higher Education Subcommittee. The Committee, particularly on the Republican side, is made up of a number of Members who were not in Congress when NCLB, the most recent iteration of ESEA, was passed in 2001. The House will likely take some time gauging Members' temperatures on the issues and educating them on the Committee's areas of jurisdiction.

The House Appropriations Committee will be chaired by Representative Hal Rogers (R-KY). The Chairman of the Labor-HHS-Ed Appropriations Subcommittee is Representative Denny Rehberg (R-MT). The Democratic side will be led by Representative Norm Dicks (D-WA). The Ranking Member of the Labor-HHS-Ed Subcommittee is Rosa DeLauro (D-CT).

It is also important to note that Speaker of the House, John Boehner (R-OH), a former Chairman of the Education and the Workforce Committee, will play a critical role in education policy as well. We expect Reps. Boehner and Kline to work together on education reform. We also expect, Speaker Boehner will need to determine the stance of his freshman class on education and respond accordingly.



Senate

The Senate Health, Education, Labor, and Pensions (HELP) Committee has 12 Democrats and 10 Republican Members. The Chairman of the Senate Committee is Senator Tom Harkin (D-IA) who also serves as Chair of the Senate Labor-HHS-Ed Appropriations Subcommittee. On the Republican side, Senator Michael Enzi (R-WY) will continue to serve as the Ranking Member of the Committee. Senator Lamar Alexander (R-TN) will serve as the Ranking Member of the Senate Children and Families Subcommittee.

The Senate Appropriations Committee will be chaired by Senator Daniel Inouye (D-HI). As mentioned above, the Chairman of the Labor-HHS-Ed Appropriations Subcommittee is Senator Tom Harkin (D-IA). The Ranking Member of the Senate Appropriations Committee and its Labor-HHS-Ed Subcommittee is Senator Thad Cochran (D-MS).

You may access a complete list of Committee Members at these Web links: [Senate](#) and [House](#).

If you have any questions about anything contained in this document or any other matter, please let us know.

