

EDUCATION WEEK

Lawmakers Explore Impact of Automatic Cuts on Education

By Alyson Klein on July 25, 2012 2:28 AM

A set of sweeping, across-the-board trigger cuts set to go into effect in January would be "devastating" to education programs, particularly if Congress decides to spare only defense programs while allowing K-12 cuts to go through, U.S. Secretary of Education Arne Duncan and Democratic lawmakers said at a hearing today.

Right now, domestic spending programs—like education—and defense programs are supposed to share the pain of the trigger cuts equally, with all programs facing a cut of up about 7.8 percent on January 2, according to the Congressional Budget Office.

But, if Congress reaches some sort of deal that exempts only defense, the cuts to domestic programs would be much steeper, Sen. Tom Harkin, D-Iowa, the chairman of the subcommittee that oversees education spending, said at hearing today on the impact of the cuts. They could be as high as 17.6 percent, across-the-board, he estimated.

Secretary Duncan said that he "worries gravely" about what such a big cut would mean for the future of the economy.

Some background: So what exactly are these trigger cuts, better known inside the beltway as "sequestration"? About a year ago, Congress was stuck in a big ugly stalemate over how—and whether—to raise the debt ceiling. The upshot was that, unless lawmakers can come up with some grand plan to put the nation on firmer fiscal footing on a permanent basis, there would be big cuts, across-the-board to almost every program, including the military (which Republicans and many Democrats want to fund), and domestic programs (which are typically associated with Democrats.) The cuts are slated to go through on Jan. 2, unless Congress can come up with some kind of a deal to head them off. So far, though, that grand bargain has been totally elusive in Brokedown Congress. Most folks don't think the issue will get resolved until after the presidential and congressional elections in a "lame duck" session.

Why all the worry about sparing defense? The Pentagon and defense contractors have been doing a much better job communicating to lawmakers—and the general public—about what cuts to the military would mean to the nation's ability to defend itself. Education and other domestic programs, meanwhile, haven't gotten nearly as much airtime in the debate. Today's hearing—and a subsequent rally, featuring Harkin and other Democratic lawmakers—was obviously an attempt to change that.

Democrats on the committee gave Duncan plenty of chances to sketch out just what the cuts would mean. Sen. Barbara Mikulski, a Democrat whose home state of Maryland won two Race to the Top grants, said there has been some major energy and momentum lately on education redesign, including in tricky areas, such as teacher evaluation. Would big, across-the-board cuts slow that momentum, she asked Duncan?

Yes, he said. The cuts would be "a huge blow to those efforts."

But Sen. Richard Shelby of Alabama, the top Republican on the committee, said the U.S. Department of Education hasn't exactly been attempting to trim its spending in the face of a yawning federal deficit. The department asked for an increase of about \$1.7 billion this year, on a budget of about \$68.5 billion, he noted. Much of that extra boost would go to cover the Pell Grant program, which offers scholarships to help low-income students attend college.

"You should not have disregarded economic reality," Shelby told Duncan.

Meanwhile, Harkin and others on the committee kept coming back to the impact of the cuts. The panel's staff came up with a [list](#) of program-by-program, state-by-state estimates, of what the cuts would mean, which you can check out here. Highlights: Title I grants to districts would be cut by about \$1.1 billion, resulting in 15,523 jobs lost. Special education state grants would be cut by \$900 million. The \$533 million School Improvement Grant program would be \$41 million, meaning that grants would go out to 75 fewer schools. And special education state grants would be cut by about \$900 million. Duncan reiterated many of those numbers in his testimony.

But Shelby cast a skeptical eye on those projections, which were based on a 7.8 percent across-the-board cut, starting on January 2.

"The report specifies job cuts across programs and states, yet we simply have too little definitive information to know if these numbers are accurate," he said. "The only thing we do know is that agencies, programs, and states will have some flexibility to determine how reductions are taken and that all cuts will not necessarily lead to layoffs."

The good news for most school districts amidst all this doom and gloom? School districts wouldn't feel the impact of the cuts for Title I grants for districts, special education, career and technical education, and Title II grants for teacher quality until the 2013-14 school year, the Education Department said in a letter sent to state chiefs last week.

That gives districts and states plenty of time to plan, and maybe gives Congress some extra time to figure out a longer term solution before most districts have to cope with the squeeze.

What would be hit right away? Impact Aid, a program that helps school districts with lots of federal land, make up for lost tax revenue—a big issue for districts near military bases, for instance. Billy Walker, the superintendent of the Randolph Fields Independent school district in University City, Texas, told lawmakers that about half of his districts' funding comes from federal programs, including impact aid.

And Duncan singled out Impact Aid districts in his testimony. The Killeen school district, also in Texas, would lose up \$4.6 million in Impact Aid if the cuts go through, he said. "Military families make so many sacrifices for our country," he said. "They deserve a world class education."

Even though most of the cuts wouldn't hit for a while, state education agencies are still worried. June Atkinson, the North Carolina state superintendent of public instruction, said that her state wouldn't be able to help districts cover the cuts if they happen.

"North Carolina has no place to go," in terms of finding efficiencies, she said. The state is already among the lowest in the nation when it comes to education spending, and has already taken a number of steps to reign in spending without hindering student progress. And she argued that states need much better guidance from the federal government about how the cuts would be implemented.

"States need to know the complete picture," Atkinson said in prepared testimony. "I implore you to use your congressional authority to prevent sequestration, or at the very least require the administration to provide states with as much information as possible."

But Neal McClusky, the associate director for the Center for Educational Freedom at the CATO Institute, said that the cuts wouldn't be such a bad thing. Education spending has risen astronomically over the past several decades, he said, with no real gain in student achievement.

Expect these arguments to come up again and again as Congress seeks a solution to the nation's long-term spending problems.