

NATIONAL PRESS CLUB LUNCHEON WITH ARNE DUNCAN

SUBJECT: ARNE DUNCAN, THE U.S. SECRETARY OF EDUCATION, WILL SPEAK AT A NATIONAL PRESS CLUB SPEAKERS NEWSMAKERS EVENT ON FRIDAY MAY 29, 2009 AT 10:00 A.M., TO DISCUSS EDUCATION REFORM AND HIS AGENCY'S ROLE IN PRESIDENT OBAMA'S ECONOMIC STIMULUS EFFORTS.

MODERATOR: DONNA LEINWAND, PRESIDENT, NATIONAL PRESS CLUB

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DONNA LEINWAND: (Sounds gavel.) Good morning. Welcome to the National Press Club. My name is Donna Leinwand. I'm president of the National Press Club and a reporter for *USA Today*.

This morning, we are pleased to have the Secretary of Education, Arne Duncan, to talk about education reform and his agency's role in the President's economic stimulus efforts. Secretary Duncan has more resources at his disposal than any previous Secretary of Education. The economic recovery package provided more than \$100 billion dollars for education. It is intended to shore up state education efforts while saving jobs, and encouraging educational innovation.

President Obama has made it clear that education is one of his top priorities, and that he expects results. Our guest today served as CEO of the Chicago Public Schools, one of the nation's largest public school systems. He shuttered schools that didn't perform. He required kids who were planning to drop out of high school to sign forms acknowledging that they knew that they would be less likely to find jobs that paid well, or any jobs at all.

Ultimately, he raised student achievement in a historically troubled school system. Secretary Duncan considers education a civil rights issue, a moral obligation of society, and an economic imperative. He comes to us today after several stops on his 15-state listening tour. If you look at the photos on the website, the listening tour seems to involve talking to a lot of educators and school children, and eating a lot of school lunches. In fact, he has brought some sixth grade journalism students with him today. And I understand that you will grill him when the program ends. You guys ready? Okay.

He hasn't sugar-coated what he has learned about the nation's schools. He described the nearly bankrupt Detroit schools as ground zero for education, adding that Detroit is New Orleans two years ago without Hurricane Katrina. When it looked like South Carolina was going to forego economic stimulus funds, he characterized the data on student achievement in the state as heartbreaking.

When asked about the reauthorization of No Child Left Behind, Duncan said he considered the name, No Child Left Behind, toxic. And things aren't all that peachy at the Department of Education, either. When a survey of the best and worst places to work in the Federal government was released, the Education Department ranked 27th out of 30 agencies. Duncan told workers he wants to listen to their concerns.

So today, please welcome Education Secretary, Arne Duncan. (Applause.)

SECRETARY ARNE DUNCAN: Thank you so much for this opportunity. And I look forward to some great questions, particularly from the students, so don't hold back. I'll answer anything.

This is an extraordinary time in our country to be working in education. And I feel so lucky to have the opportunity. This is a time, as everyone here knows, of economic crisis. It's a time of educational crisis. And I'm convinced we have to educate our way to a better economy. The challenges are real. The challenges are profound. The stakes have never been higher. But the opportunity is absolutely once in a lifetime.

I want to talk about why the opportunity is so huge today. First of all, you have absolute leadership from the top. You have a President, a First Lady, a Vice President, his wife, Jill Biden, who's still teaching today in a community college, which is fantastic. You have leadership from the top that is passionate about education and knows how critically important it is to give every child a chance to go to a great school.

The President, the First Lady, weren't born with silver spoons in their mouth. They are who they are, the leaders of the country and the leaders of the

free world, because they worked so hard and because they had great teachers. We have bipartisan support in Congress. Everybody knows how much better we need to get. If there's no other issue in this country that people can agree upon, it's on the critical importance of education to our country's health and vitality. And we've had tremendous support on both sides of the aisle to help us go where we need to.

Third, there's more great ideas about what works around the country than ever before. What I've said repeatedly is, I don't have to come up with any great ideas. My job is to listen, to learn. And then in every inner city community around the country, in many, many rural communities, there are extraordinary schools, great educators who are beating the odds every day. My job is to listen to them, to invest in them, to take the skill, what works. And there's been this blossoming of entrepreneurial ideas and energy around education over the past ten, fifteen years.

And we know what is possible, regardless of socioeconomic challenges, regardless of family background. When children have a chance to get a great education, they do very, very well.

So you have leadership from the top. You have congressional support. You have great ideas. And lastly, and not insignificantly, we have some real resources, as was said in my introduction, \$100 billion dollars to invest in education. We have never seen that kind of influx in resources. And let me be clear — money's a piece of the answer, but money alone won't begin to solve our problems.

And with unprecedented resources, we want to push unprecedented reform. Simply investing in the status quo is not going to get us where we need to go. We have to get dramatically better if we're going to retain our spot around the world as the education leader. And the President has drawn a line in the sand. He has said, by the year 2020, we want to have the highest percent of college graduates in the world. We're at about 40% now. To get there, we have to get to a 60% graduation rate. We have a long, long hard road ahead of us. It is an ambitious goal, but it's absolutely the right one. And we're going to push hard every single day to get to that point, and to educate our way to a better economy and a stronger future.

How do we get there? I want to talk about the pieces of our agenda and walk through why the reform agenda is so important. We're investing at every level of the education continuum — early childhood, K to 12, and higher ed. And some folks have said that's too ambitious: "You should just do one of those." And it would be easy. I wish we could just do one of those. But that's not reality. We have to get better at every single level.

On the early childhood side, a \$5 billion dollar investment — and a very strong case could be made, that's the most important investment we could make, that if we can get our three and four year-olds into high quality programs, if our children hit kindergarten ready to learn and ready to read, with their socialization skills intact, their literacy skills intact, they can do very, very well.

When children enter kindergarten and barely know their name, don't know the front of a book from the back of a book, don't know their colors, I wonder how the best kindergarten teachers in the country can teach those great disparities in ability levels. And so we're trying to dramatically increase access on the early childhood side to make sure every child that wants to go to a program can do that. And secondly, we want to dramatically drive up quality. If the early childhood piece is simply glorified babysitting, that's not going to get us where we need to go. So if we can do those two things, that investment long-term, we're convinced it's going to pay huge dividends.

I'm going to come back and close on the K to 12 side. I'm going to jump ahead on the higher ed side. Higher education, over \$30 billion dollars, going to do two things — increase access and increase opportunity. And it's so critically important today that our students not just think about graduating from high school, but going on to some form of higher education — four-year universities, two-year community colleges, trade or vocational training, whatever it might be. There are no good dropouts, no good jobs today for high school dropouts. Students that drop out today are basically condemned to poverty and social failure. There are almost no good jobs out there if you simply have a high school diploma.

So some form of higher education has to be the aspiration for every single one of our students. And I worry a lot about that today, at a time when going to college has never been so critically important, it's never been more expensive. And our families have never been under more financial duress. And so \$30 billion dollars, north of that, the greatest investment in higher education since the G.I. Bill, is hugely, hugely important.

We want to make sure that our fourth and fifth and sixth graders know that even if mom or dad might be losing a job or might be taking a thirty or forty, fifty percent pay cut, we want them to know that money's going to be there for them as they graduate from high school and go on to college. I worry a lot about the dreams of our young people starting to die at an early age if that's not there.

So we're doing some things that we think are common sense but a little controversial. We are asking in the FY-010 budget to take our money out of banks, to stop subsidizing banks, and put all that investment into our children, into our high school graduates. Over the next decade, that will produce a savings of,

conservatively — *conservatively* — \$40 billion dollars. And we can dramatically increase Pell Grants, Perkins loans, the tuition tax credit to make sure that our students can have the chance to go onto higher education and fulfill their dreams.

This has turned out to be a little bit controversial. There's lots of good debate and that's healthy. But at the end of the day, I fundamentally think we should be in the business of investing in children, not in subsidizing banks.

Secondly, as part of that package, we don't just want to invest in the students. We're asking for \$2.5 billion dollars over five years, \$500 million dollars a year, to go to states, and through states, out to colleges to make sure we are retaining students in higher education. The goal is not to go to college; the goal is to graduate. And we see huge disparities in outcomes amongst different universities. I worry particularly about students who might be first generation, going to college, students where English is a second language for them. We want to make sure those students have a chance, not just to go, but to complete.

And so we want to make an unprecedented investment there to help schools build a culture and a climate of support so that every student who enters their campus has the chance to complete at the back end.

Finally, I'll close with our K to 12 agenda, and then open up for questions. Talked about \$5 billion dollars, early childhood, \$41 billion dollars, higher ed, almost \$70 billion dollars, K to 12. And we want to get dramatically better. Again, with unprecedented resources, we have to have unprecedented reform. And what we're asking for states is we put money out to states as part of the Reinvestment Act and Recovery Act, is we put out unprecedented resources and discretionary dollars, \$5 billion dollars, Race to the Top Fund, \$5 billion dollars in title one school improvement grants, \$500 million dollars in teacher incentive fund money, money for charter schools, huge, huge funding opportunities.

We're asking for unprecedented reform. What does that look like? A couple things — first of all, we're asking every state, "Do you have comprehensive data systems? Do you have an ability to track your children from the earliest of ages, not just through high school, but onto college?" Children cannot fall through the cracks. Children cannot afford to get lost. We can't afford to not know how they are doing.

Secondly, we're asking states to link children to teachers. And in some states, there are actually laws forbidding the linking of students and teachers. Great teaching matters tremendously. And we want to be able to track that progress over time. We want to be able to identify those phenomenal teachers. We want to be able to learn from them, recognize them, reward them, provide

incentives for them. And when students aren't learning, we want to deal with that as well.

Third, track students over time, track students and teachers, but then track teachers back to their schools of education. Why? Because we want to know what schools of education are producing the teachers that are producing the biggest gains in student achievement. And so really being transparent about data, the good, the bad, and the ugly, is hugely important to us.

Secondly, we want to raise the bar dramatically in terms of higher standards. What we have had as a country I'm convinced-- is what I call a race to the bottom. We'd have 50 different state standards, 50 different goalposts. And due to political pressure, those have been dummed down. And we want to fundamentally reverse that. We want common college-ready, career-ready, internationally-benchmarked standards.

These students here, our sixth graders here, are competing, not with children in your school or in your district, in your state for jobs; you're competing with children in India and China for jobs. And we want to be able to tell you that you are on-track to be successful. Our students are smart. They are bright. They are committed. We have to raise the bar.

One of the things I think No Child Left Behind got wrong (and it's a really interesting management challenge) is No Child Left Behind was very, very loose on the goals. We had 50 different goals and those got dummed down. No Child Left Behind was very tight, very prescriptive on how you got there. As we think about reauthorization, I want to fundamentally flip that on its head, make an absolute fundamental shift there. We're going to be much tighter on the goals, again, clear, college-ready, career-ready, internationally-benchmarked standards, hold a high bar, hold everyone to that high bar, but give states and districts more autonomy and a chance to innovate, to hit that high bar, hold them accountable for it. But the great ideas are always going to come from districts.

You know, when I was in Chicago, I didn't think all the good ideas came from Washington. Now that I'm in Washington, I know all the good ideas don't come from Washington. The good ideas are always going to come from great educators in local communities. And we want to continue to empower them.

What is most troubling to me on the standards issue is that in far too many states, including the state that I come from, in Illinois, I think we are fundamentally lying to children. And let me explain what I mean.

When a child is told they are "meeting a state standard" the logical assumption for that child or for that parent is to think they're on-track to be

successful. But because these standards have been dummed down and lowered so much in many places, when a child is “meeting the state standard” they are in fact barely able to graduate from high school. And they are absolutely inadequately prepared to go to a competitive university, let alone graduate.

And so we have to stop lying to children. We have to tell them the truth. We have to be transparent about data. We have to raise the bar so that every child knows on every step of their educational trajectory what they're going to do. We have many students who think they're doing well and then they take the ACT or the SAT as a junior or senior, and their scores are devastatingly low, and they're shocked. There should be no shock there. You should know in fifth and sixth and seventh and eighth grade what your strengths are, what your weaknesses are. And we should be working with teachers and parents, and students should be taking responsibility for their own education to really improve where they have deficiencies, where they have weaknesses. But we have to have a high bar that everybody's pushing for.

Third (and I said this earlier) in education, as in any business, but I'd argue particularly in education, great talent matters tremendously. Great teachers, great principals make a huge difference in our students' lives. And there's all kinds of data that talks about the average child with three great teachers in a row will be a year and a half to two years ahead of where they should be. And the average child with three poor performing teachers in a row will be so far behind, they may never catch up.

And so we have to think very creatively about a couple things — how we get the best and brightest to come into teaching. And eventually, you know, some of those become principals. And we have a fascinating opportunity ahead of us. We have as many as a million teachers retiring over the next four, five, six years. We have a baby boomer generation that is moving out. And talent, at any time, matters tremendously. But this is this amazing window. And our ability to attract this next generation of great talent over the next few years will shape public education in our country for the next 25, 30 years. There's truly a generational shift.

And so we're going to get out, myself, the President, the First Lady, the Vice President, his wife, starting this Fall to travel the country to recruit that next generation, this call to service, to come into our schools and make a difference.

Secondly, we have to think about how we get our best and brightest teachers and principals to take on the toughest of assignments. And we talk a lot about achievement gaps. I worry a lot about what I call the opportunity gaps. And historically, there have been very few incentives and lots of disincentives for the best and brightest to take on the toughest assignments, whether that's inner city,

urban, or rural. And we want to fundamentally change that, recognize who that talent is, reward it, and encourage them to go and work with the students in the communities that I would argue have been underserved, not just for a couple years, but for decades.

Third, we have areas of critical need, areas of shortage, math and science, foreign language. We have had those areas of shortage for decades, 20, 30 years. I would like to pay math and science teachers more money. I would like to pay them more to work in underserved communities. It is hard for this next generation of mathematicians and scientists to emerge if our children are being taught by teachers that don't really know their content. It is hard to be passionate about, instill a love of learning in something you don't fully understand yourself.

And so I don't want to talk about the math and science shortage for another 25, 30 years; I want to try and do something about it. And we think if we can incent teachers to come into those areas and then stay, and reward them for doing that, that would be a very significant step in the right direction. So thinking about systemically how we bring the best and brightest into teaching, how we reward them to take on tough assignments, how we reward them to work in areas of critical need, and how we keep them motivated throughout their educational careers. We lose far too many of our good young teachers. We lose teachers who come in for the best of intentions, they want to make a difference. They don't feel listened to. They don't feel supported. They struggle with classroom management skills. And we want to reach out to this next generation of talent, bring them into the profession, but then keep them here and do a better job of helping them build career ladders and trajectories that will keep them in the classroom for the next couple decades.

And then the final reform is one of the toughest. And we want to change the national conversation and debate around this. I want to take a few minutes now and then open up for questions.

We have about 95,000 schools in our country. Round it up to 100,000. Our best schools in the country are some of the best schools in the world. I was at one high school yesterday in Virginia, Thomas Jefferson High School, that is just extraordinary. And where we have great schools, district schools, neighborhood schools, magnet schools, charter schools, whatever it might be, we need to replicate those schools. We need to learn from them. You know, all these great schools, not surprising have long waiting lists, more students are looking to get in. We define ways to clone that magic and spread that around the country and create more of these high end opportunities.

We have a whole set of schools in the middle that are improving. They're maybe not where we want them to be, but they're doing the hard work every day

and they're going the right way. And we have to do everything we can to support those schools, to help them continue to improve, to help get them more talent, to work on professional development, and help them take that next trajectory and then move into that top echelon.

But then finally, I really want to challenge the country to think about, not those schools at the top, not those bulk of schools in the middle, but the schools that are absolutely at the bottom nationally. Now say, what if we as a country thought about the bottom one percent of schools, a thousand schools a year? And those schools unfortunately, they have become dropout factory, where fifty, sixty, seventy percent of students are dropping out, those elementary schools that don't just have low absolute test scores (I'm not a big believer in just absolute test scores; I'm a big believer in looking at growth and gain, and how much are students gaining every single year) where students gain scores, the growth is very, very low, so students are, by definition, falling further and further behind every single year.

What I want to ask the country to do is to think very differently about those schools at the bottom, and that more of the same incremental change, tinkering around the edges, is not going to work. We need a dramatic overhaul. We need to fundamentally turn those schools around. Our children have one chance to get a great education. And I would argue, at many of these schools, if you look at the data, these schools have chronically underperformed for years, sometimes for decades. These are not recent phenomenon.

And there are many different ways to do this. But what we did in Chicago is we moved the adults out. We kept the children and brought in new teams of adults — same children, same families, same socioeconomic challenges, same neighborhoods, same buildings, different set of expectations, different set of beliefs. And what we saw was dramatic change. We saw communities where children had fled, where in the first year, 125 families came back to the school because something better was going on.

We had one school where we had so many discipline problems, so much violence that in the year after the turnaround, my security team, unbeknownst to me, went out to audit the school because the numbers had dropped so much. They thought the school was lying. They couldn't believe how safe it was. And so they went out to check on, "What's going on here?" Just a different climate — they weren't lying. They were telling the truth — same children, peace, calm, students were learning.

We had a school that we did-- we turned it around. The students left (this was early on) came back, that was one of the worst schools in Chicago, that in the third or fourth year of the turnaround had the highest gain of any elementary

school in the state, went from being of the worst to having the greatest gain of any elementary school in the State of Illinois. Expectations matter tremendously. Adults matter tremendously. Opportunities matter tremendously.

And what I want to do is challenge the country to think very differently, not just about the top and the middle, but to think about those schools at the bottom. And I want to challenge all of us to have the will and the political courage, not just to tinker around the edges, not just to push for incremental change, but to fundamentally turn schools around. And it's interesting to me, as you look around the country, very few people are doing this. There are very few districts engaged in this work. There are very few states engaged in this work. There are very few non-profits and entrepreneurial groups engaged in this work.

And what we want to do is challenge everyone to step up to the plate and think about where things simply aren't working for children, where we are producing dropout factories that are, by definition, condemning children to poverty and social failure, we have to have a fundamentally different approach.

Some folks like to create false dichotomies and false debates. Some folks say, "You can only do this if you charter." This is an anti-union movement. Well, it's not. In Chicago, every school we turned around, we moved out union teachers. And guess what? We brought in union teachers. And I want to challenge the unions to be part of the solution, to be part of the answer, to help us turn around and give our children a chance to play.

I want to challenge the non-profit communities. We have great non-profit groups, great social and educational entrepreneurs that produce great teachers, that produce great principals. We have very few groups nationally that are producing turnaround specialists. There's a handful of them. We had a great partner in Chicago, the Academy of Urban School Leadership. There's a group, Mastery Of Learning, that's doing some interesting work. There's Green Dot in California. But I can literally count on one hand the number of non-profits engaged in this work. And we want to challenge other folks to step up and be part of the solution.

So partnering with the unions, partnering with non-profits, asking states to help us challenge the status quo-- And think about, as a country, think if we got to the point where every year we were taking on that bottom 'x' percent of schools. And if we did that, four, five, six years in a row, we would basically eliminate that bottom piece of our educational portfolio and come back with dramatically better options.

What I would argue is, we have huge challenges in education. Education has been desperately under-funded for a long time. We have \$100 billion dollars

on the table, money's never enough, but an unprecedented investment. We have more good ideas than ever before. We have more great schools in every inner city community and rural community. We know what works. What I would argue, what we have lacked, the toughest challenge is not the resources. It's not the intellectual battles, not the ideas. What we have lacked is the political will, the courage to do the right thing by children.

And so I would challenge the country and challenge every piece of the country to come together to have the will, to understand what our children can do when we give them opportunities. And if we could do this, year after year as a country systemically, we would change the life chances of our children.

Let me close with a personal story and then I'll open up for questions. Dr. Martin Luther King came to Chicago in 1966 and came to the west side of Chicago, the North Lawndale community, to point out the slum conditions there. And subsequent to his visit, billions of dollars poured into North Lawndale community, jobs, programs, anti-poverty programs, community development programs.

When I got my job to run the Chicago Public Schools in 2001, 35 years later, I looked at every single North Lawndale school, ninety-seven, ninety-eight, ninety-nine percent of the children in those schools were still poor. So the question you have to ask is, after 35 years, after billions of dollars, billions and billions of dollars in investment, why were the children in North Lawndale desperately poor?

And I would argue that the one thing that didn't change there is the only thing that can end cycles of poverty and social failure, was the quality of education. No one touched the schools. In the past seven years, we created nine new schools in North Lawndale. And I'm convinced that those new schools are going to produce children that can enter the mainstream and be successful and have a dream. And what I tell my staff every day is if a generation from now, 97% of children in North Lawndale are still poor, then we would have failed, that we would not have done our job. But with new opportunities, with new expectations, with a new high school in North Lawndale, where 95% of the children graduate, and 90% of those who graduate go on to college, I am convinced we can finally get to what Dr. King talked about.

Education is the only answer. And we have to have the political will. We have to have the courage to do the right thing by children. If we as a country can summon that passion and summon that courage to do the right thing, we'll transform the lives of our children, of our children's children, and for generations to come. Thank you so much and I'll open it up for questions. (Applause.)

MS. LEINWAND: We've got piles of questions that came in here. Can your relatively small, \$5 billion dollar Race to the Top Fund actually leverage all of the innovations you want out of the other \$95 billion in the stimulus, and how?

MR. DUNCAN: The Race to the Top opportunity is like so many things here, absolutely historic. And I think Secretary Paige had about \$17 million dollars of discretion money. We have \$5 billion dollars. Think about that.

But let me be clear — money alone does not begin to be the answer. And what we're going to do, we're working on the RFP, the request for proposals. It'll be out in the next couple months. We're going to invest hundreds of millions of dollars into states and into districts that are willing to challenge the status quo and push all of these reforms. And let me be clear — this is not going to be, you can pick one or two, or two out of four. We want this suite — high expectations, thinking very differently about talent, raising the bar, tracking data, turning around struggling schools.

We want to invest hundreds of millions of dollars in states that are going to lead the country in what we're calling this Race to the Top. And we're going to encourage states that aren't quite there yet to think about what it would take for them to enter this. And so there are going to be big winners and there are going to be big losers. But we need a set a states to let the country know what is possible. And this money-- So it's not about the money, it's about the reform this money is going to drive. And it is, again, an unprecedented opportunity for states to step up and lead the country where we need to go.

MS. LEINWAND: Isn't it sort of backwards, though, offering \$5 billion dollars, divided among 50 states, as a reward for spending \$95 billion dollars wisely?

MR. DUNCAN: I don't think it's backwards. It was important to get the stimulus money out, because we had to do two things. We desperately had to save and create jobs. And there was a University of Washington study that talked about as many as 600,000 teachers' jobs being lost. And what the stimulus dollars did was basically stave off what would have been an education catastrophe. We would have lost a generation of children. So it was a massive investment, but it was absolutely critical. And we had to do it. We had to do it quickly.

We can't afford to go backwards. We have to go forwards. And so class size would have gone from 25 to 40. If we would have laid off social workers and counselors and librarians, that would have been horrible for our children here and around the country. So we had to put that out there. But the stimulus dollars were for two things — it was to save and create jobs, and it was to push a very strong reform agenda.

And it's interesting — some people say in times of crisis, you can't innovate. You can't be creative. And Rahm Emanuel, the President's Chief of Staff, has this fantastic line that talks about, never waste a good crisis. We have a real crisis here in our country, educationally and economically. And times of crisis force you to think creatively, force you to be innovative.

And this is a real test of leadership at every level, governors and state superintendents and local district leaders. Some folks will be paralyzed by the crisis. They won't be able to think creatively. They won't be able to think more broadly. But some folks are going to use this crisis and are using this crisis to think very, very differently, to invest differently. And those are the districts, those are the states where we want to invest hundreds of millions of dollars to show the country what's possible. So I actually think sequentially was absolutely the right way to do it.

MS. LEINWAND: There are still many states that have not applied for stimulus funds. Are you concerned? And what happens if they don't apply?

MR. DUNCAN: Yeah, we didn't anticipate this one. So we're learning every day. And I want to thank our staff. Our staff has done an unbelievable job. We promised we would turn around applications within 14 days. Our staff has been turning around in six days. Our career staff is working nights, weekends, holidays. And we've put out about \$21 billion dollars to eighteen states.

I'm not concerned yet, but we put in a July deadline. And so we want those applications to come in. And we want states to be thoughtful in how they're doing it. But we do want to get this first set of money out. States are obviously planning now, districts are planning now for next Fall. And so we want them to know that the money's there. And our staff, again, I couldn't be more proud and pleased of how hard they're working and being responsive. And there are a number of applications that are starting to roll in as we speak.

MS. LEINWAND: One of the reporters in the audience asks, how do you plan to follow through on the idea that stimulus money for the states be tied to whether or not they lift their caps on the number of charter schools?

MR. DUNCAN: What I've said repeatedly is that, you know, charter schools aren't, in and of themselves, the answer. But they're part of the answer. And let me be clear — I'm not for more charters. I'm for more good charters. And what I'm actually for is for more good schools.

And interesting, charters are what-- Charter schools are sort of political speaker adult speak. Children will talk about charters versus non-charters, they

talk about good schools versus bad schools. And let me tell you where I think charters can be very effective. First of all, you have to have a very high bar. This is not, let a thousand flowers bloom. In some states, they'll just let anyone who wanted to open a charter, open. You can't do that. This is sacred work. And you've got to make sure that you're picking the best of the best to give them an opportunity to educate children.

Secondly, once you set that high bar, you have to do two things. You have to give these charters real autonomy. These are, by definition, education innovators. They're entrepreneurs. They have to be free from the bureaucracy. And if you tie them too closely, they won't play.

Second, with that real autonomy, you have to couple that with real accountability. You have to have five-year performance contracts. One without the other doesn't work. And so if you just have autonomy without accountability, you'll get mediocrity. If all you have is accountability and no autonomy, none of these education entrepreneurs will be interested. But that combination's very, very powerful.

What's amazing to me about charter caps is if charters are working, if those conditions are met-- We don't cap each year the number of students who can graduate from high school. We don't draw a line: "We're only going to let 73% of students graduate from high school." We don't cap each year the number of students who can take AP classes. We're always trying to do more of those things. So if something is working, why would we put an artificial cap on it? Why would we do it?

And yes, to be clear, while we're still developing the Race to the Top, RFP, the request for proposals, one of the very clear questions we're going to be asking states is, how are they thinking about innovation? How are they thinking about charters? And if folks are not flexible, if they're not innovative, if they're not willing to challenge the status quo, that's going to put them at a severe competitive disadvantage to receive these \$5 billion dollars from Race to the Top money.

MS. LEINWAND: What assurances do you have so far that states will take your demands seriously? And are you going to beef up the IG's office to keep track of all that spending?

MR. DUNCAN: I think those are two different questions. In terms of keeping track of the spending, we have a team that's absolutely in place. And we're pushing unprecedented transparency around this. But what I really expect is it shouldn't just be the Department of Education or IG's office. I expect you as reporters to be our watchdogs. I expect parents and students to be our watchdogs.

And we want to spend every single one of these dollars wisely. These are taxpayers' dollars. This is money that belongs to the public.

And so I really believe in this idea of mutual responsibility and accountability. And while we're going to do everything we can to be transparent, we expect parents and community groups and local reporters and media at the community level to really watch how these dollars are spent, and help us make sure and hold education leaders accountable for spending that money wisely. There's a second part I missed--

MS. LEINWAND: The first question was, what assurances do you have so far that states will take your demands seriously?

MR. DUNCAN: Well, we tried to do a couple things, and we've thought a lot about this. We're putting out in this first round of stimulus funding tens of billions of dollars. But as you may have noticed, different than other departments, we withheld tens of billions of dollars in stimulus funding for round two. And we're going to watch states very closely. And where states are acting in bad faith or playing shell games or doing the wrong thing, we have the chance to withhold tens of billions of dollars. So we have a very, very strong stick there.

On top of that, we have unprecedented carrots. I talked about the \$5 billion dollar race to the top fund, \$5 billion dollars in school improvement money, \$517 million dollars in teacher incentive fund, money for charter schools, \$250 million for data systems. We have north of \$10 billion dollars that we want to invest in states that are doing the right things, states and districts.

You know, we're going to watch how people behave and watch how they're spending money and watch their creativity and watch their innovation. And folks that are doing the right thing have a chance at a time of desperate economic need to bring hundreds of millions of dollars into their state. And folks that are doing the wrong thing, again, are paralyzed by the crisis or can't think creatively, those states, frankly, are going to lose. And so this is a real test of leadership around the country.

MS. LEINWAND: What will happen to State Educational Recovery Act dollars that remain unapplied for after the July 1 deadline?

MR. DUNCAN: I don't think that's going to be much of a problem. I think we're going to get those applications.

MS. LEINWAND: When will the Race to the Top application be released?

MR. DUNCAN: We're still thinking that through. That will be in the next couple months. And what we want to do in that is to push a very, very strong reform agenda. We want this to be absolutely as clear and objective as possible. We want to be absolutely transparent. And we just want to be-- you know, give folks a chance to demonstrate their commitment to reform, their commitment to leading the country where we need to go. And again, we want to invest unprecedented resources in those states, in those districts that want to provide the leadership that our country desperately needs.

MS. LEINWAND: Why did you backtrack on allowing Federal stimulus funds for school modernization?

MR. DUNCAN: I don't think we backtracked there. Money can absolutely be used to rehab and to fix schools that are in need of help. And there's so much you can do to make schools more energy efficient, to retrofit them, to make schools more accessible for early childhood programs, to make schools available for community programs. And we want our schools open much longer hours, ten, twelve, thirteen, fourteen hours a day. And there's very significant capital money that's desperately needed to have schools think creatively about different uses for buildings.

MS. LEINWAND: We have reporters here from a bunch of different states. So they want you to talk about their states. So one reporter asks, what can states, specifically Ohio, Pennsylvania, North Carolina, California-- I'll leave this up here for you-- Georgia, Washington, Texas, and Florida expect to see happen from the billions of ARRA dollars being distributed this month?

MR. DUNCAN: I can't remember that list of states. I'd say for all states, I think it's a common question. We're expected two things. We're expecting to save and create teachers' jobs. And the most important thing we can do in today's tough economy is to keep teachers teaching and to keep students learning, and again, to stave off this educational catastrophe. As I said, we can't go backwards.

And secondly (and this will really be up to those state leaders) to see who can step forward and push a very strong reform agenda. Who's going to do the right thing? And it was interesting. I saw recently (I'm going to reach out to them later today) the Cincinnati School System is bringing students back a month early this summer. And time matters tremendously. And we talk about summer reading loss.

And so, I mean, that's one example. There are many, many around the country. We see folks starting to use stimulus dollars, title one dollars in some very, very creative ways. And we all know about summer reading loss, the most devastating issue, where students get to a certain point in June and they come

back to you in September and they're further behind than when they left you. And so you have folks, again, locally, in districts, in states, they're starting to be very creative in their use of funds. And that's going to be very, very challenging as we forward on these more competitive dollars.

MS. LEINWAND: The stimulus is likely to have an uneven impact on states' K through 12 spending. For some states, it will be a huge plus. For others, it will not even begin to make up for previous cuts to K through 12 education. What impact do you think that disparity will have on the stimulus reform goals?

MR. DUNCAN: I think it is true that you have 50 states. I don't think there's a state in the country that's not hurting. I think every state is hurting at this point economically. It's to varying degrees, some more than others. But again, I repeat myself. I can't emphasize this enough — in times of crisis, in times when you have to look very carefully at how you're spending money, that is a time of huge opportunity. And I would argue that some of those states that are the hardest hit may be the states that push the most reform, because they see this once in a lifetime opportunity to change things.

And so, you know, how much a state is hurting is going to vary by degrees. That's not the issue. The issue is, how much courage they have, how much ability to innovate, and how much of an opportunist they are who see this chance to do something very, very different that they had never been able to do before because you have this unique intersection of crisis and opportunity. This is a huge test of leadership. And we're going to see how this plays out.

MS. LEINWAND: President Obama has stated, "To give our children a shot to thrive in a global information age economy, we will equip thousands of schools, community colleges, and universities with 21st Century classrooms, labs, and libraries." What is the DOE providing school libraries to accomplish this goal?

MR. DUNCAN: As I was talking about, in the stimulus package, there are billions of dollars for capital infrastructure. And so whether, again, it's retrofitting buildings to make them more energy efficient so that over time you can spend more money on teachers, on textbooks rather than on your gas bills and your heat bills and your electricity bills, whether it's making schools accessible to become community centers, whether it's opening them up for early childhood programs, there's a huge amount we're doing.

On the library side-- And this is, again, part of where I think our schools have to be community centers. Every school around the country has a library. They all have classrooms. They all have gyms. They all have computer labs. Some have pools. These are great, great facilities that don't belong to me. They

don't belong to local union. They don't belong to a superintendent. They belong to the community. And we want these facilities open twelve, thirteen, fourteen hours a day, six, seven days a week, eleven, twelve months out of the year.

And we have phenomenal schools where the library is a community library, and where folks are coming in and doing GED classes and ESL classes and family literacy nights, and where we have parents coming to school, not just for their children's education, but for their own. So thinking very, very differently about the use of time, not just lengthening the day, but lengthening the amount of time buildings are open, bringing in the non-profits, bringing in the community groups, using the library in different ways is something we're going to push very, very hard.

One of the places where our students are at a competitive disadvantage is in the amount of time they're going to school. And we want to really challenge the status quo there.

MS. LEINWAND: Why did the FY-2010 budget request \$1.5 billion dollars less than appropriated in fiscal year 2009 for the title one basic grants? Do you intend to curtail or end the basic grants program? Why or why not?

MR. DUNCAN: We did two things strategically. One is in the stimulus package, as you know, there was north of \$10 billion dollars in new title one money that came in, so unprecedented money for title one, unprecedented money for IDA, for children with special needs. But what we actually are doing is we're beefing up significantly the title one school improvement grants. We shifted resources there. And that was a strategic decision.

And the decision is, we want to focus resources on those schools that are at the bottom. And we want to have a laser-like focus on those schools that need dramatic change. And we want to put literally billions of dollars on the table to encourage states and districts to think very, very differently about what happens there. So this is really about a concentrated effort of laser-like focus to challenge those schools at the bottom that we think need to be fundamentally turned around and do it with a real sense of urgency.

MS. LEINWAND: Do you think college grants tied to high school performance such as the Academic Competitiveness Grant are an effective way to motivate low income students to take more rigorous high school courses? How will eliminating this grant affect low income high schoolers?

MR. DUNCAN: Well, what we actually want to do is we have unprecedented competitive resources that we want to put out, not just to states, but to non-profits and to districts, to think creatively about this. We have the \$650

million dollar innovation fund, invest in what works. And I'm a huge believer in getting high school students onto college campuses, taking college credits. And where we have those kinds of partnerships, we strongly encourage districts and, you know, community colleges, four-year institutions to apply. And we want to scale up those kinds of partnerships. These are hugely important to me for a couple different reasons.

One, again, in a time when families are struggling so much financially to have a college credit or two in your back pocket when you graduate from high school saves that family significant resources. But to me, this is about much more than money. When our children, particularly children who are first generation going to college, have a chance to go on a college campus or to take and pass a college credit, whether it's, you know, at a university or AP class, what they start to do is they start to believe in their heart that they really can be successful in college. And I worry a lot about students who are smart, who are capable, who are committed, but because they don't have anyone in their family who's ever gone to college, that world is just a different world for them. They don't feel they belong there. And so the more, in a concrete way, they can have that college experience in high school and say, "I'm capable. I can do this. This is my world. I can belong here," that is much more important to me than the financial benefits.

So where we have dual enrollment programs or early involvement programs, lots of different names for it, where you have successful programs, we again have tens of millions of dollars, hundreds of millions of dollars to invest in those programs so they're really helping many more of high school students start to believe that the college world is for them.

MS. LEINWAND: What is your position on a potential national education voucher program?

MR. DUNCAN: I've been very, very clear that I don't think vouchers work. They're not the answer. Let me explain why. Vouchers usually serve one to two percent of the children in the community. And I think we as the Federal government, we as local governments or we as school districts, we have to be more ambitious than that. That's an absolutely worthy or noble goal if a non-profit or a philanthropy wants to provide scholarship money to children. That's a great, great use of resources.

But I don't want to save one or two percent of children and let ninety-eight, ninety-nine percent drown. We have to be much more ambitious than that. And we have to expect more. And this is where I would argue, rather than taking one of these struggling schools, these thousands of schools I'm talking about, rather than taking three kids out of there and putting them in a better school and feeling good and sleeping well at night, I want to turn that school around now

and do that for those 400, 500, 800, 1,200 kids in that school, and give every child in that school, in that community, something better and do it with a real sense of urgency.

MS. LEINWAND: Why do you think the Education Department ranks so low among the best and worst places to work in the Federal government? And what are you going to do about it?

MR. DUNCAN: We're going to fix that. And I've talked a lot about being transparent with data. And you've got to lead by example. So a survey came out that said I think we were 27th out of 30 departments. That was before we got here. But we're going to own it. We're going to own it. We're here now. And so the day after I got it, I put a letter out to every employee. And we want to listen. We want to learn. And I will tell you, the career staff that I've worked with so far have been absolutely phenomenal. The amount of work that we're getting out the door has been extraordinary.

Again, just the stimulus dollars, Department's never seen these kinds of resources. And it's been so far executed impeccably well. And so going forward, as I said, on test scores, I look less at scores. I look at gain. Same is going to be true for us. We're going to look at our own gain each year and I'll come back here a year from now. If we haven't improved, you've got to hold me accountable for it. But we're recruiting the best and the brightest from around the country to come in and work. It is an extraordinary team we're building.

And for people who are in education, there has never been an opportunity like this. This is a once in a lifetime opportunity. And couldn't be more proud of the talent already in the Department. I couldn't be more proud of the talent coming in. And I'm very, very confident you'll see those numbers start to increase.

MS. LEINWAND: Well, as you said, you were listening to your employees. You're inviting them to talk to you. What are you hearing? What do they say-- What's bugging them? What don't they like?

MR. DUNCAN: What you find is pretty interesting. Folks feel they haven't been supported. They haven't had opportunities to develop their skills. We have to do a lot about better training of managers to do fair evaluations. We're trying to move away from a compliance-driven culture to a developmental-driven culture. And it's interesting. We want to build a model culture in our department that will reflect what we want to see happen in school systems. And so this is all about developing human potential, taking people wherever they are and helping them go to the next level.

And we all have strengths and we all have weaknesses. And I have to walk the walk, not talk the talk. There are areas where I have to push myself to get better every day, and be very self-critical and look in the mirror and say, “What can I do to improve?” But as we start to do a better job of listening to our employees, as we do a better job of empowering them, we do a better job of helping them develop their skills and improve on their weaknesses, I think that will fundamentally change the culture within the Department of Education.

MS. LEINWAND: Home schooling has nearly doubled since 1999. What does this say about our nation’s schools? And if this trend continues, how will it impact the country?

MR. DUNCAN: Well again, I’m just very, very pragmatic. We need more good schools. Every parent, doesn’t matter race, class, neighborhood background — every parent wants what’s right for their children. And I’m a big believer in choice and competition, having a variety of options. So if home schooling is a good option for a child or a family, god bless them. You know, that’s a good opportunity for them.

We need to continue to dramatically improve our schools. And the real test of this-- You know, I’m a big believer in looking at data and really tracking what’s going on. But let me tell you — you could walk into a school, and in two minutes, figure out what’s going on and what type of culture it is. And the rest test to me is personal. I have a seven year-old daughter and a five year-old son. If I walk into a school and it’s good enough for my children, then I think that’s a good school. If it’s not good enough for my children, then it’s a school that needs some work. In education, for far too long, we have created schools that are good enough for somebody else’s children. And so this has to be personal. This has to be what’s right for us.

And if we had every school in this country, was good enough for our own children, then I can retire and go to the Bahamas. Our job is done. But we got some work to do till we get there. But that’s what it’s about. It’s about making every school a school of choice. It’s about giving parents a range of-- a variety of very strong options and letting them figure out what that option might be. And if home school is a good option for them, more power to them.

MS. LEINWAND: What is your plan for Indian education or Native Americans?

MR. DUNCAN: Well, I’m so glad you brought that up. I spent Wednesday on a reservation outside of Billings, Montana. And it’s my first time being on an Indian reservation. And it’s a day I’m never going to forget. I’ve seen, you know, poverty all my life on the south side of Chicago, in the west side.

I've traveled throughout the country. I'm learning a lot every day. But, you know, Wednesday's a day that I'm never going to forget.

And the challenges are daunting. This is one reservation. But I think the numbers are more broad than this. The unemployment rate on that reservation is 70%. I couldn't-- I can't get my head around that — 70%. You have dropout rates of, you know, sixty, sixty-five percent. At the high school I went to (this was not a scientific study) but the teachers told me that over the past six years, they think they've had one child graduate from college, one child in six years graduate from college. So the challenges are enormous.

Having said that, I always spend a lot of time talking to children in schools I visit. And the children I talked to could not have been smarter, more committed, passionate. And it was fascinating. What were they asking for? They were asking to be challenged. They were asking for expectations to be raised. They had too many people telling them that they were never going to make it, they weren't good enough. And they were tired of adults telling them what they couldn't do.

Some of them have never been off the reservation. We talk about social isolation and exposure. And so we have to give children a chance to understand what's out there. There's a lot of conversation around a lack of teacher housing. So it's very hard to keep good teachers there. And I visited the reservation with Shaun Donovan, who's been a phenomenal partner, who's the new Secretary of Education at HUD. And we thought a lot about what we could do on the teacher housing front.

But I couldn't sleep Wednesday night. And my mind was just churning of a million things I wanted to do to help these children. And so there's a lot of hard work ahead of us. But if we can't help those Native American children be successful over the next couple of years, then I think I personally would have failed. And so that's an area where we're going to spend a lot of time. We're going to really think about doing something different. And the magnitude of the challenge was absolutely real to me. But these were smart, committed, passionate children who wanted to learn and wanted to do something. And we as adults have to find a much better way of meeting them more than halfway.

So this is an area where, again, I'm learning. This is a new world for me. But for far too long, we have not given these children what they need. And I'm committed to fundamentally challenging that status quo.

MS. LEINWAND: Your point about tracking students back to their individual teachers continues to support the public notion of the one teacher per classroom from the 19th Century in a 21st Century world. What about the growing awareness that successful education relies on teams of teachers, teams of

educators and other supports, including counselors, technology? How do you reconcile your policy's support of incentives to individual teachers?

MR. DUNCAN: It's a great question. But whoever asked the question doesn't really understand how I think about this. But let me take a minute to articulate. I do think that where we can, we absolutely need to track students back to the individual teachers. I also understand, that's the minority of teachers, that most-- you know, fifty, sixty, seventy percent of teachers, you can't do that.

And I'm a big believer, not just looking at what the individual teacher does, but what the entire school does and what every adult in the building is doing. So we created a program that rewarded excellence back in Chicago. Again, this is one model. There are many models out there. We created a model that did two things. Where we could identify teachers and their students, we rewarded those teachers on an individual basis. But we also created incentives for not just every teacher in the building, but every adult in the building — the principal, the custodians, the social workers, the lunchroom attendants.

Because as we walk into any good school around the country, it is every adult in that building who is building a culture of high expectations. And the lunchroom attendant is making sure those children are eating breakfast and lunch. And the security guard is making sure that the building is safe. And the custodian isn't just helping the building be immaculate, but is making sure that children are taking their backpacks home in the evening.

And so I think it's very important to look at both, to look at individual teacher contributions, but to also incent the entire team. And I come from an athletic background; the sense of team is very, very important to me. And again, in high performing schools, it is always not an individual effort; it's a collective effort. And the more we look at what those teams are doing and where we identify principals who are really building a culture of high expectations, the better we're going to do. So these are often false dichotomies. And we want people-- you know, challenge folks to be creative, to be innovative.

And one of the areas where we have huge resources to invest going forward with the FY-010 budget is the teacher incentive fund, \$517 million dollars. And we want to look at those districts that are finding ways to do this. The final point I want to make on this, what's so important, where so often these kinds of incentive programs have broken down is where they pit teachers against each other. And if there's a limited pool of money, and if only one teacher, one third grade teacher can win, what happens? Teachers close their doors and they don't share best practices. And you create perverse incentives.

You can't do that. You've got to create incentive where a rising tide lifts all boats. And we are encouraging teachers to help each other and support each other and collaborate. There's a really interesting term that is very important to me. People talk a lot about de-privatizing education. We need to de-privatize education. We need to open our doors, open our classrooms. And the more we're encouraging teachers to talk and collaborate across grades, within grades, the more we're encouraging principals to talk across schools, we have to open our doors. We have to create the right set of incentives to make sure we are de-privatizing education, opening up, sharing best practices, helping each other improve.

MS. LEINWAND: We are just about out of time. But before I ask the last question, we have a couple of little announcements. The first is that on June 1, former Vice President Dick Cheney will address the National Press Club as part of the Gerald R. Ford Foundation's annual Journalism Awards ceremony. And on June 8th, David Simon, a former reporter at *The Baltimore Sun*, best known for producing the popular HBO drama, *The Wire*, will be speaking at the Club.

And second, I'd like to give Secretary Duncan our very special National Press Club coffee mug. You're very welcome.

MR. DUNCAN: Thanks for having me.

MS. LEINWAND: Who or what is the biggest roadblock to the kinds of changes you're advocating?

MR. DUNCAN: I think I answered that. I'm happy to answer it again. We have huge resource challenges. We haven't solved them. We took an unprecedented step in the right direction. We have more good ideas out there than we've ever had before. And so this listening and learning tour is hugely important. And we have to scale up what works, invest in what works. And we have unprecedented discretionary dollars to do that.

So we have resources. We have ideas. We can invest in those resources. What we have lacked is political courage. What we have lacked is the will to do the right thing by children. That's where the fork in the road as a country. And if we can summon that will, if we can summon the courage, we're going to see the kinds of changes that won't just happen for these children. You're going to see education change in our country for decades to come. And that's the kind of change we're pushing for.

And I'll just take one second on this. These kinds of opportunities are so special. To have the chance to fundamentally change the quality of education for children around the country is something I feel so lucky to have. But I feel the

real sense of urgency. You hope for eight years, but you're not guaranteed eight. You have to think in increments of four. And so we're thinking about, over the next four years, how do you change education, not for now, but for the next 25, 30 years? How do you change education in this country forever?

And we have a chance to do that that just simply hasn't existed before for far too long. And we want to work hard enough and be smart enough and challenge ourselves enough so that we can fundamentally break through. But to do that, to get where we need to go, we have to have more courage.

MS. LEINWAND: I'd like to thank you for coming today. I'd also like to thank National Press Club staff members, Melinda Cooke, Pat Nelson, JoAnn Booz and Howard Rothman for organizing today's event. Also thanks to the National Press Club Library for its research.

The video archive of today's event is provided by the National Press Club's Broadcast Operations Center. Our events are available for free download on iTunes. I'm looking at the students here, so you can listen to this over again. They're also on our website. Non-members may purchase transcripts, audio and videotapes by calling 202.662.7598 or emailing us at archives@Press.org.

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Thank you very much, and we are adjourned. (Gavel sounds.)

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