

NATIONAL PRESS CLUB NEWSMAKER LUNCHEON WITH EDUCATION SECRETARY
MARGARET SPELLINGS

MODERATOR: JERRY ZREMSKI, VICE PRESIDENT, THE NATIONAL PRESS CLUB

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MR. ZREMSKI: Good afternoon, and welcome to the National Press Club. My name is Jerry Zremski, and I'm national correspondent for the Buffalo News and vice president of the National Press Club.

I'd like to welcome club members and their guests in the audience today, as well as those of you who are watching on C-SPAN. Please hold your applause during the speech so that we can have time for as many questions as possible. For our broadcast audience, I'd like to explain that if you hear applause, it may be from the guests and members of the general public who attend our luncheons rather than from the press. (Laughter.)

The video archive of today's luncheon is provided by ConnectLive and is available to members only through the National Press Club website at www.press.org. Press Club members can access free transcripts of today's presentation at our website. Non-members can purchase transcripts, audio and video tapes by calling 1-888-343-1940. For more information about joining the Press Club, please contact us at 202-662-7511.

Before introducing our head table, I'd like to remind our audience about some of our future speakers.

On September 29th, Stan Kasten, the president of the Washington Nationals, will be here. On October 4th, David Rehr, the president of the National Association of Broadcasters, will speak. And on October 9th, Ted Turner, philanthropist and founder of TBS and CNN, will be joining us.

If you have any questions for our speaker, please write them down on the cards provided at your table and pass them up to me. I will ask as many questions as time permits.

I'd like now to introduce our head table guests and ask them to stand briefly when their names are called. Please hold your applause until all of our guests are introduced.

From your right, Gary Martin of the San Antonio Express; Sarah Sparks of Education Daily; Carrie Sheffield, staff writer for The Hill.

MS. SHEFFIELD (?): (Off mike.)

MR. ZREMSKI: Congratulations. And see, we already have news at this luncheon. (Laughter.)

Jessica Brady from Congress Daily; Charles Miller, who is the chair of the Commission on the Future of Higher Education and former chairman of the Board of Regents of the University of Texas system, a guest of the speaker; Peter Schmidt, deputy editor of the Chronicle of Higher Education; the honorable James B. Hunt Jr., chairman of the Hunt Institute for Educational Policy and Leadership and former governor of North Carolina and a guest of the speaker; Melissa Charboneau of CBN and a member of the NPC speakers committee.

Skipping over our speaker for just one second, we have Greg Gordon, national correspondent for McClatchy Newspapers and the organizer of today's luncheon; next, Charlene R. Nunley, president of Montgomery College and a member of the commission; Gil Klein, national education correspondent for Media General News Service and a former National Press Club president; Paul Baskin, Bloomberg News Service education reporter; Carl Leubsdorf, Washington bureau chief for the Dallas Morning News; and Steve Smith, Washington bureau chief of the Houston Chronicle. (Applause.)

When Margaret Spellings became Education secretary early last year, she inherited an agency that was making the kind of headlines that public servants typically would rather not make. And many of them stemmed from the president's signature education reform, the No Child Left Behind Act.

Her predecessor, Rod Paige, found himself setting off a firestorm when it was disclosed that the department had paid syndicated columnist Armstrong Williams to produce a video promoting No Child Left Behind. On top of that, the National Education Association was suing to try to stop the law from being implemented, arguing that it was poorly funded and too rigid. And perhaps in

response, Secretary Paige inexplicably expanded the war on terror, labeling the National Education Association a terrorist organization.

Things seem to have calmed down lately at the Education Department -- (laughter) -- since Secretary Spellings came aboard more than a year ago. And it may be partly because Secretary Spellings knows the No Child Left Behind law so very well.

As a White House domestic policy adviser during the first Bush term, she helped write the law. And as a mom, she used it as a rallying cry, telling her two daughters, "You can't be the child left behind." (Laughter.)

Stepping in as the first Education secretary with school-age children, Ms. Spellings quickly took steps to quell the controversy surrounding the law, which aims to force poorly performing schools to meet performance standards in basic reading, math and writing.

She called together the 50 state education chiefs and backed away from the administration's demand for strict enforcement. The NEA's lawsuit was dropped, and its president, Reg Weaver, even acknowledged that the nation's new education chief had taken steps to mollify many of the critics.

But Secretary Spellings isn't content to stop there. Now she's turning her attention to the nation's colleges and universities, where she hopes to demand the same kind of accountability that No Child Left Behind seeks from elementary and middle schools.

To pave the way, she's formed a commission on the future of higher education, a panel that delivered its report last week. And today Secretary Spellings will lay out her plan to help make colleges and universities more affordable, more accessible and more consumer- friendly.

Madame Secretary, welcome back to the National Press Club. (Applause.)

SEC. SPELLINGS: Thank you very much, Vice Chairman.

A year ago, I formed a bipartisan commission on the future of higher education. Its purpose: To launch a robust national dialogue on the vital issues of accessibility, affordability and accountability.

Some of our best and brightest came together from across many sectors to examine these issues, and some of those folks are here today, not from the standpoint of the government but from that of consumers, employers and academics. Their report, "A Test of Leadership," offers keen insights into the changes that must be made for us to remain the world's leader in higher education, providing wider opportunities for more Americans.

Higher education has long been one of the undeniable strengths of our nation in quality, diversity and character that's the envy of the world. American universities have been incubators of great ideas, the birthplaces of great inventions, and the testing grounds of great individuals.

For generations, a college education has meant the difference between a life lived on the edge of promise and one lived in the full embrace of the American dream. A system so intrinsically linked to the future success of our children and our nation should be one of our highest priorities.

So I ask, in our changing and ever-flattening world, has higher education kept pace? Is it accessible to students of all backgrounds, including minorities, low-income students and adults? Is it affordable? Is it accountable to students, parents and taxpayers who foot the bill?

Our universities are known as the best in the world, and a lot of people will tell you that things are going just fine. But when 90 percent of the fastest-growing jobs require post-secondary education, are we satisfied with just fine? Is it fine that college tuition has outpaced inflation, family income, even doubling the cost of health care? Is it fine that only half of our students graduate on time? Is it fine that students often graduate so saddled with debt that they can't buy a home or start a family?

None of this seems fine to me, not as a policymaker, not as a taxpayer, and certainly not as a mom of a college sophomore. The commission drew a similar conclusion. In their words, "Higher education has become at times self-satisfied and unduly expensive."

In fact, times have changed. Nearly two-thirds of all high-growth, high-wage jobs created in the next decade will require a college degree, a degree that only one-third of Americans have. Where we once were leaders, now other nations educate more of their young adults to more advanced levels than we do.

This makes families anxious, and I understand why. We know higher education is the key to our children's future. We want more than anything to provide it. Yet it's becoming difficult to do so and still make ends meet. And like many parents, I'm wondering, will my daughter graduate equipped with the skills for a career, or is she going to move back home with me? (Laughter.)

Colleges and universities are the keepers of the flame of intellectual discourse. So let's have some discourse. Let's have some debate on how to make higher education available and attainable for more Americans.

I'm certainly not the first person to grapple with these issues. States, local leaders, the business community and many in higher education are already hard at work tackling challenges, from affordability to measuring student learning. They need and deserve our help and support.

This is an issue that touches us all. Parents, students and taxpayers pick up the majority of the cost of higher education. And over the years we've invested tens of billions of dollars in taxpayer money and basically hoped for the best. We deserve better than that.

So today I'm announcing my immediate plans to address the issues of accessibility, affordability and accountability raised by my commission.

First, how do we make college more accessible? There are far too many Americans who want to go to college but can't, either because they're not ready or they can't afford it. To expand access

to higher education, we must better prepare our students, starting with high standards and accountability in our public schools.

These are the very principles that are the pillars of the No Child Left Behind Act. And let me assure you, NCLB is going strong. We've made great progress towards our goal of every child reading and doing math at grade level by 2014, and that's not too much to ask. Thanks to this law, our youngest students have made more academic gains in the last five years than the previous 28 years combined.

But at the high school level, it's a different story. A million kids drop out every single year. And those who do graduate often aren't prepared for college. As a result, colleges, students and taxpayers spend over a billion dollars a year on remedial classes after graduation.

Ultimately we pay the bill twice, because students don't get what they need in high school, a high school diploma must be a ticket to success, including success in college. That's why President Bush proposed a plan to increase academic rigor in our high schools and prepare more students to succeed.

Action one under my plan is to build on this by expanding the effective principles of No Child Left Behind and holding high schools accountable for results. And we'll continue efforts to align high school standards with college work by increasing access to college prep classes such as advanced placement and international baccalaureate.

Next, how do we make college more affordable? Higher education's escalating sticker price has many parents facing the tough choice of whether to save for college or their own retirement. In the past five years alone, tuition at four-year colleges has skyrocketed by 40 percent, and I want to know why. I know other parents do too.

As the commission noted, the entire financial aid system is in urgent need of reform. At the federal level, it's a maze of 60 web sites, dozens of toll-free numbers, and 17 different programs.

Just to give you a comparison, the main federal student aid form is longer and more complicated than the federal tax form. The commission recommends Congress scrap the system and start over with one that's more user-friendly and effective.

In the meantime, action two under my plan is for my department to streamline the process, cut the application time in half, and notify students of their aid eligibility earlier than the spring of their senior year to help families and students plan.

The reality is that no matter the cost, the wealthy can pay. But for low-income, mostly minority students, college is becoming virtually unattainable. Chuck Vest, former MIT president and commission member, put it this way: "In this country, you're better off being rich and dumb than poor and smart."

Lately, increases in institutional and state aid for low-income families have not kept pace with assistance for more affluent families. In a recent report card, 43 states were given an F for failing on affordability. We must increase need-based aid.

We've worked with Congress to strengthen financial aid, and we've made some progress. This includes making available more than four and a half billion dollars in scholarships for low-income students who take challenging courses in high school and study fields in math and science. I look forward to teaming up with Congress again to improve the financial aid process and to help the students who need it the most.

But more money isn't going to make a difference if states and institutions don't do their part to keep costs in line. We at the federal level can do our part too. As the commission pointed out, a big part of the cost burden on higher education is complying with the more than 200 federal regulations currently on the books. We can help lift that burden. But even so, there are still too many who will say, "Just give us more money."

Money is important, clearly. But we're going to keep chasing our tail on price until we realize that a good deal of the solution comes down to information. Like any other investment or enterprise, meaningful data is critical to better manage the system.

My daughter's college costs went up this year. For what? And this is not unique to me, of course. For most families, this is one of the most expensive investments we make. Yet there's little to no information on why costs are so high and what we're getting in return, which brings me to my final point: How are we going to make college more accountable for results?

I too experience the confusion and frustration many parents face with the college selection process. I found it almost impossible to get the answers I needed, and I'm the secretary of Education. We live in the information age. If you want to buy a new car, you go online and compare a full range of models, makes and pricing options. And when you're done, you'll know everything, from how well each car holds its value down to wheel size and number of cup holders.

The same transparency and ease should be the case when students and families shop for colleges, especially when one year of college can cost a lot more than a car. That's why I support the commission's recommendation on this issue.

Action three under my plan will work to pull together the same kind of privacy-protected student-level data we already have for K through 12 students, and use that data to create a higher education information system. More than 40 states already have a system like this in place, but it's 40 islands unto themselves. That kind of localized system may work when you're dealing with kindergarten through 12th grade, but it's not helpful when it comes to college and you're trying to compare options -- in state versus out of state, public versus private, a community college versus four-year.

We want to work with Congress, states and institutions to build a system that's more useful and widely available to every student. The information would be closely protected. It would not

identify individual students nor be tied to personal information. It wouldn't enable you to go online and find out how Margaret Spellings did in her political science class.

Armed with this information, we can redesign my department's existing college search website and make it much more useful, capable of addressing concerns such as, "How much is this school really going to cost me? How long will it take to get my degree?" Believe it or not, we cannot answer these basic questions, and that's unacceptable.

So I challenge states and universities to provide the information to make this kind of system a reality. Information will not only help with decision-making; it will also hold schools accountable for quality. As the commission wrote, higher education must change from a system primarily based on reputation to one based on performance.

No current ranking system of colleges and universities directly measures the most critical point -- student performance and learning. You wouldn't buy a house without an inspection, take a vacation without researching your destination, or these days buy groceries without reading the nutritional label.

In almost every area of our government, we expect transparency and accountability, from prescription drug programs to housing to K-12 education. So for that particular in those areas, shouldn't we do the same with higher education, something so critical to our future success and quality of life? We absolutely should.

And action four under my plan will provide matching funds to colleges, universities and states that collect and publicly report student learning outcomes. Right now, accreditation is the system we use to put a stamp of approval on higher education quality.

It's a system largely focused on input, more on how many books are in a college library than whether students can actually understand them. Institutions are asked now, "Are you measuring student learning?" And they check yes or no. That must change. Whether students are learning is not a yes or no question. It's how, how much, and to what effect.

To that end, action five under my plan will convene members of the accrediting community this November to move toward measures that place more emphasis on learning. I realize that after what I've just said, commencement invitations may get lost in the mail. (Laughter.) But the urgent need to spark this debate and engage on these issues is really worth the risk.

As I've outlined, we need to make higher education more accessible by better preparing our students in high school. We need to make higher education more affordable by increasing need-based aid, simplifying the financial aid process and holding costs in line. And we need to make higher education more accountable by opening up the ivory towers and putting information at the fingertips of students and families.

This course will not, should not and cannot be charted by the federal government alone. Just as this commission reflected a cross-section of higher education stakeholders, finding the right solution will take a similar partnership.

Today I've touched on some of the main recommendations. But the commission has done a comprehensive examination on a whole host of other issues, from adult learning to innovation to information technology. So this spring I'll convene a summit to bring these many sectors together to discuss the full slate of recommendations, our progress, and specific responsibilities going forward.

This is the beginning of a process of long-overdue reform. And let me be clear. At the end of it, we never envision nor want a national system of higher education. On the contrary, one of the greatest assets of our system is its diversity, something we must protect and preserve.

Our aim is simply to make sure the countless opportunities a college education provides is a reality for every American who chooses to pursue it.

The commission's report is rightly titled "A Test of Leadership." And for the sake of our students and our future, this is one test we must not fail.

Thank you. (Applause.)

I want to acknowledge, before we get started on the questions, the commission members, in addition to those who are seated at the head table, that are here in the room today. And I want to especially acknowledge our chairman, Charles Miller, who led this fabulous group; Governor Hunt, who has been laboring in this vineyard for a long, long time; and Charlene, who represented community colleges on the commission. I'm very grateful to them, and I would be remiss if I didn't thank them.

MR. ZREMSKI: Great. Thank you very much, Secretary Spellings. We have an awful lot of questions here, and I'll try to get through as many as I can.

First of all, on your new proposal here today, how much of this is going to have to go through Congress? And what do you plan to do to help get the members on board?

SEC. SPELLINGS: Well, a good bit of it is, and I tried to outline some of that in my speech. I mean, the 17 different financial aid programs clearly will take congressional action. Those have grown up over decades and so forth. And that's why I'm doing some things that I can do immediately, like simplify the financial aid process, like convene the accrediting community. That's one of the tools that I have at the department.

But I understand that this is going to be a shared discussion, not only with the Congress but with those people who are actually in the community, who are going to do the work, many of whom are already doing the work. And my friend, Chancellor Reed (sp) from California, is already doing a great job on some of these same sorts of things.

Many systems are already leading on some of these issues. I understand it's going to be a partnership. But I'm going to get to work immediately on the things I can do.

MR. ZREMSKI: Great. One of our members does ask what you're going to do to pull in the entire higher education community, given that one of the panel members, David Ward, refused to sign the report.

SEC. SPELLINGS: Well, you know, I want to speak to that. And he is here as well, and I know that he was a very valuable member of this commission and provided a lot of thoughtful input.

I'm very encouraged, frankly, by the reaction of the higher education community broadly. In fact, they have all, for the most part, accepted and embraced the recommendations in this report, including the need for more information. Yes, they want to be at the table, as they should be, with how we figure out how to best do that.

No one envisions a single one-size-fits-all test of student ability, not anyone -- not me, not the commission. But I think higher education in America understands, and I certainly understand, as their advocate, that if we don't address these issues, we're at risk of the world passing us by. And I really am gratified that the higher education community is going to be part of that discussion.

MR. ZREMSKI: In examining access to education and affordability, what are your views and plans for the department to deal with the exploding student debt problem and the negative impact on future students seeking financial aid?

SEC. SPELLINGS: Well, I think that's a two-part answer. One, increasing need-based aid obviously is clearly part of ameliorating debt levels. But also, I think we have to -- and I think the first tool to bring to bear is more information, to understand, you know, the issues of cost, value and worthiness, if you will, of higher education. And I think this transparency, this accountability, this openness will go a long way to help address some of the affordability issues, including ultimately debt burden.

MR. ZREMSKI: Senator Kennedy today said that he was disappointed that you didn't make a specific commitment on expanding Pell grants and didn't say anything to rein in the student loan industry at all. Any comments on that?

SEC. SPELLINGS: Well, I consider Senator Kennedy obviously a close partner on education issues broadly. He's been a strong supporter of No Child Left Behind throughout.

With respect to the Pell grant increase, the president has long been a champion for Pell increases. And, you know, we presented a proposal last year to raise -- phase in the Pell amounts about \$4,500. The Congress didn't see fit to enact that entirely, but we did get four and a half billion dollars in additional scholarship aid for students who took a rigorous course of study and who are studying in the science, technology, engineering and math fields.

So we all share a commitment to Pell. Obviously as we, at the department, negotiate with the White House and with OMB about the budget, those dollar figures will be forthcoming over time. But I'm well aware that we need to have more focus on need-based aid.

MR. ZREMSKI: Many students attend private post-secondary institutions.

Does your plan extend to private institutions? And if it does, does that indicate any kind of a desire to extend federal oversight and regulation to private K-12 schools?

SEC. SPELLINGS: Well, here's what I know about how we fund higher education in America. We at the federal level are a one-third investor in post-secondary education, compared to about an 8 percent investor in K-12 education. That one-third investment includes private colleges. My daughter attends one of those colleges, so I'm a customer of one of them. I think obviously that's part of the diversity of our higher education system. But I don't foresee any kind of specific regulations of private college.

What we're calling for here is transparency, information and accountability. And I think when we empower consumers with that kind of information, those are the people who will best make decisions about the viability and the worthiness of those schools, and every other kind of school.

MR. ZREMSKI: Will the Department of Education do anything to insist that schools control costs so that tuitions don't continue to increase?

SEC. SPELLINGS: Well, the commission has some recommendations with respect to this that the Pell grant increases be tied somewhat to mitigated cost increases. And we'll certainly look at those recommendations.

But I think, you know, again, part of this comes back to transparency. I mean, I think once -- we certainly have seen this in the K-12 system. Once the spotlight of information is shown on cost and productivity and who is well-served and who's not well-served, we start to see smarter, better policymaking and smarter, better resource allocation.

And so my hope is that the first step is let's find out what's actually going on, and then we'll make policy decisions based on information as it comes forward.

MR. ZREMSKI: In your speech, you suggested that some of your proposals may not be particularly popular with colleges. Which of the provisions do you think would be the most contentious? (Laughter.)

SEC. SPELLINGS: I'm not going to answer that. I guess I'll find out those issues at the summit that I'm going to convene in the spring. But like I said -- and this is why I'm encouraged about the reaction broadly from the higher education community -- is every single person in America knows that as the world flattens, as the requirements that this country remain the world's leader, the world's innovator and the world's leader of the knowledge economy, the key to that is higher education. And if we don't do that, I think we're all at risk.

And higher education, I know, is ready to come to the table and work constructively to talk about the issues that are really not just before the higher ed system but before our entire nation.

MR. ZREMSKI: Why did the report stop short of really focusing on the technical literacy requirements of today's students?

SEC. SPELLINGS: Well, the commission report did get into some of the issues related to innovation and technology. This is a very, you know, high-level kind of report. But I think that's an area that we have to be smarter about, technology transfer that we have to be smarter about how institutions share research and findings, best practices and the like. And so I think those are the sorts of issues that will come out of the summit, the convening of the crediting community.

This is, you know, the big frame. And now we need to get to work on some of the specific things, like what's the best way to recreate the financial aid system? What's the best way to measure student performance as part of accreditation? What's the best way to provide more innovation, more technology transfer? And those are the conversations I intend to engage in.

MR. ZREMSKI: As you know, the growing for-profit higher education system has been the subject of a lot of controversy recently. A lot of these schools are dogged by lawsuits and investigations. How concerned are you about these schools? And does this problem threaten to get worse if Congress takes new steps to encourage them through more inclusive approaches to research funding, et cetera?

SEC. SPELLINGS: Well, clearly that's one of the major things that my department is charged with doing is making sure that those institutions who receive federal financial aid are ethical and viable and high-quality institutions. And we will continue to do that. We have a very sophisticated monitoring system of oversight.

But I would say also that I am encouraged that some of the pioneers, some of the innovators in higher education, are for-profit institutions and organizations that understand that higher education has to be delivered when and where people need it. And I'm encouraged by some of the things that I see in that arena. But when there's bad acting, we'll obviously provide strong oversight to those institutions.

MR. ZREMSKI: Senators Frist and Reid today agreed on a new competitiveness plan to fund research in science education. Do you support their plan, and do you hope it will have any more success than previous attempts this year?

SEC. SPELLINGS: I'm very encouraged by their work on that plan. In fact, not only did those two senators, as the leaders, support the plan, but frankly it's been worked on as a bipartisan tri-committee approach to address competitiveness. And I think it's a major step forward.

I'm encouraged that some of the things that are called for in that legislation are very similar to what the president has called for -- increased academic rigor in our high schools, more opportunities for teacher training so that we can make sure that those in front of our students every day have adequate subject area knowledge to teach these higher-level skills. Various very important recommendations are embodied in it, and I'm encouraged by their progress.

MR. ZREMSKI: You said that No Child Left Behind is like Ivory soap, 99.9 percent pure, and that it shouldn't be changed very much.

SEC. SPELLINGS: It smells nice, too.

MR. ZREMSKI: It smells nice, too, huh? (Laughter.) Given all the complaints and protests about the law, was that an exaggeration to say that it was 99.9 percent pure?

SEC. SPELLINGS: I'm standing by that statement, and here's why. This is what No Child Left Behind is about: Every child being grade- level proficient by 2014 -- that's a long time -- in reading and math in grades three through eight. It also says that we're going to test every child, ever year, that we're going to disaggregate the data so that we can hold ourselves accountable for the achievement of every single student, not just blob it all together and say, "Good enough is good enough."

It's about specific targets for specific kids and is a major step forward in American public education. So I stand by it. Those are the core principles of No Child Left Behind. I do not believe any of them should be revisited or retreated from. And I stand by No Child Left Behind. So there. (Laughter.)

MR. ZREMSKI: Now, some people say that the 2014 target for having all students up to grade level is unachievable. Should it be delayed?

SEC. SPELLINGS: You know, I've not met a parent yet out on the road -- I go to lots of schools -- who say, "Count my child out. I don't want my child being" -- on grade level, people -- "on grade level by 2014." Raise your hand if you don't want your child on grade level right now today, let alone 2014.

How are we going to address productivity and issues in higher education if we do not get people out of our public schools who can read and cipher? And that is what this law is about. So I reject this notion that some kids can't; we can't get there. You know, I want to meet the parent or the child who thinks that that's the case.

MR. ZREMSKI: Now, there seems to be growing concern that some states are kind of dumbing down their testing. And some thought that perhaps there should be nationwide achievement testing. How would you feel about that? Is that something you could support?

SEC. SPELLINGS: Well, No Child Left Behind -- remember, I told you a minute ago on your little tutorial that we're an 8 percent investor in public education in America from the federal level. And I know from my state legislative and my school board days, you know, the old "He who has the gold makes the rules" kind of notion.

And one of the things I think was really genius about No Child Left Behind is while it said that states are going to set standards and describe pass rates and so forth, that we're going to have our national report card required of every single state, which was not the case prior to No Child Left Behind. So we have a yardstick by which we can say, "Hey, Louisiana has higher standards than Texas." Massachusetts and South Carolina are at the top of that list.

I mean, we now know from our national education report card whose standards are better than others, whose standards correlate to the very vigorous National Assessment of Educational Progress standards. And I think that's a great place to start.

I have faith that state legislatures, that governors and that school boards, when they're shown this information, they will act on it. Nobody wants to govern the state that has the lowest standards. And I think we ought to give them a chance, now that we are through the early days of implementing No Child Left Behind, to rise to the occasion.

MR. ZREMSKI: Congress has repeatedly rejected efforts to expand No Child Left Behind into more high school grades and subject areas. What can be done to change that? And is the atmosphere surrounding that changing? Is there a better chance of getting that done?

SEC. SPELLINGS: Well, one of the things that I'm very encouraged about in the Higher Ed Commission report is a recognition by higher education faculty, the people who sit in front of these students every year, are very, very concerned about high school preparation and the quality of the students that they're seeing in their institutions.

I talked about the billions of dollars we spend every year paying twice, through remediation and so forth. Colleges need to get out of the business of doing high school and work on higher education.

And so, you know, I think that this is a very affirming part of the public spirit to increase accountability and rigor in our high schools. You know, about two years ago, when the president initially called for it, you know, Bill Gates, who said the system was fundamentally broken, and President Bush were among the two first people that started to say this.

But now, with affirmation like this and with parents seeing the kind of disconnect and the kind of costliness that they have to bear because their students are not prepared, that the tide really is starting to turn.

MR. ZREMSKI: How do you explain the staunch resistance to demands that teachers be held accountable?

SEC. SPELLINGS: Well, I don't really see staunch resistance from teachers being held accountable, actually. In fact, the act, No Child Left Behind, really holds the system as a whole accountable. It's a school-based system that says after two years, if you're not succeeding, then the students on that campus have the opportunity to go to other public schools. After year three, those students have the opportunity to get extra help; and in years five and six, you know, more drastic measures, such as re-establishing the school and so forth, that those are the sorts of things that happen.

But, you know, teachers obviously are part of the progress that we're making. The reason that reading scores for 9-year-olds are up more in the last five years than in the previous 28 is because teachers have embraced this law. Teachers understand that we have to measure. We have to know who needs help. And we have to provide resources to teachers and to students to get to those grade-level achievements.

MR. ZREMSKI: Your department's auditors issued a report last week sharply critical of how the department administered the Reading First program. And we were wondering if you, in fact,

personally supported that hard-nosed application of Reading First and whether the report harmed your ability to implement the program.

SEC. SPELLINGS: Well, I embraced every single one of the recommendations that the inspector general made to me with respect to the governance of that program. There's nobody who is more concerned about the quality of implementation of grant programs at the federal level than I am. And certainly I intend to do everything that he has asked me to do.

But with respect to the actual underpinnings of the reading program, here's what I know. It's working. This is a program where we increased federal resources for reading instruction three-fold in the last five years, from \$300 million to a billion dollars every year. It's a national program and it's working for kids.

This progress for nine-year-old readers, more in the last five years than the previous 28 that I keep saying, that's not an accident. That's because educators in communities and states are using resource-based practices that we in the federal government invested at the National Institutes of Child Health and Development around the brain, how it develops, the kinds of conditions that are necessary for young people to become readers.

And so I'm excited when they embrace programs that are research-based and get great results, as they are.

MR. ZREMSKI: Tell us about the national teacher shortage and what the Department of Education is doing to counter that.

SEC. SPELLINGS: Well, one of the things I think we have to really start thinking about in American public education is how we're going to bring additional people into our system. You know, with the baby boomers aging as they are, retiring early in their careers with some means, we have to figure out a way to get folks like that into our classrooms, particularly in these areas that require denser subject-area expertise, like science and mathematics. So I'm very encouraged when I see IBM working on programs for retiring engineers where those folks can come into the teaching profession.

The other thing I think we have to do -- and the president has talked about this as well -- is we have to start embracing the notion of adjunct teachers. In higher education, and especially in community colleges, adjunct teachers do a lot of educating. These are the people who have real-world practical application and can excite and motivate students about how what they're learning can be applied in the real world.

You know, one of the givens in American public education is here's the work conditions: You've got to show up for 185-ish days for 10 hours a day, and that's the way we want you. We don't want you if you can teach chemistry for two sections a week or science for middle schoolers, you know, for one semester but not the other. And so we need to start being more creative about the kind of expertise that we have in our communities that we can bring to bear in our schools if we're going to address the kind of quality teaching that goes on.

MR. ZREMSKI: No Child Left Behind in theory allows parents to move their children out of low-performing schools. But in practice, few parents are doing that, either because they're getting late notice of test scores or because they'd rather just keep their kids in the neighborhood. What, if anything, should be done about that?

SEC. SPELLINGS: Well, a couple of things. In fact, this is -- when you introduced me, you talked about the flexibilities that I've provided around implementing No Child Left Behind, and one of them is in this arena of supplemental services and public school choice.

There are a number of districts around the country that I've said, okay, though the law requires public school choice to be triggered in year two and the extra help, the supplemental services, the tutoring to be triggered in year three, I've allowed some districts to flip that, to provide health and tutoring immediately and have the public school choice triggered later.

In one of those districts, Newport News in Virginia, they went from a 17 percent participation rate in extra help and tutoring to a 65 percent take-up rate. So I think we can be sensible about how we implement this law. But I also know that we have to be vigilant with our schools and our educators about providing timely notification and an understanding for parents that they have these options.

I was just in Columbus, Ohio this week, last week -- sometime very recently -- participating in a town hall meeting that was co-sponsored by the Urban League that was to get parents and families educated about the options they have under No Child Left Behind. And, you know, I think also educators are figuring out, "Hey, I'm going to be accountable for these kids and their proficiency by 2014. It's really in my interest to get them help quickly."

MR. ZREMSKI: You seem to be saying of late that there are some public schools that are just failing, no matter how much pressure is applied on them, and that the solution might be to create more private alternatives such as vouchers. Yet recent studies seem to question the notion that private schools or charter schools are necessarily any better. Wouldn't it be better to keep searching for ways to improve the public schools?

SEC. SPELLINGS: Well, I think this is one of the big areas for reauthorization of No Child Left Behind next year. We have -- the first five years of No Child Left Behind has been about sometimes what I call the easier work.

And it's been pretty darn hard, I can tell you that -- setting standards, having annual measurements put in place, developed and used in schools, disaggregating data, separating student achievement by student group, and having data systems that are sophisticated enough and helpful enough so that real teachers and real principals can act on this information as they improve and customize instruction. That's been the easy work; pretty hard, pretty sophisticated.

This law, as it matures, says that, you know, there has to be a day of reckoning and accountability, that it's all meaningless unless, you know, something happens. Are we or are we not going to be true to ourselves about kids getting proficiency by 2014?

So as this law matures, there are about 2,000 schools right now that are in need of restructuring.

And, you know, I think we're going to have some discussions about, well, what are the ways that we restructure school? That's really never been done in American public education. We never really got to the day of reckoning, to the understanding of, if not this, what? What are the fixes? Are they charters? Are they private school choice? Are they -- what kind of restructuring can help invent and reinvent working public schools so that kids get to 2014 on grade level?

MR. ZREMSKI: Sallie Mae, the former government-chartered institution that was founded to help students obtain college loans, has reaped increasing profits since it was taken private in 2004. At the same time, Sallie Mae has been lobbying Congress to toughen loans on student borrowers. Do you agree with the criticism that Sallie Mae acts to help its shareholders more than it does to help its students? And was it a mistake to give it a private company such a large role in the student lending industry?

SEC. SPELLINGS: Well, I think this gets exactly at my call for, and the commission's call for, taking a very hard look at the entire financial aid system and starting over. I don't think we even know many of the answers. Why do we happen to have 17 programs? What costs what where? How does it work for families? You know, is it transparent? Is it easy to use? And all of those sorts of things. So one of the kind of next steps I intend to take is to look at issues like the ones posed by that question and figure out we move forward in ways where we can maximize our investments for taxpayers and for students and improve ease of facility and accessibility for our students.

MR. ZREMSKI: U.S. companies contribute millions of dollars of aid every year to our public schools, but not as part of any kind of organized strategy. Could sympathetic and concerned corporations spend their money and lobbying expertise in ways that would produce a greater overall benefit to public education?

SEC. SPELLINGS: Well, the business community has been a huge ally in the development, implementation and support for No Child Left Behind, because the principles -- the 99.9 percent pure principles that No Child Left Behind is based on -- really are things that are very common sense in the business world: measuring, you know, what gets done, that sort of thing. And I think that this data that has been brought to bear has really helped the business community, in a philanthropic sort of way, figure out how they invest.

So, you know, do we want to work on middle school math because we have, you know, data that exposes that that's our place to work? Or do we want to work on early reading? Or do we want to work on high school? And so, just as I hope will be the case 10 years from now when we're sitting here talking about higher education, we would have had use of this powerful data, this information, to do the strategic, smart things so that more Americans have a college education and more Americans are on grade level and more Americans get out of high school capable of being successful.

MR. ZREMSKI: There's been a lot of criticism of the increased use of adjunct professors at the college level, along the lines of the fact that, you know, they're not trained as well in teaching,

they don't have the same sort of background and they have other job pressures. What sort of things could be done to avoid having those same sort of pressures on adjuncts at the high school level?

SEC. SPELLINGS: Wouldn't it be great if we had some information about the effectiveness of adjuncts versus tenured personnel? That's what I'd like to know. I mean, I guess I have to take issue with the assertion. We don't know that at all. And we certainly don't know in high schools where we're not trying it. But that's exactly the point. I mean, let's find out how do we best, most effectively, most efficiently spend \$120 billion a year to get Americans into higher education?

MR. ZREMSKI: Half a century after the Supreme Court's 1954 ruling against the principle of separate but equal in public schools, and despite the school busing initiatives of the '70s, many U.S. school districts remain heavily segregated. Is that still an idea -- excuse me -- is it still a good idea to seek the desegregation of the U.S. public schools? And how much of a factor is segregation, or desegregation, in some of the poor performance statistics we're seeing?

SEC. SPELLINGS: Well, obviously those are situations that are localized. There's been litigation around some of them and so forth. But I think, again, back to No Child Left Behind and the power of it, this law says that we have to have highly qualified teachers in our neediest schools and that those schools cannot be disadvantaged. One of the dirtiest little secrets in education is that are most effective personnel can often be found in the least challenging education environments and vice versa.

And that's what this law's about. This says only -- you know, only these schools are going to have working on grade level by 2014. Know where it says that? No Child Left Behind. No child in any schools left behind, every child with a highly qualified teacher. Some have called No Child Left Behind, you know, one of the most important things for the new civil right of education. And I think that's right. And so, you know, what I'm focusing on is how does every school work for every single child?

MR. ZREMSKI: How will your commission address the need for more of a dialogue between high schools and colleges? Where will the funding come from to facilitate this dialogue and -- I'll leave it at that.

SEC. SPELLINGS: Okay. That's a great question, because I think we have been two islands unto ourselves in the K-12 system and in the higher education system. And I think there's recognition with both parties that that simply has to change. And I think there's very much a willingness for that kind of dialogue.

One of the important tools that we have at the Department of Education that's brand new -- I talked before about the \$4.5 billion worth of federal financial aid associated with students who study a rigorous course of study, additional aid for those kids. This year, we took a look at the high school graduation requirements in every state and the things that were required in their public higher education institutions and things that their public higher ed systems that were the expectations, and we found a very big disconnect. And so one of the things that I think is very important -- you talk about the resources in the question -- is this is \$800 million dollars a year

that I hope will beget a more effective conversation between these two systems, because there's a lot of money on the table for students who are prepared and ready to be successful in college.

MR. ZREMSKI: Do you believe that the reporting on No Child Left Behind has been unfair?

SEC. SPELLINGS: I would never come to the press club and say that any reporting has been unfair. (Laughter.)

MR. ZREMSKI: Well, thank you very much. (Laughter.)

MR. ZREMSKI: You must have liked the lunch.

SEC. SPELLINGS: (Laughs.) What lunch?

MR. ZREMSKI: Now, after today's luncheon, you're going to be traveling to the Ukraine. Could you just tell us a little bit about that, and what you're going to be doing there?

SEC. SPELLINGS: Yes. I am Ukrainian by background. My dad -- my grandfather was first generation and migrated to Canada. And the president has asked me to lead a presidential delegation to Ukraine to commemorate the 65th anniversary of the atrocities at Babyn Yar, and I'll be traveling with Fred Zeidman, who's the chairman of the Holocaust Museum, along with a couple of other delegates to lend our support for the Ukraine and to commemorate and make sure that through education those sorts of atrocities never happen again.

So -- and that's why I have to leave pretty soon. (Laughter.)

MR. ZREMSKI: Four more minutes. (Laughter.) We're out of tough questions.

SEC. SPELLINGS: Okay.

MR. ZREMSKI: The first lady just hosted the first global literacy conference at the United Nations. What comes from this conference, and how does promoting literacy abroad help American students to come?

SEC. SPELLINGS: Well, you know, back to the ever-flattening, ever-globalizing world, I mean, I think, you know, it's important that literacy be a given, really, for any person in the world. And the first lady and I have partnered -- the Department of Education along with the State Department were the primary sponsors of the global literacy conference that was just held in New York. It's another way also to highlight models that are effective around the world. Little people and their brains develop in very similar ways the world over. Obviously their ability to gain literacy, those are things that are affected by the language and the type of reading and language comprehension and development that they have in their own unique nation. But there are lots of things in common. And this conference highlighted effective programs around the world. The one I lead was on mother-to-child literacy and it talked about things that could work either in Mali, South Africa, United States of America -- were the three panelists that I had on

my group. And, they use very similar techniques and structures to provide literacy, and using the relationship between the parent and a child to promote reading.

And so, I think sharing best practices, raising this issue, making the public aware, and also making sure, frankly, that our girls and young women around the world have the opportunities to be literate, as we sometimes take for granted, I think, of the great educational opportunities we have in this country, and our K-12 system and our higher education.

MR. ZREMSKI: Time for the last question. But before we get to that, we have a presentation. As per usual, we have your certificate --

SEC. SPELLINGS: Okay.

MR. ZREMSKI: And --

SEC. SPELLINGS: Spelled right and everything. (Laughs.)

MR. ZREMSKI: Of course. And a new way to sip from the cup of knowledge, the National Press Club mug. (Laughter, applause.)

SEC. SPELLINGS: Thank you very much.

MR. ZREMSKI: And finally, our last question: Since you've become Education secretary, has this changed your children's approach to their own schoolwork in any way? (Laughter.)

SEC. SPELLINGS: Not enough. (Laughs.) Yeah, I had the opportunity to go and visit with my children's teachers from time to time and, you know, it really impresses me how teachers really interact with parents no matter who they are. They want and welcome parents in schools. They want you to be their partner. And they want the students in their classes working on grade level by 2014. (Laughter; laughs.)

MR. ZREMSKI: Thank you very much. (Applause.) We appreciate it.

Thank you again, Secretary Spellings.

If I could ask, please, if all of you could remain seated for just a moment or two, because Secretary Spellings has to catch her plane, and we want to allow her to leave before the elevators get swamped. I'd also just like to thank everyone who was involved with the program today: National Press Club staff members Melinda Cooke, Pat Nelson, Jo Anne Booze, and Howard Rothman. Also, thanks to the NPC library for their research. And for more information on NPC research, please call us at 662-7523. Thank you very much.

And we're adjourned. (Applause.)

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