

NATIONAL PRESS CLUB LUNCHEON WITH GOVERNOR MARY FALLIN

SUBJECT: THE YEAR AHEAD FOR NATIONAL GOVERNORS ASSOCIATION

MODERATOR: ANGELA GREILING KEANE, PRESIDENT OF THE NATIONAL PRESS CLUB

LOCATION: NATIONAL PRESS CLUB BALLROOM, WASHINGTON, D.C.

TIME: 12:30 P.M. EDT

DATE: TUESDAY, SEPTEMBER 17, 2013

(C) COPYRIGHT 2008, NATIONAL PRESS CLUB, 529 14TH STREET, WASHINGTON, DC - 20045, USA. ALL RIGHTS RESERVED. ANY REPRODUCTION, REDISTRIBUTION OR RETRANSMISSION IS EXPRESSLY PROHIBITED.

UNAUTHORIZED REPRODUCTION, REDISTRIBUTION OR RETRANSMISSION CONSTITUTES A MISAPPROPRIATION UNDER APPLICABLE UNFAIR COMPETITION LAW, AND THE NATIONAL PRESS CLUB RESERVES THE RIGHT TO PURSUE ALL REMEDIES AVAILABLE TO IT IN RESPECT TO SUCH MISAPPROPRIATION.

FOR INFORMATION ON BECOMING A MEMBER OF THE NATIONAL PRESS CLUB, PLEASE CALL 202-662-7505.

ANGELA GREILING KEANE: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Angela Greiling Keane. I'm a reporter for Bloomberg News and the 106th president of the National Press Club. We are the world's leading professional organization for journalists committed to our profession's future through programming events like this while fostering a free press worldwide. For more information about the National Press Club, please visit our website at www.press.org. To donate to programs offered to the public through our National Press Club Journalism Institute, please visit Press.org/institute.

On behalf of our members worldwide, I'd like to welcome our speaker and those of you in our audience today. Our head table includes guests of our speaker as well as working journalists who are Club members. And if you hear applause in our audience, I'd note that members of the general public are attending, so it's not necessarily evidence of a lack of journalistic objectivity.

I'd also like to welcome our C-SPAN and Public Radio audiences. You can follow the action today on Twitter using the hashtag NPCLunch. After our guest's speech concludes, we'll have a question and answer period. I will ask as many questions as time permits. Now it's time to introduce our head table guests. I'd ask each of you to stand briefly as your name is announced.

From your right, Janice Law, Founder American Women Writers National Museum; Maria Recio, national correspondent for the *Fort Worth Star Telegram* and McClatchy Newspapers; Paul Merrion, Washington bureau chief for Crane Chicago

Business; Louis Priebe, chairman of the National Press Club House and Bar Committee, and the President Emeritus of the Oklahoma State Society; Peter Urban, Washington bureau reporter for Stephens Media; Dan Crippen, Executive Director for the National Governors Association.

Skipping over the podium, Alison Fitzgerald, project manager for financial news for the Center for Public Integrity and the Chairwoman of the National Press Club Speakers Committee; skipping over our speaker for just a moment, Rod Kuckro, freelance editor and the National Press Club Speakers Committee member who organized today's lunch. Thank you, Rod. Chris Casteel, Washington correspondent for *The Oklahoman*; Warren Ross, Heard on the Hill columnist for CQ Roll Call; Kathy Johnson, McMahon Centennial Professor of Journalism at the University of Oklahoma; and Tim McDonough, Vice President of Communications and Marketing for the American Council on Education. (Applause)

Our guest today broke a glass ceiling on January 10th, 2011, when she became the first female governor of Oklahoma. Since then, she's dealt with her state being hit with deadly tornadoes and has taken on additional responsibility as Chairwoman of the National Governors Association. Mary Fallin served two terms as state representative before becoming Oklahoma's first Republican, as well as first female, lieutenant governor from 1995 to 2007. She was the second woman from Oklahoma elected to the U.S. Congress representing the state's fifth congressional district from 2007 to 2010.

Politics must run in her blood as her mother and father, both Democrats, both served terms as mayor of Tecumseh, Oklahoma, where she was raised. During her first year as governor, Ms. Fallin balanced the state budget while closing a \$500 million deficit and lowering the income tax rate. That year, she also saw many of her legislative priorities signed into law including reform of what she called frivolous lawsuits and education.

This year, she signed into law an income tax cut and an overhaul of Oklahoma's workers compensation system. As governor, she's tangled with Native American tribes in her state over her decision to not extend tribal tobacco compacts. She also tried unsuccessfully to give communities more authority to regulate tobacco products, saying both her parents died earlier than they should have because of smoking.

Governor Fallin has cited job growth and retention along with education and workforce development as top priorities in her administration. She launched an initiative to increase the number of college graduates and career certificate holders in Oklahoma to help the state attract and retain jobs. In August, Governor Fallin was named Chair of the National Governors Association, a bipartisan group representing most of the nation's governors.

Based on her interests, the focus of her Chair's initiative during the 2013 to 2014 term should come as no surprise. Governor Fallin says states and the businesses that drive state economies can help secure their own economic futures by aligning their educational

institutions and workforce training efforts with the projected demands of tomorrow's labor market. Today, we will hear about her NGA Chair's initiatives plans for workforce development in her speech titled, "America Works: Education and Training for Tomorrow's Jobs." Please help me give a warm National Press Club welcome to Oklahoma Governor Mary Fallin. (Applause)

GOVERNOR FALLIN: Thank you so much, Angela. It's a great pleasure to be here with you at the National Press Club and I appreciate that very kind introduction. And it certainly is a great honor to see so many of my fellow Oklahomans that are here today. I was very surprised, but it's very nice to have so many friends represented in the room.

And before I begin my comments, I just want to say how heartbroken we all are as Americans, as citizens, about the terrible tragedy that occurred here yesterday in Washington, D. C. And the tremendous loss of lives. Our thoughts and our prayers and our condolences go out with those who lost their loved ones. I know it's going to be a difficult time for Washington, but we'll certainly keep you in our prayers as you begin the healing process during this tragedy that's occurred here today.

But in the meantime, I am excited to be here at the National Press Club and to join all of you and excited to see so many of my fellow Oklahomans and to have the opportunity to be able to visit with you about a couple of issues I think are important for our nation. And especially glad to see one of my fellow Oklahoma reporters that I've worked with for many, many years, Chris Casteel, who has joined us here today from the *Daily Oklahoman*. Chris, good to see you again. I get to see you in a different role. You used to cover me when I was in Congress and now he gets to cover me a little bit as governor of the State of Oklahoma. But Chris, it's great to see you and appreciate all that you do for Oklahoma. He's done a wonderful job over the years for our state and covering the national news. And it's always interesting up here, Chris. Whatever's going on, it's always interesting.

Well, I'm here to talk to you about an issue that I believe is critical and is important for the future of our nation's economy. And that is developing a highly skilled, educated, competitive workforce and to close the skills gap between what employers need and what our employees have. In August, I had the opportunity, as I mentioned, to become the Chair of the National Governors Association, and through the Governors Association, we work together to find common solutions to the problems facing not only our states, but certainly to our nation. And we also work together to identify the best practices in our individual states so we can share with each other. Together, we look for those innovative solutions to the pressing challenges that are facing our state.

And part of my duties as a chair is to launch an initiative around a topic that is not only important to me, but a topic that I think is important to other governors across the nation. And I'm working to establish a national dialogue between business, education and the public sector about how we can best prepare students, men and women, to get good paying jobs and for our nation to be able to keep pace and be competitive in a global economy. My initiative, America Works: Education and Training for Tomorrow's Jobs,

is about making significant changes, significant improvements, in education systems, in our workforce training systems, and also to align those systems with the needs of our businesses and certainly our markets.

America Works will also help our nation to re-shore American companies and jobs. Governors, I believe, are uniquely positioned to foster stronger economic growth and especially that between our businesses and our education systems. They are the primary individuals, the governors are, that are responsible for both public education and economic development in our states. States and the businesses that drive state economies can help secure their economic future by aligning educational institutions and workforce training programs with the projected demands of tomorrow's jobs. Preparing America's 21st century workforce to keep pace and stay competitive is an issue that not only calls for national attention, but I believe it demands gubernatorial leadership.

And that leadership starts with recognizing some hard truths about our nation. Navigating today's pathways to prosperity remains much more challenging than, say, when my parents were growing up. An example is that 50 years ago, more than 75 percent of all the jobs in our economy required only a high school diploma, or less, to get a good wage job. But today, that number has dropped to roughly 40 percent for the jobs available to high school graduates and dropouts. And more than two-thirds of those jobs will be paying less than \$25,000 a year.

So it's clear that a high school degree is no longer adequate to guarantee a good job and access to the middle class life. We must understand that a post secondary degree, either a two year degree or a four year college degree or some type of career technology work certificate is the new minimum in America for economic success. And by that, I mean both for individual success to finding a good paying job and for our individual businesses to be able to find workers that they need.

Without some kind of post secondary education, a majority of our children and our working adults will have difficulty achieving the American dream and being able to find a successful, fulfilling middle class life and beyond. Unfortunately in many instances, we continue to fall short of this goal, meaning that we are falling behind both as citizens and as businesses. Here are some facts and they may not be the most pleasant of truths, but they are facts. Too many high school students don't finish high school. Nationally, 78 percent of public high school students make it to graduation. Those numbers are even much worse for minorities and also for low income students.

Too many students go to college under prepared and end up taking remedial courses. And often, those students will end up dropping out of college and also meaning that they will still acquire a lot of debt while not being able to acquire a college degree.

And too many employers in Oklahoma and, frankly, around the country are saying that they don't have the workers with the skill sets that they need and that colleges and universities in today's fast paced economy are taking too long to create the type of new programs that will help the students develop the high need skill sets for today's jobs.

All of these are contributing factors in a disturbing national trend. And while we once led the world in student achievement, now America ranks 14th in reading, 17th in science, and 25th in math in an industrialized peer section. So all this in terms of a percentage of the working adults means that an associate degree alone in the United States and having that meant that one out of every eight people in America will now have an associate-- we went from first to eighth, excuse me, in the nation, in having associate degrees in our workforce. The bottom line is that we are just falling behind. And for too many students and individuals that are falling behind, they won't be able to reach the middle class because they aren't meeting what's called the new minimum for our workforce.

I had the opportunity not so long ago to be able to visit with the CEO of Segal and he was speaking at a U.S. manufacturing summit. And he gave a great quote, which I'm going to share with you. He says, "America has a training gap. Until we put the burden on those who train rather than those who need to be trained, we'll never solve the problem." And I want him to know, and I want you to know, that governors are listening. It is up to the governors to build new pathways to the middle class built around the notion that post secondary education is a necessity.

Today, in a fast paced world where technology is constantly ever changing, these pathways must be flexible, they must be efficient and they must reflect the state's changing economic needs. They need to be developed with the employers, not just for the employers. And most important, they must be able to meet the students needs themselves.

Our future economic security will require significant improvements to our education system and our workforce training programs. It also will require closer working relationships among our high schools, our colleges, our universities, our career technology programs, our workforce programs, and also with our employers. The challenge that we face is very clear. Too few Americans are participating in post secondary education, and too few graduates from high school are prepared to do so.

So our goals moving forward are clear as well. First is we must get more students into higher academic standards by the end of their high school degree. A high school diploma should mean a student is prepared for any form, any form, of post secondary education whether it's going on to college or whether it's going on to a career technology school. And they must be able to do that without needing remediation.

Second, we have to create opportunities for them and returning adults to successfully complete a degree or career technology training program to pave the path to a good paying job. So let me drive this home by just using my home state of Oklahoma and the tangible data we've been able to collect on this issue. In Oklahoma, we've spent a tremendous amount of time and effort to use data to identify our workforce challenges and identify the very specific solutions to help with it.

We began the process of collecting data and being able to compare Oklahoma's current demographics with its emerging trends and its workforce needs. Using data, we identified the current education level of all of our working age Oklahomans. And then we identified the percentage breakdown of the degree level required for the jobs in Oklahoma that will be created between now and the year 2020. The comparison of these two data sets clearly shows that there is a mismatch between educational attainment and workforce skills that are demanded in our growing economy.

For example, we know now that 77 percent of the jobs to be filled by 2020 in the State of Oklahoma will require an education beyond a high school degree. However, only 54 percent of our current workforce, our adults that are adults, fit into that criteria. And so that means we have a 23 percent point gap between what our workforce needs and the educational attainment that we have in our working adults. And if that gap is not closed, we know in Oklahoma that our jobs will go elsewhere.

In the simplest terms, my initiative, America Works, will help states to generate the level of detailed data so that states can work together to identify specific policies and budgetary strategies that will allow us to realign our education system and training systems to meet the needs of our emerging workforce.

My initiative will also focus on five key elements to help states to be able to make progress to overcome this skills gap and to also create a more aligned education and effective system. So the five elements are, first of all, you have to have a statewide vision for being able to close the gap between education and the jobs and the economy.

Secondly, you have to have an integrated and improved data system. Third, you have to have a high quality public/private partnership to work together. And then we have to better align federal and state funding and other resources. And lastly, state incentives to support cross system integration.

So let me just take a moment to describe what I hope states will be able to accomplish with these five key elements. First of all, every governor has articulated his or her vision for education reform in their individual states and how they plan to improve their local economies. My initiative will help make it easier for these governors and certainly be able to help them connect the dots between education and jobs. All states collect lots of data and too often the data is not used to answer key questions for policymakers to help them be able to improve the results in their states.

And for example, I'll give you some things we've been doing here in our state of Oklahoma through data. We know in Oklahoma that we have five key top ecosystems that generate the best paying jobs and the most wealth within our society. We know that aerospace, transportation and distribution, energy, financial services, agriculture and biosciences are our top wealth generating jobs and ecosystems in Oklahoma. So what we're trying to do in my state is to connect the dots between educational attainment and the types of jobs that our employers need to be able to fill and what types of educational levels the employees need to have, or career technology certificates, they will need to be

able to meet the jobs in the marketplace.

And my initiative will help our states be able to identify the best practices to do that and to be able to build a roadmap to be able to take action. Government alone cannot improve the education and training system and its realignment. The needs of our employers, if we expect business leaders to be able to create these high wage jobs, will need to be considered and we'll need them to be our partners with us. We'll need to have them at the table working with us to identify and develop the skill sets and also the talent that they need for their jobs.

My initiative will also profile effective partnerships and encourage more states to strengthen their efforts in this area. And we've all heard the old saying about Einstein, that the definition of insanity is doing the same thing over and over and expecting a different result. Well, through my initiative, the states will identify and they will share strategies to allocate and to better align our relevant federal and state funding.

And finally, we'll stop doing the same things and pursuing the same old policies and then expecting a different result. Last, but not least, my initiative will help us be able to identify problem areas that are currently built into our education systems and into our workforce and be able to bring about a closing of that gap between the skill sets needed by our employers and certainly the skills our employees have.

By framing my initiative America Works: Education and Training for Tomorrow's Jobs around these five key elements, we hope to leverage much of the great work that's already being done around our states and be able to share that information with our fellow governors so we can all do better.

But to achieve this, we're going to be launching several different initiatives and activities throughout the states. First of all, this fall we're going to hold two regional summits in several states to bring together not only our states, but government, education and business leaders to share experiences and to be able to learn from each other. I've asked Governor Malloy out of Connecticut to co-host an education and workforce summit with me. Also, Governor Martinez in New Mexico will be hosting another summit in her state. And other governors, of course, will be joining in during this process.

I will host the final summit in Oklahoma City and we will also dedicate a portion of our winter NGA meetings and our summer NGA meetings to share and discuss the initiative and the results that we have found. Additionally, we're going to provide each governor with state-specific data and what will be called their return on investment as they invest in education and as they work to realign education and the workforce itself and to be able to help produce the kind of workers that employers need for their jobs.

We're also going to produce case studies and a governor's guide to highlight what is, in our way and what we think will be the best way, to profile what works and what doesn't work. And then we're going to kick off an ongoing effort with six to eight

states built around these five key elements to help them be able to accelerate the work in their individual states and become models for other states to be able to emulate. These efforts will engage both, as I said, the education, the business and the government leaders in a dialogue about actions governors can take to more closely align K-12, our universities, our community colleges, our technical colleges and certainly our workforce training providers, to be able to close that gap between what skills are needed and the marketplace.

In closing, as we begin this initiative, we need to understand that in today's modern high tech society and in this global economy and this world, a post secondary degree is no longer the future of our states and our nation. There is now a new minimum of education attainment that is required to be able to meet tomorrow's jobs. And that's what this initiative is about. It's about securing our economic future, it's about helping Americans be able to prepare their workforce and it's about preparing for tomorrow's jobs. Thank you so much for the opportunity to be here with you today. (Applause)

MS. GREILING KEANE: Thank you, Governor. Questioner says better connecting states education and workforce training systems to states economic needs is important and many organizations are already working on this. Why do you think America's governors can accelerate that agenda?

GOVERNOR FALLIN: Because the governors are at the heartbeat of what happens within our individual states. We are the best at understanding what our businesses need, what our education systems need, and realigning our education and our skill sets to be able to meet the demands of the jobs for tomorrow.

MS. GREILING KEANE: Is No Child Left Behind with its emphasis on test results helpful or harmful to your goals?

GOVERNOR FALLIN: I think all governors believe that we must have more academic rigor in our states and we must set higher standards for student achievement. As I talked about earlier, we're falling behind in America to the other industrialized nations and where we rank in reading and science and math, we're falling behind. And if we want to be a competitive nation, we have to raise our academic standards. We have to have rigor in the classroom.

But then we also have to be able to fill the skills gap that we have in our nation to be able to take care of tomorrow's jobs.

MS. GREILING KEANE: You mentioned that you think business has a responsibility to help with this effort. What exactly do you call on businesses to do?

GOVERNOR FALLIN: We're calling on businesses to be our partners, to tell us what is it that you need as far as skills gaps. Many times, I visit with employers, especially small businesses in Oklahoma that tell me they have some job openings but they can't find the right workers to take those jobs. On the other hand, I find employees

or workers that are looking for jobs and it's being able to match them together to find the right type of skills that would be needed for those jobs. And that's what we're doing in my state of Oklahoma.

And actually, we have even established what we call in our state OKjobmatch.com in which employers can list the skill sets that they need and employees or people looking for a job can list their skill sets and we can match those two together so we can better meet the future demands in our state.

MS. GREILING KEANE: What about funding? Are you asking businesses to help the government pay for this?

GOVERNOR FALLIN: I think businesses can be partners with the states. There's certainly some very innovative programs that are out there. Great examples throughout the nation, great examples in my state of partnerships with education whether it's K-12, whether it's through our vocational training programs or whether it's through our higher education systems. But businesses can be great partners with us and we need to hear from them and they need to be at the table with us.

MS. GREILING KEANE: So in terms of money, are you going to ask them to kick in?

GOVERNOR FALLIN: Well, what you find is that there are businesses that actually help support workforce training programs in the state. Like, we have a great career technology system in the State of Oklahoma and businesses that may be retooling in our state will go to one of our career tech systems and they'll say, "Career tech, I need to be able to shift the type of skill sets that my workers have to be able to operate this new machinery in our state." Now, that's a service that the State of Oklahoma provides as an economic development tool to be able to get these jobs and keep these jobs, retain these jobs, in our state.

But not necessarily asking for money. We'll take it if they want to give it to us, but this is a public/private partnership in which states realign their education system. They look at concrete data of what is going to be needed within the workforce itself, seeing if we provide those type of workers.

I'll give you a real specific example. We have, as I mentioned, have a large sector in Oklahoma's economy of aerospace and energy. And so in Oklahoma, we know that if someone's in the aerospace sector and they, say, are a computer technician or maybe they're a welder, that those same type of skill sets are transferable over to the energy sector because they also need computer technicians. So they may need a welder, or both of them may need some type of engineering type degree.

And so what we're trying to do is look at what level of educational attainment we need for our core industries in our individual states to be able to close this skill gap.

MS. GREILING KEANE: You mentioned wanting to better align state and federal funding for education. Can you give us an example of improvements you'd like to see in that area?

GOVERNOR FALLIN: Well, first of all, we think we need to have the No Child Left Behind reauthorized, but we also need to continue to make some improvements to that and to listen to our governors and certainly our educators in those areas. And frankly, with our schools themselves, and with funding, most of the funding comes from the state for education. There is some funding that comes from the federal government. We like flexibility when it comes to the federal spending itself. But I do think it's important that we as a nation continue to raise our academic standards, continue to have rigor in the classroom and continue to expect higher results from our students.

MS. GREILING KEANE: You talked about responsibility being on the educational institutions, on business and so forth. What about parents? Where do they fit into this picture?

GOVERNOR FALLIN: Absolutely, parents should always be involved in education. And certainly that is something that is critical to a student's success. But if a parent is not involved in that student success, I'll give you an example. In the State of Oklahoma, we passed a law that says we want each child to be able to read at grade level by the third grade. But if that child is not proficient in reading, we don't think they can continue to be able to learn and keep pace with the other students in their classroom.

And so we have after school remedial reading. We also have summer programs to be able to help that student. And so if by chance a parent is not helping, hopefully that will be able to help.

MS. GREILING KEANE: Who stands to benefit the most from your initiative?

GOVERNOR FALLIN: Our citizens. Our citizens stand to benefit the most from our initiatives because our goal is to help Americans find good paying jobs, to be able to help build a stronger, more vibrant economy in our individual states and certainly throughout our nation so that we can continue to be a competitive nation and a world economy.

MS. GREILING KEANE: If you were to turn back time and start college today, what would you major in for the future?

GOVERNOR FALLIN: Hmm. Goodness, that's a good question. Well, actually, I might major in political science. (Laughter and Applause) I didn't really focus on that or speech or debate when I was in high school or college, so I might go back and take some of those courses now.

MS. GREILING KEANE: This fall, the University of Oklahoma began charging flat rate tuition. It's been reported that it's designed to help increase the

graduation rate at Oklahoma colleges by encouraging students to take more credit hours per semester. Does the State of Oklahoma feel it's the government's duty to insure graduation at the collegiate level?

GOVERNOR FALLIN: I do think it's important to set a goal of having more college completion and degree completion. In fact, two years ago, we launched a program in Oklahoma called Complete College America in which we-- it's actually an NGA initiative, too-- in which we encouraged degree attainment in our state whether it is a career technology certificate, a workforce certificate, whether associate's degree or college degree. Because as statistics prove out, we need a better educated, highly skilled workforce to be able to compete as a nation.

And so OU has set a flat fee, as you mentioned, with a goal of hoping to encourage students to complete their degrees quicker. We know that in many circumstances that college students might take a little extra time. They might take five years or six years to complete college. But if there's a little more impetus to be able to finish that degree in four years, it's better on the parents' pocketbook, probably a little bit more helpful to the student, and it certainly helps our workforce in America.

MS. GREILING KEANE: Could universities end up losing money from charging flat rate tuition, especially if the same applies to out of state students who historically paid more money than in-state students?

GOVERNOR FALLIN: Well, President Boren is president of OU, believes that actually by being able to help our students graduate on time, that we'll be able to run our higher education systems more efficiently in our state and will be more cost productive.

MS. GREILING KEANE: The Obama Administration has said it wants privately run career colleges to meet standards that assure students find jobs at wages where they can pay back their student loans or else those schools would lose eligibility for federal student loans and grants. Do you agree with that regulatory effort?

GOVERNOR FALLIN: Well, our National Governors Association has not taken a position on that particular issue. But, what our governors do agree upon is that we have to continue to work towards raising our academic attainment levels in our nation whether it's through our public technology career systems or whether it's through a private career training school itself. But our goal as governors, and what we all agree upon, both Democrats and Republicans, is that we have to be able to close the skills gap and raise our academic levels of attainment in our nation.

MS. GREILING KEANE: And what is your opinion of President Obama's recent proposal that would have the federal government rank colleges and universities and award student and other aid based on national rankings?

GOVERNOR FALLIN: Well, the NGA, once again, has not taken a position on that so I can't speak for our other governors in our nation. But once again, we just

continue to believe that we need to do all that we can to make sure we have the best colleges and universities throughout the United States that we certainly put into place public policies that will help them achieve high academic standards.

MS. GREILING KEANE: Do you think there's a need to reintroduce vocational education at the high school level or is college the ideal goal for everyone?

GOVERNOR FALLIN: That's a good question. I guess what we find in our workforce and in the jobs that we have in America, as I said, the majority of the jobs are going to require more than a high school degree. But there are different avenues of continuing on with your education, whether it is getting a career technology certificate, a workforce certificate for a particular type of skill, whether it is going on to get an associate's degree or a college four year degree or beyond that.

But there are some students, once they graduate from high school, that may not have an interest in going to college. And I think we need to do a better job as a nation-- this is my personal thinking-- in helping to reach into our high schools, even clear down to our middle schools, to be able to show students the different opportunities there are available to them, especially as it relates to some important different subject areas like STEM education, our science, our technology, our engineering and math. We know those are skill sets that are needed in our workforce right now. So if we can go down through our middle schools or high schools and get them interested in some type of career technology certificate that deals with especially some of our STEM subjects in our STEM professions, that will certainly help boost our workforce.

MS. GREILING KEANE: Looking specifically at Oklahoma schools, obviously we all heard about the devastating tornadoes that hit so many people including schools last year. Do you have any initiatives for protecting school children who might be in the path of tornadoes?

GOVERNOR FALLIN: Actually, and I appreciate your comments on that. And let me just say, first of all, thank you to everyone who has been so kind of Oklahoma during our terrible May tornadoes in which we had a tremendous loss of life, especially with our children that were lost at the Plaza Towers and our adults, and certainly the devastation to property and businesses in our state. We are recovering, and we're doing well. Our children are back in school now. But I have actually been hosting meetings, not only with our local school officials, but also with some of our legislators and with our emergency responders in our state to talk about ways that we can better encourage our schools to make sure that their safety programs, in my state, are up to date. That they have a plan of action if there should be some type of storm or any type of disaster or catastrophe that might occur with students in a school itself.

And we're certainly having a rigorous discussion about storm shelters in the State of Oklahoma. Right now, the way our system works in our state, is that the local school boards vote on bond issues to decide how they're going to build their schools. And I've certainly encouraged our schools as they're considering to build new schools, to look at

putting safe rooms into our schools. But we also had a lot of schools that were built in the '50s and '60s that it would cost a lot of money to retrofit.

So we're working together as a group to look at ways that we can not only use our federal FEMA money but also use some of our private sector donations and our charities in Oklahoma to be able to either retrofit some of the rooms in our schools, or certainly encourage our schools in our communities to build safe rooms.

MS. GREILING KEANE: Moving on to healthcare, Republican governors have differed in their approach to the Medicaid expansion offered under the Affordable Care Act. You were among those who decided to reject the expansion. Could you discuss how you arrived at that decision and whether you think enough is being done for underserved Oklahomans in light of the decision to not take that funding?

GOVERNOR FALLIN: Well, there certainly is various opinions on the Affordable Healthcare Act and how states handle their healthcare and their possible Medicaid expansion if they choose to do that. And what we find among the governors is that there's a wide variety of opinions. That there's not one single answer as to what governors would do or wouldn't do. So it's up to the individual states themselves.

What governors do agree upon as it relates to healthcare and what's important to me is that we provide better access to care, that we certainly work on the quality of our healthcare. That we work on helping to make healthcare more affordable in our state. But for me, I'm speaking as the Governor of Oklahoma now, not as the National Governors chair itself, and I felt in my state with the predictions of the cost of-- rising cost of Medicaid itself and which we continue to see every day, and looking at my state budget and my population, that it was not in our best interests as did 26 other states, to expand Medicaid in the State of Oklahoma.

But I will tell you that we have a great program in our state called Insure Oklahoma, which is a three-way partnership between an employee paying a portion of their healthcare costs having some stake in the game, an employer who pays a portion of the cost, and also some federal and state matching funds. Now, this is for low income working people or individuals and mostly in small businesses. And so we had a federal waiver that we were granted back in 2005 to start this program using tobacco tax settlement money to do it in Oklahoma. And we had 30,000 Oklahoma individuals that have signed up for this, and certainly a lot of our small businesses take advantage of this program.

But we were notified back last May that we were no longer going to be able to keep our waiver. And so, back in May I asked the President and Secretary Sebelius if they would reconsider their idea because I felt it was important for my state, and I'm speaking just for me as the Governor of Oklahoma, to be able to have the opportunity to keep a successful program that was doing what a lot of us want to do. And that is be able to provide healthcare at a reasonable cost especially for those who are not covered and are from small businesses or lower income.

And so I was able to get the waiver approved about two weeks ago in our state and we're going to be able to continue that program for another year to help our fellow Oklahomans. And then we're continuing to work with our legislature on our healthcare system itself and continue for another year to work on healthcare in general and certainly we're working on what we can do to improve the health of Oklahomans.

MS. GREILING KEANE: Looking to the next step, do you expect smooth implementation of Obamacare in Oklahoma?

GOVERNOR FALLIN: There's no official policy by the National Governors Association on that. (Laughter) But for me personally, it is challenging right now. If we look around at what's going on in our nation and the various companies that are expressing their opinions, the labor unions, certainly the health insurance companies are coming out with their rates right now. And even seeing some of the recent reports with the navigators and training, it is challenging right now because it's a new system and it's a big system and there are a tremendous amount of rules and regulations. So we're watching and waiting and going to see what type of rules and regulations come down and how it all shakes out in the future.

MS. GREILING KEANE: Oklahoma recently passed legislation to reduce its highest personal income tax rates. A report that came out in March showed that during the 1990s, states with the biggest tax cuts had slower income growth and grew jobs at one-third the rate of other states. What services do you expect to have to cut to pay for the tax cuts and how will those cuts help Oklahoma's economic growth?

GOVERNOR FALLIN: Well, I hope we will not have to cut any services because our demographics in the State of Oklahoma show that every time over the last 20 years that we have made targeted tax cuts that we can afford that our economy's actually grown. And that's why Oklahoma has one of the lowest unemployment rates in the nation. And while we've had some of the strongest growth in the nation. In fact, from the year 2011 to 2012, our per capita income grew by 9 percent, which is number one in the nation. (Applause) So what we've seen in my state, in Oklahoma, is that when we let people keep more of their hard-earned money they reinvest that back into our economy, businesses expand and so we've been very fortunate in our state to have a strong, growing economy.

I'll also tell you this. When I took office back in 2011, we had a 7 percent unemployment rate. We had \$2.03 in our rainy day savings account. We had a \$500 million budget shortfall, and I had to close the gap. And so for me as Governor of Oklahoma, I prioritized our spending on education, health, transportation, public safety related issues. And then I worked to enact pro-business, pro-growth, pro-jobs policies in our state that you mentioned in my introduction where there was lawsuit reform, education reform, workers compensation reform. I'm huge into government efficiency and eliminating waste and we've worked on some pension reform in our state.

And as a result of that, and because of our tax cuts that you mentioned-- in fact, we had one the first year and then we will have another tax cut that will take place in 2015 and 2016 if our economy continues to grow, which it is at this point, we will see three tax cuts in our state. And so our unemployment rate went from 7 percent, now it's down to 5.3 percent, Oklahoma City has the lowest unemployment rate of any major metropolitan city in the nation at 4.9 percent. And that \$2.03 in our rainy day savings account at a time earlier this year reached a high of \$577 million in 2 ½ years and that's healthy. And we like that.

MS. GREILING KEANE: We go several questions about your neighbor, Governor Rick Perry. (Laughter) It wasn't supposed to be a laugh line.

GOVERNOR FALLIN: Is he here? I saw him on TV earlier.

MS. GREILING KEANE: He is, indeed, running ads and visiting our neighboring state here, Maryland, looking to move some jobs from here to there. What do you think about his approach? Is it constructive?

GOVERNOR FALLIN: There's no official policy from-- (Laughter) from the National Governors Association. I'll speak as myself, as his neighbor, as Governor of Oklahoma. It's all fair. It's all fair. I mean, the states that are creating a quality, highly skilled educated workforce, I believe keeping their taxes low, making government smaller, smarter, more efficient, and addressing concerns of businesses so they can invest and grow jobs, are the states that are going to be the most competitive. And so I like to go out and tell the Oklahoma story and Governor Perry likes to go out and tell the Texas story. But I actually have stolen a few jobs from Texas myself. (Applause)

MS. GREILING KEANE: And do you have any trips to Texas planned to steal any more?

GOVERNOR FALLIN: Yes. It's all fair.

MS. GREILING KEANE: You mentioned the tragedy yesterday at the Navy Yards. That, of course, again raises the question of security at sensitive installations. Can you talk a little bit about funding for security and first responders in a nationwide time of budget cuts?

GOVERNOR FALLIN: And this again will just be myself speaking as Governor of Oklahoma, because we don't have an official policy on that with the National Governors Association, as the national chair. But one of the things that is important to our governors is that we maintain our funding for the National Guard. Because many times during times of crisis in our nation and in our individual states, it's the National Guard and we are, as governors, the commanders in chief of the National Guard. And certainly our governors had been concerned about the disproportional cuts that the National Guard has had to take during some challenging budget times and the financial crisis that our nation has faced. But as far as our first responders, certainly it's

important that states fund their first responder programs and certainly their emergency programs in their states.

When I came into office back in 2011, we had a lot of natural disasters that occurred in our state and our state had not reimbursed our local counties and cities and municipalities for the funds that they expended during that time. And so when I became governor, we passed legislation, put it in my appropriations bill, to be able to reimburse those various communities for their disaster programs. That was in my state.

MS. GREILING KEANE: In Oklahoma, Australian college student Christopher Lane was shot and you said at the time the issue is not about gun control but it was about murder. Do you think there's any gun control measures that could have prevented Lane from being shot? And would you ever favor any gun control measures such as universal background checks?

GOVERNOR FALLIN: Now, are you asking me this as the national chair of the Governor's Association? She didn't know it was Oklahoma governor. Well, let me just first of all say that we had a tremendous tragedy in the State of Oklahoma with an innocent bystander, a jogger, a college student who was a baseball player beloved in his community from Australia who was in a local community and was gunned down by three individuals that, a group of three individuals and we're still, of course, working through the justice system on who was the perpetrator of that.

But it is an issue of murder. If someone's going to kill someone like Chris Lane, they could have used a car, a basketball bat or whatever they might have wanted to use. If you're setting out to murder someone, it's very unfortunate that he was shot, he was an innocent man and I know justice will be served in the State of Oklahoma. But I do think it's up to each and every individual state to have their own laws, regulations, about guns. And different states feel different ways and different governors have different opinions on that.

In the State of Oklahoma, we strongly support second amendment rights and the right for gun ownership.

MS. GREILING KEANE: As Oklahoma's first female governor, how would you assess the status of women's substantive participation in state government, business and education in your home state?

GOVERNOR FALLIN: Women's what?

MS. GREILING KEANE: Substantive participation?

GOVERNOR FALLIN: Oh, okay. It's good. We encourage that in our state. And actually, for many years when I was a younger girl beginning to run for public office in my early 30s, I had a lot of people tell me our state would never vote for a woman to be in a statewide elected office. But, I've been able to hold four different offices in our

state. We do need to encourage more women to get involved in politics in our nation. Certainly, they can make a difference, whether it's running on a local level, as my mother did, as the mayor of Tecumseh, or whether it's running for Congress or U.S. Senate or running for a governor. And maybe some day, we'll have a woman President. Not me.

MS. GREILING KEANE: We always encourage announcements to be made here at the National Press Club. As someone who successfully ran for office while you were pregnant and received some criticism at the time from strangers for doing so, what do you think of the much more present-day criticism of Yahoo!'s Marissa Mayer for accepting the CEO job while expecting a child? And will women ever get past that type of criticism?

GOVERNOR FALLIN: You did a pretty good background check on me. You been working with the NSA? (Laughter) Actually, when I was a young businesswoman, I decided that I was frustrated with what was going on at the Oklahoma capitol and wanted to get out and try to effect change on education, health, jobs. And so I decided I was going to run for office and actually was pregnant at the time. And so I had my son between the primary and the general election. And so there were some people who came up to me and said, "You'll never be effective. You'll never be able to get anything done. It's certainly going to be hard for you to be a young mother." I also had a three year old, by the way, at the same time.

And so on election night, I had a month and a half old baby and a three year old and I took office 23 years ago in November-- of this coming November. And it hasn't held me back yet. And so not only did I serve in the Oklahoma House of Representatives but went on to become the first woman Lieutenant Governor in the State of Oklahoma. Went on to Congress and certainly now as Governor. My children are normal, they're doing very well. They're very outgoing and very opinionated in their own right, in a good way.

So no, I think women can do whatever they want to do as long as they work hard. Certainly for me, my family-- my faith, my family and my career, that's the order of my priorities for me personally in my life and what I think's important. (Applause)

MS. GREILING KEANE: Now, it being Oklahoma, I've got to squeeze in a sports question, we have a couple. This person asks how can Oklahoma's businesses achieve the same prominence as your football teams?

GOVERNOR FALLIN: We already have. We already have. And that's why we have one of the strongest economies in the United States. The drop in our unemployment rate, the new revenue growth that we've seen in our state, certainly having one of the best job growth rates in the nation, one of the lowest unemployment rates in the nation, we're seeing great success in business recruitment, business retention. And, of course, we've been working very hard to create the right climate for businesses to be able to invest, grow and expand. But we also want to make our state the best place to live and to raise a family.

And so we do have great football teams in the State of Oklahoma. But, of course, I think all of Oklahoma is great.

MS. GREILING KEANE: We are almost out of time, but before asking one last question, I've got a couple of important housekeeping matters to take care of. First of all, I'd like to remind you about our upcoming speakers. On September 20th, Friday, we have Gina McCarthy, administrator of the Environmental Protection Agency. She will highlight the administration's climate change action plan. On September 26th, we have New Orleans Mayor Mitch Landrieu and Philadelphia Mayor Michael Nutter. And on September 30th, we have Education Secretary Arne Duncan.

Secondly, I would like to present our guest with the traditional National Press Club coffee mug. (Applause)

GOVERNOR FALLIN: Thank you. I appreciate that very much.

MS. GREILING KEANE: And one last question. The first female president of the National Press Club was Vivian Vahlberg, an Oklahoman who wrote for *The Daily Oklahoman*. She was elected here in 1982. As Oklahoma's first female governor, what do you think is the secret for these pioneering women leaders from your state?

GOVERNOR FALLIN: Hmm. Just the strength of the women from the South. (Applause)

MS. GREILING KEANE: Thank you.

GOVERNOR FALLIN: You're welcome.

MS. GREILING KEANE: Thank you, Governor, for coming today. Thanks to all of you in the audience as well. And I'd also like to thank the National Press Club staff including our Journalism Institute and Broadcast Center staff for helping organize today's event. Finally, I'd like to remind you that you can find more information about the National Press Club on our website. And if you'd like a copy of today's program, you can find it there as well at www.press.org. Thank you, we are adjourned. (Sounds gavel.)

END

