

NATIONAL PRESS CLUB LUNCHEON WITH EDUCATION SECRETARY MARGARET  
SPELLINGS

SUBJECT: THE NO CHILD LEFT BEHIND ACT

MODERATOR: JERRY ZREMSKI, PRESIDENT, 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 president of the National  
Press Club and Washington bureau chief for The Buffalo News. I'd like  
to thank our club members and their guests who are joining us here  
today along with our audience that's watching on C-SPAN. We're  
looking forward to today's speech and afterwards I'll ask as many  
questions as time permits. Please hold your applause during the  
speech so that we'll have more time for questions. And for our  
broadcast audience I'd like to explain that if you hear applause  
during the speech it may be from the guests and members of the general  
public who attend our luncheons and not necessarily from the working  
press. (Laughter.)

I'd now like to introduce our head table guests and ask them to  
stand briefly when their names are called. From your right, Sarah

Sparks of Education Daily; Bill McQuillen of Bloomberg News; Rick  
Dunham of The Houston Chronicle, and former National Press Club  
president; Joel Klein, chancellor of the New York City schools and a  
guest of the speaker; Libby George of Congressional Quarterly; John  
Castellani, president of the Business Roundtable and a guest of the  
speaker; skipping over the podium, Melissa Charbineaux of CBN News,

the vice chair of the National Press Club's speaker committee; skipping over our speaker for just one moment, Debra Silimeo, senior vice president of Hager Sharp and the National Press Club Speakers Committee member who organized today's luncheon; Bill Taylor of the Citizens' Commission on Civil Rights and a guest of the speaker; Peter Schmidt of the Chronicle of Higher Education; Gail Russell Chaddock of the Christian Science Monitor; and Ricky Sabia of the National Downs Syndrome Society. (Applause.)

The last time we hosted today's speaker -- education secretary Margaret Spellings -- I used the videotape afterwards as a class lesson in my journalism class at the University of Maryland, and we have a tough rule at Maryland. If you misspell someone's name in a class assignment you get an F. So it was much to my chagrin that one of the students spelled Spellings S-P-I-L-L-I-N-G. (Laughter.) Thankfully that student's performance improved after that and he did not get left behind. (Laughter.)

And that would, of course, be good news to Spellings, one of the principal forces behind the No Child Left Behind Act, President Bush's signature domestic accomplishment. This week, President Bush went to a school in Chicago to mark the sixth anniversary of No Child Left Behind. Congress was supposed to reauthorize the legislation this year but it seems increasingly likely that the bill itself could be left behind. The legislation that was enacted with broad bipartisan support and such great expectations is now, according to one of its principal congressional sponsors, the most negative brand in America.

Yet Spellings makes a forceful argument that No Child Left Behind has made a big difference in improving education in America. The secretary, who took office in 2005, was the president's domestic policy adviser when the law was crafted and has been the president's number one man -- woman on education -- (laughter) -- my apologies -- number one woman on education since his days as governor of Texas. She's the first mother of school-aged children to serve as education secretary. She is respected on both sides of the aisle for her commitment to education reform and has the reputation for frankness and a sense of humor, and I'm glad. (Laughter.)

She once described herself as the earth mother kind of Republican, and she says that her religion was phonics. To spread the education reform gospel she's braved appearances on "Celebrity Jeopardy" and "The Daily Show", where John Stewart quipped that she's the only member of the president's cabinet who is not allergic to him. (Laughter.) While she's dubbed education the big kahuna in domestic policy, polls show that it's not at the top of voters' lists of concerns this year. In a few weeks, though, the president will

outline his priorities for education in the final year of his administration in his State of the Union address. And today, the secretary will give us a preview of what's ahead for education in 2008. Ladies and gentlemen, please join me in welcome -- welcoming Margaret Spellings -- that's S-P-E-L-L-I-N-G-S -- back to the National Press Club. (Applause.)

SEC. SPELLINGS: Thank you, J-E-R-R-Y. I'm really happy to be back and it's really fun for me to come again. You know, there's a

new movie out I had the chance to see this week called "The Great Debaters", and it's inspired -- I highly recommend it, by the way, to those who haven't seen it -- it's inspired by the true story of students at Wiley (ph) College in Marshall, Texas, my home state, and how these students beat the odds. The title is apt because our nation is engaged in a great debate. It's not really a new debate. In fact, the movie quotes the great Langston Hughes poem, "I Too Sing America", which speaks to the heart of what we're talking about -- that all children, regardless of what they look like or where they come from, deserve a quality education.

Yet even today, some are still debating whether or not this goal is reasonable for every child. What is new is that thanks to the people in this room and others like you our debate is slowly evolving. Instead of asking whether or not all students can learn, we're finally beginning to make sure that every child is learning. So I'm really honored to be here with trailblazers who are leading the revolution in education. No other issue unites such a distinguished, diverse, and bipartisan group of people. I think you can tell that by our head table -- Joel Klein, Bill Taylor, John Castellani here with me, and many of you in the audience today -- thanks to all of you, my fellow warriors.

No Child Left Behind came about because of people like you. You saw workers who were unprepared for jobs. You saw that the line between haves and have nots was often drawn by race and background. You supported the need to shine the bright light on where schools were doing well and where they were letting kids down. You sparked a movement to use standards and measurement to drive reform for every single student. And today, from Massachusetts to Florida, from New York City to Atlanta to Houston, those that first championed this approach are reaping the greatest results.

Today, I'm releasing this new resource which we're calling the National Dashboard. It shows how we're doing on key indicators such as high school graduation rates and closing achievement gaps. We're also created (sic) a new tool on our website at ed.gov to help parents and policymakers understand how each state is performing. Civil rights leaders like Bill Taylor agree that information is a powerful motivator, don't you, Bill? All right. (Laughter.) We publish data to guide and promote improvement. We are committed to our promise of grade level or better for every child by 2014 because it's the right thing to do. But it's not just the right thing for our kids. It's the right thing for our country's long-term economic security.

Don't just take my word for it. Ask any business leader, like John, or my friend Tom Donahue of the U.S. Chamber of Commerce, who said, "Dangerous trends have taken hold nationwide that should not only worry us but scare us and even shame us". Because people like you recognized this trend early on, six years ago we finally made a commitment to leave no child behind. Agree or disagree with this law, without No Child Left Behind we wouldn't even be talking about how to get every student on grade level. In our two centuries as a nation, this is the first time we're able to have a discussion based on facts and sometimes harsh realities instead of hopes or habits. After decades of doling out federal dollars and hoping for the best, we're now expecting and getting results. We're in the midst of a profound

and often uncomfortable transition.

For 40 years we tried the ostrich approach. Instead of addressing problems, we buried our heads in the sand. Today we're taking an honest look at our schools. Now it's decision time: Do we have the courage to repair what's broken, or will we go back to pretending nothing's wrong?

As Senator Kennedy wrote in Monday's Washington Post, we must put progress ahead of politics and support what is working in school reform, and work together to fix what is not. I agree. And I look forward to working with Senator Kennedy and all of you to do what's right and carry forward this important movement.

We must stay true to the core principles of this law -- annual testing, publishing data, helping students and schools that fall behind, and holding ourselves accountable for the achievement of all children.

Over the past several years I've traveled the country listening to teachers, parents, business leaders, policymakers, civil rights organizations, Congress. And here's the consensus: We must make sure educators have the best ways to chart student progress over time; the authority and flexibility to improve struggling schools; and more accurate ways to measure dropout rates; we must make sure students who need extra help can access free tutoring.

To reinforce the president's challenge of Monday, Congress has had over a year to consider these reforms. But students and teachers need help now. So if Congress doesn't produce a strong bill quickly, I will move forward. As I've done since I've taken office, I will partner with states and districts to support innovation.

Just this week, I've been to Chicago and Tallahassee; next week I'll head West to California, Oregon and Washington. I intend to visit as many places as possible to build on the foundation we've laid. We must make sure that people, nation wide are asking the right questions. For instance, in this high-tech, knowledge-based economy, do we really want to debate whether it's appropriate for a nine-year-old to know how to read? Now that a college degree is all but essential, do we want to argue whether it's possible for every student to graduate from high school?

When we need to be sprinting ahead, we can't afford to keep walking. Instead of questioning our children's potential, let's get experienced teachers in our neediest schools and reward them for results. Let's use research, data and technology to guide innovation, like we do in business and medicine. Let's make a college degree affordable and accessible to all.

Today we celebrate a powerful movement that declares grade level skills, the bare minimum for life in our democracy and today's economy. We celebrate a movement that declares that education is, in fact, the new civil right. During my final year, I will do everything in my power to propel this movement forward. But ultimately it's up to all of us to make sure it lives on.

These days we're hearing all kinds of rhetoric from the campaign trail -- proposals to scrap No Child Left Behind, overhaul the law, or turn around education in just three years. As a parent, taxpayer and voter, I want more than a sound bite or a quick fix. I want someone who recognizes that NCLB has sparked a more sophisticated dialogue that's driving real improvement for students. We have to ask, which comes first, politics or kids? No Child Left Behind is not just a catchy phrase, it's a statement about who we are and what kind of country we want to be.

It's interesting to me this election season, everybody's talking about change. With this law we got change. In fact, we got one of the biggest changes in American education history. And today we've reached a tipping point. It's up to us to define our future. If that future does not have accountability at its very core, then we'll all lose -- most importantly, most especially our kids.

Thank you, Jerry. Glad to answer questions.

(Applause.)

MR. ZREMSKI: We have a lot of questions on No Child Left Behind, and some other matters. Starting with this: You once said that No Child Left Behind was 99 and 44-one-hundredths percent pure --

SEC. SPELLINGS: I didn't say the 44-one-hundredths.

MR. ZREMSKI: Oh, you said 99 percent?

SEC. SPELLINGS: I did.

(Laughter.)

MR. ZREMSKI: Oh, okay. Is it still 99 percent pure?

SEC. SPELLINGS: You know, when I, when I said that, and I still stand by it, I'm talking about these core principles, this idea that we can get our kids on grade level by 2014 -- those of you who are moms and dads, I bet you want that for your child right now today, you probably don't want to wait until 2014; that we're going to do that by understanding that annual assessments and disaggregating data are the key features of our ability to do that; that we have to have highly qualified teachers in our classrooms; that consequences, like tutoring and extra help, must flow out of the accountability system.

Those core principles are as sound today as they were when they were enacted six years ago, and they're pure as all -- 99.4 percent --

MR. ZREMSKI: 99.4 percent pure -- rounding down (laughs).

(Laughter.)

MR. ZREMSKI: How do you respond to criticism that No Child Left Behind leaves the average child behind as they draw little teacher time or attention, and as the curriculum offers them little challenge?

SEC. SPELLINGS: Well, you know, it's interesting to me because

the federal role in education that was created about 40 years ago -- and, by the way, the Department of Education has just been named for Lyndon Baines Johnson, who was, sort of, the founder of that federal commitment, and it has been this discrete 9 percent, or so federal investment in education around the needs of our neediest students -- poor kids, minority kids, special education students. And that is where we live at the federal level; that's what No Child Left Behind is about.

Now that's not to say that the needs of all kids, and, you know, state policymakers and local school boards who pay the rest of the freight, the other 91 percent, shouldn't be attending to rigorous course work for every student -- curriculum strength beyond just reading and math, which is required as part of No Child Left Behind. But our discrete and appropriate federal role has always been around our neediest kids.

And by the way, I think it's important to note that those are growing numbers in our country. Those are growing populations, and we'd better figure out how to crack the code and make sure we serve all of those kids well.

MR. ZREMSKI: Is No Child Left Behind geared too much toward teaching toward the tests?

SEC. SPELLINGS: I've been asked that a time or two, Jerry -- (inaudible) --

MR. ZREMSKI: I think you have.

(Laughter.)

SEC. SPELLINGS: -- and here's -- and here's the answer. Listen good educating is teaching to the test. If you have a curriculum that is sound, and a measurement system that is aligned to it, then you want to teach for the test. That's exactly what ought to be happening.

To the extent that -- some have suggested that we focus on reading and math to the detriment of other subjects, I would simply suggest that without skills in those areas it's really hard to learn social studies or philosophy without knowing how to read on grade level or better. So that that's the appropriate place for the federal role to enter -- the discrete yet vigorous point of policy. And, you know, good measurement and good assessment go hand in hand. That's always been true for centuries in education, and it's -- it's good learning.

MR. ZREMSKI: Okay.

Elections are not great for bipartisan cooperation, which is essential to getting this bill reauthorized. Are you still planning to push for legislation in the coming year?

SEC. SPELLINGS: Sure. You bet. And, you know, obviously the perfect world here -- and this is what we worked on all last year when NCLB first became eligible for reauthorization, is to try to get a

strong renewal of this law. And I'm very committed to that. However, in the context of the assumption in your question, which is to say that, you know, things are particularly hard in a climate like this, this is a unique bipartisan coalition that has some unique alliances -- I recognize that that may or may not happen this year. And what I know for sure is that the new president is probably not going to show up and work on George Bush's number one domestic achievement.

I've at the first day of a presidency; it takes a while to get organized. And school people are out there trying to educate kids. And we need to help them with some policy solutions and an approach that is stable and long lasting now.

MR. ZREMSKI: What concessions are you willing to make on accountability standards in order to get a No Child renewal through Congress?

SEC. SPELLINGS: I'm not willing to make any concessions on strong accountability.

I'm really not. These are the 99.9 percent-pure features and core principles of this act.

You know, one of the things that I know for sure, like Oprah says, is that this law is strong and good and on the books and does not expire. So the schoolchildren of America have some good leverage, and they don't need to retreat on accountability.

Remember, what we're asking for is grade-level reading and math ability by 2014. Who doesn't think -- who doesn't want that for their child? I mean, think about that. Is that too much to ask from our schools? I don't think so. I can get kind of revved up about this, Jerry. (Laughs.)

(Applause.)

MR. ZREMSKI: Oh, that's all right -- (inaudible). (Laughs.)

What made you support Alexander's bill to give 10 states accountability flexibility, when you've been wary of such proposals in the past?

SEC. SPELLINGS: Well, I know -- and certainly I've done some of this myself administratively -- that we need to find ways to advance the state of the art in policy thinking, especially around some things like assessment. I've offered nine states waivers to look at this growth model idea, this notion that we ought to have educators get credit for progress over time, so long as we're picking up the pace enough so that they can be on grade level by 2014. We're not going to retreat on that.

But, I mean, I think -- you know, there are things that can be done, and in the states are laboratories of innovation that can advance the state of the art, and we ought to look at some of those things in discreet ways. (Mild laughter.)

MR. ZREMSKI: President Bush has stated that he will veto a bill

that weakens No Child Left Behind. What specifically constitutes weakening the bill?

SEC. SPELLINGS: Gutting the accountability system. And let me tell you what that looks like.

It looks like so much assessment that parents and policymakers, the business community, can't understand what's going on. That there are so many measures, so much obfuscation, so much lack of clarity that people are confused and it muddies the water. That's one way to gut accountability.

Retreating to every-other-year assessment, moving the goalpost and saying, you know, what, 2014, we will never make that. Move it to 2020 or 2030 or some time after I am out of the education business. Whatever.

These are all things that gut -- work towards gutting the accountability system, and we can't stand for it. Our kids can't stand for it.

MR. ZREMSKI: If Congress does not reauthorize No Child Left Behind, what concrete actions can the president take under his executive authority on this issue?

SEC. SPELLINGS: Well, through me, I obviously have various tools, as any secretary does, at his or her disposal. And they include the ability to create pilot programs and incentives and things like that, like we've done with a number of issues: This growth model pilot that we have nine states participating in that I've just recently opened the opportunity for every state to participate in. We have limited English proficiency partnership that 20 or so of the states participate in. Special work on special education. So those are the kinds of things that can be brought to bear, as well as rules, regulations, guidance, enforcement. There are a panoply of tools that are available.

And I am about to hit the road and talk to states about what are the key issues and what's the most appropriate way to address them, given the tools that we have.

MR. ZREMSKI: Are you worried that most of the presidential candidates, with the notable exceptions of Mitt Romney and Mike Huckabee, have been promising to scrap or change No Child Left Behind?

SEC. SPELLINGS: What was -- am I disturbed by that, or worried?

MR. ZREMSKI: Worried.

SEC. SPELLINGS: Worried. I'm kind of a worrier by nature -- (laughter) -- but I don't think they're asking that, no.

You know what? I think that's -- you know, it tells me that, frankly, it's primary season. What we have seen for a long time is -- not to be cynical, but, you know, on one side of the aisle, the politics that are about grownups, that are about unions, that are about class size reduction and sort of the old saws, we've seen on



that side for a long time. And on my side of aisle, about federalism and federal intrusion and this sort of thing.

And what I'm trying to say is that's not the discussion we ought to be having. The discussion we ought to be having is how are we going to get more kids in and out of high school, prepared and ready for higher education or the workplace? (Applause.) (Aside.) I'll take a little -- (word inaudible) -- on that.

Half of our minority kids in this country don't get out of high school on time. Ninety percent of the fastest-growing jobs require two years of college or more. I mean, that is an untenable gap for our country and, you know, I'm not going to stand for it. (Laughter.)

MR. ZREMSKI: You mentioned the unions. What role have the teachers' unions played in changing the debate on No Child Left Behind?

SEC. SPELLINGS: Well, I think, you know, it's a lot about issues that relate to the needs of adults versus the needs of kids. So, obviously, they represent teachers, so that's what they're supposed to do. I don't take anything from them for doing that.

But I think those of us in this room need to make sure that we're paying adequate attention to the needs of kids as well: How are we closing the achievement gap? How are we investing resources around research-based programs that work? How are we making sure our very best teachers are in our most challenging educational settings and not the opposite? You all know this. The dirty little secret in education is if you have a Ph.D. you're probably going to be at Creampuff High, and if you're brand new, you're going to the inner city, and that sort of thing.

So kids versus grownups, and that's -- those are the sorts of things that you see in the debate. That's why I need your help.

MR. ZREMSKI: This week the Sixth Circuit Court of Appeals declared that No Child Left Behind was an unfunded mandate. Please comment on the Court's ruling.

SEC. SPELLINGS: Well, clearly, we disagree with the decision, and I'm confident that it will ultimately be resolved in our favor. We are looking at the legal options available to us and will decide those things fairly shortly.

But what I can tell you for sure is that No Child Left Behind is strong and on the books, and will be abided by states and the federal government, and we'll watch the litigation wind through the process.

MR. ZREMSKI: So no official decision yet as to whether to appeal to the Supreme Court?

SEC. SPELLINGS: No. I mean, I obviously have my -- it just came out a couple days ago -- I have my legal scholars looking at the various options. We'll be talking, obviously, to the solicitor general, and we'll be back at you, Jerry. (Mild laughter.)

MR. ZREMSKI: (Chuckles.) Okay.

How will applied skills be addressed in No Child Left Behind? Business has said that youth lack these skills. What will be done to address these needs?

SEC. SPELLINGS: You know, there's a lot of discussion about things beyond reading and math proficiency that may be considered as part of an accountability system. We're adding science assessments this year. States are looking at whether to add social studies or additional grades for assessment -- different measurements of some of these softer skills, the ability to work together and problem-solve and so forth.

I think our role at the federal level will continue to be around these core reading and math grade-level sorts of principles and allow the states to -- now that we have this infrastructure, this highway, kind of round out accountability systems that hold our schools accountable for the performance of average kids and gifted kids and hold our schools accountable for applied skills and social studies and all those sorts of things.

Those are certainly within their jurisdiction, and if I were in a state, I'd be making policy like that. But I think at the federal level, for the time being, we'll stick to our great goal of grade level proficiency in reading and math.

MR. ZREMSKI: You mentioned state-level efforts. Many effective state reforms, such as growth models, were enacted in some states prior to No Child Left Behind becoming law.

How do successful state and school district reforms inform the reauthorization for the federal law?

SEC. SPELLINGS: And one of those states was Texas, I'll tell you. We had a sort of "credit for progress" over time, sort of (the notion ?) Florida did -- among others.

And I think, you know, one of the things that we've learned in the last six years -- and I want to do a little educating-in-chief right now -- the reason that we did this approach that we have now is because we had so anemic accountability in this country. When the president showed up, we had about 10 or 11 states that had real accountability systems. By 2005, 2006 we had half of our states that really knew and had a true picture of what was going on.

So the Congress couldn't have enacted a growth model six years ago. There's no way to chart growth over time unless you're finding out how you're doing at each increment every year. And so we're to a place now where we can use this approach that often harmonizes more closely with some of our early pioneers -- states that have done annual assessments, some of the ones that I mentioned in my remarks -- and have fairer, truer, potentially more accurate accountability systems.

MR. ZREMSKI: How do you manage to meet the goal of reading at

grade level by 2014, when America's growing so multilingual?

SEC. SPELLINGS: Well, first -- as a little fun fact to know and tell -- I want to remind people that most of our limited English speakers in our schools are United States citizens -- "Born in the USA," to quote the great Bruce Springsteen. Two-thirds of them have been here for -- I mean, two-thirds of them were born here period; and three-quarters have been here for five or more years.

So I think as a matter of policy, we need to ask ourselves: Is it unreasonable for citizens of this country to be able to read on grade level, by the time they're nine, in English? I mean, I think so. So I don't want to overstate this issue. Are there people who are migrating to this country? You bet there are, and there are accommodations in this law for transition times. But we cannot lose sight of the fact that that discussion becomes a loophole for figuring out how lots of kids of color who are United States citizens are inadequately served in our system because of this.

MR. ZREMSKI: One last question on No Child Left Behind: Obviously there's been staunch opposition to this law as it's developed -- both from the left and the right. Why do you think it has become such a hot button issue?

SEC. SPELLINGS: Well, I think there are lots of vested interests in the status quo. There's no doubt about it. It's not anymore complicated than that. I mean, you know, a lot of people want to go back to the old days of, you know, the ostrich approach, no accountability, more money, let the good times roll. And we tried it for 40 years. If it worked, I'd be for it -- it just doesn't work. And so, you know, there are -- it's uncomfortable. Sure, it's uncomfortable. We ought to be uncomfortable! Half of our kids are getting out of high school on time. I mean, if we don't have anxiety and discomfort about that, you know, shame on us.

MR. ZREMSKI: I understand that you have a national math panel working to help our schools improve our students' math performance. Where does that stand?

SEC. SPELLINGS: They are about to finish their work. And I expect to receive that report, you know, late February/early March. I'm very excited about it. It's going to be an important body of research and understanding around math.

You know, one of the things that has been so, in my opinion, essential to some of the gains is our focus on reading and using research to inform practice in our schools. And we needed to do for math what had been done for reading, and that is provide better understanding about, you know, how do you close the achievement gap in math? We owe our educators our best thinking about that. So I think it'll be well received and I look forward to stumping the country and talking about how we close the achievement gap in math as well.

MR. ZREMSKI: What do you think will happen with Reading First, in light of the '08 budget cuts?

SEC. SPELLINGS: Oh, I'm so glad you asked me that, Jerry. I was going to sneak it onto my math answer if you didn't ask it.  
(Laughter.)

Well, this is -- you talk about a place where we put politics ahead of kids, this is one. Reading First is one of the most effective programs ever proffered by the federal government -- period. And it is a big, big program. It's \$1 billion a year right now, and the Congress cut it by 60 percent and that's a big, big cut to a program that is helping lots of "little bitties" learn how to read quickly. And I think it's sad.

I intend to, obviously, alert the states about what kind of a massive cut this is going to look like. And I hope that they will make contact with their members of Congress and that we will, you know, be able to restore those funds.

I mean, obviously, the president is a big supporter of it. It was part of what he ran for president on in 2000. He has consistently asked for the full funding of it at \$1 billion and I expect that that will likely be the case this go around. We're obviously in negotiations with OMB and that hasn't -- those final decisions haven't been -- haven't been made yet.

The other thing I want to say about money -- and I don't mean to be glib about this at all. Resources are critical. I've never been involved in the policymaking body, whether it's the local school board, the state legislature or the Congress that we didn't have more resources for education. That's true this year. I suspect it'll be true next year. But you know, this idea that we are talking about how well we're doing, what we're getting for it, as opposed to just "how much do we spend" is important.

And I might also mention that the Congress fell about \$60 million short of what the president asked for in Title I -- I mean, in No Child Left Behind funds this year. I mean, not -- I mean, in large part because of the giant cuts for Reading First. But the president, for the record, asked for more money for No Child Left Behind than the Congress ultimately appropriated.

MR. ZREMSKI: Isn't the real problem underlying inequities in education the fact that revenues for education come from local property taxes? What can be done to promote uniform accomplishments in schools, so long as schools are supported locally?

SEC. SPELLINGS: Well, the most important thing about No Child Left Behind is it puts this elephant in the middle of the dining room table. It lets us know really, for sure, how are we doing? And I think, you know, there's no doubt that we're going to continue to have, you know, a sort of minority investor role in funding education from the federal level. It's currently at about 9 percent -- with the vast majority of resources coming from state and local taxes, also property taxes.

And I think, you know, I certainly saw this in Texas during my state days that the demand for resources and for better, more

sophisticated school-financed systems comes out of framing the needs and the equities -- potentially inequities. And so you know, those are issues that states are going to struggle with clearly, and that's not going to change. But the fact that they're operating from some real information, I think, is very important as part of the discussion.

MR. ZREMSKI: What are your thoughts on universal design for learning for special education students?

SEC. SPELLINGS: Rakia (sp), is this your question? (Laughter.) She's a big fan of that.

Well, I think, you know, we are in the infancy in assessment in this country. You heard me tell my story about 11 states had it six years ago, up to half a few years -- by '05-'06 and now, you know, all 50 states, but we have just begun. And I would say we're at, you know, high school level accountability in assessment. We need to make sure that the state-of-the-art, that the assessment industry, that the higher education community and the field in general, you know, continue to advance better measurement. We fall behind with respect to limited English students and special ed students how best to assess and intervene.

And one of the things that I think the community -- the special ed community has accurately observed is that we do not have appropriate -- often do not have appropriate instruments to fully and accurately assess the ability of all kids -- including especially our special ed kids.

MR. ZREMSKI: That was your pen. I'm sorry. (Laughs.)

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Since Title II requires that any entity receiving federal funds be in compliance with the ADA, why does the Education Department continue to let school districts break this law and continue to receive federal funding?

SEC. SPELLINGS: Say again. I mean --

MR. ZREMSKI: Okay. Since Title II requires that any entity receiving federal funds be in compliance with the Americans with Disabilities Act, why does the Education Department continue to let schools break this law and continue to receive federal funding?

SEC. SPELLINGS: I've never been asked that before. I will certainly look into it. I don't know that to be true, and I certainly don't want to buy into that thesis. But I will certainly look at it.

MR. ZREMSKI: Now several questions about higher education. You mentioned making college affordable and accessible for all. With all due respect to the modest gains in Pell grants, they do little with education costs going up 5 (percent) to 7 percent a year, and some schools costing up to \$50,000 a year. How can college be affordable with these rising costs?

SEC. SPELLINGS: Well, first, I want to agree with the questioner's observation. And I'm proud that we have made some gains in the Pell grant. It's important. We made very significant gains, in fact. This is the largest Pell grant increase that we've seen in the 30 years of the program. And we can do more. And, you know, I'm glad that the level of the Pell grant, you know, is more adequate for the cost of community college and many state-funded institutions.

For those very high-cost, often private schools of the \$50,000 that the questioner asked about, one of the things that I have called for, and I think it's important -- it's not just money, because what we've seen in higher education financing is we're sort of chasing our tail. We keep putting more money in and the price keeps going up.

So what are other things that we ought to do? Well, there are a couple. One, we ought to make sure that we get kids out of high school ready to be successful in higher education so they don't have to remediate and remediate and take, you know, six and eight years to do what they should be doing in four years, et cetera. That'll be a good money saver for moms, dads and taxpayers and students.

And the third thing we ought to do is provide more information and more transparency about American higher education. Some of you look old enough to have gone through the college selection process with your students, you know, as I have.

And it strikes me that we do not have kind of adequate consumer information, certainly not like what we expect really in every other area of our lives, when it comes to this very expensive, critically important, often life-determining, decision that kids and families make about higher education.

Why can't we find out, you know, if you're an African-American male studying engineering, do you have a better chance of getting in and out of Ohio State University or the University of Texas or Notre Dame or Harvard, or whatever? These are just the facts. This is not any kind of federal scheme. We just want to know how are they doing.

We are a one-third investor in American higher education from the federal government compared to this 9 percent investment in K-12 education. And I think it's right and righteous for us to be able to ask, how are we doing? Moms and dads want to know.

MR. ZREMSKI: After winning the New Hampshire primary on Tuesday, Senator Hillary Clinton said, and I quote, "The predatory student loan companies have had seven years of a president who stands up for them." Is this just predictable partisan sniping, or does Senator Clinton have a point, given the repeated reports from your own inspector general criticizing your department's oversight of student lending?

SEC. SPELLINGS: Well, I would first say that you're talking to the secretary that once and for all ended such payments on October 1 of 2006. So we've had these special allowance payments for a long, long time, which have come to an end under this administration. And clearly we have a system -- see the answer I just gave you -- of financing higher education and understanding in higher education that

often is ripe for abuse.

We run 16 different programs, different sorts of eligibilities, so on. The tax code, obviously, is an additional set of issues. It's almost as if we're trying to keep kids out of college rather than get them in. And because it is so complicated, so Byzantine, and often opaque, kids, families, the lending community often can find that it's (gamed?).

But I just want to state clearly for the record, we ended this practice. And we have vigorous oversight when we see abuse in the financial and student lending industry. Many of the abuses that have been talked about or that you all have written about in your various newspapers occur on the private side of student lending, which the Department of Education does not have jurisdiction on.

I have created a task force -- pardon me, the FTC, the SEC and all the other actors who do have oversight over those sorts of financing instruments -- so that we can compare notes and provide even better oversight of this enterprise.

MR. ZREMSKI: We do have a lot of questions that were e-mailed to me earlier today about the whole student loan issue.

SEC. SPELLINGS: We don't have a lot of time, Jerry. (Scattered laughter.)

MR. ZREMSKI: Yes, we do. We've got almost 15 minutes. (Laughter.)

SEC. SPELLINGS: Oh, good. (Laughs.)

MR. ZREMSKI: Yes. (Laughter.) Your Office of Inspector General has repeatedly been pressing you to take more aggressive action to recover the hundreds of millions of dollars lost to student loan companies through the 9.5 percent subsidy program.

Given that we don't know the size of the losses from that program as of yet, is there any chance of the government revisiting the overall settlement agreement that you announced in the context of the Nelnet case?

SEC. SPELLINGS: Well, first, let me just give a little context with respect to the, you know, order of magnitude here. We had, from '03 to '06, student loan volume that grew from \$231 billion to \$344 billion. I'm no math major, but that's a lot of money. And the subsidy, the special allowance payments paid in that period of time, amounted to a total of about \$736 million as part of the special allowance payment. And so I think we just sort of have to think about the order of magnitude.

What was the other part of the question?

MR. ZREMSKI: I think that pretty much covered it.

SEC. SPELLINGS: Okay. All right. I mean, just think about it in context. We've ended it again, as I said.

MR. ZREMSKI: It's now been some nine months since a top official in your department, Matteo Fontana, was found to have been holding stock in a student loan company that he was charged with regulating. Several college administrators were found in similar situations and were all gone from their jobs within a few weeks. Yet Mr. Fontana, as far as we know, continues to draw a government salary.

Why is it taking so long to settle this, given what seems, from Mr. Fontana's own financial disclosure records, to have been a pretty clear and serious breach of trust?

SEC. SPELLINGS: Well, obviously, we, you know, had the Justice Department, the appropriate authorities, you know, involved in these issues related to things that (met out of ?) the inspector general. And I would just say that, you know, the federal government has various policies and procedures with respect to due process for individuals who have been accused of things, whether it's ultimately found to be factual or not. I mean, those are just the rules of the road in the federal government. Mr. Fontana is on administrative leave and has been for some time. But we are having those processes work forward, and it will be dispatched as soon as possible, one way or the other.

MR. ZREMSKI: There seems to be a lot of competing data these days over whether the direct loan program still costs less than the bank-based student loan program known as FFEL. Which program do you understand to be more cost-effective? And what action, if any, would you take to ensure the success and growth of the more cost-effective program?

SEC. SPELLINGS: Well, I think I would say that, you know, consumers are better served by a variety of options. And I think it's interesting to me that, you know, government if necessary, but not necessarily government. And I think we have a good balance between a program that we at the Department of Education run, but also private-sector involvement that nets out in good customer service and efficiency and so forth.

So I don't look at it as an either-or enterprise.

I think they both help to serve students well. I think we can find ways, irrespective of that particular issue, to simplify financial aid and the programs generally that really would be much more powerful, and it's the right debate for us to be having at this time.

MR. ZREMSKI: Two months ago you said in response to a question that you hadn't seen any layoffs in the student loan industry as a result of the subsidy cuts approved by Congress, and that you hadn't seen any increase in borrowing costs to students.

In the two months since then, have you seen anything to indicate that the subsidy cuts are hurting the loan companies and that the cost of the pain is being passed on to the students?

SEC. SPELLINGS: Well, obviously, I've seen some isolated newspaper articles and so forth. I haven't seen any sort of industry-



wide analysis about the state of affairs. As you know, we're in a moment in time in our economy that the credit markets are in a unique period, and of course that's true for the housing industry; it's true for lending generally.

And so I don't know that I would draw particular conclusions from isolated newspaper accounts, but I'm sure others will. (Mild laughter.)

MR. ZREMSKI: (Chuckles.) Representatives of the nation's colleges and accreditors have reached an agreement between themselves on language for accreditation that they would like Congress to include in the higher education reauthorization bill. They said their main objective is to ensure that the colleges, along with their accreditors, retain the right to define their own measures of success. Can you accept this type of agreement, even though it seems to be a rejection of your efforts to impose tougher standards on colleges?

SEC. SPELLINGS: The approach that we have considered, through the accrediting process, is an idea where institutions would describe their own unique missions. They would tell us at Davidson College or Notre Dame or the University of Texas or Wiley College, or wherever, what their core mission was and they would describe, as part of the accrediting process, how they measured against their core mission. That is totally within the jurisdiction of each institution. I do believe it's a useful piece of information with respect to accrediting, and continue to believe so.

Obviously, I intend to work with the Congress to talk about ways that we might work together on a higher education act, but I still stand by the fact that I think moms and dads and institutions themselves want and need accurate information about how well they're doing.

MR. ZREMSKI: Okay, now we have a kind of a series of miscellaneous questions. Several top positions in your Department have been vacant for several months now. What are you doing about this, and why is it taking so long to fill the positions?

SEC. SPELLINGS: Well, I'm working hard to recruit all the good people I can at the Department of Education. If anyone wants to leave an application before this lunch is over -- (laughter) -- I will certainly take it under advisement.

Obviously, in the waning days of an administration, people start to think about their own lives after. But we are at full throttle at the Department of Education, and I'm proud of the colleagues that I work with. I have a great team of people. But we can always use all the help we can get, Jerry. (Laughter.)

MR. ZREMSKI: What's the single best thing our country can do to really make education a civil right?

SEC. SPELLINGS: Well, for starters, don't retreat on accountability for performance of poor and minority kids. That's the most important thing. Let's not blink when we are at this critical moment of deciding are we going to put the -- put this back in the

closet, or are we going to continue to confront it. And I think if there's one single thing, that would be it.

MR. ZREMSKI: Okay. What is the status of sister schools and global education on the Internet?

SEC. SPELLINGS: What is the status of them?

MR. ZREMSKI: Yes.

SEC. SPELLINGS: Well, as you probably know, there is all sorts of stuff that goes on in the Ethernet and the ether world in education. I mean, kids communicate through technology, around the neighborhood and around the world. And I think there's -- that sort of enterprise and notion is blooming.

I'm not sure we have much understanding about knitting it in, in strategic ways, with curriculum offerings and enhanced student achievement, but I think it's interesting innovation and I'm glad there are some pioneers out there.

MR. ZREMSKI: Okay. Tell us a little bit about the idea of moral education and where that fits into all of this. A questioner asks

about the kind of scandals we've seen in business over recent years and whether there's anything that can be done in schools to instill kind of a greater moral sense, or if that's really the role of the family.

SEC. SPELLINGS: Well, it's certainly the role of the family, no doubt about it. But it's also the role of states. We at the Department of Education do have some involvement in character education programs, fund some of those as part of our safe and drug-free schools programs, among other activities. And there are lots of different models that school districts and states use on that.

I do think it's appropriate that part of educating is not just about good readers and mathematicians, but about good human beings with good hearts and good souls. And I, obviously, have the great fortune to be able to see lots of schools across this country, and I see a lot of that kind of thing going on. And I'm glad of it.

It's not our most strategic role at the federal level, where we have the keenest involvement, but I see lots of character education and paying attention to those issues as I travel around.

MR. ZREMSKI: Could you imagine an environmental curriculum being introduced at the federal or state level? Given the problems our children will face as a result of climate change, should this be a top priority initiative?

SEC. SPELLINGS: Well, I can say that -- I can certainly see strong science curriculum being offered, or assessed, at the federal level as part of No Child Left Behind.

As I may have mentioned, this year will be the first year that we will require states to assess science once in each grade span -- once

in elementary school, once in middle school, and once in high school. And clearly, that activity, or that requirement, has netted discussions about science curriculum and measurement. And obviously those are state decisions, how those curricula come together and whether environmental science is part of it, but I think we're seeing more of that around the country.

MR. ZREMSKI: And one last No Child Left Behind question that just came in. Are there any initiatives being done to augment No Child Left Behind funding to disadvantaged states, to fund districts already struggling to meet accountability standards, as property tax funding continues to decrease, in state-based education?

SEC. SPELLINGS: Well, we have, obviously, more funds coming this year in Title I programs than the previous year. I suspect that'll continue to be true. As I said, the majority of funds for education are going to come from state and local governments. And we are about the power of accountability and the needs of disadvantaged and poor kids.

But resources issues are always going to rest in state legislatures and on local school boards.

MR. ZREMSKI: Okay. We are almost out of time, which is good, because we are almost out of questions. (Chuckles.) But before I ask the last question, let me just take care of some important business here.

First of all, let me remind our guests of our upcoming speakers. On Monday the 14th of January, Matti Vanhanen, the prime minister of Finland, will be joining us. On January 17th, Bill Marriott of Marriott International, and on February 4th, Admiral Thad Allen, commandant of the United States Coast Guard.

Secondly, we have a lot of traditions here at the National Press Club, which you, indeed, know about.

SEC. SPELLINGS: I've got the mug.

MR. ZREMSKI: You already have one of these, but --

SEC. SPELLINGS: I'm working for a matched set. (Laughter.) Why do you think I came? (Laughter.)

MR. ZREMSKI: Exactly. That's great. You can serve coffee to President Bush the next time you're talking No Child Left Behind.

SEC. SPELLINGS: (Inaudible.

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MR. ZREMSKI: And our plaque. And also, something a little different. Because you are Education secretary, the National Press Club -- and thanks to an investment by Aviva, a worldwide insurance company -- is sponsoring an education outreach program all across this country to universities, schools, and libraries, where we're using our centennial documentary as kind of a springboard for learning on free

press issues. And we would like to simply present you with a copy of The National Press Club: a Century of Headlines and our panel discussion on this that we had last -- last Friday night. So there you go.

SEC. SPELLINGS: Thank you, Jerry. I appreciate it.

MR. ZREMSKI: Thank you very much.

(Applause.)

SEC. SPELLINGS: Thank you. (Inaudible.)

MR. ZREMSKI: One more question. And as you may recall, the last question is also a little different in nature. It's not about No Child Left Behind. It's about some people who've left Washington.

You are one of the few Texans who came to Washington with George Bush who was tough enough to stay through two terms. (Laughter.) What do you have that weaker people like Al Gonzales, Scott McClellan, and Karl Rove -- (laughter) -- don't have? (Laughter.)

SEC. SPELLINGS: Well, first, I'm from Venus. (Laughter, applause.) Maybe I'll just leave it there.

MR. ZREMSKI: (Off mike.)

SEC. SPELLINGS: And I have lots of bipartisanship, and I hope that that continues to be the case. No Child Left Behind, my Department, I have enjoyed the opportunity to work across the aisle, and I think it makes for better policy and better government. So I would attribute it to that.

(Applause.)

MR. ZREMSKI: Thank you very much. Thank you, Secretary Spellings, and I'd like to thank all of you for coming today. I'd also like to thank National Press Club staff members Melinda Cooke, Pat Nelson, Joanne Booze and Howard Rothman for organizing today's lunch. Also, thanks to the NPC library for its research.

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Thank you. We are adjourned. (Strikes gavel.)

(Applause.)

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