

Center for American Progress



PRESENTS:

**“EDUCATION REFORM:
AN ECONOMIC IMPERATIVE”**

INTRODUCTION:

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A POLICY ADDRESS BY:

**GOVERNOR MARK WARNER,
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JOHN PODESTA: Good afternoon. I am John Podesta, the president of Center for American Progress. Father Theodore Hessberg once remarked that the very essence of leadership is that you have to have a vision you articulate clearly and forcefully on every occasion. Father Hessberg went on to say you cannot blow an uncertain trumpet. Well, since Mark Warner was inaugurated in 2002, Virginians have heard their governor sound crisp, clear notes; never an uncertain trumpet. Guided by a vision of a better educated, highly skilled, more prosperous, and more inclusive commonwealth, Mark Warner has dedicated himself to making Virginia a model for states struggling to come to terms with the challenges of a changing economy.

Here in Washington – in the Washington area we know how Governor Warner led Virginia out of a \$6 billion revenue shortfall. We know how he modernized state services and made government more user friendly, but what more of us need to know is that he did all of this while investing to transform Virginia schools into what they need to become in the 21st century. His vision for Virginia schools might be best summed up in the name given to his program, Education for a Lifetime, that is his action plan to help Virginia students succeed from preschool to grad school and beyond. His partnership for achieving successful schools is one reason why student performance on Virginia's standards of learning tests is continuing to rise in schools across the state. In fact, the National Alliance of Business has single it out as a model for improving both student achievement and the quality of the workforce.

Mark Warner is one of the few governors to respond to the danger posed by the digital divide. His TechRiders initiative is teaching basic computer skills to Virginians who would otherwise not be the beneficiaries of new information technologies, but rather its victims. I should add that at a time when so many experts in this city are discussing whether and how government and religious institutions should mix, Governor Warner's TechRider initiative has been hosted in more than 480 houses of worship as well as dozens of public libraries across Virginia and it has reached more than 16,000 men and women.

Mark Warner is obviously no newcomer to these issues. As a venture capitalist he always understood that you cannot build high performance enterprises absent a highly skilled workforce. That's why back in 1997 he developed the Virginia High-Tech Partnership to help students from Virginia's five historically black colleges and universities pursue technology careers. Given Mark Warner's commitment to quality education, I think it's of little surprise that he chaired the nonpartisan Education Commission of the state and now is chairman of the National Governors Association.

He is promoting a new national dialogue on the future of America's high schools. It's a critically important undertaking. As many of you know – you have been to some of our events before here at the Center for American Progress, we organize with

the Institute for America's Future the Renewing Our Schools/Securing Our Future national taskforce on public education, which is co-chaired by one of Governor Warner's colleagues, Governor Janet Napolitano of Arizona, along with Roger Wilkins, a professor of George Mason University, and Phil Murphy, a New York businessman. Together, we are exploring many of the same issues that Governor Warner has been addressing, particularly his concerns about high schools and ensuring high quality teachers in high poverty schools. We expect the report of that taskforce come out later this summer and Hilary Pennington's paper on Fast Track to College I think has already made his way in to the deliberations of the National Governors Association.

Mark's leadership at NGA is pivotal to bringing new clarity and needed vision to the educational reform movement because what Governor Warner understands is that our nation cannot have the economic future we want until we create the educational system America needs.

Please join me in welcoming a visionary leader, the honorable governor of Virginia, Governor Mark Warner.

(Applause.)

GOVERNOR MARK WARNER: Well, thank you. And thank you, John, for that overly generous introduction. I have never heard what I've said is kind of the – how do you initially describe it? Unfettered call or something like that or –

MR. PODESTA: Crisp and –

GOV. WARNER: Crisp and clear. Thank you and thank you for all that you're doing here at the center. I am particularly happy to be here and see so many friendly faces that I've salted the crowd with – hopefully all ask easy questions when we come to the question and answer period.

Now, originally what I was going to talk about today was high school reform and the challenge that we all have in terms of redefining the American high school, a subject that I have taken on as my chairman's initiative from the National Governors Association. And I see one of my former colleagues, Bob Wise, here, who is doing a great job with the alliance now and has really picked up on this issue as well.

That's all right. One of the things I've told people – people on Virginia will know this – having spent a lifetime in cellular phones, you know, and only having one term as governor, you hear an annoying sound; I hear to cha-ching, cha-ching, so leave the cell phone on. (Laughter.) You know, I've got to have something to go back to at some point, so nobody will be ever piss me off if you have cell phones on around me. (Laughter.)

But let me – rather than just talking about reforming the American high school, which is one of the subjects I want to get to, I really do want to spend a little bit about – a

little bit of our time today about talking about educational reform as an economic imperative. I think we all realize that as we look back at our history, there are clearly times – moments of transition. And we are in one of those moments of transition at this point, particularly as we think about America's role in the global economy, as we think about the transition to a knowledge-based economy and both the opportunities and the challenges that we confront. Statistics have shown that by the end of the decade the percentage of low or no-skill jobs in our society would be in low single digits.

And as someone who – as I was talking to John before we came in this afternoon, I just came back from a trade mission to India. Now, I know we often make these comparisons to India. One of the things that was remarkable – as a quick aside, I was actually the first American governor to visit India in the last three years. Whereas 32 governors including myself had been in China in the last year and I do think at times, while we need to keep a focus on China, we sometimes ignore India at our peril, a company – a country that has got extraordinary growth as well. Much of it due to its renewed focus on updating and upgrading its education system, particularly in math and science.

We all realize that whether it is the rise of India, the rise of China, the rise particularly of the societies around the world, that those countries that are rising are based upon their ability to create a knowledge-based workforce. It has become a truism to state, but it needs to be restated time and again, that geopolitical borders are becoming less and less important, that time and distance are becoming less and less important and that the winners and losers in the 21st century economy are going to be dependent upon those societies that can train that knowledge-based workforce. It will be the single most important determinant of who will be the winners and losers.

Now, the facts in terms of where America stands in this global competition – again many in this room realize this, but they need – I don't think we can restate them enough. As we entered into this century, we had tremendous competitive advantages, but those competitive advantages are starting to diminish and nowhere is this perhaps more evident than in the math and science area where we continue to see our students check out oftentimes as early as middle school; disproportionately, again, checking out women and children of color. We see that in the United States at this point we are down to graduating about 70,000 engineers per year; actual decline since the rush of the IT revolution. What you would think would have actually generated more interest particularly in the science and engineering has actually ended up resulting in a decline in Americans studying in those subjects, whereas our competition continues to expand in those areas. India, again as an example, graduated over 250,000 engineers last year. I have heard often reference in the last few months about the – I think it was the Intel science competition where last year the United States had about 60,000 kids compete; China had six million.

The numbers are absolutely staggering as we see our economic competitors turn out highly trained, highly competent, degree-bearing individuals at a rate that exponentially exceeds what we were doing in this country. Combine that with the fact

that we have – at the same time we have the shift where in the past perhaps we were able to avoid the full ramifications of our failure to continue to promote advanced learning, particularly in the sciences, because we continue to serve the location of the magnet of the best and the brightest around the world.

Again, that is changing. As we see immigration policies change post 9/11 world and as we see the rise of the middle class in many of the countries that once attracted – where we once attracted that talent, now people staying in the Indias and Chinas to actually build their own careers. The ramifications of that are tremendous and we see this particularly in the realm of the high school.

I chose the high school as an area for focus because my belief is that the high school has been really kind of the forgotten part of our whole education system and not the subject of a great deal of scrutiny, reform, or review over the last couple of decades. We have spent time on higher education, we have appropriately spent time on preschool education, we have spent time on accountability, we have spent time on raising teacher standards and in training teachers. But high school in effect – in effect, I think we have too often kind of said, well, if we get it right in preschool and if we can get it right somehow through kids reading in the fourth grade level by the fourth grade, by the time students get to high school things will take care of themselves. Well, at our high school summit that we held with my colleagues, as governors around the country, that – where we had a call to arms by Bill Gates, that kind of a blissful failure to focus on the high school is truly not proving to be good, smart policy.

Unfortunately, we see in this county that three out of 10 students who enter high school across America don't end up graduating from high school. And to make matters even worse, we don't even have a common dropout rate definition across the whole country. So I've seen – taking Virginia for example again – three different studies of Virginia graduation rates in the last two years, all citing a different rate. In many states around the country, a student that exits from a high school, whether they go into the private school, whether they go to be home schooled, or move out of state it's counted as a drop-out. So while we talk about three out of 10 not graduating, we don't even know what the right baseline is.

Five out of ten who do graduate and go on to college don't ever finish college. Four out of ten who go to college end up finding that they have to do remediation work, particularly in English and Math in the first two years. As a matter of fact, America ranks now 16th amongst industrialized nations in terms of our high school graduation rate. And too often for those students who graduate without plans for higher education, the high school diploma alone is no longer a ticket to a meaningful job or the ability to provide enough income to raise a family and live a good life.

And where do we go from here? Well, I can tell you that by launching this initiative we have struck a chord. I think again perhaps our timing has been pretty good. We've moved from two and a half years – two years ago there were only three governors in the nation that had actually raised high school reform in their state of a state's address.

This year, as of about March, before everybody had actually finished their state of the state address, we had over 30 governors who have raised high school reform as an important issue.

I am going to come back to high school reform, but let me go back for a moment to the overall question of what we need to do in terms of education reform, and take you through four or five suggestions, both policy and funding-wise on how we ought to take on this issue.

First, if we are going to be competitive in this global economy, we must make sure our education system, and particularly our public education system, has adequate resources. We have seen increasingly across this country a declining amount of public investment in education to the point now – and one of the subjects where we are grappling with real time is the struggle in Congress over Medicaid. Unfortunately, at this point in our nation, the costs of Medicaid now exceed the costs of states' commitments to public education on an average across this country. We have unfortunately ended up creating the policy conundrum where we put the needs of grandma against the needs of the grandkids in terms of funding. And with the projected rise and costs of Medicaid and the demographic shifts, that problem is going to get exponentially worse.

Now, I am not the one that simply says that more dollars alone equate to a better education system, but unless we can adequately fund public education and do it in a way that is done fairly across a whole state so that you don't end up exacerbating the disparity between those have communities versus those have-not communities, then we are going to see this problem both internally within the country and externally in terms of our global competitors get much worse. We in Virginia took on this issue and in (terms?) – again kind enough to give me that comment – the biggest struggle we've had in a three years that I have – three and a half years that I have been governor was after finding – coming into this office and finding that the budget shortfall was much worse than had been publicly acknowledged by my predecessor, actually about five times worse when my – I always recall those first couple of weeks of the transition wondering whether it was too late for a recount. (Laughter.)

We found in Virginia that after dealing with a \$6 billion budget shortfall and with a recovering economy back in 2004 that we were still confronted with a structural deficit in Virginia because Virginia, like most states in the late '90s, had based its revenue assumptions upon bubble-based economy and like most states had either done one of two things: either made long-term commitments on spending that were too high or cut revenues too much. And we were looking at a future in Virginia where we were going to be increasingly disinvesting not only in public education but also in terms of higher education and taking what I would again argue is the nation's best public system of higher education and slowly eroding that distinction if we didn't take on the question of tax reform.

And those of you – again, of you who in the Washington area, I know probably had to at least (follow it?) bits and pieces of taking on the legislative session that would

never end in Virginia. But the remarkable thing that happened through that battle was Virginians of all political stripes, from one end of the state to the other, when it was laid out that we had to fix our finances not only to keep our AAA bond rating, not only to meet our commitments, but ultimately to make sure that Virginia could maintain its long-term commitment and pay its bills in terms of commitment to public education. We had tremendous bipartisan support and at the end of that battle ended up with a tax reform plan that not only resulted in fixing our finances, but equally importantly ended up allowing us to make a record \$1.5 billion additional commitment to public education, K-12, and reverse the trend and turn us into the second fastest growing commitment to higher education in our country.

Now, I think that commitment and I think that investment is terribly important and I start with the investment side because no matter how good our policy is, unless we can make sure that we have adequate resources in education our policy reforms are going to be hamstrung without adequate investment.

Second, I don't believe – hand in hand with that kind of investment, we can no longer accept excuses in terms of failure for education – the education system to perform, and that in my mind again means not backing down from high standards and accountability. I don't think we do anyone a favor if we graduate students with high school diplomas that don't indicate a mastery of core subject areas such as English, math, science and social studies. We must make sure that we have high standards and stick to them. One of the things that I think has been kind of curious is when you – as you look around the country, and my data is a little bit old, but if we look at some of our governors across the country who've talked the toughest about high standards and accountability, the overwhelming majority have ended up backing off from those high standards when the actual rubber hits the roads and the consequences component of the high standards would kick in. I think they – we do a disservice to the students; I think we do a disservice to our systems when we do that.

Again, in Virginia we didn't do that right. 2004 was the year in which Virginia high school seniors would not graduate unless they passed our standard of learning exams. And much to the surprise of some in Virginia and the chagrin of others, you know, we have stayed true to the course of high standards and the consequences component of those high standards in the commonwealth. But if we are going to have high standards, which I absolutely support, high standards without appropriate remediation really miss the mark. So, again, what we have try to do in Virginia is say we are going to maintain those standards, maintain the consequences, but we, from the state standpoint, are going to be willing to go the extra mile with those students who need the additional help to make sure that the remediation is offered.

John was kind enough to mention our past program, one of our efforts to go that extra mile in terms of remediation. We took 32 of our least performing Title I schools and – three years back and said rather than simply be the school that gets singled out for, “here is the under performing school, here is the school that is broken,” we're going to actually come in from the state and not just criticize you, but we are actually going to be

trying – we are going to be willing to go hand in hand in terms of helping the school improve its teaching.

That required a couple of things. It required us, for example, to actually bring in teaching teams from other school divisions and it's sometimes easy to get Democrats and Republicans to work together compared to the idea of actually getting superintendents to work together across jurisdictional lines, but we put academic intervention teams into each of these (pass?) schools. We put business partnerships. And while it seemed like it was a small thing at first, I made sure that I visited all of these schools and oftentimes these were the schools, both urban and rural – and let me make it very clear, these are not simply urban schools, but they – because there are oftentimes the under-performing school, these were the schools that had – not only had never seen a governor, but oftentimes had never seen a mayor, a councilperson, and in some cases I don't think had even seen a local school board member.

But by having that focus, having that attention, what we saw was in those – in our 32-plus pass schools, we had three quarters of them show substantial improvement. We've even seen over half of the schools meet AYP in the last year and about a quarter of them actually meet AYP for two years and graduate out; remediation along with high standards going hand in hand. More specifically, due to the senior class last year in Virginia, we launched an initiative a year out, again identifying those rising seniors who were in jeopardy of not passing our high standards and launched an initiative called Project Graduation where we put in place summer academies, we put in place online tutorials. The summer academies were actually where if a student was able to pass in two weeks instead of three, they didn't have to come back for the third week and the teacher actually got paid if they could graduate all of the students short of the full three-week time. And again, the remarks were – the results were remarkable. Our summer academies showed a graduation rate approaching 70 percent of students who had previously failed their SOLs. To think: three weeks of extra remediation to take a kid who was otherwise destined to not graduating from high school, seems to me a small investment versus the ability to turn that person's life around.

At the end of the day in 2004, Virginia ended up with a 94.3 percent graduation rate of our 12th grade class, which was basically our running five-year average of the previous years. So what we had seen in Virginia was we kept our high standards, we walked the extra mile. The students, the teachers, the parents all rose to those high standards and we didn't end up having a train wreck that many had predicted years in advance.

Third, beyond high standards and investments we can no longer continue to view education as the series of discrete phases in a person's life. I don't think we can any longer see, you know, the preschool audience different from the K; you know, the K-8 audience different from the high school audience, different than the higher-ed audience.

And again, I was amazed as somebody who had tried to become a student of education policy to see how little these worlds talk. One of the first times that we

actually even got everybody in the same room was during the tax reform debate where we actually made the – our higher-ed folks work closely with our K-12 folks and our preschool folks, not only in terms of advocacy for revenues, but then the quid pro quo that I asked back was a real willingness to work together in terms of policy changes.

Let me give you a couple of ideas of what we have tried to do. We have taken on, for example, the issue of one of the great, I think, tragedies in this country where we continue to place our least qualified teachers in our hardest-to-staff schools. So the experiment we're trying right now is to actually both pay for performance and pay for – pay additional compensation for those teachers who are willing to go and stay for a minimum of three years in hard-to-staff schools and then, again, provide extra bonuses if those teachers improve students performances.

Somebody who has – as John mentioned before, I transitioned into the political world a venture capitalist and while I would love to say every company that I invested in was always a home run, it – the cell phone ones did pretty well, but does the – there are some not all the other ones didn't. One of things from the venture capital world we had used was when a company was not doing well, we used a turnaround specialist. My idea was could we end up taking that – importing that same idea of a turnaround specialist into the realm of education? So I challenged University of Virginia to actually bring together their business school, Darden, and their education school, Curry, and say can you create a turnaround curricula for talented principles? And we are – with the backings of Microsoft and a great deal of interest from foundations around the country, we have got our first cadre of 10 turnaround specialist principals who have been provided additional training by the Darden school and Curry school; tremendous additional support. Principals that had shown a record of being able to turn around a school, put into some of – again, some of our least performing schools with the commitment that they have got to stay for three years.

I think one of the things we do often in education is we end up with one-year wonders, but the ability to maintain and sustain meaningful change in schools sometimes becomes a challenge. Again, we are adding additional compensation and additional powers to those principals who are turnaround specialists. We hope to create a cadre of about 40 over the next four years. In addition to the turnaround specialists and our attempt to attract teachers to our poor performing schools, we've completely revised some of our preschool standards. We have put more emphasis on additional math classes.

And now let me move into my subject at hand before you get to the questions, looking at high school. My sense the high school, with those statistics I stated earlier, American high school really hasn't been shaken up in over a 100 years. When I was kind of looking around inside Virginia, you know, where we were in terms of high school reform and I started on this in about 2003. The last time there had been a meaningful conference on high schools in Virginia was in 1902, so it had been almost a 100 years. And if we think about it, really the American high school hasn't changed very much in the last 100 years. And I commend things like the – what Gates is doing in terms of

smaller schools and some of the technology schools around, but let me give you the area where we have taken. I think the particular area on high school reform that we focused on in Virginia has been how do you take on the challenge of the senior year high school?

The senior of high school, which should be the most important year of a young person's education in terms of either a transition to college or a transition to the workplace, actually ends up becoming the wasted year – ends up becoming the year where most students check out. And again in the effort of full disclosure even with Adam here, I'll acknowledge that I was perhaps one of those seniors. Once I got my college acceptance letter, that I kind of checked out. I don't think we can afford that any longer. It ends up – and, again, if you look at the statistics again in terms of what happens to these seniors once they get on to the college in terms of the need for remediation, it's a cost we can no longer or a luxury we no longer can afford.

Let me give you the two ideas. First, for those seniors – for those students who are going on to college, what we will try to do in every high school in Virginia, not simply those high schools in Fairfax County, outside Northern Virginia is to say we will offer in every high school in Virginia the opportunity for a student to earn at least a semester's worth of college credit, fully transferable, in high school.

Now what does that mean? Many schools already offer some level of AP courses or dual enrollment with the community college. But making that a uniform applicability all across the state, no matter how rural or how the urban school, now that's breaking some eggs. And then making sure – and the real problem has become, as we kind of drill down on this issue was to make sure that you could not only earn that credit, but that it would actually transfer and transfer and count towards a degree requirement. Too often some of our flagship institutions might count that AP course or might count that dual enrollment course, but they would only count it as an elective and it really wouldn't end up serving towards granting that degree requirement.

By doing this, what we do from a political standpoint is we would be able to make the appeal to parents across Virginia that with the rising cost of college, you do this, you get the student – you get your kid to stay focused on high school, earn at least that semester's worth for college and in effect what we are doing is knock \$5,000 off the cost of your kid's higher education. You suddenly take almost a Hope scholarship-type initiative and do it to – looking at some of the Hope scholarship programs (that?) are running into huge financial constraints right now, this is the way to do within the existing high school structure, get a jump start on college, save parent's money, particularly for first generation students; get them can exposed to what college work is like and also by – and of the things – again, one of the requirements I had for asking and fighting for additional funding for higher education was actually bringing all of the college and universities in Virginia to agree to accept these credits, as I said, towards degree requirements, something that's very important and something that I think that in the past hasn't received enough focus because otherwise the kid will take to easier course to get the higher grade if the course is not going to actually count towards a degree requirement.

Coupled with that comes an effort to focus on those students who are not going (audio break) into the workforce and, again, a cohort that I think has too often been ignored. I still think with our focus on higher education in this country that we too often treat career and technical education or what we used to call vocational education as the second class education and in too many of our school systems around the whole country it is – it is not given the appropriate focus.

Here is what we are doing in Virginia. And we started with 1,500 students and again I would like to expand by next year to across the state. We are identifying – again, and we know by the junior year for the most part with – based on text course, based upon guidance counselors which students really don't have a plan to go on to college. We are saying if you would work with us in Virginia and work to finish – get a high school diploma, pass our SOLs, we will work with you to guarantee you not only a high school diploma, but also an industry-recognized certification. And we offer about 40-odd industry certifications at this point, whether it's computer technician or whether it's auto mechanic or whether it's a nurses aid. And if that industry certification requires a couple of courses at the community college beyond high school, we the state will pick up the cost of those courses as long as you complete your work before the end of the calendar year on which you graduate from high school.

So what in effect we're doing, while we're not moving to the European model of the K-13, we are almost moving to a K-12.5 and the incentive for that student who is kind of a – you know, sometimes may be lost and is sometimes looking at otherwise a future of flipping burgers at minimum wage at the fast food restaurant, the incentive is, hey, I may not be able to convince you to have to go to all the way to college, but if you can finish working, pick up a course or two, we can add on average between \$5000 to \$7000 of additional earning power coming right out of high school with that industry certification.

Now, these and other ideas we have put together in a little group, and I think we've got some materials at the back of the room – kind of a top ten list focused on reinventing the American high school. And the pitch I made to my fellow colleagues was, these are the kind of initiatives that a governor can actually take to scale. Too much of our education reform again focuses on that single school turnaround, but we need to look at more education reforms that can be taken to a full scale at a statewide level and again that don't necessarily break the bank.

So policy reform in terms of making sure that we don't view education as a series of discrete phases; making sure that we stick to our high standards and accountability; but combine that with meaningful remediation; and finally, ensuring that we have the adequate resources to invest in our education systems are, I believe, three key criteria if we are to make sure that the America's status as a leader in the global economy as America's status as the place that can get it right will be maintained. That's my hope, that's our effort, that's what we have got to be about. I can think of nothing – absolutely nothing that is more important in terms of laying an agenda at both the state and national level for our – for the future of this country.

Thank you very much.

(Applause.)

Happy to take questions.

MR. PODESTA: The governor is happy to take questions. I think we may have mike rolling here. There you go, Theo.

Questions? Joe?

Please, if you could for our web cast, if you could identify yourself and –

Q: Joe Onek, Open Society Institute. In many jurisdictions, the teachers unions oppose some of the reforms that you seem to have implemented in Virginia. They often oppose compensatory pay, bonus pay for certain subjects, and so on. How did you deal with that issue in Virginia and what advice do you give to your fellow governors and mayors who may be in jurisdictions with perhaps more powerful teachers unions?

GOV. WARNER: Good question. First of all we have – we got a very close working relationship with VEA and VEA has been – say this carefully – has perhaps been more cooperative than some other teacher groups across the country. And remember, the timing of what we – was going on – what happened. We had seen in Virginia while it was a future that was going to look at a declining investment in education unless we revised our tax code and the revisions for our tax code – making sure that we paid our bills and met our commitment to public education was the tip of the spear in terms of making this argument with the legislature and the people of Virginia.

So bringing to the table \$1.5 billion of additional resources and a stable funding source for public education allowed me perhaps a little more leeway to say, you know, the response I want back is, as we try these new things, whether its turnaround specialists, principals with enhanced power, whether it is modified pay for performance, whether it is a whole new incentive plan to get teachers into our hard-to-staff schools and keep them there and reward them appropriately, we found a more cooperative relationship.

So part of this was the – perhaps the nature of the particular circumstance in Virginia, but part of it was as well continuing to get back to the point that with the challenges posed by No Child Left Behind, with the challenges posed by the increased focus on accountability and standards, I can at least say in Virginia, you know, the teaching – the teachers that we've dealt with saw themselves as being – wanting to be part of the solution rather than being viewed at least publicly as part of the problem. And I think that moment in time still exists even in other states right now.

Q: Tom Downey, a public citizen.

GOV. WARNER: Is that – just public citizen? Is that your title now?

Q: No, concerned citizen, rather. You mentioned No Child Left Behind, Mark. Could you talk a little bit about its impact on the state and what you think?

GOV. WARNER: Well, I think it's – No Child Left Behind I think has very much the appropriate goals. Let me give you the good about No Child Left Behind is the notion of lets make sure that we've got a way to put in place meaningful standards. I think it has also driven us in states to get better data. One of the things I cited, the fact that we don't have a common dropout definition across the country – I mean, that's remarkable in my mind. Part of that is because we've not had valid student ID systems and student data systems in the past. That's a good thing that's coming out of No Child Left Behind. I think the idea – again, the conceptual notion that we're no longer going to be able to commend a school that is – and say it's a great school. If it's got an 85 percent pass rate if – yet the minority population is disproportionately failing, disaggregating the student populations, is good. That's on the good side.

The implementation I think has been problematic at best and I think it's been curious to see that the reaction against No Child Left Behind – at least at the state level the most vociferous reaction is actually coming from the Republicans and more from the right-wing Republicans in most states. In Virginia, for example our house is very conservative; that's where the biggest reaction against NCLB has come. We've seen what – the actions that are taking place in Utah right now, we're seeing other states. I hope and I'm still willing to give a little bit of the benefit the doubt to Secretary Spellings that she is going to show a little more flexibility than we've seen to date, but I hope – you know, I think – I hope we start seeing that sooner than later.

We in Virginia, for example have put in a request for some waivers; one of them so far has been turned down. I mean, particularly what's the problem with the way NCLB is being implemented at this point is, you know, it in effect penalizes those states who are further down the standards and the accountability system than those states who are starting from ground zero. And with the deadline of – you know, without additional flexibility and without, I think, a little more of a cooperative presence, you're looking at something that I think could blow up as we get closer to 2014 when we're supposed to have everybody, you know, hitting that center.

You know, I'm – I would obviously add as well that it seems that – I know there is this kind of debate back and forth in terms of how much additional resources are coming in. While they had many additional federal resources in the last few years, they pay all them in comparison to what is going to be actually needed to fully implement NCLB, and a lot of those resources have actually been gone and some in the administration have even said most of those resources – our only responsibility is actually to help create the testing implements – instruments, and, you know, and I think somehow that not ought to be the deal that, you know, we are going to come in and lay on this new requirement, in certain cases ask you to recreate the wheel, and all we're going to do is help you provide the funding for creating the tests. That's not a real partnership.

Q: Hi, I'm Betty Demorest and I'm a constituent in Virginia and the mother of two girls who recently graduated from high school in Virginia and I spent all my life in education policy.

GOV. WARNER: Was that a good experience that they –

Q: Yes.

GOV. WARNER: Oh, good. I won't skip that one.

Q: My question has to do with education goals. The reason we have public education in this country has to do with civic and moral goals. It was set up by Jefferson to pursue civic education. Even today if you look at polls of parents, they care very deeply about those kinds of goals and place them – rate them as highly as academic goals. If you look at studies of the student perspective, especially high school students and from my own experience, what they care about is identity development. Who am I, where am I going in life, how does education play into that?

Now, ever since *A Nation at Risk* the political rhetoric has been almost solely focused on economic competitiveness, preparation for work. Now, *A Nation of Risk* at least paid lip service to some other goals, but I don't hear anything in the current rhetoric today, about anything except preparation for work, economic competitiveness. And while I can see why Bill Gates may take that perspective, I would think that the governors and the political leaders would care about a wider spectrum of goals. And I'm just wondering what do you think on that question.

GOV. WARNER: I think that's a fair critic. I think that is a fair statement. We have seen not only in Virginia, but in many states, you know, the legislation passed to put in place character education or put in place additional civic education. You know, I have to tell you even though for – I think I'm creating a commission right now on civic education. But I – seeing that fully implemented – you know, I can't point to – I'd love to be able to say, and perhaps you could tell me after the fact, well, you know, Montana got it right or Kansas got it right or some place. I am not sure who has gotten it right in terms of these other areas.

I think as – and I would put not only civic education and character education, but I would say equal along with that is while our focus on standards has also meant a diminution of focus on things like art, music, physical education. I mean, we look at the continuing and appropriate I think cost of teenage obesity, type II diabetes, other related issues and we – and I think that corresponds a bit to the decrease in our focus for example on physical education.

My hope is – and I think you need to stay on us, so let me – I know you do, let me say that out the outset, but my hope is that you take – let's take Virginia for a moment. We have been very focused on standards and accountability. I mean, 2004 was the year

when the people had predicted the train wreck because the consequences component has kicked in. Well, we've – you know, we are not fully there, but we're at about 85 percent of our schools fully certified in terms of our own SOL standards. We ended up with a good graduation rate last year. We're starting to see as we have kind of raised the bar on standards and accountability and gotten through the worst part of that transition and, again, one of the reasons why we don't want to reinvent it all over again because of NCLB my hope and belief is that you will see as we get standards and accountability right a renewed focus on art, music, I hope physical education, character education, and civic education. But your voice and others need to keep that pressure on us.

Q: Well, I think one place to look for (off mike) there they have a very strong emphasis on (off mike) away somewhat placing the (off mike) this system. So I think there is (off mike).

GOV. WARNER: Well, I would like to see that. I would also like to see other – you know, and I do think it will be not just, you know, civic and character. I think a component of that is also art and music.

Q: (Off mike.)

GOV. WARNER: And other – but if – I do think the premise, though, where we started this standards movement and the accountability movement, you know, a decade plus ago, until we can make sure that the kid that graduates from high school can actually read and write and that their high school diploma indicates some minimum competency level in core subject area, that had to take the most of our focus over the last decade. I do think we are starting to get it right and I hope we will be – you keep the pressure work.

MR. PODESTA: I know the governor's got some – (off mike).

GOV. WARNER: No, I can take it because I was a little late. I'll take a few more. I don't mind.

MR. PODESTA: Bob?

Q: Mark, there is no doubt that you've put this on the national agenda. As you point out, a number of governors – very few governors were talking about this four years ago. Today it's at least talked about in most states. But my question goes politically and strategically: where from here? A great deal of momentum has been created, particularly the – from the summit that you shared. A major news magazine this week features high schools in a series of articles. But I guess I worry that there is a – the momentum may ebb and what needs to be done to keep it going?

GOV. WARNER: Great question. Well, one, we need to work with groups like the Alliance.

MR. WISE: (Off mike.)

GOV. WARNER: There you go. (Laughter.) But I – one of the things we were able to do and one of the challenge – not every governor, as you know Bob – you were one of the governors who focused on education, but not all of our colleagues felt comfortable in education. And too often education reform – you know, you ended up – it was hard to find examples that you could take to scale. What we've tried to do with this initiative, and again I comment everybody to pick up the top 10 reasons in the back. You know, in some of these you may – particularly those of you who are, you know, hardcore education types, you are going to say, well, this isn't – you know, this isn't bold enough, this isn't dramatic enough, this isn't really reworking the whole American high school. Well, we've got a couple of documents. We've got some of that in one of the broader documents, but what we want to try to get are in this top 10 list, for example, doable, achievable, system-wide reforms that a governor can actually see fully implemented within his or her term and that are not going to require enormous, enormous amounts of additional expenditure.

I said my early college scholars program or my industry certification program – we are doing those in Virginia for less than a couple of million dollars apiece because part of the framework was there, part of the framework was over there, and you simply had to expand it and brand it. One of the things we've tried to do to make sure that there was an ability to keep this going and it wasn't just a report that sat on the shelf – and this was, again, a learning exercise for me – was trying to get some of our major philanthropic foundations to actually work together. And we ended up with eight foundations, Gates – I'm going to leave a couple of them out, Gates, Carnegie, Wallace, Dell, excuse anybody if you are from some of the foundations that make up those other, the other four, we thank you for your support. We ended up with about \$42 million bucks that we now have – we've asked states to make competitive grants for to actually implement, start implementing their – these – the reforms, whatever the particular governors reforms are. So we keep it moving forward.

The good news is that we try to go have a 40 states apply to actually implement their state-by-state reforms and we are going to highlight again this progress at the NGA meeting. I do think that there is a very important role for the foundations in this effort. In that the foundations, particularly the brand name foundations, can bring to the table not only resources – you know, intellectual resources and funding resources, but for a governor they may be a little bit nervous about taking on major education reform, having the brand name endorsement of all of the major education foundations really could help convince a questioning legislature or a questioning public. So I think that sometimes the philanthropic world doesn't realize the value of their brand appeal in terms of moving policy. And again, you know, I think while having these out there will help.

But it is something that I promise in the balance of my term to keep coming back to, keep using this. Mike Huckabee, who will be who will be the incoming chair of NGA has is committed on this subject, too, but keep the pressure on him.

Thanks for the question.

Q: Governor Warner, Kim Anderson with the National Education Association and I'm one of your constituents and proud to be. My question actually doesn't relate to education, it relates to fiscal matters and that is given your success in cleaning up the huge, huge budget shortfall that your predecessors left, do you think you can clean up the federal budget deficit? (Laughter.)

GOV. WARNER: And you call yourself a friend, Kim? (Laughter.)

Failure to clean up the federal deficit and the federal mess seriously puts this country at peril and I've got some ideas about that and – but that's longer than a two-minute discussion. You know, I will say this that – let me go back a little bit on funding for education. One of the things that we did in Virginia as well – and this didn't necessarily upset the teachers, but going back to your question, really scared the heck out of the superintendents was as we made this case for record new funding for education, we also put another initiative in place which said – you know, and we spend in Virginia about \$9 billion a year in K-12 and we have a requirement that basically says 55 percent state, 45 percent local and fed – federal, so, we're close to \$9 billion. What we did was we borrowed – and, you know, we borrowed something from Texas where they have gone out and done efficiency reviews of individual school divisions.

And one of them I think an education advocate that I wanted to try to use was a tool that said, how do we – how can we rebut the notion that somehow school divisions are going out and wasting this money, not spending at all well, and that it's not a question of dollars at all? We have gone out – and, again, it's been voluntary so far, but after we've done – we've done about seven of these so far and we got a 135 jurisdictions in Virginia that have school – 131 that have school divisions.

We are asking school divisions to come in and in effect volunteer for this efficiency review. Doesn't come in and look at their teaching methods. It does come in and look at their bus routes, it looks at their energy use, it looks at what is that we can save funds and I think it has a very valuable purpose. One, you know, we found in most school divisions we've looked at, you know, somewhere between 3 and 8 percent of the school budget we thought we could save. But having that outside validator, one, deflects a little bit of the local criticism that, oh, my gosh, you're spending without any oversight. It does – and again it goes back on that quid pro quo type of thing. I'm going to raise a lot more – I'm going to make the fight that we have to fully fund education in Virginia, but at the same time you at the local school divisions have to be willing to be under this new scrutiny in terms of making sure that we can make the case that these dollars are well spent.

I do think going back – you know, it ties – it a little bit ties back into your case, Kim. Yes, we did take on tax reform in Virginia, but we did that coupled with two other things. We started with major efforts to – we had to make some significant cuts in Virginia and again anybody who is here in Virginia – you all know what I am talking about because you all probably cursed me when the DMVs got closed one day a week for

a while during the worst of the budget crisis. But we also said we're not only going to use this period of a fiscal shortfall for cuts, but we are going to use it as a way to reshape government operation. So we put in place, for example, in Virginia the largest consolidation of IT service of any state in the country. We finally decided to no longer have 94 separate purchasing departments of across all our agencies and are leveraging our purchasing power. We're doing the same in terms of our vehicle fleet.

You know, we around bringing some basic business principles that can bring about over the long haul sustained saving. So there was cuts, there was reforms, and then there was a question about going to the people of Virginia and saying all right, you know, here is the revenue line, here is the expenditure line. Even if we don't add any new programs, tell me where I have to cut; we've got to get our finances and revenues back in whack. And the people went along.

Thank you all very much and, John, let me thank you again and everybody at the Center for hosting me. It's been a great exchange. I appreciate it very much.

MR. PODESTA: Thanks.

(Applause.)

(END)