The above-entitled matter came on for meeting, pursuant to notice, at 9:30 a.m. with Edward J. Rust, Jr., presiding.
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MR. RUST: Let me welcome you to our concluding session of the national education summit for high schools. My name is Ed Rust. I am chairman and CEO of the State Farm Insurance Companies, but I also serve at cochairman of the Business Round Table and director of a chain of containing organizations of this gathering.

Over the last 30 hours when we started this day with Governor Warner's opening comment, the very insightful and challenging comments by Bill Gates, who defined the issue of looking at our high schools as really not an issue but a crisis and some things that we need to be doing, we've had some excellent breakout sessions yesterday afternoon and this morning. We have shared a lot of good ideas, a lot of practices that are working.

But the need is how do we replicate those? How do we scale them? How do we build the types of structures, implement the policies that will in fact over time drive student achievement higher up and
down the line in education?

Let me start off this afternoon in
thinking back on the issue with high schools. But a
key element in high school is in the area of math and
science.

I'm reminded that it was almost 50 years
ago that the Soviet Union -- or the then-Soviet Union
-- shocked Americans by launching Sputnik. The
United States' response was immediate and it was
dramatic. Less than a year later
President Eisenhower signed into law the National
Defense Education Act. A major part of that was an
effort to restore America's preeminence.

Today our nation faces a more serious, if
less visible, challenge. One of the pillars of
American economic prosperity, our scientific and
technological superiority, is beginning to atrophy
even as other nations are seeing significant gains in
the development of their own human capital, their
intellectual capital.

If we wait for some dramatic event,
perhaps a 21st century type Sputnik issue, I would
suggest it will be too late. There may be no single event, no moment of epiphany, no catastrophe that will suddenly demonstrate the threat.

Rather there will be a slow withering, a gradual decline, a widening gap between a complacent America and countries with the drive, the commitment, and the vision to take our place of leadership.

History is replete with examples of civilizations that once were dominant, but declined because of myopic self-determined choices. I believe we're at a critical junction in our history.

Virtually every major respected organization representing business, research, and education, as well as government, science, and statistical agencies and commissions have extensively documented the critical situation here in the United States when talking about science, technology, engineering, and mathematics -- from measurable declines in U.S. innovations such as patents and the number of research articles being published to the soaring number of students in Asia majoring in the areas of science, technology, engineering, and math,
and unfortunately to the lagging number of U.S. students interested in achieving in the areas of math and science.

For most of the 21st century the American education system provided a substantial part of the talent and the proficiency needed to sustain improvements in our way of life.

In addition, many foreign scientists were attracted to pursue research opportunities in the United States because of the American scientific community and top-notch facilities and financial support that were available.

Today, however, as the American economy becomes even more reliant on workers with greater knowledge, with greater technological expertise, the domestic supply of qualified workers is not keeping up with the skill demand.

And all indicators suggest that this discrepancy between supply and demand of domestic talent will grow more pronounced in the future. This is right at the heart of what Bill Gates shared with us yesterday.
In the face of declining interest and proficiency of American students in science, math, engineering, American industry has become increasingly dependent, some would say overly dependent, on foreign nationals to fill the demand when it comes to math, science, technology, and engineering.

That is what we have been attempting to address at this summit. In looking at what we need to do, in changing our thinking and approach to high school education, the high school structure, and finding ways to make sure that our young people, as they go through their formal education, are getting the types of experience, the type of motivation that will indeed drive their academic achievement and maintain the pre-eminence of the United States.

That's why the Business Round Table and other business groups believe that the United States needs really a 21st century version of the post-Sputnik National Defense Education Act.

We need to build on the foundation of no child left behind with a significant focus on math
and science. To get the results we need the federal
government as a partner along with the states, local
communities, school boards, and the business sector
in driving this issue and achieving the results that
we know are necessary to our long-term success.

This summit can be a defining catalyst in
getting that done.

It is now my pleasure to introduce the
governor of Kansas, Kathleen Sebelius. Kathleen is
the chair of the National Governors Association
education committee and I look forward to your
comments.

Kathleen.

(Applause.)

GOVERNOR SEBELIUS: Thank you, Ed, for the
Business Round Table and Achieve's leadership in this
very important discussion.

I want to welcome all of you to the
session, which is going to focus on how federal
policy can support state high school redesign efforts
and how to align the federal education laws.

I think it's clear governors have a pretty
aggressive agenda on education and would like to
partner with the administration and Congress to
accelerate our redesigning American high schools.

We believe in a federal and state
partnership that rewards state innovation,
exploration, and continuous improvement. And now is
the time for action.

The 109th Congress will reauthorize three
of the five major education laws -- Head Start, the
Carl D. Perkins Vocational and Technical Education

High school proposals are also under
discretion. This session today provides us with an
unprecedented opportunity to align education and high
school reform.

The path is clear. Federal education laws
from preschool through college, commonly referred to
as P-16, must align to help state innovation
eliminate costly duplication and ultimately improve
education outcomes for all students.

Limits and restrictions on state
innovation generate costs our nation cannot afford.
Too often federal education laws are isolated silos when in reality education begins at birth and lasts for a lifetime.

Federal education laws should be aligned to embrace state-coordinated P through 16 efforts, provide greater flexibility to states, streamline federal data reporting requirements, expand gubernatorial authority to coordinate federal funds, and support state high school redesign.

Lasting high school reform will require systematic change in federal education policies to break down the barriers to reform and align high school standards with the expectations of college and work.

We have talked a lot about the problems in our nation's high schools. And now is the time to implement solutions and build the partnerships necessary to succeed.

Governors are leading innovative high school redesign across the nation. The federal government should create a comprehensive strategy to support and help replicate the states' best
practices.

Let me mention several ways that federal policy can align with state high school innovation. States are creating different high school models that strengthen student relationships with adults and connect classroom work to real life problems and improve connections to post-secondary education.

The federal government can support state reform by lifting burdensome reporting requirements and allow them greater flexibility to coordinate the funds that we have.

The federal government could also provide new incentives and administrative flexibility for states to foster collaborative efforts between high schools and post-secondary institutions to acquire information on attrition and academic progress.

These changes should be addressed in the Perkins and Higher Education Reauthorization Act. States are also expanding high school opportunities that increase rigor and relevance of high school for all students.

During the reauthorization of the Higher
Education Act and the Workforce Investment Act the federal government could support state innovation by expanding opportunities for students to participate in advanced placement, international baccalaureate, early college, industry certification programs, distance learning, and the state's commerce program.

State innovation can be further supported by providing greater flexibility in student financial aid eligibility requirements. The federal government should look at ways to provide incentives for states to create dual enrollment programs.

Lastly, we urge Congress to reauthorize and improve the Vocational Education Act. States are also developing new targeted recruitment incentives to attract teachers where they are needed most and provide supports to retain them. States are working to improve principal recruitment, preparation, and professional development.

The federal government can help in this role by providing additional flexibility and incentive to support this critical work by expanding professional development and piloting alternative
teacher compensation models.

Loan forgiveness should be permanently expanded from $5,000 to $17,500 to recruit teachers to critical shortage areas at hard to staff schools. These reforms could be enacted in the higher education bill.

States are developing more rigorous standards for teacher preparation and performance. Governors are committed to improving high school students' academic proficiency with stronger teaching.

The federal government can encourage state continuous improvement by deferring national one-size-fits-all benchmarks and allowing state's time to refine their teacher preparation programs.

In addition, during the higher education reauthorization Congress can work with governors to expand state accountability for teacher preparation programs to align with rigorous requirements of the no child left behind.

States are investing more resources into need-based aid to make college an option for more
students. Federal policies to increase preparation and learning opportunities should be matched with additional flexibility and affordability in higher education.

To help make college more affordable the federal government, we hope, will consider raising the maximum Pell award grant and provide new flexibility to respond to students' needs. Those reforms could also be enacted in the higher education bill.

Working with business, education leaders, parents, and students, governors understand the unique challenges to redesign our nation's high schools and the flexibility required for meaningful solutions.

There aren't any easy answers. Every child, every teacher, every school at each state is different.

We hope to forge a new federal state partnership that strengthens state ingenuity and innovation. And our common goal must be to decrease America's high school dropout rate and improve the
timely completion of post-secondary education.

To explore how we might forge a stronger federal-state partnership I invite Governor Pawlenty, the vice chair of the MGA education early childhood and workforce committee, to the podium.

In Minnesota Governor Pawlenty announced a new K through 12 funding plan, including incentives for teachers and the new get ready, get credit initiative.

He's also working to empower higher education customers -- parents and students -- to make choices that best suit their needs.

Governor Pawlenty will introduce the secretary and moderate the question and answer session with our members of Congress.

Governor Pawlenty.

(Applause.)

GOVERNOR PAWLENTY: This session is entitled the federal state partnership and we'll hear in just a moment from our new secretary of education, Margaret Spellings.

Then we'll have interaction with the panel
discussion. The second part of the session will relate to the state part of the discussion. That will be facilitated by Governor Huckabee. So we'll leave the state and then that group will come on after that.

But first I have the distinct honor and privilege of formally introducing our new U.S. Secretary of Education Margaret Spellings. She has served in many capacities for a variety of years as an advocate and champion for education change and reform and accountability.

We will want to welcome her to the summit. During President Bush's first term Secretary Spellings served as an assistant to the President's domestic policy, where she helped craft a variety of education policies including the No Child Left Behind Act.

Prior to her White House appointment she worked for Governor Bush as a senior advisor on the Texas reading initiative, the student success initiative to eliminate social promotion, and the nation's strongest school assessment and
accountability system.

For more than a decade Secretary Spellings has served as a talented, energetic and effective advisor for President Bush. And the coolest thing on her r sum or bio is that she is the first secretary of education with school-age children.

(Laughter.)

GOVERNOR PAWLENTY: That probably qualifies her as well as any of the rest. We look forward, Secretary Spellings, as governors, to working with you and the administration in your important new role on these important issues.

Without further ado, please join me in welcoming Secretary Margaret Spellings.

(Applause.)

SECRETARY SPELLINGS: Thank you very much.

And they're in high school too. One middle school and one in high school.

Thank you very much for inviting me to speak to this very august group today. I'm thrilled to be here.

I want to thank Governor Warner and Vice
Chairman Huckabee for their leadership on this issue as well as you all, Governor Sebelius and Governor Pawlenty, for cochairing the education task force. I also want to recognize the energetic reformers at the Business Round Table and Achieve and the Hunt Institute and ECS for helping us to sponsor this event. It's going to take a village to do high school reform.

And I also want to acknowledge my friends from the Congress -- Senator Bingaman, Congressman Castle, and Congressman Hinojosa for their participation today.

When a meeting earns the title summit, as you all in the governors association are want to do, it usually refers to an urgent challenge that can only be solved by working together in a bipartisan fashion.

And in education we enjoy the luxury and the opportunity to do that both in our states and in Washington, which makes it a pleasure to work on. As an issue that's not always the case.

And certainly that's the case when we talk
about high schools. This is a problem, as you all know. And I've said over and over in the last couple of days that it has been building for years. It's one we can't avoid. And it's a national priority.

You all have recognized this urgency. And in fact, some of you all may experience a little deja vu as I outline the President's plan.

And, Governor, I'm glad to be able to say that the President's budget includes an answer to almost every one of the calls that you just put forward.

You all are working on similar reforms around the country.

In Arkansas Governor Huckabee wants all high schools to offer rigorous course work and advanced placement.

In Wisconsin Governor Doyle favors paying teachers not only for their length of service but on their ability to help children learn.

In Minnesota Governor Pawlenty supports allowing high school students to earn college credit.

And in Virginia my temporary governor,
Governor Warner, has made redesigning American high schools his priority as the National Governors Association chairman.

The very first words of your summit action agenda read "America's high schools are failing to prepare too many of our students for work and higher education."

It calls for upgrading course work, aligning standards to the needs of employers and universities, recruiting and keeping highly qualified teachers, and yes, measuring students and holding schools accountable for results.

As Governor Warner notes, the agenda is ambitious, but the need has never been more clear or more urgent. Amen to that. And the President and I could not agree more. There you are, Governor.

Of course, talk is cheap. Usually -- not really in Washington or your state capitals probably -- but you all have a track record of solving the problems that you talk about.

That's not to shortchange my friends in the Congress. We have worked together on the No
Child Left Behind Act, as has been mentioned.

But when I worked for a certain governor of Texas, I considered myself one of the luckiest people around because states are where the action is and where you have the greatest opportunity to improve education and to close the achievement gap.

That's as much a credit to the system as to the people in it.

When our founders wrote the Constitution, they didn't write a laundry list of what states could do. They reserved a few tasks for the federal government and reserved the rest to the states and the people in it.

That is particularly the case with public education. It was unprecedented. It was genius.

And as a former governor, it's the spirit by which President Bush governs today.

When President Bush was governor, one of his top priorities was to bring high standards and accountability to Texas public schools. I don't what to be a Texas braggadocio, but after we did, Texas students showed some of the greatest achievement
gains in the country.

And in the words of Time Magazine, "Black and Latino children made galloping gains in math and reading scores, narrowing the achievement gap. The lesson: Accountability works."

Of course, we weren't the only ones who understood that. Many of you here deserve as much credit as well. Governor Hunt at the time of the Hunt Institute now was a leader during that period as well.

A little later when the governor ran for president, he had to look at education from a national perspective. He understood that the federal government had a role to play, an historic role that began in 1965 when President Johnson signed the Elementary and Secondary Education Act, giving the first federal aid to high poverty school districts.

But while the inputs were there, the accountability for results were missing.

Senator Robert F. Kennedy asked in 1966, "What happened to the children? Do you mean we spent a billion dollars and you don't whether they can read"
or not?

By the year 2000, 35 years and a $130 billion later, reading and math scores were stagnant and the achievement gap was growing. So the President's first legislative priority four years ago was the No Child Left Behind Act.

The genius of the law was to hold states accountable for results and to measure student performance annually. Under the law different strategies were not just allowed, but encouraged, the kind of innovation for which governors are well known.

Just this week Delaware, Florida, and New Jersey, among others, decided to use the Department of Education's teacher-to-teacher e-learning courses to meet the highly qualified teacher requirements.

Eighteen months after it was signed all 50 states have unique accountability plans in place. Not one governor chose to leave his Title I funds on the table. Not one sent an army of lobbyists to Washington to find a way out of it. And no one declared it unconstitutional.
As the Washington Post noted Friday, you focused your energy not on blocking testing and standards, but in trying to find ways to raise them. In other words, you're making the law work.

Today, as a result, reading and math scores are on the rise. Nearly every state reports achievement gains. And the pernicious achievement gap is beginning to close.

Those galloping gains I spoke about are being tracked around the nation, particularly in urban school districts. President Bush had faith in local educators and in you governors. And that faith is being rewarded.

Now we're being tested again. Everyone in this room recognizes that our high schools are not yet part of this success story. Too many students are being left behind.

As you've talked about over and over these last couple of days, 68 of every 100 students entering ninth grade will graduate on time. Fewer than 20 percent will graduate college on time. Eighty percent of the fastest growing jobs require a
postsecondary education.

And crisis stage in the high demand fields of science and engineering. A recent survey by a computing research association found a 19 percent drop in enrollment in computer technology and engineering in 2003.

China graduates 16 times as many engineering majors as the United States; South Korea and Japan, 4 times as many, as I'm sure Bill Gates reminded you yesterday.

Another problem is the growing burden of remedial education. A Manhattan Institute study finds that 32 percent of students leave high school prepared for college. And I would add that it's like taxing an employer twice when we have to pay for remediation.

States do not have the luxury of a captive audience. Residents can come and go. And so can jobs. You work too hard for this to continue. And we must make a high school diploma a ticket to success in the 21st century.

Under the President's proposed high school
initiative students will be tested in two additional high school grades -- in reading and math.

The President's 2006 budget contains $250 million to fund these additional assessments. Today some four states are doing this -- Utah, Texas, California, and Colorado -- in all three high school grades.

The budget also contains more than $1.2 billion to help at risk or struggling high school students. Governors will be able to invest as they see fit for dropout prevention, vocational, and technical programs, colleague awareness programs, or more.

Schools could develop individualized performance plans for students at risk of falling behind or dropping out.

The President shifts decision-making power to the states by consolidating programs with a shared purpose and reallocating money to you to get results.

One of those results must be improved preparation. Students with great expectations for the future often find themselves betrayed by
inadequate course work. As of last fall just 24 states required 3 years of math to graduate. And only 21 required 3 years of science.

Forty percent of high schools do not even offer advanced placement courses. We must expand these numbers.

Research shows that rigorous high school course work is one of the best predictors of future success. So the President has proposed a 73 percent increase in funding for advanced placement and international baccalaureate programs to reach more low income and minority students.

These funds can be used to train teachers or to defray costs, such as exam fees for students. A new presidential math-science scholars program would award up to $5,000 each to low income college students engaged in those demanding and in demand pursuits.

The budget would also invest $45 million to encourage students to take more rigorous courses, including $33 million for enhanced Pell grants and a $12 million booster for the state's scholars.
program.

This public-private partnership strives for a college-ready curriculum in every high school, including four years of English, three years of math and science, and two years of foreign language, and would offer a Pell enhancement of $1,000 per year for students who complete this rigorous course of study. Finally, because teachers are the key to success, a $500 million teacher incentive fund would reward those who make outstanding progress in raising student achievement or narrowing the achievement gap. And the President has proposed keeping the 17,500 loan forgivenesses, making permanent that provision that was enacted last year. He's also proposed $200 million for a striving readers' initiative and $120 million for math to help students be able to be successful at high level work, as well as $125 million for a community college access grant to support dual enrollment in your states. Your action agenda calls on the nation to raise expectations for what high school students
should be required to achieve. It calls on states to improve the quality of teaching and leadership. And it calls on all of us to restore the value of a high school diploma.

I believe the President's budget will help you achieve these shared goals. Governors have long been leaders in the accountability movement. And as we move to the next phase, I ask for your support, for your input, and for your spirit of innovation.

And I know that some of you are looking for some flexibility. I understand that. In the past we've come to agreements on several aspects of no child left behind, such as qualifications for rural and multi-subject teachers and a safe harbor to achieve adequate yearly progress.

I'm travelling the nation and listening to your concerns. But we draw a bright line on the linchpins of this law. Annual testing of our all students, disaggregation of testing data, to name two.

No longer can we allow minority, disadvantaged, or disabled kids to be misdiagnosed,
hidden behind the averages, and lost in the shuffle.

This law is an expression of the President's belief and your belief that every child can learn and every child must be taught.

Change is hard. Getting every child to graduate high school with a meaningful diploma in their hands is one of the biggest challenges our country faces. And it's never been done before.

That's why there's push-back from both sides of the political spectrum. In Washington, like your state capitals, when both sides grumble, that means you're doing something right.

So I applaud you for confronting these challenges head on and staying ahead of the curve. I look forward to working with you, you governors, and with the Congress to reach a solution for children.

Thank you very much.

(Applause.)

GOVERNOR PAWLENTY: Thank you, Secretary Spellings, for coming forward with some tangible ideas and proposals. We've spent a fair amount of time at the summit diagnosing the problem and hearing
generally about some ideas and suggestions. But the
President, the administration, have put forward these
specific proposals. And we appreciate your reviewing
them with us.

And we are glad that you are also able to
stay and participate in the panel discussion, which
now follows.

And we will have, joining in the panel
discussion, three distinguished members of the United
States Congress.

We start moving from my left to the end of
the table with Senator Jeff Bingaman, who was elected
to the U.S. Senate in 1982 to represent New Mexico.
He's currently serving his fourth term in the U.S.
Senate and is a member of the Senate Health,
Education, Labor, and Pension Committee.

During his career Senator Bingaman served
on the national education goals panel and has been a
strong advocate for a national strategy to prevent
dropouts.

And next to him is Congressman Castle, a
former deputy attorney general, state legislator,
lieutenant governor, and importantly two-term

governor of the great state of Delaware.

Congressman Castle is serving his seventh
term as Delaware's lone member in the House of
Representatives. He is the chair of the subcommittee
on education reform, which has jurisdiction over
eyearly education through high school.

Congressman Castle recently introduced the
Vocational and Technical Education for the Future Act
to help states and local communities strengthen
vocational and technical education.

Next to him is Congressman Ruben Hinojosa,
who was elected to Congress in 1996 and is currently
serving his fifth term as a representative for the
15th district of Texas.

He is ranking minority member on the
subcommittee on select education. In addition,
Congressman Hinojosa is chairman of the education
taskforce for the Congressional Hispanic Caucus and
author of the Graduation for All Act.

Senator Bingaman, Congressman Castle, and
Congressman Hinojosa, we are so grateful that you'd
come on a Sunday to be with us as part of this
summit. We know how demanding your schedules are.
We are grateful that you take the time to be part of
this important discussion.

We will start out the panel discussion
with a question for members of Congress only. And
then, as she is inclined, Secretary Spellings will
join in for a response and participation with the
remaining questions.

Just to get things going with an easy
warm-up for these members of Congress, we have been
talking a lot over the last day and a half about high
school reform. Governor Warner has made this his
marquee initiative as chairman of the NGA.

Many observers, including Bill Gates, have
come and made very strong indictments of the current
state of American high schools. As you probably
heard, Mr. Gates yesterday said that the American
high school, as currently configured, is obsolete.

And so our first question is simply this:
From a federal perspective, from your perspective in
Congress, what are the emerging issues that need to
be addressed as we try to reshape and improve America's high schools?

And, Senator Bingaman, we'll start with you.

SENATOR BINGAMAN: Thank you very much. Nice to be here. I appreciate the invitation.

Let me mention three issues. I know there are a great many issues that could be addressed and probably deserve to be addressed related to high schools.

Three that I think are extremely important. The first is how we develop what we do at the federal level as well as the state level to have a more rigorous curriculum.

Second is how do we move to smaller high schools?

And third would be, how do we keep more kids in school till they graduate?

Let me say a couple of words about each. On the issue of a more rigorous curriculum, I think advanced placement instruction is a proven way to achieve that. And I think the more
effort we put in to expanding the use of advanced placement instruction, the better we'll be. We're doing that in our state. I know many states are doing that. At the federal level I complement the administration for asking for an increase in federal funds for advanced placement instruction. It's a high priority.

I do not think that the same kind of complement can be given to the administration for its budget proposal on the National Science Foundation education budget.

There the proposal is to cut over $100 million out of that budget. I think that's very unfortunate. And I hope Congress does not go along with that recommendation.

On getting to smaller high schools, I don't know if Bill Gates addressed that, but his foundation has put several hundred million dollars into trying to assist with smaller schools.

Again, the federal program that we have in no child left behind is the Smaller Learning Community's Act, the smaller learning community's
initiative. We have put funding into that this year. We put 94 million into it.

But again, it's a program that is slated for zero funding under the President's budget. Again, I think that's unfortunate because I am persuaded that you get better performance, you get fewer discipline problems, you get better attendance, you get fewer dropouts if you're in smaller schools. And we need to find ways to help the larger schools restructure themselves into smaller schools.

The final issue I wanted to mention is the issue of how to keep kids in school. This is one that we have had great difficulty making progress on.

I remember when the first national summit on education occurred in 1989 with all the governors and with then-President Bush in Charlottesville. One of the goals adopted was that 90 percent of students entering high school would graduate within four years.

We've made very scant progress toward that goal if any. We need to once again make it a high priority. The provision in no child left behind that
relates to this is the authorization of 125 million per year of federal funds to assist states in reducing the dropout rate and adopting successful strategies to reduce the dropout rate.

The administration has never asked for any funding for that. We have put very small amounts in in recent years. But clearly this needs to be a priority. And if the federal government is going to assist states in solving this problem, funding that program would be one way to do it.

Thank you.

GOVERNOR PAWLENTY: Congressman Castle, your thoughts about reforming high schools and the federal government's ability to help us with that goal.

CONGRESSMAN CASTLE: Thank you, Governor Pawlenty and Governor Mintner and all the governors who are here, many of whom are friends and all of whom I hope are friendly. I'm pleased to be able to be with you here for a few moments.

We don't have a lot of time here. But I think this wonderful -- what you are doing. I can't
say enough. I've been following it. I follow what Bill Gates said and some of your recommendations. It's just of overwhelming significance.

Secretary Spelling, I believe, mentioned South Korea and China. You can put India in that category.

If you start to look at the statistics educationally and what they're doing versus what we're doing in the United States and you look at the history of economic progress and success in this world, you understand that we are at a watershed time to do something about it.

If we're going to do something about it, we have to do it in education. Certainly we have to do it in high school education, as well as the rest of our education.

I'd just like to start with a couple of points that are a little bit off of that. And one is just the whole social-cultural issues that we deal with. You all deal with it. I know you do. I've dealt with it myself. The poverty issues, the race issues, the very difficult subject matter that needs
to be taken up.

We can never let up on up from the time of birth on, which I'll talk about in a moment as well.

The importance of education to lift people from whatever they are to whatever they want to be is of just vital significance. It needs to be sold. We need to convince our corporations, a lot of whom are represented here.

We need to convince the media. We need to convince everybody of the importance of this so they can subliminally and directly sell that message as well as possible. I don't think it's happening.

Just look at the economic tables. The further you go in education, the better you're going to do economically. A lot of people don't comprehend that.

We need to get that message across.

And it's continuum. That first 16 months before you ever get near school -- perhaps kindergarten or any other school -- is a vital significance in terms of what's going to happen in high school quite frankly.

So are elementary schools. So are the
schools in between up until high school. Head Start was mentioned here today. That's of great significance as well.

I'm the sponsor of that legislation in the House of Representatives. That can make a big difference in the lives of kids at 100 percent of poverty or less, who perhaps would not otherwise have a choice.

I happen to be a strong believer in no child left behind. I believe that disaggregation, which is probably the greatest source of irritation to many people, because you have to have all the groups pass if the schools are going to make adequate progress, is of vital significance because it gives everybody a chance.

It is a rising tide of huge importance. Maybe we have to look at value added. Maybe there are some things that are not in there that eventually we'll have to look at. But basically it makes sense. When you really boil it down, what does it really say? It really says the states need to pick their standards and assessments and then they have to
stick with them.

That's exactly what it's all about. And I think you understand that message. And I applaud the governors because I think that's a pretty positive message. And I get some of the same flak you do. I think we all who are elected officials do.

And I was not happy with the national conference of state legislators in their statement I think two or three days ago in which they renounced no child left behind. I just simply don't believe that.

I think this has afforded an opportunity for all of us to move ahead. Yes, it's a little more transparent than it used to be. And it's not easy when some of our schools don't make it.

But the bottom line is, it's very challenging. And that's what we need to do in our schools, including the high schools if we possibly can.

A couple of other very quick thoughts.

Then we'll go to Ruben here.

One is research. The Institute of
Education scientists is the old office of economic research. We think it can make a vital difference. Secretary Spellings will be handling that. We need better research in the United States of America.

I think we need ongoing assessments -- not assessments at the end of the year necessarily, but assessments on a regular basis -- weekly, two weekly, whatever it may be. Maybe not even tests, but built-in types of assessments in the education that we have in America so we can measure the advance of these students as they go through. I don't think we're doing it enough.

Highly qualified teachers is in practically all the federal legislation which we have been dealing with. And that's of vital importance as well.

Vocational education was mentioned. I'm also the sponsor of that bill. The Perkins bill. I think that's of great importance in terms of a type of education which has been overwhelmingly successful in all of your states I believe. And we need to continue to push that also.
And we need to continue to do a lot of suggestions which you have made too. Obviously math and science is a matter of tremendous importance. But the important thing is exactly what you're doing at this conference.

I always love the governors' conferences. I was at the first education conference in Charlottesville, Virginia, as a matter of fact, some years ago. That is not to back off the challenge of what we have to do. And I don't think you will.

I know a lot of you. I just know how governors are. And I know you want to make a difference. I think you are making a difference, so I congratulate you.

I congratulate you for this conference and hopefully working together because this is a federal-state partnership, as the title this afternoon shows. It's something we can do to help all these kids in America.

(Applause.)

GOVERNOR PAWLENTY: Congressman Hinojosa.

CONGRESSMAN HINOJOSA: Good afternoon.
It's indeed an honor for me to come and participate in this summit. This governors' event in my opinion is the second most important political event I have ever attended.

The first was when I raised my hand and I was sworn in in the House of Representatives. And I looked up and I saw my mother in a wheelchair in the gallery, very, very proud with tears coming down her cheeks because she was seeing the eighth of eleven children being sworn in to Congress.

I am of Mexican immigrant parents. They raised 11 children. And I think that if you remember only one thing of what I said, the key to what we are discussing is parental involvement.

My mother of 95 years of age got all of us to graduate from high school, half of us through college and with master's.

And I say to you that I speak as one who has a lot of experience with limited English-proficient students. The Latino community is a very large component of our population and will continue to grow. The district I represent grew by 48 percent
from 1990 to 2000.

So I want to say that as I look around and
I see our state of Texas, Governor Rick Perry, and my
good friend who served in Congress when I first got
elected New Mexico governor Bill Richardson, and
Governor Anibal Acevedo Vila from Puerto Rico, who
has served on the Congressional Hispanic Caucus, it
makes me feel that I can contribute to the discussion
today.

And I will try to answer your question,
Governor, but let me preface it by saying that I came
to Congress to make a difference. I was very
comfortable running a corporation. And I came
because we had a 21 percent unemployment since the
era of President Eisenhower -- 21 percent
unemployment.

And today it's at 9 percent. We have not
seen a single digit in 40 years until now. Parental
involvement, I repeat, is very, very important.
Seven boys, four girls -- and none of us talked back
to my mother.

(Laughter.)
CONGRESSMAN HINOJOSA: So I want to say that I am very pleased to see that the governors give this issue that we're discussing today, high school graduation, the importance that I and many of my colleagues have given this issue.

We are serious. My vision is for a coordinated national effort to improve secondary education, leveraging the resources from all the stakeholders -- school districts, local governments, the states, philanthropic organizations, corporations, community-based organizations, and yes, the federal government, where we are spending about two and a half trillion dollars and never enough on education.

That is why our members in the partnership of the national caucus on Hispanic state legislators and the Hispanic chambers of commerce launched an awareness campaign called "graduation for all, a right and a responsibility."

As another step towards my vision, I introduced H.R. 547, the Graduation for All Act, with my colleague, Susan Davis of California. We already
have the support of 74 members of Congress.

Senator Patty Murray of Washington state has taken the lead with similar legislation in the Senate. The Graduation for All Act provides states with the resources to target the school districts with the lowest graduation rates.

Funds are to be used to establish literacy programs at the secondary school level and provide on-site professional development for high school faculty through literacy coaches.

Additionally, this legislation provides resources to schools to develop and implement individual graduation plans for the students most at risk of not graduating from high school with a diploma. That works.

I represent a congressional district that has a group of magnet high schools. Eighty percent are Hispanic. The myth that children of poor schools and poor families cannot learn is nothing more than a myth.

Last year in October Time Magazine -- or Newsweek Magazine rather -- placed our high school
amongst the top 100 high schools in the nation --
eighth best right behind Langley and Thomas Jefferson
and some of those. Eighth best in the country.
Eighty percent Hispanic. Scoring on SAT and ACT
scores higher than anywhere else our state of Texas.

It works. Smaller schools, like Bill Gates was talking about yesterday, work. Those
magnet schools have 600 students. They know each
other. They work together. They have teams to learn
and push themselves. That works.

So in closing, I'd like to commend the NGA
for your leadership on this issue. And I'm looking
forward to becoming a working partner with you.
Because I came from the world of business, I know the
importance of a trained workforce and I know the
importance that the state legislature can play if
they will partner with us in the Congress to make
things happen.

Thank you.

(Applause.)

GOVERNOR PAWLENTY: All right, thank you.

We do have just a short time left before we
transition to the state part of this session, but I'd
like to ask all the panelists -- the ones that are
inclined to answer this question -- to answer it in
30 seconds or less.

The question is this. The National
Teaching Commission and others have observed that we
have an emerging significant challenge in the way we
attract and recruit and retain and compensate
teachers, principals, and other school staff, so we'd
like to have you just identify one idea.

It doesn't have to be your best idea, just
one idea that you think is important for changing the
way that we compensate, recruit, retain school
teachers, principals, and school staff. And if you
could compress it to one idea in 30 seconds, we'd
appreciate it.

Secretary Spellings, we'll start with you.

SECRETARY SPELLINGS: I think one of the
first things we must do is get our very best teachers
into our most needy schools.

I think one of the little secrets in
education if you look around is that some of our most
qualified -- are frequently -- easier to educate
kids. That's why the President has proposed this
$500 million teacher incentive program to reward
teachers who teach in needy schools and to reward
teachers where they are adding value with kids in
particular.

GOVERNOR PAWLENTY: Great. Members of the
Congressional panel, one idea on this topic.

SENATOR BINGAMAN: One thing we've
proposed in the Senate, which I think is very
meritorious, is that math and science teachers -- we
would have loan forgiveness up to $23,000 there,
which would have the effect of essentially making
college tuition and fees free for those that chose to
go on and teach math or science in our schools.

GOVERNOR PAWLENTY: Congressman Castle,
one idea.

CONGRESSMAN CASTLE: Well, I believe in
alternative entries to education. I still think
ultimately compensation is at the heart of this. And
I think jointly we need to work at that.

I also believe you do need to shift, as
Secretary Spellings said, teachers from the better schools (the schools which may have great needs in some instances) and make sure we understand exactly where they are, identify who those teachers are, be willing to pay bonuses, and make absolutely sure that all schools in all our states are staffed as equally as possible. I'm not sure that's the case right now.

GOVERNOR PAWLENTY: Congressman Hinojosa, one idea and a federal solution to it in 30 seconds.

CONGRESSMAN HINOJOSA: I think one way in which we could achieve that is by expanding advanced placement and international baccalaureate programs because, again, the myth that children from working families cannot handle those advanced placement courses and international baccalaureate is a myth.

Our kids in that magnet school that I told you about placed so high that they are sought out in the Northeast and the West including Stanford, Yale, and all those places. These are -- some are children of migrant families.

So we need to find a way in which to promote the advanced placement courses.
GOVERNOR PAWLENTY: Ed Rust, one idea on staff preparation, recruitments in 30 seconds or less.

MR. RUST: Governor, what I'd suggest is national board certification with the National Board of Professional Teaching Standards and really the regimen and the focus of that process.

In going through it, it has a profound impact -- not just on the teaching abilities of some of our best teachers, but frankly on the achievement levels of the kids that they come in contact with.

It is a very powerful program.

GOVERNOR PAWLENTY: Now we move to our lightning round.

(Laughter.)

GOVERNOR PAWLENTY: Try to answer this yes or no in two or three sentences on why it's a good or bad idea.

We are all in favor of more accountability as long as it's appropriate and effective. One idea for increased accountability in high schools is extending no child left behind into the high schools.
Do you support that? Yes or no? If not, a short sentence or two on why not.

Secretary Spellings, I suspect we know your position on this matter?

(Laughter.)

GOVERNOR PAWLENTY: So, we'll let that stand.

(Laughter.)

GOVERNOR PAWLENTY: Senator Bingaman, if you would go next. Do you support that proposition?

SENATOR BINGAMAN: Yes, I support it, but I do think before we hurdle headlong into this, we need to look at the paperwork burdens we are imposing on teachers and schools in this process. And we need to find a way to reduce that.

In my state I've talked to a lot of teachers who feel very strongly that too much paperwork, too many reporting requirements have been laid on as a result of no child left behind. We need to rethink all of that before we just ramp it up to another level of the school.

Thank you.
GOVERNOR PAWLENTY: Congressman Castle.

CONGRESSMAN CASTLE: I do support it.

There is insufficient support in the House of Representatives as of right now to pass it.

And I am not accepting of the President's budget recommendations as to how to fund it, a lot of which would come from the Voc-Ed, the Carl Perkins Act, which I don't think is ultimately going to be the answer. So we're going to have to deal with it some way or another.

(Applause.)

GOVERNOR PAWLENTY: Congressman Hinojosa.

CONGRESSMAN HINOJOSA: Yes, I support it and I echo what my colleague said about the importance of the Carl Perkins. But I also want to bring in the ERA program because that and TRIO are programs that help lots of children who are slow learners because of the difficulty in language.

You must understand that if you are a child and listening to a teacher whom you don't understand, how in the world can you proceed and
follow the instructions? So there's got to be
testing that will take that into consideration.

GOVERNOR PAWLENTY: We don't want to leave
any cabinet member behind, so we'll allow Secretary
Spellings some appropriate rebuttal.

(Laughter.)

SECRETARY SPELLINGS: All right, thank you
very much. Well, I think the investments mentioned -
- the vocational education, ERA, and the like -- are
primary federal investments in education. And you
all have talked for two days about what the outcomes
in high school are.

We know that what get measured gets done.
And that's why the President has called for enhanced
accountability.

You have also talked about flexibility for
states. He proposes that we consolidate these
funding sources and let you go figure out how you're
going to get results. And if it's vocational
education or TRIO or ERA and they're working for you,
go to it.

GOVERNOR PAWLENTY: In the interest of
keeping things moving forward and fairness to the
panel that is behind us, headed by Governor Huckabee,
we're going to close out this discussion with some
closing thoughts by Governor Sebelius, who is going
to wrap up this discussion and also share a few
thoughts about her direction in Kansas on these
topics.

Thank you very much.

(Applause.)

GOVERNOR SEBELIUS: Thank you, Governor Pawlenty. I don't know if the clock is still
ticking, so I'll do this as fast as possible.

But the purpose of the summit was to
propel state action. We hope this session will also
fuel complementary federal action. We agree the
federal government can and should support state high
school reform.

That's an important and critical
beginning. Now is the time for action. So let's
seize the opportunity and work together to create a
common vision.

As governors, we look forward to closely
partnering with the administration and with our partners in Congress to align federal and state education laws and to improve high school for every student.

A federal-state partnership will be needed to support the innovation necessary to reform our nation's high schools. In the coming days we intend to present bipartisan recommendation to align the federal education laws and accelerate state high school redesign.

Our committee, that's chaired by me and the Vice Chair Governor Pawlenty, has developed some new recommendations which we'll be talking about in the committee on the principle of federal and state preschool to college alignment, the Workforce Investment Act and high school reform, including flexibility and incentives to spur state innovation, to better prepare high school students for college or work, to expand support for teachers and school leaders, and also to offer recommendations on the Perkins higher education reauthorization.

I'm proud of our work to date, proud of
the summit. I want to thank Governor Pawlenty for
his leadership as well Ray Scheppach and Joan Wodeske
at NGA for their assistance.

We plan on being strong players with the
administration and Congress to reform high schools.
And we look forward to working with all of you again.

Thank you, Secretary Spellings, Senator
Bingaman, Congressman Castle, and Congressman
Hinojosa. Please join me in thanking all of our
panelists.

(Applause.)

(Brief recess, after which David Gergen
presiding.)

MR. GERGEN: If you could return to your
seats, please.

Thank you. It's good to see you again.

Good afternoon.

The NGA and Achieve have asked if we might
extend the time for this conversation from 3:30 until
4:00. If some of you have to leave before that,
please do. Each of us here on the panel at one or
another has cleared a bigger hall than this one.
MR. GERGEN: We began yesterday with our first plenary with a message that our high schools are obsolete. In effect, the message was that millions of children are being left behind now and unless we act with a sense of urgency and seriousness, many millions more will be left behind in the next few years.

But the purpose of this summit was not simply to review the record and face it with honesty, but to propel forward with an agenda for action. In the last couple of hours the speakers here have met with the press and have announced such an agenda.

And we're going to begin this afternoon's plenary with them telling all of us now what the results have been, what people have agreed to hear over the course of these two days so that we can begin from a common foundation and understand that.

We'll have a short discussion thereafter about how each of you might think about this agenda to draw you forward.

First, let's hear what's been reached --
the agenda that's been reached here at this summit.

Governor Huckabee.

GOVERNOR HUCKABEE: I may be one of the first of those who may have to leave earlier than the 4:00 hour, so forgive me if I do.

I was told that we need to all be brief today. And I said, "How brief?"

They said, "Well, a kid in a freshman composition class at Harvard was given the assignment to do a brief essay. In that brief essay he was to cover four topics -- religion, royalty, sex, and mystery. He would be graded on his ability to cover those four topics with as great a level of brevity as could be."

The kid made an A+. His essay was simply this: "My God, said the Queen. I'm pregnant. I wonder who did it?"

(Laughter.)

GOVERNOR HUCKABEE: Now, I'm not sure I can get quite that brief, but I'm going to do my best. I want to say thanks to Governor Warner for your outstanding leadership he's given.
Some of you are not getting that?

(Laughter.)

GOVERNOR HUCKABEE: I know it's mid-afternoon. There's some candy here. Have some.

A sincere thanks to Governor Warner for outstanding leadership as he's tackled a very different subject on changing the senior year of high school and making it meaningful. And also his partner at Achieve and the chairman of that organization, Governor Bob Taft.

I think we've had a tremendous session both today and yesterday. Also with NGA and Education -- the Hunt Institute, the Business Round Table, all partnering together for a very meaningful time.

The one thing I think we come away with is what we need is rigor. What we have is rigor mortis. Part of the reason we are here is because all of us are looking at how to get off high center and begin to move the agenda on high schools in our state.

The antidote for senioritis, that period of time when a period becomes a senior in high school
and finds the easiest year of his or her education
because one's already met the credits and in many
cases is pretty much able to coast, involves many
things.

Some of the things we discovered.

Creating a core curriculum -- we call it "smart core"
in Arkansas -- that requires four units of math, four
units of English, three units of science, three units
of social studies to make sure that every student is
required to have a truly challenging senior year.

The AP courses for every student are a
critical element of insuring that there is going to
be a challenging educational environment.

We need to be very careful that we realize
that while a college preparatory curriculum is
frankly essential for all, even if students are not
going to college, because there is no student who's
going to get out of high school and be prepared with
a simple high school education to meet the demands of
tomorrow's workforce.

And if you ask the employers in your
state, as I have done when I made speeches -- and
I've asked groups of hundreds at a time, How many of you can live with the workforce made up entirely of people who have nothing more than a high school education?

And I have yet to be in a room of people of employers, of business leaders in which one hand could be lifted and the person said their entire operation could be run with people who had nothing beyond a high school diploma.

But at the same time there are people who are not necessarily going to college and it does not mean that they are shut out of good jobs. It may be a trade school or a community college or an associate's degree.

There are many great opportunities to help those students as well find their niche and also find their way.

The JAC program. Governor Napolitano is the chairman of that nationally. I highly recommend that to you as an initiative. It is an outstanding opportunity to take students who might not otherwise find a route of success. And this will give them
The Arkansas scholars' program, which you probably call something else. It's a simple matter and it doesn't cost really anything. It's getting the business community involved in going down to the eighth and ninth grade and talking to students and explaining to them why it is in their best interest to take a challenging curriculum at the high school level.

And when many of them understand that there's a difference of at least a million dollars between what they will earn as a high school graduate and a college graduate, it starts getting their attention.

Kids may not understand what they want to do, but they can understand that they'd like to have a million dollars more of earning capacity in their lifetime. And it's a very simple mentoring program that can be done.

We talked a lot this weekend about aligning curricula. That's a critical issue in making sure that we're not wasting the efforts of the
teachers or of the students, as well as to have
articulation agreements with all of the colleges so
that when a student does take a course, that student
is not simply spinning his or her wheels and spending
his or her parents' money.

Finally, let me just say a word about, I
think, one of the great education reforms that's
happened in all of our lifetimes. That's no child
left behind.

I really do appreciate the fact that we've
had the bipartisan level of cooperation that brought
no child left behind to the table. When you have
people as diverse as President Bush and Senator
Kennedy getting together on anything, it's worth
celebrating -- building a campfire, joining hands,
and singing three rounds of Kumbayah.

The fact is, no child left behind, while
perhaps to anyone's liking is not a perfect
initiative, is the best initiative we've ever seen
that caused us to finally do some serious examination
of just how effective our schools were and then to
begin to do something about it.
The truth is, most of the resistance to no child left behind, as it is with any type of testing environment, is that some of us, when we see the scoreboard, we don't like the way we're playing the game.

But it ought to be the challenge to cause us to play a better game, not to simply turn the scoreboard off so we don't really see the results.

Let me mention that one of the things that I'm most grateful for in no child left behind is that it has created not only a challenge for testing in the traditional core subjects of math, reading, and science, but it has also made standards and curriculum focus on something that is often neglected in the curriculum all the way up to the high school level. And that's in arts and music.

It's a personal passion of mine because I believe we really do our students an incredible disfavor when we somehow believe that an education in the arts is an expendable, extraneous, or an extra-curricular activity when it really ought to be an essential part of the education for every school
student.

Not every student is necessarily going to have the aptitude to be a mathematician. But some of them may have the aptitude to be a musician. And we should not leave those children behind.

And I am grateful that in no child left behind, for the first time in our nation's history we have a clear directive that we are to make sure that all children, including those who are artistically inclined, are given an opportunity to succeed.

Thank you very much.

(Applause.)

GOVERNOR HUCKABEE: Now let me turn it over to Art Ryan from Prudential Financial Services and the cochair of Achieve.

MR. RYAN: Very briefly, when I was at the press conference I was asked what we would be doing when we left the summit because during the promo remarks I talked about the enthusiasm and what went on at the summit.

I thought a little bit more about it, and I think there are three things that I would report as
I left the summit. And I hope all of you agree.

One is that all of the sessions,
especially those where we had the breakout sessions,
included an extraordinary amount of participation,
terrific ideas, and enthusiasm about getting it done.

For those who did disagree on certain subjects it was constructive disagreement, not
cynicism. For me that's a very different change than what I saw eight years ago when I first attended one of these summits. So a positive attitude by all who were involved in this activity.

Second, even someone not as well "educated" on these matters as many of you -- I can talk about the action agenda. I know what to say when talking about the value of a diploma, when we talk about redesigning a high school, investing in teachers and principals, having data, measuring it and using it, and most importantly, around that whole system of governance.

I commented in my session that I don't know how I'd run a company if I didn't control most of the policies where many of the committees were
made up of people that I have no control over.
I think there is a way in which we can
talk more and more about this whole issue of
alignment. This isn't the power or turf. It's the
only way you get it done. It doesn't work without
alignment.
And so I believe those are the messages I
can carry back to the business community and other
constituencies who might listen to me. And I can
commit to all of you that business leaders around
this country will carry the message and will support
what you're trying to do.
Thanks.
(Applause.)
GOVERNOR TAFT: Thanks very much, Art.
And good afternoon. As cochair of Achieve I have
some very exciting news to report to you, building on
very productive discussions we've had here at the
summit.
Today a group of states will begin to
reshape an American institution that has far
outlasted its effectiveness. I am pleased to
announce the establishment of the action network of
the American Diploma Project.

Thirteen states have already committed to
being partners in this very important network to
spearhead efforts to align standards, assessment,
curriculum, and accountability with the demands of
postsecondary education and work.

The states included are Arkansas, Georgia,
Indiana, Kentucky, Louisiana, Massachusetts,
Michigan, New Jersey, Ohio, Oregon, Pennsylvania,
Rhode Island, and Texas. And more will follow.

This means that more than 5 million
American students each year, 35 percent of public
school students nationwide, will be expected to meet
higher requirements under the landmark initiative.
This is the biggest step that states can take to
restore the value to a high school diploma.

You may recall that the American diploma
project report was published about a year ago. As a
result of work done by Achieve, the education trust,
and the Fordham Foundation that report identified the
critical English and math skills that students need
to master in order to succeed after high school.

The project has been helping states come up with standards and graduation requirements to restore relevance to the high school diploma. This network will accelerate our progress.

By signing onto the network states commit themselves to four specific steps.

First, they will take steps to raise high school standards to the level of what's actually required to succeed at college or in the workforce. This means that higher education and business leaders will have to very clearly define their entry level expectations. And high schools will have to raise the bar accordingly.

Second, states will administer to high school students a college and a work-ready assessment aligned to state standards so students get clear and timely information and are able to address critical skill deficiencies while still in high school.

Third, the states have agreed to require all students to take a college and a work prep curriculum that prepares them to meet the standards.
Fourth, these states have agreed to hold high schools accountable for graduating students who are college-ready and hold colleges and universities accountable for moving students through to their degrees.

For many states this will require new investments in data collection to track student progress from year to year. It will also mean developing a more accurate measure of dropout and graduation rates.

Finally, as part of the action network each state will build a broad coalition of the key supporters needed to sustain progress in each state including the governor, legislators, the state school superintendent, state higher education leaders, and business leaders.

Throughout our discussions this weekend it became mightily clear that it will take all these forces working together with educators, parents, and communities to make change a reality.

What's next? Over the next few months each state will develop a very specific plan to close
the preparation gap.

Along with the time table for addressing measurable goals, accomplishing these goals will not be easy. It will require tough choices, but these governors are willing to put our political capital on the line to make it happen.

This is the fifth national education summit. But it is the first time that a group of states have come together to commit to specific measurable action steps and hold each accountable for accomplishing them.

Thank you very much.

(Applause.)

GOVERNOR WARNER: Bob, congratulations to you and Art and Achieve. That was great announcement. I can tell you in Virginia we are in the process of doing some of those things, but we're going to look at joining that effort as well. I know a number of other states will be in.

A couple of quick comments before we turn it over to David. I've got an announcement to make as well. But one thing that I found in our breakout
session -- I went into a couple of the other
sessions, everybody -- many of us talked about
specific things we were doing in our respective
states.

What struck me is we all talked about our
various projects in our states. If we were actually
doing all of these things really well and at a full
scale, we wouldn't have the need to have this summit.

And there are an enormous amount of good
ideas out there that I want to commend. One of the
things I think that should be clear out of this
summit -- while we heard the charge and saw the
statistics yesterday about the problem, there is a
lot of positive action going on around the country.

The challenge is going to be how we get
this positive action and these ideas from a single
school or an individual school division and take them
to scale. That's again where governors come in and
what Bob Taft just announced is one way that we're
going to be raising the curriculum bar.

Let me give you another opportunity. Here
at the NGA best practices center we are very proud to
have been working for the last number of months with a number of our partners in the foundation community.

Earlier today an announcement by the Bill and Melinda Gates Foundation that they, in combination with a series of other foundations, will create a competitive grants program to states totalling $42 million to help us as states move these ideas that we've talked about today or that we gained from the workout or from the group sessions that we want to take back and put in our action agendas, use these funds to actually take our ideas to scale.

In addition to sponsoring the generous support of the Bill and Melinda Gates Foundation, the other foundations include the Michael and Susan Dell Foundation, the Carnegie Corporation of New York, the Wallace Foundation, the Prudential Foundation (thank you, Art), the State Farm Foundation (thank you, Ed). And there are six other foundations that are a little bit slower to move but that we are hoping --

(Laughter.)

GOVERNOR WARNER: -- the Kaufman
Foundation, the Bell Foundation, the Aluminum Foundation, the GE Foundation will soon as well --

(Laughter.)

GOVERNOR WARNER: I made the comment at the press release -- I keep saying how hard -- I actually realize it's actually pretty easy to Democrats and Republicans to work together. But you see all these other groups it's hard to get working together.

Getting foundations -- educational foundation groups to actually work together is a challenge. And kudos to Tom Vanderark and Stephanie from the Gates Foundation and others who have come together.

The value of this foundation collaboration -- and this is I think the biggest kind of public-private partnership initiative in high school education reform ever with this effort -- is the money's important.

But as governors, as we try to convince skeptical legislators, reluctant school boards, teachers, principals, parents, and others who are
wondering whether these kind of in some cases radical
reforms are needed, the foundation support gives us
that incredible credibility and validation. And
these groups as well, who have each done remarkable
work on their own, they also will serve as a dramatic
resource or an important resource for additional
data, additional policy help.

So congratulations to all those
foundations who have signed up and encouragement to
those who are still going through their decision
process. There is plenty of room for others who want
to join.

With that we're going to turn this now
into a discussion. And David Gergen is going to take
us through the next 30 minutes. David.

MR. GERGEN: Thank you.

Very impressive announcements. I can tell
you that the press was extremely interested because
the eyes of the nation are on this group today.
There were over 30 pages of press stories that have
appeared overnight about this summit and people want
to know, well, what are you going to do?
Now they've got some answers. The question I think is -- I'd like to start with Michael Cohen. Is he here? From Achieve.

Could you tell us, Michael, these standards, this network alliance that's now coming together, this action network.

If they act together, if they hit the standards, will that solve the problem in terms of international competition? Or are we going to be in an endless period now of continually raising standards?

Are we going to be able to hit the standard we need through this effort? That's really the question.

MR. COHEN: David, it won't solve the problem of international competition, but it will be a big step in that direction. And it will certainly help solve the problem of young people arriving at postsecondary education or work unprepared for what they face. That's the biggest problem we'll be working on.

MR. GERGEN: How many years behind are we
in terms of our current -- if you look at our best
states now. If you look at Arkansas or Texas that
have really moved up. Rick Perry's here and
hopefully we'll bring him into this conversation.

How far are our best states behind right
now, our best competitors, in terms of achievement
for high school graduates?

MR. COHEN: If you look at the latest PISA
results, for example, across the country, we're
significantly far behind the best countries in the
world.

We know that in mathematics, for example,
we tend to introduce math concepts in the U.S. about
a year beyond the grade level at which other
countries do. So those are two ways in which we
still are pretty far behind.

MR. GERGEN: I'd like to turn to Governor
Ernie Fletcher, if I might, the governor of Kentucky,
who's been through a great deal.

We now want to bring some voices in from
these workshops. And I'm going to call on people
again. This time if you want to jump into the
conversation, please raise your hand because we'd
like to invite others in.

But Governor Fletcher. Kentucky community
standards -- you've joined this network. What's
next? Where do you go from here?

GOVERNOR FLETCHER: We've already started
on a lot of work. And we've started looking at
firstoff the standards and making sure their
assessment program is aligned with those standards.

Setting those standards high, including a
lot of the coordination that will involve alignment
means that we've got to strengthen our P-16 council
to make sure that we have a much greater
communication between postsecondary education
regarding teacher preparation, quick alignment,
making sure our assessments are there, moving toward
more diagnostic instead of summative assessments so
that we can intervene.

Additionally, we are looking at some of
the early childhood things that will help us meet
those high criteria.

One of the things that we in our session
at lunch, which -- I want to commend the organization
of that because I think that was an excellent
opportunity for our group to get together and each
sum what they understood.

We looked at leadership as being critical.

No matter what we set up, if we don't have the
leadership there in our principals and within our
school system to keep, attract, and retain and work
on the induction of quality teachers, then none of
this will be effective.

So we are beginning, right when we get
back, to work particularly on the leadership issue
regarding principals and teachers.

MR. GERGEN: Where will the money from
that come from? Can that come from this foundation
effort that Governor Warner just announced?

GOVERNOR FLETCHER: We're counting on
that.

(Laughter.)

MR. GERGEN: I understand.

Henry Johnson, Mississippi. You're here
with Governor Barbour, but you're also worked in
North Carolina. You're a fellow who's been in two
states on the front lines.

Are you here about these standards? How
hard and how high can we go.

MR. JOHNSON: As far as our imaginations
will take us.

A couple of thoughts. Thanks to the
governor, we've got strengthening high schools as
part of the education agenda.

We also have recently adopted a state
board policy that says a student, in order to
graduate, must have not only four years of English,
but four years of mathematics, four years of science,
and four years of social studies.

And we are beginning to define what some
of those courses are. Right now the conversation is
algebra I plus two courses beyond algebra I among
those four.

We are aware that simply adding additional
requirements isn't sufficient. We also have to make
sure that the rigor for those courses is appropriate
and the assessments to monitor the curriculum are
also appropriate. So we're moving pretty
aggressively.

MR. GERGEN: Good, thank you. I wonder if
you could hand that microphone over to your
colleague, Governor Haley Barbour, who faces one of
the toughest sets of challenges in the country, but
is also known as one of the best political
strategists.

I'm really curious what advice you would
offer everyone about how you overcome the resistance
and lift the state up to the kind of standards we're
talking about.

GOVERNOR BARBOUR: The people in the state
have to understand the stake that everybody has in
it. This is not just about parents or their
children. It's about our economy. It's about
economic growth.

A professor at Mississippi state told me,
David, the first month I was governor -- he said,
"Governor, our businesses in Mississippi they have
three choices. They can innovate, they can
immigrate, or they can evaporate."
MR. GERGEN: Say that one more time.

That's almost as good as Governor Huckabee. Not quite. Say it one more time.

GOVERNOR FLETCHER: They can innovate, immigrate, or evaporate. And innovation in America's economy is all about knowledge. It's about technology. It's not about working harder. It's about working smarter to be more productive.

We're working very hard not to make sure our legislators and elected officials, but that our whole state understand the stakes of this for everybody in our state's future.

MR. GERGEN: When they understand it, are they willing to take the hard steps to get there, which may include their child failing the standard?

GOVERNOR BARBOUR: Well, Dr. Johnson here is the most active advocate or rigor and relevance in high school.

And thus far the legislature has been able, as well as the state school board -- and by the way, none of them work for me -- have been willing to accept that this is what it takes to really improve
education.

As Mike Huckabee said, you've got to pull it on the scoreboard and you've got to light up the scoreboard where everybody can see it.

We have resistance. But we've overcome that resistance so far. And I expect to continue to do that.

MR. GERGEN: All right. Is Jack Warner still here from Rhode Island? He's left. All right. Does somebody else want to jump into this conversation about the states' standards? Let me ask Governor Perry to come in here.

Sir, Texas has been mentioned here several times over the course of these last few days and held forth as a state which not only went early on no child left behind and has been a pioneer on that, but along with Arkansas has introduced much more rigor into the curriculum. And you've also gone statewide trying to push the redesign of schools.

GOVERNOR PERRY: We have. Actually we follow a fairly clear path in Texas, one where we talk about higher standards, raising the
expectations, and also raising the performance.

What we have seen -- and we have the rather strong documentation to back that up -- over the past decade this has been going on in Texas incrementally as we meet every other year in our legislative session. It's been raising the bar for our students.

To answer the question that you asked Haley -- is that yes, there was some resistance. But the fact of the matter is, the parents and the teachers by and large accepted the fact that the competition in the world was a requirement that we were going to raise our bar.

And then we had high expectations that our children were going to clear those hurdles. And the vast majority of them in Texas have done that. The numbers have been nothing less than amazing.

We have seen passing rates on the states' assessment tests go from 53 percent passage to 85 percent passage. Our students consistently rank in the top 10 nationally in math and writing and reading.
We have a record number of Texans who are attending institutions of higher learning now. Over one million of our citizens are in a college, a university, or at a technical institution.

As Congressman Hinojosa so vividly portrayed it earlier, we still face some challenges in that state obviously. We have over 600,000 students who speak English as a second language and many of whom arrive at our schools two or three grade levels behind their peers.

So our goal is to follow two tracks actually. First, we want to continue to bring more students up to the minimum standards.

And second, we want more of our students to graduate prepared for college. And that, I think, is the next step as I see where we're headed collectively as states in this progression.

And I think we're one of the most aggressive states in the nation when it comes to insuring more students are college-ready. I think it's one of the reasons we have those numbers as high as we have.
According to an Achieve incorporated study that was commissioned by NGA, we were the first state in the nation to require a college prep curriculum as the standard course work beginning in this year's ninth grade class.

It's actually in place. It is working. And it has the potential to drastically change and I think improve the number of Texas students who are deemed college-ready when they matriculate from high school.

We've also partnered with the Gates Foundation and the other foundations -- Dell and our community's foundation from Texas -- in crafting a high school initiative to create those smaller campuses, smaller learning environments, if you will, for those struggling students.

And separately we're the first state to provide personalized study guides for juniors and seniors that fail a portion of the assessment test, the TOCS test.

And we now require individual graduation plans for students deemed at risk of failure. And we
are working to move that down into the ninth and the
ten grades so that all the high school students
have that.

Our reform process, Ernie, is not just
about that last decade. I mean, it's also looking
into the future. And that's the reason some of the
things that we've laid out -- our legislature is in
now. We've got about 100 days left in a 140-day
session. And then we'll go home.

But it's to really focus on the future.

And I want to pass some of the most sweeping
incentive programs in the nation. We feel like that
is truly the way to go -- where you award those
excellent teachers and you focus students on high
achievement. Instead of talking about
minimum standards, start really focusing on how you
incentivize students and teachers to reach
excellence. And we know it works.

When you think about it, what we've seen
in the old advanced placement initiatives starting a
few years ago that rewards schools with up to $100
for each student that registers a 3 or higher on an
AP test -- overall student participation has doubled in Texas. It's nearly tripled for our Hispanic and African American students.

I proposed some new financial rewards tied to the number of students that graduate under our most rigorous course of study and success on optional course exams in subjects like algebra, biology, English, and history.

We've also put forward some of the most, I think, far-reaching and sweeping teacher performance pay packages in the country to attract the best and the brightest.

You heard Secretary Spellings make reference to getting those best and brightest into our toughest teaching environments. We've got a package together in Texas this year that will use salary stipends of up to $7,500 to incent those teachers to move into those environments.

We're also going to focus attention on schools that serve large numbers of economically disadvantaged students. We think that's the real place you need to focus. And it starts by putting,
as we said, the best teachers in those classrooms.

The momentum for educational reform. You know, our message here today is it doesn't need to slow down or stall at all. We need to go forward with full speed ahead.

As much as we talk about how money we put into education, we must also talk about how much education we get for our money. And that's our focus.

And certainly I think it's working for us well in Texas. But it's been really good to hear some of the other innovative approaches that those of you from other states have laid out for us today.

MR. GERGEN: Is Chris Barbic still here?

GOVERNOR PERRY: He is not.

MR. GERGEN: Could you talk about the place that charter schools have been playing?

GOVERNOR PERRY: Yeah, charter schools are playing a very important role in the state of Texas. We're seeing some great results.

Anytime a new concept into place, you're going to have some failures. And the fact of the
matter is, we've had some charter schools that failed for whatever reasons. Bad management has been the biggest issue involved in this legislative session. We're going to send a clear message to those charter schools that aren't performing. Chris's is a great example of how to do it and how to do it right.

But it the state of Texas we can't sit idly by and accept failure, particularly in these charter schools. And we're basically going to lay the marker down on charter schools that are failing either managementwise or otherwise on these children. And we'll be shutting them down.

MR. GERGEN: Thank you.

Alan Bersin, I wanted to ask you, sir, one of the big issues that has arisen here has been the teacher workforce -- building the capacity of the teachers and also insuring the best distribution of teachers through the system so that children in these urban schools or inner city schools have strong teachers. You've worked on these issues in San Diego. Where do we go from here?
MR. BERSIN: One of the matters, David, that came out in our work group that the governors and the states can take a lead on is really something that we've all recognized in education for a long time but we haven't been able to accomplish yet, which is the re-engineering and re-invention of our schools of education both for teacher training purposes and for the development of leadership, and infrastructure of leadership.

This is a matter that involves both a dialogue between K-12 and higher education that the governors have got to convene.

A restatement of the certification requirements. We had many discussions about standards for our students. We need a similarly articulated set of standards for our teachers. And those need to be implemented through a training and a new infrastructure for training the teachers that our students need so badly.

We also need to continue to build up our induction programs. We can't look at teacher training programs as being the end, but rather the
beginning of a course of professional development that continues on through the course of a teacher's or an administrator's career.

To do that, we're going to again have to partner with institutions of higher education so that the teaching profession, like every other profession, has a very well defined course of study that continues throughout life -- in order to model for the rest of the world, the notion of lifelong learning.

MR. GERGEN: Thank you. Connect up for us, if you would, the federal conversation about no child left behind and whether Congress is going to pass or not pass the extension of no child left behind and apply it to high schools.

What difference is that going to make in this march of the states towards higher standards and trying to raise the capacity of teachers?

MR. BERSIN: Accountability is essential in the world of education for school districts as well as for states.

So in California, where we already test
our ninth, tenth, and eleventh grade students, we for
the most part, at the administrative level, welcome
the application of no child left behind with the
caveat that we've got to not risk losing
accountability altogether by having targets that are
not realistic within the resource base that we now
have applied.

Until we can distinguish between schools
that are failing to improve fast enough and failing
schools -- so at the high school level I think no
child left behind is going to make a crucial -- going
to give us that underlying accountability that will
permit us to harness the rest of the efforts that the
summit has begun to articulate.

MR. GERGEN: Terrific. I'm going to step
back here. But before I do, I'm just interested in
getting a show of hands of how many of you here -- I
know you came here with a sense of urgency. How many
of you leave here with a sense of encouragement about
where we go from here. Can I get I get a sense of
that?

(Show of hands.)
MR. GERGEN: How many of you are still discouraged?
(No response.)

MR. GERGEN: We've made some progress. Let me turn this back over to you all. Thank you.
(Applause.)

MR. KILLINGER: Thank you very much, Dave. I'm going to be relatively brief.

Certainly Governor Warner and I really have enjoyed the opportunity to cochair the summit. And I think from our perspective, as we pull things together, the summit has certainly been a terrific success. We very much want to thank all of you from the standpoint of your time, your thoughts, and your passion to make it happen.

I think throughout yesterday and today we clearly heard a case that nobody can deny that we are in a crisis, that our world position in providing quality education is slipping and is likely to keep slipping if we allow the status quo to continue, that we have to reverse this trend or the United States runs the risk of not only becoming a declining power,
but some fear a second-tier power sooner than what we
might think.

We only have to listen to those statistics
about the number of graduates coming out of China,
India, and other countries to realize that the
achievement gap we've all been talking about the last
few summits was pretty myopic.

That was our achievement gap within our
confined system. But we need now to worry about is
the achievement on a worldwide basis. And that's
quite a change in perspective, I think, from just a
few years ago.

And I think that we've all concluded now
that maintaining the status quo isn't going to work.
Nor is just putting more money in the status quo
going to work. Money may be a necessary ingredient
to the solutions, but in and of itself is not going
to get us there.

I have been really pleased that we have
walked through a lot of the solutions. They're not
that complicated. If we would just get out and worry
about the execution of them.
Yes, we have to keep higher public awareness in front of everybody. That's actually part of the solution -- be sure that people know there really is a crisis.

We also need to be willing to understand that the standards have to be raised, that high school diplomas have to be meaningful, that kids have to know it's important (and the parents -- and make that happen), and that that diploma really reflects the skills that we need to have them be successful as either employees or citizenry in the United States.

We have to be willing to innovate and redesign our system, particularly our high schools. Again, that's something I think we heard a lot about.

The whole theme of education is not about K through 12 anymore. It's clearly the lifelong learning from P -- and however we want to define P -- at birth I think basically -- on through adult education.

We heard that helping our teachers and principals and other educators obtain the necessary skills is required. Again, we can't have a
profession stuck in the past and expect them to
perform into the future. We have to help everybody
come along.

There's a big responsibility on the part
of students and parents. We do have to make all of
these activities relevant and rigorous for them. And
they will step up to the plate.

Every research piece I've seen said if you
tell the kids the bar is here, they will get there.
If you tell them the bar here, they will get there.
And we've been afraid to consistently put the bar up
as high as we probably need to do.

I think we've also figured out that just
maintaining a dogged determination is absolutely
critical through here. I know when I first got
involved in working on education, I was told it was a
multi-decade journey. And for me it's already proven
to be multi-decade. We just have to stick with it.

It doesn't fix in one summit. It doesn't
fix in one afternoon. It's something we have to do
day in and day out.

But it's really great that we've brought
together everybody. And I think now the follow-
through things we heard today about the American
diploma project and the network that's coming out of
that -- 13 states are now getting together. That is
far more substance coming out of a summit than we had
going back two or three summits ago when we decided
to move forward on national standards and outcome-
based education.

There it was kind of, well, maybe one or
two might get started and let's hope we get some
more. Here you've got 13 coming out of the blocks
with significant funding coming through some generous
foundations to make this thing happen.

And I think what's very important for many
of the governors here that have not had the advance
information to be able to sign up is please go back
to your states, take a look at this and see if it
doesn't make sense for you. See if you can't get
joined into that network as soon as you possibly can.
I think it would be a great thing for all
the states that get there.

I'd like to just briefly close on a couple
of thoughts.

One, again, thanks for all the people that brought this together. The staffs did a terrific job from both Achieve and the NGA. Thank you all very much.

Also thanks for the support in addition to those organizations from the Business Round Table, the Hunt Institute, and the education commission of the states.

It's now time for us to go back into our states and try to make all this happen. For the governors, I mean, you have the advantage for all of us that you are the leaders. Everyone's going to be looking to you.

You have tremendous power from that position of leadership and, very importantly, the bully pulpits you can speak from. Yes, you may not control every resource and every constituency in your state, but everybody is going to look to the governor to be the leader in education. And I certainly hope that you use that bully pulpit wisely.

For the business community -- and I think
Art mentioned that very well -- we are here to do whatever ground cover we can do for the governors and others to help keep this issue in front of the people and to try to make it something very important.

We have the capability to get that information to all of our employees throughout the area. We have the potential to make that important information for our customers and others that we interact with.

And certainly I hope the national as well as the state business round tables get behind this and really try to keep this as a key agenda item for them.

And certainly for all the educators out there, we look for your help in being change agents and helping share the best practices as we move forward.

I think for each of us as we go back -- I guess I've asked you to think about just a couple of things. If not you, who's going to do this? And if not now, when? And if not, is the crisis going to go away?
And I just suggest that the country's future is literally in the hands of the people in this room. I just encourage all of you to use that power extraordinarily wisely.

Thanks. I think with that I'll turn it back to Governor Warner.

(Applause.)

GOVERNOR WARNER: I promise I'm the last up. I thank you. And I particularly thank all of you for knowing everybody's schedule and hanging in for half an hour after our designated end time.

Very brief comments. Thanks again to the staffs from all the organizations -- NGA, Achieve, the Business Round Table, ECS, the Hunt Institute for making this possible for not only all of the participants but the observers who have been through this process.

A couple of quick comments. One thing that was remarkable was the amount of unanimity there was in terms of recognizing this was a problem, recognizing we've got to raise standards, recognizing it's going to take more than nibbling around the
edges to get it done. Great news there.

   Where are some of the challenges? Taking

all of these great ideas to scale whether it's
through the American Diploma Project, whether it's
through the very generous 42 million and growing
amount from the foundations to help implement these
changes, I think we've got a tool.

   The action agendas that were worked on at
lunch we will be monitoring and we're going to be
back to you on a regular basis on seeing action in
your respective states.

   A couple of areas where we think we still
need some improvement. Tremendous support from
business. We need to broaden it to make sure we've
got, as we move forward, small business as well
perhaps better represented here.

   I see Charlie Reed and there are others
around the room. We need more folks from higher ed
as well. Those of us who are governors and
policymakers in this room -- as we think about higher
ed's role in training the teachers, principals,
superintendents, as we think about higher ed's role
in terms of working with us to make sure there's a better connection between high school and secondary school, we've got to make that happen.

A final point. I've got the three-minute highline sign there.

The real question is going to be, will we take the energy here and make it happen in our respective states?

Come this July the National Governors Association will be meeting again in Des Moines. Part of that meeting will be a follow-up to everything we've talked about here and will be the chance for states to demonstrate whether the great ideas that we've shared today have really been implemented beyond that single successful school or that single successful school division really all across the state.

The economic imperative that was laid by Bill Gates yesterday -- if that's not a reason for us to keep this on the front burner, I don't know what is.

A final thanks to David Gergen for helping
and being a continuing participant in these education
summits. Let's thank David. Thank you very much.

(Applause.)

GOVERNOR WARNER: Thank you all. We are
adjourned. Thank you very much.

(Whereupon, at 4:00 p.m., the meeting was
adjourned.)