

**Remarks of Arne Duncan**  
**State Stabilization Announcement**  
**Wednesday, April 1, 2009**

**(final)**

Acknowledgements:

- Maryland Governor Martin O'Malley,
- Congresswoman Donna Edwards (D-Md.),
- Maryland State School Superintendent Nancy Grasmick,
- Interim Superintendent, Prince George's County Public Schools, William Hite, Jr,
- County Executive Jack B. Johnson.
- Clara Floyd, President, Maryland State Teachers Association
- Donald Briscoe, President, Prince George's County Educators' Association

ALSO IN ATTENDANCE:

- Paige Kowalski, Senior Associate, Data Quality Campaign (surrogate for Aimee Guidera)
- Richelle (Ricki) Sabia, Associate Director, National Down Syndrome Society Policy Center
- Michael Casserly, Executive Director, Council of the Great City Schools
- Lillian Sparks, Executive Director, National Indian Education Association
- Dan Domenech, Executive Director, American Association of School Administrators
- Mary Kussler, Assistant Director for Advocacy and Policy, American Association of School Administrators
- Kim Hymes, Director for Policy and Advocacy, Council for Exceptional Children (surrogate for Deb Ziegler)
- Laura Kaloi, Public Policy Director, National Center for Learning Disabilities, Inc.
- Deborah Rigsby, Director of Federal Legislation, National School Boards Association

Thank you.

Three weeks ago, in a speech to the Hispanic Chamber of Commerce, President Obama outlined a comprehensive cradle-to-career education agenda.

He challenged us to become number one in the world in the percentage of young people with a college degree by the year 2020.

It's ambitious. It's bold. And it requires a lot of hard work. It also requires us to ask a lot of tough questions of ourselves and of each other.

The fact is -- in order to improve we must be much more open and honest about what works in the classroom and what doesn't.

The first step toward real and lasting reform begins with absolute transparency and accountability in how we invest our dollars, educate our children, evaluate our teachers, and measure our success.

Today, we're here to talk about the Recovery Act that was passed to help boost the economy. It includes the largest federal investment in education in history – more than \$100 billion dollars for everything from Pre-K through college.

Given our economic circumstances, it's critical that this money go out quickly. But it's even more important that it be spent wisely.

This is a historic opportunity to lay the foundation for a generation of education reform even as this money helps save and create hundreds of thousands of teaching jobs in the short term – including classroom jobs right here in Prince George's County.

This morning, we made available \$44 billion dollars to states and school districts. It includes \$11.4 billion in Title I, IDEA, Vocational Rehab and Independent Living funds. This money does not require an application. It will be distributed according to formula.

The larger set of funds includes the state stabilization dollars. In this first round, there is roughly \$32 billion dollars -- \$26B for Pre-K-12 and higher education and \$6 billion that governors can spend at their discretion for public safety, other government services – or for education.

Clearly, our educational needs are great, but they are not our only needs – so Governors have full discretion for investing a portion of this money as they see fit.

States need to apply for this money because this is where we will start to ask the challenging but illuminating questions that every district should be asking itself.

These questions are built around the four core areas of reform spelled out in the law.

Taken together, these four reforms will help place great teachers in every classroom and arm them with accurate and useful data about their students as well as a high-quality curriculum that prepares young people for college, work and life.

The four reforms are:

- Improving teacher effectiveness and ensuring that all schools have highly qualified teachers;
- Showing progress toward college and career-ready standards and rigorous assessments that will improve both teaching and learning;
- Showing achievement in low-performing schools as well as intensive support and effective interventions in those schools; and
- Gathering information on student progress, teacher performance, and college and career-readiness through enhanced data systems.

When it comes to teacher quality, we need to know if schools and districts are successfully placing high-quality teachers in low-income schools. If the answer is no, then they have work to do.

We need to know whether teachers and principals are being evaluated on the basis of student outcomes – because if you’re not linking student performance to teachers you don’t really know who is and who is not succeeding.

We need to know if your teacher evaluation system rates almost everyone as excellent or outstanding – because if you do – then you have a grade inflation problem and that’s not helping kids or teachers.

You can’t effectively reward teacher excellence without these answers.

The second area of reform is around standards and assessments – including assessments that reflect the needs of English Language Learners and children with disabilities.

We will ask every state to post and publish both their state test results and their national test results. If the same children are doing well on state tests but badly on national tests, then the state tests are probably not rigorous enough.

The fact is – having 50 different state standards just doesn’t work – which is why we have called for states to adopt higher standards that truly prepare young people for college or work. Parents need to know that their children can compete in the global economy.

One other way we will evaluate state standards is to find out how many high school graduates in each state go on to college and earn credits. If many high school graduates need remediation, then they are not college-ready.

The third area of reform is – in many ways the toughest – because it requires states to get serious about fixing schools that are chronically underperforming.

We will ask every state to identify schools in restructuring, show their progress and provide their plans for intervention or turnaround.

In Chicago, we closed down dozens of schools that simply could not show gains despite year after year of extra support, leadership changes and curriculum reforms.

Within a few years, some of those schools were posting record gains. Same kids, same challenges – dramatically better performance.

We also want to know the number of charter schools currently operating in the state, number of charter schools closed within the last 5 years for academic purposes -- and we want to know if a legislative charter caps exists.

The President has asked every state to lift charter caps – but he is also demanding that they are held accountable.

Now to answer these kinds of questions, states need good data systems and the capacity to analyze that data. That's what the fourth assurance is all about.

We understand that a lot of states don't currently collect all of this data and in the first round, we are simply asking states to commit to these reforms.

In the second round, however, we will ask them to report the information they have and give us a plan to gather the information they don't have – and we will work them to secure the funding needed to put these data systems in place.

In a letter going out to governors today, we outline a specific set of data points that states will have to provide over time. We admit that they are complicated, they are very detailed and the information is not easily gathered. But they tell the truth – the good, the bad and the ugly.

Absolute and complete transparency around issues like teacher quality, standards, student growth, college readiness, and the struggles in our underperforming schools will drive an important conversation among educators, parents, and other stakeholders.

These data metrics will be posted for public comment in the Federal Register later in April and finalized after that. We encourage educators, administrators, unions, elected officials and parents to read them and understand them.

If we're going to get better we need to understand what the data is saying.

Now, for those states that move fastest and furthest toward these reforms – not only with the state stabilization funds but also with the Title I funds -- they may win a share of a \$5 billion dollar race to the top fund, which will be awarded later in the year.

I want to repeat what I just said. If you want race to the top funds, you must do a good job of investing stabilization and Title I funds. Every dollar states spend must help improve learning.

With this Race to the Top fund, we are putting real money on the line to challenge every state in America to push harder and do more for its children. You should be looking at pay for performance. You should be looking at charters and other new learning models.

It starts by asking these tough and challenging questions. We know that some of the answers will be difficult and painful. But we also know that these answers will light the path toward real and meaningful progress. And nothing less will get us to our goal.

Lastly, I want to talk about fiscal accountability. The Recovery Act was passed to help create jobs and the law requires states to report on the number of jobs saved with Recovery Act funding, the amount of state and local tax increases averted, and the use of funds.

The Guidelines also make absolutely clear that the bulk of these federal dollars must be spent on education and cannot be diverted to other purposes.

In order to receive State Stabilization Funds, states must meet the so-called "maintenance of effort" requirements of the law by showing that their 2009 state education budgets at least meet their 2006 state education budget levels. For every dollar you spent on education in 2006, you must spend a dollar in education in 2009.

If, however, some states cannot meet these maintenance of effort requirements, they can receive a waiver -- but only if their education budget has not been disproportionately reduced.

We're going to look very carefully at what states and districts are doing with these funds. If they are not spending the bulk of these dollars in the classroom, as the law intends, the second round of stabilization funds could be in jeopardy and they could eliminate their state from competitive grant money.

This money must be spent in the best interests of children. Thank you.

Questions?