

PRESS RELEASES

Secretary Spellings Discusses Higher Education Improvement Efforts and NCLB Reauthorization at American Enterprise Institute

FOR RELEASE:

March 13, 2007

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Today, U.S. Secretary of Education Margaret Spellings offered keynote remarks to the American Enterprise Institute's (AEI) *Higher Education after the Spellings Commission: An Assessment* seminar in Washington, DC. Secretary Spellings highlighted aspects of her action plan to make higher education more affordable, accessible and consumer-friendly for families, as well as new policy proposals for reauthorization of the No Child Left Behind Act this year.

First of all, I want to thank the American Enterprise Institute for hosting this conference on a critically important set of issues. Thank you to Richard Vedder for leading the conference and putting together such an impressive group, and for being a part of my Higher Education Commission. And thanks to all the panelists and discussants, for your contributions.

Next week, my Department is hosting a higher education summit. It will bring together all the various stakeholders to discuss implementing the recommendations of my Commission. I'm happy to be here today to discuss some of these issues with you.

More than a year and a half ago, I announced the creation of my Commission on the Future of Higher Education. It had become increasingly clear that serious problems were confronting higher education, and I asked the Commission to analyze the issues.

America's universities have long been the envy of the world. But the data shows we are in danger of losing that position. What does it mean for our country that:

- If you are white you have a pretty good chance of getting to college, and if you are an African-American student, and particularly an African-American male student, you do not?
- Only about 17% of our high school freshmen are getting bachelor's degrees within ten years, when 90% of the fastest growing jobs require post-secondary training? And when you disaggregate the data, it's even more disturbing. [For example, only 10 percent of Latinos earn bachelor's degrees by age 25-29.]

- High school dropouts forfeit a million dollars in lifetime earnings compared to their college graduate peers? Not to mention that this costs our nation \$260 billion in lost wages, taxes, and productivity over their lifetimes, in addition to social costs like reduced civic engagement.
- College prices have far outpaced income and even healthcare, and our financial aid system remains confusing, complex, and inefficient?
- As the Commission's report noted, the U.S. higher education attainment rate has fallen to 12th among major industrialized countries? 2006 OECD data places us behind countries like Iceland, Denmark, New Zealand, and Ireland in post-secondary graduation rates. The storm clouds are gathering, folks.

After a year of research and meetings across the country, the Commission released their report in September that described serious shortcomings in accessibility, affordability, accountability, and quality. Their findings helped launch a national dialogue that we continue today in forums like this one.

The Commission's findings were a tough message for some in the higher education community to hear. As the Preamble of the Commission's September report says, higher education has long been one of our nation's great success stories and our colleges and universities remain the best in the world. In light of this success, it was difficult for some to understand that issues like affordability and accessibility are threatening the pre-eminent role of American higher education.

We are still working to get the message out, and today I want to give you an update on where we are and what we're doing.

In terms of accessibility, as the Commission noted, the problem starts in high school. In addition to an epidemic drop-out rate, only half of those who graduate are ready for college math. A recent NAEP study showed that even as high school kids earn higher grades and are supposedly taking more rigorous courses, reading scores have actually declined since 1992 and only one quarter of 12th graders are at or above proficient in math.

Instilling academic rigor in our nation's high schools is an urgent priority. A good case study can be seen in the dispersal of Academic Competitiveness Grants. These awards, which are part of the President's American Competitiveness Initiative, provide funding for students who have completed rigorous high school curriculums. To date, only about half the total award funding available for this year has been distributed.

While this is preliminary data, we find it alarming that there are not more students qualifying for and receiving these awards. 40% of high school graduates are eligible for Pell grants, but so far only 4% are receiving AC grants. The two main reasons are they're either not enrolled full-time, or they didn't take enough rigorous coursework in high school. Both point to the very real problems of access our low-income students have in their efforts to prepare for and obtain a degree.

The problem of students not being challenged occurs disproportionately in lower-income areas. We know that:

- 6% of low-income high school students report having completed a college preparatory curriculum.
- Just 27% of low-income students complete advanced mathematics and/or calculus courses, compared with 45% of all other students.

Low-income students aren't taking college preparatory classes because they aren't available. Nearly 40% of our nation's high schools don't offer AP classes at all. This isn't about students failing to succeed in challenging environments; it's about schools failing to challenge them in the first place.

Our new Building on Results proposals will work to improve our nation's high schools. We propose to have schools better align curricula with college and workplace needs; have states report more accurate graduation rates; and push learning in STEM [Science, Technology, Engineering and Mathematics] fields as well as access to AP/IB [Advanced Placement/International Baccalaureate] courses.

Expanding access to higher education does not mean that every student could or should be trained to be a nuclear physicist or engineer; it means acknowledging the reality that nearly all of the fastest growing jobs require postsecondary education—especially math and science skills—and we need workers to fill these positions.

I had dinner with Bill Gates recently, and he was emphatic on this point. We are deluding ourselves if we think the average American worker does not need these skills.

As Alan Greenspan said in a speech about the economy and education, "We can't expect everyone to be equally skilled. But we need to pursue equality of opportunity to ensure that our economic system works at maximum efficiency and is perceived as just in terms of rewards."

In addition to preparing our students to succeed in postsecondary programs, one of the most urgent challenges we must deal with is the question of affordability. A recent Education Trust report looked at the influence of income on educational opportunities. By age 24, 75% of young people who grew up in wealthy families have earned at least a bachelor's degree. By contrast, only 9% of students growing up in low-income families earn a bachelor's degree by age 24.

It's easy to chalk those numbers up to an imbalance in skill levels. But consider another recent study cited by Education Trust that tracked 8th grade high achievers in math. Of those from high-income families, 99 percent went to college and 74 percent graduated. Of the high-achieving low-income students, 75 percent went to college but only 29 percent graduated.

The rapid tuition increases we have seen mean that many lower-income students do not even consider attending college. And many more lower-income and middle class students who are lucky enough to attend begin their careers saddled with debt.

The President is answering the call to make college more affordable—his budget calls for the biggest Pell Grant Increase in over 30 years, from the current \$4050 to \$4600 next year and increasing to \$5,400 over the next five years. On top of this, the President's budget proposes to increase Academic Competitiveness Grants by 50%.

But Federal aid is just one slice of the financial aid pie. We need to work with many stakeholders outside of Washington and implement comprehensive solutions to deal with the issue of affordability. States and institutions must also do their part to help our neediest students gain access.

A recent U.S. Chamber of Commerce project to grade states on how they are educating our future workforce resulted in over 20 Ds and Fs being awarded. And the grading was done on a curve!

Finally, we need to improve accountability at our colleges and universities. We expect clear information and transparency about nearly every big investment we make, from choosing a doctor to buying a car or house. And we have now come to expect accountability from K-12 education through No Child Left Behind.

But despite ever-increasing tuitions at colleges and universities, we do not have a very good idea about what we are getting for all that money. The Federal government has invested hundreds of billions of taxpayers' money and consumers deserve accountability and clear information. Colleges and universities must be more transparent about things like cost and graduation rates so that students and parents can make informed choices about postsecondary education.

Toward this end, the President's Budget proposes a \$25 million pilot program to help states collect and analyze college student data and measure outcomes such as graduation rates and academic performance. 40 states already have systems like this in place.

My Department is working to do its part, but there is much more for all of us to do. Importantly, we are not working alone. Since the Commission report was released, States like Arizona, New Mexico, North Carolina and Texas have announced comprehensive strategies to increase need-based aid, reduce college costs, measure student learning, and hold colleges accountable for the number of students they graduate.

I appreciate the time and energy so many of you are investing in these pressing issues. They are some of the most fundamental our country faces. No matter what challenges we encounter, from global competition to national security, we rely on our rising generation to invent the technologies that will keep us on top, crack the codes to keep us safe, and lead our nation in the years ahead. Only education will give them the skills they need to rise up to these challenges.

Thank you all. I'm happy to take your questions and hear your thoughts.

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