

“The Third Party Education Agenda We Need”

**Keynote address by Matt Miller
to the Colorado Legacy Foundation – April 2012**

Mark Twain said the perfect audience was informed, intelligent, inquisitive...and drunk. It's a little early in the day for that last part, but I know this group is going to bring all the rest of these traits to the topic we'll reflect on today.

We meet at a surreal moment. The country faces truly serious challenges. The overarching one is how to cope with globalization and rapid technological change in an era when these broad forces have put the future of the middle class in the U.S. at risk. And yet, despite these serious challenges, our politics at the national level remain largely trivial. So far the presidential debate seems to start with contraception and end somewhere near Etch-A-Sketch. And what about education? Someone actually toted it up. When you look at the several dozen debates the Republican contenders have had through their primary season, less than one percent of the time and questions has been devoted to education. When you look at the President's State of the Union, under two minutes in a speech that was more than an hour long was devoted to education—maybe three percent of that speech.

This is crazy. Does anyone in this room think that education is one or three percent of the agenda we need to tackle in an age of global competition? I think not. And when our public life is crazy, we need to call that out. Happily, our hosts have given me some license here. My instructions are to be “provocative, but not alienating.” So I'm going to try to provoke you, but not alienate you, because obviously we all need to come together if we're going to get serious about improving our schools.

Let me start with what I believe. Everyone knows education is the key to a strong democracy, economic competitiveness, and a world class standard of living. What everyone doesn't know is that in recent decades America has forfeited its tradition of global educational leadership in ways that will assure our children's living standards decline if we don't get serious about fixing our broken schools, and fast. Despite years of handwringing, our slipping educational standing hasn't sunk into our national consciousness and created the sense of urgency the situation demands.

But facts are facts. The latest research shows that only one quarter of America's fifty-two million K to 12 students are performing on a par with the *average performance* of the best five school systems in the world, which are now in places like Singapore, Hong Kong, Finland, Taiwan, and South Korea. We're doing even worse when it comes to advanced achievement in math and science, which as you know is the best predictor of the engineering and scientific prowess that's going to drive future economic growth. Sixteen countries now produce at least twice the percentage of advanced math students as we do. The U.S. spends more on schools than most wealthy nations as a share of GDP, yet shows up in the middle to the bottom of the pack on international comparisons.

Meanwhile, ten million students in America's poorest neighborhoods, disproportionately children of color, are having their lives unjustly and irredeemably blighted by a system that's financially rigged to consign them to the worst teachers and most rundown facilities in the country. Nothing could be more unjust.

Work I helped lead with McKinsey estimates that the cost of this achievement gap versus other nations now runs up to \$2 trillion a year. That's the equivalent of a permanent national recession that we're inflicting on ourselves by our failure to fully develop our human potential. It's not as if we weren't warned. In 1983, "A Nation at Risk" famously spoke of "the rising tide of mediocrity" that threatened our schools. Nearly thirty years later, the tide has come in and too many of our kids are drowning. Since that landmark report we've had five "education presidents," and dozens of "education governors" who have championed higher standards, innovative schools, better teaching, rigorous curriculums, tougher testing and more. And to be sure, there have been important pockets of progress. No one can deny this. And Colorado's been a leader -- you deserve praise for that and deserve to be a model.

But any honest assessment has to acknowledge that our incremental steps haven't nearly kept pace with the dramatic improvement other nations are making in their school systems, nor have we owned up to the price of this growing education gap in an era when work can be organized and carried out anywhere on the planet. In short, American education today is nowhere close to where it needs to be for our children to thrive in a global age. For all our initiatives and good intentions, and a lot of good work, we simply haven't been serious enough about improving our schools.

Now if you think this seems like hyperbole, let's ask ourselves:

-Would a serious country recruit its teachers and principals from the middle and bottom third of the college class, as we do, when the best school systems in the world draw their school talent from the top third? And then they prepare them for the classroom in selective, rigorous institutions, while America trains most of its teachers—and there are pockets of excellent education schools, obviously—but most of our teachers are trained in "open admissions" schools that are seen as cash cows by their universities, if we're honest.

-Would a serious country offer high quality preschool to just two in three of its kids, and a much lower percentage among poor kids, with many of these preschool settings not being effective at all in preparing kids to learn? When the best performing school systems make such access universal, seeing it as critical to national success.

-Would a serious country see some schools and states routinely spending two times more per pupil than their nearby poor brethren spend, thus assuring that excellent teaching and principal talent is reserved mostly for the children of the affluent? When higher performing nations take fiscal equity among schools as a given. In fact, political *conservatives* in those nations will tell you poorer students merit extra investment to surmount disadvantage. I know this is an issue in Colorado. Rural schools have a much

tougher time recruiting, they pay less than the bigger districts, and there are huge achievement gaps partly as a result.

-Would a serious country have children in class a hundred-and-eighty days each year versus the longer school years common in countries like Japan or South Korea, so that by the time an American student graduates high school he's often had years less learning than the kid he'll be competing for jobs with? In California, where I'm from, this is about to get worse. Because of the budget mess in California, which is epic, we're cutting the school year even more.

-Would a serious country—and this is going to touch on a 'third rail,' but someone has to say it—would a serious country leave these and other vital questions largely to the discretion of fifteen thousand local school boards with ninety thousand elected board members calling many of the shots in a system where most of the funding still comes from state and local taxes? When the best performing systems all rely on more centralized strategies and funding mechanisms to delivery equity and excellence.

[applause]

Not usually an applause line, I have to say.

As these comparisons suggest, America has become an outlier nation in the way we fund, govern and administer K to 12 schools, but without results that make the case for our unique practice. Just as top American companies benchmark their operations against global best practices, it's time we asked if some of the traditional assumptions of American schooling have become barriers in the 21st century to achieving our goals.

In my view we face two major challenges simultaneously.

First, the vast majority of schools serving the middle class no longer deliver world class levels of performance. This wasn't true some decades ago.

Second, schools serving poor students, largely due to disparities in school district funding, can't compete in local labor markets for adequate teacher and principal talent and thus leave students woefully unprepared for working life in an era of global competition.

The good news is that there are states and schools where these challenges are largely being met. The reality, however, is that bringing such promising models to scale will require us to fundamentally rethink the key design elements of American schooling, from the value proposition of the teaching profession to funding streams and governance.

All of this is eminently doable. I am an optimist. I know we can fix these things. But not if we define the boundaries of the possible by the usual incremental nature of our politics.

The great social and economic question of our age may thus be this: *Can America*

dramatically speed up the pace of school improvement to match the accelerating rate of change in the global economy? What exactly would it take to do this? And how can all of us as citizens force leaders of all stripes to give us the debate and the solutions that we need?

That's my diagnosis of the problem, at least when it comes to K to 12. (College costs and college access are a whole other matter that we could spend time on, but our focus is going to be K-12 today.)

Let me turn now to the next question: In the face of what I've laid out, how do the Democratic and Republican agendas stack up?

Now, just so you know where I'm coming from, I'm a Democrat. I worked in the Clinton White House at OMB. I'm the "center" on public radio's "Left, Right & Center," but I come out of the Democratic side. I'll answer to "economically rational liberal" or "radical centrist," or any similar cliché. I've also been vulnerable to third party temptation, as will become clear shortly. But at least you'll know where I'm coming from.

So where do I think the two parties are nationally on this today? The Democrats are a paradox. With Barack Obama and Arne Duncan we have the boldest focus on progressive innovation in education that we've had coming from Washington in memory. I'm a fan of both leaders. I'm proud to serve on a commission Secretary Duncan established on equity and excellence in education, that's going to deal partly with the school finance issues I mentioned, and I hope we'll make a contribution on this when we report in the months ahead. Yet at the same time, we have to acknowledge that the outer limits of the administration's ambition is demonstrably unequal to the magnitude of the educational challenges we face.

Now why do I say that? Consider the original stimulus package, which had a big education component in it, as you know. There was a hundred billion dollar boost in education spending then. But there was very little reform in it, if you recall. It was essential as a state budget stabilizer, as a job saver for many teachers who otherwise would be on the street, but it did very little to change the long term trajectory of how we do schooling. It helped us avoid a disaster that was related to the Great Recession, which was very important as a matter of crisis management -- but it didn't do much in terms of long term improvement in student results.

Or consider the teacher incentive fund, something the administration also touts. It promotes innovation in teacher compensation, as you know. Again, that's good, but it's only a few hundred million dollars in a system that spends about \$600 billion dollars a year. In my view, that can't affect real change.

Then there's the Race to the Top initiative, which has generated lots of excitement -- as well as some controversy, obviously, as I know from following the goings on in Colorado in recent years. It prompted a number of states around the country to alter laws on charter caps or laws that prevent student achievement data from helping inform teacher

assessment and a host of other common sense, sensible reforms. That's all terrific. But again, my own view is that a one time \$4.5 billion incentive fund in a system that spends \$600 billion a year can't produce fundamental change in the system.

So as a result, for all the excellent, new ideas and support for innovation -- and granting the modest progress that this federal agenda is going to bring -- I believe that even if we get eight years of a progressive administration with President Obama and Secretary Duncan, America in 2016:

-Will still systematically assign the least qualified teachers in the country to the students who need great teachers the most, and be recruiting teachers for poor neighborhoods from the bottom third of the college class.

-We'll still tolerate dramatic differences in per pupil funding between wealthy and poor districts in ways that no other wealthy nation tolerates.

-We'll still have the federal government contributing dramatically less as a percent of K-12 than any other advanced nation.

-We'll still be years away from consensus on implementing the high national standards that our global competitors take for granted.

-We'll still be spending more on K-12 than other advanced nations, with less than wonderful results.

-We'll still be losing ground to other nations in graduation rates and attainment.

-And at the college level—something I do want to mention—we'll still be expecting American students to incur levels of debt to get a college degree that no other advanced nation would allow [applause].

And Pell grants, despite the increases that the administration proudly touts, will still cover less as a percentage of college tuition than they did thirty years ago!

I'd be thrilled to be proved wrong on these predictions, but I think on the Democratic side we'll still be facing this paradox. The most innovative national leadership we've had in years, and yet at the same time, demonstrably unequal to the magnitude of the challenge.

Now, what about the Republicans? At the presidential level, obviously we've heard very little so far, less than one percent of the time has been devoted to it. And what we do hear, at least in my view, is a depressing, almost nihilistic, "get Uncle Sam out of the way," "get government out of the way," "get parents back in charge," "get bureaucrats out." That's the rhetoric. In my view that's playing to the primary base. I understand the politics, but I don't think it does much to advance the conversation.

Mitt Romney, who is going to be the nominee, has almost nothing on his website on

education. In Massachusetts he did have a scholarship program that gave some top graduates full scholarships to go to college, and that's promising. He's said some nice things about Arne Duncan and the Race to the Top. But basically so far, the likely GOP nominee is a cipher here, and it's clear to me this is not what he's planning to wage his general election campaign on, so I don't think we're going to see much from him on this in the fall.

Having criticized everyone enough, let me now ask: what would we do if we were serious? Let me sketch what I think the core elements would be of what we might think of as a kind of "third party" agenda for education reform. If we had a voice and a movement that talked pragmatically and more ambitiously at the national level about solving problems, without having to cater to the interest groups and ideologies that in my ban the expression of a common sense synthesis of liberal and conservative ideas, which is where most of the solutions lie. What would that sound like?

First, this agenda would start with a crusade to make teaching the career of choice for our most talented young people.

[Applause]

And I don't mean just rhetorically. Despite good intentions, we've tinkered at the edges in education reform because we ignore the most important question, which is: Who should teach? This is not meant to diss teachers. I've spent lots of times in classrooms; I'm on the board of Mayor Villaraigosa's Partnership for LA schools, which runs some of the toughest schools in LA. I know there are hundreds of thousands of hard working, dedicated, talented teachers working their hearts out under very difficult conditions. But it is those teachers who have told me with passion how mediocre too many of their colleagues are, and how they're blighting the lives of too many of our kids.

The teacher improvement and "effective educator" agenda today focuses almost entirely on improving the quality and effectiveness of teachers *who have already chosen to teach*. That's important, don't get me wrong. But very little attention is paid to the caliber of person we want to attract and retain to the career of teaching. Superintendents—and I've talked to many of them over the years -- don't control the levers that can affect this. They can't really change, at the magnitudes that are relevant, the starting salaries, the top salaries, the salary trajectory that it would take to change who chooses teaching as a career. This gets far too little attention. But that is very different from the way the best performing school systems in the world treat this issue today.

Three numbers tell you all you need to know about where we stack up in terms of how serious we are about recruiting and retaining talent for teaching. Those numbers are 100, 23 and 14.

100 is the percent of teachers who come from the top third of the class in the top three systems in the world: Finland, Singapore, and South Korea. One hundred percent of their entering teachers come from the top third of their academic cohort, and some from much

higher. In South Korea it's the top five percent on the SAT equivalent. In Finland it's incredibly competitive to get into the teaching schools. Getting into the primary teaching school in Helsinki is very, very hard -- something like only one out of fifteen people get accepted. And typically in these places it's only one in seven or eight. So 100 percent percent of the entering teaching corps comes from the top third of the academic cohort.

In the United States as a whole, that number is 23 percent. And in high poverty schools in the United States that number is 14 percent.

This wasn't the case several decades ago. As all of you know -- and I've talked about this over the years with Sandy Feldman and Randi Weingarten and John Wilson at the NEA, the union leaders nationally -- everyone knows that up through the 1960s and '70s the quality of the teacher corps in the U.S. was subsidized, in effect, by discrimination. Women and minorities didn't have as many opportunities outside the classroom. Enormously talented people chose teaching because they didn't have as many other options. It's a fabulous thing for the country that there are more options, but now the people who became teachers several decades ago, now become doctors and lawyers and scientists and researchers and consultants, and you name it. And at the same time, the ratio of teacher salaries compared to other professions has declined. So just at the moment that the captive talent pool that was being brought into American schools to teach has been liberated, the attractiveness in terms of the economics of teaching has declined. And the result then, as union leaders know, as been an incredible difficulty in trying to recruit top people to the profession.

Now, look at what these other nations do -- I just want to tick off a few things because you'll see how starkly different it is. What they do in Singapore, South Korea, and Finland. And again, there are very different ways to skin this cat. Singapore does things like retention bonuses every three years. Finland doesn't do things like that. South Korea pays very high salaries, up to \$150,000 or so, meaning that their teachers end up being paid after a number of years better than or as well as doctors or engineers. But *all of these countries treat the caliber of person who is allowed and recruited to go into the classroom as a critical national priority.* That's just not the case in the United States.

So there is selective admission to teacher training in these high performing countries. The government pays for teacher training. In the U.S. people go into debt.

The government regulates the supply of teachers to meet the demand. Here we train many more -- many more teachers come out with degrees than there are actually spaces in the classroom. And so there's no security, even if you get the teacher training, that you're going to find a decent job.

There's a professional working environment in these other nations. Everybody knows, as you all know better than anyone, what the conditions are like and the lack of professionalism in the way many of our teachers are treated.

There is competitive compensation in the labor market. In other words, the compensation

is sufficient to attract the caliber of person they're trying to. In the U.S. that means it has to be much, much higher than it is today or we won't get the kind of person we want. That's not the case in Finland. The prestige in Finland matters, along with the fact that every other person in Finland who is near the top of their class isn't thinking about going to a hedge fund. It means that in the U.S. salaries will have to go much higher if we want to attract this kind of labor pool—and I think there are ways to do that.

There's obviously the cultural respect in these nations that is accorded to teaching. Here we pay lip service to it, but we don't take it seriously.

And teaching in these nations is also considered a career, where people can advance. Here, even the reform community I talk with feels that we're lucky if we can get top people in just for a few years. I believe that's too low an ambition.

In research that I helped lead with McKinsey & Company, we found that it's absolutely doable to change this and make this career attractive. We did what I believe is the only market research that's been done with top third students on what it would take to get them to seriously consider a career teaching in high poverty schools. And what we found was, if you move starting salaries from about \$37,000, where they are nationally on average, and it tops out at around \$67,000 or \$70,000 on average, if you moved starting salaries to 65 and top salaries could grow to \$150,000, and you invested in great principals—everything I'm saying about teachers obviously applies to school leadership and principals as well. And you invested in principals and working conditions and the kind of other improvements that we attempted to quantify, that kind of a model would transform the 14 percent I mentioned. Today 14 percent of incoming teachers to high poverty schools come from the top third. That would go to nearly 70 percent, a fivefold increase!

In other words, if you change the value proposition of teaching, you will change who we attract to teaching. And if you did a model like that, which I just mentioned, and applied it to the one in six poorest schools in the country, at current class sizes, that would cost about \$30 billion a year, a kind of Title I for teaching. \$30 billion a year that in the space of five or seven years would mean that 70% of the entering teachers coming into the teacher corps for poor kids would be from the top of the class, not from the middle or the bottom.

I think that's something we need to be thinking about. It's something presidents should be talking about, and that presidential candidates should be talking about.

I see an America where we make it attractive enough for the best talent to flock to the classroom, not to Wall Street. And I'm not just talking about Teach for America. TFA is a wonderful program, but that's just for two years before folks typically go on to other things. Many of them stay involved in education in some way, and that's great. But we need to make the *career* of teaching attractive to our talented young people. One way to think about it is if a young couple just starting out thinks that if they're good they'll each have a chance to make \$125,000 or \$150,000 as teachers, that's an exciting choice they

can make. And when they do, that doesn't just give America two more teachers -- it gives us two less lawyers.

[laughter/applause]

Think of the environmental benefits that offers... There are more details that I could point you to, and there are issues on how to manage initiatives like this if they were adopted at the national level, because you obviously can't apply that kind of raise to everybody in the current teacher corps, because the current teacher corps made their choices based on the current parameters of the profession. But there are ways to grandfather, opt in, adjust. We need to be creative to think about how to make this happen. I believe it's all solvable. It doesn't also necessarily require new money. There's a fair amount of waste in the \$600 billion a year that we're talking about today, and there ought to be ways to think creatively about that. Bottom line: teachers need to be at the top of the agenda.

Let me quickly tick through the other things that would be on this agenda.

Universal preschool. As I said, we're the only ones who don't take this seriously.

[applause]

Especially for poor kids. It's not going come up in this year's presidential campaign.

The way we need to fund this is partly from slowing the trajectory of health care costs.

Just to give you an illustration of the magnitudes: Between this year and 2020 Medicare is going to grow at about a little over 6 percent a year, from about \$550 billion to \$900 billion. If we could slow that growth rate from six percent to five percent—not some draconian cut, and, as we know, we spend much more on health care than any other nation, twice per capita without better outcomes—if we could do that one percent shave on the growth rate, it would generate more than \$80 billion in 2020 alone, \$320 billion between now and then. That's more than enough to close the preschool gap, invest in things I'm talking about, like the teacher agenda, and still leave a healthy chunk for deficit reduction as well.

We need to be thinking about this broader change, where too much of our public money today goes to the elderly and consumption, and too little is invested in the future. At the federal level it's seven to one, elderly dollars to people under eighteen. Nationally, if you add it all in, 'cause education's mostly state and local, it's still two-and-a-half to one, the elderly versus the young. It doesn't mean we don't honor our promises to our seniors, but there's vast inefficiencies in health care, as all the doctors here I know can attest. And we need to think about how we rebalance our public investment so that we're thinking about and investing in the future.

Third, we need a longer school day and school year. That costs money. I've tried to suggest how we pay for it. [applause]

Fourth, we need to accelerate the Common Core standards. I have nothing but praise for the people who have done the thankless work of trying to get consensus on Common Core in a country where you know the old joke is, we never have national standards because the right hates “national” and the left hates “standards.” That’s the old joke. [laughter]

And the governors and Achieve and all these groups, including I’m sure many in this room, have fought the good fight to get the Common Core in place. But even then we’re only talking about language arts and math being implemented over a period of years. Other countries tend to have history and science as well. I don’t want to wait until 2030 before we decide that we have something in place that all our kids, whether they’re in Birmingham or Boston, should be trying to understand the same things to compete in a global age. So I think we need national standards and we shouldn’t be afraid to say it.

Fifth, we need fiscal equity. We’ve got to lift the bottom so that poor children and the schools that serve poor kids can compete for the teaching and principal talent that they need to thrive. [applause]

My own view is that means a bigger federal role in K to 12 funding. Nowhere in the constitution does it say that the federal government has to devote only nine percent of K to 12 spending. I found out when I was researching my last book that Richard Nixon had a secret plan that he almost unveiled that was going to be his education “masterstroke,” according to the White House back then, where he was going to have a value added tax at the national level, send it out to the states with incentives for those who lifted the bottom and got rid of the property tax basis as the unjust basis for school finance. And it would have lifted the federal role in K to 12 to about twenty-five percent from seven or eight or nine percent. And he was about to unveil that -- and then something called Watergate happened and the rest was history. I hope that the commission that Secretary Duncan has established will at least to contribute to the discussion on fiscal equity when we report in the months ahead.

And then, sixth, a provocation on the role of unions. I’ve been a critic of a number of union practices, the lock step pay scale and the difficulty of firing low performing teachers. But what I tell my friends in the reform community is that we have to be intellectually honest. All the top performing school systems in the world have strong teacher unions at the heart of the education establishment. So our dysfunction on this in the U.S. is also part of what makes us an outlier. If other countries have strong union establishments as part of the education effort, there has to be a way to make this work. Part of the problem is because we don’t focus on who we’re bringing in, and we therefore have developed this incredible fetish on evaluation and dismissal of low performing teachers—not that that’s not important. But when you talk to the Minister of Education in Singapore, or the Minister of Education in Finland, their turnover is one or two percent a year. They don’t have issues with low performing teachers because they spend so much time being selective in recruiting who’s *allowed* to go into the classroom and in prepping them upfront to be successful once they’re in the classroom. We need to

reverse the dynamic here. That's going to take a period of years, obviously, but it's something we need to be mindful of.

Lastly, I'll just give a shout out to technology, because I know our time is limited. But just as the video at the beginning of this session suggested, the technology that we're beginning to see—and when I talk to the leaders in this, people like at Rocketship Schools or the School of One in New York, who are using technology in the classroom, those leaders tell me that on a scale of zero to a hundred we're only on our own five yard line when it comes to really discovering and implementing the potential that technology has to customize education and make it possible to revamp how the school day works, as the Colorado Legacy Foundation is talking about. And who knows where this leads? Maybe the school of the future, since we're going need to recruit better talent, maybe we have to pay teachers twice as much, but as a nation we'll run schools with half as many teachers and we'll find different ways to configure the day, using technology and other forms of learning to get the talent we need at a higher level in a somewhat different role than we have today. Again, more food for thought.

Where do we go from here? I've long thought we need a new political force, a third political force to shake things up. I had hoped this year was going to be the start of it through an outfit called Americans Elect, which is going to have ballot access for a third ticket for a national online convention that is going to happen in May and June. But thus far the two party duopoly has scared away, at least for now, high stature candidates from stepping in. So I'm not hopeful. That seems unlikely, at least in this cycle.

One way or another we're going to need to inject a new spirit and ambition if we're going to achieve the goals that you in this room are committed to. That every school should have an effective leader, every classroom should have an effective teacher, and every child should be healthy and ready to learn. We have to aim higher.

This new spirit won't ultimately come from our leaders; that's not how democracy works. We need great leaders, but even more, we need great followers, because great followers, great grassroots citizens, that's what changes the wind. And we need to change the wind to change the direction of all of this and set our sights higher. What each of us has to ask is how we can help change that wind.

In the end, in a democracy, we get the government we deserve. And I'm wagering that most of us think we deserve better. That iron law of politics still holds: Politicians will scramble to lead any parade that forms. That's not a bad thing to say about politicians. That's the way democracy works. Let's get busy organizing the right parade, and together we might just save the country.

Thank you very much.
