



---

# Statement of the U.S. Chamber of Commerce

---

**ON:** "ELEMENTARY AND SECONDARY EDUCATION ACT  
REAUTHORIZATION: IMPROVING NCLB TO CLOSE THE  
ACHIEVEMENT GAP"

**TO:** THE SENATE COMMITTEE ON HEALTH, EDUCATION,  
LABOR AND PENSIONS AND THE HOUSE COMMITTEE  
ON EDUCATION AND LABOR

**BY:** ARTHUR J. ROTHKOPF

**DATE:** *MARCH 13, 2007*

---

The Chamber's mission is to advance human progress through an economic,  
political and social system based on individual freedom,  
incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation, representing more than three million businesses and organizations of every size, sector, and region.

More than 96 percent of the Chamber's members are small businesses with 100 or fewer employees, 70 percent of which have 10 or fewer employees. Yet, virtually all of the nation's largest companies are also active members. We are particularly cognizant of the problems of smaller businesses, as well as issues facing the business community at large.

Besides representing a cross-section of the American business community in terms of number of employees, the Chamber represents a wide management spectrum by type of business and location. Each major classification of American business— manufacturing, retailing, services, construction, wholesaling, and finance—is represented. Also, the Chamber has substantial membership in all 50 states.

The Chamber's international reach is substantial as well. It believes that global interdependence provides an opportunity, not a threat. In addition to the U.S. Chamber of Commerce's 98 American Chambers of Commerce abroad, an increasing number of members are engaged in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

Positions on national issues are developed by a cross-section of Chamber members serving on committees, subcommittees, and task forces. More than 1,000 business people participate in this process.

**Statement of Arthur J. Rothkopf**  
**Senior Vice President, U.S. Chamber of Commerce**  
**Before**  
**The Senate Committee on Health, Education, Labor and Pension**  
**And**  
**The House Committee on Education and Labor**  
**March 13, 2007**

Chairman Kennedy, Chairman Miller and Members, I am pleased and honored to be here today. Thank you for your kind invitation.

By way of introduction, I am Arthur Rothkopf and I serve as Senior Vice-President and Counselor to the President of the U.S. Chamber of Commerce.

I am also testifying today on behalf of the Business Coalition for Student Achievement (BCSA). BCSA is a coalition spearheaded by the U.S. Chamber of Commerce and the Business Roundtable. The coalition represents over sixty business leaders from sectors across our economy. BCSA is led by Co-Chairs Craig Barrett, Chairman of the Board of Intel; Arthur F. Ryan, Chairman and Chief Executive Officer of Prudential Financial, Inc; and Edward B. Rust Jr., Chairman and CEO, State Farm Insurance Companies.

Together, we are committed to achieving the goals of No Child Left Behind (NCLB). We strongly urge Congress to act swiftly this year to reauthorize this law and strengthen its core principle of accountability to ensure that all high school students graduate academically prepared for college, citizenship and the 21<sup>st</sup> century workplace.

The United States in the 21st century faces unprecedented economic and social challenges: global competition, the retirement of 77 million baby boomers, and the fact that 90% of the fastest-growing jobs will require some postsecondary education. It is for these very reasons that a recent survey of our affiliated chambers from around the country rated workforce and education reform as their number one priority. The business community is very much in tune with what is happening – or not happening – in our school systems. That’s because it is business that hires the graduates and must rely on the end product of those schools. No one is more in touch with both the successes and the failures.

Last week the U.S. Chamber issued a report providing further confirmation of the need for the business community to be deeply concerned about the state of education in this nation. The research for this report entitled, “Leaders and Laggards: A State-by-State Report Card on Educational Effectiveness,” was carried out on behalf of the Chamber by the Center for American Progress and Frederick M. Hess of the American Enterprise Institute. The report analyzed existing state-by-state data related to academic as well as key business metrics such as innovation, flexibility, and fiscal prudence. Building upon the research in *Leaders and Laggards*, the U.S. Chamber and the Center for American Progress released *A Joint Platform for Education Reform*, which echoes the U.S. Chamber’s proposals for a stronger education system. These proposals include: better teaching, more innovation, better data, and better management.

The study found that K-12 public education has been an abysmal failure. This poor performance threatens the future of our children and America’s competitive position in the world. This is made clear when looking at the academic achievement of fourth and eighth grade students based upon the National Assessment of Educational Progress (NAEP).

Even in Massachusetts, which has the highest percentage of 4<sup>th</sup> and 8<sup>th</sup> graders scoring at or above the proficient level on NAEP reading and math – less than half of all students meet this target. Overall, only about one-third of all 4<sup>th</sup> and 8<sup>th</sup> graders in the country are proficient in reading and math.

The data is even more disheartening for the academic achievement of low-income and minority students. In our report, we graded states on a curve from A to F. Of the nine states which were awarded an “A” – not one had an average percentage of 4<sup>th</sup> and 8<sup>th</sup> grade African Americans above 22 percent in math and reading. The results for Hispanic students were nearly identical.

Our report highlighted what has also been a fixture of our current education system – an unacceptable level of student dropouts. Only about two-thirds of all 9<sup>th</sup> graders graduate from high school within four years and only about half of minority students.

Even among those students who do manage to graduate and move on to college, at least 40% have to take at least one remedial course when they get there, indicating that high schools are not adequately preparing students for the rigor of a postsecondary education curriculum. Businesses report the same dismal results for young people that they hire.

This is directly related to another significant finding of our report – the lack of rigor in state academic standards. States were graded on the quality, rigor, and specificity of their academic standards. Only four states were given an A for their standards. Furthermore, only eight states have aligned their academic standards and graduation requirements with college and workplace expectations.

In light of these statistics, “is NCLB really paying off?” The answer is “yes.”

As abysmal as this data is, it represents improvement for elementary and middle school students from where this nation was prior to enactment of NCLB. Specifically, according to the US Department of Education, the July 2005 long-term Nation's Report Card (NAEP) results showed national student achievement in reading and math at all-time highs and the achievement gap closing.

- For America's nine-year-olds in reading, more progress was made in five years than in the previous 28 combined.
- America's nine-year-olds posted the best scores in reading (since 1971) and math (since 1973) in the history of the report. America's 13-year-olds earned the highest math scores the test ever recorded.
- Reading and math scores for African American and Hispanic nine-year-olds reached an all-time high.
- Math scores for African American and Hispanic 13-year-olds reached an all-time high.
- Achievement gaps in reading and math between white and African American nine-year-olds and between white and Hispanic nine-year-olds are at an all-time low.

The 2005 Nation's Report Card on state-level data included similar glimmers of hope. For example, in the State of Georgia, in 2004-05, more than 70 percent of the state's limited English proficient (LEP) students scored proficient or better in reading, up 23 percent from 2002. Among third-graders with disabilities in Georgia, 81 percent scored proficient or better in reading, up 26 percentage points.

But to be clear, our nation has a long way to go, particularly for our high school students – an area which receives little attention under NCLB. The 12<sup>th</sup> grade NAEP results released last month demonstrates just how far we must travel.

The report found that –

- Only 23% of 12<sup>th</sup> graders are proficient in mathematics.
- 27% of 12th-grade students lack even basic high school reading skills, up from 20 percent in 1992.
- Only 35% of students are proficient in reading, a drop from 40 percent in 1992.

What is the solution to address these issues? Some have suggested it's time to turn back the clock and go back to a time before NCLB when schools, districts and states were not held accountable for reducing education achievement gaps.

NCLB opponents point to a vast array of rationalizations for their claims.

- Some groups have argued that NCLB takes away local control. They fail to highlight that under NCLB each state determines its own system of accountability, its own standards and assessments, as well as what it means for students in the state to be “proficient.” Similarly, they fail to point out that each state determines how schools in the state will use the federal dollars to improve education – indeed a vast majority of funds are used solely to hire teachers. Only when schools are identified for improvement do they begin to have increased restrictions on the expenditure of a portion of their federal funding.
- Some groups claim that NCLB is overly punitive to school systems in which students are not reaching achievement expectations. Let's not lose sight of the focus of this

Act. NCLB's focus is on helping students succeed – it is not about supporting a bureaucracy at the expense of helping students learn. NCLB requires states and districts to support underperforming schools – that is, schools where students have been struggling oftentimes for generations – by requiring schools to develop plans on how to help struggling students and by providing tutoring and public school choice options to students in struggling schools.

- Some groups demand that NCLB accountability requirements be suspended in anticipation of “full funding” To focus only on funding misses the point. The U.S. has the highest spending per student of any nation in the world. The reason NCLB is working to increase student achievement is that the Act focuses on transparency, accountability and results.
- The question should be not how much more funding we need to improve student achievement, but how well is the money currently available being currently spent. In the Chamber's Report Card, our data showed that money alone does not guarantee academic success, but rather how wisely those dollars are spent.

There has been a disconcerting lack of attention to ensuring that education dollars are delivering real value. Some states are spending less money and achieving real results. Despite steps to increase per pupil spending, decrease student-teacher ratios, and recruit a better-prepared teaching force, student test scores have remained stubbornly flat over the past 35 years. By international standards, the U.S. spends far more than other nations on education—and has smaller class sizes—yet receives far less value in terms of educational outcomes.



The bottom line is that these and other excuses should be fully examined. The burden of any of the NCLB requirements must be weighed against the alternative - that is, turning our back on the millions of students who are benefiting from its provisions.

The Business Coalition for Student Achievement remains committed to the tenets of the No Child Left Behind Act. As your Committees move forward with reauthorization, the Coalition strongly urges you to build upon the successes of NCLB, particularly in the following areas:

1. **FOCUS ON COLLEGE AND WORKPLACE READINESS.** – We know that educators are finding it difficult to help students reach today’s standards. However, all of the analyses of current State standards and tests conclude that they are not aligned with the expectations of college and the workplace. The law needs to include incentives for States to raise their standards and avoid lowering them.
2. **EMPHASIZE SCIENCE, TECHNOLOGY, ENGINEERING AND MATH.** – NCLB includes a major focus on reading, which is appropriate. As we move forward, the law needs to continue to make early reading a priority while also adding an emphasis on science, technology, engineering and math.
3. **ENHANCE DATA-DRIVEN DECISION MAKING.** – Perhaps the most difficult thing that business leaders have encountered in our efforts to help improve education has been the absence of good, reliable data. It’s impossible to imagine running a company without the use of valid data to inform decisions. The quality of the data has improved over the past five years, but the data systems in many States and districts are antiquated and need to be overhauled.

4. INCREASE TEACHER AND PRINCIPAL EFFECTIVENESS. – One of the areas where the current law did not accomplish its objectives has been in making sure that all students are taught by highly qualified teachers. The Coalition believes that the law needs to expand its focus to effectiveness rather than just compliance to ensure that our teachers are not only “highly qualified” but also “highly effective.”
5. STRENGTHEN AND REFINE ACCOUNTABILITY. – The law should provide guidance on ways that States can differentiate among districts and schools that are close to or far from making AYP, and ensure that resources for improvement focus on those with the highest concentrations of underperforming students. We also support provisions that would permit States to use rigorous measures of year-to-year growth in student academic achievement and other methods verified by the Secretary that are consistent with the goal of all students reaching proficiency in reading, math and science.
6. INVEST IN SCHOOL IMPROVEMENT AND ENCOURAGE INNOVATION. – Our last point brings us full circle to the rationale for the law. It is not to punish schools. It is not to make educators look bad. It is about improving schools. It is about improving student achievement. It is about investing in what research has proven works while also discovering new models and innovations. We want to increase the capacity of States and other entities to better assist schools that need help making AYP; target funding, assistance and distribution of effective educators to high-need schools; and continue support for innovative models, such as charter schools, diverse providers and techniques that effectively integrate technology into appropriate aspects of teaching, learning and management.

For too long the business community has been willing to leave education to the politicians and the educators—standing aside and contenting itself with offers of money, support, and goodwill.

Not anymore. This is a matter of critical national urgency. What’s at stake is nothing less than the continued success and competitiveness of the American economy—and the continued viability of the American Dream.

America needs a world-class education system. Students deserve it, parents demand it, and businesses require it to compete and win in the global economy.

This concludes my prepared written testimony. I look forward to discussing my comments in more detail during the question and answer period, but before that, I would again like to thank the two Committees for inviting me here today.