



# Statement of the U.S. Chamber of Commerce

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**ON:** "STANDARDS-BASED REFORM"  
**TO:** COMMISSION ON NO CHILD LEFT BEHIND  
**BY:** ARTHUR J. ROTHKOPF  
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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.

**Testimony of  
Arthur J. Rothkopf  
U.S. Chamber of Commerce  
Before the  
Commission on No Child Left Behind**

**Boston, Massachusetts**

**August 31, 2006**

Thank you Chairmen Barnes and Thompson for the opportunity to appear before this Commission to testify on the issue of educational standards. I am here on behalf of the U.S. Chamber of Commerce representing more than 3 million businesses of all sizes, sectors, and regions, and our 2800 state and local chambers of commerce.

I'm particularly pleased to share information regarding our "Report Card" initiative that will involve grading each state based upon a variety of education-related factors. Relevant to today's discussion, the rigor of state standards will play heavily into this project, reflecting our belief that high quality standards are critical to improving academic outcomes so that all students graduate and are well-prepared for either college or the workforce.

Let me begin my comments with a brief overview of why the U.S. Chamber of Commerce is so deeply committed to participating in the education reform debate.

The Chamber has long recognized the critical role of quality education and workforce investment in keeping American business competitive. In the knowledge-based, global economy of the 21<sup>st</sup> century, a well-educated workforce is the key to innovation, economic development, and a U.S. economy that remains the world's leader. We recognize that America's competitive position in the world is not a birthright. It was earned through the hard work, sacrifice, risk taking and innovation of our people and our businesses. Only by fully tapping these great American qualities, expanding the workforce, and restoring excellence in education will we continue to compete in the 21<sup>st</sup> century and beyond.

Simply put, our education system is failing. Nearly half million of our 10-12 graders leave school each year without successfully completing high school. Just 17 percent of graduating high school seniors are considered proficient in mathematics and just 36 percent are proficient in reading (as measured by the National Assessment of Educational Progress (NAEP)). Even higher education is coming up short. Some 69 percent of college graduates are not proficient in prose literacy, according to the most recent National Assessment of Adult Literacy (NAAL).

As a result of a failing education system, employers must contend with job applicants who lack basic qualifications and employees who are ill-suited for promotion because they lack basic reading and math skills.

Job trends indicate that the situation for employers could grow worse. The Department of Labor estimates that 80 percent of the fastest growing jobs require at least some post-secondary education. In other words, while typical jobs are requiring MORE skills, our emerging workforce appears to be losing ground in its educational attainment. At a minimum, more schools must realize that students, whether headed for post-secondary education or the workforce, require greater skills that can only be gained by greater academic rigor.

This point was highlighted in a recent report by ACT titled “Ready for College and Ready for Work: Same or Different.” This report found that high school students require similar levels of readiness in reading and mathematics to succeed in the workforce or in college-level courses.

These trends are coupled with the demographic reality that the most highly educated segment of our society, the baby boom generation, is moving toward retirement. Major sectors of the economy are already feeling the impact of not having enough skilled workers ready to fill open positions and the problem is going to get far worse.

The U.S. Chamber believes that in order for this country to remain competitive, we must respond to each and every one of these issues. This begins with maintaining our focus on real and meaningful education reform.

### **Education Standards**

One of our most important goals is to reauthorize the Elementary and Secondary Education Act (ESEA), the federal government’s largest investment in K-12 education. We must maintain the law’s focus on accountability and

academic rigor as when it was last amended, and greatly strengthened, with the passage of the No Child Left Behind Act (NCLB).

This goal will not be accomplished if we turn our back on the progress that has been made under the ESEA as most recently amended by NCLB. Over the last two decades, ESEA has helped lay the foundation for –

- 1) Education standards at the state level;
- 2) Assessments that measure how well students are meeting those standards;
- 3) Resulting information and data to compare as fairly as possible the extent to which schools are ensuring that all students (and disaggregated student groups) are reaching proficiency in core academic subject areas; and
- 4) The basis by which to provide additional assistance to struggling schools and students as well as impose real consequences upon those schools unable to raise a minimum percentage of their students to a level of proficiency.

As deliberations on ESEA reauthorization begin, they raise the question of “How do we build upon it?” Should ESEA focus on improving existing standards? How do we ensure that states more effectively incorporate current standards into the curriculum and teaching, and that they are more accurately reflected in state assessments? Should we focus on better helping underperforming schools as identified by the accountability system established under NCLB.

Or, as some are suggesting today, should the next reauthorization focus on establishing (to one degree or another) a federally mandated set of educational standards? Perhaps the answer is not altogether either/or but rather both. Let’s look for a moment at the issue of standards.

The proponents of national standards have some very compelling points, particularly when looking at the gap between the progress many states claim to be making in improving academic achievement based upon their own assessments and the progress reflected on the NAEP. A recent Fordham Foundation study found that 20 states reported gains in the percentage of 8th graders scoring “proficient” on state reading tests since 2003, but only three states show progress at even the “basic level” on the most recent NAEP.

While some say we shouldn't really be worried about such a discrepancy – and that perhaps NAEP is an imperfect benchmark – let me say that on behalf of the business community, there is reason to be concerned about the quality of state standards and assessments, and also what states define as being “proficient.”

Clearly, national standards would help put an end to what appears to be an escalating “race to the bottom” in terms of state standards. National standards would also provide a far greater ability to compare the relative quality of state education systems – not to mention schools and student populations across the nation. We do believe that the states have a central role to play in setting standards, but we also believe that expectations of performance must be raised.

However, each of these “advantages” of national standards is based upon the assumption that such national standards would themselves be of high quality.

Unfortunately, there's no guarantee that would be the case. There is the real fear that national standards could in fact become the “lowest common denominator” so as not to force any individual state to do more than it was already doing. In effect, this would lower the standards for every other state.

However the debate on national standards is resolved, the Chamber strongly believes that the key goal of NCLB must be that all students in America graduate from high school ready for college and the workplace. Accomplishing this goal is vital to securing a hopeful and fruitful future for our young people and a competitive U.S. economy.

Throughout the states, there should be clear and measurable standards based on evidence of predictive validity of what it means to be college and workplace ready. These standards must be consistent with the requirements of businesses and institutions of higher education. And these standards must have consequences in the states for students graduating from high school.

Almost two dozen states have already begun to set such standards under the banner of the American Diploma Project (ADP). Other states have committed to similar initiatives. We must move rapidly to establish and enforce these standards in all states.

I should add that the Secretary of Education's Commission on the Future of Higher Education, on which I serve, recently voted to approve a report calling for all states to adopt high school curricula that prepare students for post-secondary education. The Report also calls for expanded assessment and alignment initiatives that determine whether students are on track for college.

The ESEA should build upon this significant work in the states by creating powerful incentives for all states to set standards and structure their accountability systems to promote the goal of graduating college- and workplace-ready students. Rigorous consequences must be implemented within state accountability systems to ensure that all students stay on track for each grade level each year.

The Chamber is in the process of implementing several initiatives to help better inform this debate as well as examine approaches intended to improve the current standards framework.

Specifically, we are launching a new program to assess how each state's K–12 education system is preparing its students to compete in the 21st century. As part of this project, the Chamber has assembled a bipartisan team of experts from the Center for American Progress and the American Enterprise Institute to aggregate and analyze current data and supplement it with new research that examines the relationship between per pupil spending and student achievement (i.e., return on investment).

A key element in this project will be to grade state education performance in a number of key areas: student achievement; high school students' readiness to transition to postsecondary education and the workforce; and state flexibility and innovation in attracting individuals to the teaching profession. One other key aspect of this work – and certainly relevant for today's discussion – will be our examination of the rigor of state education standards.

To grade the rigor of state standards, we will measure both student performance standards and curriculum standards. Measuring student performance will consist of comparing levels of proficiency on state tests and levels of proficiency for each content area on the National Assessment of Educational Progress (NAEP), a gold standard in measuring what students know and can do. This comparison is a commonly accepted, strong indicator of the rigor of state performance standards. To measure curriculum standards,

we will use the math, science and English curriculum grades and/or scores published by the Fordham Foundation. A third indicator, the quality of state exams, may also be incorporated. With the assistance of our panel of academic advisors, we will be making some additional determinations as we go along.

In addition to our Report Card project, the Chamber is also surveying its membership to see where it stands on some of the specific issues related to education reform, including the degree to which high schools need to be restructured to ensure that young people complete a more rigorous and challenging curriculum in order to graduate high school ready for college or the workforce.

Working with our members, we intend to flesh out our views on raising standards, improving secondary education, promoting greater teacher effectiveness, and strengthening some of the provisions of NCLB. We look forward to sharing our recommendations with this Commission, as well as with the public and policymakers.

But – make no mistake about it – while our proposals may include some “fixes” for NCLB, they will represent a toughening rather than any sort of softening. The U.S. Chamber, and the businesses it represents, believe that NCLB is the key to improving the rigor of public education in this country so that our young people have the quality education they deserve. It is crucial that we fully tap the potential of our American children in order to lay the foundation for future innovation and maintain our competitive position in the world economy.

NCLB and related standards-based reforms over the past decade have brought us “1/3 up the mountain” in this challenge. This is good news. And, happily, we know what works, what has brought us this far. But we must have the energy, will, and spirit to keep climbing until we (and our children) reach the peak. And by “we” I mean not only our nation's educators, but also the business community. We all have a responsibility and obligation to be part of this education reform effort. The U.S. Chamber is ready for this challenge.

Again, I thank you for the opportunity to be with you here today and would welcome any questions.

