

Remarks to the National Governors Association

February 27, 2012

The President. Thank you, everybody. Thank you so much. Please, everybody have a seat. Have a seat.

Thank you, Joe, for the outstanding work you're doing on behalf of the American people every day. I want to thank all the members of my Cabinet and administration who are here today. I want to thank Dave Heineman and Jack Markell for the outstanding leadership that they've shown as they've chaired and cochaired the NGA.

I'm glad to see that everybody has recovered from the wild time we had last night. [*Laughter*] It was wonderful to have all of you here.

And I always look forward to this event because Governors are at the frontline of America's recovery. You see up close what's working, what's not working, and where we can take it. And the thing that connects all of us—and no matter what part of the country we're from and certainly no matter what party we belong to—is that we know what it means to govern, what it means to make tough choices during tough times, and hopefully, to forge some common ground. We've all felt the weight of big decisions and the impact that those decisions have on the people that we represent.

I first addressed this group 3 years ago, and it was the moment, as Joe mentioned, when the economy was in a freefall. Some of you were just coming into office at that time as well. Hundreds of thousands of Americans were losing their jobs or their homes every month. Businesses were closing their doors at a heartbreaking pace. Our entire auto industry was on the verge of collapse, and all told, the prospects of us going into a full-blown depression were very real.

Today, there's no doubt that enormous challenges remain. But the fact of the matter is that over the last 2 years American businesses have created 3.7 million new jobs. Manufacturers are hiring for the first time since the 1990s. The auto industry is back. Our recovery is gaining speed, and the economy is getting strong. And we've got to do everything we can to make sure that we sustain this progress.

That means we've got to strengthen American manufacturing so that more and more good jobs and products are made here in America. It means that we've got to develop new sources of American energy so that we're less dependent on foreign oil and yearly spikes in gas prices. And it means that we've got to make sure that every American is equipped with the skills, with the education that they need to compete for the jobs of tomorrow as well as the jobs of today. And that's what I want to talk to these Governors a little bit about.

No issue will have a bigger impact on the future performance of our economy than education. In the long run it's going to depend—determine whether or not businesses stay here. It will determine whether businesses are created here, whether businesses are hiring here. And it will determine whether there's going to be an abundance of good middle class jobs in America.

Today, the unemployment rate for Americans with at least a college degree is about half the national average. Their incomes are about twice as high as those who only have a high

school diploma. So this is what we should be focused on as a nation. This is what we should be talking about and debating. The countries who out-educate us today will out-compete us tomorrow. That's a simple fact. And if we want America to continue to be number one and stay number one, we've got some work to do.

Now, in the last 3 years, the good news is we've made some important progress, working together. We've broken through the traditional stalemate between left and right by launching a national competition to improve our schools. And I think Arne has done an outstanding job of saying we've got to get past the old dogmas—whether it's the dogmas on the liberal side or the conservative side—and figure out what works. We've invested, but we've invested in reform. And for less than 1 percent of what our Nation spends on education each year, almost all of you have agreed to raise standards for teaching and learning. And that's the first time that's happened in a generation.

We've also worked with all of you—Democrats and Republicans—to try to fix No Child Left Behind. We said that if you're willing to set higher, more honest standards then we will give you more flexibility to meet those standards. Earlier this month, I announced the first 11 States to get a waiver from No Child Left Behind, and I hope that we are going to be adding more States soon.

I believe education is an issue that is best addressed at the State level. And Governors are in the best position to have the biggest impact. I realize that everybody is dealing with limited resources. Trust me, I know something about trying to deal with tight budgets. We've all faced some stark choices over the past several years. But that is no excuse to lose sight of what matters most. And the fact is that too many States are making cuts to education that I believe are simply too big.

Nothing more clearly signals what you value as a State than the decisions you make about where to invest. Budgets are about choices. So today I'm calling on all of you: Invest more in education. Invest more in our children and in our future. That does not mean you've got to invest in things that aren't working. That doesn't mean that it doesn't make sense to break some china and move aggressively on reform. But the fact of the matter is, we don't have to choose between resources and reform; we need resources and reform.

Now, there are two areas in education that demand our immediate focus. First, we've just got to get more teachers into our classrooms. Over the past 4 years, school districts across America have lost over 250,000 educators—250,000 teachers, educators have been lost. Think about that. A quarter-million educators, responsible for millions of our students, all laid off when America has never needed them more.

Other countries are doubling down on education and their investment in teachers, and we should too. And each of us is here only because at some point in our lives a teacher changed our life trajectory. The impact is often much bigger than even we realize. One study found that a good teacher can increase the lifetime income of a classroom by over \$250,000: one teacher, one classroom. And a great teacher offers potentially an escape for a child who is dreaming beyond his circumstances. The point is, teachers matter, and all of us have to recognize that, and we've got to put our money behind that.

Now, we want to help you every place that we can. At the Federal level, we've already provided billions of dollars in funding to help keep hundreds of thousands of teachers in the classroom. And a cornerstone of the jobs plan that I put forward in September—a chunk of which has gotten done, but a chunk of which remains undone—was to provide even more

funding, so that you could prevent further layoffs and rehire teachers that had lost their jobs. And I'd like to thank those of you in this room who voiced support for that effort.

Congress still is in a position to do the right thing. They can keep more teachers in the classroom, but you've got to keep the pressure up on them to get this done.

The second area where we have to bring greater focus is higher education. The jobs of the future are increasingly going to those with more than a high school degree. And I have to make a point here. When I speak about higher education we're not just talking about a 4-year degree. We're talking about somebody going to a community college and getting trained for that manufacturing job that now is requiring somebody walking through the door, handling a million-dollar piece of equipment. And they can't go in there unless they've got some basic training beyond what they received in high school.

We all want Americans getting those jobs of the future. So we're going to have to make sure that they're getting the education that they need. It starts, by the way, with just what kinds of expectation and ground rules we're setting for kids in high school. Right now 21 States require students to stay in high school until they graduate or turn 18—21 States. That means 29 don't. I believe that's the right thing to do, for us to make sure to send a message to our young people—you graduate from high school at a minimum. And I urge others to follow suit of those 21 States.

Now, for students that are ready for college, we've got to make sure that college is affordable. Today, graduates who take out loans leave college owing an average of \$25,000. That's a staggering amount for young people. Americans now owe more in student loan debt than they do in credit card debt. There's so many Americans out there with so much to offer who are saddled with debt before they even start out in life. And the very idea of owing that much money puts college out of reach for far too many families.

So this is a major problem that must be fixed. I addressed it at the State of the Union. We have a role to play here. My grandfather got a chance to go to college because Americans and Congress decided that every returning veteran from World War II should be able to afford it. My mother was able to raise two kids by herself while still going to college and getting an advanced degree because she was able to get grants and work-study while she was in school. Michelle and I are only here today because of scholarships and student loans that gave us a good shot at a great education. And it wasn't easy to pay off these loans, but it sure wasn't as hard as it is for a lot of kids today.

So my administration has tried to do our part by making sure that the student loans program puts students before banks, by increasing aid like the Pell grants for millions of students and their families and by allowing students to cap their monthly loan payments at 10 percent of their income, which means that their repayment schedule is manageable.

Congress still needs to do its part by, first of all, keeping student interest rates low. Right now they are scheduled to double at the end of July if Congress does not act. And that would be a real tragedy for an awful lot of families around the country. They also need to extend the tuition tax credit for the middle class, protect Pell grants, and expand work-study programs.

But it's not enough to just focus on student aid. We can't just keep on, at the Federal level, subsidizing skyrocketing tuition. If tuition is going up faster than inflation—faster, actually, than health care costs—then no matter how much we subsidize it, sooner or later we are going to run out of money. So everybody else is going to have to do their part as well. This is not just a matter of the Federal Government coming up with more and more money.

That means colleges and universities are going to have to help to make their tuition more affordable. And I've put them on notice: If they are not taking some concrete steps to prevent tuition from going up, then Federal funding from taxpayers is going to go down. We've got to incentivize better practices in terms of keeping costs under control. And all of you have a role to play by making higher education a higher priority in your budgets.

Over two-thirds of students attend public colleges and universities where, traditionally, tuition has been affordable because of State investments. And that's something that every State takes pride in. That's the crown jewel, in fact, of our economic system—is, by far, we've got the best network of colleges, universities, and community colleges in the world.

But more than 40 States have cut funding for higher education over the past year. And this is just the peak of what has been a long-term trend in reduced State support for higher education. And State budget cuts have been among the largest factor in tuition hikes at public colleges over the past decade.

So my administration can do more, Congress can do more, colleges have to do more. But unless all of you also do more, this problem will not get solved. It can be done, though.

Jack O'Malley—where's Jack—not—Martin. Where's Martin? Sorry. I was—

Gov. Martin O'Malley of Maryland. I thought my son was right here. [*Laughter*]

The President. Right, right, right.

Martin in Maryland is doing some outstanding work on this front. He worked with the legislature to keep tuition down by controlling costs and cutting spending on college campuses, and you're seeing a real impact, from the flagship University of Maryland all the way down. And a lot of you are starting to experiment with this as well.

We can't allow higher education to be a luxury in this country. It's an economic imperative that every family in America has to be able to afford. And frankly, I don't think any of this should be a partisan issue. All of us should be about giving every American who wants a chance to succeed that chance.

So let me wrap up by saying a few weeks ago I held, right here in this room and in the adjoining room, one of my favorite events and that is the White House science fair. We invited students from a lot of your States, and they showcased projects that covered the full range of scientific discovery.

We had a group of kids from Texas, young Latino women, who came from the poorest section of Texas and yet were winning rocket competitions. And they were so good because they could only afford one rocket, so they couldn't test them, and they had to get it just right. [*Laughter*] And their parents ran bake sales just so they could travel to these events.

You had a young woman who was from Long Island, had been studying mussels and wanted to be an oceanographer, and won the Intel Science Award while she was homeless. Her family had lost their home, and she was living out of a car and out of her family's—on her family's couch, and yet still was able to stay focused and achieve what was just remarkable.

There was a kid—the kid who actually got the most attention was a young man named Joey Hudy of Arizona. That's because Joey let me fire off a extreme marshmallow cannon. [*Laughter*] We did it right here in this room. We shot it from here. We pumped it up—it almost hit that light. [*Laughter*] I thought it was a lot of fun. [*Laughter*] And while the cannon was impressive, Joey left a bigger impression because he had already printed out his own

business cards—he was 14-years-old. And he was handing them out to everybody, including me. [Laughter] He's on a short list for a Cabinet post. [Laughter]

Under his name on each card was a simple motto: "Don't be bored; do something." Don't be bored; do something. Don't be bored; make something.

All across this country there are kids like Joey who are dreaming big and are doing things and making things. And we want them to reach those heights. They're willing to work hard. They are willing to dig deep to achieve. And we've got a responsibility to give them a fair shot. If we do, then I'm absolutely convinced that our future is going to be as bright as all of us want.

So this is going to be something that I want to collaborate with all of you on. If you've got ideas about how we can make our education system work better, I want to hear them today, and Arne Duncan is going to want to hear them for the rest of the time that he's Education Secretary and the rest of the time I'm President.

All right? Thank you very much, everybody.

NOTE: The President spoke at 11:30 a.m. in the State Dining Room at the White House. In his remarks, he referred to Vice President Joseph R. Biden, Jr., who introduced the President; Gov. David Heineman of Nebraska, chair, and Gov. Jack Markell of Delaware, cochair, National Governors Association; and White House science fair participants Janet Nieto, Gwynelle Condino, and Ana Karen of Presidio, TX, and Samantha Garvey of Bay Shore, NY. He also referred to his sister Maya Soetoro-Ng.

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Locations: Washington, DC.

Names: Biden, Joseph R., Jr.; Condino, Gwynelle; Duncan, Arne; Garvey, Samantha; Heineman, David E.; Hudy, Joey; Karen, Ana; Markell, Jack A.; Nieto, Janet; Obama, Michelle; O'Malley, Martin J.; Soetoro-Ng, Maya.

Subjects: Business and industry : Automobile industry :: Decline; Business and industry : Automobile industry :: Improvement; Business and industry : Manufacturing industry :: Improvement; Business and industry : Manufacturing industry :: Strengthening efforts; Delaware : Governor; Economy, national : Improvement; Education : Global competitiveness; Education : No Child Left Behind Act; Education : Postsecondary education :: Affordability; Education : Postsecondary education :: Career training and continuing education; Education : Postsecondary education :: Community colleges; Education : Postsecondary education :: Federal assistance; Education : Postsecondary education :: Pell grants; Education : Postsecondary education :: Student loans, elimination of subsidies to private providers; Education : Postsecondary education :: Student loans, refinancing and repayment options; Education : Postsecondary education :: Tax credits, expansion; Education : Postsecondary education :: Work-study opportunities, expansion efforts; Education : Standards and school accountability; Education : Teachers; Education, Department of : Race to the Top Fund; Education, Department of : Secretary; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Employment and unemployment : Unemployment rate; Energy : Domestic sources; Energy : Foreign sources; Energy : Gasoline, oil, and natural gas costs; Governors Association, National; Housing : Housing market :: Decline; Maryland : Governor; Nebraska : Governor.

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