



Straight A's

Public Education Policy And Progress



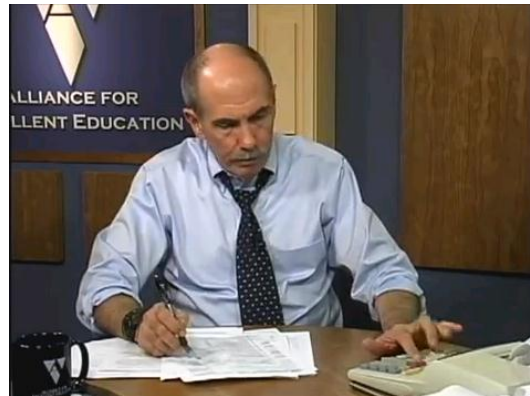
TAX RETURNS: On Tax Day 2012, a 90 Percent High School Graduation Rate Would Yield \$1.8 Billion Annually in Additional Tax Revenues, New Alliance Analysis Finds

On Tax Day 2012, a new analysis from the Alliance for Excellent Education finds that graduating 90 percent of high school students would generate an additional \$1.8 billion annually in tax revenues. Of that total, \$1.1 billion would be federal tax revenue while the remainder—nearly \$700 million—would be state and local revenues.

“In these tight fiscal times, governments at all levels are leaving money on the table by not graduating students from high school,” said **Bob Wise**,

president of the Alliance for Excellent Education and former governor of West Virginia.

“When students earn high school diplomas, they become more marketable in today’s highly competitive job market, while the higher earnings they pocket translate into increased tax revenues—all without any increase in the tax rate. It’s a win-win.” (Watch more from Gov. Wise by clicking on the image above or visiting http://youtu.be/Bs_9cEdTBpc).



Based on [March 2012 data](#) from the U.S. Bureau of Labor Statistics, the unemployment rate for high school dropouts is 12.6 percent, compared to 8 percent for high school graduates and 4.2 percent for college graduates. When employed, high school dropouts earn [about \\$8,000 less](#) annually, compared to high school graduates.

According to the Averaged Freshman Graduation Rate (AFGR) calculated by the U.S. Department of Education, the United States has a national graduation rate of 75.5 percent, nearly 15 percentage points below the 90 percent goal envisioned in the Alliance’s analysis.¹ To reach the 90 percent goal, the nation would need to ensure another 584,000 students earned their diplomas.

At the state level, only Wisconsin has reached the 90 percent graduation rate goal as determined by AFGR. Vermont (89.6 percent), Minnesota (87.4 percent), and North Dakota (87.4 percent)

¹ AFGR provides an estimate of the percentage of high school students who graduate on time. It uses aggregate student enrollment data to estimate the size of an incoming freshman class and counts of the number of diplomas awarded four years later. Although not as accurate as an on-time graduation rate computed from a cohort of students using student record data, this estimate of an on-time graduation rate can be computed for every state with currently available cross-sectional data.

are next in line. At the other end of the spectrum, Nevada (56.3 percent), Mississippi (62.0 percent), the District of Columbia (62.4 percent), New Mexico (64.8 percent), and South Carolina (66.0 percent) have the most work to do to reach the goal.

“Tax policy usually finds two groups, those in favor of tax hikes and those in favor of tax cuts, debating about which direction taxes should take,” Wise said. “Unfortunately, there is not enough discussion about this third direction—graduating more students from high school. The U.S. Congress is constantly concerned about long-term deficit reduction, but as this analysis shows, decisions on how to close budget gaps and build a strong economy must begin with ensuring better educational outcomes for the nation’s students.”

The complete analysis is available at

http://www.all4ed.org/blog/better_tax_returns_america_when_dropouts_traded_diplomas.



SIG-NIFICANT FUNDING, SIG-NIFICANT IMPROVEMENT?: U.S. Education Secretary Duncan Reports “Very Encouraging Signs” Based on Initial Data; Outside Analyses Find School Improvement Grants Program a “Work in Progress”

Over the last few weeks, the federal School Improvement Grant (SIG) program, which targets the nation’s lowest-performing schools, has been in the spotlight as the initial pieces of data on the program’s results start to emerge. In a [March 19 speech at the America’s Promise Alliance’s Building a Grad Nation Summit](#), **U.S. Secretary of Education Arne Duncan** said he was seeing some “very encouraging signs” based on the first year of data from SIG schools.

Since Duncan’s speech, the program has been the subject of a report from the U.S. Government Accountability Office (GAO), two reports from the Washington, DC-based Center on Education Policy (CEP), and an extensive collaboration between three national organizations involved in education journalism—*Education Week*, the Education Writers Association, and *The Hechinger Report*—and several news outlets from around the country. These reports reveal a work in progress, with officials in states receiving SIG grants believing that they are on the right track but raising questions and frustrations with certain aspects of the program.

Initially created as part of the 2002 No Child Left Behind (NCLB) Act, the SIG program was originally funded under the Bush administration and received a major \$3 billion infusion of funds under the Obama administration in 2009 under the American Recovery and Reinvestment Act, commonly referred to as the “stimulus.” During his March 19 speech, Duncan explained the rationale behind the Obama administration’s big bet on the program, noting that the nation “simply cannot meaningfully boost graduation rates and promise a quality education to every child without ending the cycle of failure in our chronically low-performing schools.” He specifically mentioned the difficulty facing high schools, saying that almost no high schools were included in the federal school improvement efforts under NCLB even though 15 percent of the nation’s high schools produce half of the nation’s 1.2 million dropouts.

“For the first time, the administration put serious resources into supporting school turnaround efforts, to the tune of more than \$4 billion,” Duncan said. “That money has gone to over 1,200 schools, each of which got a three-year grant of up to \$2 million dollars a school. And in our first

cohort of schools, 45 percent were high schools. We wanted to attack the toughest challenges head on.”

In exchange for receiving a SIG grant, a school must implement one of four school improvement models: (1) transformation, in which a school must replace the school principal and implement three other specific reforms; (2) turnaround, which is similar to transformation with the primary difference being that the school could rehire no more than 50 percent of the school staff; (3) restart, which requires the school to become a charter or privately managed school; or (4) school closure.

“All four options require schools to institute far-reaching changes to improve student learning,” Duncan said.

And according to the findings Duncan presented, schools are showing signs of improvement. Based on preliminary data from 700 schools spanning forty-three states in the first year of the SIG program, about one in four schools saw double-digit increases in math proficiency. About one in five showed double-digit increases in reading proficiency. In total, the percentage of students who were proficient in math or reading went up in about 60 percent of SIG schools.

Citing data from the [Building a Grad Nation report](#), Duncan added that the number of high schools in America where graduation is not the norm fell from about 1,750 schools to 1,550 schools between 2008 to 2010, while the number of students attending “dropout factories,” or schools with graduation rates less than 60 percent, was nearly 400,000 less during the same time period.

“As encouraging as these increases in academic achievement are, I want to be clear that they are still preliminary,” Duncan said. “We’re only talking about the first year of data, and everyone recognizes that we will need several years of data to confirm a lasting improvement in academic achievement. We are also continuing to gather data on other critical outcomes that matter to assessing student progress, like changes in graduation rates, dropout rates, discipline, attendance, and other indices.”

Although he stressed the preliminary nature of the data, Duncan still used the positive results to take a hard line against the program’s skeptics.

“Armchair analysts, bloggers, and pundits virtually uniformly predicted that the SIG program would flop,” Duncan said. “They said it would be a terrible waste of time, talent, goodwill, and money. They said it would have little effect on student learning and student outcomes. They said that even if the program worked to turn around a few schools, it would never succeed at scale or produce lasting change. Fortunately, great teachers, great school leaders, great community partners, and parents—and, most importantly, committed students—didn’t listen to the skeptics.”

In addition to Duncan’s speech, two new reports from CEP examine state implementation and perception of the SIG program. The first report, [State Implementation and Perceptions of Title I School Improvement Grants under the Recovery Act: One Year Later](#), finds that “most” states had positive views of the program’s major requirements, including the criteria for determining

which schools were eligible for grants, the amount of funding provided to these schools to carry out their reforms, and the competitive grant process. However, it also finds that states had “mixed perceptions” about other SIG requirements and strategies, specifically expressing “some frustrations with implementing the teacher and principal replacement requirements and meeting short timelines.”

Of the four models, the transformation model is the most popular and a majority of states with schools using it say it is effective in improving student achievement, the report finds. Additionally, a majority of states with schools using the turnaround model say that it is effective “to some extent.” The report is based on a survey of forty-six state Title I directors, including the District of Columbia, which is counted as a state.

“Though the money appears to be helping, capacity, sustainability, and principals and staff recruitment remain very real concerns for these schools and districts,” said **Shelby McIntosh**, **CEP research associate and coauthor of both reports**. “Based on feedback from state officials, allowing districts to allocate SIG funds to schools in amounts that changed over time over more than three years could help with these issues. We also see interest in greater federal and state support around recruitment and retention of principals and teachers in struggling schools.”

The second CEP report, [*Opportunities and Obstacles: Implementing Stimulus-Funded School Improvement Grants in Maryland, Michigan, and Idaho*](#), looks at SIG implementation in three geographically diverse states with different types of schools and improvement models. It finds that state and local officials in all three states said SIG funds allowed them to “provide more intensive services” in targeted schools and work with their lowest-performing schools to bring about “major” improvement. At the same time, however, officials in all three states said they were worried about sustaining reforms once the SIG money runs out.

According to the report, states differed in their level of enthusiasm for the program requirements. Maryland officials were the most positive, saying that the SIG eligibility criteria “identified the right schools” and that they were satisfied with the improvement models. Michigan officials were generally supportive but wanted to see the eligibility criteria to include additional low-performing schools. Idaho officials said that several key provisions—notably the criteria for identifying the lowest-performing schools and the requirements to replace principals and staff in schools using certain improvement models—were “less workable in a sparsely populated, rural setting.”

Additional findings from the report focus on the role of school districts in school improvement, improvement strategies undertaken by SIG and non-SIG schools, and changes that state officials would like to see in SIG requirements.

Acknowledging that the preliminary student achievement data that Duncan cited “offer some promise,” the extensive media collaborative in its national story written by *Education Week’s* **Alyson Klein** adds that it is “not at all clear if the federal prescription can cure the most ailing schools and lead to long-term improvements.” Klein adds that the program “remains a work in

progress after two years, with more than 1,200 turnaround efforts under way but still no definitive verdict on its effectiveness.”

Klein cites a [report from the GAO](#), which is also referred to as the “congressional watchdog,” finding that a number of states renewed grants for schools that did not meet annual goals and says states need more guidance from the U.S. Department of Education in making those decisions. The report also raises questions about whether independent contractors hired by states were being held accountable for the services for which they were paid.

In total, the media collaborative of more than twenty news organizations and affiliated journalists finds a “mixed picture of how the SIG program is playing out on the ground,” Klein writes. On the bright side, it unearthed success stories like in Louisville, Kentucky, where some “long-troubled schools” posted double-digit gains in state math scores after just one year in the program.

“Other schools haven’t seen big jumps in achievement but are beginning to glimpse a new school culture, including improved discipline and attendance,” Klein writes. “Some of the best early reviews come from students, who say their schools are calmer and more academically rigorous.”

At the same time, Klein reports that states have pulled SIG money from “at least a dozen schools” that showed “anemic progress” on teacher and student attendance. Additionally, five schools in Pueblo City, Colorado, saw student performance fall even further after awarding a \$7.4 million grant to an outside provider.

“There’s evidence on both sides of the coin,” **Robert Balfanz, director of the Everyone Graduates Center at Johns Hopkins University**, told Klein. “This is not the Oldsmobile of comprehensive school reform. ... [This is] a souped-up model coming hard and fast and getting big changes quick. ... The big question is whether those changes are going to lead to improvement.”

The Education Writers Association website has links to the national story on the SIG program, as well as stories from others states around the nation at http://www.ewa.org/site/PageServer?pagename=turnaround_watch.

U.S. Department of Education Stakeholders Forum to Focus on Progress of School Improvement Grantees

On Thursday, April 26, from 10:00–11:00 a.m., the U.S. Department of Education will hold a stakeholders forum focusing on the progress of School Improvement Grant (SIG) recipients as they work to effectively turn around low-performing schools across the country. The program will feature **St. Louis Public Schools’ Superintendent Kelvin Adams** and **Associate Superintendent Michael Haggan**; Arizona’s **Alchesay High School Principal Roy Sandoval**; and U.S. Department of Education’s **Michael Yudin, acting assistant secretary for elementary and secondary education** and **Jason Snyder, deputy assistant secretary for policy and school turnaround**. Yudin and Snyder will discuss the program’s national impact.

The forum will take place in the Barnard Auditorium in the LBJ Building of the U.S. Department of Education at 400 Maryland Avenue, SW, Washington, DC. To ensure access, RSVP with your name, organization, and title to EDStakeHolder@ed.gov no later than April 24. If you are unable to attend in person, you can watch the briefing live at <http://www.ustream.tv/channel/education-department>.



A STRONGER NATION: United States Makes Modest Progress in College Attainment Rates, New Report Finds

The percentage of Americans aged twenty-five to sixty-four years with a two- or four-year college degree was 38.3 percent in 2010, a slight increase from 2009 (38.1 percent) and 2008 (37.9 percent), according to a new report from the Lumina Foundation, which adopted a “Big Goal” in 2009 that 60 percent of Americans obtain a high-quality postsecondary degree or credential by 2025. The report, *A Stronger Nation Through Higher Education*, is the third in a series updating progress toward the 2025 goal, and is based on data from the U.S. Census Bureau.

“More people are graduating from college, but the current pace is not sufficient,” said **Jamie P. Merisotis, president and chief executive officer of the Lumina Foundation**. “America is grappling with how to grow jobs, skills, and opportunity, and this report highlights the economic imperative of getting a postsecondary degree. This issue can’t be wished away by fanciful talk about higher education ‘bubbles’ and whether college is worth it. Education is the only route to economic prosperity for both individuals and the nation. That should matter to policymakers. It should matter to business leaders. And it certainly should matter to our education leaders.”

Pointing to what it calls a “changing climate,” the report notes that some progress has been made since the first *A Stronger Nation* report in 2009. Specifically, it credits President Obama for focusing national attention on the need to increase higher education attainment by setting a 60 percent higher education attainment goal by 2020—five years earlier than the Lumina Foundation’s goal. Additionally, the report notes that thirty-six states now have formal goals in place for college attainment established in statute, executive order, or statewide strategic plans.

Noting that the higher education attainment rate of individuals aged twenty-five to thirty-four years is a “good leading indicator” of where rates are headed, the report points out that the attainment rate for young adults was 39.3 percent in 2010—one full percentage point higher than for all adults. “This is a step in the right direction,” it reads. At the same time, however, [separate data from the Organisation for Economic Co-operation and Development \(OECD\)](#) finds that America ranked fifteenth among the thirty-four OECD nations, indicating that the United States has much work to do to lead the world in higher education attainment rates and meet Obama’s 2020 goal.

According to *A Stronger Nation*, only 47 percent of Americans will have at least an associate degree by 2025 if the current pace holds, which is well short of the 60 percent goal. It finds that meeting the 2025 goal will mean that 103 million Americans aged twenty-five to sixty-four years will need a college degree.

The report also finds that about 37 million degrees are already held by people who will still be in the workforce in 2025, leaving 66 million degrees left to be obtained in order to reach the goal. Based on the current rate, the American higher education system can be expected to award 38.3 million new degrees between now and 2025 and another 4.4 million will be held by immigrants, leaving a gap of 23.3 million new degrees that will need to be awarded.

The report offers several areas where progress can be made, including raising high school graduation rates and college-going rates, as well as focusing on adults who already have some college credit but fell short of a degree. It also stresses that the nation must increase college success among the fastest-growing groups that will account for a growing proportion of the nation's population, including low-income and first-generation students, and students of color.

According to the report, 59.4 percent of Asian Americans and 43 percent of whites have higher education degrees, compared to only 26.8 percent of African Americans, 22.8 percent of Native Americans, and 19.2 percent of Hispanics.

“We simply cannot reach the Big Goal without addressing the considerable equity gaps in this country,” Merisotis said. “Students of color are an integral part of the 23 million, along with low-income students, first-generation students, and returning adults.”

The report also includes an analysis of higher education attainment for each state, including a county-by-county report for each state. The top five and bottom five states are in the table below.

State	Higher Education Degree Attainment in 2010	State	Higher Education Degree Attainment in 2010
Massachusetts	50.5%	West Virginia	26.1%
Colorado	46.0%	Arkansas	27.9%
New Hampshire	45.9%	Louisiana	28.2%
Connecticut	45.8%	Nevada	29.5%
Minnesota	45.8%	Mississippi	30.0%

Finally, the report breaks down higher education attainment data for the largest 100 metropolitan areas in the United States. To date, none of these metro areas have reached the 60 percent goal and only eight have crossed the 50 percent mark: Washington, DC (54.4 percent); San Jose, CA (54.1 percent); Boston, MA (54 percent); Madison, WI (53.7 percent); Bridgeport, CT (53.3 percent); San Francisco, CA (52.9 percent); Raleigh, NC (52.7 percent); and Minneapolis, MN (50.1 percent).

The complete *A Stronger Nation* report, including state profiles and metropolitan area data, is available at http://www.luminafoundation.org/publications/A_Stronger_Nation-2012.pdf.

Straight A's: Public Education Policy and Progress is a biweekly newsletter that focuses on education news and events in Washington, DC and around the country. The format makes information on federal education policy accessible to everyone from elected officials and policymakers to parents and community leaders. Contributors include Jason Amos, editor; Kenya Downs, communications associate; and Kate Bradley, copyeditor.

The Alliance for Excellent Education is a national policy and advocacy organization that works to improve national and federal policy so that all students can achieve at high academic levels and graduate from high school ready for success in college, work, and citizenship in the twenty-first century. For more information about the Alliance, visit <http://www.all4ed.org>.