



House Committee on Education and Labor

“America’s Competitiveness through High School Reform”

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Thank you Chairman Miller and Ranking Member McKeon and the other members of the full committee for asking me to testify today. As you all well know, our nation is facing a severe economic crisis—one our nation has not seen for upwards of seventy-five years. As a former member and governor, I understand how heavily the state of our nation’s economy weighs on each of you. I applaud you for holding this hearing and believe you have the title exactly right – *America’s Competitiveness through High School Reform*. With 60 percent of current jobs requiring education beyond high school, the nation’s economic competitiveness is inextricably linked to how we educate our citizens. In an Information Age economy, education is the main currency.

Given the state of high schools in the United States, it is imperative that we focus attention on the six million students most at risk of dropping out if we want long-term economic stability. Addressing the crisis in high schools is a civil rights and economic imperative.

For the last several years, I have traveled the country trying to inform people about the urgent need for secondary school reform. From the testimony that others have given here today, I think it should be clear why the need is urgent and why I have been traveling the country sounding the alarm. Equally important is knowing that we know what to do—we just have to do it.

High School Crisis

The most recent scream for help for high schools came last week with the release of the federal National Assessment of Educational Progress (NAEP) long-term trends. Despite education performance gains by nine- and thirteen-year-olds, essentially no progress has been made since 1971 by seventeen-year-olds. If this flat trend line were an EKG, the emergency room doctor would be applying the defibrillator. The nation’s high schools are not meeting the needs of individuals or our economy. One third of all students do not graduate from high school. Only half of those that do, graduate prepared for college and the workforce. The numbers are far more staggering for the poor and minority students. Only roughly half of minority students graduate

while high school students from the wealthiest families are about seven times as likely to complete high school as their classmates from the poorest. By 2050, half of our population will be comprised of minority populations. From a civil rights or economic perspective, we can't afford to ignore the education needs of the fastest-growing populations in this country.

Part of the challenge we face is that our high schools were set up for a different time. When I graduated from high school, you could earn a decent wage to support your family working in the mines in West Virginia. When I was governor, I visited one of the mines and found almost all miners had at least an associate's degree. When asked why, the miner owner replied, "I am not letting anyone work a mile underground with a half million dollar piece of technical equipment who doesn't at least have a postsecondary education."

The state of our high schools is reflected in international comparisons. Currently the United States ranks twenty-fifth in math, twenty-first in science, fifteenth in reading literacy, and twenty-fourth in problem solving when compared with thirty other industrialized nations on the Programme for International Student Assessment (PISA) assessment. For high school graduation rates, the United States ranks eighteenth. Sadly, the United States' rank has been declining in these comparisons, not rising. The reason we have declined in these comparisons isn't because our education system has gotten worse; it's because we haven't kept up with the quality of education being provided in other nations. How we fare in international education comparisons will soon correspond directly to how we fare in international economic comparisons. President Obama recently laid out the goal of returning the United States to number one in the world in college graduation rates. Given the inextricable links between preparedness and college success, that goal will not be reached without significant changes to our high school system.

Economic Costs

There are two main ways that the economic impact of our dropout problem presents itself: as a cost to individuals and as a cost to society.

What are the individual costs of this problem?

Individuals who fail to earn a high school diploma are at a great disadvantage when it comes to finding good-paying jobs. The U.S. Department of Labor estimates that in the coming years 90 percent of new high-growth, high-wage jobs will require some postsecondary education. Individuals without a high school diploma will earn significantly less than their better educated peers if they do find a job: high school dropouts earn, on average, \$10,000 a year less than high school graduates. Over a lifetime, the difference between the earnings of a high school dropout and a college graduate is more than \$1 million.

What are the societal costs of this problem?

If the students in the Class of 2008 who dropped out had stayed in school and graduated, the nation would have benefited from an additional \$319 billion in wages, taxes, and productivity over the course of their lifetimes. Individuals with less education are generally less healthy and die sooner than those with more education. Individuals with less education are also more likely to become parents at very young ages, become incarcerated, or need social welfare assistance. All of these consequences are both tragic for individuals and families, and costly for governments and taxpayers.

According to a report recently released by the McKinsey Corporation, if black and Latino student performance had caught up with those of white students by 1998, GDP in 2008 would have been between \$310 billion and \$525 billion higher, which is roughly 2 to 4 percent of GDP.

Currently this Congress is grappling with massive economic problems. But the enormous cost of bailing out the banks, financial institutions, the auto industry, and AIG is still less than the economic cost of just five years of dropouts in the United States. Yet we also know that just cutting the number of dropouts in half would begin yielding \$45 billion annually in new federal taxes revenues or cost savings. That is why I believe that the ultimate economic stimulus package is a diploma.

Current Federal Policy

So how did we get here? As I stated earlier, the education provided in high schools has not kept pace with the changing needs in the United States. That is in part due to the fact that federal policy has failed to address the needs of high schools.

The main federal education law, Elementary and Secondary Education Act (ESEA), now known as the No Child Left Behind (NCLB) Act, was mainly written with elementary schools in mind. Title I, which is the primary federal instrument for supplementing local education funding, is the policy lever for the improvement and accountability provisions of the law. However, very little Title I funding reaches high school students—only 10 percent of students benefitting from Title I funds are high school students despite high schools enrolling 31 percent of all students and 23 percent of all low-income students.

What's more, adequate yearly progress (AYP) has been an ineffective tool to drive accountability and improvement at the high school level. Unlike elementary and middle school students, high school students are tested only once in four years. Most often that testing occurs in the tenth grade and does not measure what students need to graduate; instead the testing measures ninth grade proficiency.

Until recently, graduation rates—despite being a clear measure of the success of a high school—were not appropriately or adequately used as part of AYP. When NCLB was being written, there was an awareness and fear that the testing accountability provisions would create a perverse incentive to “push out” low test scorers absent accountability for graduating students. NCLB

included language that required graduation rates to be an accountability measure in AYP. Given the weak and meaningless implementation of those provisions, the “push out” has indeed occurred and was most recently documented in a study from Rice University and University of Texas, Austin. In fact, an analysis done by Dr. Robert Balfanz found that 40 percent of dropout factories make AYP, therefore preventing some of the nation’s lowest-performing schools from entering the accountability and improvement system.

Why was implementation weak? Graduation rates were inaccurately and inconsistently calculated across states. The Department of Education approved numerous, inaccurate calculations that underestimated the problem. Independent analysis has shown that the difference between state and independent analysis was as little as eleven points and as much as thirty points. There was no meaningful requirement to increase graduation rates over time. States were allowed to propose very weak graduation goals—as low as 50 percent and only three states proposed graduating 100 percent of its students. Most states were approved to make as little as 0.1% growth annually to make AYP. There was no requirement to disaggregate graduation rates by student subgroups for determining AYP. Thankfully, the Department of Education recognized the need to make a correction on this issue and released new regulations strengthening graduation rate accountability last year. I will further discuss this issue later, but I want to thank Congressmen Scott and Hinojosa for their leadership on this issue and Chairman Miller and Ranking Member McKeon for their leadership as well.

NCLB’s prescriptions for schools that fail to make AYP for multiple consecutive years are not effective at the high school level. Seventy-five percent of school districts only have one high school rendering school choice meaningless. And less than 5 percent of high school students participate in supplemental education services.

In fact, even the law’s original drafters feel that the high school provisions need to be strengthened. Earlier this week, in response to the release of the latest NAEP results, Margaret Spellings said, “It’s not an accident that we’re seeing the most improvement where NCLB has focused most vigorously. The law focuses on math and reading in grades three through eight—it’s not about high schools.”

Lastly, there is little federal investment in our nation’s high schools and we are getting what we pay for. As of now, the federal funding in education targets the bookends of the education system—concentrating on grades pre-K–6 and higher education. The “missing middle” is our nation’s secondary schools, which receive little to no funding from the federal level. Funding for grades pre-K–6 totals nearly \$18 billion. Funding for postsecondary education totals nearly \$22 billion and that is without taking into account student loans or other tax incentives. However, funding for grades 7–12 is only about \$6 billion.

Federal Policy Solutions

Luckily, we know what to do and we look forward to working with the committee to ensure a reauthorization of ESEA includes measures to drive high school reform.

Dr. Balfanz spoke very eloquently about which schools are low-performing and who attends them. One of the results of his research—that over half of the country’s dropouts come from less than 2,000 high schools (or about 10 percent of all high schools)—strikes a chord for me, since it shows that the dropout problem is not unsolvable. If we could improve only those 2,000 lowest-performing schools, we would be making significant progress towards the goal of every child a graduate.

I am going to speak specifically about each of the policy solutions to this crisis, but I want to thank the many members of this committee who are leading the federal effort to reform our nation’s high schools.

To drive high school reform, we must first get accountability right so that we know where the problems are and how to drive resources and supports to those schools. Under current law, the federal approach is to leave it up to the states to determine academic standards and, up until recently, to determine graduation rate calculations and accountability measures. Then, once a school has entered the school improvement system, federal policy drives a very prescriptive, “one-size-fits all”, or timeline-based approach to improvement.

Common Standards

The Alliance for Excellent Education believes this approach is backwards and that we need to flip the federal role. We believe that high, common standards that are tied to college- and work-readiness and are internationally benchmarked, and consistent graduation rate calculations with meaningful growth targets and goals should drive accountability. This system of accountability should be followed by a system of differentiated school improvement that targets reforms to the needs of the schools, not a timeline of how long a school has been “failing.”

I want to applaud the committee for holding a hearing a few weeks ago on establishing common standards. We exist in a global economy. Fifty different state standards does not cut it anymore. Students are no longer just competing within their hometown or state for jobs. Students from Montgomery, Alabama are competing with students in Mumbai, India for jobs and we need education standards that reflect that reality.

Graduation Rates

As I stated earlier, also critical to accountability are graduation rates. In the last Congress, Representative Scott, with support from Congressman Hinojosa and many members of the Congressional Black Caucus and Congressional Hispanic Caucus introduced the Every Student Counts Act (ESCA). The principals of this act were reflected in the Department of Education’s

regulation finalized last year. These principals include establishing a common calculation, requiring meaningful graduation goals and growth targets, utilizing the rate as an equal part of AYP, and maintaining a strong four-year graduation rate while recognizing some students take longer to graduate. In March, Congressman Scott reintroduced ESCA to codify the regulation and provide further detail where the regulation provides state flexibility on areas such as specific goals and growth targets. The Alliance believes that the regulation must be maintained and strengthened through inclusion of ESCA into a reauthorization of ESEA.

School Improvement

To create a system of high school improvement that would solve many of the issues that high schools currently face under NCLB's Title I provisions, Congressman Hinojosa introduced the Graduation Promise Act (GPA). GPA creates a system of differentiated school improvement that targets reform efforts to student and school needs not to a timeline approach as is under current law. States and districts would be provided flexibility to create systems of improvement and specific school improvement plans based on rich data. Such systems would focus on building the capacity of secondary schools to reduce dropout rates and increase student achievement, and would target resources to help the lowest-performing high schools implement evidence-based interventions. Importantly, GPA is authorized at \$2.5 billion to address the current federal funding deficits faced by high schools.

Innovation

In order to continue to improve education in the long term, we need federal investment in discovering what innovative programs and models being introduced at the local and state levels can turn low-performing high schools into high-performing high schools. The Secondary School Innovation Fund Act seeks to do just that by capitalizing on a unique American strength: the locally designed and driven innovation that has made our economy the largest in the world. The Secondary School Innovation Fund was reintroduced last week by Congressman Loebsack.

Just as small businesses need venture capital to reach their full potential, local educational innovators need resources to invest in innovative practice, determine its impact, and replicate best practices. This legislation would support research and development of successful school models and program that are both replicable and systemic. Authorized at \$500 million, the Secondary School Innovation Fund Act would give educational innovators—who are doing important work across the country—the opportunity to evaluate and expand upon their strategies for increasing student achievement and graduation rates.

Literacy

As seen in the recent NAEP scores, students in our nation's middle and high schools are not achieving adequate literacy rates. Yet we know how critical literacy is to high school turnaround and academic success at the high school level and beyond. To support literacy in all grades,

(including the upper grades), help students who are below grade level in reading and are, therefore, significantly more likely to drop out of high school, and to teach students the higher-order literacy skills that they need to read complex texts, Congressmen Yarmouth, Polis, and Platts will be leading the effort on a comprehensive literacy bill to address the reading and writing needs of students from before Kindergarten through high school.

Middle Schools

While this hearing is focused specifically on high schools, it is critical to discuss the needs of middle school students. We know that the high school students who are unprepared to succeed in high school come from somewhere. To ensure that students are no longer entering ninth grade off track for graduation, Congressman Grijalva, in the last Congress, introduced the Success in the Middle Act. The Success in the Middle Act would authorize \$1 billion a year in grants to states to improve low-performing middle grades. The bill would fund critical activities such as developing early-warning data systems to identify students who are most at risk of dropping out and intervene to help them succeed. Interventions could include extended learning time and personal graduation plans that enable all students to stay on the path to graduation.

Data Systems

Finally but possibly most importantly, we believe that the federal government must invest in quality data systems and use of data. In the last Congress, Congressman Holt introduced the METRICS Act, which are grants to states for the development and implementation of statewide longitudinal data systems. The stimulus bill also contained substantial funding and requirements around development and use of data systems and we applaud the efforts of the Secretary of Education to advance policy based on quality data.

Schools of Excellence

Luckily, we know that we can succeed in providing a high quality, college- and work-ready education for the exact students we are trying to serve. There are examples of schools doing just that all over the country. Schools such as:

Animo Inglewood Charter High School in Inglewood, California. Animo primarily serves low-income, minority students and over 60 percent of the graduating students attend a four-year college. They provide intensive summer programs for incoming freshmen to help them catch up academically. Teachers make home visits to build relationships with students' families.

The Metropolitan Regional Career and Technological Center in Providence, Rhode Island. The Met is a charter school run by the Big Picture Company that prepares students for college by offering strong support in and out of the classrooms, provides opportunities

to travel and intern with local companies and organizations, and encourages parents to get involved in their children's educations.

Stanley E. Foster Construction Tech High School in San Diego, California. Construction Tech is a charter school serving a high number of low-income, minority students.

Students at Construction Tech participate in curriculum that integrates classroom and real world training in architecture, construction, and engineering. The school partners with local businesses to offer internships and to evaluate classroom projects.

Manhattan Hunter Science High School in New York City, New York. Hunter Science is an early college high school with high enrollment of low-income, minority students in partnership with Hunter College within the City University of New York (CUNY) school system. At the time of high school graduation, students have the option to continue their studies at Hunter; their first full year of tuition is covered and all college credits earned while in high school apply towards their college degree.

Conclusion

Thank you for holding this hearing at such a critical time for our nation. Thank you Chairman Miller and Ranking Member McKeon for holding this hearing, and I want to thank all of the members of the committee for their support of these issues. We look forward to working with all of you to advance high school reform in an ESEA reauthorization. I would like to thank you for your support in the last Congress and we hope that we will have your continued support as you move forward with reauthorization. Thank you.