

Avoiding a collision course:

A state policy agenda for increasing high school students' college readiness

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Executive summary

In the last year, high school redesign has risen to the top of nearly every governor's agenda. The high dropout rate and stagnant test scores are two often-cited reasons for improving high schools. Policy-makers and the public also cite the critical role that high school plays in preparing graduates for an increasingly complex workplace. As a major part of the educational pipeline to success, high schools have become one of the weaker segments. The National Governors Association (NGA) is trying to reverse this trend through an effort begun in 2004 to strengthen the nation's high schools.

There is another important but less often cited goal of high school reform—curbing the high cost of education, chiefly, college completion. The NGA argues that improving college-readiness also can help lower postsecondary expenses for both the student and the institution.

The college cost crisis has many causes, including the poor preparation of students for college-level work. Poorly prepared students need remediation before taking credit-bearing work, and they are less likely to complete college. Redesigning American high schools can improve students' readiness for college and thus reduce remediation costs and the per-student cost of providing a college credential or degree.

As state after state acknowledges the need for a more highly skilled workforce, with every high school graduate ready to succeed in college or a good job, the question becomes: How can states make good on that commitment with limited financial resources? The answer lies in a policy agenda that can simultaneously improve student achievement and increase the efficiency of public secondary and postsecondary sectors.

While a high school improvement agenda far exceeds the range of solutions Lumina Foundation and higher education stakeholders should consider for addressing the college cost crisis, the legislative and education outcomes achieved in a number of states—such as Arkansas, Iowa, Louisiana, Michigan, Minnesota, New Mexico, Ohio, Oklahoma, Texas, Virginia and Washington—suggest the value of a state policy agenda aimed at cost-effectively increasing high school and college completion rates. The NGA/*Achieve Action Agenda for Improving America's High Schools* outlines this state policy agenda, and its potential for reducing college costs is described herein. Collectively, these five strategies have not been adopted at a statewide scale; therefore, quantifying precisely how this comprehensive agenda could contribute to educational saving is impossible. However, independent cost savings for some of the strategies have been calculated, and the scale is promising. Each strategy is also grounded in evidence that it not only accomplishes cost savings but also increases students' preparation for and success in postsecondary education.

The costs of a leaky education pipeline

In the next 20 years, the fundamental challenge for states will be to increase the share of the population with a postsecondary credential—be it an industry-recognized certification, a two-year degree, or a traditional four-year college education—in a constrained state fiscal climate. The greatest public and private returns to educational investment are realized when students earn a postsecondary credential. For example, increasing postsecondary completion rates would add more than \$230 million to the nation's gross domestic product and \$80 billion to states' tax coffers.¹

But the benefits of college completion are diminished if the costs of education rise faster than the economic value of a diploma. Meeting this challenge will require more than containing costs from year to year at individual institutions; it also will require a concerted effort to reduce the cost per degree awarded across the entire educational pipeline. States will have to change the conventional view of the K-12 and higher education systems as distinct entities and instead see the education system as a single pipeline leading to postsecondary credentials.

Right now, high schools are an inefficient and weak part of the educational pipeline and therefore present excellent opportunities for cost savings. Nationally, only 32 percent of all students leave high school qualified to attend four-year colleges. Furthermore, only 23 percent of African-American students and of Hispanic students leave high school college-ready.² These weaknesses in the American high school drive college costs upward.

One out of three college students needs remediation, and half of all students fail to complete a degree within six years. Not surprisingly, this lack of preparedness is costly to U.S. taxpayers, businesses, colleges and students. Each year taxpayers pay an estimated \$1 billion to \$2 billion to provide remedial education to students at public universities and community colleges.³ Deficits in basic skills cost businesses, colleges and underprepared high school graduates as much as \$16 billion annually in lost productivity and remedial costs. Employers in Michigan, for example, spend about \$40 million a year just to teach workers how to read, write and perform basic math operations.⁴ Governors and college leaders will need to look for ways to improve high schools as a way to contain the overall cost of awarding postsecondary credentials.

The state policy agenda for improving students' college preparedness

The cornerstone of state efforts to improve high schools is the *Action Agenda for Improving America's High Schools*. Taken together, the *Action Agenda's* five statewide strategies point the way toward higher attainment and increased productivity and cost savings across the educational pipeline.⁵ Those five strategies are:

1. Restore the value of the high school diploma.
2. Redesign high schools.
3. Give high school students the excellent teachers and principals they need.

¹ Carnevale, A. and R. Fry (2001). "Economics, Demographics, and the Future of Higher Education Policy," in *Higher Expectations I*, National Governors Association, Washington, D.C. 15.

² Greene, J.P. (2005), *Public High School Graduation and College Readiness Rates: 1991-2002* (New York, N.Y.: Manhattan Institute). Available: http://www.manhattan-institute.org/html/ewp_08.htm.

³ Breneman, David and William Haarlow (1998). *Remediation in Higher Education*, Thomas B. Fordham Foundation, Washington, D.C.; and Ronald Phipps (1998). *College Remediation: What It Is, What It Costs, What's at Stake*, Institute for Higher Education Policy, Washington, D.C.

⁴ Greene, Jay P. (2003). *The Cost of Remedial Education: How Much Michigan Pays When Students Fail to Learn Basic Skills*, Mackinac Center for Public Policy, Midland, Mich.

⁵ *An Action Agenda for Improving America's High Schools* (2005). Achieve, Inc. and the National Governors Association, Washington, D.C.

4. Set goals, measure progress, and hold high schools and colleges accountable.

5. Streamline and improve education governance.

Where available, calculations of cost savings generated by tactics within each of these major strategies are encouraging. This early evidence suggests that existing efforts can be scaled to help reduce the cost of earning a college degree for students, families, institutions and taxpayers.

Restore the value of the high school diploma

In every state today, students can meet the requirements for high school graduation and still be unprepared for success in college or the workplace. Simply put, our standards have not kept pace with the world our students are entering after high school. To restore value to the high school diploma, governors, legislators and state education leaders need to raise standards for all students and tie high school graduation tests and course-taking requirements to the expectations of colleges and employers. Colleges and employers must then honor and reward student achievement on state tests through their admissions, placement and hiring policies. These measures will send a powerful signal to students that it pays to meet higher standards in high school.

Arkansas and Texas are examples of states that are demanding rigorous high school courses across the board. All students in these states will be automatically enrolled in a college- and work-preparatory curriculum, unless they opt not to participate.

In these and other states, there is growing evidence that high expectations make a real difference in student achievement. When the San Jose Unified School District required all students to follow the college-preparatory

curriculum required for admission to the University of California system, test scores of black 11th-graders increased nearly seven times as much as those of other black students across the state. Over time, the increased college readiness of these students will translate into lower remediation costs and will enable more students to complete a credential within six years.

Redesign high schools for all students

It is no longer acceptable for high schools to prepare only some students for college and work. That must be the goal for *all* students. This will require more rigorous coursework and tests that measure college- and work-readiness. It also will require restructuring high schools that may be too impersonal, inflexible and alienating for some young people, particularly those who need extra academic and social supports to catch up and succeed.

States should support different approaches to high school design, but all high schools must share a common goal: to prepare all students for successful

transitions to careers, college and citizenship. The need for change is greatest in schools that are failing to educate most of their students up to even minimal standards. Schools in some communities are experiencing dropout rates of nearly 50 percent,

and few of the students who manage to graduate are successful in college and careers. These are schools in crisis, and state and local officials must make it a priority to intervene and reorganize them.

Chronically low-performing high schools must be states' top priority, but they are not the only schools that need attention. Governors and legislators should provide incentives for all communities to expand the supply of high-quality high school options.

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For example, dual enrollment programs not only generate statewide solutions to K-12 and higher education alignment, they also are a cost-effective way to expand college access and completion rates. Washington's dual enrollment program, Running Start, is the largest in the nation, serving 10 percent of the eligible high school population. In 2002-2003 (the most recent year for data), Running Start students and their parents saved \$22.5 million in tuition—an average of \$2,500 per participating family. This savings represents almost 20 percent of the estimated four-year tuition bill of \$15,500 and also lessens the impact of tuition increases.

Nationally, if 10 percent of high school juniors and seniors enrolled in a dual-credit program such as Running Start, \$1.4 billion could be saved in state subsidies for higher education. This savings represents 23 percent of the estimated total needed to provide college access to the larger numbers of students now moving through states' high school and college systems.⁶ The ultimate cost savings realized from better high school and college policy alignment are more difficult to quantify, but they surely include lower remediation costs, reduced public subsidy to institutions and students for lengthy time-to-degree, and increased public return from more credentialed workers.

States can also replicate effective models that combine secondary and postsecondary education, as do Ohio and Utah. Each of them has committed to opening more than half a dozen so-called "early-college high schools" in the next few years. Although early colleges are new high school models, initial estimates of costs for fully implementing these schools appear generally on par with costs of regular public high schools.⁷ For approximately the same costs, early-college high schools can buy much more by giving students the

opportunity to earn an associate's degree within five years of enrolling in high school, while reducing high school dropout rates.

Give high school students the excellent teachers and principals they need

Like the recommendation to increase high school standards and curriculum, efforts to improve the quality of the high school teachers and principals will cut costs because students will be better prepared for college. Several steps are necessary to improve this workforce, but many of those steps can be taken simply by reallocating existing resources.

First, state and local education leaders must do a better job of recruiting and preparing outstanding teachers and principals and deploying them to the schools where they are needed most. Strong teachers and principals are critical to help all students meet higher standards and leave high school ready for college and work.

As states raise standards for students, they need to help teachers upgrade their skills and knowledge in the subjects they teach. For example, if all students are expected to take four years of mathematics at a level that will ensure college- and work-readiness, high school teachers will need advanced knowledge of higher-level math and strategies for teaching it to a diverse group of students. Attention also must be focused on how high school teachers can be better trained to help students with low reading skills.

Higher education leaders should redesign teacher preparation programs so they reflect the new teacher standards. These programs must also better prepare high school teachers to help struggling readers and to teach college- and work-preparatory courses to all students. State officials should pay close attention to teacher preparation programs—both traditional programs for college undergraduates and alternate-

⁶ Author's calculations and data analyzed by Carnevale and Fry, p. 15.

⁷ Webb, M. (2004). *What is the Cost of Planning and Implementing Early College High School?*, Jobs for the Future, Boston.

route programs for college graduates and middle-age career changers. The administrators of these programs need the flexibility to design their programs in different ways, and they must be held accountable for producing a supply of well-prepared teachers in the subjects and for the schools where they are needed most.

Students in high-poverty and low-performing high schools are the ones most likely to have the least-experienced and least-qualified teachers. State leaders should provide incentives for colleges and universities to raise the number of teachers they prepare in subjects with critical shortages and increase the placement and retention of their graduates in the neediest schools. For example, Louisiana has created a new approval system for its teacher-education programs based on performance indicators. The system will eventually include measures of quality as well as growth in the numbers of graduates entering critical shortage subject areas and working in districts that are chronically hard to staff. Retention of graduates after three years and partnerships with school districts also will be measured.

Last, leaders from K–12 and postsecondary education should work together to redesign principal training programs to help principals be effective leaders of redesigned high schools. All principal training programs must include in-school clinical opportunities for observing effective principals and gaining on-the-job experience. Like teachers, principals also need better training on how to manage and use data, including how to use test data to change course content and target teaching to address student weaknesses.

Set goals, measure progress, and hold high schools and colleges accountable

Efforts to save college costs must begin with better measurement and a higher attention to accountability. The *Action Agenda's* recommendations for better measurement begin with a cooperative effort among government, business and education leaders to set measurable goals for improving the performance of high schools and postsecondary institutions. Those goals should include raising high school graduation rates, increasing the percentage of students who are prepared for college and work, and improving postsecondary enrollment and completion rates.

To accomplish these goals, states need to dramatically improve their ability to collect, coordinate and use secondary and postsecondary data. Few states have data systems that can gauge how well high schools

prepare students for college and work. Only nine states collect student-level high school course-completion information from transcripts, and just six states store the results of SAT, ACT and Advanced Placement exams. Fewer than 10 states have data linking K–12 student records

with college enrollment, and only eight states make information available about student remediation in college.⁸ Investments in linked data systems are a fraction of states' total educational expenditures. The National Center for Education Accountability has estimated that implementing a statewide K-16 data system in Texas will cost just 1 percent of the state's total educational budget. State strategies such as central depositories for data can help avoid costly duplication of data collection. Florida is one of a few states that have created a unified data system to combine information on the performance of students

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⁸ The National Center for Educational Accountability (2002), *Minimum Requirements for a Student Achievement Information System*, Survey. Available: <http://www.nc4ea.org/index.cfm?pg=surveyresults>.

in high school with data on their performance in postsecondary education.

Postsecondary institutions have a role to play in high school accountability. Students who get into college but need remediation in math, reading or writing are not college-ready. Two- and four-year colleges should be required to keep track of the incoming high school graduates who need remedial courses. They also should be required to share that information and work with the high schools to make changes in course content and instruction. State officials can also use the college remediation data to hold high schools accountable.

Further, governors and business leaders must insist that colleges and universities pay more attention to their own dropout problems. One of every four students enrolled in a four-year college and nearly half of all community college students fail to return after the first year.⁹ Every postsecondary institution should be required to publicly report how many entering students are enrolled in remedial courses, how many drop out after their first year of college, and how many ultimately complete a degree. Governors and legislators should follow the examples of Florida and Tennessee, where financial incentives are provided for colleges and universities that show progress on improving completion rates and that graduate more students with the credentials needed in growing jobs and industries.

Governors and legislators should provide financial incentives for higher education leaders to work with

local education officials and high school faculty to improve college readiness. These incentives could be used to help strengthen the curriculum, validate graduation standards, assess college readiness, and make it easier for students to earn college credit while in high school. In Kentucky and Oklahoma, for example, a statewide report card tracks how well colleges, individually and collectively, improve college readiness. A portion of state funding is based on campuses' efforts.

Streamline and improve education governance

Perhaps the greatest source of inefficiency in the education pipeline—and a leading cause of weak high school outcomes—is the lack of coordination of policies and resources across education sectors. In almost every state, the K–12 and postsecondary education sectors are governed, financed and operated independently, and they often are supervised by different boards or legislative committees. Further, oversight of higher education often is highly decentralized; this makes it very difficult to get institutions to convey uniform messages about college readiness to parents, high school officials, teachers and students.

The public recognizes that education policy decisions are made separately by statewide K–12 and higher education governing boards. In a 2003 public opinion survey of 1,000 Americans, more than half agreed “the system does not work well, and better coordination is needed to help students go from high school to college and succeed once they are there.”¹⁰

Governors, legislators and business leaders must act now to make elementary, secondary and postsecondary

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⁹ National Center for Public Policy and Higher Education (2004), *Measuring Up 2004* (San Jose, Calif.).

¹⁰ Lake Snell Perry & Associates, (2003) *Leaks in the Postsecondary Pipeline: A Survey of Americans* (Boston, Mass.: Jobs for the Future).

education work more seamlessly. At a minimum, states should set up a statewide P-16 council or roundtable to frame a common education agenda and to track progress. In states such as Indiana and Iowa, employers' board participation has helped prevent turf battles and kept the various education sectors focused on the state's most pressing education needs. Alternatively, states could follow the example of Idaho, Florida and New York—states that have developed a single education governing board and state education agency with authority over early childhood, elementary, secondary and postsecondary education.

We may be seeing the early signs of the next era in education reform, an era that continues to push for

K-12 improvement while linking it to strategies that will make attainment of postsecondary credentials more common and expected for students from all ethnic, racial and income groups. But these ambitious goals will not have the benefit of unlimited resources. The future does not need to be a collision course. NGA will continue to lend its policy expertise, its convening authority and its ability to galvanize the will and momentum of the nation's governors to this agenda. By marrying the goals of higher attainment and increased cost savings in the nation's secondary and postsecondary education systems, governors and other state policy-makers will help determine whether states will be vibrant, prosperous places to live. ■