



StraightA's

Public Education Policy And Progress



FY 2007 FUNDING BILL SIGNED INTO LAW: U.S. Department of Education to Receive Increase

On February 14, one day before a temporary funding resolution was set to expire, the U.S. Senate voted 81–15 to keep the federal government running for the remainder of Fiscal Year 2007 by passing a \$463.5 billion measure. On February 15, President Bush signed it into law. Of the total, \$57.5 billion will go to the U.S. Department of Education during FY 2007.

The resolution was necessary because Congress failed to pass nine of the eleven annual appropriations bills that are necessary to fund the government and its operations each year before adjourning in December. Instead, it passed a temporary resolution that provided funding until February 15. (Additional background on the resolution is available at <http://www.all4ed.org/publications/StraightAs/Volume7No3.html#House.>)

“Today’s action is another step towards cleaning up the fiscal mess left by the 109th Congress,” said **Senate Majority Leader Harry M. Reid (D-NV)**.

In the days leading up to the debate, Senate Republicans criticized the Democratic leadership for not allowing them to propose amendments to the resolution, but, in the end, chose to support it rather than to risk a government shutdown.

“This is funding for about half the government,” said **Senate Minority Whip Trent Lott (R-MS)**. “We’ve got to get it done and move on.”

A chart of selected education programs and their funding levels for FY 2006 and FY 2007 will be available at <http://www.all4ed.org/legislative/FY08budget.html> when final funding levels for FY 2007 are made available by the U.S. Department of Education. The chart will also include the amounts that programs would receive under the budget proposal that President Bush submitted on February 5.



THE HIGH COST OF HIGH SCHOOL DROPOUTS: Alliance Analysis Pegs Cost of 2006 Dropouts at \$309 Billion

If the *1.19 million* high school dropouts from the Class of 2006 had earned their diplomas instead of dropping out, the U.S. economy would have seen an additional \$309 billion in wages over these students’ lifetimes. So says *The High Cost of High School Dropouts: What the Nation Pays for Inadequate High Schools*, a new analysis by the Alliance for Excellent Education that was funded by MetLife Foundation. According to the brief, more than 12 million students will

The High Cost of High School Dropouts (Continued from p. 1)

drop out of school during the next decade at a cost to the nation of \$3 trillion unless high schools start to graduate their students at higher rates.

“Although there has been a very slight increase in high school graduation rates, the pace of improvement is glacial compared with the growing and urgent need to ensure that all of our students are prepared for success in the 21st century,” said **Bob Wise, president of the Alliance for Excellent Education and former governor of West Virginia**. “As Congress prepares to renew the No Child Left Behind law this year, it must address the continuing hemorrhage of wages and taxes resulting from each class of high school dropouts.”

Research by **Cecilia Rouse, professor of economics and public affairs at Princeton University**, shows that each dropout, over his or her lifetime, costs the nation approximately \$260,000. Using Rouse’s data, the Alliance has calculated the monetary benefits each state could accrue over the lifetimes of just one year’s dropouts if those students could be converted to graduates. The numbers vary from state to state: North Dakota (at the low end) would see its economy increase by \$425 million; Alabama (near the middle) would add \$3 billion to its economy, and California’s economy (at the high end) would accrue an additional \$36 billion over the lifetime of each graduating class.

These figures are conservative and do not take into account the added economic growth generated from each new dollar put into the economy, nor do they account for money saved from reduced spending on social programs. According to the brief, high school dropouts not only drain the nation’s economy by lowering tax revenues, but they also increase the cost of social programs because they are more likely to be teen parents, to commit crimes, and to rely on government health care. In addition, state and local economies suffer further when they have less-educated populaces, as they find it more difficult to attract new business investment.

On the other hand, the brief argues, everyone benefits from increased high school graduation rates. First, the graduates themselves, on average, will earn higher wages and enjoy more comfortable and secure lifestyles. At the same time, the nation benefits from graduates’ increased purchasing power, collecting higher tax receipts and seeing higher levels of worker productivity.

The complete analysis, as well as a state-by-state breakdown for all fifty states and the District of Columbia, is available at <http://www.all4ed.org/publications/HighCost.pdf>.



RETURN ON INVESTMENT: Federal Reserve Chairman Says that a Greater Investment in Education Could Reduce Income Inequality Among Americans

Echoing some of the warnings about a need for greater focus on education to strengthen the nation’s economic outlook given to the same group by his predecessor, **Alan Greenspan**, in 2004, **Federal Reserve Chairman Ben S. Bernanke** said in a February 6 speech before the Greater Omaha (Nebraska) Chamber of Commerce that an increased national investment in education and training could help reduce the growing income inequality in America.

“As the larger return to education and skill is likely the single greatest source of the long-term increase in inequality, policies that boost our national investment in education and training can help reduce inequality while expanding economic opportunity,” Bernanke said. “A substantial body of research demonstrates that investments in education and training pay high rates of return both to individuals and to the society at large. That research also suggests that workers with more education are better positioned to adapt to changing demands in the workplace.”

In his speech, Bernanke discussed how the difference between high- and low-income workers has expanded significantly over the last twenty-five years. For example, he explained that the median wage (individuals at the 50th percentile) rose about 11.5 percent between 1979 and 2006, while wages for individuals at the 90th percentile rose 34 percent. At the other end of the earnings spectrum, individuals earning the lowest wages (10th percentile) saw their wages increase by only 4 percent.

In discussing how such inequality could occur, Bernanke said that the real wages of workers with more formal education have increased more quickly than those of workers with less education. As evidence, he pointed out that median weekly earnings for workers with a bachelor’s degree (or higher) in 1979 was 38 percent more than those with a high school degree. Last year, the difference was 75 percent—nearly double the amount in 1979. During that same time period, the gap in median earnings between high school graduates and high school dropouts increased from 19 percent to 42 percent.

To reduce the trend toward increasing economic inequality, Bernanke pushed for policymakers to take actions that would “focus on education, job training, and skills that facilitate job search and job mobility. . . . By increasing opportunity and capability, we help individuals and families while strengthening the nation’s economy as well,” he said.

Chairman Bernanke’s complete speech is available at <http://www.federalreserve.gov/boarddocs/speeches/2007/20070206/default.htm>.



BEYOND NCLB: Bipartisan Commission on NCLB Issues Recommendations on Improving Landmark Education Law

On February 13, the Commission on No Child Left Behind issued a 230-page blueprint, complete with seventy-five separate recommendations on how Congress and the president can revamp the No Child Left Behind Act (NCLB). Among the recommendations are calls for teachers to demonstrate effectiveness in the classroom, more help for chronically low-performing schools, voluntary national standards, longitudinal data systems, and an additional assessment in twelfth grade to ensure that high school graduates are prepared for college or for work.

“Over the past five years, NCLB has changed the educational landscape in our nation by demanding improved achievement, enhancing our understanding of teacher quality and strengthening classroom practice,” the report reads. “We also know, however, that NCLB is not perfect, and our work has shown the need to improve the law. We know that we must do more to ensure that all students achieve at high levels and that every school succeeds.”

Beyond NCLB (Continued from p. 3)

Citing research that shows teacher quality as the “single most important school factor in student success,” the commission would ramp up NCLB’s requirement for Highly Qualified Teachers by instead requiring that all teachers become Highly Qualified Effective Teachers. Under this recommendation, teachers would have to demonstrate effectiveness in the classroom, or they would no longer be allowed to teach students most in need of help. States would be required to create a system that measures a student’s learning gains by using three years of student achievement data and principal evaluations or teacher peer reviews.

Turning to state standards, the report acknowledges that “for whatever reason, some states have clearly set the bar for students far lower than other states.” To correct this inequality and to ensure that students can compete both nationally and internationally, the commission recommends the development of “voluntary model national content and performance standards” in reading, math, and science that are based on National Assessment of Educational Progress (NAEP) frameworks. To entice states to participate in the program, the commission suggests that the U.S. Secretary of Education periodically issue reports that compare the rigor of all state standards to that of the national standards.

The commission looked also at the need to improve high schools and concluded that the burden should not rest solely with the schools. In an effort to get districts to play a greater role in high school reform, districts with large concentrations of struggling high schools would be required to develop and implement comprehensive, districtwide high school improvement plans. In addition, to help “spur continuous student growth through graduation” and to ensure that students are prepared for life after high school, the commission would require states to administer an additional assessment in twelfth grade. The assessment would be designed to measure whether twelfth-graders have mastered the content they need to be college and workplace ready.

The commission, formed by the Aspen Institute, is a bipartisan effort led by **former governor of Wisconsin and former U.S. Secretary of Health and Human Services Tommy G. Thompson** and **former Georgia Governor Roy E. Barnes**; thirteen representatives of K–12 and higher education, school and school-system governance, and the civil rights and business communities also served as commissioners. The report’s release was a highly publicized event that featured appearances by the leadership of the Congressional committees that will guide the effort to reauthorize NCLB: **Senators Edward Kennedy (D-MA)** and **Mike Enzi (R-WY)**, the chairman and ranking member, respectively, of the Senate Health, Education, Labor, and Pensions Committee, and **Representatives George Miller (D-CA)** and **Howard P. “Buck” McKeon (R-CA)**, the chairman and ranking member of the House Education and Labor Committee.

The complete report is available at <http://www.nclbcommission.org>.



STATE OF THE STATES: Governors Highlight Return on Investments in Education, Push Stronger Standards

Over the last few weeks, many of the nation’s governors used their state of the state and budget addresses to argue for significant investments in high school reform. They explained that investments in education were not only the right thing to do, but that they would also pay for themselves in the future. Their proposals included more rigorous high school graduation

requirements, increasing the compulsory attendance age, more personalized attention for at-risk students, and creating modernized high schools.

Connecticut: Rell Pledges Record Investment, Increased Accountability

Governor Jodi Rell (R) used her budget address on February 7 to call for a \$3.4 billion increase in state education spending over the next five years. She called her proposal the “the single largest investment in education” in state history but acknowledged that she would have to raise the state income tax to pay for it. However, she also explained an investment in education would pay for itself in the long run.

“My education plan invests in our children—and I firmly believe it will save billions of dollars and thousands of young lives for generations to come,” she said. “It will save in terms of prisons we will not have to build, lower teen pregnancy rates, reduced high school dropout rates and more. Because education is the only real cure for each and every one of these ills. Ills that are measured not just in dollars, but in lives, and in the quality of those lives, and in lost opportunities and unfulfilled promises.”

In return for these additional funds, the governor would ask for greater accountability, including a statewide high school graduation exam and a requirement that high school students take more math and science courses. Rell would also mandate that districts that do not make adequate progress in raising student achievement designate more money for intervention with at-risk students. Schools where achievement continues to stagnate would risk losing autonomy to the state Department of Education, which could replace personnel, including school administrators, or reconstitute schools entirely.

Governor Rell’s complete speech is available at <http://www.ct.gov/governorrell/cwp/view.asp?a=2791&Q=332098&PM=1>

Michigan: Granholm Vows to “Invest in Michigan’s People”

In her February 6 state of the state address, **Governor Jennifer Granholm (D)** argued that investments in education, health care, and infrastructure hold the key to weathering the state’s economic transformation from an auto-manufacturing base to a more diversified economy poised to compete on a world stage. She praised recent steps, such as the enactment of rigorous new high school graduation requirements, and pledged to build on them in her second term.

“Economists and experts across the country agree that education is the single most important strategy for stoking a state’s economic growth,” she said. “That means we all must create a culture of learning that is unprecedented in Michigan’s history.”

Granholm vowed to start by increasing the state’s compulsory attendance age to eighteen, calling the 1895 law that allows students to drop out at age sixteen “absurd” in the face of the new century’s global economy. She also called personalized attention a critical component to ensuring that students are prepared for college and the workplace, and pledged to continue expanding the reach of the Mentor Michigan program, which coordinates and provides support for youth mentoring programs throughout the state.

Michigan: Granholm Vows to “Invest in Michigan’s People” (Continued from p. 5)

The governor also announced that the first five in a series of “revolutionary new high schools” will open this fall, with five more to follow a year later. The schools, which will be sponsored by institutions such as Henry Ford Hospital in Detroit, will enable students to earn a high school diploma and a community college degree in five years, and will focus on preparing students to fill critical job vacancies in the health care industry.

Granholm also praised the city of Kalamazoo’s nationally recognized effort to increase its high school graduation and college attendance rates by enlisting private donors who promise free in-state college tuition to every young person who attends school in Kalamazoo and graduates from one of its high schools, and then enrolls in one of the state’s two- or four-year public colleges. She said that the state will assist other struggling cities by creating “Promise Zones,” where the state will help provide start-up funding for similar public-private partnerships.

Governor Granholm’s complete speech is available at <http://www.michigan.gov/gov/0,1607,7-168--161761--,00.html>

Oklahoma: Henry Announces Plan to Graduate Every Student

In his February 5 state of the state address, **Oklahoma Governor Brad Henry (D)** pledged to expand the state’s efforts in early-childhood education and challenged legislators to ensure higher achievement levels in the later grades.

“In the global marketplace of the 21st century, a college or CareerTech degree is more crucial than ever before,” he told state legislators. “But many young people find it a challenge to obtain even a high school diploma.... This session, I ask you to support tough legislation to ensure that every Oklahoma teenager completes high school. Let us resolve that within five years, Oklahoma will boast the highest graduation rate in the country.”

Henry also announced plans to secure a permanent funding stream for the “Oklahoma’s Promise” college scholarship program for high-achieving students who take a rigorous high school curriculum, and to continue raising teachers’ salaries.

The following week, **State Senator Kathleen Wilcoxson (R-Oklahoma City)** introduced a bill that would mandate compulsory school attendance until age eighteen by eliminating a loophole in current law that allows a student to leave school if administrators and parents agree that it would be in the best interest of the student to drop out.

Governor Henry’s complete speech is available at http://www.ok.gov/governor/display_article.php?article_id=888&article_type=1

Tennessee: Bredesen Plans Focus on Educational Achievement During Second Term

Calling education the key to improving the quality of life for the next generation, **Tennessee Governor Phil Bredesen (D)** dedicated his entire state of the state address, delivered on February 5, to raising student expectations and achievement in the state.

Bredesen related plans to raise standards to his experience as a father, noting that “children are very good at responding to expectations. If we set them low, they respond low; if we set them high, they respond in kind.” He specifically called for requiring every high school student to take four years of high school mathematics and announced that he will ask the state school board and Tennessee Department of Education to review the curriculum throughout the state’s school system and work to make it “more specific, more rigorous, and better aligned with what our children really need to succeed in college or the workplace.”

Bredesen also proposed an investment in personalizing the high school experience as a means to engage students in a rigorous curriculum. In addition, he would ensure that all eighth- and tenth-grade students take the appropriate ACT test, which will be used to help create individual learning plans for each high school student.

Governor Bredesen’s complete speech is available at <http://www.tennesseeanytime.org/governor/AdminCMSServlet?action=viewFile&id=972>

Wisconsin: Doyle Announces New “Covenant” With High School Students

In his state of the state address on January 30, **Wisconsin Governor Jim Doyle (D)** pledged to offer a comprehensive education agenda in his budget, saying “when we support and invest in the young people of Wisconsin, they can achieve anything.”

Doyle’s plans will be centered on the “Wisconsin Covenant,” which he explained is a “promise to every high school student that if you work hard and make the grade, we’ll make sure you have a place in higher education, and a financial package to pay for it.” He added, “I don’t want any high school kid to think college isn’t for them, or that it’s only for rich people. I want every boy and girl to know...with the Wisconsin Covenant, college is within your grasp-just reach for it.”

The governor announced that his budget will establish the Office of the Wisconsin Covenant, which will implement an agreement signed last fall with university leaders and **Superintendent of Public Instruction Elizabeth Burmaster (D)**. He also proposed a major increase in financial aid to “prepare for the day when the first Covenant scholars walk through the doors of our universities.”

Doyle added that the Wisconsin Covenant will “make high school more meaningful. But we can go even further.” He strongly urged the legislature to pass his proposal mandating that high school students take a third year of math and a third year of science in order to graduate.

Governor Doyle’s complete speech is available at <http://www.stateline.org/live/details/speech?contentId=176810>

Straight A’s: Public Education Policy and Progress is a biweekly newsletter that focuses on education news and events both 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. The Alliance for Excellent Education is a nonprofit organization working to make it possible for America’s secondary school students to achieve high standards.



ALLIANCE FOR
EXCELLENT EDUCATION

1201 Connecticut Ave., NW
Suite 901
Washington, DC 20036

Phone 202 828-0828
Fax 202 828-0821
Alliance@all4ed.org
www.all4ed.org

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Bob Wise
President

Jason Amos
Editor

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