DOCUMENT RESUME

ED 399 682 EA 027 977

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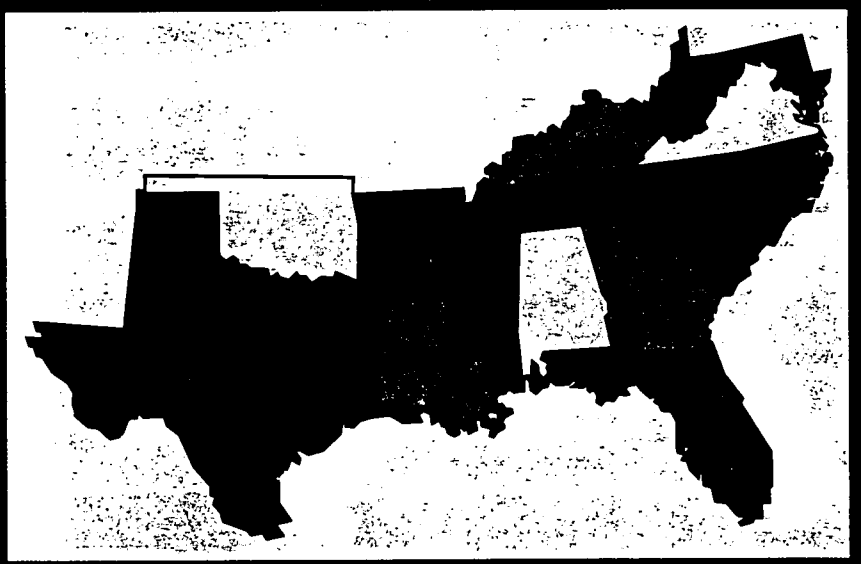
TITLE Educational Benchmarks, 1996.
INSTITUTION Southern Regional Education Board, Atlanta, Ga.
PUB DATE 96
NOTE 72p.; For the supplemental volume, see EA 027 978.
AVAILABLE FROM Southern Regional Education Board, 592 Tenth Street, Atlanta, GA 30318-5790 ($10).
PUB TYPE Statistical Data (110) -- Reports - Evaluative/Feasibility (142)

EDRS PRICE MF01/PC03 Plus Postage.
DESCRIPTORS *Academic Achievement; Adult Education; College Attendance; *College Preparation; Dropout Rate; *Educational Assessment; Educational Finance; *Educational Objectives; Elementary Secondary Education; Enrollment; Evaluation Criteria; Graduates; Higher Education; *Performance; Preschool Education; *School Readiness; Vocational Education
IDENTIFIERS *United States (South)

ABSTRACT

Southern Regional Education Board (SREB) monitors the South's education reforms through "Benchmarks" reports, tracking progress toward 12 goals for elementary, secondary, and higher education that were endorsed by the SREB in 1988. The board collects state-by-state data every 2 years and compares how states are doing on over 60 different indicators. This document presents findings for 1996 and reports that most improvements are accompanied by cause for concern. The positive findings are that over 90 percent of first graders have attended kindergarten, which was not true 10 years ago; enrollment is up in kindergartens and in prekindergarten programs for three- and four-year-olds; more high school students are graduating with college-preparatory courses; record numbers of students are taking Advanced Placement college-credit courses in high school; and the percentages of the South's young adults who have high school diplomas and who have attended college are virtually at the national averages. However, the report found no marked general improvement in the skills and knowledge of elementary and secondary school students as measured by state and national tests. In addition, while states spend more on education now than a decade ago, they spend a smaller proportion of state and local budgets for education even though school and college enrollments in most states are significantly larger than in previous years. (LMI)

1996 Educational Benchmarks



SOUTHERN REGIONAL EDUCATION BOARD

CONTENTS

Is Education Improving?

"We don't have the support for improving education from legislative and business leaders that we once did. I am afraid they are ready to jump off the bandwagon because they don't believe they are getting the results they had hoped for."

A school superintendent,
Educational Benchmarks 1994

SREB is monitoring the South's education reforms through *Benchmarks* reports, tracking progress toward 12 goals for education endorsed by the Southern Regional Education Board in 1988. Our reports contain mixed messages. Most often we've been able to say "Yes, we have made progress, but not nearly enough." Every "yes" has a "but" is the way one staff person put it as we sought the best ways to describe the South's educational progress.

We take seriously the task of reporting to you accurately because ultimately all of our futures are at stake. We keep up with legislative actions and policy changes, listen closely to state leaders, visit schools and colleges, and bring together legislators, educators and others to get their views about what's working and what needs to be refined or discarded. And while I believe there are genuine causes for concern—particularly about the progress of our disadvantaged students and schools—I'm convinced that there are plenty of reasons for hope as well as plenty of needed improvements.

We cannot afford to turn away because the work is taking longer or is more difficult than we thought. There is good news in education and it should make us more determined. A little more than a decade ago, public kindergarten was the exception, not the rule, across much of the South. Today we take access to kindergarten for granted in every SREB state. This is just one chapter in a remarkable success story about school readiness. Convinced that early access to education is critical to our region's large population of disadvantaged children, state legislatures have also invested heavily in programs for three- and four-year-olds. Pre-kindergarten enrollments have more than tripled since 1987. Georgia, for example, has more of its children in pre-kindergarten programs than any other state in America. It's hard to overestimate the payback on these investments in the future, but we're most likely to see the results after a decade, not a few years. Despite significant efforts, states are only reaching about half of the young children who need extra help.

You will find other good news in *Educational Benchmarks 1996*. Many more high school students are taking a college preparatory curriculum and completing Advanced Placement courses. Thanks in part to the work of Gene Bottoms and those in SREB's *High Schools That Work* program, more states and school systems are phasing out the go-nowhere "general" curriculum and offering students better vocational programs with a stronger academic core. States continue to refine their reports to the public on school progress; most states now require school-by-school report cards that give communities

more information. Dropout rates have gone down across the South, and college-going rates have gone up. Our colleges and universities are paying more attention to quality as state leaders ask tougher questions about how well higher education serves its customers.

Yes, the condition of education is better in 1996 than when this decade began, but it is not nearly good enough. Although dropout rates are lower, progress has slowed to a near standstill. More students are entering college, but too few are earning a degree. Decades of wise investment have resulted in first-class systems of colleges and universities, but our commitment to maintain support and assure high quality has been waning.

Adult literacy is still one of the South's greatest competitive disadvantages; more than 1.5 million young adults have less than a high school education. Our difficulty preparing students who are poor and of different races for a more demanding future is especially disturbing, as is the very slow progress most states have made in retooling teacher education.

Educational Benchmarks 1996 reports no marked general improvement in the skills and knowledge of our elementary and secondary school students, as measured by state and national tests. There are reasons to think this situation is changing in some states where state leaders are using standards to clearly say what students should know and be able to do, and then setting high expectations on tests that match those standards. Other states are moving in this direction, but it is not clear that states will set standards high enough to challenge students and hold schools accountable for high performance.

Other initiatives by SREB states also show real promise, although it's too soon to judge their success. Some states are making large investments in technology—if states make a similar effort to prepare teachers to use the technology effectively, they may well see gains in performance. Experiments with charter schools, "home-rule" districts, and other strategies to move innovation as close to the classroom as possible may also lead to gains in student achievement, provided they are balanced by meaningful standards and accountability.

Are the education goals set by Southern leaders impossible to reach? I don't think so. They may have underestimated the work and time required to reach the goals, but I trust they were right about our determination to reach them. Education reform is a complex business with thousands of decision-makers involved at every level, from educators, parents and influential citizens to governors and legislators. Making good educational policy—policy that balances the right amount of support, freedom, and accountability—takes years. An important question is: Are we learning as we go? Is our policy better today than it was a decade ago, when most states began to pursue education reform in earnest?

There's proof, in my mind, that we are learning as we go. Ten years ago, most states began requiring high school students to take more academic courses. But many schools offered the tougher courses in name only, watering down the content for students "who just couldn't learn it" or finding other ways for students to avoid taking more English, mathematics, science and social studies. Because states got most of their information about high school student performance from low-level basic skills tests and exit examina-

tions based on eighth or ninth grade work, they were slow to figure out that more academic courses were only part of the answer. Over time, state leaders became more savvy about the likely consequences of policies that aim at only part of the problem. As a result, many states are now setting specific standards for course content and some are taking the all-important next step—using end-of-course tests and other tests based on the standards to measure the impact of these reforms. At the same time, most states are moving decisions about how to teach closer to the classroom.

The SREB states can reach important educational goals if they adopt comprehensive policies that assure a balance between local control and state standards, demand accountability and public reporting of results, give top priority to teachers' professional development, invest in leadership development, and insist on high standards for all students, not just the top 40 percent.

But it is not likely that states will reach these goals without maintaining their investment in education. It is true that SREB states spend more on education now than a decade ago. That has been necessary to keep up with enrollment increases and inflation, to maintain and lower student teacher ratios, and raise salaries for teachers and faculty. Yet today most SREB states spend a smaller proportion of state and local budgets for education than a decade ago.

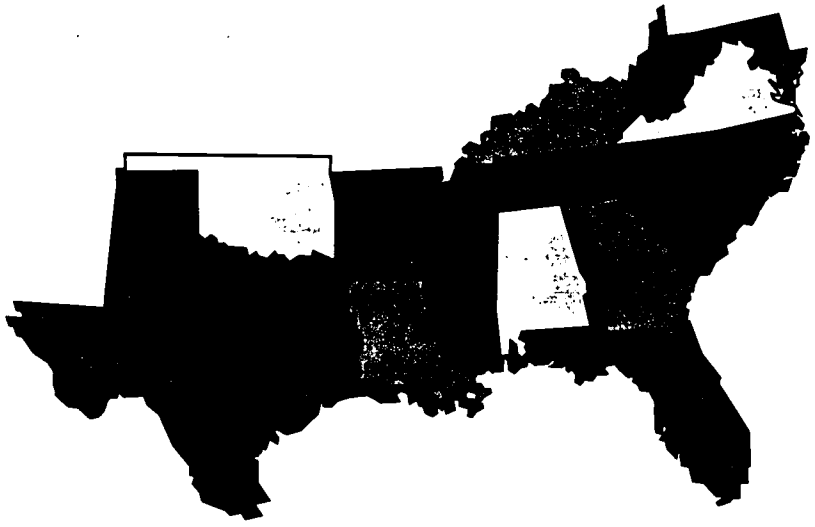
This is not the time for state leaders to abandon their education reform efforts and just let the local folks worry about it. It's the time for leadership—the kind of leadership that supports hard work, innovation and delegation of authority, and that sets high expectations about results.

Mark D. Musick,
SREB President

Joseph D. Creech is the principal author of this report. Lynn Cornett, Gale Gaines, Beth Giddens, Mark Musick, John Norton, and Robert Stoltz provided writing and editing support. Data analyst Anne Li and publishing assistant Leticia G. Jones were instrumental in preparing and publishing this report. The figures were designed by Eileen Boudreaux.

 A companion volume, *Benchmarks 1996: State-by-State Background Data* (#96E04) is available from SREB for $10.00.

1996
Educational Benchmarks



Joseph D. Creech

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SREB

Southern Regional Education Board

READINESS FOR SCHOOL

BY THE YEAR 2000—

All children will be ready for first grade.

Success in school depends on a strong start. When state leaders assure children have access to quality pre-school programs that provide a solid foundation for learning, they're doing the smart thing.

In recent years SREB states have been pretty smart about school readiness. The biggest new educational investments in this decade are for programs that better prepare children to begin school. And the new spending has been timely: Every SREB state now has more children under five than it did in 1990.

Not much more than a decade ago, public kindergarten was not the norm across the South. Today, 95 percent of first graders have attended kindergarten in half of the SREB states. A decade ago, not a single SREB state could make this claim, and only a few Southern states could lay claim to a well-developed pre-kindergarten program. Today, every SREB state provides access to public kindergarten, and pre-kindergarten enrollments have more than doubled since 1989. To serve three- and four-year-olds, most SREB states build on the federally funded Head Start program—adding state programs that target additional at-risk children and others not served by Head Start. Still, the demand continues to outpace the supply. Less than one of five three- and four-year-olds are enrolled in public pre-school.

By spending tax dollars on early education and development, state leaders are making one of their wisest investments. To meet the demand (and lower educational and social costs down the road), they will need to invest even more. Too many youngsters who start life at a social, economic or educational disadvantage are still not being reached quickly enough to give them the early boost they need to succeed academically.

Getting a child ready for school is not just an educator's responsibility. A good start requires the coordination of a broad range of educational, health and social services at the state and local levels. Most states are now working to link health, social and educational programs for children who need them.

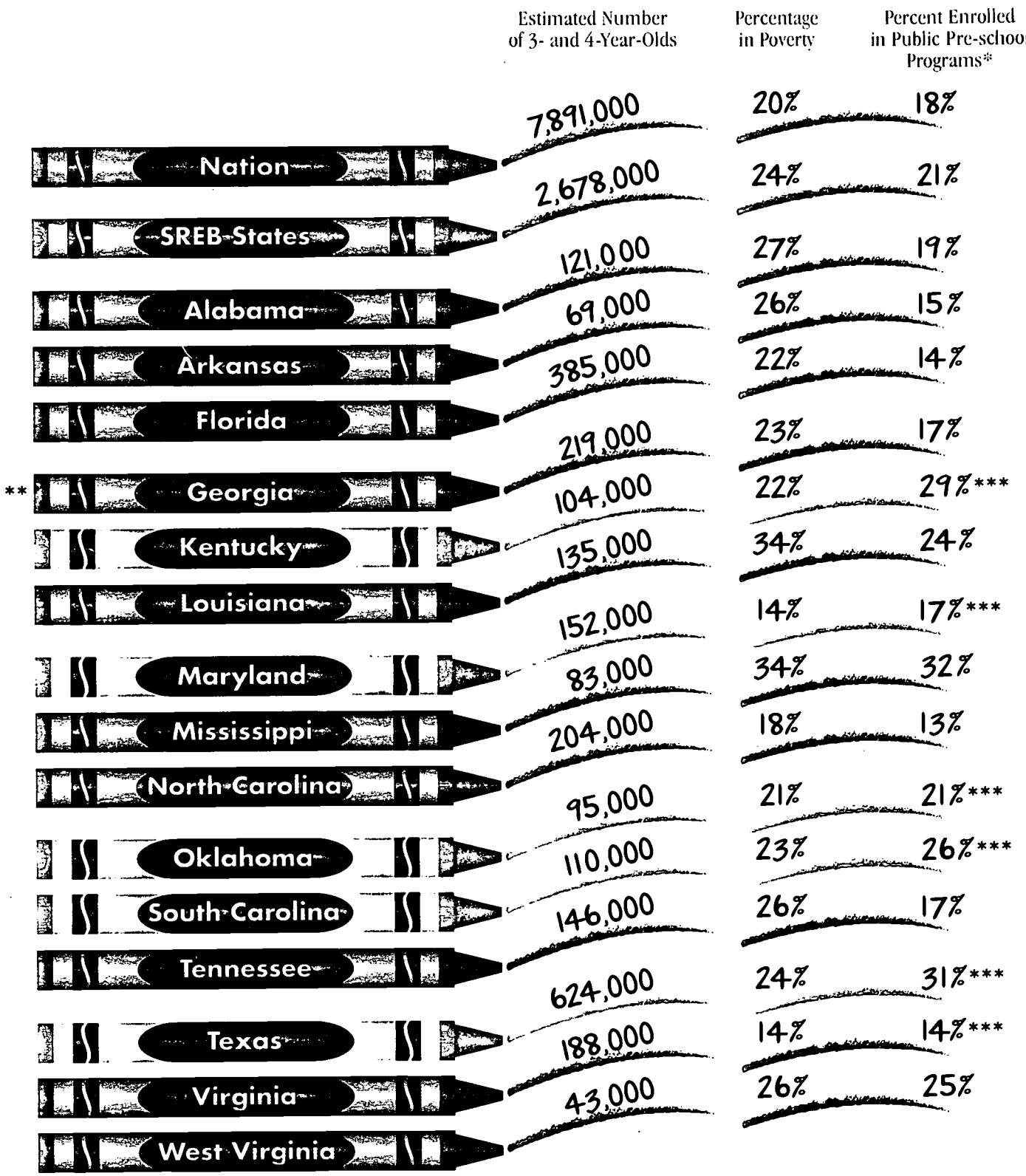
Getting children ready for school often overshadows the second part of this challenge—getting schools ready for children, especially children who emerge from high quality pre-school programs. If schools are not ready, are not flexible enough, the pre-school gains can be lost.

The potential payoffs for states that meet the early childhood challenge head-on are enormous. Granted, there are exceptions, but the evidence is overwhelming that having better educated communities means less crime, less remedial education, less welfare and higher productivity for our states and nation.

How are we doing?

- Over 100,000 more children are being served by Head Start programs in SREB states than five years ago—a 65 percent increase.
- Enrollment in state-funded pre-kindergarten programs in SREB states has doubled and now totals more than 300,000. The proportion of three- and four-year-olds enrolled in public pre-school programs exceeds the *percentage in poverty* in five SREB states—Kentucky, Maryland, Oklahoma, South Carolina and Texas.
- In SREB states, the percentage of children in kindergarten who have attended public pre-school programs is likely to double during this decade.
- Even with this dramatic enrollment growth in Head Start and state-funded pre-kindergarten programs, only about one of five children who are three or four years old attends a publicly funded pre-school program.
- More than 95 percent of children who enter first grade in Arkansas, Florida, Georgia, Kentucky, Louisiana, North Carolina, Virginia and West Virginia have attended kindergarten. No SREB state could make that claim ten years ago.
- All SREB states require schools to assess readiness for school. Georgia and South Carolina require all schools to use a uniform method to assess readiness. Readiness assessments are used for curriculum planning, for placing children in appropriate programs of study and for determining the impact of programs designed to improve readiness for school.
- Arkansas, Georgia, Kentucky, Maryland, South Carolina, Texas and West Virginia have statewide initiatives to assist children who are unprepared when they begin first grade. Most states have locally developed programs to assist children who are unprepared when they begin first grade.
- Among the SREB states that can report promotion rates, the percentage of kindergarten children not promoted to the first grade ranges from 3 percent in Florida to 7 percent in Louisiana. The percentage of first grade students not promoted to the second grade ranges from 3 percent in Florida to 7 percent in South Carolina. Several states do not know what percentage of students are not promoted.

THREE- AND FOUR-YEAR OLD CHILDREN IN SREB STATES, 1994-95



*Includes Head Start and state funded pre-school programs.
**Georgia funded pre-school programs for all four-year-olds to be effective in 1996.
***Percent enrolled in pre-school is as high or higher than percent in poverty.
Source: U.S. Census Bureau and U.S. Department of Education.

How many children are at risk of not being ready for school?

Children most at risk of not being ready for school are those who live in poverty and those who have health problems.

- One of four children in the South lives in poverty. For the SREB region, the percentage of children living in poverty has changed little in 10 years. Florida, Kentucky, Louisiana, Maryland, North Carolina, Oklahoma, South Carolina and Tennessee have higher percentages of children in poverty than in the mid 1980s. In Alabama, Arkansas, Georgia, Mississippi, Texas, Virginia and West Virginia, the proportions of children in poverty are about the same or slightly lower. The percentages range from 14 percent in Virginia and Maryland to 35 percent in Louisiana. Only three SREB states (Maryland, North Carolina and Virginia) are below the national average of 21 percent of children living in poverty.
- In almost half of the SREB states, less than 75 percent of pre-school children have been immunized. Nationally, 75 percent of children have received all recommended immunizations by the age of three. Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina and Virginia are doing better than the national average. The percentage of children immunized in SREB states ranges from 69 to 83 percent.

Do enough children have access to pre-school and kindergarten programs?

One quarter of a million children in SREB states are enrolled in Head Start programs—an increase of 65 percent since 1989. Enrollment in state-funded pre-kindergarten programs in SREB states has more than doubled over the same period. During the same period, the number of pre-school aged children increased only 6 percent.

The proportion of children served by Head Start programs is higher in every SREB state than at the beginning of this decade. The increases range from less than 10 percent in Kentucky, North Carolina and South Carolina to over 50 percent in Texas and Virginia.

About 600,000 children are enrolled in public pre-school programs in the United States—half of them are enrolled in public pre-school programs in SREB states. Enrollment in state-funded pre-kindergarten programs exceeds Head Start enrollment in Florida, Georgia, South Carolina, and Texas. Maryland's program serves almost as many. Virginia's program is expanding rapidly. These states are probably reaching most of their at-risk young children.

All SREB states now require school districts to offer at least half-day kindergartens. This was not so in the early 1980s. Kindergarten enrollment in SREB states now totals 1.1 million—21 percent higher than ten years ago. Nationally, kindergarten enrollments grew by 16 percent.

An Ambitious Program in Georgia

Georgia's ambitious pre-kindergarten program is a pre-school initiative that should be watched. Begun in 1991, the program initially served at-risk four-year-olds, and in 1995 was expanded to include all four-year-olds. The program is funded from lottery receipts and grew from $2.9 million serving about 900 children and their families in 1992 to more than $185 million that will serve 55,000 children by 1997.

The Georgia program requires that local coordinating councils insure that community agencies cooperate to provide available services to children and their families, to develop policies and procedures for pre-kindergarten services, and to evaluate and revise the program. The membership of the council must include a parent of a child enrolled in the program and representatives from the local family and children's services agency, health department, board of education and Head Start program. Councils are encouraged to include representatives of local government, volunteer agencies and child care providers.

Pre-school instructional services can be provided by a variety of groups, including local school systems, Head Start programs, public and private non-profit and private for-profit organizations.

Studies that followed children who entered school after participating in the program show that the program had positive effects. Children who participated in the pre-school program were better prepared for school and had higher attendance and promotion rates than those who did not.

Why should states assess children's readiness for school?

There is a close relationship among instruction, assessment, staff development and student achievement at all levels of education. Appropriate assessments of young children inform teachers, school administrators and families about individual strengths and needs of children.

Georgia and South Carolina use a uniform method to assess all children entering first grade. Maryland and Oklahoma provide local districts and schools with formal guidelines for assessing readiness. Beginning in 1996-97, all school districts in Florida must evaluate their pre-school programs. The evaluation must include the readiness assessment that school districts use to evaluate all children entering kindergarten.

How do states help children who are not ready for school?

Most SREB states report that school districts and schools are responsible for developing programs to help children who are not prepared for school. Programs often include one-on-one instruction, an extended school day, transitional programs for first grade and kindergarten that allow students an extra year to develop and improve their skills, and non-graded primary programs which let students progress at their own pace from first through third grade.

State efforts include:

- Arkansas' Early Childhood Initiative that includes activities aimed at sustaining progress children make in pre-school and an extensive Reading Recovery program;
- Georgia's Special Instructional Assistance Program in K-3 that provides services to children functioning below normal expectations;
- Kentucky's non-graded primary;
- Maryland's Early Intervention and Prevention Services program which supports initiatives of local school systems, including non-graded primary classrooms;
- South Carolina's legislative action that shifted funding from compensatory (remedial) programs to preventive programs;
- Texas' extended school year program;
- West Virginia's Teach/Reteach program used in schools throughout the state to assist children in kindergarten and first grade in reading, writing and problem solving.

What should you know about school readiness programs in your state?

- How does your state define an at-risk child?
- Using that definition, how many at-risk children are in your state?
- Are programs that provide health, social and educational services for children and their families coordinated? Are they easy to use?
- What evidence is there that your state's early intervention strategies and practices are working?
- Has your state implemented and funded staff development programs that result in better prepared staff for pre-school programs?

STUDENT ACHIEVEMENT

BY THE YEAR 2000—

Student achievement for elementary and secondary students will be at national levels or higher.

When it comes to student achievement, *how good is good enough?* What do we expect students to know and to be able to do? The answers are far from clear. But the evidence does suggest this: If states take a hard look, they're likely to find their standard for "good enough" is not high enough.

In most states, educators—often with the help of parents, and business and civic leaders—are describing what students *should* know and do. But fewer states are coming to grips with the minimum standards they are actually willing to accept from their students and schools. And in the long run, it may be how high the minimum standards are that matters most.

It's true that many SREB states are establishing standards for student performance on a variety of state and nationally created tests by defining what it means to pass or be "proficient." But setting standards for "how good is good enough" can be controversial and political. The end result may not always be what the public expects or hopes for.

Are performance standards for student learning high enough across the SREB states? One way to judge is to ask how many students reach state standards, then compare the results with an external benchmark such as the National Assessment of Educational Progress. (For participating states, the National Assessment gives state-by-state results based on performance standards established by an independent group of citizens, educators, business persons and parents from across the United States.)

Comparing state results to an external benchmark can raise disturbing questions, but these questions may help states set better standards. For example, when 59 percent of a state's eighth graders meet minimum expectations according to a state mathematics test, but only 21 percent are doing "good enough" according to the National Assessment standard, state leaders need to find out why there is such a dramatic difference. When the average scores for eighth graders in a state on a national norm-referenced test are above the national average, but the scores for 62 percent are "not good enough" according to the standard set by the National Assessment, state leaders need to ask: What does the national average mean and is it "good enough?"

The public expects high standards for students. The annual Gallup Poll of education and the recent studies of the Public Agenda Foundation leave little doubt about that. And there is much "high standards" talk in government and education circles. But the reality appears to be that while most states are working to define what students *should* know, most states have not established high standards for state assessments to help ensure that students *do* know what is required.

How are we doing?

- Student performance has not changed significantly in the 1990s. Students' achievement scores have neither risen nor dropped by any significant amount. Results from statewide testing programs bear out this conclusion.

+ Scores on national college entrance examinations (SAT and ACT) for high school seniors in every SREB state are as high or higher than in 1990. Compared to national norms, fewer seniors in SREB states are scoring in the lowest quarter and more are scoring in the highest quarter on these tests.

- Average scores on the SAT and ACT in most SREB states are below the national average.

- Performance on the National Assessment of Educational Progress in the SREB states continues to be below the national average, although not dramatically so. Less than 30 percent of students in most SREB states are "proficient" in reading and mathematics, according to the National Assessment standards.

+ Higher proportions of fourth grade students in SREB states scored at or above the "proficient" level in reading on the National Assessment of Educational Progress in 1994 than in 1992. Higher proportions of eighth grade students scored at or above the "proficient" level in mathematics on the National Assessment in 1992 than in 1990.

- There continue to be unacceptably large gaps in achievement levels of students from different racial and ethnic backgrounds. For example, black and Hispanic students have shown more improvement on the National Assessment of Educational Progress in eighth grade mathematics than white students, but the gaps continue to be substantial. The differences on the National Assessment in the percentages of whites, blacks and Hispanics who are "proficient" in reading is about the same for eighth and 12th grade students as for fourth grade students.

+ All SREB states can report student achievement results by percentiles, quartiles or other distributions of scores. This is important because it focuses attention on raising achievement for all students and not just raising an overall average score.

- Most states have established levels for satisfactory performance, but there is evidence that standards are too low and that some states have only a minimum standard.

+ The percentage of high school students in the South taking challenging courses continues to increase and is four times greater than it was in the mid 1980s. Almost 60 percent graduate from high school with four units of English and three units each in mathematics, sciences and social studies.

+ Almost three of five public high schools in SREB states offer students the opportunity to earn college credits through the Advanced Placement Program. More than 140,000 public school students took Advanced Placement examinations in 1995, twice as many as in 1989. They earned scores of 3 or better (a score of 3 is generally high enough to earn college credit) on almost three times as many examinations.

STUDENT ACHIEVEMENT

- SREB students earned scores of 3 or better on 55 percent of the Advanced Placement examinations compared to the 60 percent national rate.
- Most SREB states are developing or revising curriculum frameworks to provide students, parents, teachers and the public with a better idea of the objectives of academic courses.
- Statewide assessment programs are being linked more directly to a broader range of knowledge and skills identified in the curriculum. Writing samples, short answer questions, portfolios, and students' performance on tasks and experiments are being added to make assessments more relevant to instruction and learning.

"The increase in the number of high school students taking challenging courses is the most dramatic improvement in education in a decade. But it is the least satisfying because we don't see the gains in student achievement that we expected."

Mark Musick
SREB President

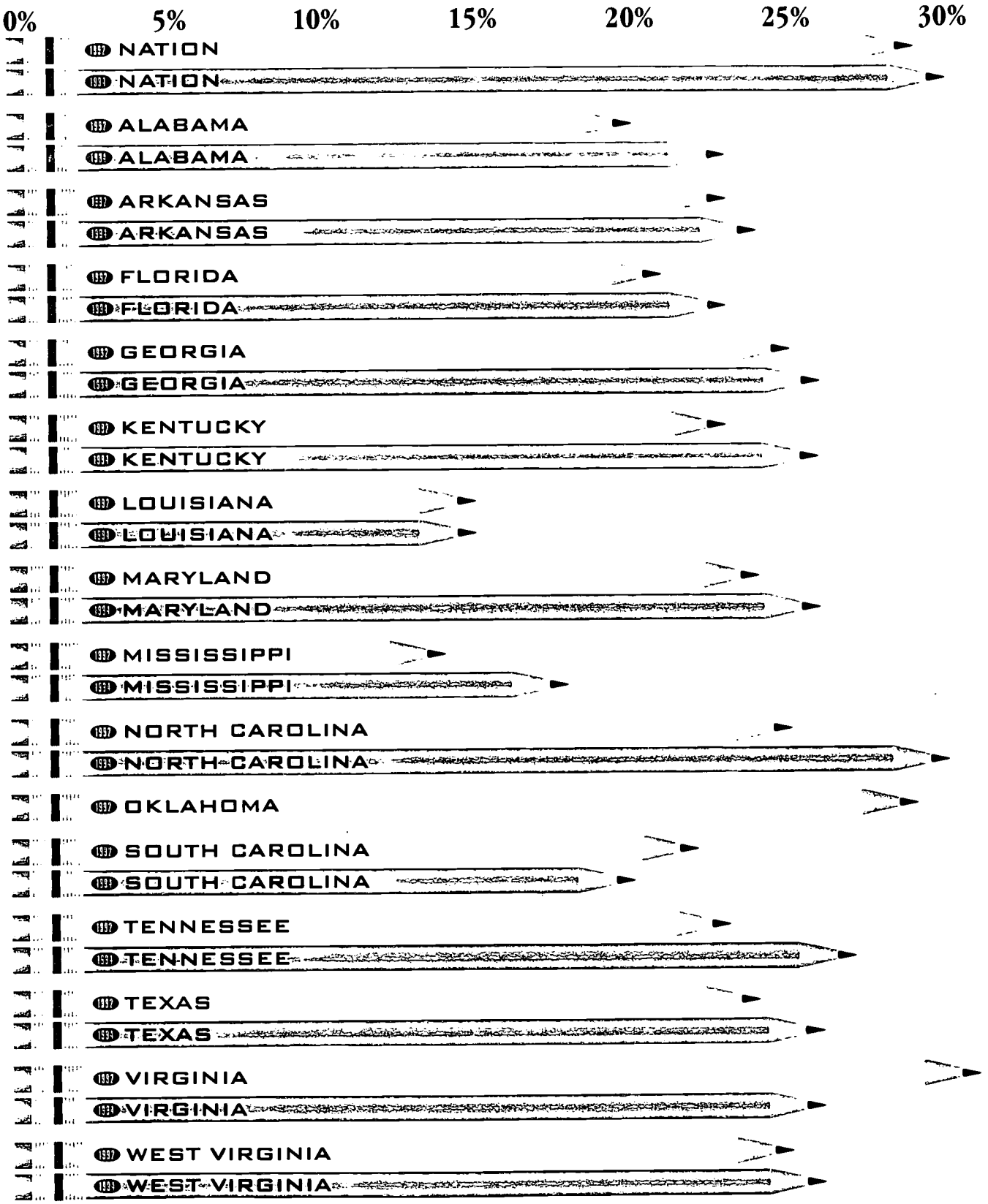
What classes are high school students required to take?

The changes in the kinds of courses high school graduates take are nothing short of dramatic. Consider that in 1980, less than 15 percent of the nation's high school graduates had completed a basic core curriculum that included four units of English and three units each in mathematics, sciences and social studies. By the early 1990s, 40 percent of the nation's graduates—and 54 percent of the graduates in the SREB states—completed at least these courses in the core subjects.

Every SREB state requires students to complete more units of study now than in 1980. (Most required only 18 units in 1980 compared to 20 or more units now.) Yet in 1995 only five SREB states (Arkansas, Florida, Georgia, Louisiana and Maryland) required all graduates to complete four credits in English and three credits each in mathematics, sciences and social studies. By 1996-97, only nine SREB states will require all students to pass Algebra I or its equivalent to graduate. Alabama will require four units each in English, mathematics, sciences and social studies for future graduates. North Carolina's Education Standards and Accountability Commission has recommended that the State Board of Education drop the General Studies Curriculum and adopt "College Prep and College Tech Prep" curricula, both of which require the completion of at least 13 credits in English, mathematics,

HOW MANY 4TH-GRADERS ARE SUCCEEDING IN READING?

Percent of 4th-Grade Students Who Scored At or Above the Proficient Level*
on the 1992 and 1994 NAEP Reading Assessment



*Includes percentage scoring at Proficient and Advanced Levels on the National Assessment of Educational Progress.
**Oklahoma did not participate in the 1994 Assessment.
Source: National Center for Education Statistics.

1992 1994

sciences, and social studies. Arkansas, Georgia, Maryland, North Carolina, South Carolina, Tennessee, Virginia and West Virginia have eliminated the "general" curriculum and require all students to complete a curriculum with either a college or vocational/career emphasis.

Another shortcoming in high school graduation requirements is the lack of emphasis in the arts. Few SREB states require students to complete courses in the visual or performing arts for graduation. Oklahoma is the only SREB state that requires all students to complete two credits in the arts. Florida, Mississippi, Virginia and West Virginia require one credit in the arts. In most states, the arts are "elective," not "required," courses. A national study shows that on average high school students complete less than two credits in the arts.

Simply requiring students to complete courses in the core subjects is not enough. What students need to learn in these courses—what they need to know and be able to do must be spelled out clearly. Most SREB states are attempting to more clearly define what students should know and be able to do by revising or developing curriculum standards for kindergarten through 12th grade. The expectations are outlined in documents called "curriculum frameworks," "standards of learning," "courses of study," "academic expectations," "quality core curriculum," "priority academic skills," "essential elements" or "curriculum structure."

Even with clear statements of what students should know and be able to do, the content of core courses may be "watered down" unless assessments are linked directly to the curriculum standards and are included at the end of each course or as part of a rigorous graduation examination.

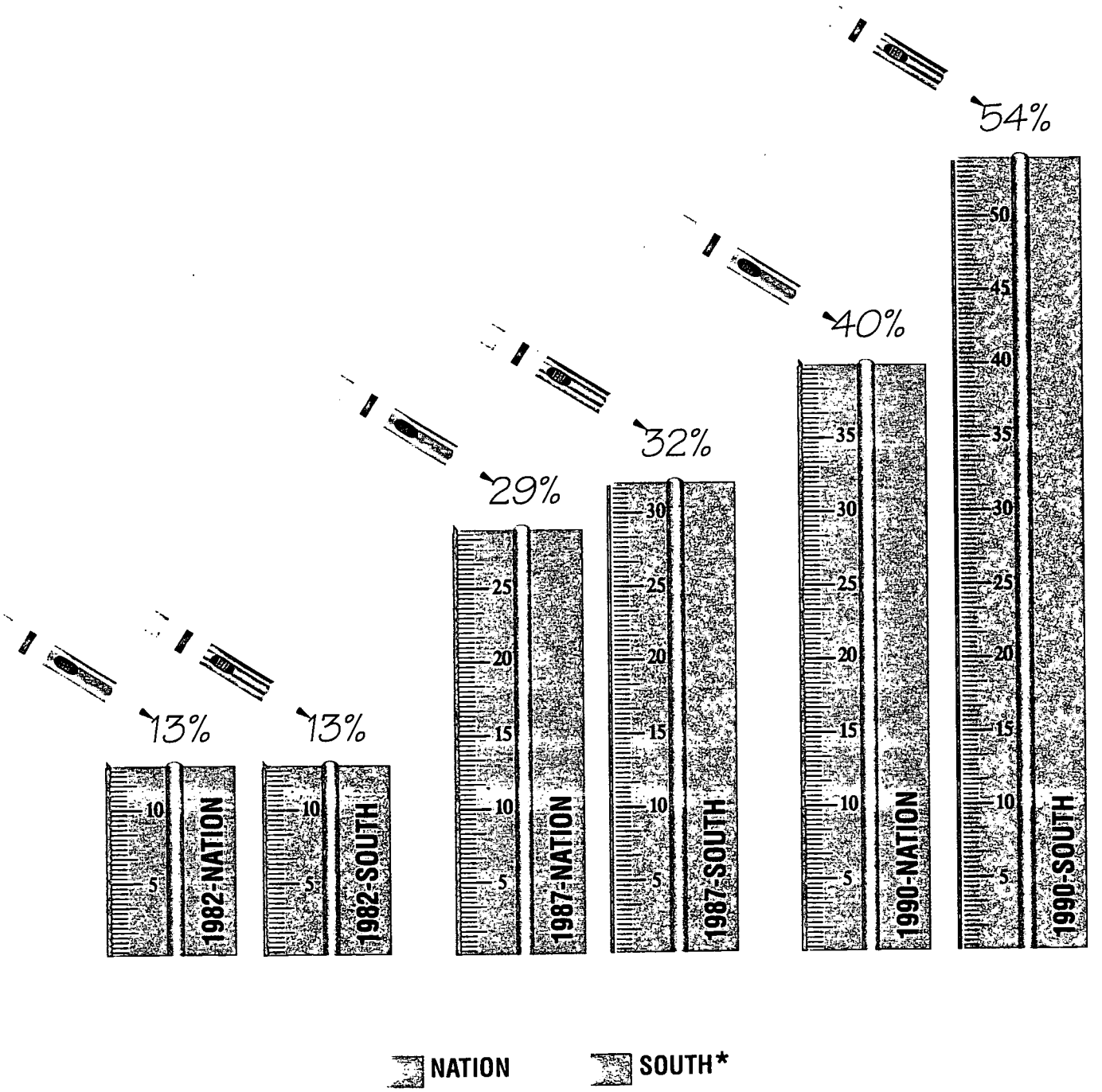
A few SREB states are taking the lead in making stronger connections among curriculum, assessment and achievement standards. Georgia and Louisiana tie their exit examinations to curriculum guides for the core subjects. Kentucky's curriculum guides and assessments are linked to its curriculum standards, but are used only for school and district accountability and do not directly hold individual students accountable. Alabama, Mississippi, North Carolina and Texas are using end-of-course tests for promotion or as part of a final grade in selected high school courses. Maryland has announced that it plans to replace its current high school graduation tests with 10 more challenging tests (three in English, three in social studies and two each in mathematics and science). These assessments will be linked to Maryland's new high school curriculum standards and will be given at the end of courses.

How can we determine "how good is good enough"?

While end-of-course and graduation examinations tied directly to the curriculum can add academic integrity, one potential weakness remains. If states fail to set high performance standards for "how good is good enough," the purpose of linking the assessments to the curriculum is defeated. Comparing results of some state

THE SOUTH LEADS THE WAY

More High School Graduates Earn At Least
Four English, Three Social Studies, Three Science, and Three Math Credits



*South includes SREB states, Delaware, and the District of Columbia.
Source: National Center for Education Statistics.

testing programs to each other and to some external measures dramatically demonstrates this point.

Look at three states where a representative sample of eighth grade students took the National Assessment of Educational Progress mathematics test. The National Assessment has standards for basic, proficient and advanced levels of performance. These performance standards reflect the judgment of the lay citizens on the National Assessment Governing Board that directs the National Assessment and of educators, business and civic leaders across America who advise the Board. The "basic" level of performance is "not good enough." The "proficient" level is "good enough" and is intended to show "mastery over challenging subject matter."

How did eighth grade students in these three states fare when they took the National Assessment mathematics tests? In the first state, 59 percent of students "passed" the state's own eighth grade mathematics test, but only 21 percent reached the proficient or "good enough" level on the National Assessment. In the second state, where 62 percent of the eighth graders were "proficient" on the state test, only 15 percent were proficient when measured against the external benchmark of the National Assessment. In the third state, 83 percent of eighth graders who took the state test reached the state goal of "adequate and acceptable performance," yet only 16 percent were "proficient" on the National Assessment mathematics test.

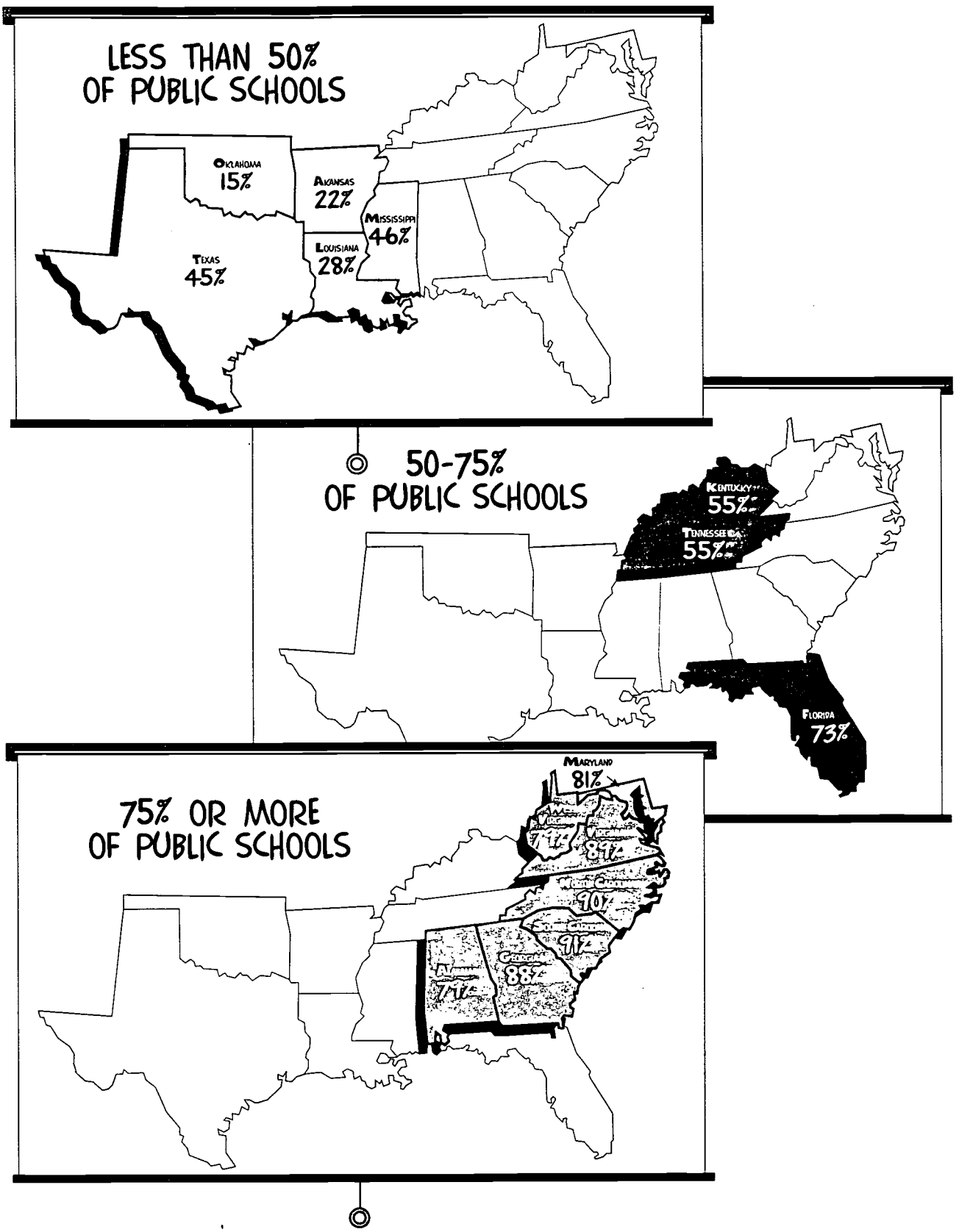
The National Assessment "proficient" level is not a low standard. Compared to current state standards, it is a high standard, although the teachers, parents, civic and business leaders who helped set the "proficient" standard believe that is not too high. These standard setters chose not to lower their standard—as some states have done—out of concern that too many students might fail or that too many schools might not reach an acceptable level on published results. It is true that the National Assessment results do not affect individual students or schools and are not so "politically charged" as state test results that do. One cannot simply conclude that the National Assessment standards are "right" and that the state standards are too low. But the gaps between the two standards and the significant difference among state standards revealed in these three states raise important questions about how standards are set and what they tell us about student achievement.

The college-level placement standards for entering college students are another external measure. In one state, the percentages of students passing the high school exit examinations on their first attempt were: 90 percent in English language arts, 82 percent in mathematics and 90 percent in written composition. Yet more than half of the high school graduates who entered public colleges and universities in that state enrolled in one or more remedial courses. Other states have similar results.

State leaders face very real educational and "political" challenges to set high standards. They can use their state's results on the National Assessment, comparisons among states, and information on how many high school graduates are ready for college-level work and how many are placed in remedial courses as external benchmarks to make certain that their educational standards are high enough.

HOW MANY SCHOOLS OFFER COLLEGE-CREDIT COURSES?

Percent of Public Secondary Schools Offering Advanced Placement Courses
1994–1995 School Year



Sources: "The College Board Advanced Placement Examination Statistics," 1995.

DROPOUT RATE

BY THE YEAR 2000—

The school dropout rate will be reduced by one-half.

Reducing the dropout rate by one-half is a daunting task. The nation and SREB states have worked at it for years. The good news: We've made some progress. The bad news: The progress has slowed considerably in the last few years.

Nationally, the percentage of students in grades 10 through 12 who drop out of school each year has been cut by one-third since the early 1980s. The percentage of 16- to 24-year-olds who are not in school and don't have a high school diploma has been reduced by about one-sixth. While these are encouraging signs, most of the improvement occurred before 1993. Since then, the rates have leveled off, and tens of thousands of young people across the South still leave high school each year without graduating.

Judging by the number of dropout prevention programs, SREB states and their local schools are trying to address the problem. Unfortunately, many of these programs may intervene too late. Today, we know more than ever about who drops out and why. But many states and schools are still not identifying and helping these students early enough.

Dropout prevention must be a whole school effort, not a special program set off in a corner. Progress begins by making sure every student—not just those at the top—has a challenging educational program and teachers who know how to teach in a variety of styles. Solving the dropout problem also requires the coordination of services among schools and other government and community agencies that deal with children and families—coordination that state and local leaders may have to insist upon.

How are we doing?

- \+ Dropout rates in the South and in the nation are *lower* now than in the mid-1980s. Thirteen percent of 16- to 24-year-olds in the SREB region are not enrolled in school and do not have a high school diploma—that is down from 15 percent in 1985. Nationally, the rate decreased from 13 percent to 11 percent. A one percent drop in this rate means that 100,000 more young people in the SREB region have completed high school.
- – The percentage of students who drop out of high school each year is lower now than in 1990. But with little change over the last three years, states are not on track to reduce the rate by one-half.
- \+ All SREB states have programs to help students make the decision to stay in school. Most report that special financial assistance is targeted to develop dropout prevention programs.
- \+ State education agencies in all SREB states collect and distribute information about dropout prevention efforts to local schools. The information identifies characteristics of students

most likely to drop out, describes successful prevention strategies and interventions, and provides lists of resource persons.

- In only seven SREB states (Arkansas, Maryland, Mississippi, North Carolina, South Carolina, Virginia and West Virginia), do 85 percent or more of all 18- to 24-year-olds have a high school diploma or GED. In the other eight states, 79 to 84 percent do. For the nation, the figure is 86 percent.
- SREB states have information systems to determine how many students drop out of school, based on their own definitions of the dropout rate. Although the National Center for Education Statistics has a method to calculate dropout rates that would be comparable from state to state, not enough states submit the necessary information to have comparable state-by-state reports.
- More SREB states are doing a better job of developing the information needed to create an effective "early warning system" to prevent students from dropping out and to reclaim those who do. Yet too few states now produce such information.

What do we know about students who drop out of school?

Dropping out of school is not just a problem for students from low-income families.

True: The majority of students who drop out of school each year are white and live in middle-income families.

True: Dropout rates are higher for students from low-income families than for those from middle- and high-income families.

True: The percentage of white students in the South who drop out of school is higher than the national average and is the highest among the different regions of the country.

True: Dropout rates for black and Hispanic students are still higher than those for white students, although the gap is not as wide as in the early 1980s.

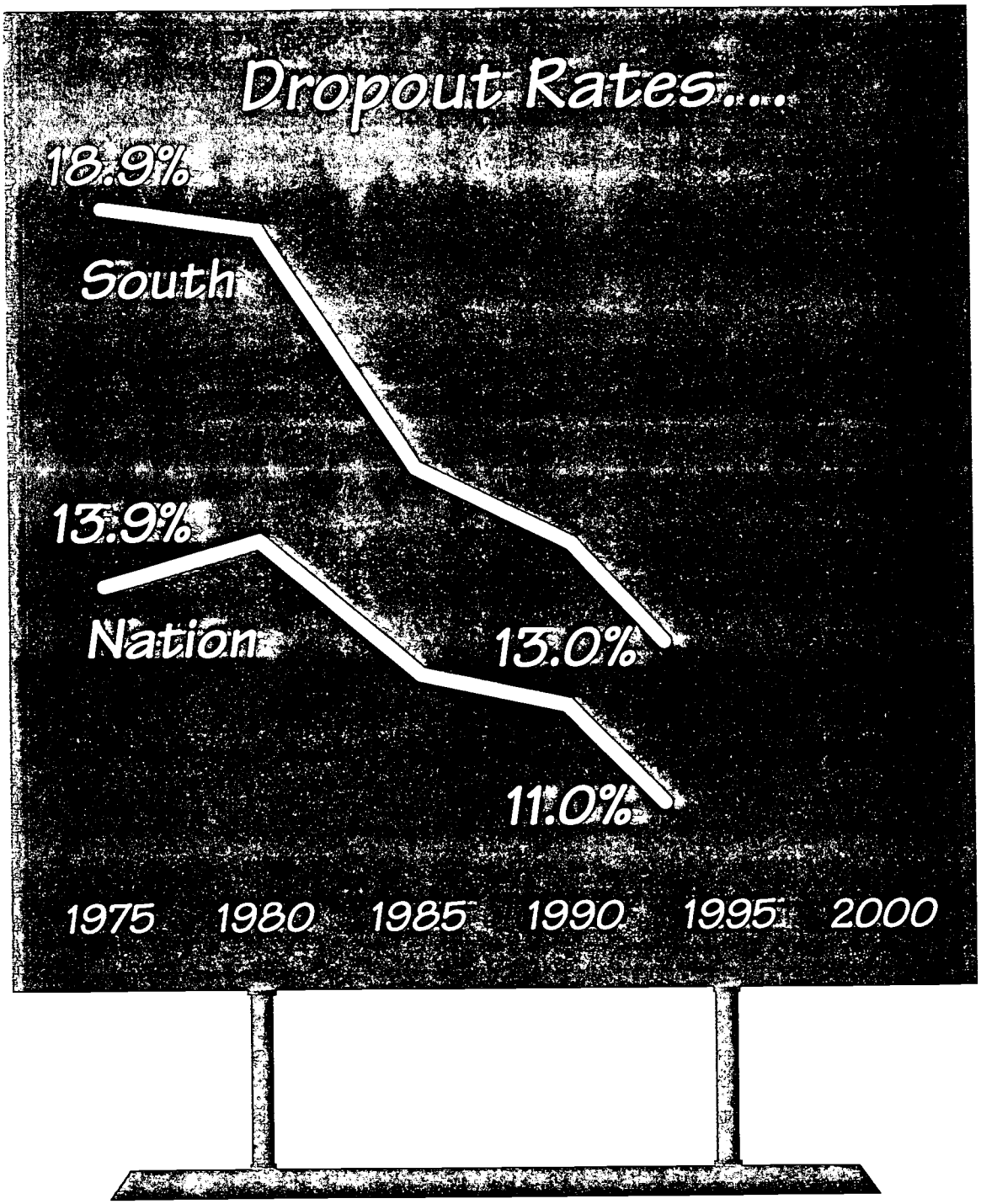
True: In the South and West, dropout rates for black students are lower than in the Northeast and Midwest.

True: Dropout rates for Hispanic students in the SREB states are more than double those for white and black students, but are slightly below the national rate for Hispanic students.

True: Dropout rates for males and females are not significantly different. Students who repeat one or more grades are more likely to drop out than those who do not.

True: Persons for whom English is a second language are more at risk of dropping out.

DROPOUT RATES ARE DROPPING . . . BUT MORE SLOWLY



Nation South

Source: U.S. Department of Commerce, Bureau of the Census, "School Enrollment—Social and Economic Characteristics of Students, October (various years)," Current Population Reports, Series P-20, and unpublished tabulations as reported in Dropout Rates in the United States: 1992.

A Texas Plan to Lower the Dropout Rate

In 1990, the Texas Legislature charged the Texas Education Agency to prepare reports on dropout rates for students in seventh through 12th grades to project dropout rates for these grades, and develop a systematic plan for reducing the state dropout rate to not more than 5 percent by 1997-98. The state plan includes:

- providing services to school-age parents;
- comprehensive developmental guidance programs for all students;
- a family literacy program;
- disseminating information on successful dropout prevention practices;
- tech-prep initiatives;
- technical assistance to districts and community organizations on successful strategies and model programs of family support services;
- the development of school and district plans to help students meet higher standards and to provide quality staff development;
- a tutoring program using adults in the community as well as peers in schools where 40 percent of students fall below mastery levels on state tests;
- encouraging flexible scheduling and competency-based credit;
- requiring students who are not likely to be promoted to attend an extended-year program so that they will be ready for the next grade;
- establishing successful elementary, middle and high schools as mentoring sites to provide less effective schools with assistance and support for school reform and dropout prevention. Mentoring activities also include on-site visitations and regional network conferences.

Another important component of the Texas plan is to provide local schools with guidelines for identifying students who are most at risk. At-risk students were defined as those who were:

- retained at least once in grades one through six and are still unable to master the current grade level;
- two years below grade level in mathematics or reading;
- failing at least two courses and not expected to graduate within four years of entering ninth grade;
- failing at least one section of the most recent state assessment exam;
- pregnant or a parent.

Texas also has improved its student information system. This improvement may account for some of the decline in the dropout rate because students who transfer from one district to another can be identified and not counted as dropouts.

Why do students drop out of school?

The most common reasons students give for dropping out of school between 10th and 12th grades are that they:

- do not like school;
- cannot keep up with school work and are failing;
- need to work;
- cannot get along with teachers;
- are pregnant (cited by more than one-fourth of the females who drop out).

While all SREB states have established dropout prevention programs, Texas appears to have made progress in reducing its annual dropout rate. Florida's initiatives to serve students at risk of dropping out also appear to be getting results.

Other states have made efforts similar to those in Texas and Florida, but still too many young people are not graduating from high school. About 96 percent of the nation's students in grades 10 through 12 return to school the following year or graduate; about 94 percent of those in the South do. Being only two percentage points behind the nation may sound insignificant, but these two percentage points represent about 60,000 high school students who are dropping out of school. This annual dropout rate of 6 percent means that 176,000 of the SREB region's high school students (grades 10 through 12) do not graduate or return to school each year. That is about half (46 percent) of all high school students who drop out in the nation.

Florida's Prevention Programs Get Results

Florida's Dropout Prevention Act established five programs that annually serve 200,000 students in grades four through 12.

- educational alternatives (for students who are not motivated or are unsuccessful in a traditional school);
- teenage parenting programs (for students who are pregnant or are parents);
- substance abuse programs (for students who have drug or alcohol problems);
- youth services programs (for students placed in juvenile justice, health and rehabilitative services, or similar programs).

The dropout rate for students in these programs has been reduced by one-half over a four-year period. The most recent report on the programs shows that of the students served:

- 68 percent of those in 12th grade graduated;
- 89 percent of those in other grades were promoted;
- 9 percent of those over 16 years old dropped out.

ADULT EDUCATION

BY THE YEAR 2000—

90 percent of adults will have a high school diploma or equivalency.

No SREB state has reached this goal. Without redoubled efforts, none are likely to reach it by the year 2000. Why should state leaders make adult basic education a higher priority?

- Despite successful efforts to cut the dropout rate, over 1.5 million young adults in the South do not have a high school diploma or its equivalent.
- Half of the 450,000 persons in prisons in SREB states did not complete high school.
- Half of the heads of households on welfare are not high school graduates.
- Persons who do not complete high school earn an average of a quarter of a million dollars less in their lifetimes than high school graduates.

It is true that more adults in SREB states who did not graduate from high school are taking and passing General Education Development exams than ever before—and nearly two-thirds of them are under age 25. More adult workers are taking advantage of the workplace literacy programs offered by business and industry, often in partnership with higher education. And the gap between whites and blacks with high school diplomas continues to narrow.

But the number of young adults without basic educational or literacy skills is still too high at a time when low-skill jobs offer less and less security to the poorly educated. Most SREB states will need to double or triple the pace if they expect to significantly increase the percentage of adults who have at least a high school education.

How are we doing?

- The gap is closing between the levels of education for citizens nationally and those in SREB states. Eighty-six percent of young adults (25 to 34 years old) in the nation have a high school diploma or its equivalent. This national level is matched or exceeded in six SREB states: Arkansas, Maryland, Mississippi, South Carolina, Virginia and West Virginia. The percentages in the SREB states range from 79 to 89. In 1985, the percentage was four points below the national percentage; now it is less than two points below.
- The gain in the percentage of blacks in the South who are high school graduates is greater than national gains. The gap continues to narrow between the proportions of white and black young adults in the SREB region who have high school diplomas. The gap is now two percentage points; in 1980, it was 10 percentage points.

ADULT EDUCATION

- In the SREB states, a higher percentage of Hispanic young adults are high school graduates than in the nation, but the proportion of Hispanic high school graduates is only about 75 percent of that for whites and blacks.
- Enrollment in state adult education programs in the region grew by 10 percent in five years. But this modest rate of growth is too slow.
- More than 321,000 persons in the SREB region took the GED examinations. Two-thirds of them passed and were issued GED diplomas.
- Most SREB states have programs to identify and encourage students who drop out of high school to return to school and earn a high school diploma or its equivalent.
- All SREB states have plans to support and develop workplace literacy programs.
- Few SREB states have conducted comprehensive, statewide adult literacy surveys. The most recent National Adult Literacy Survey presented a gloomy national picture. Adults in the SREB states that participated in the survey have lower literacy levels than those across the nation.

How successful are GED programs?

Even if states reduce the high school dropout rate by one-half and increase the number of persons under 25 years old who return to school and earn a high school diploma, there are still over 1.5 million young adults who have not completed a high school education.

Passing the GED examinations enables those who did not complete high school to demonstrate that they have the knowledge and skills associated with a high school diploma.

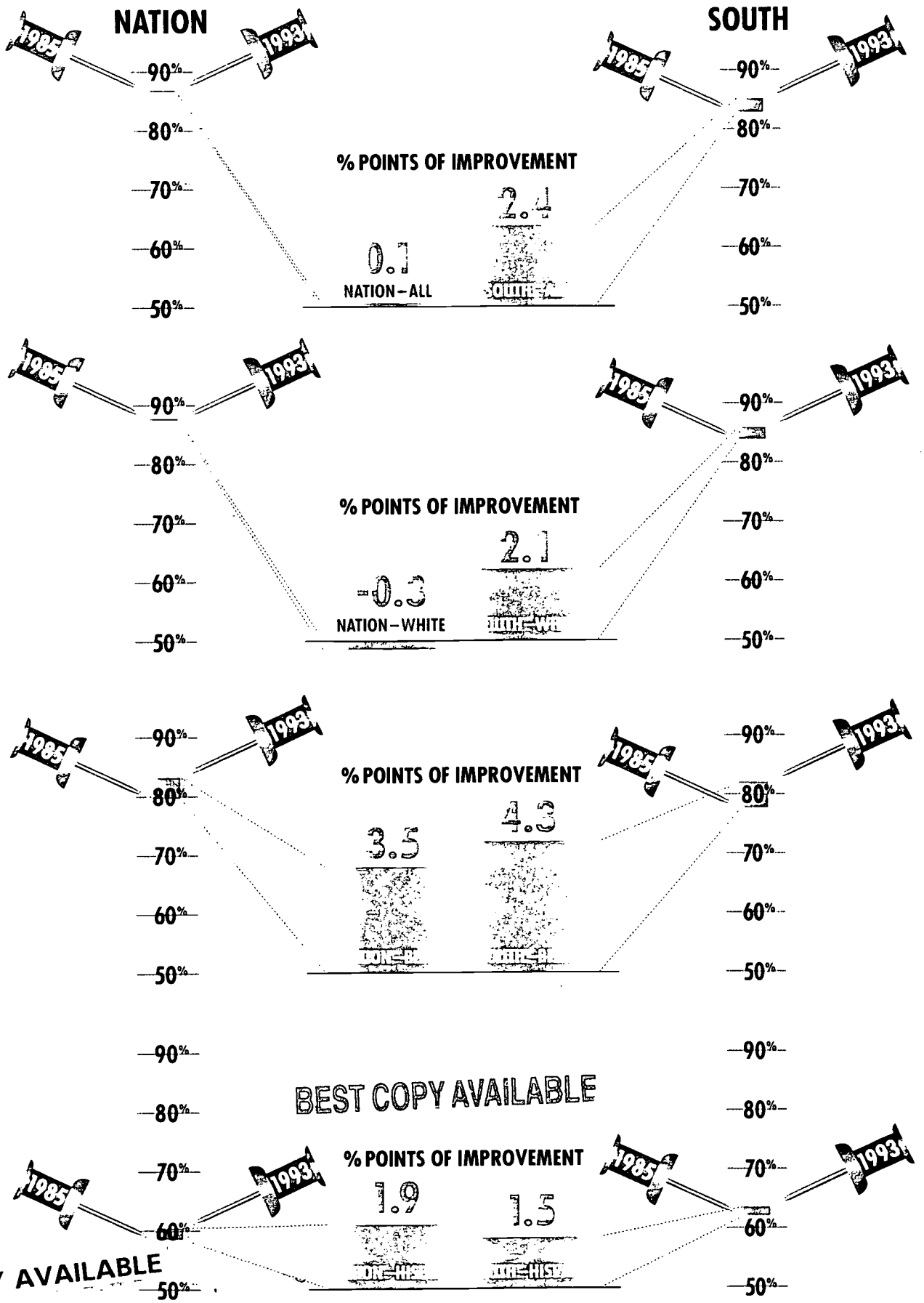
Each state sets its own requirement for passing the GED tests. Arkansas, Florida, Maryland, Oklahoma and West Virginia set their passing scores at the 33rd percentile (33 percent of regular high school graduates scored lower). Alabama, Georgia, Kentucky, North Carolina, South Carolina, Tennessee and Virginia set the passing standard at the 30th percentile; Louisiana, Mississippi and Texas set their standard at the 25th percentile.

In five years, the number of persons taking the GED tests increased by 20 percent or more in Alabama, Florida, Georgia, Mississippi, Oklahoma, Tennessee, Texas and West Virginia. In Arkansas, Kentucky, Maryland and North Carolina fewer persons took the tests than five years ago. Georgia's rate of increase in the number of persons taking the GED tests is three and one-half times that of the national rate.

A higher proportion of those who take the GED tests are passing. Pass rates range from 53 percent in Maryland to 82 percent in Arkansas. In every SREB state except North Carolina, more persons earned GED diplomas than five years ago. In Georgia, Oklahoma, and Texas, more persons earned GED diplomas than took the tests five years ago.

WHO'S COMPLETED HIGH SCHOOL?

(Persons 25 to 34 Years Old)



Notes: "White" and "Black" refer to non-Hispanic persons. Hispanics can be of any race. U.S. Census Bureau Southern Region includes 15 SREB states, Delaware, and the District of Columbia.

Source: U.S. Bureau of the Census, "Current Population Reports," Series P-20, "Educational Attainment in the United States," 1984, 1987, 1991, and 1992.

ADULT EDUCATION

All SREB states have a variety of programs in place to serve adults who need more education and to develop and serve workplace literacy sites. A few examples:

- Alabama's Adult Literacy Resource Center uses satellite television downlinks to provide staff development and training for teachers, administrators and volunteers who work in local communities. Alabama also offers tax credits to employers for their support of workplace literacy programs.
- Georgia's Certified Literate Community program is a community-based effort to provide and coordinate educational services for adults who do not have high school diplomas. Officials at the Georgia Department of Technical and Adult Education state that this program plays a major role in increasing participation in GED and other literacy programs.
- Kentucky's Workplace Essential Skills Program delivers tailored instruction to work sites and uses everyday work situations to teach basic skills including mathematics, quality control methods, critical thinking and decision making.
- Maryland's Project LEAP promotes collaborative efforts among organized labor and schools and colleges.
- Oklahoma is training educators in work-based programs that link literacy skills to critical job tasks and will establish partnerships with business and industry to provide education at the work site.
- Virginia provides brokering services to link industries in need of workplace education programs with local adult education. The business or industry contracts with the local provider for services and pays the costs.

The increases in the number of GED diplomas issued and the establishment of programs to identify and attract adults into programs that prepare them for GED diplomas are good signs of progress. But at the current pace, 90 percent of the young adults in all SREB states will not have a high school diploma or its equivalent by the year 2000.

COLLEGE READINESS

BY THE YEAR 2000—

Four of every five students entering college will be ready to begin college-level work.

Compared to 10 years ago—

- A higher percentage of high school students are taking a college preparatory curriculum.
- More students entering four-year colleges are ready for college-level work.
- Average scores on college admissions tests are as high or higher.

What accounts for these improvements? Many states and local school systems are eliminating the "general track"—a patchwork, remedial high school curriculum that has become an educational dead end in most high schools. Colleges and universities have helped by spelling out more clearly the courses students need to enter and succeed .

Are most high school graduates prepared *well enough* for college? College screening exams make it clear they are not. As students take more college prep courses in high school, we might expect dramatic changes in the percentage of college freshmen who need remedial help. There have been improvements, but they are not what we expected. Why? The questionable rigor of some high school college prep coursework is one explanation. Another is that many students in college remedial courses may not be the ones you think they are.

Consider these facts from one SREB state. Chances are, your state's profile of remedial students is similar. One-third of the freshmen in this state's public four-year colleges take at least one remedial course—but half of those taking remedial courses had not attended school for at least a year before they entered college. In this state's public two-year colleges, almost 80 percent of the freshmen take a remedial course—but *two-thirds* have not attended school for a year or more before they entered.

The smallest group of remedial students (but still a group that is too large) is the 18-year-olds who recently finished high school but (1) did not take a college preparatory curriculum; (2) did not take a college-prep mathematics course their senior year; (3) "passed" a college preparatory curriculum with low grades; or (4) passed a weak college preparatory curriculum in a low-achieving school.

The largest group of students in remedial education are adults in their twenties who have been out of high school for years. Many of these young people make a late decision to enter college because of their dissatisfaction with low-skill, low-paying jobs—jobs that rarely require higher-level mathematics or writing skills. Understandably, many of these persons are not ready for college-level mathematics and need refresher courses in writing.

If states increase the percentage of students who take a college preparatory curriculum and make sure these courses meet high standards, fewer recent high school graduates will need remedial help in college. But it is clear that states will need some college remedial programs to provide access to quality higher education for those adults who do not enter college immediately after high school.

COLLEGE READINESS

How are we doing?

- ✚ All four-year colleges and universities have established admission standards that include a core of required academic courses. Substantially more high school students complete a rigorous college preparatory curriculum today than 15 years ago.
- ✚ Average scores on college admissions tests are as high or higher than five years ago in every SREB state. This is true even though a larger percentage of high school seniors now take the tests. As more students take the tests, and not just the top third or even the top half of the senior class, average scores are almost always lower.
- ▬ In only half of the SREB states are 80 percent or more of the freshmen entering public four-year colleges ready to do college-level work. While fewer states could make that claim 10 years ago, progress toward this goal is slow.
- ▬ Large percentages of students entering two-year colleges need remedial help. For example, the percentage of two-year college freshmen assigned to remedial mathematics courses ranges from a low of 30 percent in one state to a high of just over 75 percent in another. But many of these community college students are returning to college years after leaving high school, and they understandably need remedial courses in mathematics and composition.
- ✚ Higher education agencies in every SREB state have policies that require institutions to assess student readiness for college-level work. Most state policies specify what assessments will be used to assign students to remedial or regular courses.
- ▬ Colleges and universities in SREB states provide reports about the performance of high school graduates in college, but faculties in schools and colleges are not using this information enough.

What do colleges and universities expect of entering freshmen?

Colleges and universities specifically require or strongly recommend that high school students complete at least four years of English, three years of mathematics (Algebra I or higher), three years of science (including at least one laboratory science), three years of social studies, and two years of a foreign language. They should also be computer literate. Fifteen years ago, less than 2 percent of high school graduates completed this curriculum; about 25 percent do now. Such a dramatic change in the courses students take should result in increases in scores on college admissions tests and declines in the percentage of students needing remedial instruction in college. These changes have occurred, but the improvements have not been dramatic. Why?

- Still only one-half of the high school graduates who go to college complete the rigorous college preparatory curriculum outlined above.

- Twice as many high school seniors take college admissions tests as complete a rigorous college prep curriculum.
- Many students enrolled in remedial courses are adults who have been out of school for years. Not surprisingly, they are not ready for college mathematics or composition.
- Several states have changed how they assess readiness for college-level courses and have set standards. In these states, all institutions must use these standards or set higher ones. These actions placed students in remedial courses who would have gone into college-level courses had the standards not been raised.
- States have improved their information gathering and reporting systems and are getting more accurate information on remedial instruction. The more widespread use of standards and better information systems have identified larger numbers of students who need remedial courses.

What do we know about which courses students are taking?

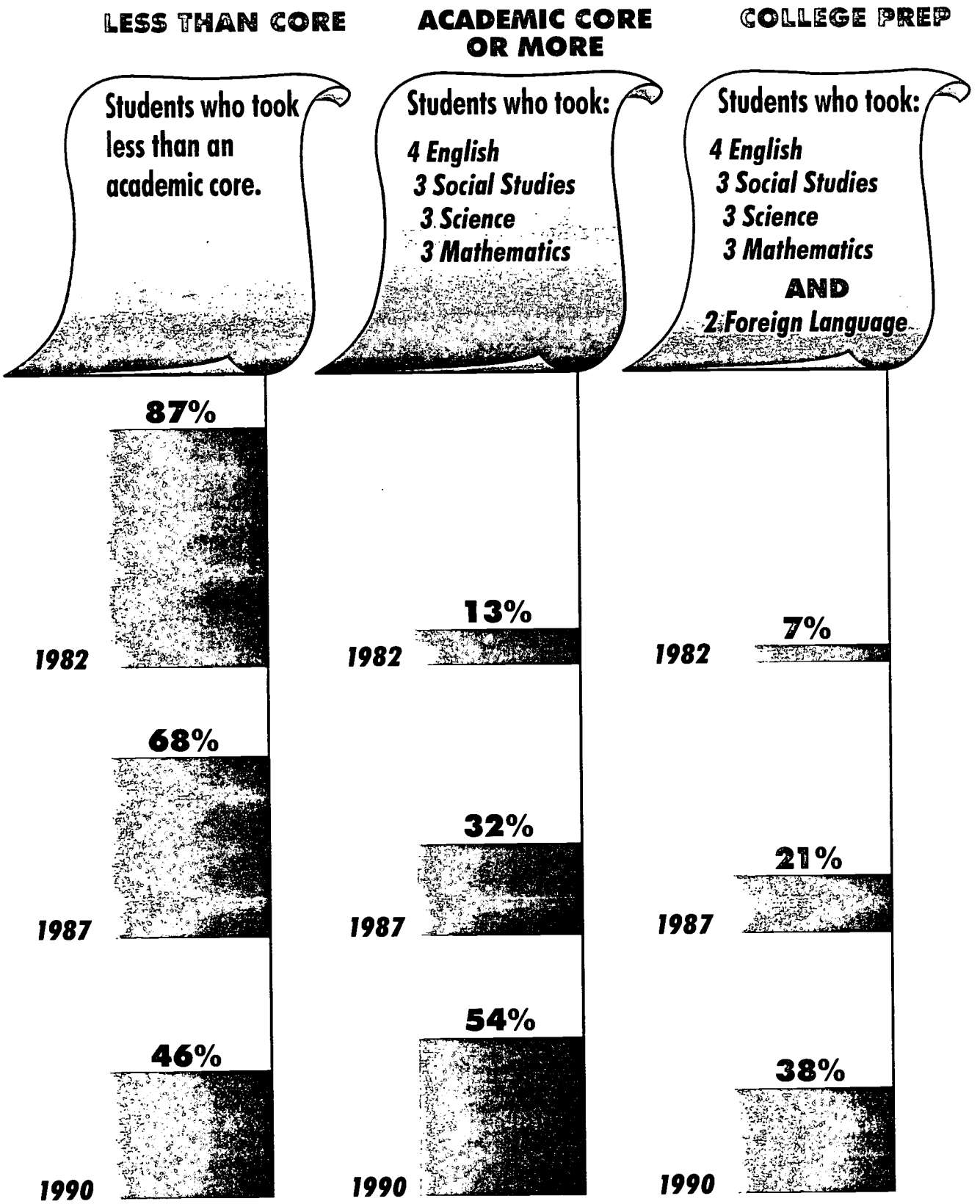
Most states do not know how many students have taken Algebra I by the 10th grade. Why is this important to know? Students who don't complete Algebra I by the 10th grade won't be able to complete enough mathematics in high school (Algebra II, geometry and trigonometry) to meet the prerequisites for freshman college-level mathematics. Today only about four of 10 high school graduates who attend college have taken the courses to prepare them for a college-level mathematics course. It should come as no surprise that one-third or more need remedial mathematics when they enter college. In fact, it is surprising that the percentage needing remedial mathematics is not higher.

No one should be surprised that high school seniors who have taken more challenging courses generally score higher on college admissions tests than those who do not. The encouraging news is that today, in every SREB state, a large percentage of students who take national college admissions tests (the ACT and SAT) complete a college preparatory curriculum. Average scores on college admissions tests are as high or higher in every SREB state than they were five years ago. More important, more students from the SREB region are scoring in the top quarter on these national tests and fewer are scoring in the lowest quarter.

In fact, there are greater differences between average ACT and SAT scores for students taking the core curriculum and those not taking the core curriculum within each state than there are differences among state averages or between state and national averages. For example, the average combined SAT score for all high school seniors taking the test in South Carolina is 66 points below the national average. Within South Carolina, the average score for students who took less than 15 core courses was 150 points lower than those who took 15 or more core courses.

ARE STUDENTS READY FOR COLLEGE?

Credits Earned by High School Graduates in the South



*South includes SREB states, Delaware, and the District of Columbia.
Source: National Center for Education Statistics, "The 1990 High School Transcript Study Tabulations: Comparative Data on Credits Earned and Demographics for 1990, 1987, and 1982 High School Graduates," April 1993.

How do colleges assess readiness for college-level work?

Arkansas, Florida, Georgia, Louisiana, Mississippi, Tennessee, Texas and West Virginia specify what assessments will be used to assign students to regular or remedial courses. South Carolina is scheduled to do so in 1997. Except for Louisiana, these states also specify a performance level which students must meet to be assigned to regular courses. Institutions may set a higher standard, but not a lower one.

Few states have established statewide standards to assure that students who are assigned to remedial courses are ready for college-level courses. Florida, Georgia, Mississippi, Oklahoma, Tennessee and Texas have established standards.

Public colleges and universities in SREB states provide high schools with reports on how prepared their graduates are for college. Reports include the number of students placed in remedial courses and the grades students make in remedial and college-level courses. This information can enable faculty in colleges and schools to focus on the successes and problems in college preparatory courses. Unfortunately, little use is currently made of this information.

What actions are states taking to improve readiness for college?

A variety of initiatives to improve readiness for college is underway in SREB states. All SREB states have done at least one of the following:

- developed college-to-school reporting systems that inform schools about the performance of their graduates in college;
- established programs that encourage students in middle schools to take challenging courses that will prepare them for college;
- encouraged the development of alliances between school and college faculties to share resources and ideas to improve instruction;
- raised standards for admission to four-year colleges;
- developed tech-prep curricula;
- established requirements to determine when students have successfully completed remedial courses.

Oklahoma's State Regents developed a comprehensive plan to improve student readiness for college that includes providing schools with an evaluation of student preparation, informing students and parents about college preparation, and improving the links between public schools, technical education and higher education. The regents also formed curriculum committees and identified for high school students, their parents, teachers and counselors the skills and content competencies needed for adequate college preparation. The plan also encourages high school and college faculty to conduct regular reviews

of high school and college curricula and urges them to use technology to promote interaction between colleges and schools.

In addition to revising placement testing and requirements for passing remedial courses, Florida now requires students who take a remedial course more than twice to pay the full cost of the course. Florida students may take college placement tests in 10th grade to learn how well they are prepared for college mathematics or composition. Then they can use their junior and senior years to get ready.

How can we further improve students' readiness for college?

We know more high school students are enrolled in English, mathematics, sciences and social studies courses. We are less certain about what they are learning in these courses. To insure that students are more prepared for college, at least two things need to happen: (1) Schools and colleges need to work together to be certain that college prep and tech prep curricula are appropriate and challenging and that performance standards for students are high enough. More college and school faculties need to jointly review academic course content and discuss what college readiness means. (2) Schools and colleges should work together to develop ways to use information already available. Colleges and universities in most states are providing information to high schools about the freshman year performance of their graduates, but too little is being done with the information.

VOCATIONAL EDUCATION

BY THE YEAR 2000—

Significant gains will be achieved in the mathematics, sciences and communications competencies of vocational education students.

Competencies in communications, mathematics and sciences are fundamental to preparing young people for further learning *and* employment after graduating from high school. Too few high school graduates complete rigorous courses that prepare them well for college and for work. Too few vocational programs place a high priority on developing academic skills that high school graduates need for further learning. SREB states are attacking these problems by making important changes in vocational studies—and in some schools, like those in the SREB's *High Schools That Work*, students are making significant gains.

Almost a decade ago, SREB, in partnership with states and local participating high schools, began a long-term effort to teach a more demanding and intellectually challenging curriculum to career-bound high school students. The goal was to blend the essential content of traditional college preparatory studies—mathematics, science and language arts—with quality vocational studies by creating conditions that support schools in carrying out certain key practices.

The SREB-state partnership has proved that career-bound students, regardless of socioeconomic background, can achieve at significantly higher levels when they are supported by the school and the community. When high schools persist in teaching these students a demanding curriculum, four of five complete it.

SREB's *High Schools That Work* now includes over 550 high schools—up from 40 just a few years ago. Designed to raise the academic achievement of vocational students preparing to enter the labor force or continue their education after high school, *High Schools That Work* sites expect vocational students to complete a vocational concentration and an academic core consisting of language arts, mathematics and science courses that have content similar to college preparatory courses. Students in *High Schools That Work* who complete SREB's recommended curriculum score higher on academic skills tests than students in less-challenging academic and vocational courses.

Several SREB states have eliminated the "general" curriculum and now require all students to complete either a tech prep or college prep curriculum. More schools are working with employers to improve the quality of work-based learning. These are important steps, but states need to increase their efforts to improve the academic and technical preparation of vocational teachers. And they need to measure results. Except for those schools in SREB's *High Schools That Work*, there is little information about the success of changes in vocational and tech prep programs and whether the competencies of vocational students are improving.

VOCATIONAL EDUCATION

How are we doing?

- Most SREB states have raised standards for career-bound students. The changes include:
  - increasing requirements in mathematics and science;
  - requiring students to select a vocational concentration of several related courses;
  - defining more clearly the credits required for a vocational diploma;
  - establishing standards for vocational courses and for student performance.
- Most SREB states have eliminated the high school general curriculum, at least in name. The challenge is to actually have students complete a rigorous curriculum of college prep courses or an upgraded academic core and vocational major.
- Most SREB states are encouraging high school teachers to incorporate real life applications of theoretical concepts into science and mathematics courses. Some mathematics and science courses are taught through applied methods, but the goal must be to teach these courses to college preparatory standards.
- Most states are conducting follow-up studies to determine what percentage of vocational students enters two- and four-year colleges, jobs related to their vocational studies or the military.
- SREB states report that many vocational students continue their education immediately following graduation from high school. All SREB states are attempting to connect vocational and technical programs in high schools with technical colleges and work sites to create formal programs for career-bound students. Some have state-level councils with representatives from business and industry as equal partners.
- Evidence from SREB's *High Schools That Work* suggests students who take a challenging vocational-technical program can achieve as well as many of the students in college prep programs, but too few states have information on how students completing different curricula compare in state testing results.
- Few states have made changes in licensure requirements for vocational teachers that would result in improving their academic and technical preparation.

What actions will better prepare students in vocational programs?

States and schools are using the Key Practices of SREB's *High Schools That Work* to guide schools and classrooms toward getting higher performance from students in vocational programs. *High Schools That Work* focuses on introducing high-level content into the vocational curriculum.

Teaching higher-level content means that students in vocational programs complete an academic core and a major. An increasing number of states do require vocational students to complete more mathematics and science classes. Few states have stipulated that these students must complete a majority of their credits in language arts, mathematics and science classes that have higher performance standards.

All states have developed initiatives that connect high schools, community and technical colleges and the workplace. Most current work-based learning programs need to be upgraded to include:

- a series of increasingly complex activities that students must complete;
- experiences that enable students to learn about an industry or business setting;
- work site mentors for participating students;
- school instruction that is related to work site learning;
- a mid-course assessment that identifies deficiencies in academic and technical skills;
- a final assessment that forms the basis for awarding a credential that will be recognized by employers.

Are vocational students showing gains in mathematics, science and communications competencies?

Most states do not know how the academic performance of students who complete vocational programs compares with that of students completing college preparatory programs. Five states (Alabama, Florida, Kentucky, Texas and Virginia) collect some information that can help them chart the progress of their schools in this area. No state knows how many of its students complete a vocational program with the required number of credits—four in English, three in mathematics and three in science—from truly challenging courses.

SREB's 1994 *High Schools That Work* Assessment and Transcript Study of 12,000 seniors completing several related vocational courses confirmed that student achievement is influenced by school and classroom practices. What is taught and how it is taught *does* make a difference in what students learn. Vocational students who take more challenging English, mathematics and science courses have higher achievement than do similar students who do not take such courses. Test scores, transcripts and interviews show that students enrolled in vocational studies have higher

Key Practices of *High Schools That Work*

- Setting higher expectations and getting career-bound students to meet them.
- Increasing access to challenging vocational and technical studies, with a major emphasis on using high-level mathematics, science, language arts and problem-solving skills in the context of modern workplace practices and in preparation for continued learning.
- Increasing access to academic studies that teach the essential concepts from the college preparatory curriculum through functional and applied strategies that enable students to see the relationship between course content and future roles they envision for themselves.
- Having students complete a challenging program of study with an upgraded academic core and a major. An upgraded academic core includes at least four years of college preparatory English and three years each of mathematics and science, with at least two years in each area equivalent in content to courses offered in the college preparatory program. The major includes at least four Carnegie units in a career or academic major and two Carnegie units in related technical core courses.
- Providing students access to a structured system of work-based and high-status school-based learning—high school and postsecondary—collaboratively planned by educators, employers and workers and resulting in an industry-recognized credential and employment in a career pathway.
- Having an organizational structure and schedule enabling academic and vocational teachers to have the time to plan and provide integrated instruction aimed at teaching high-status academic and technical content.
- Having each student actively engaged in the learning process.
- Involving each student and his/her parent(s) in a career guidance and individualized advising system aimed at ensuring the completion of an accelerated program of study with a career or academic major.
- Providing a structured system of extra help to enable career-bound students to successfully complete an accelerated program of study that includes high-level academic content and a major.
- Using student assessment and program evaluation data to continuously improve curriculum, instruction, school climate, organization and management to advance student learning.

academic achievement when they are expected to do more, when their parents are involved, when the school advising system is strong, and when they are actively engaged in learning.

Other information strongly suggests that teachers' expectations of vocational students may greatly influence their achievement. For example, when graduates were asked about the rigor of their classes one year after completing high school, they said that their vocational classes should have more strongly emphasized communications, mathematics and science. They wished that they had been required to read and write more in their vocational classes.

A story of low demands and performance emerges when we learn that the majority of all teachers surveyed said that frequently their vocational students did not exhibit the ability to write very well. Yet nearly half of the teachers said that they only gave one or two writing assignments in a typical month. The majority of vocational teachers also indicated that they could recommend as "highly qualified" to an employer less than half of their seniors completing a series of related vocational courses.

SREB's information suggests that the system of school and classroom practices, students' goals, and community and parental involvement must change if vocational students are to learn more. Most states do know the percentage of their high school graduates who complete vocational programs and enter postsecondary institutions, yet they do not know what percentage of those students are well prepared. States need better information about the schools, classrooms and work experiences of vocational students. States cannot measure their progress in preparing vocational students for further learning until they collect this information.

COLLEGE ATTENDANCE

BY THE YEAR 2000—

The percentage of adults who have attended college or earned two-year, four-year and graduate degrees will be at the national averages or higher.

SREB states have made dramatic progress in providing access to college and could close the historical gap in college attendance rates between the South and the nation by the year 2000.

Traditionally, Southerners were much less likely to attend college than other Americans. But by 1993, 48 percent of young adults in the South had attended college—up from 41 percent in 1985. Over that same period, the national rate increased from 46 to 51 percent.

Among different racial and ethnic groups, however, the news about college attendance is less encouraging. Large gaps persist. Although higher percentages of blacks and Hispanics have attended college today, their college-going rates are about two-thirds that of whites.

Across the entire population, SREB states have not matched their progress in providing access to college with similar progress in college *completion.* Only two SREB states, Maryland and Virginia, outpace the nation in the percentage of adults with associate's and higher degrees. Maryland, Texas and Virginia are the only SREB states above the national average in the proportion of adults who have bachelor's or higher degrees. Georgia and Oklahoma are close.

Students who progress through college at a reasonable speed are most likely to complete their degrees. Florida and North Carolina are addressing this issue by getting tougher about the pace of academic progress. However, at many four-year colleges and universities in the South and throughout the nation, less than 40 percent of full-time freshmen graduate within six years. The percentage of those who enter two-year colleges and graduate within six years is lower still.

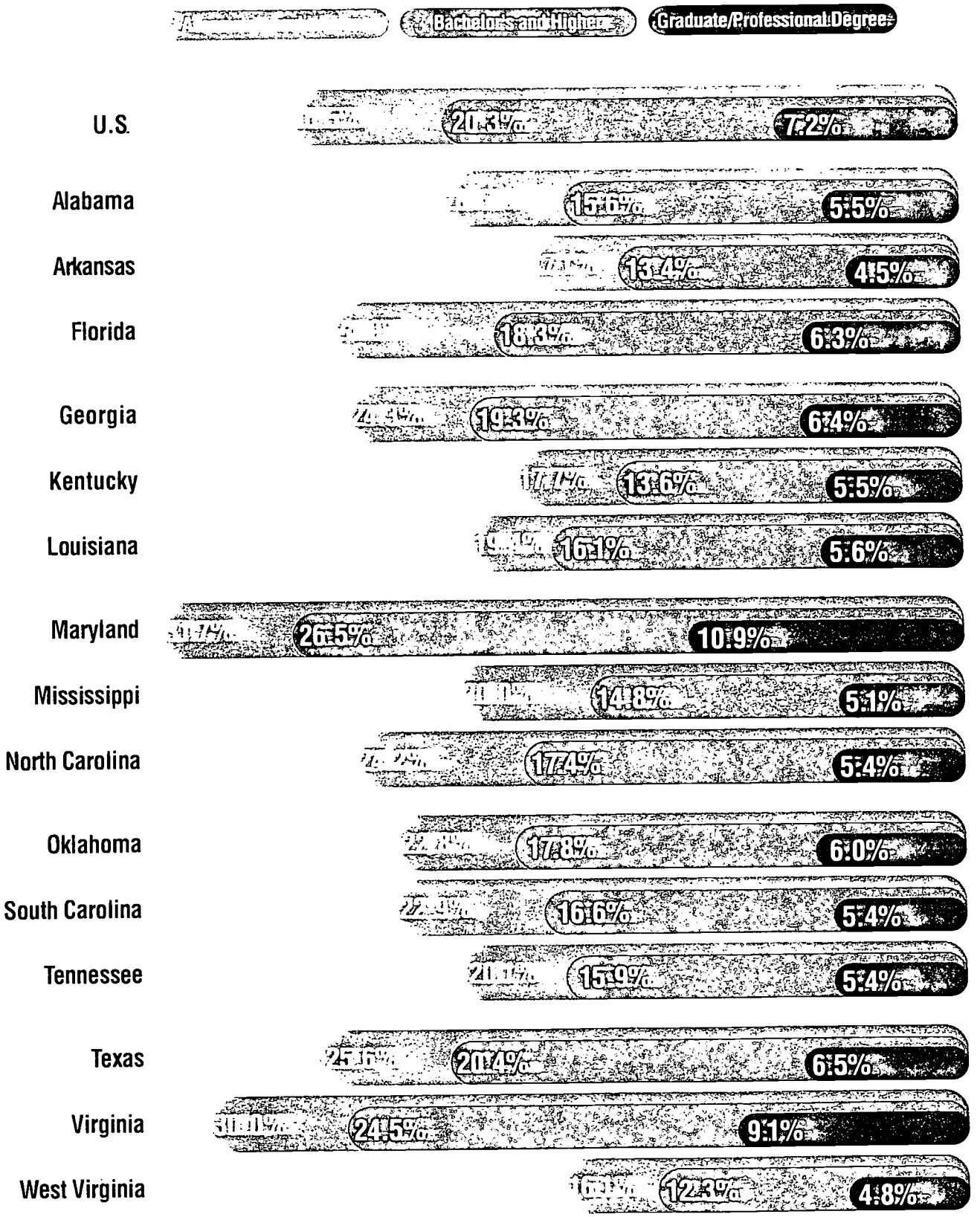
Institutions can improve college completion rates significantly by making sure that when they admit students who are not fully prepared (many of whom are adults returning to college) there are quality remedial programs to bring them up to speed. Many more students might earn bachelor's degrees if more two- and four-year colleges align similar programs of study to eliminate unnecessary hurdles for students who transfer. And all colleges and universities need policies that encourage students to complete their degrees in a timely (and cost-effective) manner—and to insure that the credits required for a degree are reasonable and appropriate, and that required courses are regularly available.

How are we doing?

- Nationally, about 54 percent of high school graduates enter college within a year after completing high school. So do more than 50 percent of the high school graduates in Alabama, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, Texas and Virginia.
- The gaps among citizens of different races and ethnic groups in college attendance and graduation rates are smaller than they were in the 1980s, but they have not narrowed since 1990 and remain too large. In the SREB region, 51 of 100 white adults, 37 of 100 black adults, and 33 of 100 Hispanic adults have attended college for one or more years.
- Young adults in the South are more likely to attend college now than 10 years ago. The percentage who completes one or more years of college is seven points higher than in 1985. The five point gap between attendance rates in the South and the nation has closed to three points. Forty-eight of 100 young adults in the SREB region complete one or more years of college; 22 of 100 complete four or more years of college. Nationally, 51 percent complete one or more years of college and 24 percent complete four or more years. These "small" gaps represent hundreds of thousands of adults who would have college degrees if the South had reached the national average and gained a level playing field in collegiate education.
- The percentage of students in the nation and in SREB states who complete degree programs within six years of entering a college has not changed significantly since the late 1980s. Nationally, about 55 percent of those who enter four-year colleges and universities complete a degree within six years. Among SREB states, the six-year graduation rate ranges from 35 to 59 percent at public four-year colleges. Rates are lower for black and Hispanic students than for white and Asian students.
- Nationally, about 22 percent of students who complete at least 12 units of credit at two-year colleges transfer to four-year colleges and universities. Among the six SREB states that calculate transfer rates in this manner, the rates range from 16 to 30 percent.
- More SREB states now have comprehensive systems to collect and analyze information about students' progress through public colleges and universities.
- In the last two years, more than half of the SREB states have examined policies on student transfer, student progression, the number of courses it takes students to earn a degree and graduation requirements. Several are implementing changes in their policies and practices to make higher education work better for students.

HOW MANY ADULTS HAVE COLLEGE DEGREES?

(Persons Over 25 Years Old)



Source: U.S. Department of Commerce, Bureau of the Census, Decennial Census, April 1990 (June 1993).

What can states do to increase college attendance and completion rates?

Increasing the percentage of adults who attend and complete college is not a job for colleges and universities alone. The first step is to increase high school graduation rates and to improve the achievement of students taking a college preparatory curriculum. Colleges and schools must work together to insure that high school graduates are prepared to move to the next level. Today, too few high school students complete a rigorous college preparatory curriculum.

Second, states need quality remedial programs to bring unprepared students up to speed. Many of these students are adults returning to college. In one SREB state, 6,500 freshmen at public colleges and universities were placed in remedial mathematics. Only one of six of these students successfully completed the remedial program and passed a college-level mathematics course. This example raises obvious questions: On what basis are students being admitted and placed into remedial programs? What kind of instruction do students receive in these programs? What can be done to improve the success rates of remedial courses?

Third, states need to consider policies that make transferring college credits a predictable and do-able process for students. These include:

- a common core of general education/ liberal arts courses that are accepted by all public two- and four-year institutions;
- a common academic calendar for public two- and four-year colleges;
- transfer manuals and guides readily available to students;
- staff at both two- and four-year colleges who are assigned the responsibility of making the transfer process work;
- early notification to students of which credits will transfer and how they will count toward graduation and degree requirements;
- common course-numbering systems for two- and four-year colleges and universities;
- statewide committees with representatives from two- and four-year colleges to regularly review policies and hear appeals from students or institutions when policies do not seem to have been applied appropriately.

Several SREB states passed laws in 1994 and 1995 aimed at helping students transfer between two- and four-year colleges. Oklahoma's legislature expressed its intent that credits earned at a state college be fully accepted at any other higher education institution in the state. Louisiana's Board of Regents has been charged with devising a plan to ease student transfers between institutions and to develop a common core curriculum and a common course-numbering system. Legislation in Alabama, Florida, North Carolina, South Carolina and Tennessee also addresses transfer issues.

Fourth, colleges and state boards of higher education need to establish policies that encourage students to complete their programs within a reasonable time and to review degree programs and determine if

the number of credits required is appropriate. Florida has passed legislation that limits bachelor's degrees to 120 hours and associate's degrees to 60 hours. (Many degrees now exceed these limits). Institutions can obtain exceptions if they can justify why programs should exceed the limits. North Carolina requires students who exceed the number of hours required for an undergraduate college degree by 15 percent to pay the full cost of the additional courses they take. Texas has a similar policy for graduate students.

Fifth, states need to do more to attract minority students, particularly into graduate school, and to help them be successful. Some of the problems are:

- Black students account for 8 percent of enrollment in SREB states' graduate schools—down from 9 percent a decade ago.
- Hispanic students account for only 3 percent of graduate school enrollment.
- Of every 100 Ph.D.s awarded by universities in SREB states, only four are to black graduates.
- At public four-year colleges in the SREB region, black faculty comprise only 8 percent of the total and over half are at predominantly black colleges.

COLLEGE EFFECTIVENESS

BY THE YEAR 2000—

The quality and effectiveness of colleges and universities will be regularly assessed, with particular emphasis on the performance of undergraduate students.

In *Changing States: Higher Education and the Public Good*, the SREB Commission for Educational Quality reported on its conversations with citizens across the region. "We consistently found strong support for higher education, but we also found skepticism about the priorities of colleges and universities: whether teaching receives the emphasis it should; whether research is overemphasized or under-focused; whether big-time athletics skews institutional perspectives; whether ambitious administrators, faculty and supporters want to expand institutional missions beyond the state's real needs; and whether the people in charge of our colleges and universities really do all they can do to hold down costs."

To assure long-term financial support in highly competitive state budgets, higher education leaders must squarely face the public's questions about accountability and effectiveness. In return, as the SREB Commission said, "State leaders need to adopt the approach of cutting-edge corporations—set clear goals and measures of accountability, then provide the resources and flexibility that college and university leaders must have to get a maximum return on investment."

SREB states are doing a better job assessing the performance of public colleges and universities, although performance is still rarely linked to budgets or incentives. Institutions have also taken additional steps to assure quality—most notably by raising their expectations about the kinds of courses entering freshmen should have taken in high school. In most states, however, colleges and universities have not made systematic efforts to measure the success of individual courses or to judge how much students know and can do after completing the core freshman/sophomore curriculum. Too many institutions still operate on the assumption that courses taught by knowledgeable faculty "must be good," sometimes in the face of contradictory evidence—as in the case of one university whose alumni survey showed that nearly half its graduates rated their undergraduate education "fair" or "poor."

Assessments of what students are learning in the general education that is part of every student's degree program—assessments geared to institutionally developed standards—are important ways higher education can bring more quality control to its undergraduate programs. So are efforts to strengthen the teaching skills of undergraduate faculty and to assure that the rewards for excellent teaching match the rewards for excellent research.

How are we doing?

- ✚ Most SREB states are now issuing periodic accountability reports that include indicators of effectiveness. Many states have adopted legislation that identifies what kinds of information institutions must include in their reports.
- ▬ State higher education accountability reports need to do a better job of summarizing strengths and weaknesses and be presented more clearly.
- ▬ Too few states are reporting on what college students know and can do based on a common assessment used as a baseline by all institutions. In most SREB states, the criteria for measuring student achievement in general education are set by individual institutions if the criteria exist at all. Arkansas, Florida, Georgia and Tennessee have statewide testing programs for undergraduates at the sophomore level or higher.
- ✚ Six SREB states (Florida, Georgia, Mississippi, Oklahoma, Tennessee and Texas) have set statewide standards that students must meet to complete remedial courses. Institutions in these states must adopt those standards or higher ones. In other states, each institution sets its standards.
- ▬ In some states only a small fraction of students who begin in a remedial mathematics course ever passes a college-level mathematics course.
- ✚ Arkansas, Florida, Kentucky, Louisiana, Mississippi, South Carolina, Tennessee and Texas require institutions to set goals for the percentage of graduates who will pass licensure and certification examinations. State higher education agencies in most SREB states ask institutions to report the number of students taking and passing the examinations. These results are usually included in annual higher education accountability reports.
- ✚ In most SREB states, colleges and universities have established goals for increasing the percentage of students who continue from year to year and graduate. These plans usually include strategies for narrowing the gaps in the college graduation rates of different racial and ethnic groups.
- ✚ Several SREB states have established "achievement targets" for graduate programs that usually specify minimum numbers of students to be enrolled and numbers of degrees to be awarded.

Why do states need higher education accountability reports?

Most SREB states now require colleges and universities to report periodically on performance. State leaders want to know if and how colleges and universities are responding to the needs and concerns of students, local communities, industry and government.

Proponents of higher education accountability reports argue that the reports can provide useful information and

lead to more support. But many in higher education view attempts to get information that is consistent and comparable as a way to regulate institutions rather than as a means of assessing progress. There is also a fear that, even though patterns of attendance and learning are complex, the public will assess the quality of higher education based on a single indicator rather than a comprehensive set. Another question often raised is how the indicators called for in policies and legislation affect teaching and learning on individual campuses.

More states are becoming interested in linking the accountability indicators to budgets. Linking performance to budgets raises the stakes and places even greater importance on agreements that must be reached between leaders in education, business and government about a comprehensive set of indicators that meets external accountability needs and helps to improve teaching and learning on individual campuses.

Annual higher education reports on measures of performance include information about:

- enrollment;
- degrees awarded;
- faculty teaching loads;
- graduation and retention rates;
- student performance on professional licensure examinations and on entrance examinations to graduate and professional schools;
- percentages of entering students taking remedial courses;
- results from surveys of alumni and employers.

Many of the "accountability indicators" specified in legislation or higher education board policies are used to monitor progress toward improving graduation and retention rates and increasing minority student enrollment. The higher education reports can raise more questions than they answer. For example, in one such report, the results of a survey of alumni to assess their level of satisfaction with their undergraduate education showed that almost half of the alumni rated overall instruction at their college as "fair" or "poor." Many would conclude that the institution needs to pay attention to this matter—but the narrative accompanying the table in which the data are presented does not acknowledge the problem. Often the reports let charts and tables "answer" questions but lack summary statements to help the reader interpret the information.

How should colleges and universities assess undergraduate education?

There is no agreement among institutions or states about how to assess what college students know and can do. Most assessments of undergraduates are conducted by their institutions, and few colleges and universities use the same ones. All students in Florida must pass a test to take junior and senior courses at its public universities. Georgia requires all students in the university system to pass examinations in writing and reading before graduating. All seniors at Tennessee's public

colleges and universities take a national examination. Arkansas is using a national examination to evaluate the general education core curriculum. In other states where formal assessment of student learning is required, each institution chooses how it will assess students.

Most higher education agencies in the SREB states collect information about the proportion of students taking and passing state and national certification and licensure examinations. Results of these examinations are used by state higher education agencies when they review, approve or eliminate degree programs.

Which states link assessments and accountability to budgeting?

Few states link assessments of college and university effectiveness to budgets. Tennessee has had a performance funding program since the early 1980s that now applies to 5 percent of the budget. In 1995, Arkansas and Kentucky began tying a small portion of higher education funding to performance. Florida is planning a performance-based incentive system. The University System of Georgia and the University of North Carolina General Administration are studying performance and incentive funding models. Oklahoma has implemented a resource allocation model based on performance indicators.

Recent higher education accountability legislation in several SREB states goes beyond specifying indicators.

- In Arkansas, legislation has established incentives for colleges and universities to merge administrative functions for more efficient management.
- Florida's 1995 Appropriations Act established an Instructional Performance Incentive Fund that requires universities to establish targets for graduation rates, for reducing the average number of credit hours attempted above those required for a degree, for increasing the number of bachelor's degrees per faculty number and for increasing the percentage of students graduating in programs requiring 120 semester credits.
- South Carolina's 1996 legislature passed America's most ambitious performance funding legislation and set a three-year timetable to develop and implement a higher education funding plan that will seek to do what has been talked about for years but never accomplished—to move away from funding based overwhelmingly on student enrollment.
- Virginia's General Assembly required all public colleges and universities to adopt plans to be approved by the Council of Higher Education to "effect long-term changes in the deployment of faculty, ensure the effectiveness of academic offerings, minimize administrative and instructional costs, prepare for demands of enrollment increases and address funding priorities." Colleges and universities in Virginia have eliminated low-productivity programs and reduced administrative costs by cutting positions, reorganizing and

introducing technology. Many of the services once provided by institutions (including food services, bookstores and student housing) are now handled by private contractors on many campuses. In a related move, a coalition of business leaders successfully lobbied legislature to restore funds to higher education budgets as colleges and universities restructured and responded to Virginia's needs for a highly educated workforce.

- West Virginia legislation requires colleges and universities to set goals and develop strategic plans. Future funding and tuition increases will be tied to progress toward the goals.

Higher Education Accountability And Assessment Reporting

	Annual Comprehensive Accountability Report	Assessment of Student Learning Required	Report on Goal Progress as Part of State Plan	Budget Connection
Alabama	No	Recommended by state agency; being developed	No	No
Arkansas	Legislative requirement	Yes	Being incorporated	Yes
Florida	Legislative requirement	Yes	Yes	Yes
Georgia	Incorporated in planning process	Yes	No	No
Kentucky	Legislative requirement	Yes	Yes	Yes
Louisiana	Legislative requirement	Entry-level placement	Yes	No
Maryland	Incorporated in master plan	Yes	Yes	Yes
Mississippi	No	Under consideration	Under consideration	No
North Carolina	Legislative requirement	Yes	Yes	Under consideration
Oklahoma	Incorporated in master plan	Yes	Yes	Yes
South Carolina	Legislative requirement	Yes	Yes	Yes
Tennessee	Legislative requirement	Yes	Yes	Yes
Texas	Legislative requirement; incorporated in planning and budgeting	Yes	Yes	Indirect
Virginia	Incorporated in master plan	Yes	Yes	Indirect
West Virginia	Legislative requirement	Yes	Yes	Indirect

Source: SREB Benchmarks survey of state higher education agencies, 1995.

TEACHER EDUCATION

BY THE YEAR 2000—

All institutions that prepare teachers will have effective teacher education programs that place primary emphasis on the knowledge and performance of graduates.

States are raising expectations about what students should know and be able to do. But are they also raising expectations for what teachers know and can do? While there are some exemplary teacher preparation programs across the South, they are still the exception—most often the result of a determined band of reformers, not a state policy to improve the quality of teaching.

The best measure of a state's interest in any reform is the money and attention lawmakers and education leaders give to the issue. By that measure, reforms in teacher preparation, licensure and professional development are not high priorities in most states—despite aggressive state efforts to hold schools and teachers more accountable for results.

Better teacher education and development may be one of the largest educational reform challenges now facing the SREB states as they ask schools and local districts to make more decisions about teaching and learning.

If student achievement is going to improve, teachers need to master new skills and improve their teaching practices. Teachers need to be effective members of a team because they no longer teach just one subject behind closed doors; now they often work closely with other teachers and principals on school-wide projects, applied academic classes and inter-disciplinary lessons. Teachers also need to know more about their subject matter, how to link research and practice, and how to effectively use technology.

As schools serve an increasingly diverse population and become more involved with parents and family services, the demands on teachers will continue to grow. Young or old, inexperienced rookies or seasoned veterans, teachers cannot be expected to survive—much less prosper—without high quality training and professional development.

States must broker better agreements among colleges and schools to find the best ways to prepare and continue the development of teachers. Colleges and universities that fail to revitalize their programs by creating more opportunities for teacher candidates to train in actual school settings and to increase content knowledge in rigorous arts and sciences courses should not be in the teacher preparation business. State legislators and college presidents are among the key leaders who can set this kind of standard.

SREB states have invested in recruiting more minority teachers, but the news is not good. The trend is worsening in most states, with fewer minority students in the training pipeline and minority teachers retiring. Efforts must be intensified and focused not only on new college graduates but on recruiting minority teachers from other careers.

No single path for becoming a teacher will meet the demand for an adequate supply of quality teachers. Licensure that demands high performance needs to be in place with multiple paths to meet those standards.

How are we doing?

- Teacher licensure standards are too low. State efforts to redefine what teachers need to know and be able to do are promising. However, if standards for licensure continue to be low, the new efforts are not likely to lead to better prepared teachers.
- Teacher supply and demand results in nine SREB states show balances or small statewide shortages (2 to 6 percent) in some states over the next five years. This means states can give more attention to improving teacher preparation programs and getting more highly qualified teachers into classrooms.
- Teachers in the SREB region are increasingly female and white. In the SREB states 21 percent of the teachers are males compared to 27 percent nationally. Nineteen percent of teachers are racial and ethnic minorities compared to 33 percent minority student enrollment in the SREB region.
- State policies and district hiring practices to recruit and retain minority teachers are not producing significant results. Many SREB states are not hiring as many minority teachers as leave each year.
- Alternative certification and other paths for entering teaching, including those for adults who change careers, are promising ways to increase the percentages of minority and male teachers.
- More efforts are needed to redefine and fund continuous learning for teachers and principals. About 95 of every 100 teachers remain in teaching from year to year. A majority of today's teachers may be in the classroom 10 years from now. Teachers need to learn and demonstrate more knowledge and skill in using technology.
- Colleges, universities and schools have barely tapped the partnerships needed for preparing teachers. Schools should be the place for learning about teaching practices—not the college classroom. Professional development schools are one promising strategy.
- More states are recognizing that a one-size-fits-all assessment strategy does not work for evaluating beginning and experienced teachers and principals.

How can states assure teacher quality?

Problems with state policies to assure teacher quality through licensure are twofold. Present teacher licensure focuses on minimal expectations, and substantial numbers of students are taught by teachers who have little academic preparation in a subject. In the 1980s, SREB states incorporated performance into teacher licensure through knowledge tests and on-the-job evaluations. However, the minimum standards on teacher tests are so low as to be almost meaningless. While initial licensure standards should focus on essentials for beginning practice, states should reexamine standards. Currently, most states that use nationally normed tests are setting

Percent of Mathematics Teachers with Major in Assigned Field Grades Seven through 12, 1991

United States	61
SREB States *	62
Alabama	84
Arkansas	58
Florida	48
Georgia	75
Kentucky	66
Louisiana	49
Maryland	61
Mississippi	61
North Carolina	70
Oklahoma	–
South Carolina	–
Tennessee	45
Texas	–
Virginia	59
West Virginia	73

* The SREB average does not include Oklahoma, South Carolina and Texas because data are unavailable.

Source: National Center for Education Statistics, Schools and Staffing Survey.

passing scores between the second and 15th percentile. A passing score at the 15th percentile means that only 15 percent of all persons in the nation who take the test score lower. Does such a low standard for teachers make sense when the standards for student achievement are being raised? As states phase in higher standards for students, the standards for teacher licensure should be reviewed.

Too many students are taught by unprepared teachers. For instance, states have set new mathematics standards that have been guided by the National Council of Teachers in Mathematics. New standards on what students know about mathematics mean that teachers will need even more in-depth knowledge. A national report shows that in the SREB states 45 to 84 percent of mathematics teachers in grades seven through 12 majored in mathematics or mathematics education, compared to 61 percent nationally. Minority students were less likely to be taught by the teachers with a mathematics major. Forty-seven percent of mathematics teachers who taught classes with high minority enrollments (above 40 percent) were mathematics majors in college; in mathematics classes with less than 10 percent minority students, 62 percent of the teachers were mathematics majors.

A National Assessment for Educational Progress study reviewed six content courses recommended for teacher preparation

Percent of Eighth Graders Taught by Teachers Who Had Mathematics Courses in Less Than Three Content Areas of The Mathematics Standards, 1992

United States	26
SREB States	24
Alabama	17
Arkansas	16
Florida	24
Georgia	29
Kentucky	27
Louisiana	30
Maryland	24
Mississippi	27
North Carolina	31
Oklahoma	24
South Carolina	25
Tennessee	37
Texas	21
Virginia	16
West Virginia	16

Source: National Center for Education Statistics, Data Compendium for the NAEP 1992 Mathematics Assessment of the Nation and the States.

by the National Council of Teachers in Mathematics—number systems, measurement, geometry, statistics, abstract algebra and calculus. Nationally, 48 percent of eighth grade students had mathematics teachers who completed the course work in five or six of the recommended content areas. In SREB states, 35 to 50 percent of the mathematics teachers were this well prepared. In two-thirds of the SREB states, at least 20 percent of the eighth grade students were taught by teachers with zero to two of the recommended six courses.

The good news is that many SREB states now require undergraduate programs to prepare teachers within an academic discipline or inter-disciplinary major. Maryland is emphasizing Professional Development Schools—school experiences for every teacher with the realization that learning about teaching in a real school situation is better than learning about teaching in a college classroom. In the future, The National Board for Professional Teaching Standards will tell us which teachers are interested in obtaining higher credentials, and which ones meet higher standards. So far 327 candidates from SREB states have started the process and 88 have received the credential. The National Board Certification charge to the teachers is sizable, about $2,000. Florida, Georgia, Kentucky, Mississippi, North Carolina and Oklahoma are providing incentives for teachers to work for the credential by paying the test fee or by rewarding teachers who meet the standard.

What changes in teacher education are taking place?

New efforts in teacher licensure and teacher education in several states are encouraging. Common actions include the following:

- New standards for teachers are being developed by a broad consensus of higher education and elementary educators, lay citizens and policymakers.
- Teacher licensure is being driven by meeting higher performance standards, rather than a license defined by a "path of preparation" or a collection of courses.
- Flexibility for licensing and teacher preparation provides a variety of career paths for teachers. These paths can attract new college graduates as well as persons changing careers such as retired military personnel.
- Recognition that assessments to determine teachers' performance should move from what states call "essential" to "accomplished." No one assessment will work for those just beginning a career and for those with experience. Teachers should begin their careers with what states call "essential" skills and develop into "accomplished" professionals.
- New efforts by colleges, universities and schools are being made to prepare prospective teachers in real classroom situations. Professional Development Schools are an example.

All state reforms in the 1990s have focused on improving student learning, yet

All state reforms in the 1990s have focused on improving student learning, yet few states use student learning as part of teachers' evaluations. The idea that teachers need to continue to learn throughout their careers—especially if they are to improve student performance—is not generally understood or accepted. The small amount of time and money devoted to professional development attests to this situation. Only a few states have comprehensive plans to link professional development with reforms in schools.

Results from the SREB Teacher Supply and Demand studies show that while shortages of 2 to 6 percent are projected in several states in fields such as mathematics, science, foreign languages and special education, no large statewide teacher shortages are projected for the near future. Some shortages will occur in geographic areas within states. States are using information from these studies to look at the effects of changing standards for teachers. This investigation is timely since the supply and demand situations in most states offer opportunities to raise standards at a time of relative stability in supply and demand.

What else do the teacher supply and demand studies tell us?

- The teaching force is increasingly composed of white females. States are not making headway in recruiting and retaining minority or male teachers. Fewer black teachers are in the schools than five years ago.
- The South Carolina teacher recruitment efforts started in the 1980s appear to be paying off. South Carolina is the only SREB state where the percentage of new teachers who are minorities is greater than the percentage of current minority teachers.
- Many more women are moving into administrative ranks in schools where they have long been underrepresented.
- In Kentucky, Oklahoma and Tennessee, teachers, principals and superintendents left public education at slightly higher rates immediately after comprehensive reform legislation was passed, but the "normal" attrition rate returned very quickly.
- Some 50 to 60 percent of bachelor's degree graduates in teacher education are employed within five years in public schools in their home states. Three-fourths of these enter within one year of graduation.

SREB's teacher supply and demand studies have focused on the pipeline from college into teaching and not on the quality or hiring practices of districts. As states change standards for teacher preparation and licensure, additional information on the qualifications of those hired would enable state policymakers to understand supply and demand not only in terms of numbers, but in terms of how qualified new teachers are.

SCHOOL EFFECTIVENESS

BY THE YEAR 2000—

All states and localities will have schools with improved performance and productivity demonstrated by results.

Ultimately, education reform happens classroom by classroom. Recent legislation in many SREB states recognizes schools as "where the action is." States are reducing regulation, increasing school and district flexibility, and establishing a system of checks and balances that is critical to assure quality and accountability across entire state systems of schools.

Several SREB states have passed charter school laws that offer varying degrees of administrative and curriculum independence to those seeking charters. "Home rule" districts also give school superintendents and school boards the authority to make many of the decisions that were once heavily influenced by state regulations.

This transfer of more responsibility for education reform to local schools and school systems demands effective leadership at the local level. New programs and techniques are needed to successfully develop leadership skills and overcome skepticism about leadership instruction. States will make a big mistake if they shift authority for school reform to local schools without providing for the building of local leadership capacity, especially among principals. After all, good principals are critical to improving school performance.

Alton C. Crews, a veteran educator with more than 30 years' experience as a superintendent often says "show me a good school and I'll show you a good school leader." As director of the SREB Leadership Academy, he has developed an innovative program to help states improve education at the local level. The program builds teams of school and district leaders who tackle complex problems like low reading levels and high dropout rates by setting goals and planning for improvement.

It is important to provide local schools and teachers with flexibility, but there needs to be a balance between state accountability and local control. Increasingly, states are using performance measures to establish goals, assess progress, apply sanctions and provide rewards. At a minimum, state leaders should establish standards and goals that students and schools achieve or make progress toward. Principals and teachers can then be given maximum flexibility to meet the standards and be held accountable for results.

How are we doing?

- All SREB states now issue report cards on public schools. Only eight did in 1990. These reports provide state and district results, and nearly all include information on individual schools. The aim of school report cards is to involve parents and the community in improving schools by focusing on results.

- Not enough schools are showing improved results. For example, gains in student achievement are not dramatic. Progress in reducing dropout rates has slowed and is not sufficient to cut the rate in half by the end of this decade. States and schools are getting better at reporting to parents and the public, but the reports show that there is a lot of work to be done to achieve *improved* performance.
- Most SREB states have or are developing systems to identify low- and high-performing schools to reward high-performing schools or place low-performing schools on probation, and to provide help to low-performing schools through technical assistance and staff development.
- Improved performance and productivity depends heavily on effective leadership, but leadership development programs in SREB states are not supported well enough by states and localities. Current levels of support will not get the job done in terms of the number of individuals whose leadership skills are developed or in terms of the programs' effectiveness.
- The SREB Leadership Academy has completed its model for leadership development and is making this training available to states and districts.

How does setting standards improve performance?

In the SREB states where individual schools are expected to make progress toward performance objectives established at the state level, the results most frequently sought are:

- gains in student achievement as measured by a statewide examination;
- improvements in graduation and dropout rates;
- reductions in absenteeism;
- more students continuing their education after high school;
- higher percentages of students promoted from one grade to another.

Many SREB states now have in place or are developing rewards or sanctions for schools based on these performance measures. Generally, it works like this: Performance standards are established by the state. Then schools develop improvement plans and establish objectives for each performance measure. If a school does not meet established standards, the state conducts a review and provides assistance. If school performance still does not improve, the state may intervene in the school's day-to-day operations. High-performing schools are usually recognized and a few states provide financial rewards to them.

Florida's Blueprint 2000, Kentucky's Educational Reform Act and Maryland's School Performance Assessment Program are examples of comprehensive school improvement and accountability systems. SREB's latest study of school accountability reporting, *Linking Education Report Cards and Local School Improvement*, describes actions states have taken to sharpen the focus on school performance.

What is the role of school, business and community partnerships?

Most SREB states provide technical assistance to help school systems build community involvement in the schools. School-business partnerships continue to grow in every state.

For example, in 1994-95, 82 percent of Florida's public schools reported that they had organized school volunteer programs. The Florida Department of Education also reports that over 17,000 business partners gave about $37 million in cash and in-kind contributions to schools. Seventy percent of the schools documented that volunteers contributed an average of seven hours per student to support instruction, and more than 500,000 documented school volunteers contributed almost 15 million hours of time to the schools.

Maryland's Business Roundtable for Education, a coalition of 64 businesses, has made a 10-year commitment to support education reform and improve student achievement. The Texas Business and Education Coalition recognizes more than 200 business education and community partnerships across the state. These partnerships are involved in promoting academic achievement, community service projects and students' progress from school to work and to higher education.

How can leadership development help?

Schools improve by focusing on performance and results. SREB states are granting local schools more latitude and relief from state regulations, but they expect improved performance in exchange. This shift to local authority demands effective leadership for schools and districts.

The SREB Leadership Academy provides intensive preparation for teams of teachers, school board members, principals and superintendents from schools committed to setting specific, measurable goals for education and working to achieve them. Established in 1990 with support from NationsBank, the Academy borrows heavily from corporate training programs. The Leadership Academy's premise is that today's "volatile, high-demand education environment requires dynamic leaders who are trained on the job to become 'agents of change' for schools."

The Leadership Academy has four strategies for developing outstanding leaders:

- focusing on decision making, problem solving, team building and goal setting;
- encouraging innovation, self assessment, delegating authority and conflict resolution;
- making leadership development a continuous process;
- building on public/private partnerships.

A new publication, *Making Leadership Happen: The SREB Model for Leadership Development*, describes how these strategies help district and school teams improve student achievement.

SALARIES

BY THE YEAR 2000—

Salaries for teachers and faculty will be competitive in the marketplace, will reach important benchmarks and will be linked to performance measures and standards.

How much should we pay teachers in our schools and colleges? "Significantly more" has been the answer over the past decade. Even so, 10 years of trying to catch up with national, regional or peer group averages has left many state leaders, teachers and faculty frustrated. Teachers and faculty still feel underpaid. State leaders are frustrated because the salary gap does not narrow in spite of increased spending on salaries.

Two factors have contributed to the frustration. First, growing enrollments in the South's elementary and secondary schools combined with state actions to reduce class sizes created nearly 200,000 new teaching jobs in the SREB states over the past decade. Put another way, almost half of the newly hired teachers in America took jobs in the 15 SREB states. When you create that many new jobs, it is difficult to also raise salaries significantly. Second, reaching national, regional and peer group averages is an elusive goal because those averages do not stand still. To catch up, states below the average must make up not only the current gap but must also keep up with any increases in salaries made by states where salaries are already above the average.

Foreseeable economic and political circumstances suggest that the uphill struggle to improve salaries for teachers in our schools and colleges will continue. So will attempts to link the pay of teachers more closely to state and local efforts to improve schools and to link salaries of college faculty to incentives for increasing productivity. As long as the only question is whether there will be a one percent, 3 percent, or 5 percent across-the-board pay raise, states are not likely to discover workable incentive plans for teachers in schools and colleges.

How are we doing?

+ Average salaries for faculty in public schools, colleges and universities have increased in every SREB state since 1990. In about half of the SREB states, the average salary increases have been greater than the rate of inflation. Over this five-year period, the typical salary increase is about 15 percent in public schools, about 16 percent in public four-year colleges and universities, and about 13 percent in public two-year colleges.

– Compared to national averages, salaries for teachers and faculty in SREB states are lower than they were five years ago. The typical salary for college faculty in SREB states is about one percentage point lower relative to the national average than in 1990. Average salaries in public school are 1.7 percentage points lower relative to the national average.

Incentive or performance pay for teachers is not common in SREB states. Several recent initiatives provide financial rewards to schools that increase student achievement and reach school performance goals. These plans allow the schools to make decisions about how to reward faculty and staff.

What are states doing to raise teacher salaries?

Frequently, states establish goals to increase salaries to national averages. Maryland is the only SREB state where average salaries for public school teachers are above the national average. The typical teacher's salary in the SREB states is 86 percent of the national average. This is down from almost 90 percent in the mid 1980s.

In the last five years, average teacher salaries in the region rose by about 15 percent. The five-year increases ranged from about $2,200 (9 percent) in Louisiana to $9,100 (40 percent) in West Virginia. Six SREB states (Alabama, Arkansas, Kentucky, Oklahoma, Tennessee and West Virginia) matched or exceeded the national average percent increase in teachers' salaries between 1990 and 1995. Other SREB states have lost ground.

When differences in cost of living are taken into account, salary rankings of teachers in SREB states improve somewhat, but only one SREB state (Maryland) is above the national average even when these cost-of-living adjustments are made. More information about these rankings is available in SREB's report *Teacher Salary Trends During a Decade of Reform*.

Teacher salary increases adopted by legislatures for 1995-96 ranged from 2 to 6 percent. Georgia has a four-year plan to raise salaries to the national average, and it funded a 6 percent increase for both 1995-96 and 1996-97. Louisiana teachers received a 4.2 percent one-time bonus with a $1,000 maximum. South Carolina increased salaries 4.2 percent in order to bring average salaries to the southeastern average.

Average Teacher Salaries
SREB States

	Average Teacher Salary 1994-95	Percent Change 1990 to 1995
United States	36,789	17 %
SREB States	31,653	15
SREB States as a Percent of U. S.	86.0 %	
Alabama	31,144	23
Arkansas	28,934	29
Florida	32,588	13
Georgia	32,633	16
Kentucky	32,257	23
Louisiana	26,461	9
Maryland	40,661	12
Mississippi	26,818	10
North Carolina	30,793	10
Oklahoma	28,172	22
South Carolina	30,279	11
Tennessee	32,477	20
Texas	31,223	14
Virginia	33,998	10
West Virginia	31,944	40

Source: National Education Association. Rankings of the States. Various years, unpublished data.

SALARIES

How have college and university faculty fared?

The average salaries for four-year college faculty in SREB states stood at 94 percent of the national average when this decade began. That was a high water mark for salaries; they have dropped more than a percentage point thus far. Only Virginia and Maryland are above the national average, and they have dropped back toward the average in this decade. Average salaries in 10 SREB states are further below the national average now than they were in the mid-1980s.

For two-year college faculty, average salaries in the region have increased by 13 percent since 1990. Increases in average salaries at two-year colleges in Alabama, Kentucky, Mississippi, North Carolina, Oklahoma, Tennessee and West Virginia were above the national increases. Other SREB states lost ground relative to the national average.

Like salaries for teachers, pay raises in 1995-96 for college faculty ranged from 2 to 6 percent with only Georgia having a 6 percent increase.

Average Salaries for Full-Time Faculty at Public Four-Year Colleges in SREB States

	1994-95	Percent Change 1990 to 1995
United States	50,067	18 %
SREB States	46,369	16
SREB States as a Percent of U. S.	92.6 %	
Alabama	44,489	23
Arkansas	41,067	20
Florida	48,859	11
Georgia	47,309	17
Kentucky	46,306	25
Louisiana	39,796	21
Maryland	50,046	13
Mississippi	44,280	26
North Carolina	49,017	19
Oklahoma	42,433	16
South Carolina	45,150	17
Tennessee	48,003	23
Texas	46,460	11
Virginia	50,802	8
West Virginia	40,035	24

Source: SREB State Data Exchange.

Are states rewarding good teaching?

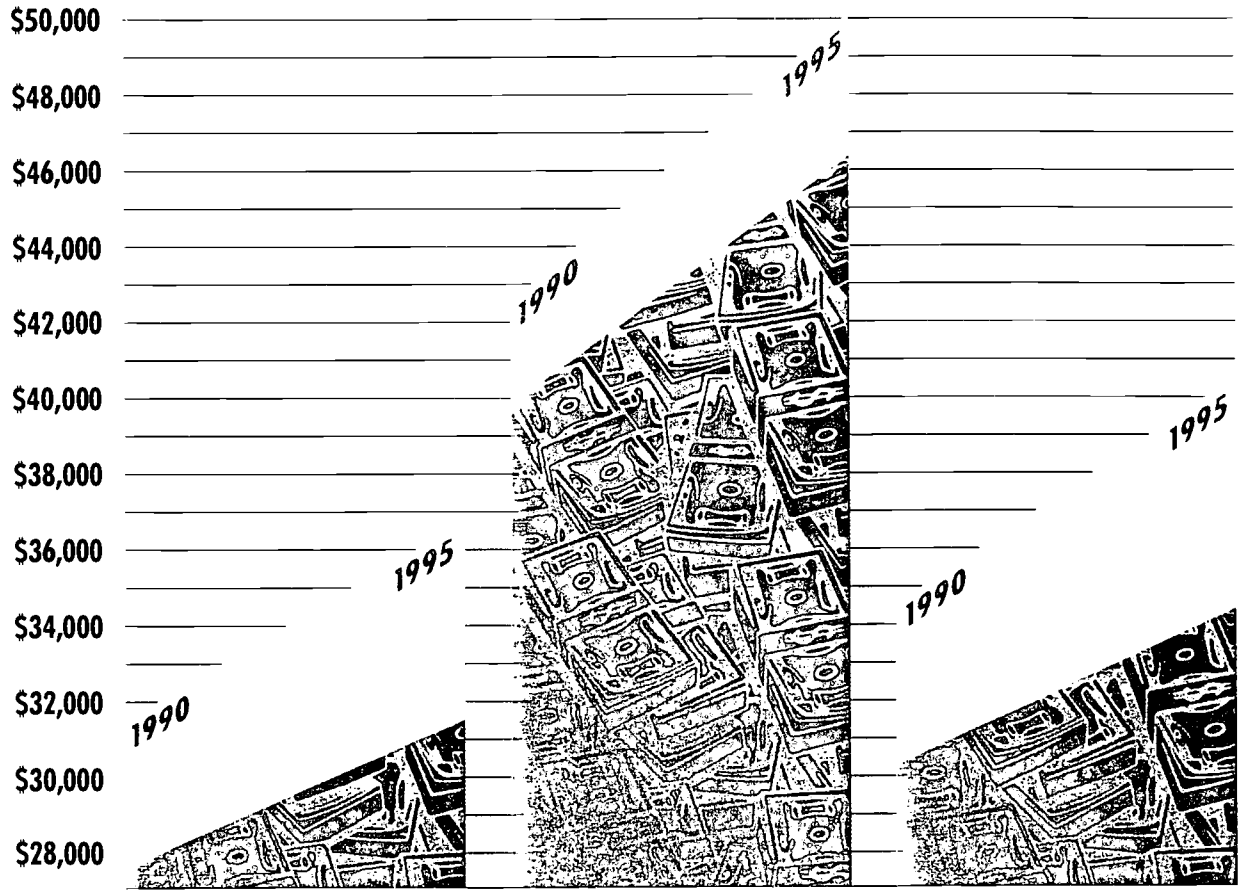
Tying salaries to performance remains an elusive goal. Quality teaching is at the heart of efforts to meet school improvement goals. As more decision-making authority is shifted to schools, teachers become more responsible and accountable for results in their classrooms. Few states have taken steps to link increases in salaries to the performance of individual teachers.

Instead the focus has shifted to rewarding individual schools based on student performance. Incentive programs in Georgia, Kentucky, South Carolina, Tennessee and Texas reward schools for improved student performance. Maryland recently appropriated funds for a school incentive program, and North Carolina has approved a new school incentive plan.

THE SALARY GAP

Average Teacher Salaries in the U.S. and the SREB States*

1990 to 1995



Public School Teachers | **Faculty at Public Institutions Four-Year** | **Faculty at Public Institutions Two-Year**

U. S.

SREB STATES

*Salaries are for full-time teachers and faculty.

Sources: National Education Association, *1994-95 Estimates of School Statistics* and *Rankings of the States*, various years.

SALARIES

"The ultimate test regarding salaries is whether a school, college or university can attract and retain talented persons. States generally do not assess whether compensation is adequate by this measure."

Bob Stoltz
SREB Vice President
for Educational Policies

Local school councils or teachers usually make decisions about spending the incentive money that is earned. The awards can be used for several purposes, including salary bonuses.

Salaries of college faculty are tied more closely to performance because peer evaluations and judgments more heavily influence promotions and salary increases. Several SREB states are conducting studies to determine if outstanding teaching is rewarded as well as research and if faculty evaluations take into account the priorities of society at large as well as those of the institution and the academic departments.

The emphasis given to teaching when faculty personnel decisions are made is on the agenda in several states. For example, the North Carolina General Assembly directed the University of North Carolina Board of Governors to develop a plan to monitor faculty workload and to reward faculty who teach more than a "standard academic load." The Georgia Board of Regents has adopted new policies on tenure and post-tenure review. The policies include what individual faculty are expected to do, how performance will be evaluated, and what support will be available for job-related training, continuing education and leadership development.

FUNDING

BY THE YEAR 2000—

States will maintain or increase the proportion of state tax dollars for schools and colleges while emphasizing funding aimed at raising quality and productivity.

"It is difficult to imagine that in the next several years an SREB state committed to educational improvement could spend a smaller share of its budget for education. Simply stated, given the economic realities, it is unlikely that states can spend proportionately less to do more in education."

SREB Commission for Educational Quality, 1988

Schools and colleges are expected to serve more students who have complex needs and backgrounds, implement new technology, develop new ways to deliver instruction, help business and industry train and retrain employees, contribute to economic development through research, improve curricula and raise student achievement—while reducing costs. One frustrated educator exclaimed: "Imagine an airline being asked to fly more people, more often, to more locations, with the latest technology, but at a lower cost and with no reduction in safety or stockholder gains."

All of these pressures on schools and colleges come at a time when demands for other state services and claims on state budgets are greater than ever. Expenditures for health care, corrections and public welfare have increased much faster than total state spending, while expenditures for education increased at a slower rate during the early 1990s. The percentage of state and local budgets invested in education is less than it was a decade ago, especially for higher education. These trends mean that between now and the year 2000, billions of dollars will not go for the education of children and adults.

Spending for education is up, but so are enrollments in schools and colleges. Much of the additional spending has been used to hire more teachers, to raise salaries, and for special purposes including technology and pre-school programs. In higher education, inflation-adjusted spending is actually lower in more than half of the SREB states, despite growing numbers of young and older students. As states spend a smaller proportion of their dollars for higher education, the cost shifts increasingly to students and their families.

In *Changing States: Higher Education and the Public Good*, the SREB Commission for Educational Quality recommended that higher education's priority in state budgets should rise in most states during the remainder of this decade: "States should address the fact that a shrinking portion of most state budgets has been going for education."

State leaders need to keep in mind two important facts. First, many new educational improvement efforts are underway and almost all are additions to existing efforts. Second, SREB states have long trailed the nation in financial investment in education.

Finally, educators need to recognize that state officials are unlikely to support exceptional funding increases for schools and colleges unless this funding is linked to results—to raising quality and improving productivity.

How are we doing?

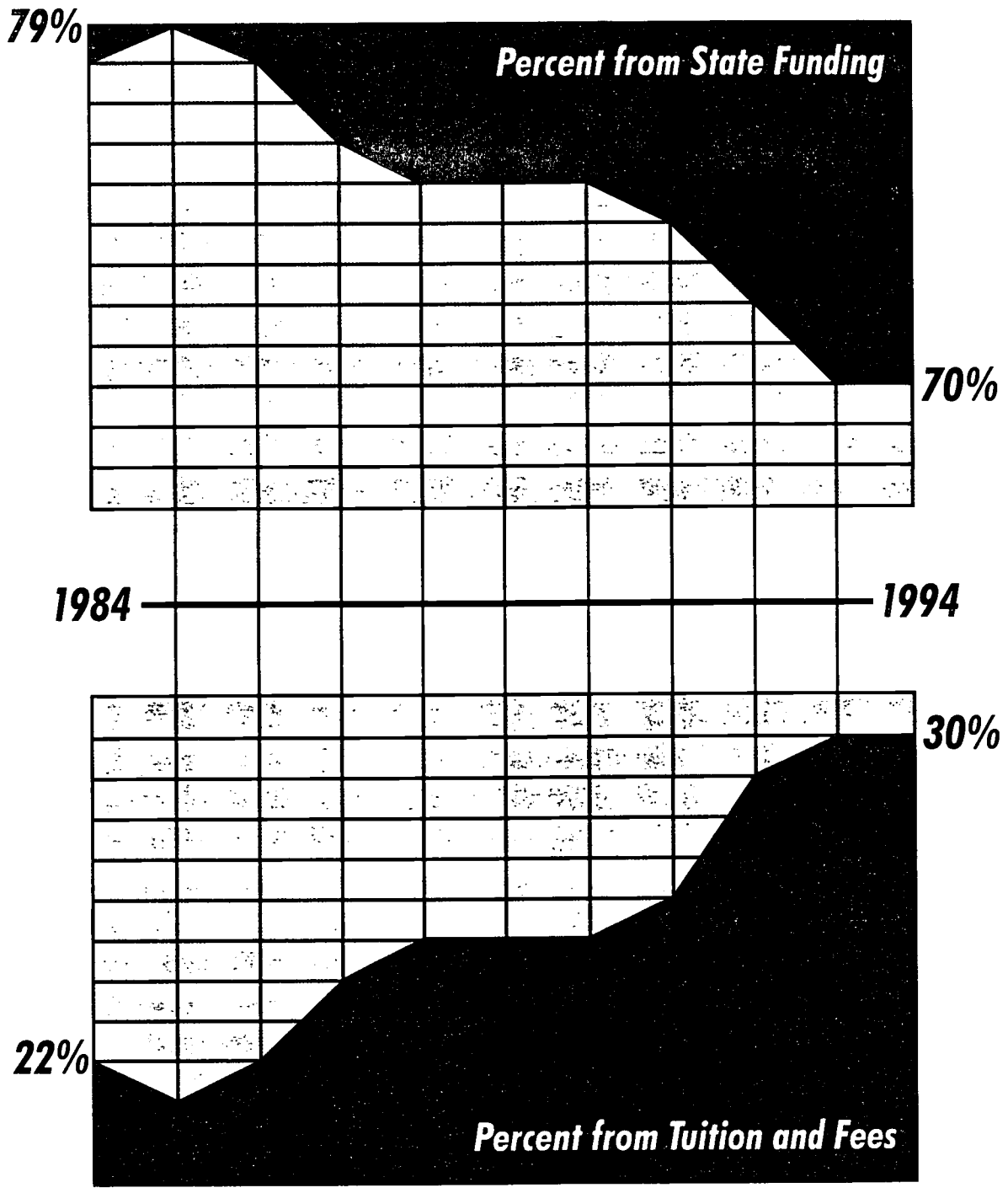
- Public schools are a lower budget priority today than a decade ago in most SREB states. Every SREB state began new efforts to improve education in the 1980s. Today, the percentage of state and local government expenditures for elementary and secondary education is lower in two-thirds of the SREB states.
- Public higher education is a lower budget priority today than a decade ago in more than two-thirds of the SREB states. Higher education receives a smaller proportion of state and local revenues in 11 SREB states.
- The budget priority for schools and colleges has dropped as the number of students has increased. In 12 of 15 SREB states there are more students in public schools now than a decade ago, and in every SREB state, more students attend public colleges and universities now than a decade ago.
- Between 1988 and 1993, the increases in spending for public schools did not match the increase in the state budget in half of the states, and spending for higher education increased less than the total state budget in nine states.
- State tax dollars for public schools did increase in every SREB state between 1994 and 1996, and state tax dollars for higher education increased in all SREB states except Texas.
- Several SREB states had special funding initiatives for education in the 1990s. These included funds for large salary increases for teachers in Georgia, West Virginia, Oklahoma and Kentucky; tax increases for education in Arkansas, Kentucky, Mississippi and Tennessee; and special initiatives in Georgia and West Virginia. Georgia is using lottery proceeds to fund its HOPE Scholarships and pre-school for all four-year-olds.
- Few SREB states have established funding plans for schools and colleges that earmark a specified percentage of the budget for special incentive awards for improving quality.

Why does education's share of the budget need to be maintained or increased?

First, there are more students. The increase in students accounts for much of the increase in spending. Over 15.5 million students now attend public schools in the SREB region—almost 1.8 million more than 10 years ago. All SREB states except Arkansas, Louisiana and West Virginia have more students in public schools than 10 years ago. The cost of adding 1.8 million students is several billion dollars, not including inflation.

Another 4.5 million students attend colleges and universities in the SREB region—780,000 more than 10 years ago. When adjusted for inflation, the state tax dollars to operate colleges and universities in 1995-96 are actually lower than in 1989-90 in eight SREB states—Alabama, Florida, Louisiana, Maryland, North Carolina, Oklahoma, South Carolina and Virginia. As the state share of college costs fell, a significant portion of the cost of funding public

WHO PAYS FOR COLLEGE?



Between 1984 and 1994, public colleges and universities in the SREB region received less of their support from state budgets and more of their support from tuition. Over the decade, tuition and fees rose from 22 to 30 percent of public college revenues. This means students and their families paid an additional $3.3 billion in tuition and fees.

colleges and universities shifted to students and their families. Tuition now accounts for a larger percentage of funding for public higher education than 10 years ago—30 percent versus 21 percent.

How are the education dollars spent?

Of the total spending for public schools in the SREB region, about 15 percent goes for capital outlays and interest on school debt, the rest is for salaries and benefits for all school personnel, student transportation, books and materials, and energy costs. In SREB states, about 60 cents of every dollar spent for public schools goes for instruction. The national average is 61 percent. There is little variation in education spending among the SREB states. The percentage spent for instruction in each of the 15 SREB states is similar; all of them are grouped in the narrow range from 58 percent in Florida to 63 percent in Georgia. Salaries and benefits account for more than 90 percent of instructional costs. This pattern of spending has changed little since the late 1980s.

Colleges and universities spend a smaller share of their budget for instruction and academic support now than a decade ago. About half of the money spent for major functions goes for instruction and academic support, about 20 percent for research and public service activities, and 10 percent for student services and administrative support. The rest is spent on scholarships and plant operations and maintenance.

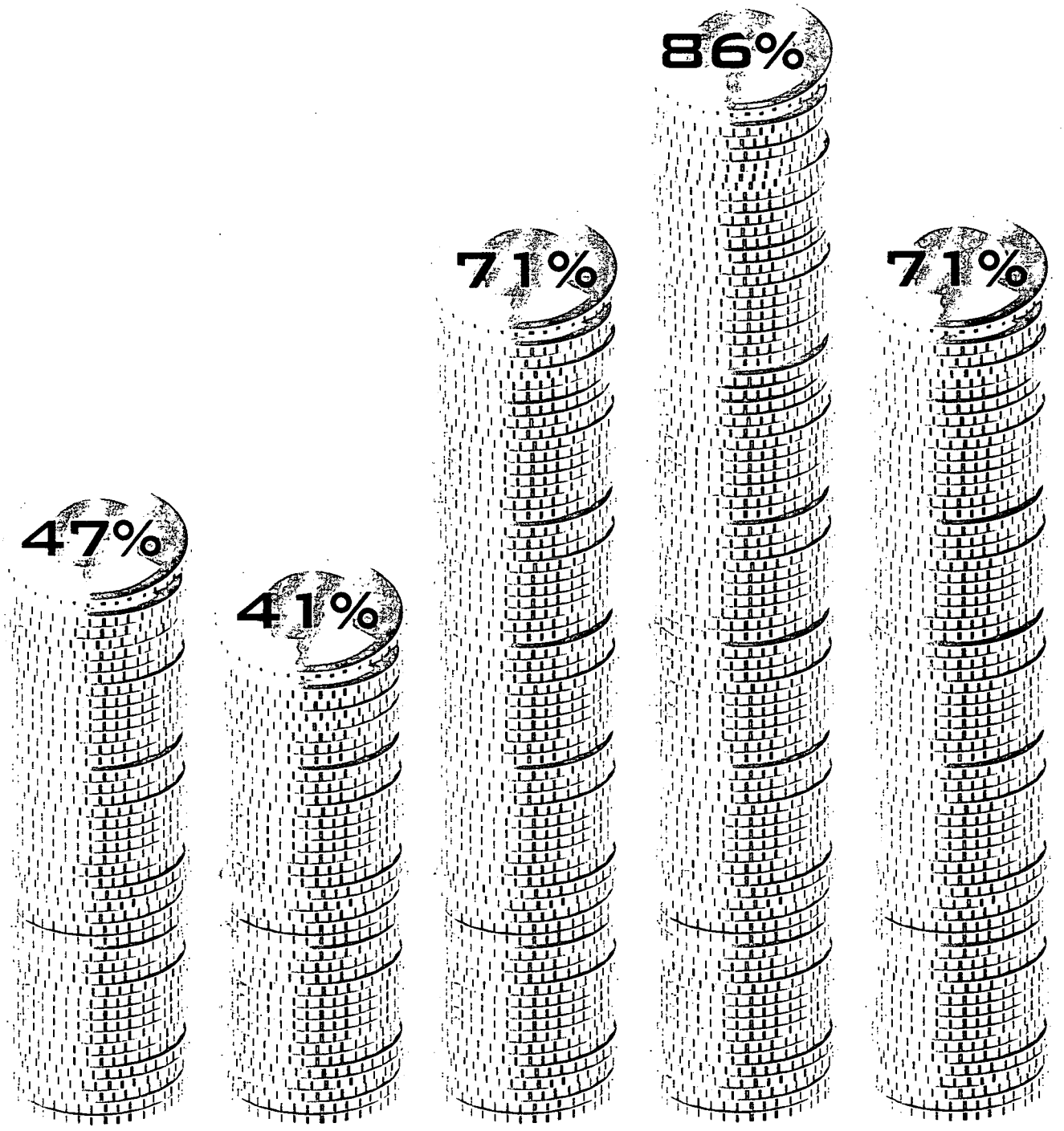
How are states using funding to raise quality and productivity?

Several states have initiatives to encourage elementary and secondary schools and higher education to improve quality and productivity, but "performance-based" funding is not widespread. Kentucky gives cash rewards to schools that reach specified achievement levels. Tennessee provides incentive funding to schools that meet objectives for student achievement, dropout reduction, attendance and promotion. Texas provides additional funds to schools that qualify through the Texas Successful Schools Award System. Georgia's Pay for Performance program awards $2,000 per certified staff member to schools that meet performance objectives. Maryland enacted legislation in 1996 to reward schools that reach or make progress toward meeting standards.

For its colleges and universities, Tennessee started a performance funding program in the early 1980s. Performance funding now represents about 5 percent of funding for higher education in Tennessee. Arkansas and Kentucky have new programs which base at least a part of the higher education budget on "performance" indicators. Florida's 1995 Appropriations Act established an Instructional Performance Incentive Fund. West Virginia will link future funding and tuition increases for its colleges and universities to the progress

WHERE THE MONEY WENT

Increases in State and Local Government Spending
in the SREB States from 1988 to 1993



Source: U.S. Bureau of the Census, "Government Finances," 1987-88 and 1990-91.

institutions make toward goals they developed in a strategic planning process. North Carolina is considering performance funding programs, and the University of North Carolina system is developing performance indicators. As noted earlier, South Carolina's 1996 legislature adopted legislation that sets a three-year timetable to develop and implement a higher education performance funding plan and identifies indicators on which funding for colleges and universities will be based.

What should you know about your state's education funding?

- Has the state's overall spending for education increased or decreased compared to recent years? How have enrollments changed?
- Is the state spending a greater or lesser share of its tax dollars on education?
- Is the state encouraging education to spend dollars in different ways? Do state funding policies reward schools and colleges for innovation and positive change?
- Is the state's funding for education making it possible for more students to continue their education after high school?
- Are changes in funding making a difference in what students in schools and colleges know and can do?

SREB

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EA027977

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