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**MOVING INDIANA FORWARD:  
HIGH STANDARDS AND HIGH GRADUATION RATES**

**A Strategic Assessment for  
Indiana Education Policymakers**

*November 2006*



## **ABOUT THIS REPORT**

Indiana was selected to participate in a new initiative—*Moving Forward: High Standards and High Graduation Rates*—jointly sponsored by Achieve, Inc. and Jobs for the Future and funded by Carnegie Corporation of New York. This effort is designed to spotlight the importance of pursuing a dual agenda of high standards and high graduation rates. The project aims to demonstrate how states and districts can create a more coherent, intentional, and aligned use of standards and support-based high school reform strategies and policies to improve both achievement and graduation rates for struggling and out-of-school students. This report presents findings and recommendations from a policy analysis centered on three major areas to improve both proficiency and diploma attainment: data and accountability; interventions in the high schools losing the most students; and quality pathways to graduation.

Indiana’s participation in the project was fully supported by the Governor’s Office, the state Superintendent of Public Instruction, the state Commissioner of Higher Education, and the Superintendent of Indianapolis Public Schools.

## **ABOUT THE PARTNERS**

Created by the nation’s governors and business leaders in 1996, Achieve, Inc. is a bipartisan, nonprofit organization that helps states raise academic standards and achievement so that all students graduate ready for college, careers, and citizenship. Over the past decade, Achieve has helped more than half the states benchmark their academic standards, assessments, and accountability systems against the best examples in the United States and around the world. Through the American Diploma Project Network, Achieve helps states ensure that standards keep pace with the increasing demands of the global economy. Currently, 26 states have joined this voluntary coalition to close the expectations gap so that all students are prepared for success.

Jobs for the Future seeks to accelerate the educational and economic advancement of youth and adults struggling in today’s economy. JFF partners with leaders in education, business, government, and communities around the nation to: strengthen opportunities for youth to succeed in postsecondary learning and high-skill careers; increase opportunities for low-income individuals to move into family-supporting careers; and meet the growing economic demand for knowledgeable and skilled workers.

A joint senior team from Achieve and JFF served as staff for the project. From Achieve this included Michael Cohen, president, Jennifer Vranek, senior associate, and Alissa Peltzman, policy analyst. Adria Steinberg, associate vice president, Cheryl Almeida and Terry Grobe, program directors, and Cassius Johnson, project manager, rounded out the team for JFF.

## EXECUTIVE SUMMARY

America's high schools are failing to prepare all students for success in work and college. Nationwide, a third of students do not graduate from high school. Another third of students who do graduate and enroll in college need remedial courses in reading, writing, or mathematics. In Indiana, nationally comparable cohort pipeline data tell a sobering tale. Of every 100 Indiana ninth graders who entered school in 1998, only 70 graduated from high school on time, only 41 went right to college, 30 were still enrolled their sophomore year, and only 22 graduated from college within six years.

The evidence is clear: Dropping out of high school or graduating unprepared for family-supporting jobs has devastating effects. Dropouts and high school graduates who do not earn a postsecondary credential have higher rates of unemployment, earn substantially less, are more likely to receive public assistance, and are less likely to be in good health, volunteer, or vote.

The realities of the new global economy mean that the goal of K-12 education must be to graduate *all* students prepared for success in work and college. Core 40, the nationally recognized statewide initiative that ties the Indiana high school diploma to standards for work and college readiness, is as good as it gets in the United States. Indiana leads the pack when it comes to setting high standards for all students, standards that reflect the real-world demands of careers and college.

Since 2003, the state also has been ahead of the national curve by focusing attention on high school graduation rates. Previously, Indiana's public method for reporting dropouts led the public to believe that most students were graduating on time. Beginning in 2003, the General Assembly and other policymakers have tackled the challenge of accurately tracking, counting, and reporting which Hoosier students graduate and when. As of fall 2006, Indiana is one of thirteen states that will track the progress and whereabouts of individual students and report a more accurate graduation rate based on how many ninth graders make it to graduation four years later.

Indiana's new cohort-based estimates indicate that only about 74 percent of Hoosier students in the class of 2006 earned a regular diploma within four years of entering ninth grade in 2002. Experience shows that many of these youth will fail to ever earn the diploma.

The *Indianapolis Star* "Missing in Action" series; the TIME magazine article "Dropout Nation;" the two-part Oprah Winfrey Show featuring Shelbyville High School; and the Commission on Higher Education's focus groups, "*In Their Own Words: Indiana's Dropout Crisis*," all put the problems facing high schools and struggling youth front and center for policymakers and the public. Dropouts are not merely students with personal problems; nor are they simply the children of dropouts or residents of the inner city. Many dropouts report feeling pushed out by the school and the system; others are behind in credits, struggling in class, bored, or unmotivated to work hard. Most regret dropping out and wish they had had safer schools, more challenging and relevant curricula, more academic help, and better relationships with adults to keep them connected to school.

Indiana’s statewide dropout prevention laws enacted in 2003, 2005, and 2006 mark a significant *first* step to keeping more students in school. The public conversation and focus on the problem is underway in earnest; now, the challenge is to redesign both schooling and public policy to get more youth, particularly low-income and minority students, over the graduation bar. Schools and school corporations must transform the quality and delivery of education to students who are not succeeding. This will not happen without substantial leadership and assistance from the state.

## **Recommendations for Action**

Sustained political, education, and civic leadership for the first phase of education reform has been a key ingredient of Indiana’s success. As a result, Indiana was selected to participate in a new initiative—*Moving Forward: High Standards and High Graduation Rates*—jointly sponsored by Achieve, Inc. and Jobs for the Future and funded by Carnegie Corporation of New York. This effort is designed to spotlight the importance of pursuing a dual agenda of high standards and high graduation rates—and demonstrate how states and districts can create a more coherent, intentional, and aligned use of standards and support-based high school reform strategies to improve both achievement and graduation rates for struggling youth. This report’s recommendations suggest specific ways in which Indiana can continue this tradition of leadership and build on its successes to date, while directly addressing the challenges to increasing graduation rates without compromising on high standards.

Moving forward, Indiana policymakers must help school corporations raise expectations and change attitudes so that is no longer acceptable to say, “It’s okay that some students drop out” or “Not all students need to go to college.” Indiana has enacted some policy tools—most notably raising the school-leaving age to 18 and requiring schools to track whether students are missing school or missing credits—that are not a recipe for school improvement *per se* but rather a platform to spark conversations among students, parents, educators, and community members about the importance of staying in school and earning a diploma that means something.

Hoosier policymakers have insisted on high standards for all youth—and now the challenge for the state is to help communities deliver on that promise. Increasing aspirations and changing attitudes is just the start. To meet the needs of a diverse population of students—from different circumstances, with different levels of academic preparation and with different post-high school aspirations—Indiana must take a creative, data-driven approach to turn around the high schools losing the most students and build and scale up new kinds of schools and school experiences that will keep youth in school and give them the skills and knowledge to succeed.

### **To accomplish this, Indiana needs a three-point action plan to:**

- 1. Count and account for all students, while keeping the sights on college and career readiness.** The state has taken major strides through the years to enact and refine a comprehensive assessment and accountability system for grades K-10. Now, the state must hold high schools accountable not just for getting students to meet the low hurdle represented by the Graduation Qualifying Exam, but to the high standard of work and college readiness. Schools must be accountable for increasing graduation rates and increasing participation and pass rates on end-of-course assessments in upper-level courses tied to readiness for work and

college. This accountability must be built on a foundation of an integrated statewide longitudinal data system that provides accurate and timely information on students from preschool through college. Specifically:

- ✓ Indiana must fully develop and fund End-of-Course Assessments (ECAs) throughout grades 9-12 to ensure that Core 40 standards succeed in raising achievement and ensuring readiness for careers and college for all students. The state also must align and streamline high school and higher education testing.
- ✓ Core 40 success rates, ECA achievement rates, and high school graduation rates must be among the primary indicators in the state's high school accountability system.
- ✓ The state must invest in a longitudinal data system to analyze and share data on student progress among schools, districts, higher education institutions, workforce development agencies, and so on. An "early warning system" also will help districts target interventions to students most at risk of dropping out.

**2. Identify the high schools losing the most youth and target these for immediate and significant intervention.** Without significant intervention, students will be trapped in outmoded institutions that do not have the culture of high expectations for all, diverse curriculum options and high-quality teaching that are essential to get all students to graduation ready for their next step. A 2004 national study by Robert Balfanz estimates that 22 high schools in Indiana graduated fewer than 60 percent of ninth graders in four years. Such "dropout factories," where students fail to graduate and fail to gain the skills for success in careers and college, are a significant problem that the state can and must tackle if school corporations do not. The state may need new authorities to make changes to the working conditions in chronically failing high schools. Specifically:

- ✓ All high schools must be held accountable for graduation rates, although schools for returning dropouts may require a different definition of "on-time" graduation.
- ✓ Robust data analysis, including but not limited to on-track indicators, is essential to school turnaround efforts; schools need leadership and support to use the data.
- ✓ Indiana has delegated significant authority to school corporations but needs to take its own action to intervene aggressively in chronically underperforming schools in cases where school corporations fail to act.

**3. Analyze the supply of high-quality options and create new pathways to high school graduation for struggling youth.** Now that the problem of low graduation rates is a public problem, and now that high schools will be held accountable for keeping struggling youth in school and getting them to reach the high standards embodied in Core 40, the state must take on a significant capacity-building role to support youth and schools. This capacity-building requires, first and foremost, a much more strategic use of data to identify what new paths and options are needed, where they are needed, and for whom. After state policymakers have examined the data, reallocated and new resources will be needed to finance these options.

The good news is that Indiana already has the statutory authority to create, expand, or retract programs, but it has neither a coherent strategy nor a quality supply to meet the demand for better school options on a statewide basis. Specifically:

- ✓ Indiana policymakers need to conduct a strategic assessment to clarify the scope of demand for new options and the best approaches to increase supply.
- ✓ Indiana should improve the quantity and quality of alternative education, career, and technical education and Adult Basic Education to address programming gaps in the short run. The state also should remove barriers to starting new schools, including charter schools, for high school youth.
- ✓ Indiana should create a public/private school innovation fund to support the spread of instructional practices and school models with a track record of improved outcomes.

We are not suggesting that Indiana should abandon standards-based reform or the Core 40 as the state focuses on keeping youth in school. Rather, we mean Indiana must do two things at once:

- Redouble its efforts to bring consistent rigor and content to Core 40 courses, through end-of-course assessments and professional development and tools for teachers, which should help improve achievement outcomes for the vast majority of Indiana students.
- Add new schools and innovative learning environments that focus on the Core 40 content and skills and provide high levels of support, so that all students graduate ready for college and work regardless of their skill levels upon entering high school.

## **Moving Indiana Forward**

Indiana has a storied history of active engagement of key stakeholders and leaders from government, K-12, and postsecondary education and workforce development in education reform. Embracing a dual agenda of high standards and high graduation rates will require yet another focused and collective commitment. Educators and policymakers need to focus on getting the balance of rigor and support right in order to achieve both higher standards and higher graduation rates.

Certainly, Indiana's education system faces many pressing issues'. Phasing in universal, full-day kindergarten and upgrading the quality of early childhood education is a top priority; access and preparation for public higher education also are urgent concerns to be addressed.

But the state's alarmingly high numbers of dropouts and the cracks in the education pipeline, if not stemmed, will have serious long-term consequences to the health and well-being of Indiana's youth, citizens, and economy. An October 2006 study by Brian Gottlob, *The High Cost of Failing to Reform Public Education in Indiana*, found that there are 385,000 high school dropouts of working age in Indiana. Had these dropouts attained even a high school diploma, annual earnings in 2005 in Indiana would have been \$4.4 billion higher. Gottlob also estimated

that these dropouts cost the state at least \$150 million in lost income tax revenues *each year*. Put most simply, each dropout costs the state of Indiana at least \$3,067 per year in lost income taxes, higher Medicaid costs, and incarceration costs.

The state has taken the first steps to repair the ruptured education pipeline. Now it must move forward and complete the job.

## **PART I. INTRODUCTION**

America's high schools are failing to prepare all students for success in work and college. Nationwide, a third of students do not graduate from high school in four years, if at all. And a third of students who do graduate and enroll in college need remedial courses in reading, writing, or mathematics.<sup>i</sup> In Indiana, nationally comparable cohort pipeline data tell a sobering tale. Of every 100 ninth graders, only 70 graduate from high school on time, only 41 go right to college, 30 are still enrolled their sophomore year, and only 22 graduate from college within six years.<sup>ii</sup>

The evidence is clear: Dropping out of high school or graduating unprepared for family-supporting jobs has devastating effects. Dropouts and high school graduates who do not earn a postsecondary credential have higher rates of unemployment, earn substantially less, are more likely to receive public assistance, and are less likely to be in good health, volunteer, or vote.<sup>iii</sup>

### **Progress in Indiana: Raising Standards and Performance**

Policymakers and educators in Indiana recognize and are beginning to address the challenges of low rates of both high school graduation and college readiness. The realities of the new global economy mean that the goal of K-12 education must be to graduate *all* students prepared for success in work and college. Increasingly, business, higher education, legislative leaders, and others view K-12 education reform as a key component of the state's overall economic development strategy. A changing labor market, including the growth of biotechnology and high-end manufacturing, makes the education attainment of the state's citizens a major economic and workforce issue. A consensus in Indiana has emerged that education and training must be upgraded P-16, as Indiana currently ranks in the bottom 10% in the nation in college attainment.<sup>iv</sup>

The Indiana Education Roundtable, a policymaking body chaired by the governor and state superintendent of education whose members include K-12 and higher education leaders, legislators and business and civic leaders, adopted a set of recommendations to raise standards as part of the P-16 Plan for Improving Student Achievement.

Acting on these recommendations, the state has established core policies and practices to ensure that all students are prepared for success in college and work. These include externally benchmarked K-12 academic standards that are considered among the best in the country and the Indiana Core 40, a college- and work-prep curriculum that is now the default high school course sequence for all students beginning with the class of 2011. Students can earn the Core 40 Diploma with Academic Honors or Technical Honors Distinctions, which preserves options to students with various interests. End-of-Course Assessments in Algebra I and English II, with more planned, are intended to ensure quality, consistency, and alignment of high school curricula and instruction with Indiana's academic standards. And completing Core 40 is now a minimum college admissions requirement for state public four-year universities.

Core 40 is as good as it gets in the United States. And now these policies are beginning to pay off. For example, currently more than 65 percent of Hoosier graduates earn the Core 40 diploma. Of these students, 29 percent exceed Core 40 minimum standards and are awarded the Academic Honors distinction.



## **A Promising Moment: High Standards *and* High Graduation Rates**

Indiana leads the pack when it comes to setting high standards for all students that reflect the real-world demands of careers and college. Indiana has complemented its push for higher education performance with a strong focus on increasing the number of youth attaining a high school diploma.

Since 2003, the state has been ahead of the national curve by focusing attention on high school graduation rates. Previously, Indiana's public method for reporting dropouts led the public to believe that most students were graduating on time. Beginning in 2003, the General Assembly and other policymakers have tackled the challenge of accurately tracking, counting, and reporting which Hoosier students graduate and when. As of fall 2006, Indiana is one of thirteen states that will track the progress and whereabouts of individual students and report a more accurate graduation rate based on how many ninth graders make it to graduation four years later.

Public attention has helped elevate the dropout issue. "Missing in Action," a spring 2005 series in the *Indianapolis Star*, highlighted that 3 in 10 ninth graders statewide—and 5 in 10 in Indianapolis—will leave high school without obtaining a diploma. The series clearly positioned the problem as an economic development issue. In spring 2006, Shelbyville High School in Shelbyville was featured in a TIME magazine cover article, "Dropout Nation," and an accompanying two-part series on the Oprah Winfrey Show. A focus group research study commissioned by the Commission for Higher Education, "In Their Own Words: Indiana's Dropout Crisis," highlighted the reasons why youth drop out. All of these put a human face to the dropout problem and emphasized the poor labor market outcomes for youth who don't finish high school.

Indiana's new, cohort-based estimates indicate that only about 74 percent of Hoosier students in the class of 2006 earned a regular diploma within four years of entering ninth grade in 2002. Experience shows that many of these youth will never earn the diploma. Four-year graduation rates are substantially lower in rural communities and urban centers. Using the new state methodology, just 48 percent of the class of 2006 in Indianapolis Public Schools finished high school in four years.

Yet the dropout problem in Indiana is not only an inner-city problem, as the Shelbyville story makes clear. Tens of thousands of white youth living in rural and suburban towns also leave school without a diploma. Dropouts are not merely students with personal problems, or the children of dropouts, or residents of the inner city. Many report feeling pushed out by the school and the system; others are behind in credits, struggling in class, bored or unmotivated to work hard. Most regret dropping out and wish they had had safer schools, more academic supports, better relationships with adults to keep them connected to school, and more challenging and relevant curricula. In one district, officials estimate that 80 percent of youth who dropped out and entered their GED programs are reading at the ninth-grade level or below.

As a result of these alarming numbers and strong media attention, Indiana leaders stepped up to focus on struggling students. In 2003, 2005, and again in spring 2006, Indiana enacted ground-

breaking dropout prevention legislation that offers an opportunity to improve schools' attention to students who are at risk of dropping out—and ultimately to improve high school graduation rates.

As one of the ten National Governors Association Honor States receiving major grant funding to upgrade high school policy, Indiana is supporting school corporations throughout the state in their efforts to redesign traditional high schools to meet the needs of the 21<sup>st</sup> century.

Indianapolis Public Schools, Indiana's largest urban district, and with the greatest concentration of these issues, has a new superintendent who is committed to improving high school achievement and graduation rates and is undertaking wide-ranging high school reform. District leaders are working with outside partners to restructure large comprehensive high schools into small learning communities/small schools, convert existing schools to career-themed magnets, and adopt and expand effective school designs, such as KIPP academies.

Indianapolis also boasts strong and longstanding business, mayoral, higher education, and community involvement in reform efforts. The Mayor's Charter School Office, which recently won the prestigious Harvard Innovations in Government Award, is the only such office in the country with chartering authority. It provides quality control, accountability, and oversight for a range of new school and educational designs.

## **Closing the Gap Between Aspirations and Attainment**

While the nation's "dropout problem" long has been viewed as confined to a very small—and particularly troubled or unmotivated—group of young people, Jobs for the Future's recent analysis of data from the National Education Longitudinal Study tells a very different story. More than half of the young people who do not graduate from high school on time demonstrate through their behavior that they understand the importance of education and are willing to work hard to get a diploma, despite the lack of options available from their school system. These young people may have given up on their high school, but most do not give up on their education. They persist in their efforts to get an alternative high school diploma, and many then go on to try to obtain a postsecondary credential.<sup>v</sup>

Only a small percentage of those who do not graduate in four years complete a regular high school diploma in a fifth or sixth year. However, close to 60 percent of dropouts do earn a high school credential within 12 years of starting high school—in most cases by passing the tests for a General Educational Development certificate. These young people do not stop there; they persist in seeking education beyond high school as well. Unfortunately, this persistence does not pay off the way young people might hope. Although nearly half of these primarily GED holders enroll in a two-year or four-year postsecondary institution, fewer than 10 percent of those who enroll ever earn a degree, leaving them with limited career prospects at best.<sup>vi</sup>

The educational persistence of dropouts is part of a more general trend of rising aspirations among our youth. Young people have become, as one researcher puts it, "keen economists." During the same time period in which no improvement occurred in the graduation rate, the percentage of tenth graders reporting high educational aspirations (desiring a Bachelor's

degree or higher) increased from 40 percent to 80 percent, with the largest increases among low-income youth. But as the national data on graduation rates suggest, many of these young people fall far short of their goal of taking the traditional path of four years in high school, followed by two to four years of postsecondary study. And once off track, these young people find themselves offered no other routes to a successful future.<sup>vii</sup>

This gap between the rising aspirations of young people and static or declining educational attainment cries out for new approaches to the “graduation problem.” As long as high school non-completion could be viewed as a contained and marginal problem—with even the young people themselves not caring enough to try to change their predicament—the solution sets too could remain a relative afterthought of educational policy. Clearly, this is no longer the case.

### **About this Report: A Strategic Assessment of Indiana Strategies**

As a result of its strong government, education, and business leadership on these issues, Indiana was selected to participate in a new initiative—*Moving Forward: High Standards and High Graduation Rates*—jointly sponsored by Achieve, Inc. and Jobs for the Future and funded by Carnegie Corporation of New York. This effort is designed to spotlight the importance of pursuing a dual agenda of high standards and high graduation rates. The project aims to demonstrate how states and districts can create a more coherent, intentional, and aligned use of standards and support-based high school reform strategies and policies to improve both achievement and graduation rates for struggling and out-of-school students.

The project’s policy analysis centered on three major areas of activity that are at the core of efforts to improve both proficiency and diploma attainment:

**Data and Accountability.** To gain traction on a dual agenda of high standards and high graduation rates, states need to count and account for students who are leaving high school without a diploma. They need to hold all high schools accountable for graduation rates, as well as for measures of college and career readiness. This accountability must be built on a foundation of a statewide longitudinal data system.

**Interventions in the High Schools Losing the Most Students.** States need to intervene swiftly in high schools that are “dropout factories,”—those high schools losing the most students and that also generally account for a significant percent of a state’s dropouts. Intensive, sustained intervention in these schools would bring the large numbers of young people left to flounder in them back on track to a high school diploma and postsecondary attainment and put Indiana on sure footing to improve graduation rates statewide.

**Quality Pathways to Graduation.** To help all students reach the academic standard of readiness for college and careers, states need to enable the development of various options and pathways that offer flexible approaches to help students achieve at high levels. These approaches should be especially targeted to students who are not on track to graduation.

The dynamics among state policy and local practice must be considered carefully when enacting and implementing state policy to raise graduation rates and achievement. As the largest school

district in Indiana, with the highest concentration of struggling and out-of-school students, Indianapolis offered the project team an opportunity to analyze how policies might work in a major district that faces the issues that the state seeks to address. State policies were assessed in terms of the degree to which they provide sufficient incentives, sanctions, and supports to encourage or pressure districts to simultaneously push for higher academic proficiency and more students graduating on time. The project also looked at particular policies that might be creating disincentives to serving struggling youth or that might constrain schools and districts from trying new approaches.

A joint team of senior staff from Achieve and JFF reviewed key state and local policy documents and spent a week in Indianapolis in May 2006. The team met with and interviewed over 70 key leaders and stakeholders in the Governor's Office, legislature, the state Department of Education and in Indianapolis Public Schools, among others. (See appendix for full interview list.) The site team sought to gain a broad understanding of high school reform work in Indiana and Indianapolis, and then to zero in on particular levers of opportunity that could be used more strategically to help the state make greater progress on a dual agenda.

Achieve and JFF coupled this assessment with three additional targeted and complementary efforts. The first is a paper commissioned by Achieve, *Identifying Potential Dropouts: Key Lessons for Building an Early Warning Data System*.<sup>viii</sup> The second is an evaluation of Indiana financing options that can support schools and programs that serve struggling students and out-of-school youth, conducted by the National Youth Employment Coalition. Robert Balfanz of Johns Hopkins University, a national expert on dropping out and high school reform, will conduct the third study, an examination of data from Indianapolis Public Schools to determine leading indicators of dropping out—that is, those indicators with the best predictive value in identifying which students will not make it to graduation without intervention. Separate reports on these efforts are forthcoming.

Indiana's participation in the project was fully supported by the Governor's Office, the state Superintendent of Public Instruction, the state Commissioner of Higher Education, and the Superintendent of Indianapolis Public Schools. Liaisons from the Department of Education and the district played an invaluable role in the planning and execution of the site visit.

This report offers recommendations on how Indiana can make maximum progress on the dual agenda of high standards and high graduation rates. Throughout the report, special sidebars showcase Indianapolis Public Schools activity in order to illustrate how particular policies and practices are playing out on the ground and point out a number of local-to-state alignment issues or dilemmas.

Achieve Inc. and JFF will present the recommendations contained in this report during a series of public briefings to the Indiana Education Roundtable and others during fall 2006. The national partners will provide follow-up contact with key leaders on priority actions adopted by the Roundtable. As part of *Moving Forward*, the partners also will host an inter-state meeting in Indianapolis in early summer 2007 for participating states to share early lessons and challenges.

## **PART II. RECOMMENDATIONS TO MOVE INDIANA FORWARD**

Indiana has a number of relevant reform efforts in play. It is taking the lead in calculating and reporting cohort graduation rates and using a key “early warning indicator” of high school dropout to encourage new supports for struggling high school youth. Indiana is one of only ten states that has aligned its high school graduation requirements with the skills and knowledge graduates need to succeed in college and careers.

Yet at the same time, the lack of a fully developed state data and accountability system severely limits the ability of policymakers and educators to surface and use data to focus on and improve graduation rates while holding firm on standards. The state has rich enabling policy that encourages and supports the design of quality education options, including new schools such as charter schools and alternative schools. But the state lacks capacity to further develop and scale up these options, and leaders do not have data at hand to even determine the full universe of need.

Sustained political, education, and civic leadership for the first phase of education reform has been a key ingredient of Indiana’s success. As a result of this leadership, Indiana is one of a handful of states with rigorous standards and a required high school course sequence. This report’s recommendations suggest specific ways in which Indiana can continue this tradition of leadership and build on its successes, while directly addressing the challenges to increasing graduation rates without compromising on high standards.

## **Recommendation One: Count and Account for All Students, While Keeping the Sights on College and Career Readiness.**

### **Indiana Has a Strong Reform Foundation—But Cracks Are Beginning to Show**

Indiana is a national leader for its decade-long drive for higher academic standards. The state now must align its assessment, data, and accountability system with the dual agenda of getting all students, including those who enter high school over-aged and behind in academic skills, to graduate from high school ready for work and college.

Drawing on a substantial body of research that shows that all students, and especially low-performing students, benefit from a rigorous curriculum, Indiana has instituted a required high school course sequence—Core 40—to improve the options beyond high school for Indiana graduates. Nationally recognized as a rigorous curriculum aligned with college and industry requirements, the Core 40 is the state’s central strategy for advancing the proficiency levels of all high school students.

Indiana leaders must continue to ensure that the state’s academic standards are consistently integrated into Core 40 coursework in all school corporations across the state. Without a high-quality measure of the Core 40 standards that helps to set a consistent performance expectation statewide, the state may not succeed in increasing student preparation for their next step. For example, officials at Ivy Tech Community College of Indiana report that 80 percent of entering freshmen still need remediation services.

Indiana’s state assessment system has been continually fine-tuned. The timing and use of the ISTEP tests remains a contested issue; legislation to move test administration to the spring failed in the General Assembly during the last session. As a compromise, the Board of Education was directed to submit a proposal to the General Assembly on the long-term future of the state’s assessment system, due in November 2006. The high school assessment system is mainly comprised of the Graduation Qualifying Exam, given in tenth grade and based on ninth-grade standards.

Indiana is a frontrunner in implementing and publicly reporting a four-year cohort graduation rate. Beginning in 2003, the General Assembly mandated new methods for calculating graduation rates. During the 2006-07 school year, Indiana will be one of the first thirteen states that report cohort graduation rates as agreed upon by all fifty governors through the National Governors Association *Graduation Counts Compact*.<sup>1</sup> This is a critical step toward improving accountability and outcomes for young people who leave high school without a diploma by implementing more accurate measures of high school graduation rates. Indiana now will track

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<sup>1</sup> The calculation of a Compact Rate is achieved by dividing the number of on-time graduates in a given year by the number of first-time entering ninth graders four years earlier. The denominator can be adjusted for transfers in and out of the system, and data systems ideally will track the trajectories of individual students through their longitudinal data systems. Special education students and recent immigrants with limited English proficiency can be assigned to different cohorts to allow them more time to graduate.

the progress and whereabouts of individual students and report a graduation rate based on how many ninth graders make it to graduation four years later.

Indiana's new cohort-based estimates indicate that only 74 percent of Hoosier students in the class of 2006 earned a regular diploma within four years of entering ninth grade in 2002. Experience shows that many of these youth will fail to ever earn the diploma.

In 2003, 2005, and again in 2006, Indiana enacted groundbreaking dropout prevention legislation. The legislation raises the age of school-leaving to 18; provides for the design of new pathways to graduation for youth, such as School Flex and Fast Track; requires an annual review of each student's career plan to trigger intervention services and supports; and requires more complete data reporting on the annual high school report card on a variety of "early warning" indicators that are predictive of dropping out, including chronic absenteeism, suspensions, and the ninth-grade "off-track" indicator counting the number of freshmen who don't earn enough credits to become sophomores.<sup>2</sup>

Among several data indicators associated with dropping out, Indiana included a particularly powerful indicator in the 2006 legislation. The legislation requires schools and districts to report the number of students who are "off track" to earn a diploma and to advise such students of ways to recover missing credits and/or remediation options. Being off track during the first year of high school is among the strongest predictors of school dropout. Recent research by Elaine Allensworth and her colleagues at the Consortium for Chicago School Research found that the off-track indicator was 85 percent successful in predicting which ninth graders would not graduate.<sup>ix</sup>

Mandating the use of the off-track indicator in state legislation puts Indiana out front among states and provides an important mechanism for building a more comprehensive "early warning system" in districts throughout the state. However, schools and districts need substantial training and support to use the data to intervene early enough with struggling ninth graders to keep these youth in school. Ongoing work in Indianapolis Public Schools to create an early warning system to know how many and which youth are at risk of dropping out will shed light on the patterns of how youth disconnect from school. This system can inform the scope and dimensions of needed intervention efforts in IPS—and potentially serve as a model for other urban districts in the state.

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<sup>2</sup> Thirteen states have legislation that requires compulsory attendance until age 18.

**On the Ground:** The data capacity at Indianapolis Public Schools is growing. The district has reorganized data functions so they are housed in the same department. There is strong, entrepreneurial leadership in this department, and IPS is working to surface and use data strategically. Much work remains to integrate data across databases, improve the consistency and quality of data gathering, and, most importantly, enhance the capacity of district and school leaders and staff to access and use data to inform and help guide school reform efforts. This will require ongoing professional development and technical assistance and the creation of multiple points of access to data that are user-friendly.

Robert Balfanz of Johns Hopkins University is working with IPS (as part of *Moving Forward*) on a study using longitudinal cohort data of the system's strongest predictors of school dropout. This work will help IPS build an early warning system to identify how many and which youth develop risk factors that predict dropping out and use the data to develop timely and targeted intervention services.

## **Moving Forward: Action Steps to Address Barriers and Leverage Opportunities**

Indiana needs to upgrade its high school assessment and accountability system and build a P-20 longitudinal data system. Indiana should pursue the following action steps:

- ✓ **Indiana must fully develop and fund End-of-Course Assessments throughout grades 9-12 to ensure that Core 40 standards succeed in raising achievement and ensuring readiness for careers and college for all students. The state also must align and streamline high school and higher education testing.**

Indiana leaders have a plan to address the challenge of ensuring consistency across high schools and districts as the Core 40 diploma is implemented, but it needs full support and funding. High school and college faculty are collaborating to develop End-of-Course Assessments in English 11, Algebra I, Biology, and U.S. History.

End-of-course exams have considerable promise as a mechanism for improving the quality and consistency in the delivery of curricula. Unlike end-of-grade assessments (e.g., tenth-grade math) that typically are pegged to a broader set of standards than a single course and may cover multiple years of instruction, ECAs are connected to very specific standards for individual courses (e.g., Algebra II). ECAs enable targeted interventions for students *and* teachers. And ECAs are needed in the later grades because upper-level courses are more likely to be inconsistently implemented or otherwise watered down than are lower-level courses.

As the General Assembly takes up the state Board of Education's K-12 assessment proposal, two goals regarding high school assessment should be pursued: 1) Ensuring that high schools are held accountable for getting more students ready for work and college; and 2) Streamlining wherever possible the tests that high school students must take to meet standards, graduate, and be eligible for college admissions and placement in credit-bearing courses.

The Board has proposed substituting ECAs in Algebra I and English 10 for the Graduation Qualifying Exam (and adding Biology and U.S. History to the graduation requirement). As the state moves in this direction, it will be important to ensure that the ECAs are implemented in such a way that they do not constrict innovation at the school level or prescribe rigid course sequences. Young people who are behind academically and off track to graduation often need innovative curricular and instructional approaches that engage them, even while helping to build



their basic skills. An area of experimentation states interested in ECAs might consider is to “modularize” the exams so that various sections can be offered to students in interdisciplinary or integrative courses. The state also should continue to offer numerous and timely retake and remediation opportunities.

Many states, particularly those are serious about raising standards to the level required for success in work and postsecondary education, are moving in the direction of ECAs for upper-level courses as well. The partnership between the Department of Education and the Commission on Higher Education to develop ECAs is a noteworthy component of the ECA plan: it makes it more likely that the ECAs will reflect skills and knowledge needed to succeed in postsecondary education.

However, as currently articulated, the Board’s recommendations do not require the state to develop, nor do they require districts to offer, ECAs in core upper-level courses, such as Algebra II and English 11. Students who take these courses should be required to take the assessments. Passing them should not be required for graduation, but, as in the current proposal, local districts should be free to determine whether, and to what extent, they count towards course grades. Performance also can be included on students’ high school transcripts.

Another goal of the new assessment system should be to streamline and align high school and higher education testing. Upper-level ECAs for Algebra II or English 11 can be used as “college-ready” measures if they are aligned with the knowledge and skills students need to enter and succeed in credit-bearing courses. These tests will help create a smoother and more effective transition to postsecondary education for many students. Postsecondary institutions in Indiana should be able to use them to place students into credit-bearing versus remedial courses; students who do not perform well on the tests will have an opportunity to make up skill deficiencies while still in high school, rather than by taking developmental courses in college.

There are several approaches to college-ready assessments. One is to rely on ECAs in upper-level courses as the primary measure of work and college readiness. A second is to use nationally recognized and widely used college admissions tests, such as ACT or SAT. Many Indiana students already take these tests. Illinois and Colorado have used this approach, which has helped boost college-going rates in those states. However, unless the test Indiana selects is well aligned with the state’s standards and curricula, the test may send conflicting signals to teachers and students alike, and therefore may not be a valuable tool for improving preparation.

Indiana must carefully consider the trade-offs of using ECAs versus nationally available tests. In February 2007, Achieve will release a national study of the alignment of nationally used college admissions and placement tests with the American Diploma Project benchmarks. This study also will analyze a sample of state-developed college placement tests, including some used by Hoosier higher education institutions. These data can help inform policymakers’ deliberations about which approach to pursue and how to consider using multiple measures of college readiness.

**On the Ground:** A key aspect of the Indianapolis Public Schools high school reform plan is the use of assessment to drive improvements in practice. To help teachers more accurately assess students' academic strengths and gaps and to adjust instruction accordingly, the district is instituting a benchmarking system that will identify the content standards that are to be taught for every grade level. Teachers are developing the benchmarks in grade cluster teams headed by the central office staff and supported by content experts. Teachers will assess students on the benchmarks every four and a half weeks and use the results to differentiate instruction based on students' specific needs.

✓ **Core 40 success rates, ECA achievement rates, and high school graduation rates must be among the primary indicators in the state's high school accountability system.**

Indiana, like most states, has focused its K-12 accountability system on grade-level testing aligned to academic standards, a high school exit exam, and interventions for low-performing schools based primarily on results from the ISTEP and Graduation Qualifying Exam. Upgraded accountability systems with incentives to focus on keeping struggling youth in school and preparing these youth to succeed in work and college are needed to drive significant high school reform at the local level.

Indiana now needs to make sure that its school accountability system provides incentives and includes indicators for middle and high schools to encourage students to:

- Stay in school and graduate;
- Stay on track to graduation;
- Take the Core 40 curriculum instead of opting to the lower diploma track;
- Earn Academic Honors or Technical Honors distinctions on the Core 40 diploma;
- Demonstrate proficiency and readiness for the next step by doing well on ECA tests; and
- Place into credit-bearing, not remedial, postsecondary courses and stay on track to earn postsecondary credentials or degrees.

The four-year cohort graduation rate measure is a way to guard against the “push-out” of young people who might not meet standards and therefore could drag down schools' performance ratings. Graduation rates must be included as a key measure of accountability for high schools. In holding schools accountable for a four-year graduation rate, the state also should consider innovative ways to avoid penalizing dropout recovery schools and programs that are recapturing struggling youth. With a sensitive statewide data system, the state, for example, could reward schools that make substantial progress in addressing the numbers of struggling students who are off track in ninth grade and keeping those students in school.

Indiana should incorporate and weight Core 40 and ECA participation and success rates in the high school accountability system. Schools should be encouraged through the accountability system both to get more students to take Core 40 and to help more students earn high marks on the ECAs. Performance on the upper-level ECAs should be used for statewide school accountability purposes. The English 10, Algebra I, U.S. History and Biology ECAs are

insufficient to measure the knowledge and skills students need to succeed in postsecondary education and the workplace, which is the mission of high schools in the 21<sup>st</sup> century.

Prioritizing both standards-based exam results and graduation rates with significant weight in the accountability system will give the state a powerful lever to encourage districts to move *all* students to proficiency.

Recent changes in Louisiana's accountability system may provide direction as Indiana moves forward on refining its system. Louisiana high schools now have a built-in incentive to both keep students and provide rigorous curriculum through the senior year. In its accountability numeric index, a school that keeps a low-performing student in school gets a higher score than a school that lets that student drop out. Additionally, in the new model, 30 percent of high school performance is determined by the number of points high schools receive for getting students across the finish line with both a high school diploma and a diploma plus "endorsements" that signify readiness for college and careers.

- ✓ **The state must invest in a longitudinal data system to analyze and share data on student progress among schools, districts, higher education institutions, workforce development agencies, and so on. An "early warning system" also will help districts target interventions to students most at risk of dropping out.**

To improve graduation rates without compromising on the push toward proficiency for all students, all students need to be accurately counted and accounted for in the state's accountability system. Indiana's data systems need additional resources and recalibration to accomplish this goal.

Longitudinal data systems that allow a state to track a student's education trajectory from elementary through middle and high school and into postsecondary education are an essential building block of high school reform. The Indiana Department of Education, Commission for Higher Education, and the state workforce agency are in discussions about building a longitudinal integrated student information system. At this time, two separate systems exist for K-12 and higher education; these agencies must find a way to link or merge the data systems.

The system should incorporate all ten essential data elements identified by the national *Data Quality Campaign*. Indiana only has 4 of the 10 critical data elements in place. The Department of Education is working to address the other data elements, but more funding and cooperation across state agencies are needed.

Complicating matters is the lack of an integrated data unit at the Indiana Department of Education. As a result, data gathering is fragmented and analysis capability is limited. The department is unable to provide districts with full or timely data to help drive school reform efforts or to fully leverage the data building efforts of Indianapolis (*see box*) and other leading districts. The state cannot do the kinds of nuanced analyses that would allow for more strategic state investments in dropout prevention and recovery programs. And despite the state's mandate to use off-track indicators at the local level, the state cannot assess the scope of the problem or

the level of resources required to bring large numbers of youth back on track to a college/career ready graduation.

**Indiana's Progress Implementing  
The 10 Essential Elements of a Comprehensive State Longitudinal Data System:<sup>3</sup>**

1. Unique statewide student identifier (*Indiana has in place*)
2. Student level enrollment and demographic information (*Indiana has in place*)
3. Ability to match individual student's test records from year to year (*Indiana has in place*)
4. Key information on untested students (*Not in place; Indiana has information on untested students but not why they were not tested*)
5. Teacher identifier system with ability to match teachers with students (*Not in place; Indiana has introduced the School Personnel Number and plans to create a data system for educators similar to that of students*)
6. Student-level transcript information (*Not in place; Indiana has a course numbering system and intends to begin linking the student and teacher information*)
7. Student-level college readiness test scores (*Not in place; Indiana has aggregate-level data but not student-level data*)
8. Student-level graduation and dropout data (*Indiana has in place*)
9. Ability to match student records between preK-12 and higher education systems (*Not in place*)
10. A state data audit system assessing data quality, validity and reliability (*Not in place*)

Leadership, political will, and both new and reallocated resources are needed to make this system a reality. In addition to allocating state resources, Indiana should reapply for federal competitive grant funding to improve its data system. The Indiana Department of Education's recently released strategic plan, which includes a \$3 million budget request for a state data warehouse and plans to organize a new Division of Best Practices, is a positive step in the right direction. State policymakers must find ways to fund this or a similar proposal.

States with "gold standard" data systems—Florida, Louisiana, and Texas, in particular—are useful models as Indiana examines its challenges and creates a rollout and financing plan. For example, several states finance their data systems using a percentage of overall education expenditures. Other lessons of interest might include how states have phased in implementation of their systems and how they have organized their departments of education to inform data system development and provide ongoing oversight of the work.

Also as part of the *Moving Forward* initiative, Robert Balfanz of Johns Hopkins University is partnering with Indianapolis Public Schools officials to research and identify the leading indicators of why students, beginning in sixth grade, drop out. Key indicators that the study will consider include course failure and test scores in core academic subjects, attendance, and suspension in the middle grades. This research will help IPS leaders, faculty, and community members analyze the scope of the dropout problem, know which indicators are most predictive of dropping out, and more strategically target interventions and resources to students most at risk.

This research provides a unique opportunity for Indiana to pilot the development of a comprehensive early warning system in a community with a high concentration of dropouts.

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<sup>3</sup> Source: the Data Quality Campaign, a coalition of more than 30 national education organizations. See [www.dataqualitycampaign.org](http://www.dataqualitycampaign.org).

Over the long term, such use of data helps put students back on a pathway to on-time graduation and dramatically improve a district's overall graduation rate. Supporting the next stages of this work in Indianapolis would provide a model for other districts in the state and help implement the dropout prevention legislation that requires identification and support for off-track ninth graders.

## **Recommendation Two: Identify the High Schools Losing the Most Youth and Target These for Immediate and Significant Intervention.**

### **Indiana High Schools Are Losing too Many Students**

Nearly 1 in 4 Indiana youth who entered 9<sup>th</sup> grade four years earlier walk out of public high schools without earning a diploma. While these students are distributed across the state, they are concentrated in a small subset of high schools where graduation is, at best, an iffy proposition. Indiana must not allow students to languish in and leave these schools. The state needs a significant intervention strategy and cannot delegate this responsibility to local school corporations.

Robert Balfanz and Nettie Legters of Johns Hopkins University, in “Locating the Dropout Crisis,” have used an estimated measure of four-year cohort graduation rates to identify about 2,000 high schools across the country that graduate 60 percent or fewer of their students.<sup>4</sup> In Indiana, 22 high schools fit this description. Thirteen of the 22 schools are in cities, but these high schools also are found in suburbs, towns, and rural areas. Nineteen are large high schools, with enrollments between 800 and 2,000 students.

Low-income and minority students populate these schools. Collectively, the schools enroll 9 percent of all Indiana public high school students—but 32 percent of the state’s minority high school students. Fifty percent of the students attending the schools are minority students. In 16 of the schools, 40 percent or more of the students are eligible for free and reduced lunch. None of the schools has less than 20 percent eligible for free and reduced lunch.

In Indiana, as in most states, the tendency is to focus federal, state, and local resources for struggling students on the early grades to build critical foundation skills in reading, writing, and in numeracy and close early achievement gaps among white and African-American and Latino students. This strategy reflects the long-held belief that interventions and reforms in the early years of schooling will bring the greatest return and eventually solve performance problems in the upper grades.

But graduation and achievement statistics on Indiana’s high schools clearly show that, while early intervention is important, it is not enough. Investing in youth from early childhood through the eighth grade and then leaving them to flounder in underresourced, underperforming high schools undercuts hard-earned gains made during the early years.

State intervention and support for this relatively small subset of 22 high schools (representing 6 percent of all the state’s high schools) in which the education pipeline has ruptured is both necessary and achievable. Taking significant action would put Indiana on sure footing to improve the state’s graduation rates and close the graduation gap among the state’s minority student populations and their white counterparts.

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<sup>4</sup> See The Graduation Gap Web site, : <http://www.csos.jhu.edu/pubs/grad.htm>.

## Indiana's Current Approach to the Problem Is Insufficient

As part of the recent revamping of the state's accountability system, the Indiana General Assembly adopted statutory provisions that require local school corporations to take action in underperforming schools. Specifically, the law allows schools in the lowest category of school improvement to shift resources, change personnel, and make a request to the local school board for the State Board of Education to appoint an outside team to manage the school or assist in the development of a new school restructuring plan.

If a school remains in the lowest category for a third year, the State Board assigns an expert team to the school. The expert team must include representatives from the community the school serves and may include school superintendents, members of governing bodies, and teachers from school corporations that are in high categories of improvement and special consultants or advisers. The expert team assists the school in revising the school's improvement plan and recommends changes in the school that will promote improvement, including the reallocation of resources or requests for technical assistance. If a school remains in the lowest category in the fifth year, the State Board can merge the school with a nearby school that is in a higher category, assign a special management team to operate all or part of the school, or implement other options, including closing the school. Under a student transfer provision that predates the accountability law, the State Board allows students in schools that are placed on probationary accreditation status because the schools are underperforming to transfer to another school corporation without paying tuition.

To assist local improvement efforts, the Indiana Department of Education plans to provide targeted technical assistance—focused on the use of data, improved school planning, leveraging resources, and assessing results—to support low-performing schools.

While such technical assistance makes sense on its face, leading-edge research on school interventions across the United States suggests that states must go beyond providing technical assistance to address the fundamental conditions that enable low performance to occur in the first place. Technical assistance approaches have not succeeded in turning high schools with long histories of underperformance and of losing 40 percent or more of their students into places where students from all subgroups make steady progress toward meeting academic standards and graduating from high school. Many of these schools, after years of neglect, lack the internal capacity—even with technical assistance—to reach the level of improvements called for.

In fact, it is exactly these underlying conditions that make it difficult for state departments of education, with their limited resources, capacity, and technical assistance approach, to intervene effectively to turn around these high schools. Balfanz and Legters' research revealed that, in the 2,000 high schools across the country that are losing 40 percent or more of their students, 80 percent of the ninth graders are overage when they enter high school, require special education services, have less than seventh-grade reading and math skills, or are repeating for the second or even third time.<sup>x</sup>

In addition, these schools often have significant numbers of inexperienced teachers and teachers teaching classes outside their certification, as well as high rates of teacher turnover. And bold

action by district leaders to reconstitute failing schools or convert them to multiplexes of small schools is often hampered by collective bargaining agreements, tight budgets with competing priorities, or municipal and community resistance.

## **Moving Forward: Action Steps to Address Barriers and Leverage Opportunities**

Indiana needs to intervene swiftly and effectively in schools with the lowest graduation rates; it cannot afford to continue to graduate one in four students overall or fewer than one in three in underperforming high schools. Indiana should pursue the following action steps:

- ✓ **High schools must be held accountable for graduation rates, though schools for returning dropouts may require a different definition of “on-time” graduation.**

Indiana has policy in state board rules to include a school’s graduation rate as a primary indicator of school performance, but this requirement has not been fully implemented. Indiana must implement this requirement if it wants schools to take seriously the goal of reducing high school dropouts. Indiana’s commitment to publicly report the new cohort graduation rates during this school year—as it will be one of the first thirteen states in the nation to adopt the new common reporting method—will enable the state to include the newly defined graduation rates in the accountability system.

Since, the purpose of using graduation rates is to encourage schools to pay greater attention to students at risk of dropping out; it will be important to ensure that those schools specifically designed for returning dropouts are not unintentionally identified precisely because they are serving the most at-risk students. One approach would be to replace the requirement of on-time graduation (in four years) for students in those schools designed for dropout recovery with one that allows for graduation within five or six years of that student’s original entry into high school. This will minimize the accidental identification of dropout recovery schools and enable the recovery schools to “get credit” whenever a reenrolled student ultimately graduates.

- ✓ **Robust data analysis, including but not limited to on-track indicators, is essential to school turnaround efforts; schools also need leadership and support to use the data.**

Data on both students and teaching staff should play a central role in supporting state and local efforts to turn around underperforming high schools. Teacher data should include qualifications of the teaching staff, such as percentage of inexperienced teachers, percentage teaching outside of their certification, teacher turnover rates, and teacher/student ratios. As noted above, Indiana does not have the capacity to provide and analyze these data statewide.

A robust local or statewide data analysis should include a hard look at on-track indicators – that is, the percentage of students who are on and off track for graduation, based on age, credits, and status in core academic courses. Fortunately, Indiana’s groundbreaking dropout prevention legislation requires schools and districts to report the number of students who are off track to graduation—that is, the number of ninth graders who do not have enough credits to be promoted to tenth grade—and to advise such students of ways to recover missing credits and/or remediation options.



However, what is needed to complement the enabling policy is support for high schools to use the off-track indicator early enough in the 9<sup>th</sup> grade year to provide interventions. Quick response to such ninth graders who are off track—through focused instruction programs and structured supports that help ease academic and developmental demands—is critical to turning around low-performing high schools.

Indiana can draw on the growing body of evidence about highly effective practices and strategies for addressing early academic difficulty in high school as it develops its capacity-building plan that will make the use of the off-track indicator a powerful tool for identifying struggling students likely to dropout and intervening to get them back on track to high school graduation.

#### **Effective Practices that Keep Off-Track Students in School**

Evidence from the Manpower Development Research Corporation (MDRC) study of the 9<sup>th</sup>-grade Success Academy component of the Talent Development Comprehensive School Redesign model shows strong results from particular practices to improve student skills in the first six months of 9<sup>th</sup> grade. Researchers validated the efficacy of practices such as more intensive “dosages” of English and math in the early months of 9<sup>th</sup> grade, with a focus on helping students improve their skills enough to handle high-school level texts and assignments; extended learning time in the after-school hours, as part of the catch-up and acceleration strategy; and a quick response to academic failure, even before the reporting of first semester grades.

Such strategies resulted in significantly more students passing “gateway” academic courses such as algebra and in higher promotion rates from 9<sup>th</sup> to 10<sup>th</sup> grade. Both of these indicators are highly predictive of whether a student graduates from high school. (See Kemple, James J., Corinne M. Herlihy, and Tomas J. Smith. *Making Progress Toward Graduation. Evidence from the Talent Development High School Model*. New York: MDRC, Inc. Online available: <http://www.mdrc.org/publications/408/overview.html>)

#### **✓ Indiana has delegated significant authority to school corporations, but needs to take its own action to intervene aggressively in chronically underperforming schools.**

What’s needed now is for the state to provide the right balance of incentives and sanctions to push and support school corporations to use their authority to intervene more aggressively in chronically underperforming schools. As Indiana continues to improve its accountability system, it also must take the sorts of steps that districts are authorized to take, should school boards and districts fail to intervene in chronically underperforming high schools.

The state may want to identify and prioritize such schools for state action using a four-year graduation rate of 60% or lower, (the measure used by Balfanz and Letgers), as an automatic trigger for intervention. Another possible option is to identify the high schools in the lowest quintile of graduation rates in the state for intervention. Such schools tend to also have low achievement rates.

Whatever data-driven approach the state adopts, it needs to target high schools with the greatest problems in order to conserve scarce resources and achieve the most improvement for the students who too often have been left to languish in chronically underperforming schools.

After Indiana policymakers have identified schools with substantial numbers of youth dropping out, the state needs a fair but swift process that includes a thoughtful assessment of particular

school issues, coupled with due diligence to assess the school’s ability to benefit from intervention. Such a process should begin with a data analysis of the students in the school, including a segmentation of the student population by age, credits, and early warning indicators of dropping out, as well as by special factors, such as special education and data on the qualifications of the teaching staff.

A successful intervention in a chronically failing school can take several forms, but at minimum it should include a turnaround plan that is aligned with the findings of the needs assessment and supported by short-term and longer-term benchmarks to assess progress. If a school fails to make reasonable progress on these benchmarks within a period set by the state (which should not exceed more than two years), and the district does not use its authority to take more aggressive action, then the state should use its authority to reconstitute the school, turn the school over to alternative management, convert the school into smaller, autonomous schools, or close the school. The smaller, autonomous schools would be developed and supported by outside entities, such as charter school and youth development organizations with experience in designing, testing, and spreading proven models.

Any such intervention in a school is only as successful as supporting efforts to change the culture and working conditions. Indiana would need to address or remove barriers to implementing the turnaround/replacement plans—such as collective bargaining agreements that perpetuate teacher turnover.

The work will be difficult, but the result—turning high schools from dropout factories that lose the most students in the state into schools where youth graduate ready for college and careers—will have enormous payoff to Indiana in terms of increased success and productivity for young people, fewer social problems, and greater economic returns to society.

**On the Ground.** In many cities that are tackling the challenges of reforming high schools, a central tension has been striking the right balance of autonomy (freedom to innovate and freedom from working conditions that hamper innovation) and accountability. In collaboration with the Center of Excellence in Leadership of Learning at the University of Indianapolis, Indianapolis School District and school leaders are working to specify the necessary conditions for high schools to gain autonomy. A new Memorandum of Agreement includes provisions regarding “zones of autonomy.” To gain autonomy, schools will go through a thorough assessment process before a review panel that will look for such indicators as demonstrated ability to assess school performance, a benchmarked plan to close achievement gaps, and the ability to manage the school budget.

## **Recommendation Three: Analyze the Supply of High-Quality Options and Create New Pathways to High School Graduation for Struggling Youth.**

### **Wealth of Policies Support Growth of Education Options**

Indiana is rich in policies and programs that can support the growth of education options designed to put a diverse group of young people on pathways to high school graduation. Yet thousands of students are already leaving school, some will return to school, and more students than ever before may struggle under the higher standards envisioned through Core 40. With a renewed focus statewide on dropouts and new requirements on school corporations to track and address student progress in ninth grade, Indiana is likely to find itself with a demand for high-quality interventions, student supports, and new school options that far exceeds the available supply.

As the media attention to and public awareness of the dropout crisis in Indiana have grown, so has the recognition among key policymakers and state and district education leaders of the need for new pathways to high school graduation. Amid increased visibility of the challenge of low graduation rates, Indiana leaders have stepped up to focus on the large number of Indiana youth who are off track to graduation and likely to leave school without a diploma.

First, Indiana's 2006 dropout prevention legislation encourages new programming for dropouts in need of academic acceleration and transition support. It spells out the use of state dual enrollment funds in supporting "Fast Track to College Programs," which are high school and college "blends" that offer older dropouts—over age 18—a way to earn both a high school diploma and an Associate's degree. Indiana is one of only a handful of states in the country that positions dual enrollment as a dropout prevention and recovery strategy.

Second, through the National Governors Association Honor States High School Redesign initiative, Indiana is using NGA funding to support a competitive grant process that supports districts to engage in high school redesign. High school redesigns include such models as Early College High Schools, High Schools That Work, New Tech Highs, and Science, Technology, Engineering and Mathematics (STEM)-focused high school designs. The state has leveraged an additional \$1 million, locally raised grant to support planning grants for communities and districts committing to such high school redesigns.

Third, early college high schools, a variation of high school and college blended designs that accelerate learning for youth in grades 7-12, are the focus of growing, multi-sector interest in Indiana. Early college designs have the potential to encompass a number of key reform practices. For example, school designs with grade 7-12 or grade 7-14 configurations enable educators to gain more time with younger students for academic preparation and acceleration. And variations of grade 11-14 designs can provide dropout recovery and transition to college services for youth who experience disruption or lack of success during their high school years.

Fourth, Indiana's innovative charter school legislation also enables the development of new and more options for struggling youth. This legislation, enacted in 2001, allows multiple authorizers

of charters and funds schools with a mix of local property taxes and state funds. The state's key charter school innovation—giving the Indianapolis mayor's office chartering authority—has resulted in a rigorous authorizing process for local charters and catalyzed substantial civic, private-sector, and philanthropic leadership in the development of new schools.

Finally, over 210 Indiana school corporations have alternative education programs in their districts or service agreements with neighboring districts that sponsor such programs. The state alternative education legislation requires the use of innovative instruction in these programs (e.g., students must receive instruction that differs from regular options offered in a “traditional school setting”).

**On the Ground:** After two years of planning, in fall 2005 Indianapolis's five comprehensive high schools began converting to campuses of small, autonomous high schools or small learning communities. While the planning began during the previous administration, the new superintendent is committed to staying the course.

Joining the twenty-one emerging, autonomous schools on the five high school campuses are a number of new schools under development by the district. The superintendent is looking to expand proven school models that tightly couple high expectations for academic performance with high support. District leaders are working with a variety of outside partners to: convert existing schools to career-themed magnets (such as the Crispus Attucks Medical Magnet planned in collaboration with Indiana University-PUI); adopt and expand effective school designs (such as KIPP academies); and plan entirely new options (such as single gender schools). Early college high school models that blend high school and college to accelerate learning for youth in grades 7-12 have also captured the interest of district and school leaders.

While it is still early, preliminary data show improvements in attendance and reductions in suspensions and expulsions, which are indicators closely associated with academic progress.

## **But Lack of Capacity Limits Scale Up**

The capacity of Indiana's school developers, school reform organizations, and youth development intermediaries to expand the supply of diploma-granting options to keep young people in school and help them attain high school and postsecondary degrees is severely strained. The demand for services to support charter school leaders and teachers and alternative education staff and teachers working with special populations also greatly outstrips the supply.

The Center of Excellence in Leadership of Learning at the University of Indianapolis has served as the school development intermediary for Indianapolis Public Schools and for charter start-ups authorized by the city's mayor. CELL's capacity is stretched, yet it has been approached by many other groups seeking assistance with high school reform.

If fully realized, the provision of the dropout legislation that requires schools and districts to report the number of students who are off track to graduation and to advise such students of ways to recover missing credits or their options for remediation could go a long way toward improving graduation rates. But many schools and districts do not have the capacity to implement this legislation as currently written and funded. For example, high school counselors' typical caseloads, expertise, and focus on other issues make this an unworkable strategy. Just as important: “Dropout factory” high schools need a more comprehensive approach and more staff capacity to identify and intervene with the substantial numbers of off-track youth.

As in most states, charter schools in Indiana mostly serve younger youth. Only three—Campagna Academy in Schererville, Options High School in Noblesville, and Options High School in Carmel—specifically target students who are at risk of dropping out or who have already dropped out of school. Only four charters even serve high school youth in Indiana (although more may be authorized in fall 2006).

Nor is there enough state support for disseminating the growing body of evidence about effective practices and strategies for addressing early academic difficulty in high school. Ideally, the state Department of Education would provide professional development services and incentives to help districts identify and implement effective intervention models, but the department, as in many states, has been scaled back, and its capacity to do research or conduct in-service activities at scale is limited.

### **Moving Forward: Action Steps to Address Barriers and Leverage Opportunities**

Indiana's leadership on the state policy front needs to be matched by its attention to capacity at the local level. Indiana, like nearly all states, struggles with substantial capacity and resource issues that limit the development or expansion of education options and programming for off-track youth and dropouts—at any kind of scale. To address these concerns, Indiana should pursue the following action steps:

- ✓ **Indiana policymakers need to conduct a strategic assessment to clarify the scope of demand for new options and the best approaches to increase supply.**

In the long run, Indiana and communities must systematically redesign comprehensive high schools to prevent dropping out, open new high schools that engage and support all students, and scale up proven education models for struggling and out-of-school students.

Despite the state's commitment to raising graduation rates, no effort exists at the state level to mine current data, determine the adequacy of current education options statewide, or plan an expansion strategy focused on proven practices and new school designs. Such a strategy needs to ensure coverage in communities with moderate and severe dropout problems, and it needs to include a mix of options to meet the varied needs of youth in different communities. The Indiana Department of Education's recently released strategic plan, which includes a \$3 million budget request for a state data warehouse and plans to organize a new Division of Best Practices, is a positive step in the right direction. Over the long term, such a data warehouse will be useful to inform ongoing sophisticated analyses of the scope and location of the dropout problem and guide strategic investments in dropout prevention and recovery.

However, the state cannot afford to wait for a more comprehensive data system to develop a clear vision and coherent statewide plan for using investments more strategically and intentionally to seal the leaks along the education pipeline to high school graduation and postsecondary attainment. A first step is to use the best data currently available at the state and district levels to segment the population of young people likely to dropout of high schools. This includes, for example, looking at students who are over-aged middle graders, off-track first-time

ninth graders, older off-track students with limited credits, and those who have already dropped out, with analysis by demographics and by special populations.

This analysis should be accompanied by an effort to identify and examine practices at schools that are “beating the odds”—that is, getting better results with students who are off track to graduation and likely to dropout than their counterparts with comparable populations. These schools and programs can provide valuable lessons for improving current programming and identifying designs and models for expansion. An overall environmental scan will help round out this picture by identifying current programs and gaps.

Central to the state’s plan should be a strategy for developing and expanding new and proven practices and models, which are informed by the data and designed specifically to meet the needs of various groups of students who are off track to graduation.

- ✓ **Indiana should improve the quantity and quality of alternative education, career and technical education and Adult Basic Education to address programming gaps in the short run. The state also should remove barriers to starting new schools and charter schools for high school youth.**

Before the comprehensive approach to examining demand and expanding supply can be implemented, there may be a short-term gap in services available to motivated youth who have dropped out but realize they need a credential. The state can bridge this gap by improving the quality of alternative and career and technical education programs and allowing partnerships among Adult Basic Education programs and school systems to help youth close to the finish line of getting a credential. The state also can offer incentives for charter schools to serve high school students who may struggle in traditional settings.

Traditionally, alternative education has not always been a path to success earning a diploma; instead, it has sometimes been a place to house troubled youth. Alternative education that is designed to assist off-track youth who are behind in credits and need a smaller and more supportive environment while emphasizing a rigorous college-and work-preparatory curriculum can be an important component of the state’s plan to support varied pathways to graduation. Yet at this point, alternative education lacks the quality, capacity, and funding to grow much beyond current levels. The legislature has indicated a willingness to make greater investments in alternative education, if the state and districts can make a compelling case for the “value-add” of this programming.

Career and technical education programs can be adapted to put struggling students back on pathways to a high school diploma and postsecondary credentials. In the past, some vocational education programs have lacked the rigor of traditional academic classrooms, but they have offered the relevant work-based and hands-on opportunities that appeal to some teens. Under the federal School To Work Opportunities Act, CTE programs demonstrated considerable success at providing pathways to high school diplomas and career success for disengaged and struggling students. CTE could help engage and graduate disconnected youth who want a more relevant curriculum—if such programs are retooled to serve academically struggling youth and provide

equivalent rigor by connecting with the Core 40 Diploma with Technical Honors distinction or to dual enrollment programs with community colleges.

Adult Basic Education and GED programs in Indiana currently serve large numbers of dropouts age 16 and up who realize they need a high school credential. It is appropriate for the state to place a premium on the regular high school diploma, rather than the GED, given the increasing skill needs of today's economy. But, in the short run, ABE and GED programs can fill the programming gap for youth under 18 who have left school. As districts build out "portfolios" of high school options for young people, especially by expanding schools and programs to help students who are off track to graduation get back on a path to a college-ready diploma, students should no longer be directed toward the GED option in large numbers.

**On the Ground:** Indianapolis Public Schools supports a number of credit recovery or accelerated programs for middle school youth; most transition young people back to home high schools. This fall, IPS will open a pilot program at Arsenal Tech to provide "back-on-track" programming for over-age ninth graders. If the program succeeds, it will be expanded to other high schools that serve large numbers of over-aged and under-credited youth. IPS also supports a substantial Adult Basic Education department; staff teach in both GED and credit-recovery diploma programs.

Starting up a new charter school is a formidable challenge that is exacerbated for high school charters that intend to serve struggling students and out-of-school youth. These youth arrive behind in skills and often with life circumstances that require additional academic and social supports. To encourage more high school charters to be authorized by districts, universities, and the Indianapolis mayor, the legislature should consider offering incentives for charter school operators and sponsors to start new schools specifically designed for struggling students and out-of-school youth.

Incentives might include: differentiated funding formulas for schools serving unique student populations; providing additional support from the state department of education or other school reform or development organization during the first few years of operation; and establishing progress measures for schools successfully recruiting and serving large numbers of low-skill or off-track students so that these schools are not penalized for their four-year graduation rates. In addition, the state may want to follow the example of Texas and exempt charters that serve a high proportion of at-risk youth or dropouts from any caps on charters.

✓ **Indiana should create a public/private school innovation fund to support the spread of instructional practices and school models with a track record of improved outcomes.**

The barriers to expanding effective instructional practices and school models could undercut Indiana's commitment to improving graduation rates and pushing for readiness for work and college. The creation of a school innovation fund, jointly supported by the public and private sectors, could address the numerous capacity issues that hinder state and district leaders' ability to leverage the rich array of policies promoting the development of options.

Such a school innovation fund would have two key purposes:

- (1) Support the spread of organizational and instructional practices and school models that are effective in improving achievement and attainment outcomes of students who are not on track to graduation; and
- (2) Build or strengthen the capacity of existing and proposed school and youth development entities to become centers for the expansion of such proven practices and models.

The school innovation fund could set up and support a competitive grant process open to existing or proposed school development and reform entities formed by states, districts, and private and non-profit organizations (including youth development organizations and community-based organizations with alternative education models). Selected school development and support entities would be expected to engage in performance management to assess ongoing effectiveness and ensure continuous improvement. Important components would include: high-quality professional development and support for teachers, administrators, and staff; the codification of key practices and key elements of models; and the development of training modules and materials.

The innovation fund could ensure accountability to taxpayers for results, while helping Indiana schools and districts, for example, fund more dual enrollment options, such as early college high schools; the creation of a fifth high school/college year for young people who enter ninth grade behind their peers and need more time to catch up and transition successfully to college; and extended day and summer credit recovery and accelerated learning programs.



## Part IV. Moving Forward

Indiana has a storied history of active engagement of key stakeholders and policy leaders from government, K-12 education, postsecondary education, and workforce development in education reform. In Indiana, the Education Roundtable, a legislatively authorized body, provided strong leadership for the first phases of education reform. The Roundtable provided guidance and oversight for the development of the P-16 Plan for Improving Student Achievement, as well as the rigorous set of academic standards and the corresponding state assessment system. More recently, the Governor, the state Superintendent of Public Instruction, the state Commissioner of Higher Education, and the legislature have taken up the charge to address high dropout rates and begin to redesign high schools.

Embracing a dual agenda of high standards and high graduation rates will require yet another focused and collective commitment. The next phase of education reform in Indiana requires improvement across the entire education pipeline—aligning early childhood with K-12 education and K-12 with postsecondary systems. Educators and policymakers will need to focus on getting the balance of rigor and support right in order to achieve both higher standards of performance and graduation rates. Active, multi-sector leadership is needed to address alignment challenges, intervene in chronically underperforming high schools with the lowest graduation rates, and develop a state strategy to identify resources and quickly expand needed education options for a more aggressive reform effort statewide.

Certainly, there are many pressing issues facing Indiana’s education system today. Phasing in universal full-day kindergarten and upgrading the quality of early childhood education are top priorities; the costs of and access to public higher education also are urgent concerns that need to be addressed.

But the state’s alarmingly high dropout rates and the cracks in the education pipeline, if not stemmed, will have devastating, long-term consequences to the health and well-being of Indiana’s youth, citizens, and economy. Indiana has taken the first steps to repair the ruptured pipeline. Now it must move forward and complete the job.

## **Moving Indiana Forward**

### **Interviewees**

#### **Indianapolis Public Schools**

Dr. Eugene White, Superintendent  
Dr. Willie Giles, Associate Superintendent  
Jacqueline Clency, Assistant Superintendent Middle Schools  
Mary Jo Dare, Asst. Superintendent Academic Affairs  
Rick Peters, Director, Office of Research, Evaluation and Assessment  
Wayne Wellington, Assistant for Adult and Vocational Education  
Luberta Jenkins, Director, Career & Technical Ed Center  
Robb Warriner, Director, Special Education  
Marilee Updike, Coordinator, English as a New Language  
Bob Brown, Director, Adult Education  
Sondra Towne, Director, Alternative Education  
Madora (Austin) Lewis, Director of Student Services  
Jane Kendrick, Director, Small Schools  
Jacqueline Greenwood, Campus Administrator Arlington High School  
Dorothy Crenshaw, Director, Information Services  
Gerry McLeish, Director of High School Programs  
6 Academic Deans for each small school at Arlington High School

#### **Indiana Department of Education**

Dr. Suellen Reed, Superintendent of Public Instruction  
Wes Bruce, Assistant Superintendent, Center for Assessment, Research, and Information Technology  
Molly Chamberlin, Director, Division of Educational Options  
Lauren Harvey, Assistant Director, Division of Language Minority and Migrant Programs  
Linda Warner, Director, Division of Adult Education  
Patty Shutt, Director, Office of Career and Technical Education  
Gary Wallyn, Director, Division of Accreditation, Assistance & Awards  
Scott Minier, Legislative Liaison and Policy Analyst  
Jason Bearce, Director, Communications Office  
Jennifer Campbell, Education Consultant, Division of Exceptional Learners  
Dee Kempson, Dropout Recovery Project Coordinator  
Gina Woodward, School Counseling Consultant

#### **State and City Education and Business Leaders**

David Shane, Member-at-Large, Indiana State Board of Education  
Stan Jones, Indiana Commissioner for Higher Education  
Brandon Cosby, Senior Fellow, Center of Excellence in Leadership of Learning  
Nancy Sutton, Senior Fellow, Statewide Leadership Initiative, Center of Excellence in Leadership of Learning  
Cheryl Orr, Senior Communications Associate, Commission for Higher Education & Education Roundtable  
Michael Young, Terry Fields, Terrie Schultz, Indiana Department of Workforce Development, Career and Technical Education  
John Ellis, Executive Director, Indiana Association of Public Superintendents  
Judy Briganti, President Indiana State Teachers Association  
Dan Clark, Deputy Executive Director, Indiana State Teachers Association  
Sara Cobb, Vice President Education, The Lilly Endowment  
Barbara DeHart, Program Associate, The Lilly Endowment  
Joanne Joyce, President and Chief Executive Officer, Indianapolis Private Industry Council  
Barbara Lucas, Director of Programs, Indiana Youth Institute  
Megan Chaille, Indiana Youth Institute  
Paula Parker-Sawyers, Executive Director, Office of Faith-Based and Community Initiatives  
Andrew Penca, Commissioner Indiana Department of Workforce Development  
Carol D'Amico, Executive Vice President, Ivy Tech Community College  
David Holt, Vice President Workforce Development and Federal Relations, Indiana Chamber of Commerce  
David Guarino, Education Policy Manager, Indianapolis Chamber of Commerce  
David Harris, Senior Advisor, Education, Office of the Mayor of Indianapolis  
The Honorable Luke Messer, Indiana State House of Representatives  
The Honorable Robert Behning, Indiana House of Representatives  
The Honorable Billie Breaux, Indiana State Senate  
The Honorable Teresa Lubbers, Indiana State Senate

## ENDNOTES/REFERENCES

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