

HB 369

An act requiring school districts to pay the fee for students to take a national, curriculum-based college entrance examination; providing an appropriation; and providing an effective date

What has been the impact of similar legislation in other states?

- Colorado, Illinois, and Oklahoma have seen increases in college-going rates (from 7% to 34%) and decreases in college remediation rates, especially among minority and low-income students. Students are also enrolling in more rigorous courses as high school seniors.

How has increased college-going rates impacted college retention rates in those states?

- For first-time, full-time freshmen at two and four-year colleges, the percentages of students returning in fall of 2002 increased from 2001 in Colorado and Illinois and remained flat or decreased slightly in Oklahoma

How were costs and participation rates projected for HB 369?

- Currently, about 56% of Montana's high school students take the ACT, for which they (or their parents) pay \$28 per test. If all of Montana's 11,660 juniors were to take the test, the cost could be \$326,480 per year.
- On average, each year 350 Montana students (about 5% of the test-takers) qualify for fee waivers from ACT. As written, HB 369 encourages students to apply for fee waivers, reducing the annual cost to the state by approximately \$14,000.
- Where the test is voluntary, test taking has increased about 25%. If Montana followed suit, the actual cost per year may be around \$240,000.

How can HB 369 help build a stronger Montana economy?

- By placing added emphasis on college readiness, teachers, counselors, and students are more likely to consider post-secondary options. Students who did not see college as an option are more likely to attend two or four-year colleges.
- Investment in higher education provides benefits to individual students and to society. The private economic benefits include higher personal income and lower unemployment. The public economic benefits include decreased reliance on public assistance and increased tax revenues.
- Increasing number of Montanans with post-secondary training and education is vital to improving economy by supplying a more educated and flexible workforce.
- On average, individuals without education beyond high school reach their maximum earning potential of about \$30,000 per year during their first ten years of employment (Pfeiffer, 2004). Nationally, the difference in individual annual income between a high school graduate and some

college is \$5,100, an associate's degree adds \$7,200, and a bachelor's adds \$17,800 (2001, Bureau of the Census).

- Even without completing any kind of degree, 2,000 additional students going on to higher education could earn an additional \$10 million per year. If paying for the ACT resulted in only 1,000 additional Associate Degrees and no additional BA's, those 1,000 graduates could produce \$7 million in additional annual income.
- In Montana, the unemployment rate is 7.3% among high school graduates and only 2.9% among those with some college or Associate Degrees (US Census Bureau, 2004).
- The Montana Research and Analysis Bureau projects 2,039 annual openings requiring associate degrees or post-secondary training and 2,641 annual openings requiring bachelor's degrees between now and 2012 in Montana. (Openings include job growth and replacement needs.)
- Increasing the number of college-educated citizens result in many economic and social benefits such as reduced crime rates, increased charitable giving, and a healthier population (Institute for Higher Education Policy, *The Investment Payoff*, 2005).

How does this bill benefit K-12 education and students?

- High school students take college entrance exams more seriously than other standardized tests because they have a positive value for them.
- With more students taking college entrance exams, districts will have better data about how well they are preparing students for life after high school.
- ACT results include a "World of Work Map," which helps students interpret their scores and interest inventory in relation to college majors and jobs. Unlike K-12-focused standardized tests, college entrance exams are future-focused.
- No Child Left Behind will require more rigorous high school tests. Over this biennium Montana could see how well this test—which includes reading (with social studies embedded), English, math and science—could fulfill that need.
- Parents and students will see tangible proof of the state's commitment to removing barriers to postsecondary education

Are all students currently required to take the ACT or SAT to enter college?

- The four-year units of the MUS require that students submit a score on the ACT or SAT for admissions. Although two-year colleges have open admissions, students can use their ACT or SAT scores for placement. If their scores are high enough, they do not need to take placement exams when they enter.

Is the ACT, a curriculum-based college entrance exam, aligned to Montana's content and performance standards?

- Yes. Wisely, the Office of Public Instruction included college instructors in their standards-writing activities. Montana's upon-graduation standards and the ACT "standards for transition" are a good match.

Do ACT and SAT offer fee waivers for students whose parents qualify for public assistance?

- Yes, and this bill contains a clause requiring that those fee waivers be pursued.

Why should we pay for a college admissions exam for those who can afford it?

- The target population is students just above the poverty level and those for whom applying for fee waivers creates a stigma. They often have parents who did not go to college and don't understand how dramatically the economy has changed since they were young. They may not understand the value of a college entrance exam—and \$28 seems like a lot for something they don't value. This bill targets the 5,000 high school graduates who do not go on to postsecondary training each year.
- Students in upper income brackets sometimes take both the ACT and the SAT. Having their first ACT paid for could encourage those students to take more rigorous courses as seniors to improve their scores. As students from all income levels are encouraged to make valuable use of their senior year, the taxpayer gets a better value for his dollar during that senior year in high school and in the freshman year in college.

How would this bill complement other state initiatives?

- Recognizing that "Montana's economic future depends on our ability to reduce the many barriers to postsecondary education," *Shared Leadership for a Stronger Montana Economy* recommends the enhancement of access-related data. Were all students to eventually take the ACT, data about college readiness, aspirations, and course-taking patterns (disaggregated by race, gender, etc.) would be readily available for the proposed data warehouse.
- Montana's Two-Year Education Council recommends the use of the ACT or SAT to meet testing requirements for all high school students. Two-year colleges use ACT test scores for placement and believe that when high school students take college entrance exams, they begin thinking more seriously about post-secondary education, including the opportunities available to them in two-year education.
- Among the goals of the P-20 Committee of the Board of Education are "to establish a seamless education system for Montana students" and "to ensure that alignment of standards, curriculum and assessment systems from pre-school through post-secondary education are simplified, non-duplicative, effective, and timely." HB 369 helps meet these goals.
- Curriculum-based achievement exams that focus on workforce and college readiness skills may fulfill requirements for No Child Left Behind.
- Admissions standards to the four-year programs of the Montana University System for traditional freshmen students require submission of an ACT or SAT test score. Many two-year and four-year programs use ACT or SAT scores for placement decisions.

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For additional information and data, please contact Representative Dave Gallik or Jan Clinard at the Office of the Commissioner of Higher Education (444-0652, jclinard@oche.montana.edu).

