

## **Exhibit Number: 7**

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**The following exhibit is several assorted documents that exceeds the 10-page limit therefore it cannot be scanned. A small portion has been scanned to aid in your research for information. The exhibit is on file at the Montana Historical Society and can be viewed there.**

**Office of the Commissioner  
of Higher Education**

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EXHIBIT 7  
DATE 1-28-05  
HB 369

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## **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**

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### Impact of similar legislation in other states

Case studies show that administering the ACT (a curriculum-based college entrance examination in English, math, reading, and science) to all high school juniors may increase college-going rates and decrease remediation rates, especially among minority and low-income students.

- In Colorado, after requiring all students to take the ACT, enrollments increased by 34.4% from 2001 to 2003 across the state's two and four-year campuses, including a 7% increase for students with family incomes less than \$42,000. The number of students ready for college (based on test scores and course-taking patterns) has increased by 42%.
  - Illinois uses the ACT as part of a requirement for high-quality, yearly student assessments. For the first graduating class of ACT-tested freshmen in Illinois colleges, enrollment was up 23%, including a minority enrollment increase of 17% in 2002 over 2001.
  - Oklahoma combined higher college admissions standards with ACT's Educational Planning and Assessment System, including the ACT to increase students' readiness for life after high school. Though voluntary, 72% of all graduates now take the ACT (a 25% increase). Test scores have risen, more minority students are taking a rigorous high school curriculum (Native American core course taking rose for 39% to 46%), college attendance is up, and remediation rates are down.
  - Michigan has just replaced their current high school test with a version of the ACT. They expect students to take a college entrance exam (paid for by the state) more seriously than the previous standardized test because it will have a bearing on college acceptance or future employment.
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## Projected costs and participation

Currently, about 56% of Montana's high school students take the ACT, for which they (or their parents) pay \$28 per test. Some students take the test more than once to improve their scores. 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, HB0369 encourages students to apply for fee waivers, which could reduce the annual cost to the state by approximately \$14,000. However, in other states that pay for the ACT, low-income students often use their one-time only ACT fee waivers to retake the test.

Where the test is voluntary, test taking has increased about 25%. Taking these factors into consideration, the actual cost for the first year may be around \$240,000. With increased communication about this opportunity and positive results, the second year of the biennium could see the number of students taking the test approaching 85%, for a cost of approximately \$275,000.

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## Potential economic impact

**Number of Montana high school graduates who enter the MUS each fall as freshmen:** Of the 11,298 Montana high school graduates in 2000, 4,364 enrolled in Montana institutions during the fall of 2000 and 5,155 did not immediately enroll in college. 1,779 students left Montana to start college in another state (Tom Mortenson, 2002, "The Human Capital Economy and Higher Education Opportunity in Montana").

**Potential for additional students:** With HB0369, we could see results like Colorado, with a 25% in-state college-going increase; Illinois with a 23% increase; or Oklahoma with a 7% increase in college-going rates (2001-2003 gains). In these states, the most significant increases were among low-income, minority students.

Projecting an 18% increase in college-going rates in Montana could result in an additional 2,034 students entering into post-secondary education in Montana.

**Potential for additional income:** The Mortenson study shows Montana's average family income by educational attainment of householder for the year 2001. The difference in family income headed by a high school graduate and someone with some college (no degree) is \$9,787. Completing an associate's degree results in a \$15,183 differential and a bachelor's degree adds \$44,337.

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).

Using national figures, even without completing any kind of degree, 2,034 additional students going on to higher education could earn an additional \$10,373,400 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 \$7,200,000 in additional annual income.

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For Montanans aged 21-64, the annual earnings differential between a resident with a high school diploma and a bachelor's degree is \$8,360. In the 21-24 age group (which for a college degree may be the first year of income), the differential is \$2,529. For the 25-34 age bracket, the differential between a HS diploma and a bachelor's degree is \$5,200. The earnings of workers without college remain relatively flat throughout their careers, unlike workers with college degrees (US Census Bureau, 2004, which does not report earnings for associate degrees).

Using Montana's Census Bureau statistics to predict the potential economic impact of HB369, if the result were 500 more bachelor's degrees (about one-fourth of the additional college students), during the first year after graduation, those students would add \$1,264,500 in earnings to the Montana economy in one year alone. In the following years, the economic impact is exponential.

**Potential for Job Availability:** Data from the Montana Research and Analysis Bureau projects an annual increase of 1,091 jobs requiring postsecondary vocational training and associate degrees, as well as 1,234 jobs requiring bachelor's degrees in Montana until 2012. Based on both job growth and replacement (retirements, etc.), the Bureau projects 2,039 total annual openings requiring associate degrees or post-secondary training and 2,641 total annual openings requiring bachelor's degrees. The fastest growing segments are jobs for doctoral degrees (28.4%) and for associate's degrees (27.7%).

**Potential decrease in unemployment if we increase college-going rates:** The unemployment rate is 5.3% among high school graduates, 4.8% among those with some college, 4.0% among those with Associate Degrees, 3.1% for Bachelor's Degrees, and 2.8% for Master's. A more educated workforce decreases unemployment rates (Bureau of Labor Statistics, 2002).

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## Complementing other state initiatives

Recognizing that "Montana's economic future depends on our ability to reduce the many barriers to postsecondary education" and that "Montana is lacking the data on which many other states rely to identify, track and eliminate barriers, *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.

In Fall 2004, Montana's *Two-Year Education Council* included in its strategic plan to "Promote and Enhance Access to Postsecondary Education" 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 postsecondary education, including the opportunities available to them in two-year education.

In January of 2004, the Board of Education convened a *P-20 Committee* in an effort "to establish a seamless education system for Montana students." Among the goals set by this committee is "to ensure that alignment of standards, curriculum and assessment systems from pre-school through postsecondary education are simplified, non-duplicative, effective, and timely. HB0369 could be the critical first step in establishing a college-readiness test for all students; providing students with a test that not only provides a curriculum-based measure of their K-12 learning, but a predictive measure of postsecondary success.

President Bush will recommend that *No Child Left Behind's* testing requirements be instituted at the high school level. Curriculum-based achievement exams that focus on workforce and college readiness skills may fulfill that requirement in a way that promotes a seamless education system.

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 to help place students into the appropriate mathematics courses.



## A Single Test - Many Rewards: How Colorado's 11<sup>th</sup> Grade ACT Continues to Score

*About to launch the fourth administration on April 28, 2004, Colorado's statewide ACT test program for all high school juniors has proven that a single test - well chosen - can reap many benefits. For the same \$26, the state has managed to solve many pieces of the education reform puzzle and students are among the biggest winners. A sampling of proven rewards includes:*

### STUDENT BENEFITS

- Students take the ACT for free
- Test administration is given in home high school on a weekday rather than Saturday
- Receive timely customized college and career planning reports, scholarships and applications
- More minority students are prepared for - and attending - college
- Students still "take the ACT seriously" and enjoy the personal benefits beyond high school
- More students enroll in college who previously had no plans to attend
- Student ACT scores are accepted across the country, including Ivy League universities

### PARENT BENEFITS

- Automatically receive materials to help with their child's college and "real world" planning
- Test preparation materials and software for every student, at every high school
- Local ACT office to answer parents' questions and provide personal assistance
- Scholarship and financial aid information
- Website dedicated to parents at [www.act.org](http://www.act.org)

### HIGH SCHOOL BENEFITS

- Diagnostic school reports that are prescriptive, sensitive to standards-based instruction
- Disaggregated information that helps teachers intervene with at-risk students
- ACT content aligns with state standards, no problem with "teaching to the test"
- Professional development workshops for teachers
- Teachers and administrators applauded for replicating secure, national test administration

### COLLEGE BENEFITS

- Combined increases from 2001-2003 across the state's two and four-year campuses up 34.4%
- Increasing college enrollment across every income range
- 7% increase from 2002-2003 for students with family incomes less than \$42,000
- More diversity of enrolled freshmen classes
- Colleges reporting last-minute surge of enrollment just prior to class start dates, suggesting ACT-ready scores contributing to student application decision

### STATE BENEFITS

- Access to college ensured for all students - more students enrolling as a result
- Administration materials, training, scoring, at all levels from state-through-student
- Approximate 8 week turnaround on all reports
- Saved millions on alternative test development
- Student privacy is protected
- On-time performance for all deliverables
- Data used by Colorado Department of Education for accountability *and* the Colorado Commission on Higher Education for postsecondary enrollment and customized research

# Colorado ACT Success Stories

The following excerpts are testimonials about the statewide ACT test for Juniors collected from educators in Colorado during the fall of 2004.

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**From Linda Bostrom, Counselor—Arapahoe High School:**

A student of mine, Jeff Nicholson, was in a serious car accident during the summer between his freshman and sophomore years. As a result, he and his passenger were hospitalized in critical condition suffering from multiple injuries. Following a rehabilitation program at Craig Hospital, he returned to his high school in October to take a reduced class schedule. He was enrolled in Honors classes and performed well in a rigorous curriculum. Jeff continued to earn the same fine grades he had earned in freshman year....all A's.

There were many personal and legal challenges Jeff had to face as a result of the accident. Sometime comments from peers were among the most difficult. Jeff was particularly self-conscious about his grades, he thought that maybe teachers were giving him "sympathy grades" as a result of his accident and brain injury. After receiving his results from the Colorado State required ACT last April, Jeff said, "These scores show me that I am truly earning my grades. I am now more confident in my abilities!"

**From LaDonna Hutton, Director, Career & Technical Education  
La Junta High School:**

Let me share this wonderful news with you.

As you know, I am the administrator of the East Otero School District R-1 alternative school, the Tiger Learning Center. We have been existence only four years and have seen remarkable academic and personal success of our students. One area of noted success has been in the number of our students deciding to go on to college. The first year (2000-2001) none of our students went on to college. The second year (2001-2002) three of our students chose to go on to college. Then, in 2002-2003 fifteen of our students made the decision to go on to college. We feel the biggest reason for this was the fact that our students took the statewide ACT test as Juniors. Normally, these "at-risk students" would never have opted to take the ACT test. College, to them, seemed out of their reach. I feel that after they were successful on the ACT test, it helped them to realize that college was not out of reach. It truly opened doors to them that would have otherwise been closed.

The Tiger Learning Center had 22 Juniors who took the statewide test last April (four of which scored 20+). It will be interesting to see how this affects their future decisions. Already, many of them are completing college, financial aide, and scholarship applications.

Thank you for your efforts on the behalf of Colorado's students. I truly believe the statewide ACT test has a positive impact in our students' decisions to further their education.

Sincerely,  
LaDonna Hutton, Administrator—Tiger Learning Center