BREAKING THE MONOPOLY OF MEDIOCRITY

JUST THE FACTS Indiana
The Institute for a Competitive Workforce (ICW) is a nonprofit, nonpartisan, 501(c)(3) affiliate of the U.S. Chamber of Commerce. ICW promotes the rigorous educational standards and effective job training systems needed to preserve the strength of America’s greatest economic resource, its workforce.

The U.S. Chamber of Commerce is the world’s largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations.

The National Chamber Foundation, a nonprofit affiliate of the U.S. Chamber of Commerce, is dedicated to identifying and fostering public debate on emerging critical issues. We provide business and government leaders with insight and resources to address tomorrow’s challenges.
Are ALL children receiving a high-quality education in Indiana?

Not yet.

Indiana has been taking significant steps to raise expectations for Indiana students. The outgoing State Superintendent of Schools, Dr. Tony Bennett, launched the Putting Students First initiatives to inject the state’s education system with competition, freedom, and accountability.1 As a result, the state has a new teacher evaluation system intended to drive student improvement and recognize student growth. Principals now have greater autonomy to make decisions at the local level based on students’ needs. The state has a new parent-friendly A–F accountability system to intervene in its lowest-performing schools, and is on track to implement new assessments aligned to college- and career-ready standards. And most importantly, the state has put into place policies that recognize that ALL children deserve access to high-quality opportunities no matter where they live. Indiana has removed limits on the number of charter schools and created a scholarship fund to provide low-income students access to high-performing private schools.

<table>
<thead>
<tr>
<th>Indiana at a Glance²</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Number of students</td>
<td>1,041,577</td>
</tr>
<tr>
<td>Number of schools</td>
<td>1,932</td>
</tr>
<tr>
<td>Number of school corporations</td>
<td>364</td>
</tr>
<tr>
<td>Number of charter schools</td>
<td>65</td>
</tr>
<tr>
<td>Students who receive free or reduced lunch</td>
<td>40%</td>
</tr>
<tr>
<td>White</td>
<td>72.5%</td>
</tr>
<tr>
<td>Black</td>
<td>12.2%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>8.9%</td>
</tr>
<tr>
<td>Multiracial</td>
<td>4.3%</td>
</tr>
<tr>
<td>Asian</td>
<td>1.7%</td>
</tr>
<tr>
<td>Native American/Pacific Islander</td>
<td>0.1%</td>
</tr>
<tr>
<td>Has the state received a No Child Left Behind waiver?</td>
<td>YES</td>
</tr>
<tr>
<td>Is the state or district a Race to the Top Grant recipient?</td>
<td>NO</td>
</tr>
</tbody>
</table>
How are Indiana schools failing their students?

Indiana needs more educated workers to fill high-skill jobs.

- More than 55% of jobs in Indiana will require a career certificate or degree by 2020, but only 36% of adults in the state currently have these qualifications.3
- Indiana ranks 40th nationally in higher education attainment and 41st in personal per capita income.
- 23% hold a bachelor’s degree or higher in Indiana, below the national average of 28.5%.4
- On average, a high school graduate in Indiana earns $8,055 more each year than a high school dropout. In 2011, roughly 22,700 Indiana students did not graduate from high school, equaling lost lifetime earnings of $2.9 billion.5
- If Indiana cut the number of high school dropouts in half, the additional spending and investments by these new graduates would be enough to support as many as 900 new jobs and increase the gross state product by as much as $140 million by the time they reach their career midpoints.6

Not enough Indiana students graduate from high school prepared for college or the workforce.

- Only 28% of students in Indiana graduate from four-year public colleges in four years. The six-year graduation rate is only 53%. Only 12% of students graduate from two-year public colleges within three years.7
- 66% of Indiana students who graduate with a “general” high school diploma require remediation in college. Of those who graduate with the Core 40 diploma, which is intended to signify college and career readiness, 38% require remediation.8
- Only one in four college students enrolled in remediation courses will graduate within six years. Annual remediation costs exceed $35 million at Indiana’s community colleges alone.9

Indiana High School Graduation Rates, Class of 2011

Not enough Indiana students attend high-quality schools and meet standards for proficiency in reading and math.

- As Indiana prepares to complete the implementation of college- and career-ready standards and aligned assessments, the National Assessment of Educational Progress (NAEP) shows that most students in the state are not proficient in reading and math, despite high passing scores on the state’s test.\(^{10}\)
- Indiana faces significant socioeconomic achievement gaps—80% of low-income fourth-grade students are not proficient in reading, and 69% of low-income fourth-grade students are not proficient in math.\(^{11}\)
- Slightly more than 800 of the state’s nearly 2000 schools received a grade of C, D, or F for the 2011–12 school year on the state’s new A–F grading system.\(^{12}\)

### Indiana 2011 NAEP Scores—Percentage of Students Not Proficient

<table>
<thead>
<tr>
<th>Grade</th>
<th>Reading</th>
<th>Math</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 4</td>
<td>67%</td>
<td>56%</td>
</tr>
<tr>
<td>Grade 8</td>
<td>68%</td>
<td>66%</td>
</tr>
</tbody>
</table>

What is Indiana doing to improve schools and prepare students to meet college- and career-ready standards?

Implementing state standards and assessments aligned to college- and career-ready standards.

Indiana adopted the Common Core State Standards (CCSS) in 2010 to provide students and educators a consistent, clear understanding of the knowledge and skills needed for success in college and the workforce.\(^{13}\)

The state is on track to transition to the new standards. In the 2011–12 school year, kindergartners received instruction only on CCSS standards; first and second grade students were added to the CCSS rollout the following year. The remaining students will receive instruction in CCSS standards during the 2013–14 school year.\(^{14}\)

- **Common Core Standards in reading and math.** Indiana is committed to implementing standards in reading and math aligned to the CCSS by the 2013–14 school year.
- **Teacher preparation standards are aligned with the CCSS.** In 2010, Indiana was the first state to align its teacher preparations standards with the CCSS and require colleges to incorporate them into their pre-service preparation programs.
- **Assessments aligned to CCSS.** Indiana is a governing state in the Partnership for the Assessment of Readiness for College and Careers (PARCC) and will pilot and field test the assessment system prior to the 2014–15 school year.
College and Career Ready high school diploma standards. Indiana requires its high school students to complete the Core 40 so they are prepared for college and the workforce. The purpose of Core 40 is to ensure that all Indiana students complete a balanced sequence of academically rigorous high school courses in the core subjects of English/language arts, mathematics, science and social studies; physical education/health and wellness; and electives including world languages, career/technical, and fine arts.

Holding all schools accountable for meeting state standards.

Indiana’s new state accountability framework uses traditional A–F letter grades to communicate a school’s overall performance to parents, educators, and students. Grades are calculated for schools and districts based on achievement in reading and math, improvement, graduation rates, and college and career readiness. Elementary schools are graded on performance and improvement, individual student growth, and assessment participation.

Accountability for all students. Indiana establishes annual achievement objectives for each student subgroup and will report the progress these groups make toward meeting annual objectives. In addition, the state holds schools accountable for a super subgroup composed of the bottom 25% of its students. Schools must improve the proficiency levels of the bottom 25% without ignoring other subgroups of students, such as economically disadvantaged students. Accountability for improving graduation rates, however, is not as strong: the state is including students who do not graduate with the standard Core 40 diploma as graduates, despite the fact all students are expected to meet Core 40 requirements.

Accountability for college and career readiness. Indiana’s new A–F school grading system includes a college- and career-ready measure that includes four metrics: passing an Advanced Placement (AP) exam, passing an International Baccalaureate (IB) exam, earning at least three college credits, and earning an industry certificate. Students who demonstrate proficiency on any one of those metrics are counted for accountability purposes. All schools are required to offer at least two AP courses and two dual-credit courses.

Consequences for low-performing schools. Indiana allows interventions in low-performing schools after consecutive years of being identified as an F school. Schools that receive an F for six consecutive years face potential sanctions up to and including state takeover. Legislation to strengthen accountability for D and F schools, in accordance with what was proposed and approved in their NCLB waiver, however, has not been passed by the legislature.

High-achievement goals. Indiana’s student growth measures reflect the expectation that all students should learn at least a year’s worth of knowledge in a year’s time. State performance goals require schools and subgroups to receive a letter grade of A or improve two letter grades by 2020.

Transparent school grading reports. Indiana has parent-friendly school grading reports posted on its website.
Indiana

What to Watch

• Will accountability for low-achieving schools stay strong under the state’s waiver? Will schools continue to pay attention to all groups of low-performing students under the new accountability system that shifts focus to the lowest-performing 25% of students? Under the new system, achievement gaps can widen without affecting a school grade.

• Strengthening accountability for D and F schools. Will Indiana enact proposed legislation that requires intervention in F schools in four years instead of six years? Will the state strengthen the interventions that are required for D schools?

• Accountability for improving graduation rates. Will Indiana ensure that schools are accountable for improving graduation rates on the basis of students who graduate ready for college and careers?

• The lowest achieving schools need to get better! Too many students are in poorly-performing schools. Are the interventions for struggling schools helping? Will the proportion of students attending A- and B-rated schools increase, even as standards increase?

Improving teacher effectiveness.

In July 2011, the Indiana state legislature passed sweeping teacher evaluation and licensing requirements to promote teacher effectiveness. The state’s new teacher evaluation system—RISE—establishes annual teacher evaluations that include student achievement as a significant factor, as well as a teacher’s professional practice to allow for a comprehensive picture of an educator’s performance. The new law also specifies that teacher compensation is to be tied to performance and that a student may not be instructed two years in a row by ineffective teachers.

These new policies helped Indiana earn the distinction of the most reform-oriented state in the nation and the state with the most progress on state teacher policy, according to the Thomas B. Fordham Institute. However, the incoming state superintendent of education ran for the office on a platform of opposition to the new teacher evaluation and compensation policies.
Annual evaluations based on student achievement. Indiana requires that all teachers receive annual performance evaluations that are significantly informed by student achievement and student-growth measures.

Tenure tied to performance. In Indiana, teacher tenure decisions are required to be informed by student achievement.

Pay for performance. Raises cannot be given to teachers who are not evaluated “effective” or “highly effective.” Starting in July 2012, Indiana requires local salary scales to be based upon a combination of factors. Years of teacher experience and content area degrees beyond the requirements for employment may not account for more than a third of the calculation. The remaining calculation is based on the teacher evaluation results.

Performance-based teacher policy. Indiana has ended the state’s “last in, first out” policy for reductions in force, which resulted in the termination of the newest teachers first, regardless of effectiveness. Now, a teacher’s performance must be the first criterion used for such decisions.

Dismissal for ineffectiveness in the classroom. A contract with an established teacher may be canceled if the teacher receives two consecutive “ineffective” ratings or if the teacher receives an “ineffective” or “improvement necessary” rating in three years of any five-year period.

What options are available for parents who want something better for their child?

School choice and charter schools.

Students in Indiana have access to a wide range of choice options compared to other states: charter schools, tax credit scholarships, vouchers, and individual tax deduction.

Private school vouchers. Indiana’s voucher program gives families the opportunity to send their children to a school that best meets their learning needs. A voucher, or Choice Scholarship, is a payment that qualifying families can use to offset tuition costs at participating schools. Students qualify based on total household income and the amount of the scholarship corresponds with the public school corporation in which the student lives. Enrollment has doubled over two years, with more than 9,000 students taking advantage of these scholarships.

Tax Credit Scholarship Program. Created in 2009, the Indiana Tax Credit Scholarship Program works in conjunction with the state’s Choice Scholarship program to provide scholarships to attend the private school of the recipient’s choice. The law allows individuals and corporations to claim a 50% tax credit for contributions to approved scholarship-granting organizations that award scholarships to low-income students.

Strong charter school law. Indiana has one of the best charter school laws in the country, according to the National Alliance for Public Charter Schools. In 2011, Indiana strengthened its charter school law by removing caps on the number of charter schools and by creating more ways for charter schools to get approved and up and running. During the 2011–12 school year, 65 public charter schools served nearly 24,000 students in cities across Indiana.

Open Enrollment. Open enrollment is available in some places; in Indianapolis, however, only choice within the district is allowed.
What to Watch:

- Will the Indiana Supreme Court uphold the Choice Scholarship Program? Will the 9,000 students from low-income families currently attending private schools be able to keep their scholarships, and will the program be able to expand to serve more students?

How are school boards selected for school districts in Indiana?

School district governance in Indiana.

School board members are elected as part of the November elections cycle.

For an interactive map with information about specific school corporations see:

http://www.stats.indiana.edu/maptools/schooldistrictsmap.asp

How to get involved:

Contact the Indiana Chamber of Commerce:

www.indianachamber.com
Endnotes


8 Ibid.

9 Ibid.


15 Ibid.

16 Ibid.


