

Drafting an Action Plan for Early College Expansion

Discussion Paper

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MassINC

SUMMARY

- › **The Student Opportunity Act (SOA) offers an unprecedented chance to help more disadvantaged students move from high school to college and into rewarding careers.** The SOA will eventually allocate \$4,200 more per student per year for each low-income or English Language Learner enrolled in the Commonwealth's highest poverty schools.
- › **Early College is among the most effective investments communities can make with SOA resources.** However, educators will need a firm accounting of Early College startup and expansion costs in order to plan for these expenditures alongside other high-priority investments. On average, Early College requires an additional \$1,000 per student enrolled in these programs per year.
- › **Massachusetts can create more fuel for Early College expansion by increasing state financial aid for higher education and allowing high school students to use these dollars for college courses.** A review of states with the most productive Early Colleges shows that they ensure that both their high schools *and* colleges have adequate financial resources to engage in these partnerships. Higher education dollars are particularly crucial in Massachusetts. Compared to other states, Massachusetts ranks among the lowest on investment in public higher education, which contributes to large socioeconomic disparities in post-secondary completion.
- › **Now is the moment for leaders to engage in robust dialogue around how communities can sustainably invest in Early College expansion.** Massachusetts has built a rigorous designation process. Seventeen programs have already earned this distinction and 22 more have applied. These innovators aim to serve thousands of students in the coming years. With the right supports, they can provide models for many more to replicate.

I. Introduction

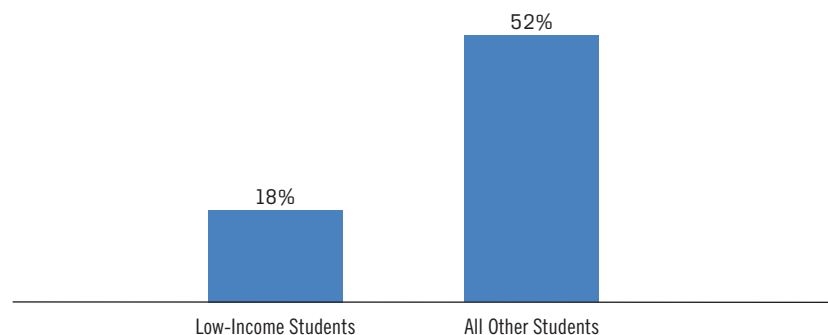
The Student Opportunity Act (SOA) provides an exceptional opening to rethink how Massachusetts invests in education to better prepare disadvantaged students for the challenges of the future. As these dollars incrementally phase in over the next seven years, the Commonwealth's K–12 schools will have resources to close opportunity gaps that contribute to wide socioeconomic disparities in learning and lifelong well-being. It is incumbent on both state and local leaders to lay the groundwork for new approaches that maximize the impact of this additional funding.

Among education investments subjected to rigorous evaluation at scale, none have proven to be more cost-effective than Early College as a means of moving disadvantaged students through high school and post-secondary education, and into careers that offer good wages and a stable middle-class lifestyle. Early College models are powerful because they fuse the K–12 and higher education systems together to better serve students in a variety of ways (see side bar, page 3).

A June 2019 MassINC report catalogued the large body of research demonstrating how this systems transformation doubles post-secondary degree attainment for disadvantaged students. Drawing from studies nationally, we noted that the return on Early College is \$15 for every dollar expended.¹ However, this simple cost-benefit calculation likely understates the benefits of Early College to Massachusetts.

The widening economic divide in Massachusetts is of pressing concern. With outsized growth in high-value knowledge industries over industries providing middle-skill employment over the past few decades, Massachusetts has slowly gone from having among the most equal income distributions in the nation to one of the most unequal. Education is still the great leveler, but the notable progress Massachusetts has made improving the performance of K–12 schools has not translated into success beyond high school. Disadvantaged youth are three times less likely than their peers to complete the post-secondary degrees and credentials required for most jobs in the Massachusetts economy today (**Figure 1**).

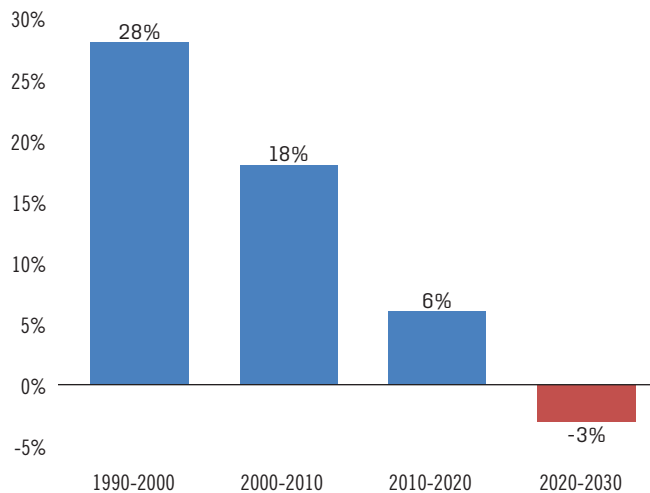
Figure 1: Six-Year Post-Secondary Degree Completion Rates for Massachusetts High School Students
(Cohort with Expected High School Graduation in 2010)



Source: Massachusetts Department of Elementary & Secondary Education

As a result, the state no longer produces enough college-educated workers to sustain its industries. If completion rates for low-income students and students of color do not rise substantially, the college-educated workforce in Massachusetts will almost certainly decline over the next decade, as baby boomers retire and immigration ebbs (Figure 2).

Figure 2: Growth in the Number of Massachusetts Residents with Bachelor's Degrees (with 2030 projection)



Source: MassINC and UMass Donahue Institute

The SOA puts education leaders in a position to combat rising inequality and ensure that our economy has an adequate supply of skilled workers by boosting post-secondary degree attainment among students struggling to realize their college aspirations. Gateway City districts serving high concentrations of these disadvantaged students will receive a particularly large infusion of new dollars. If leaders work collaboratively across sectors to build partnerships with regional scale, the energy and investment they devote to the development of strong Early Colleges will also benefit smaller districts in surrounding communities.

To stimulate these efforts and ensure that they achieve their full potential, state and local leaders must focus efforts on two critical components.

First, Massachusetts needs support structures to help school districts plan for the growth of high-quality Early College programs. The foundation is already in place. The state has built a rigorous designation process. So far, 17 programs have earned this distinction and 22 more have applied. These innovators aim to serve thousands of students in the coming years providing models for others to replicate. However, they will need both technical and political support to accurately plan for startup and expansion costs, and dedicate local resources to cover these expenses accordingly.

WHAT MAKES THE EARLY COLLEGE MODEL SO EFFECTIVE?

By introducing high school students to college-level instruction with structured support and thus allowing them to earn a substantial number of credits for free, Early Colleges position more low-income youth to move through higher education and into careers that offer good wages and a stable middle-class lifestyle.

At the beginning of high school, Early Colleges present students with pathways to various careers. The expectations are clear, and students receive extensive college and career advising along with many opportunities to learn more about different courses of study before fully committing to a field.

High school and college instructors align instruction so that students are prepared for the demands of college-level work. This readiness reduces the need for remedial classes in college, which ensnare so many disadvantaged students.

The coursework students tackle while in high school is both more rigorous and more relevant to their expressed interests. The college credits they accumulate accelerate their progress, which makes the goal of finishing a post-secondary degree less daunting and more attainable.

While in high school, Early College students often have internships and other career exploration opportunities in their fields. This allows them to build soft skills and networking contacts. Many also gain industry certifications so they can earn higher wages immediately, which gives them more financial stability as they work their way through college.

By transforming the K–12 and higher education systems to better serve students, Early College changes the way teens engage in their education. Students recognize the exceptional opportunity afforded to them and they strive harder to succeed. This is one reason why sustainable funding is vital. Educators know they are asking much of their students, and they personally shoulder the obligation to deliver what they have pledged to provide in return. In order for them to uphold this compact, funding must be firmly in place.

Second, Massachusetts must develop an Early College financing mechanism for higher education. States that have brought Early College to scale have all committed funding to cover the additional costs both districts *and* higher education partners incur. In Massachusetts, higher education funding is especially crucial given the state’s historic underfunding of public higher education institutions (see box, pages 4–5). While this increase will require a significant outlay, it is a relatively small sum compared to the billions of state dollars directed to K–12, and it will substantially increase the post-secondary degree yield.

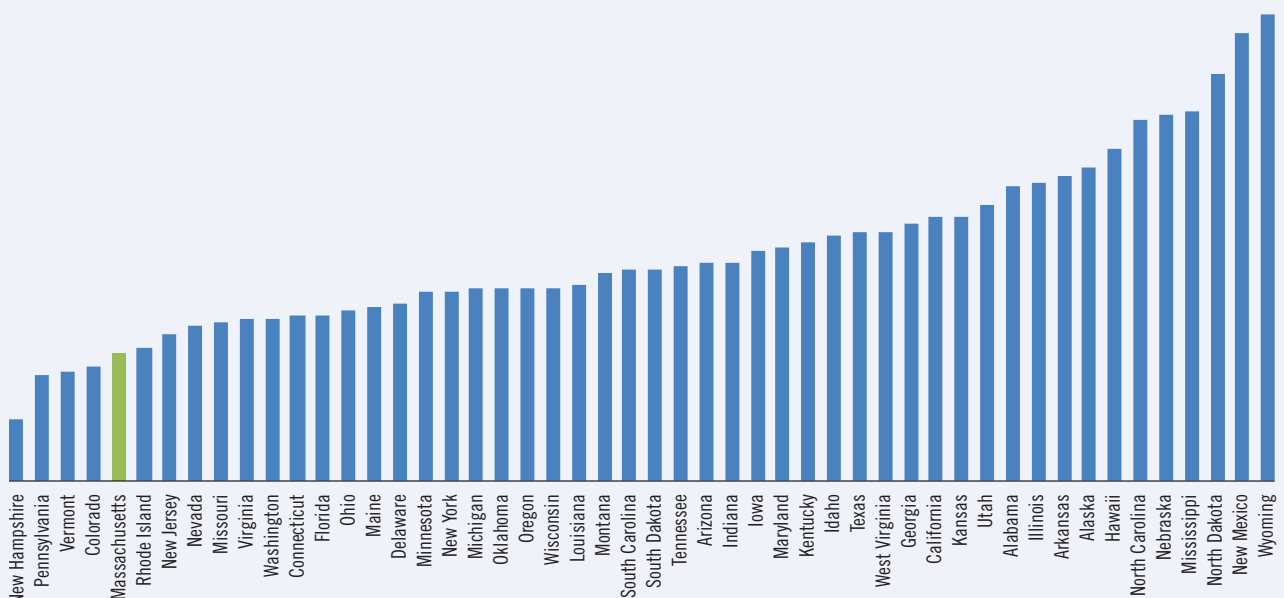
This paper dissects these twin components, providing guidance for local education leaders working to build and expand Early Colleges, as well as for state leaders responsible for creating an environment in which high-quality Early Colleges can thrive. We begin with a careful accounting of what it costs to deliver Early College, who bears these expenses, and how they change over time as programs expand. We then examine the funding mechanisms leading states have created to propel Early College expansion. Drawing from these models, the paper concludes with policy recommendations for both state policymakers and local education officials.

UNDERFUNDING PUBLIC HIGHER EDUCATION LEADS TO WIDER INEQUALITY IN MASSACHUSETTS

Massachusetts has made a remarkable commitment to funding public K–12 education. As a result, low-income students and students of color in Massachusetts perform well ahead of similar peers in other states on most measures. However, the Commonwealth’s leadership in K–12 contrasts sharply with its lagging support for public higher education. Data clearly demonstrate the consequences for disadvantaged students, who disproportionately rely on these public institutions to prepare them for rewarding careers.

Adjusting for personal income, Massachusetts ranks among the lowest states on per capita higher education funding (Figure 3).² This means that Massachusetts students and families shoulder a larger portion of the costs. Tuition and fees for residents at public four-year institutions is higher in only seven states (MI, VA, IL, NJ, PA, NH, and VT); just three states (SD, NH, and VT) charge higher tuition and fees at public two-year colleges.³ While Massachusetts does allocate most of its financial aid to need-based grants, the state falls well below the national average in the percent of higher education spending devoted to scholarships (6 percent vs. 12 percent). Moreover, the maximum allowable grant in Massachusetts is far below the national average (\$1,700 in Massachusetts vs. \$5,333); of the 43 states with available data, only Michigan and Oklahoma provide less generous grants.⁴

Figure 3: State Spending on Higher Education per \$1,000 of Personal Income, FY 2018

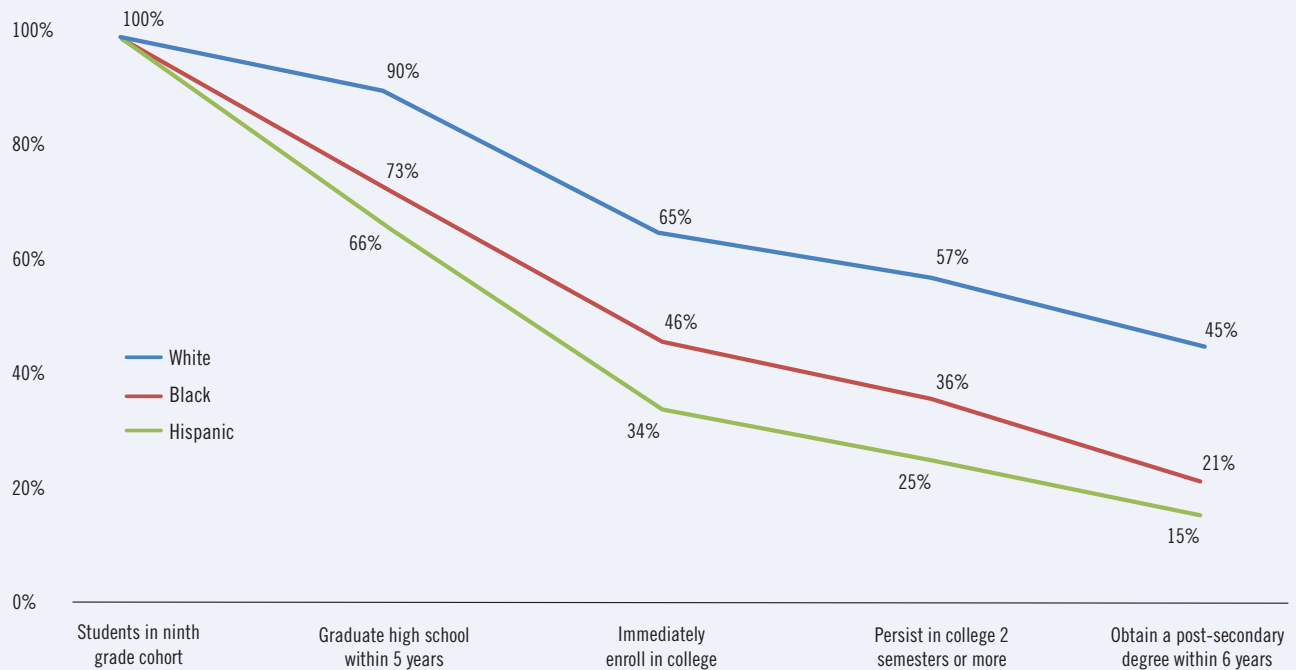


Source: State Higher Education Executive Officers Association

With three-quarters of Black and Hispanic students attending public higher education institutions in Massachusetts, underfunding public higher education increases racial wealth disparities.⁵ Census data show the median household income of Hispanic residents in Massachusetts falls well below the national average (\$41,995 vs. \$49,793). While the income of Black residents is somewhat higher (\$46,925), it is only a little more than half of white non-Hispanic households (\$84,988). With limited means, these families must shoulder the high cost of living in Massachusetts while paying above average post-secondary education expenses.

The wide racial and ethnic gaps in college completion demonstrate how these financial barriers unlevel the playing field. From high school graduation to post-secondary enrollment, significant differences exist all along the way, but they are widest at college completion: White students are more than twice as likely as Black students and three times more likely than Hispanic students to have a post-secondary degree six years after expected high school graduation (Figure 4).

Figure 4: Degree Completion for Massachusetts Students by Race and Ethnicity
(Cohort with Expected High School Graduation in 2010)



Source: Massachusetts Department of Elementary & Secondary Education

In recent years these gaps have narrowed slightly at state universities, but not at community colleges, the most under-resourced institutions in our system. Data from the Department of Higher Education show six-year student success rates (a measure of completion or transfer) for Hispanic and African-American students at community colleges have declined significantly since 2012.⁶

The fact pattern is clear: Disadvantaged students in Massachusetts attend institutions with significantly fewer dollars for instruction and student support. They are also much more likely to pursue their degrees part-time, while working full-time to support themselves and paying for tuition and fees as they go. The demands of school and work make it more difficult to earn passing grades. Too often these students give up without completing a degree and then struggle to pay off accumulated debt. This weakens their credit history and makes it more difficult to build wealth.⁷

Modest investments in Early College can disrupt this chain of events and ensure that public higher education provides a navigable pathway to economic opportunity in Massachusetts.

II. Pricing Out the Early College Investment

Researchers have painstakingly broken down the cost structure of high-quality Early College High Schools. They consistently find that these programs spend approximately \$1,000 more per student per year than the typical high school.⁸ However, Early College is not an off-the-shelf product; the actual level of expenditure varies considerably across programs.

Costs vary based on the modes of instruction offered by the host high school and its higher education partner(s), the distances between the campuses, the number of post-secondary courses students can take, and the depth of the advising, student support, and career exploration activities offered. Depending on the design of the program, the share of the costs borne by the school district versus the college will vary. The parties in each partnership must agree on how expenses will be split.

As district leaders seek to channel Student Opportunity Act (SOA) dollars into Early Colleges, and state leaders consider higher education financing mechanisms, it is important to identify the common ingredients of a high-quality Early College education and the costs associated with providing each of these components. It is also vital to understand how cost structures change as programs grow. To examine these issues in more depth, below we survey the five largest cost centers, highlighting key considerations.

1. Program Management. Most Early College programs are led by an administrative team made up of both high school and higher education staff. These staff manage relationships, develop policies, troubleshoot problems, collect administrative data, and generate reports essential to tracking program development.

Guidance departments often provide this leadership on behalf of high schools, while colleges typically assign this responsibility to vice presidents or deans for external partnerships. To date, most programs in Massachusetts have kept administrative costs low by using these existing staff. Some have hired administrators or consultants to launch programs using time-limited grants.

While administrative tasks are likely to fall as high schools and colleges align curriculum, coordinate schedules, and adopt policies, sustaining larger mature programs will require dedicated administrators in both K–12 and higher education.

2. Student Recruitment and Assessment. Ensuring that Early Colleges enroll disadvantaged students less likely to find pathways toward post-secondary degrees is central to generating return on investment. Enrollment data show that the state's 17 designated programs have been extraordinarily successful in reaching this target population (**Figure 5**).

While high school guidance counselors generally recruit student candidates for these programs, college outreach staff also provide recruitment assistance. Because colleges regularly host information sessions and recruitment fairs, supporting these activities involves modest additional costs. However, it is important to properly account for this staff time, as well as for the design and printing of promotional materials.

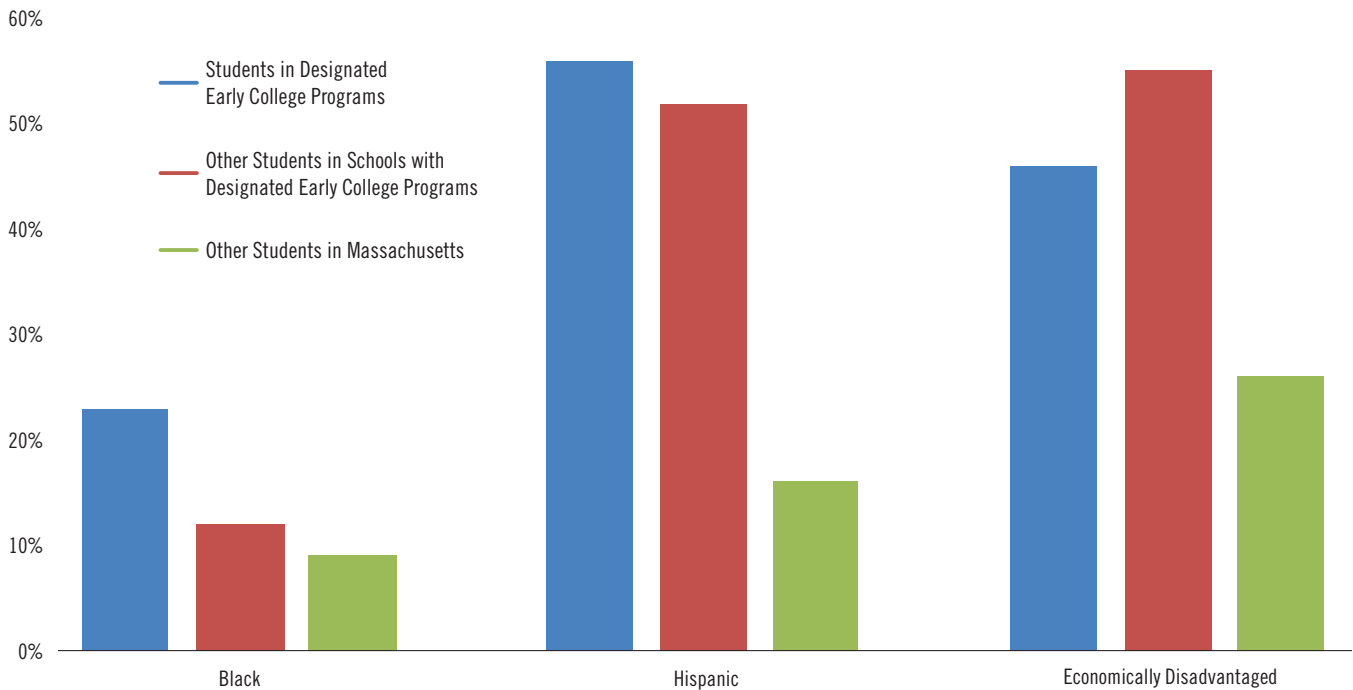
Assessing student readiness for college course work is another cost Early College programs consistently report. Unless students have high GPAs, they must take the ACCUPLACER test to demonstrate basic skills required for college-level instruction. However, this too is a relatively modest expense (approximately \$10 per test), and programs are steadily reducing it by using multiple measures and alternative assessments with support from the Massachusetts Department of Higher Education.

3. Instruction. Course instruction is the largest cost center for Early Colleges. One way to think about this expense is with reference to the state reimbursement for a three-credit community college course, which is \$550 per student. Using this community college reimbursement figure as a guide, an Early College program that offers students a chance to earn 12 credits before high school graduation (the current minimum requirement for state designation) would incur \$2,200 in instructional expenses per student. A program where students can take enough classes to complete an associate's degree would cost \$11,000 per student in instructional expenses.

These estimates provide an upper range. It is likely, however, that programs will find efficiencies. In the early grades, courses are typically led by high school faculty, who often receive an additional stipend for teaching introductory college-level courses. Under this arrangement, the stipend is the only incremental instructional cost, so college courses can be provided for far less than \$550 per student.

Some schools then offer co-taught classes to sophomores and juniors. This model allows high school teachers to deliver extra academic support and both teaching staff to fill gaps in the high school and college academic calendars (i.e., the colleges generally provide more vacation time, while the high schools have a longer academic year). In this phase, the \$550/student

Figure 5: Demographic Composition of Students Enrolled in Massachusetts' Designated Early Colleges and Peer Comparisons



Source: Massachusetts Department of Elementary & Secondary Education

average is on target; the high school instructor is not a net new cost, but the college faculty is an additional expense.

Juniors and seniors frequently attend regular classes taught at the partnering college(s). Allowing high school students to join these courses often involves limited added instructional expenses for colleges. In theory, high schools could lower instructional expenses by not needing to provide instruction for these students. In practice, however, high school faculty are still actively supporting these students. In addition, many Early College students are earning more credit than traditional high schools students, in which case these courses are replacing study halls or adding to their school day, rather than substituting for instruction that high school teachers would otherwise provide.


4. Experiential Learning and Student Support Services.

College and career advising is central to the success of the Early College model. In addition, many programs offer a series of events to increase awareness of the college experience and additional tutoring services to help students tackle the more rigorous courses. The most robust Early Colleges also provide internships and other forms of career exploration and exposure, making classroom learning more relevant to students' interests and prospects and giving students more context to inform their choices.

In some cases guidance counselors provide these services, but many programs build partnerships with community-based organizations. For example Salem High works with LEAP for Education, a nonprofit dedicated to providing college and career advising services to first-generation college-going students. Engaging with employers to develop internships, job-shadowing opportunities, field visits, and exposure to guest speakers is labor intensive. There are also associated transportation and food costs. These are all significant expenses that are core to the model.

5. Transportation. Transportation costs are highly variable depending on both the instructional model and the proximity of the college to the high school. Many programs have sought to minimize this expense by holding the majority of Early College courses at the high school. In the future, programs may be able to reduce travel costs by partnering with public transit agencies. This option holds particular promise as Early Colleges grow and scale and these agencies receive an infusion of resources, which many anticipate will occur in the near future as the legislature and the administration work to improve public transit throughout the Commonwealth.

6. Course Materials. Providing students with free college textbooks is another major cost center. The use of Open Education Resources (OER) may reduce these costs, particularly for common general education courses. OER are free, openly licensed text and digital media that are useful for instruction, learning, and assessment. The Massachusetts Department of Higher Education encourages public colleges and universities to take advantage of these free course materials and offers grants and stipends to expand the use of OER. However, OER require frequent updating, and higher education institutions will need sufficient resources to support such improvements.

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III. Learning from Other States

Many states invest heavily in opportunities for students to earn college credits while in high school. A handful direct these investments specifically to Early Colleges. In these instances, private philanthropic funds played a critical role in piloting and evaluating programs, while public funding for both school districts and their higher education partners has allowed programs to sustainably expand. With varying success, others states have attempted to build on this example using a variety of funding streams to support Early Colleges. This section provides a scan of these models and their evolution.

It is important to highlight at the outset that Early Colleges in many states have grown by tapping into state dual enrollment funding programs to cover a portion of their costs. First introduced in the 1980s, these programs reimburse higher education institutions for some or all of the tuition and fees for high school students enrolled in college-level courses. Massachusetts provided public colleges and universities with dual enrollment funding between 1993 and 2004. The legislature restored funding for the program in FY 2010. However, due to limited resources (approximately \$2 million annually), rather than providing predictable reimbursements for each enrolled student, the Department of Higher Education currently distributes limited block grants to each participating institution.

A. Early College Leaders

Three states (North Carolina, Texas, and Indiana) stand out not only in the amount of funding they direct specifically to Early College, but also in the level of effort they have made to ensure that these dollars provide the greatest impact possible for disadvantaged students.

North Carolina

The most impressive evidence that Early College delivers results at scale comes from North Carolina. The state has built over 75 Early College High Schools (ECHS) serving more than 15,000 students. Each one is an autonomous stand-alone school, managed by the local school district in partnership with either a community college or a university. Most are physically located on college campuses. With 58 community colleges, North Carolina is in a unique position to deliver Early College in this manner, although 10 state universities and a handful of private colleges also host Early Colleges. Students typically begin college coursework in their freshman year. The goal is for them to graduate high school with an associate's degree and/or two years of transferable college credit.

North Carolina's Early College movement traces back to 2003, when the nonprofit New Schools Project began incubating Early Colleges with significant funding from the Gates Foundation and other private philanthropies. In 2004, the state created the Cooperative Innovative High Schools (CIHS) program to provide public matching funds. (CIHS is an umbrella that covers Early Colleges, as well as Middle Colleges and a variety of innovative technical high schools).⁹

If approved by the State Board of Education and the state's legislative body as a CIHS, the school receives state public school funding for students and full-time equivalent (FTE) undergraduate tuition reimbursements. These high schools can also apply to receive up to \$300,000 annually in additional supplemental funding to cover identified operational needs, such as transportation and textbooks. The legislature appropriates roughly \$26 million annually to cover these costs. North Carolina spends more than \$100 million annually on dual enrollment tuition reimbursements. Between the CHIS grants and the share of these tuition reimbursements attributable to students enrolled in Early Colleges, North Carolina's annual investment in Early College is roughly \$3,300 per student.¹⁰

Texas

In the 2017-2018 school year, Texas was home to nearly 200 designated Early College High Schools serving almost 70,000 students.¹¹ The state's first ECHS opened in 2004. The legislature enabled the explosive growth of these innovative schools by passing HB 415 in 2003, which allowed both high schools and colleges to receive state funding for dual-credit instruction.

To access this dual enrollment funding, Early College High Schools must have state approval. The state designation requires schools to meet six design standards, serve disadvantaged students, and offer a course of study that allows students to receive a high school diploma and an associate's degree, or 60 hours of credit toward a bachelor's degree. ECHSs must renew their state designations annually.¹²

As in North Carolina, an independent nonprofit, Educate Texas, played a pivotal role marshalling philanthropic support and delivering technical assistance to kick-start the Early College movement in Texas. In 2012, Educate Texas was part of a large i3 (US Department of Education Investing in Innovation Fund) partnership. These federal dollars and private matching funds provided resources over five years to help move ECHS from a small school model to a district-wide reform. Educate Texas partnered with Jobs for the Future (JFF) to provide strategic advice to district staff and coaching to principals. Educate Texas also helped the state analyze the field and refine the designation process. All designated ECHSs are now required to meet outcome-based measures related to access, achievement, and attainment.¹³

Indiana

Like North Carolina and Texas, Indiana's Early College efforts began with seed funding from the Gates Foundation. These dollars supported the Center of Excellence in Leadership of Learning (CELL) at the University of Indianapolis. Since 2003, CELL has provided technical assistance and a designation process. The schools take a variety of forms (e.g., stand-alone school, school-within-a-school, university-located school) but each must adhere to common design principles. Thirty-one schools are now fully Endorsed Early College High School sites. To maintain this designation, schools must complete a review process every three years. The review includes data analysis for at least one cohort of graduating students.¹⁴

Indiana's fully endorsed Early Colleges enroll approximately 7,000 students; another 1,200 students attend ECHSs currently pursuing the designation.¹⁵ Dual enrollment reimbursement is the main source of funding for these Early Colleges. The state operates on a biennial budget cycle and distributes this funding in arrears to public colleges. For example, for the 2017-19 biennium, Indiana's public institutions received funding in fiscal years 2018 and 2019 based on \$50 for each credit hour of dual credit delivered on campuses in fiscal year 2015. This amounted to about \$21 million per year, a portion of which covered courses taken by Early College students.¹⁶ While this is significantly less state funding than public colleges receive for a traditional undergraduate credit hour, elements of the state's higher education performance-funding formula, which allocates 6 percent of total operating dollars, give colleges additional incentives to enter into Early College partnerships.¹⁷

B. Other State Funding Models

Like Massachusetts, most states provide for dual enrollment programs and other forms of state financial assistance that allow students to earn college credits while in high school at significantly reduced cost. Below, we highlight several interesting models that are notable in both the level of their funding commitment and their structure.

Minnesota

In 1985, Minnesota enacted the country's first statewide dual enrollment policy. Through the Postsecondary Enrollment Options (PSEO) program, students can earn free college credits beginning in tenth grade. Colleges cannot charge them for tuition, textbooks, or support services. The state reimburses participating post-secondary institutions at a rate of \$207 per credit. Post-secondary institutions are reimbursed for remedial or developmental courses only when students attend one of the state's 71 designated Early College

programs.¹⁸ In 2018, more than 10,000 students took advantage of the PSEO program. The state provided over \$32 million in reimbursements.¹⁹

Georgia

Georgia is notable for its generous dual enrollment policy. The state covers the cost of tuition, fees, and textbooks; high schools continue to receive the same state per pupil allotments; and there is no cap on the number or types of college courses students may take while in high school. In Fall 2018, about 12,000 high school students enrolled in University System of Georgia courses, 25,000 enrolled in community college courses, and 5,000 enrolled in private colleges. In fiscal year 2018, Georgia spent \$172 million to cover dual enrollment expenses. Despite this vast resource, the state has only a handful of Early Colleges, raising real questions about the efficiency of this spending and the equitable distribution of funds (see box below).²⁰

Utah

Many states codify cost sharing between schools and colleges in their dual enrollment policies. In Utah, for example, 60 percent of dual enrollment funds go to the district when a course is taught by high school faculty and 40 percent flow to the college. The reverse occurs when courses are taught by postsecondary faculty. Under this arrangement, 85 percent of courses are provided by high schools. In the 2017-2018 school year, more than 36,000 students participated in the program. The state appropriated \$12 million to cover these expenses. More than half of the state's 2018 graduates had taken at least one dual enrollment course.²¹

Iowa

Iowa offers another creative approach to giving high school students access to college-level courses. Districts contract with community colleges to offer classes at either the high school or community college. While school districts are responsible for covering tuition costs based on terms they negotiate with partner colleges, these concurrent enrollments generate an additional weight in the state's school funding formula to help defray these costs.²²

Idaho

Idaho's Fast Forward program offers a uniquely student-centered approach. Created in 2015 to further the state's post-secondary completion goal, the program provides every Idaho student with \$4,125 to use toward "Advanced Opportunities" in grades 7 through 12. This includes reimbursement of up to \$75 per credit in dual-credit courses. These funds can also defray the cost of any professional certification exams students must take to earn credentials, as well as AP, IB, and CLEP tests to earn post-secondary credits. Approximately 18,000 students make use of the program at a cost of roughly \$12 million per year.²³

Nebraska

Some states provide financial aid directly to high school students to cover the cost of tuition and fees. For instance, Nebraska's Access College Early Scholarship Program (ACE) provides low-income students with financial assistance for courses taken in high school for postsecondary credit. In the 2017-2018 school year, approximately 2,500 students from 224 high schools participated in the program. The state awarded nearly \$1 million in ACE scholarships.²⁴

VIEWING TRADITIONAL 'DUAL ENROLLMENT' PROGRAMS THROUGH AN EQUITY LENS

Many states, including Massachusetts, have a long tradition of providing high school students with opportunities to take college courses for free or at reduced cost, and to receive both high school and college credit. Unlike Early College High Schools, these dual enrollment programs generally provide little structure or support to help students navigate the confusing college landscape for the first time and tackle the demands of more rigorous coursework.

Reports produced by state agencies frequently associate these programs with improved student outcomes at both the high school and college levels. These studies, however, have not included strong controls for selection bias. Recent evidence from Texas suggests that traditional dual enrollment disproportionately subsidizes advantaged students who are likely to attend and complete post-secondary education without this additional support. The Texas review also found some indication that disadvantaged students may be worse off if they dual enroll in college courses without adequate advising and support. Traditional dual enrollment may provide value by allowing advanced high school students to challenge themselves, but the large sums some states devote to this spending raises equity concerns.²⁵

IV. The Steadily Evolving Federal Funding Landscape

At the moment, federal resources for Early College expansion are extremely limited, but this evolving landscape is worth watching. Recent revisions to federal education laws that create new openings to fund Early Colleges suggest strong bipartisan support for the model. While these dollars are limited, they do provide resources for planning, technical assistance, and training that can augment state and local funds.

ESSA

The Every Student Succeeds Act (ESSA)—the 2015 reauthorization of the federal education act—increases access to federal funds for Early College through a variety of means. A policy brief by the College in High School Alliance details all the various ways state and districts can deploy these dollars.²⁶ To summarize:

- Under Title I, Section 1003a, states can provide grants to local education agencies to pay for post-secondary courses when the district has many schools needing comprehensive support and improvement.
- Under Title I, Section 1114, state funds can also be used to help local education agencies underwrite Early College as school-wide programs in schools where more than 40 percent of students are low-income.
- Title I, Section 1115 provides flexibility to grant funds to Early College programs in Targeted Assistance Schools.
- Under Title II, Sections 2101 and 2103, states and local education agencies can use funds for professional development activities associated with Early Colleges.
- Title III, Section 3115 provides a resource stream to Early Colleges serving English Language learners.
- Under Title IV, Sections 4104 and 4107, states can provide grants to districts to help cover the cost of student support services and counseling.

These modest federal resources are already stretched thin. But state and local leaders who see Early College as a strategic priority can certainly tap into them to get programs off the ground in more schools with large concentrations of high-need students.

Perkins Act

The 2018 reauthorization of the Perkins Act, which provides federal funding for career and vocational education, takes effect this year. Changes in the law encourage states and local school districts to use Early College to build stronger career pathways. The new law gives more flexibility to use Perkins funds for Early Colleges at comprehensive high schools, recognizing that restrictive interpretations had formerly limited the use of these dollars to students in Career Vocational and Technical Education (CVTE) programs. More specifically, Section 124 allows states to use funds to establish, expand, and integrate opportunities for students to participate in Early College programs at no cost. Under Section 134, local Perkins funds can reduce tuition, fees, and transportation costs for low-income students and English Language Learners.²⁷

Perkins dollars are even more modest than ESSA resources, but again, they provide an option to help cover start-up costs.

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V. An Action Plan for Early College Expansion

With the Student Opportunity Act (SOA) set to provide \$1.5 billion in additional aid, the state's K–12 spending will swell to \$6.7 billion annually in the coming years. The legislature has appropriately given districts wide latitude to use these funds as they see fit to provide the best educational experiences possible for their students. However, the Commonwealth retains an enormous interest in helping local leaders invest these dollars in evidence-based models, like Early College, that target disadvantaged students. Many districts have already demonstrated keen interest in Early College expansion, and most will gladly take advantage of state assistance that increases their capacity to deploy their new resources for maximal impact.

Given this promise, it is important to delineate a common plan to organize and coordinate state and local efforts. We present the ideas below with urgency, hoping that they will stimulate discussion leading to consensus around next steps and a strong and stable framework for Early College expansion.

A. Key Steps at the Local Level

1. Develop a detailed financial plan for Early College expansion and strategically commit SOA resources accordingly. The power of Early College comes from high schools using the allure of college and career pathways to motivate students who have traditionally struggled to succeed in higher education. Early Colleges must reliably provide resources and support to match the exceptional efforts these students make to get a head start on post-secondary studies.

Districts with the largest concentrations of poverty will eventually receive \$8,800 for each low-income student enrolled, \$4,200 more than the current formula provides. In addition, they will receive significantly more state aid through other revisions to the formula. Superintendents and school committees need to weigh competing priorities, but delivering Early College with fidelity to the model is surely one of the more effective investments communities are positioned to make with these new resources. As noted above, the total cost and cost-sharing with higher education will range from program to program; however, based on our preliminary analysis of figures provided by Early Colleges in Massachusetts operating at or near scale, an additional \$1,000 per student, per year is a ballpark estimate.

With this figure as a starting point, communities can develop a financial plan for building to scale from the outset. Nationally, most successful schools are cohort-based “school-within-a-school” models that serve upwards of 100 students per year, per grade. These programs aim to help students earn as many transferable college credits as possible along with their high school diplomas. This design is most likely to get both the results and the efficiencies that come with size.

To build and sustain Early Colleges that are true to this form, it is critical to understand how costs will grow over time and to conservatively align the buildout with anticipated revenues. When programs pledge to provide credits up to an associate's degree to freshmen entering high school, it is imperative that they have available funds to fulfill this commitment over four consecutive years. This requires accurately accounting for costs structures that shift as programs admit more students and allow them to earn a greater number of credits.

2. Earn and maintain a state designation. State designations make higher education partners eligible for funds provided by the Department of Higher Education. Without the designation and accompanying funding, higher education institutions will not be in a position to support expansion. Designation also opens the door to planning grants for technical assistance and other start-up costs.

Even more important, designation ensures that Early College programs meet a range of independently assessed quality criteria. State designation also standardizes data collection, allowing researchers to demonstrate impact that sustains support. It is important to underscore how critical this point is not just to Early College, but to the future of the SOA writ large.

High-need districts receiving SOA funds must recognize that research, as well as recent experience in Massachusetts, suggests that maintaining political support for progressive education funding formulas is inherently challenging over the long term.²⁸ Economists have demonstrated that state efforts to increase funding to high-need districts in the 1990s produced large improvements in student learning and return on public investment, but this was not widely understood and political support faltered.²⁹

The business community has been a particularly strong ally in Early College expansion efforts, and in the future can help budget makers honor their commitments. However, to maintain support from business leaders, it is critical to ensure that quality control is firmly in place as more and more schools expend public resources on Early College.

3. Provide local accountability for Early College performance. Earlier this year, MassINC released research demonstrating the need to strengthen school and district accountability practices within communities. In particular, this research noted that local leaders were in a better position to design policies for shared accountability when innovative new approaches like Early College span traditional systems and governance structures.³⁰

School, district, and higher education leaders committed to the important work of Early College expansion should include measures of success in superintendent and principal evaluations. Working together, leaders can develop transparent enrollment, credit accumulation, and post-secondary persistence benchmarks, and recognize superintendents, principals, and college leaders for their achievements when data demonstrate success.

4. Build strong regional coalitions around Early College expansion. The most successful Early College programs have many partners and champions. Here, workforce, economic development, and business leaders build intense collaborative efforts with educators in secondary schools, CVTE schools, and higher education. These leaders quickly find that there is something in it for everyone. When students are able to persevere and acquire more education, the demand for professional educators rises and the work in the classroom becomes more rewarding. Employers who engage in Early College partnerships have a clear vantage point from which to see how the model leads directly to more workers prepared to fill positions in their industries.

A strong collaborative approach at the regional level can also help ensure that smaller districts with fewer resources have more entrée. Throughout the country and here in Massachusetts, suburban towns and rural communities are demonstrating that having a local college or university campus is not a prerequisite for success. Public colleges and Gateway City districts can provide regional leadership by making sure that students in neighboring jurisdictions can access Early Colleges and benefit from their experience and hard work.

B. Key Steps at the State Level

1. Create a sustainable higher education funding stream. All of the leading Early College states provide sufficient funding to allow higher education institutions to cover tuition and fees. Developing a similar arrangement that offers reimbursement based on the actual number of course credits taken by students is critical to Early College expansion in Massachusetts.

In FY 2019, the Massachusetts Department of Higher Education (DHE) marshalled resources to offer \$550 per course, the typical tuition and fee cost for a three-credit community college class. However, DHE is not in a position to expand this reimbursement. Massachusetts needs a funding stream so that higher education can keep pace with the growth that can occur now that districts have resources to scale the size of their Early College programs. At a minimum, colleges must be able to recoup the direct instructional costs they incur when they add new courses at both high schools and colleges.

Higher education funding is especially important to ensure that incentives align with students' best interests. If the only way for colleges to recoup their investment is for students to matriculate to their campuses, programs are less likely to help disadvantaged students pursue alternatives that might better serve their individual interests and needs.

The Massachusetts Board of Higher Education recently committed to advancing proposals for the strategic use of financial aid to address troubling socioeconomic disparities in post-secondary outcomes. New approaches could include scholarship support for innovative education models like Early College. This provides one promising path. Funding the higher education side of Early College expansion with need-based financial aid would ensure equitable allocation of resources. It would also allow state dollars to follow students, as opposed to providing lump sum allocations to institutions, which inevitably results in funding distortions as enrollments rise and fall at varying rates over the years.

As noted above, Massachusetts spends significantly less on higher education relative to the size of the state's economy, and state financial assistance as a share of higher education spending is well below the national average. Bringing the Commonwealth in line with the average across US states in terms of both higher education spending and financial assistance as a share of that spending would require an additional \$144 million annually for scholarships. Providing scholarships to Early College students is a smart approach to closing this comparative gap.

2. Prioritize resources for Early College administration and technical assistance. As in other states with strong Early Colleges, Massachusetts' education agencies must dedicate resources commensurate with the strategic opportunity the model affords to meet key equity and post-secondary completion goals. A robust designation process that ensures quality is critical. So is timely and targeted technical assistance to ensure that best practices are employed. At present, Massachusetts has only one full-time staff person working exclusively on Early College expansion.


The FY 2020 budget is a positive step forward in this regard. It brings the account (7009-6600) that supports Early College planning grants and administrative activities up to \$2.5 million, a healthy increase over \$1.75 million in FY 2019. It is important to continue to provide adequate funding for this account as more districts work to establish designated Early College High Schools.

Equally important, now is the time for private philanthropy to leverage public resources. In all of the leading Early College states, philanthropic support played a pivotal role in helping local colleges and school districts establish strong foundations. With limited resources, Massachusetts has provided just \$140,000 per program for implementation grants. Private funding that supplements state support will go a long way toward helping communities design and build scalable, high-quality Early Colleges.

3. Develop and refine the accountability model.

Designation on its own is not sufficient to ensure that state investments in Early College deliver positive outcomes for students. The state must also have policies in place that can respond in a timely manner with the right set of supports if designated programs underperform. These policies must also describe the process for withdrawing designation and related funding from higher education partners if their programs continue to struggle.

It is also critical to produce annual reports on Early College investments and student outcomes. Even successful states like North Carolina waver at times in maintaining their funding commitments to Early College. However, they have remained steadfast overall because their Early Colleges have numbers that demonstrate results. Programs must produce solid data on expenditures and outcomes annually to convincingly show state and local leaders that Early College is delivering impact and return on investment.



Superintendents and school committees need to weigh competing priorities, but delivering Early College with fidelity to the model is surely one of the more effective investments communities are positioned to make with these new resources.

Notes

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The Massachusetts Institute for a New Commonwealth (MassINC) is a rigorously nonpartisan think tank and civic organization. It focuses on putting the American Dream within the reach of everyone in Massachusetts using three distinct tools: research, journalism, and civic engagement. MassINC's work is characterized by accurate data, careful analysis, and unbiased conclusions.