

## Graduation Rates: An AFT Update of Research

In the past several years, a slew of reports on graduation rates have been issued from such organizations as the Urban Institute, *Education Week*, the Economic Policy Institute (EPI), the U.S. Census Bureau, the National Governors Association (NGA), the Manhattan Institute and the National Center for Education Statistics (NCES).

With so many reports from such a variety of institutions, opinions naturally vary about which source to use, the appropriate methodology and how to calculate the numbers. The debate hinges largely on what data yield the most accurate estimates and how or whether to account for transfers, retentions, dropouts/drop-ins and the incarcerated population.

A variety of databases are used. The U.S. Department of Education uses the *Common Core of Data (CCD)* and *national longitudinal studies*, such as the National Education Longitudinal Study (NELS) and the High School and Beyond (HS&B) survey. The CCD is an annual census of all public schools with uniform definitions for data across states, but it misses information about in-grade retention and transfers.

The Current Population Survey (CPS) from the Bureau of Labor Statistics, the Department of Labor, and the U.S. Census is another source. This is an authoritative supplier of economic indicators, a long-standing source of data on adult educational attainment. Yet, it is a sample survey with coverage problems for some populations (incarcerated, transient) and cannot reliably distinguish diplomas from GEDs. Additionally, state-reported statistics are used, but these are self-reported and not comparable across states (and are consistently higher than independent research). Researchers who study the issue use all or some of these sources, which adds to the differing results.

According to various reports, the national graduation rate could be anywhere from approximately 70 percent to 86 percent (see Figure 1). This means that anywhere from about 500,000 to 1.2 million members of the class of 2003 dropped out before receiving their standard diplomas. A spring 2006 report from the Economic Policy Institute (Mishel and Roy), which calculates a much higher graduation rate than most other estimates, has especially generated controversy and stirred up public debate on this topic. The only consensus is that a precise and definitive calculation of the graduation rate is impossible until there is a system to track each student in the country from the time he or she starts school until he or she finishes. This, in turn, has reinvigorated calls for states to create longitudinal data systems and for the federal government to help them do so.

This document consists of three sections:

- I. An update on the recent flurry of graduation rate research, including Figure 1, a summary figure of where the research community stands on the national graduation rate, and Table 1, a side-by-side summary of the two most prominent calculations to date (Swanson’s versus Mishel’s);
- II. A summary of how states are calculating graduation rates today; and
- III. A refresher on what NCLB requires.

## I. Where We Are Now: A Summary of Research

In the past year alone, various education stakeholders have published numerous reports and studies on the topic of graduation rates—many of them debating and discussing the methods listed above. A summary of recently published research and findings follows.

- **Diplomas Count: An Essential Guide to Graduation Policy and Rates<sup>1</sup> (*Education Week*, June 2006)**

This publication discusses the effects of dropping out, the dropout rate, state and national policy, and potential steps to be taken in the future. Christopher B. Swanson, formerly of the Urban Institute, is the director of *Education Week*’s Editorial Projects in Education Research Center; thus, the study calculated the graduation rate using the Swanson-developed Cumulative Promotion Index (CPI). The CPI follows step-by-step progress through high school, counting standard diplomas. Principal findings include:

- the national graduation rate is 69.6 percent for all students;
- large racial and gender gaps exist: black and Hispanic graduation rates are 51.6 percent and 55.6 percent, respectively; and,
- on average, 60 percent of students in urban districts graduate—a rate 10 percentage points lower than the national average and almost 15 percentage points lower than the suburban average.

These numbers are supported by various other researchers and institutions, such as Jay Greene’s Manhattan Institute report in 2005. Additionally, the data calculated by these researchers is often cited in newspapers across the country as undisputed fact. The online resource that accompanies this *Education Week* report features state-by-state reports and a mapping tool that allows for zooming in on particular districts. A more in-depth AFT review of this report and its tools is also available.

- **Rethinking High School Graduation Rates & Trends<sup>2</sup> (Economic Policy Institute, Mishel and Roy, March 2006)**

Lawrence Mishel and Joydeep Roy dispute the conventional numbers cited by Swanson, Greene and others. Mishel and Roy use data from longitudinal studies instead of the *Common Core of Data*, which they say is a “national dump” without an effective level of quality control. The study examines both the number of students who earn regular diplomas and the high school completion rate, which includes regular diplomas and GEDs. Based on longitudinal surveys, they found:

<sup>1</sup> “Diplomas Count: An Essential Guide to Graduation Policy and Rates” (*Education Week*, Washington DC). Available online at <http://www.edweek.org/ew/toc/2006/06/22/index.html>.

<sup>2</sup> Mishel, Lawrence and Joydeep Roy. *Rethinking High School Graduation Rates and Trends*. (Economic Policy Institute, 2006).

- the graduation rate is about 82 percent for all students and about 74 percent for both Hispanic and black students;
- graduation rates for blacks and Hispanics are much higher than estimated in other reports, although (similar to other researchers) Mishel and Roy, too, found performance gaps to exist; and,
- Mishel finds that the dropout rate for black students is about 25 percent and that roughly half of those students eventually obtain a GED, which allows entry into postsecondary education, the military and other second-chance systems.

Mishel and Roy have engaged in several debates with other researchers about their new research and contend that the dropout rate has been greatly exaggerated. Table 1 presents a side-by-side comparison of the Mishel/Roy methodology with the Swanson method.

- **The Averaged Freshman Graduation Rate for Public High Schools from the Common Core of Data: School Years 2002-03 and 2003-04<sup>3</sup> (U.S. Department of Education/NCES, June 2006)**

In this report, NCES calculates the Averaged Freshman Graduation Rate (AFGR), which provides an estimate of the percentage of high school students who graduate on time, by dividing the number of graduates with regular diplomas by the size of the incoming freshman class four years earlier, expressed as a percent. The size of the incoming freshman class is estimated by summing the enrollment in the eighth grade in one year, ninth grade for the next year, and tenth grade for the year after, then dividing by three. Among the chief findings:

- the AFGR for 2002-03 was 73.9 percent; for 2003-04 it was 75 percent (with 48 states and the District of Columbia reporting);
- over this two-year period, 32 states and the District of Columbia experienced rate increases, one state experienced no change, and 15 states experienced declines; and,
- for 2003-04, 15 states had rates of 80 percent or more, and 11 states and the District of Columbia had rates below 70 percent.

- **Dropout Rates in the United States: 2002 and 2003<sup>4</sup> (NCES, 2006)**

This NCES report examines the national event dropout, status dropout and status completion rates using data from the Current Population Survey (CPS), the Common Core of Data (CCD), and the annual GED Testing Service statistical reports.

- Event Dropout Rate: Measures the percentage of students leaving high school each year without a diploma. Findings:
  - four out of 100 students enrolled in high school in October 2002 left school before October 2003 without completing a high school program;
  - despite year-to-year fluctuations, there has been *no overall pattern of increase or decrease* in event dropout rates since 1990, and there is no measurable difference in this rate for males and females; and,

<sup>3</sup> Seastrom, M., Hoffman, L., Chapman, C., and Stillwell R. (2006). *The Averaged Freshman Graduation Rate for Public High Schools from the Common Core of Data: School Years 2002-03 and 2003-04* (NCES 2006-606). U.S. Department of Education, National Center for Education Statistics. Washington, DC. Available online at <http://www.nces.ed.gov/pubs2006/2006606.pdf>.

<sup>4</sup> Laird, J. Lew, S., DeBell, M., and Chapman, C. (2006). *Dropout Rates in the United States: 2002 and 2003* (NCES 2006-062). U.S. Department of Education. Washington, DC: National Center for Education Statistics.

- in 2003, students living in low-income families were approximately five times more likely than their peers in high-income families to be event dropouts.
- **Status Dropouts Rate:** Measures the percentage of 16- to 24-year-olds not in school and without a diploma. Findings:
  - in October 2003, approximately 3.6 million 16-through 24-year-olds were not enrolled in high school and had not earned a high school diploma or alternative credential such as the GED. This number represents 9.9 percent of the 36 million people of that age group in the United States in 2003;
  - status dropout rates *declined* between 1972 and 2003, from 14.6 percent to 9.9 percent;
  - males were more likely to be status dropouts; and,
  - over the past 30 years, the difference between white and black status dropout rates has *narrowed*. This narrowing took place during the 1970s and 1980s. Between 1990 and 2003, there was *no measurable change* in the gap. The percentage of Hispanics ages 16-24 who were dropouts was consistently higher than blacks and whites from 1972-2003.
- **Status Completion Rate:** Measures the percentage of 18- to 24 year-olds who have a diploma or equivalent credential. Findings:
  - in 2003, 87.1 percent of 18-through 24-year-olds not enrolled in high school had received a high school diploma or equivalency credential;
  - since 1990, the rate has shown *no consistent trend*, with a low of 84.8 percent in 1998 and a high of 87.1 percent in 2003;
  - NCES estimates that, in 2003, 79.6 percent of 18-through 24-year-olds held a regular diploma (not a GED or equivalent); and,
  - status completion rates by race/ethnicity: Asian Pacific Islanders, 94.9 percent; whites, 91.9 percent; blacks, 85 percent; Hispanics, 69.2 percent.
- **The National Governors Association’s Compact on State High School Graduation Data<sup>5</sup> (NGA, July 2005)**

All 50 governors have signed NGA’s Compact, agreeing to build their states’ capacity to collect and report accurate graduation data and to use a common graduation rate definition. The governors agreed to calculate the graduation rate by dividing the number of on-time graduates in a given year by the number of first-time entering ninth graders four years earlier. Graduates are those receiving a high school diploma (not a GED), and states may make modifications for extending the typically expected four-year period in which students are expected to graduate for atypical students (e.g., English language learners and students with disabilities). The denominator can be adjusted for transfers in and out of the system. This formula follows the spirit of Swanson’s CPI index (Swanson provided technical assistance to NGA’s task force). NGA reports that, through another program, 30 states have received NGA “Honor States grants,” of which implementation of the Graduation Counts Compact is a core requirement—thus requiring states to use the common

<sup>5</sup> *Graduation Counts: Compact and Task Force Report, Guidance on State Implementation and Reporting*. NGA Center for Best Practices. February 2006.

graduation rate calculation. The compact urges states to create a longitudinal data system to track individual students. The AFT and the NEA were among the participating organizations in the NGA task force that devised the formula (NEA signed onto the compact while the AFT did not).

In August 2006, NGA reported that 13 states will publicly report their 2006 graduation rate using the compact formula. NGA also stated that by 2010, 39 states plan to report a graduation rate using the compact definition. These states are currently gathering the four-to five-years of longitudinal data needed to calculate the rate. Several states are still determining in what year they will report the rate, and North Dakota and South Dakota do not plan to report the rate using the compact definition. Some speculate that fear of increased NCLB accountability might be the reason some states are still using other estimates and have yet to commit fully to using the compact rate by a specific date.

- **Who's Counted? Who's Counting? Understanding High School Graduation Rates<sup>6</sup> (the Alliance for Excellent Education, June 2006)**

This report discusses the debate surrounding graduation rates, the need for a clear and common rate and the role of graduation rates in accountability systems. While it mentions Mishel's research (as an aside), the report cites Swanson's numbers from the June 2006 *Education Week* report. The report considers the different methods of calculating the graduation rate and the nuances involved (e.g., differing diploma types, cohort groups, transfers, students who are allowed extra time to graduate). This Alliance report calls upon states to do the following:

- states should develop longitudinal data systems that would include student-and teacher-level data to provide accurate and useful information to policymakers and practitioners. Not only would this enable an accurate calculation of the graduation rate but also might help determine the value added by specific schools and programs, the potential impact of teacher preparation programs on student achievement and the achievement results correlated with dropping out (i.e., limited literacy, poor math skills). This report details the 10 essential elements of state longitudinal data systems as determined by the Quality Campaign;<sup>7</sup>
- until such longitudinal systems are in place, states should collect and report the data needed to calculate other independent estimates to verify the official statistics;
- states should adopt more accurate graduation rate indicators;
- states should implement valid high school accountability systems that require meaningful annual progress; and,
- states should provide intervention based on data to raise the graduation rate.

---

<sup>6</sup> Pinkus, Lyndsay. (2006). *Who's Counted? Who's Counting? Understanding High School Graduation Rates*. Washington, DC: Alliance for Excellent Education.

<sup>7</sup> The Data Quality Campaign was launched in November 2005 by 10 national education organizations to encourage and support state policymakers to improve the quality, accessibility and use of data in education. The founding organizations are Achieve, Inc., the Alliance for Excellent Education, the Council of Chief State School Officers, the Education Trust, the National Center for Educational Accountability, the National Center for Higher Education Management Systems, the National Governors Association Center for Best Practices, the Schools Interoperability Framework Association, Standard & Poor's School Evaluation Services, and the State Higher Education Executive Officers Association.

- **State-Level High School Completion Rates: Concepts, Measures, and Trends<sup>8</sup> (John Warren, University of Minnesota, June 2006)**

John Warren from the University of Minnesota recently developed a new method of calculating the on-time graduation rate. His formula—called the *estimated completion rate*—differs from others by taking into account students who move in and out of states and adjusting for the enrollment bulge at the ninth grade. He finds the following:

- nationally and in 41 states, school completion rates declined between 1975 and 2002;
- by 2002, 72 percent of students were on track to graduate on time, compared to 76 percent in 1975; and,
- five states had graduation rates below 60 percent in 2002 (South Carolina, Alabama, Georgia, Mississippi and Tennessee).<sup>9</sup>

In addition to these reports and studies, several others have recently come out that discuss exit exams in relation to graduation rates.

- **State High School Exit Exams: States Try Harder, But Gaps Persist<sup>10</sup> (Center on Education Policy, 2005) and State High School Exit Exams: A Challenging Year<sup>11</sup> (CEP, 2006)**

For the past five years, CEP has issued a report on state high school exit exams, the most recent of which was released on August 16, 2006. This report, based on information collected from 25 states with current or planned exit exams, shows that exit exams remain a force in American education and currently affect the majority of U.S. high school students. The report highlights actions taken in several states that were slated to begin withholding diplomas based on exam performance in 2006 and updates steps taken by states to create alternative routes and expanded options for students to receive diplomas. While this report series deals peripherally with graduation and dropout rates, it has several findings that are relevant:

- while 25 states now have exit exam policies (and 22 of these implement the policies), no state legislature adopted a new exit exam requirement in 2006: *new* exit exam activity has paused, for the moment. (States may be waiting to see how legal and political battles play out before entering in);
- the controversy around exit exams seems to settle down after the first year that diplomas are withheld in a state;
- states with exit exam policies in place have moved toward greater flexibility in these policies (e.g., by extending options to struggling students, permitting substitute scores from tests such as the ACT or SAT, pursuing waivers, earning exam credit through course grades); and,
- a pattern has emerged in state efforts to provide remediation for students, with greater emphasis being provided in states now beginning to withhold diplomas, but state funding for remediation does not always follow.

In its release of the 2006 report, a question was asked about the impact of these exams on outcomes, such as dropout rates and student motivation. CEP staff noted that their work for this

<sup>8</sup> Warren, John Robert. "State-Level Completion Rates: Concepts, Measures, and Trends." *Education Policy Analysis Archives*. Vol. 13 No. 51. December 23, 2005. Available online at: <http://epaa.asu.edu/epaa/v13n51/v13n51.pdf>

<sup>9</sup> Viadero, Debra. "New Approach to Graduation Data Finds Falling Rates in Most States." *Education Week*. January 11, 2006.

<sup>10</sup> *State High School Exit Exams: States Try Harder, But Gaps Persist*. August 2005. Washington, DC: Center on Education Policy.

<sup>11</sup> *Ibid*, 2006. May be downloaded at: [www.cep-dc.org](http://www.cep-dc.org).

study remained at the state level, so they could not answer that question directly, but that future CEP efforts will examine local-level outcomes in greater depth to determine various effects of these high-stakes exams. CEP staff did note, however, that their survey of the literature found a few recent studies that have suggested an association between high school exit exams and dropout rates; the studies found that the exams are not likely to be one of the *major* effects on dropouts.

CEP's 2005 report cites a study from Ball State University, which *found that the graduation rate in states with exit examinations is lower than those without* (64.9 percent vs. 71.65 percent, respectively). This study has been criticized because it uses only one year of data. CEP notes that almost all other research in the area of exit exams and graduation rates is state specific and that many states are concerned about the effect these exams will have on dropouts. CEP also urges states to create a longitudinal data system so that the efforts of state reforms may be tracked.

- **Do High School Exit Exams Influence Educational Attainment or Labor Market Performance? (Thomas Dee and Brian Jacob, National Bureau of Economic Research, April 2006)**<sup>12</sup>

This report examines the influence of exit exams on high school completion and labor market performance. It groups exit exams into two categories: more and less difficult. More difficult exams are those that test material at the ninth-grade level or higher. The study found that:

- based on data from the 2000 Census, exit exams led to particularly large increases in the dropout rates of black students. In the states with the most difficult exit exams, black males are 7.3 percent more likely to drop out of school;
  - exit exams seemed to increase the likelihood of high school completion among Hispanics;
  - exit exams do not seem to affect high school completion for white females, though they sharply reduce the completion rates among white males; and,
  - the report includes a case study of Minnesota's recently instated exit exam, which was found to increase the dropout rate in urban and high-poverty school districts as well as in those with a relatively large concentration of minority students. This increased risk of dropping out was concentrated among twelfth grade students. They also found that Minnesota's exit exam lowered the dropout rate in low-poverty and suburban school districts, especially among students in the tenth and eleventh grades.
- **High School Exit Examinations and State-Level Completion and GED Rates, 1975-2002**<sup>13</sup> (John Warren, Krista Jenkins and Rachael Kulick, EIPA, June 2006)

This article takes a 50-state look at the effects of state exit exams on the high school graduation rate. The study uses more than 25 years of data and found that *state exit exams are leading to lower graduation rates*: "Many thousands of students fail to graduate from high school each year because of state [exit exam] policies, and only a small percentage of those students are likely overcoming the situation by obtaining a GED." The effect is amplified in states with more difficult exit examinations. Critics point to studies that find positive outcomes from the exams and emphasize that there is a balance to be struck between the academic benefits of the examinations and the potential effect on the graduation rate.<sup>14</sup>

<sup>12</sup> Dee, Thomas and Brian Jacob. "Do High School Exit Exams Influence Educational Attainment or Labor Market Performance?" April 2006. <http://www.nber.org/papers/w12199>.

<sup>13</sup> Warren, John Robert, Krista Jenkins, and Rachael Kulick. "High School Exit Examinations and State-Level Completion and GED Rates, 1975-2002." *Education Evaluation and Policy Analysis*. June 2006.

<sup>14</sup> Robelen, Erik W. "Exit Exams Found To Depress H.S. Graduation Rates." *Education Week*. June 21, 2006. Page 30.

Figure 1: Is anyone right? Where do we stand?

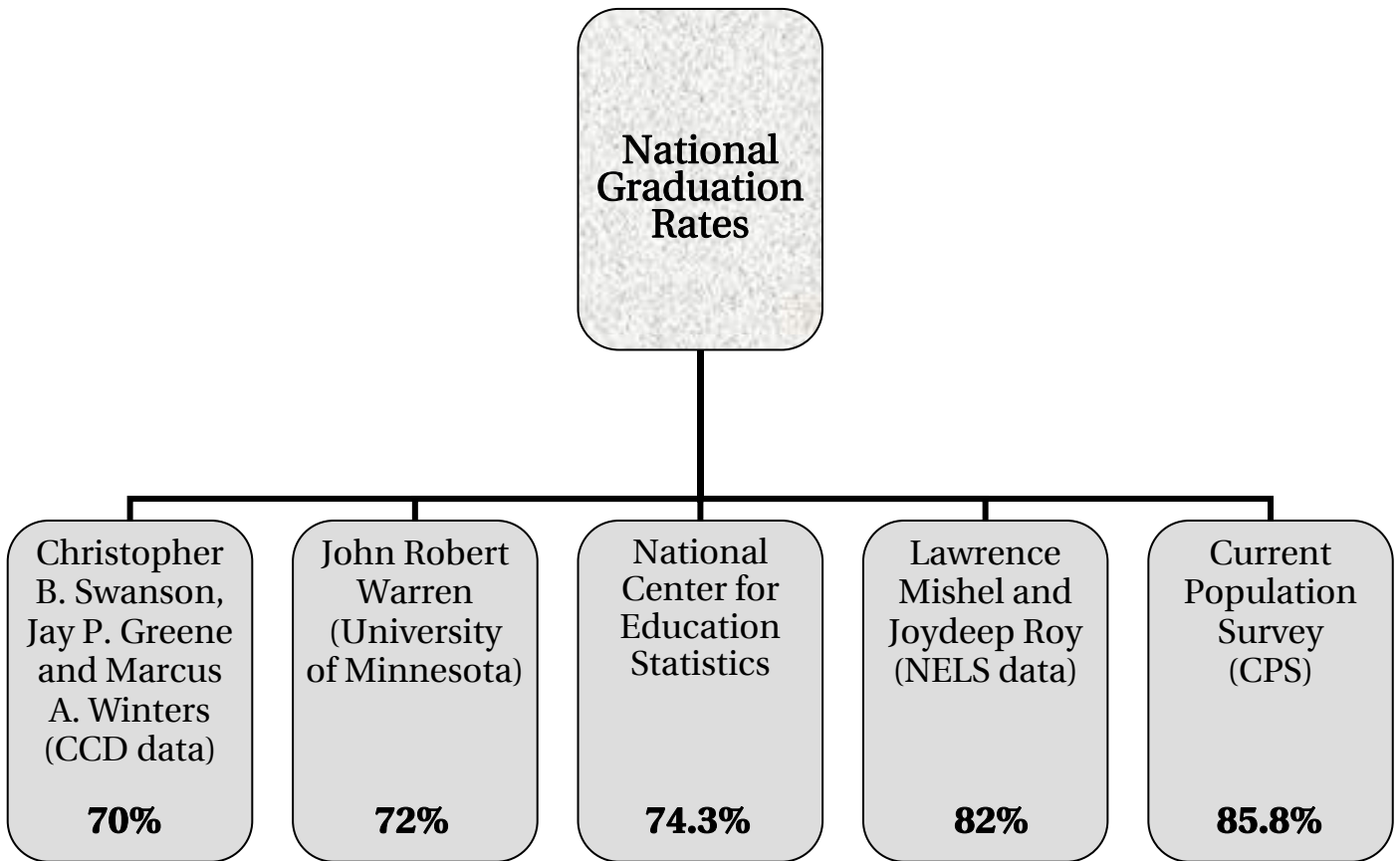


Table 1: Two Methodologies—A Side-by-Side Comparison

	SWANSON <i>Counting students and diplomas</i>	MISHEL/ROY <i>Tracking students over time using longitudinal surveys</i>
	<b>70 percent graduation rate</b>	<b>82 percent graduation rate</b>
Sources of Data	<ul style="list-style-type: none"> <li>• <a href="#">Common Core of Data</a> (CCD): An annual census of public schools and districts from the U.S. Department of Education (ED)</li> </ul>	<ul style="list-style-type: none"> <li>• National Education Longitudinal Study (NELS)</li> <li>• National Longitudinal Survey of Youth (Bureau of Labor Statistics)</li> <li>• High School and Beyond (HS&amp;B)</li> <li>• Current Population Survey (CPS)</li> </ul>
Calculations	<ul style="list-style-type: none"> <li>• Cumulative Promotion Index (CPI): developed by Swanson</li> </ul> $CPI = \frac{10\text{th graders, fall 2003}}{9\text{th graders, fall 2002}} \times \frac{11\text{th graders, fall 2003}}{10\text{th graders, fall 2002}} \times \frac{12\text{th graders, fall 2003}}{11\text{th graders, fall 2002}} \times \frac{\text{Diploma recipients, spring 2003}}{12\text{th graders, fall 2002}}$ <p>Source: <a href="http://www.edweek.org/ew/articles/2006/06/22/41s_map.h25.html?qs=cpi">www.edweek.org/ew/articles/2006/06/22/41s_map.h25.html?qs=cpi</a>.</p>	<ul style="list-style-type: none"> <li>• Number of students who receive standard diploma according to surveys</li> </ul>
Advantages	<ul style="list-style-type: none"> <li>• Formula represents graduating high school as a process rather than a single event and captures the four steps a student must take to earn a diploma.</li> </ul>	<ul style="list-style-type: none"> <li>• NELS collects actual transcript from its sample members.</li> <li>• NELS begins with students in their eighth grade year and follows them past their high school years.</li> </ul>
Criticism	<ul style="list-style-type: none"> <li>• Number of diplomas is self reported.</li> <li>• Formula does not rely on students entering ninth grade; it relies on students enrolled in ninth grade, which discounts the “ninth-grade bulge” of retained students. This bias is even higher for blacks and Hispanics. In 1999-2000, there were 26 percent more ninth graders than the previous year’s eighth graders.</li> <li>• Retention rates vary greatly across states so comparisons may not be accurate (Warren, 2005).</li> </ul>	<ul style="list-style-type: none"> <li>• It may be difficult for surveys to locate those who have dropped out of high school.</li> <li>• When dividing the number of regular diplomas issued by the Census population for the graduating class of 2003, Greene finds that Mishel and Roy’s formula overestimates by almost a half million.</li> </ul>
Who Agrees?	<ul style="list-style-type: none"> <li>• Jay Greene &amp; the Manhattan Institute (use CCD but adjust for estimated population increases from Census Bureau information)</li> <li>• The Urban Institute (Swanson research)</li> <li>• <i>Education Week</i> and the EPE Research Center (Swanson)</li> <li>• National Governors Association</li> <li>• Achieve, Inc.</li> <li>• Civil Rights Project at Harvard</li> </ul>	<ul style="list-style-type: none"> <li>• Mishel cites the NCES report <i>Condition of Education 2003</i>, which reported that 86.5 percent of 25-to 29-year-olds had completed high school, including those with a GED. Defined this way, the black-white gap is 5.2 percentage points. GED completion is generally not considered to be equivalent to graduation, however.</li> <li>• Mishel has found little independent support for his conclusions, but there are a few individuals who agree with him, including Russell Rumberger of University of California at Santa Barbara.</li> </ul>

## II: How States Are Calculating Graduation Rates

While there is still no official national formula for calculating graduation rates, the work of the NGA will have 39 states using the same formula by 2010, and the U.S. Department of Education (through NCES) has been mounting an effort to create one as well.<sup>15</sup> According to *Education Week*, states are currently using seven different methods to report graduation rates for NCLB. The majority of states use one of the two methods outline below.<sup>16</sup>

1. Thirty-three states use the **Leaver Rate**, which is the NCES method. This method calculates graduation rates by dividing the number of students who received standard high school diplomas by the total number of students who have dropped out, graduated with a standard diploma and graduated with other completion credentials. This method is sometimes called the departure-classification index.
2. Ten states use the **Cohort Rate**, a **true longitudinal graduation rate**, which calculates the percent of students from an entering ninth grade cohort who graduate with a regular diploma in four years. Adjustment to the original cohort may be made for students who join or leave the school system at grade level during that four-year period. While this method most accurately captures the true four-year graduation rate of a school, it can only be implemented if the state data system is capable of tracking individual students over time to accurately distinguish among a number of student outcomes (e.g., diploma recipient, recipient of credentials, dropout, transfer from school or district).

The remaining states use an assortment of indicators that include completion ratios, grade-to-grade promotion rates and dropout rates as proxy for graduation rates. States that incorporate dropout rates into their graduation rate formulas produce a higher estimate of the state graduation rate compared with other methods because dropout counts tend to be underreported. *As a result of these varied approaches, the graduation rates reported for NCLB purposes are not comparable across states.* That different states use different methods of calculation highlights the confusion that exists among graduation rates, dropout rates, and high school completion rates, each of which measures something unique.

This is changing, though, as states adopt the NGA formula, which follows a Cohort Rate. Thus, the number of states using each rate will likely shift in the coming years. 2006 is the earliest states have committed to report rates using NGA's common formula, and as this report is being written, these numbers are not yet in. Thirteen states will soon release their rates using the NGA formula. By 2010, 39 states plan to use the same calculation among which should ease the comparison-making process.

The table below defines the differences graduation rates, dropout rates and high school completion rates and what they measure:<sup>17</sup>

Graduation Rate (4-year completion)	Status Dropout Rate	Event Dropout Rate	Completion Rate
Measures the percentage of ninth graders who left school with a diploma four years later.	Measures the percentage of 16- to 24-year-olds not in school and without a diploma.	Measures the percentage of students leaving high school each year without a diploma.	Measures the percentage of 18- to 24-year-olds who <i>have</i> a diploma.

<sup>15</sup> NCES formed a task force to consider the issue, which in February 2005 concluded that states and federal statisticians should work together to devise data-collection systems that can track individual students through their high school years.

<sup>16</sup> See "Diplomas Count: An Essential Guide to Graduation Policy and Rates" (*Education Week*, Washington DC). Available online at <http://www.edweek.org/ew/toc/2006/06/22/index.html>.

<sup>17</sup> These definitions and data are cited in an NCES-commissioned report "Dropout Rates in the United States: 2001," by Philip Kaufman and Martha Naomi Alt, MPR Associates Inc., and Christopher D. Chapman, NCES (November 2004). Event dropout rates, status dropout rates, and status completion rates count GED recipients among those with diplomas and capture both public and private school students; four-year completion rates capture public school students only.

### **III. A Refresher on Graduation Rates and NCLB: What the Law Does and Does Not Require**

The media frenzy surrounding graduation rates has been sparked by No Child Left Behind (NCLB), which requires states to factor in graduation rates for high schools to demonstrate schools are meeting the adequate yearly progress (AYP) requirements of the law. With the reauthorization of NCLB on the horizon, the debate around this issue will likely intensify as different interests are already suggesting that the reporting and use of disaggregated graduation rate data serve as a key component of high school accountability, including annual and ultimate goals for improving graduation rates.

The NCLB regulations define “graduation rate”—and thereby offer a method of calculation—as:

*the percentage of students, measured from the beginning of high school, who graduate from high school with a regular diploma (not including an alternative degree that is not fully aligned with the state’s academic standards, such as a certificate [of attendance] or a GED) in the standard number of years [section 200.19(a)(i)].*

But the regulations also say that states may seek U.S. Department of Education approval to use another definition that more accurately measures the rate of students who graduate from high school with a regular diploma. Some states have exercised this alternative by making a case for extending the standard time for graduation—which is widely interpreted to mean four years—for special needs students.<sup>18</sup>

In general, the Department has indicated that to “graduate on time,” students must complete one grade per year from the beginning of high school (usually ninth grade). This interpretation excludes students who repeat a grade from being considered “graduates” for the sake of NCLB accountability; however, these students are not considered “dropouts” either, if they remain in school.

Unlike other AYP calculations, NCLB does *not* require graduation rates to be disaggregated for accountability. Policy insiders have suggested that this was an oversight in the original bill and that as ESEA is reauthorized or otherwise amended, subgroup disaggregation for high school graduation rates may be added. This would be devastating for high schools, too many of which already struggle to make adequate yearly progress under the rigid requirements and statistical anomalies of NCLB.

NCLB also does *not* require graduation rates to evolve toward a specific goal (such as reaching 100 percent by the year 2014), although most states specified in their NCLB accountability plans an actual target graduation goal. (Such state target goals range from 55 percent to 95 percent.)<sup>19</sup>

*(August 2006)*

<sup>18</sup> Five states have gotten approval to count students with disabilities as graduating on time if the student’s individualized education plan calls for extra years of high school beyond age 18. The Department also allowed Tennessee to apply this extra time to graduate to both students with disabilities and English language learners.

<sup>19</sup> Instead of setting specific targets, some states use a growth rate in the percent of students graduating (e.g., California). In 2004, revisions of state accountability plans, three states adjusted their graduation rate targets. Maryland and Pennsylvania permitted high schools to either make the specified target *or* show a percentage increase; Washington state revised its target down to 66 percent from 73 percent after education officials began using a more accurate method of calculating the state’s graduation rate.