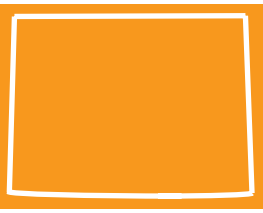
Federal High School Graduation Rate Policies and the Impact on Colorado



Recent Changes to Federal High School Graduation Rate Policy

In today's economy, employers increasingly demand that workers have a high school diploma, yet America's graduation rates are unacceptably low, particularly among poor and minority students. Nationally, only about 70 percent of students graduate from high school on time with a regular diploma; for African American and Hispanic students, this number drops to little more than 50 percent.

For too long, inaccurate data, misleading official graduation and dropout calculations, and inadequate accountability systems at the state and federal levels have obscured low graduation rates. Improving graduation rate calculations and accountability are important for several reasons. First, they serve as valuable measures of school performance for various stakeholders, and thus must be clear, accurate, and comparable across schools, districts, and states. Also, education leaders and policymakers should use graduation rates as decisionmaking tools for targeting interventions and resources for the schools and students who most need help. Lastly, graduation rates serve as the cornerstone of an accountability system that ensures that all students are not falling through the cracks on their way to a high school diploma.

Over the last few years, independent researchers have published more reliable graduation rate estimates, most states have improved their data collection systems, and some states have adopted more reliable graduation rate calculations. These are positive changes, but they do not solve the problems: graduation rates used for accountability purposes remain inconsistent across states and there is insufficient accountability for increasing graduation rates over time. As a result, a chorus of voices continued to demand that policymakers address the remaining flaws and inconsistencies in both the state calculations and data system, as well as the federal graduation rate accountability policies.

In October 2008, the U.S. Department of Education (ED) responded by releasing regulations that change requirements for states' calculations, reporting, and accountability systems for graduation rates under the No Child Left Behind Act (NCLB). Although these regulations, if properly implemented, offer hope for significant improvement, some of their provisions—particularly around accountability goals for increasing graduation rates—leave room for considerable variation across states that could undermine the regulations' intention to improve accountability for graduation rates.

The regulations address three important components of graduation rate policy: graduation rate definitions, graduation rate accountability, and data and data systems. This document summarizes the changes the new regulations would make in these three policy areas and describes how Colorado's current graduation rate policies might be affected. Additional analysis and information about graduation rates can be found on the Alliance for Excellent Education's website at www.all4ed.org.

HIGH SCHOOL GRADUATION RATE POLICIES

For graduation rates to measure high school performance meaningfully, it is important that they are calculated in a way that is transparent and comparable across schools, districts, and states. This requires a common formula for calculating the rate and careful rules about how different student outcomes are incorporated into the formula.

2002

Previous Federal Policy: NCLB defined graduation rates as "the percentage of students who graduate from secondary school with a regular diploma in the standard number of years." However, ED approved a variety of state-proposed rates that do not meet this definition. As a result, the graduation rates currently reported by states are often misleading and are incomparable from state to state.

Respected researchers from noted institutions, using a variety of methodologies, calculated states' graduation rates and found wide differences between the rate that most states report and the independent estimates.

2005

National Governors Association (NGA) Compact: In 2005, each of the nation's fifty governors pledged that their states would begin reporting a common graduation rate that would measure the number of students who graduate on-time with a regular diploma in a given year divided by the number of students who entered ninth grade for the first time four years earlier, adjusted for transfers. Sixteen states said that they already report a graduation rate using the NGA Compact formula. Other states planned to do so soon: thirteen by the end of 2009, nine in 2010, six in 2011, and one in 2012. Five states were uncertain about their plans to use the formula.[1]

While a step in the right direction, the Compact left several implementation details to the discretion of the states, which resulted in state-specific variations in the formula. Further, the Compact does not require states to use its formula for NCLB accountability, and most states have chosen not to do so.

2008

2008 Federal Regulations: New regulations issued by ED in October 2008 represent a substantial improvement over previous federal policy. Beginning in School Year (SY) 2010–11, states are required to report a uniform, comparable, and accurate graduation rate known as a "four-year adjusted cohort rate," which measures the percent of students in a ninth grade cohort that graduate with a regular diploma in four years or less. This rate also must be used for determining Adequate Yearly Progress (AYP) beginning in SY 2011–12. The formula is similar to the NGA Compact, but the regulations clarify many of the details that the Compact left undefined.

In addition to a four-year rate, the regulations also permit states to use an additional "extended-year" graduation rate that measures how many students graduate in more than four years, which could be incorporated into AYP calculations. For example, the state could use a rate that measures how many students from an adjusted cohort graduate with a regular diploma within five, six, or seven years.

1201 Connecticut Avenue NW, Suite 901 | Washington, DC 20036 | Phone: 202 828 0828 | Fax: 202 828 0821 | www.all4ed.org

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Meaningful graduation rate accountability should encourage practices designed to get all students to graduate from high school and to allow the AYP performance indicator to become a tool that more accurately identifies low-performing high schools. To achieve these goals, two requirements must be met. First, accountability must include long-term goals and require annual growth in graduation rates at both the aggregate and subgroup levels. Second, it must require that assessments and graduation rates are counted equally in AYP determinations so that schools have equal incentives to raise their graduation rates and test scores, instead of one happening at the expense of the other.

2002

Previous Federal Policy: While NCLB set a goal of 100 percent proficiency in reading and math by 2014, the law did not establish a final graduation rate goal or set corresponding, meaningful, annual growth targets. As a result, most states do not require schools and districts to improve graduation rates by any significant amount. Only a few states have set a final graduation rate goal of 100 percent, and most states permit high schools to meet AYP by making as little as 0.1 percent improvement or less in graduation rates each year. Ultimately, this policy holds schools accountable for students' test scores throughout their K–12 education, but does not hold them accountable for whether those students actually graduate.

Additionally, ED required AYP to take into consideration both overall test scores and the test scores of student subgroups (broken down by race/ethnicity, socioeconomic status, disability status, and English proficiency). Yet when it came to graduation rates, ED required only overall graduation rates, not those of the student subgroups. While the majority of states report "disaggregated" graduation rates broken down by student subgroup, none currently *use* them for NCLB accountability. This means that high schools can make AYP despite a consistent, or even a growing, gap in graduation rates among subgroups.

2008

2008 Federal Regulations: The new regulations make some progress in graduation rate accountability. First, the regulations require that the four-year adjusted cohort graduation rate is disaggregated by the same student subgroups as test scores and is used for BOTH reporting and accountability purposes. Second, the regulations require that states set a long-term goal for graduation rates and annual growth targets that demonstrate "continuous and substantial improvement" from the prior year toward meeting the long-term goal. For a school or district to make AYP, it must meet the states' goals for proficiency on state tests and graduation rates.

However, because the regulations do not establish specific long-term goals or annual growth targets, these decisions are left to the states. Concern exists that states could continue to set (and ED could approve) low goals and small growth targets. Also, because the regulations permit different annual targets to be set for different schools within a state, states could propose goals that allow slow improvement in low-performing high schools. The regulations also allow states to propose how an additional "extended-year" adjusted cohort rate will play into AYP calculations."

Without specific federal requirements to consistently increase graduation rates at aggressive and attainable rates over time as part of AYP, state and ED implementation of these regulations could lead to continued weakness and inconsistency in graduation rate accountability.

DATA AND DATA SYSTEMS

The most accurate graduation rates are calculated using graduation data based on individual students' progress over time—information known as longitudinal data. For states to calculate a graduation rate using longitudinal data, they need a statewide longitudinal data system that has the capacity to collect the necessary information about individual students and at least five years worth of data.

The Data Quality Campaign (DQC), a national effort to improve the collection and use of education data, has identified the "10 Essential Elements" of a P–12 education data system. The elements necessary to calculate four-year graduation rates are:

1. **A unique statewide student identifier that connects student data across key databases across years**
2. **Student-level enrollment, demographic, and program participation information**
3. **Student-level graduation and dropout data**
4. **A state data audit system assessing data quality, validity, and reliability**

According to DQC's 2008 survey of state officials, forty-two states already have data systems with the four elements necessary to calculate a four-year graduation rate; all states except Idaho expect to have their systems operational by SY 2010–11.[2]

2002

Previous Federal Policy: There was no requirement that states collect longitudinal data to calculate graduation rates. The federal government does support the development of statewide longitudinal data systems and has provided $115 million to twenty-seven states[2] for that purpose since 2005, but does not require these elements are all included.

2008

2008 Federal Regulations: The new regulations require states to use longitudinal data by SY 2010–11 to calculate the four-year adjusted cohort graduation rate. To comply, states must have a longitudinal data system in place with the capacity to yield this information and five years of data on students.

The changes made through the new regulations are intended to improve the calculation and reporting of graduation rates. How states will implement—and federal policymakers will enforce—accountability for the improvement of graduation rates remains to be seen. As the new regulations are implemented and as NCLB is reauthorized, attention should be paid to the decisions made by Congress, states, and ED. Meaningful graduation rate accountability is vitally necessary to meet the economic, societal, and civil rights imperatives to graduate every child prepared for college and work in the twenty-first century.

Profile: Colorado's High School Graduation Rate Policies

The following outlines Colorado's current high school graduation rate policies and describes how the 2008 regulations from the U.S. Department of Education (ED) might impact Colorado's policies as they relate to high school graduation rate definitions, graduation rate accountability, and data and data systems.

HIGH SCHOOL GRADUATION RATE POLICIES

Colorado's 2007–08 NCLB Implementation (Pre-2008 Regulations)

Implications of 2008 Federal Regulations on Colorado

What Is the High School Graduation Rate Formula?

- **Formula:** For NCLB accountability, Colorado used an estimated "cohort rate." This rate compares a cohort (or group) of entering high school students to the number of students who graduated four years later, but it does not track those students over time. Specifically, Colorado's rate described the number of graduates in a certain year to the number of end-of-the-year eighth graders four years earlier, after adjusting for transfers:

$$\text{Graduation Rate for 2007–08 AYP} = \frac{\text{(2007 regular diploma recipients) + (2007 IEP completers)}}{\text{(Spring 2003 eighth graders) + (transfers in) – (transfers out)}}$$

IEP: Individualized Education Plan

- **Formula:** The regulations require states to report and use a "four-year adjusted cohort graduation rate" with the following formula:

$$\text{Graduation Rate} = \frac{\text{\# in adjusted cohort who earned a regular diploma}}{\text{\# in adjusted cohort}}$$

The "adjusted cohort" is defined as the number of first-time ninth graders four years ago, plus students who transfer into the cohort, and minus students who transfer out, emigrate to another country, or are deceased.

Colorado's current graduation rate does not comply with the regulations. It will need to alter its calculation in order to meet these requirements.

The regulations allow states to use an additional "extended-year adjusted cohort graduate rate" that would count, as graduates, students who graduate in more than four years. *It remains to be seen if Colorado will propose such a rate.*

Who Counts as a High School Graduate?

- **Diploma Type:** Colorado counted, as graduates, students who received a regular diploma upon completion of local requirements for both course work and assessment. Colorado also counted, as graduates, students who met the requirements of their IEPs in lieu of the graduation standards to which students without disabilities were held.

- **Years to Graduate:** Colorado counted, as a graduate, any student who graduated in a given school year, regardless of how many years it took the student to graduate or with which graduating class he/she entered high school.

- **Diploma Type:** The regulations require that only those students who graduate with regular diplomas may be counted as graduates. *It remains to be seen whether ED will approve Colorado's policy.*

- **Years to Graduate:** The regulations require that only students who graduate in four years or less count as graduates in the four-year graduation rate. *Colorado's policy does not comply and will need to be adjusted. Colorado's is planning on only counting students who graduate in four years or less by SY 2009–10.*

States may propose using an additional extended-years graduation rate. *Colorado is planning to propose the use of an extended-year rate.*

Who Does *Not* Count as a High School Graduate?

- **Dropouts and Non-Diploma Completers:** Colorado included, as non-graduates, students who were confirmed dropouts; students who pursued or received a GED; students who received a non-regular diploma; and students who reached the maximum age for services.

  Students in Colorado who did not complete the school year due to illness or injury were removed from the cohort; their outcomes did not factor into the graduation rate calculation.

- **Transfers:** Colorado verified transfers through information provided by its districts.[1]

- **Missing Students:** When there was no record of a student's status, Colorado counted that student as a dropout.[1]

- **Dropouts and Non-Diploma Completers:** The regulations require that all students' outcomes be accounted for in the calculation, and that students who leave school with something other than a regular diploma in four years not be counted as graduates. *It remains to be seen whether ED will allow Colorado to continue removing ill and injured students from the cohort.*

- **Transfers:** To count students as transfers, the regulations require schools and local education agencies (LEA) to have "official written documentation" that a student has transferred to another school or program that culminates in a regular high school diploma. *It remains to be seen whether ED will approve Colorado's method of verifying transfers.*

- **Missing Students:** The regulations do not allow LEAs to remove from the cohort students for whom there is no record of transfer, emigration, or death. *Colorado's current policy of coding students for whom there is no status information as dropouts likely complies with the regulations.*

ACCOUNTABILITY FOR IMPROVING HIGH SCHOOL GRADUATION RATES

Colorado's 2007–08 NCLB Implementation (Pre-2008 Regulations)	Implications of 2008 Federal Regulations on Colorado

What Goals for Improvement Have Been Set?

- **Long-term Goal:** Colorado set a long-term graduation rate goal of 65 percent.
- **Annual Growth Targets:** A Colorado high school was considered to have "made AYP" in SY 2007–08, in addition to meeting state assessment requirements, if its overall graduation rate and subgroup graduation rates were:

  ≥ 59.5%

- **Long-term Goal:** The regulations require that every state set a single long-term goal that represents the graduation rate it expects all high schools in the state to meet. This goal must be the same for all schools and must be the same for the four-year adjusted cohort rate and any extended-year rate. *It remains to be seen what Colorado will propose in the context of these regulations and whether ED will approve it.*
- **Annual Growth Targets:** The regulations require that every state establish annual graduation rate growth targets that reflect "continuous and substantial improvement" from the prior year toward meeting or exceeding the state-set, long-term goal. These targets may vary for different schools and districts within the state and may differ for the four-year rate and the extended-year rate. *It remains to be seen whether the annual growth targets Colorado proposes (and ED approves) will be both aggressive and attainable.*

What Accountability Exists for High School Graduation Rates of Student Subgroups?

- **Subgroups:** Colorado reported graduation rates by subgroups and held schools accountable for increasing the graduation rates of each subgroup.
- **Subgroups:** The regulations require all states to report disaggregated four-year adjusted cohort graduation rates by SY 2010–11, and use them for accountability determinations by SY 2011–12. *Colorado's policy likely complies.*

What Role Do High School Graduation Rates Play in Adequate Yearly Progress (AYP)?

- **AYP:** In order to make AYP, Colorado's schools needed to have met the graduation rate goal and growth targets noted above; therefore, graduation rates do play a role in AYP determinations.
- **AYP:** The regulations require that high schools and districts must meet the state's graduation rate goals—in addition to goals for proficiency on state tests—to make AYP. The regulations also allow states to propose, for approval by ED, how it will balance the four-year adjusted cohort graduation rate, any "extended-year" graduation rates, and test scores as part of AYP. *Colorado will need to adjust its AYP calculations to reflect the requirement. It remains to be seen what Colorado will propose.*

DATA AND DATA SYSTEMS

What Is the Status of Colorado's Data System?

- Colorado reports that its statewide longitudinal data system has **all of the four elements** necessary to calculate four-year graduation rates with a regular diploma.[2]

Sources:
1. National Governors Association, *Implementing Graduation Counts: State Progress to Date*, 2008. (Washington, DC: Author, 2008).
2. Data Quality Campaign and the National Center for Educational Achievement, *Results of 2008 NCEA Survey of State P–12 Data Collection Issues Related to Longitudinal Analysis*. (DQC and NCEA, 2008).
All other information was obtained via state websites, state documents, and communication with state officials.

Notes:
The information in this document reflects state policies in effect for calculating AYP results for SY 2007–08. It does not reflect any planned changes for future years.

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