

Accurate High School Graduation Rates

By Sunny Deyé

Accurate high school graduation rates are important for high school accountability.

States define and count graduation rates using various standards.

The NGA adopted a compact to develop a comparable high school graduation measure.

The question of how states and districts calculate their high school dropout rates and graduation rates has assumed greater significance recently. For years, most states estimated their graduation rates to be at 80 percent or higher, although some claimed graduation rates as high as 95 percent. As researchers delved deeper into how states calculate their graduation rates, they found these numbers to be vastly overstated. A recent EPE Research Center study for the 2002-2003 school year found that approximately 70 percent of all students in the nation graduate from high school with a regular diploma and that large disparities exist across racial and ethnic groups.

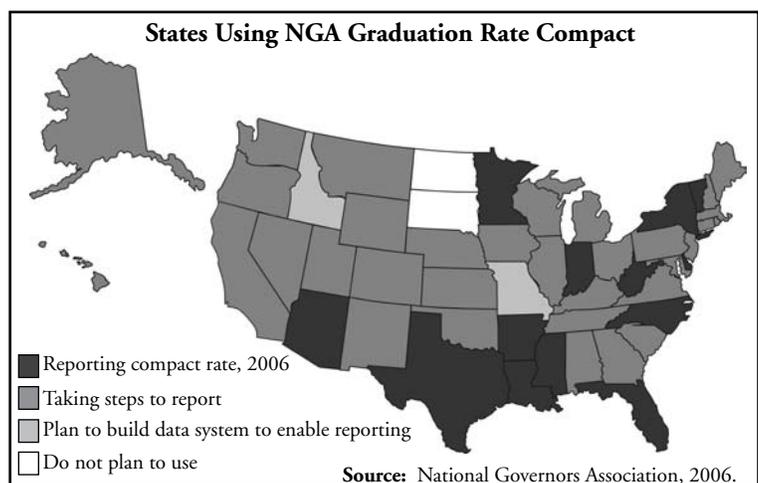
Nationwide, high school graduation rates are based on an estimate of the number of students who have dropped out; however, this is only as accurate as each school's ability and willingness to track dropouts. The federal No Child Left Behind Act (NCLB) established loose guidelines for determining who graduates, but it includes no standard formula or definitions. Because each state defines and counts graduation rates using a different standard, it is difficult—if not impossible—to accurately compare dropout rates nationally.

Obtaining accurate nationwide graduation rates is critical for high school accountability and for ensuring that America's students are prepared to compete in a global economy. Accurate measurement of high school graduation rates will give a better understanding of the scope of the dropout problem, determine why students are leaving, understand their educational and personal needs and, in turn, will help states target resources more effectively.

State Action

NGA Graduation Rate Compact. In December 2005, the National Governors Association announced that its members had signed a compact to implement a standard, four-year adjusted cohort graduation rate as part of a nationwide effort to develop a high-quality, comparable high school graduation measure. The governors committed to four specific areas of action:

- Implement a standard, four-year graduation rate;



- Improve state data collection, reporting and analysis, and link data systems from preschool through postsecondary education;
- Use more indicators that provide richer information and understanding about students and how well the system is serving them; and
- Report annual progress on the improvement of their state high school graduation, completion and dropout rates.

The Compact Formula

Graduation Rate = [students graduating within four years with a regular or advanced diploma] ÷ [(first-time entering ninth graders four years earlier) + (transfers in) - (transfers out)]

States can use the compact formula to calculate the graduation rate even if they have not fully instituted a statewide data system with individual student data. States can begin collecting the necessary data by asking schools and districts to report aggregate data on the number of students enrolled in ninth grade, the number of diploma recipients, and the number of students transferring in and out of the school. The state also can require, as many do, that transfers are verified with transcript requests from the receiving school. The state then can produce a reasonably accurate estimate of the graduation rate without individual student data

in the state system. In 2006, 13 states will report their graduation rate publicly according to the compact formula and, by 2010, 39 states plan to report; North Dakota and South Dakota do not plan to report.

Two states have codified the compact rate: Colorado through state board regulations and Maryland through legislation. In Maryland, Senate Bill 59, signed into law on May 2, 2006, translated the NGA Compact into legislative language by defining the basic formula and terminology for calculating graduation rates using a four-year adjusted cohort (<http://mlis.state.md.us/2006rs/bill-file/SB0059.htm>).

Federal Action

Full implementation of the NGA Graduation Rate Compact will take time and resources as states evaluate and change their practice of collecting and reporting graduation rates. To provide an interim mechanism for comparing high school graduation rate data across states, the U.S. Department of Education has begun to report states' Averaged Freshman Graduation Rate (AFGR) with the graduation rates currently reported by each state under NCLB. (The AFGR is the number of high school graduates who receive a regular diploma in a given year divided by the average of the number of students enrolled in eighth grade five years earlier, ninth grade four years earlier, and 10th grade three years earlier.)

In November 2005, the department released the first AFGR results, which showed a national graduation rate for 2002–2003 of 73.9 percent. The state numbers, based on enrollment data, ranged from a low of 59.7 percent in South Carolina to a high of 87 percent in New Jersey. The AFGR results are closer to analyses conducted by independent researchers than were the graduation rates previously reported by the department.

Selected References

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By 2010, 39 states will report their graduation rate using the compact formula.

The U.S. Department of Education provides an interim mechanism to compare graduation rates across states.