

Progress Is No Accident:

November 2015

Why ESEA Can't Backtrack on High School Graduation Rates



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Acknowledgments

This paper was coauthored by the Alliance for Excellent Education, America's Promise Alliance, Civic Enterprises, and the Everyone Graduates Center at Johns Hopkins University.

The **Alliance for Excellent Education** is a Washington, DC–based national policy and advocacy organization dedicated to ensuring that all students, particularly those traditionally underserved, graduate from high school ready for success in college, work, and citizenship. www.all4ed.org

America's Promise Alliance is a collaborative network of organizations, communities, and individuals dedicated to making the promise of America real for every child. As its signature effort, the GradNation campaign mobilizes Americans to increase the on-time high school graduation rate to 90 percent by 2020 and prepare young people for postsecondary enrollment and the twenty-first-century workforce. www.americaspromise.org

Civic Enterprises is a public policy and strategy firm that works with corporations, nonprofits, foundations, universities, and governments to develop innovative initiatives and public policies in the fields of education, national service, civic engagement, conservation, public health, and more. It works with organizations that seek to challenge the status quo and grow their impact for the greater good. www.civicenterprises.net

The **Everyone Graduates Center**, School of Education at Johns Hopkins University, is a research and action center that focuses on understanding who graduates from high school in America, and the characteristics of students, schools, communities, and states that are making progress and those that are not. Seminal work includes *Locating the Dropout Crisis*, a 2004 report pinpointing the number and locations of the nation's "dropout factories" and bringing the dropout challenge to the nation's attention. The research and its dissemination underpin the second half of the center's work—development and advancement of models and tools, including early-warning systems to identify off-track students as early as the sixth grade, accompanied by interventions to get students back on track. The center works with states, districts, schools, universities, and "think tank" partners. www.every1graduates.org.

Introduction

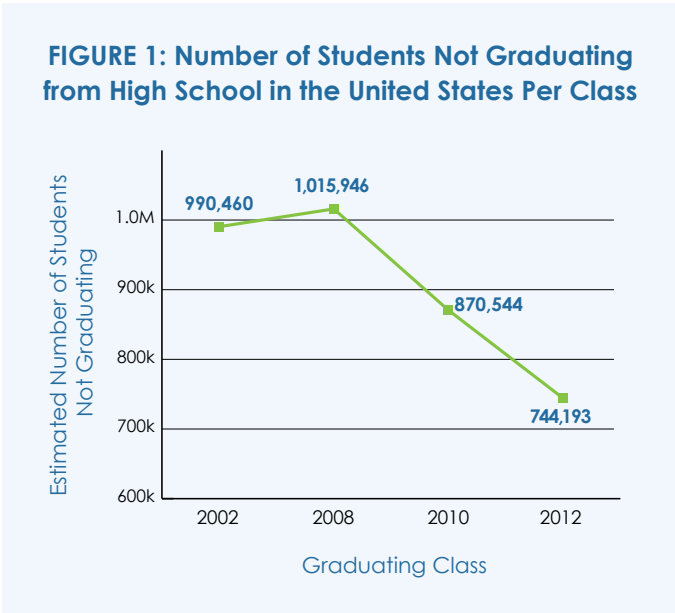
The total number of students who did not graduate from high school plummeted from 1,015,946 in 2008 to 744,193 in 2012, a 27 percent reduction in just four years. Although this drastic reduction in dropouts¹ is laudable, it did not happen by accident. The federal government put specific policies in place in 2008 and 2011 that, combined with state and local efforts, put thousands of students on a path toward productive adulthood who otherwise may have been on a trajectory toward unemployment or incarceration. As the U.S. Congress works to reauthorize the Elementary and Secondary Education Act (ESEA), it must continue the federal policies that are playing an essential role in turning potential high school dropouts into graduates.

Accountability and Progress

In 2008, the U.S. Department of Education (ED) issued regulations² to address what had come to be known as the nation's *Silent Epidemic*³—the fact that thousands of students dropped out of high school each day, costing the nation billions in lost wages and lost potential.⁴ These regulations did three things. First, they required states to use the same, accurate calculation of the high school graduation rate to prevent the extent of the dropout crisis from being obscured by each state measuring graduation rates in different and sometimes inaccurate ways.⁵ Second, they required states to set ambitious graduation rate goals and rates of improvement. Third, the regulations required school districts to intervene in high schools where groups of traditionally underserved students (including students from low-income families, students of color, students with disabilities, and English language learners) had consistently low graduation rates.⁶ In 2011, ED reinforced these policies by requiring states to identify and implement reform efforts among high schools with low graduation rates for the entire student body.⁷

These common-sense policy changes had a near immediate effect. From 2008 to 2012, the latest year for which comparable data is available, the national high school graduation rate rose from 74.7 percent to 80.9 percent and more than one-quarter of a million additional students received high school diplomas nationwide. Putting this into perspective, the number of nongraduates decreased during this time by more than 1,500 per school day, from 5,644 per school day in 2008 to 4,134 per school day in 2012.⁸

This is a remarkable achievement, particularly considering the lack of progress made in the years prior to the implementation of the federal graduation rate regulations. From 2001 to 2008, the number of students not graduating from high school remained stagnant at roughly 1 million students as figure 1 shows.⁹



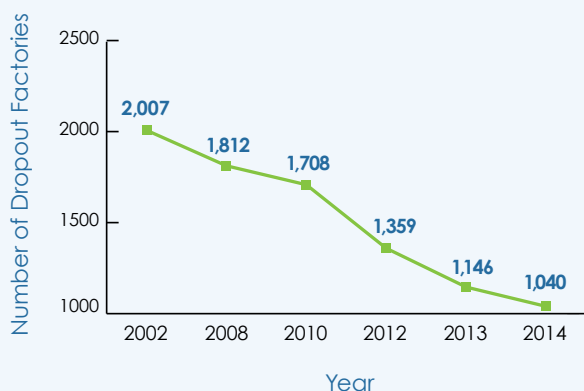
Sources: U.S. Department of Education, "NCES Common Core of Data State Dropout and Graduation Rate Data File," SY 2013–14 Preliminary Version 1a, SY 2012–13 1a, SY 2011–12 1a, SY 2010–11 2a, SY 2009–10 2a, SY 2008–09 1b, SY 2007–08 1b, SY 2002–03 1a, SY 2001–02 1a, SY 2000–01 1a, SY 1999–00 1b, SY 1998–99 1c.



Another demonstration of progress is the dramatic decline in the number of “dropout factories,” a term coined by the Everyone Graduates Center (EGC) at Johns Hopkins University. Before federal regulation standardized graduation rates, EGC employed a very simple graduation rate estimate called “promoting power,” which compares the number of high school seniors in a graduating class to the number of freshmen who were in that class three years earlier. If the number of students in the class decreased by 40 percent or more by the time students went from ninth to twelfth grade, such a school had a “promoting power” of 60 percent or less and was classified as a “dropout factory.”

Between 2002 and 2008, there was only modest progress in reducing the number of such high schools. But between 2008 and 2014, the number of these high schools plunged from more than 1,800 to roughly 1,000 as figure 2 shows.

FIGURE 2: Number of Dropout Factories in the United States



Sources: U.S. Department of Education, “NCES Common Core of Data State Dropout and Graduation Rate Data File,” SY 2013–14 Preliminary Version 1a, SY 2012–13 1a, SY 2011–12 1a, SY 2010–11 2a, SY 2009–10 2a, SY 2008–09 1b, SY 2007–08 1b, SY 2002–03 1a, SY 2001–02 1a, SY 2000–01 1a, SY 1999–00 1b, SY 1998–99 1c.

The fact that so many more students graduate from high school today than just a few years ago benefits both the new graduates and society as a whole. High school graduates earn \$15,000 more per year than dropouts.¹⁰ This means they are more equipped to take care of their families and purchase goods that help to fuel the nation’s economy. Furthermore, if the national high school graduation rate continues to increase, the nation will realize even greater economic gains. According to an analysis by the Alliance for Excellent Education (the Alliance), increasing the national high school graduation rate to 90 percent for just one high school class would create as many as 65,700 new jobs and boost the national economy by as much as \$10.9 billion.¹¹ The nation also would see annual increases in federal and state tax revenues of as much as \$1.3 billion and \$661 million, respectively.

The Challenge Ahead

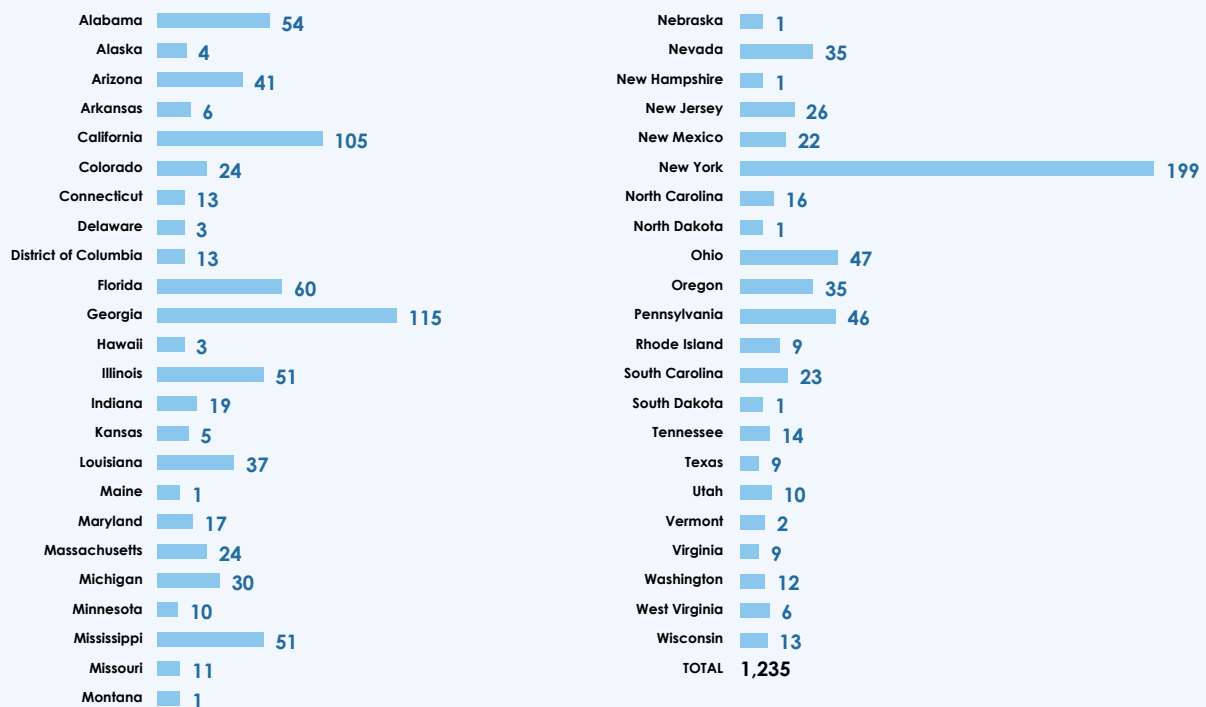
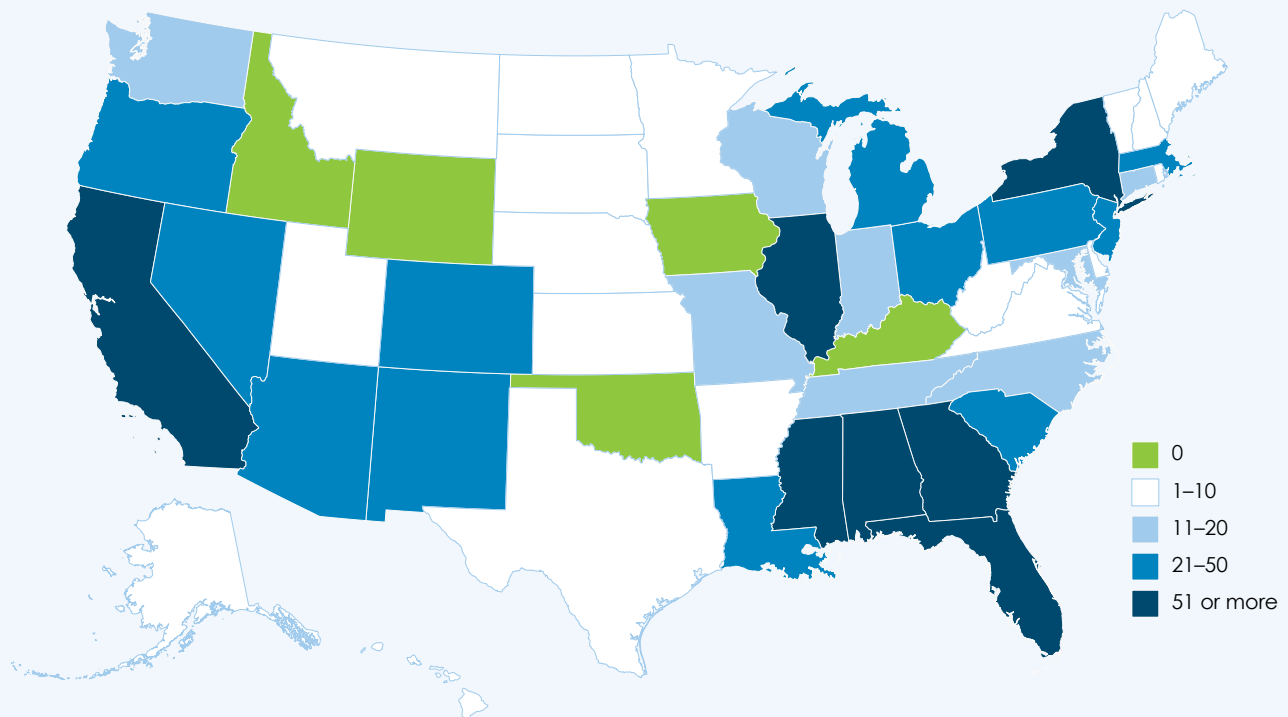
Remarkable progress has been made, but the number of students not graduating from high school remains unacceptably high. Only two states lost fewer than 1,000 students from the Class of 2014, while many more states lost tens of thousands. (See table 1 in the appendix for state-by-state comparisons.)

In addition, there remain 1,235 high schools nationwide that fail to graduate one-third or more of their students. (See figure 3 on the next page.) The students attending these low-graduation-rate high schools are disproportionately students of color and students from low-income families, demonstrating that separate is still not equal. For example, African American students make up less than 16 percent of the K–12 population nationwide. But in these high schools, they make up 40 percent of the student body.¹² In fact, students of color make up 90 percent or more of the student population in half of these low-graduation-rate high schools. Making matters worse, one-third of these high schools are not required to receive support from their states and are ineligible for federal school improvement grants because they do not receive federal funding for low-income students, known as Title I.¹³

Moreover, high school graduation rate gaps remain a major cause for concern. In fifteen states, the gap in high school graduation rates between African American and white students is more than 15 percentage points. The gap grew in nine states over the past four years. Twelve states, meanwhile, have a gap of 15 percentage points or more between the graduation rates of white and Latino students. This gap grew in nine states over the past four years.¹⁴

The nation must not continue to funnel underserved students into low-graduation-rate high schools.

FIGURE 3: Low-Graduation-Rate High Schools in the United States



Source: Data on the estimated number of low-graduation-rate high schools in each state based on an analysis of 2012 data conducted by the Everyone Graduates Center, School of Education, Johns Hopkins University.

Policy Recommendations

Federal accountability policy for high school graduation rates, along with state and local action, has led to a significant increase in the number of students earning high school diplomas. Unfortunately, the bills passed by the U.S. Senate and House of Representatives to reauthorize ESEA both backslide on graduation rate accountability. In order to continue increasing graduation rates, the reauthorization of ESEA must maintain an emphasis on low-performing high schools. Specifically, ESEA must build on the effective policies currently in place by incorporating the following recommendations:

1. All high schools that fail to graduate one-third or more of their students must be included in state accountability systems and be eligible for federal school improvement funding, regardless of whether they receive support from Title I. Such schools must receive support to implement evidence-based, comprehensive reform. (For additional details about how ESEA can support low-graduation-rate high schools, see the Alliance's publication [Below the Surface: Solving the Hidden Graduation Rate Crisis](#).)
2. Any high school with a group of traditionally underserved students that does not meet a state-set graduation rate goal for two or more years must implement evidence-based, targeted intervention. (For additional information about ways ESEA can support traditionally underserved students, see the Alliance's publication [Equity and ESEA: Holding High Schools Accountable for Traditionally Underserved Students](#).)



Conclusion

Federal education policy targeted at improving high school graduation rates is working. Today, far more young people graduate from high school because federal policy (1) holds states and schools accountable for improving high school graduation rates and (2) prioritizes reform among low-performing high schools. As Congress reauthorizes ESEA, it must seize the opportunity to put even more young people on the path toward a diploma.

In order to continue increasing graduation rates, the reauthorization of ESEA must maintain an emphasis on low-performing high schools.

Endnotes

- ¹ In this report, the term “dropout” refers to the number of nongraduates as calculated using the Averaged Freshman Graduation Rate reported by ED.
- ² ED issued the graduation rate regulation on October 29, 2008. States were required to implement the regulation for reporting purposes no later than School Year (SY) 2010–11 and for accountability purposes by SY 2011–12.
- ³ J. Bridgeland, J. Dilulio, and K. Morrison, *The Silent Epidemic: Perspectives of High School Dropouts* (Washington, DC: Civic Enterprises, 2006).
- ⁴ Alliance for Excellent Education, “The High Cost of High School Dropouts: What the Nation Pays for Inadequate High Schools,” (Washington, DC: Author 2011).
- ⁵ The 2008 regulation requires states to use the four-year Adjusted Cohort Graduation Rate (ACGR). This calculation measures the percentage of students who graduate in four years by dividing the number of students in a class that earn a regular high school diploma by the number of first-time ninth graders that made up that class of students three years earlier, adjusting for students who transferred or died. The Averaged Freshman Graduation Rate (AFGR) estimates the four-year graduation rate by dividing the number of diplomas awarded in a single year to students who may have taken any number of years to earn a regular diploma by an estimate of the number of first-time ninth graders three years prior. That estimate is derived by taking the average size of the eighth-grade, ninth-grade, and tenth-grade student classes. The ACGR is the most accurate calculation of the graduation rate because it follows individual students from ninth grade to twelfth grade. States were required to use the ACGR no later than SY 2010–11; therefore, trend data starting in 2008 is not available for the ACGR. Trend data starting in 2008 is available for the AFGR. Therefore, this report utilizes the AFGR when referencing trends in data since 2008. This report uses the ACGR elsewhere in the report because it is a more accurate measure of the graduation rate.
- ⁶ 34 C.F.R. 200.19(b)(1)
- ⁷ ED’s 2011 requirements apply to the forty-four states that have waivers from ESEA that grant those states flexibility from certain requirements under the No Child Left Behind Act, the current version of the law. Specifically, states must classify high schools that receive Title I funding and that have a graduation rate below 60 percent as “priority” schools, and implement comprehensive reform, or classify them as “focus” schools and implement targeted interventions.
- ⁸ Data about the national high school graduation rate and number of nongraduates obtained from the U.S. Department of Education, “NCES Common Core of Data State Dropout and Graduation Rate Data File,” SY 2013–14 Preliminary Version 1a, SY 2012–13 1a, SY 2011–12 1a, SY 2010–11 2a, SY 2009–10 2a, SY 2008–09 1b, SY 2007–08 1b, SY 2002–03 1a, SY 2001–02 1a, SY 2000–01 1a, SY 1999–00 1b, SY 1998–99 1c.
- ⁹ Between SY 2001–02 and SY 2007–08, the Averaged Freshman Graduation Rate increased a modest 2.1 percentage points, from 72.6 percent to 74.7 percent. The number of students who did not receive a diploma—990,460 in SY 2001–02 and 1,015,946 in SY 2007–08—was largely unchanged because of an increase in the number of incoming ninth graders during this time.
- ¹⁰ U.S. Bureau of Labor Statistics, “Employment 2012 and Projected 2022, by Typical Entry-Level Education and Training Assignment,” http://www.bls.gov/emp/ep_table_education_summary.htm (accessed October 16, 2015).
- ¹¹ Alliance for Excellent Education, “New Economic Analysis Links Increased Educational Attainment to Economic Growth in 200+ Metro Areas,” press release, October 15, 2013, <http://all4ed.org/press/new-economic-analysis-links-increased-educational-attainment-to-economic-growth-in-200-metro-areas/> (accessed October 16, 2015).
- ¹² J. Cardichon and P. Lovell, *Below the Surface: Solving the Hidden Graduation Rate Crisis* (Washington, DC: Alliance for Excellent Education, 2015), <http://all4ed.org/wp-content/uploads/2015/04/BelowTheSurface.pdf> (accessed October 13, 2015).
- ¹³ Federal requirements for state accountability policy apply only to schools that receive Title I funding for students from low-income families. For a complete discussion of the impact of Title I policy on high schools, see W. Riddle, “Title I and High Schools: Addressing the Needs of Disadvantaged Students at All Grade Levels,” (Washington, DC: Alliance for Excellent Education, 2011), <http://all4ed.org/wp-content/uploads/2013/06/TitleIandHSs.pdf> (accessed September 28, 2015).
- ¹⁴ Data used to calculate the gaps in high school graduation rates obtained from the U.S. Department of Education “ED Data Express” website, <http://eddataexpress.ed.gov/state-tables-main.cfm> (accessed October 22, 2015).

Appendix

TABLE 1: Nongraduates in the United States (2014)

State	Adjusted Cohort Graduation Rate	Estimated Cohort Size	Estimated Total Number of Nongraduates	Estimated Number of Nongraduates Per School Day
Alabama	86.3%	54,125	7,404	41
Alaska	71.1%	9,871	2,849	16
Arizona	75.7%	79,213	19,288	107
Arkansas	86.9%	34,422	4,496	25
California	81.0%	432,850	82,242	457
Colorado	77.3%	61,440	13,953	78
Connecticut	87.0%	43,050	5,584	31
Delaware	87.0%	9,423	1,230	7
District of Columbia	61.4%	5,101	1,972	11
Florida	76.1%	196,234	46,841	260
Georgia	72.5%	121,593	33,438	186
Hawaii	81.8%	13,062	2,379	13
Idaho	77.3%	22,843	5,192	29
Illinois	86.0%	153,112	21,374	119
Indiana	87.9%	75,858	9,202	51
Iowa	90.5%	33,918	3,209	18
Kansas	85.7%	35,290	5,054	28
Kentucky	87.5%	47,355	5,919	33
Louisiana	74.6%	47,554	12,079	67
Maine	86.5%	13,178	1,780	10
Maryland	86.4%	64,897	8,832	49
Massachusetts	86.1%	73,257	10,183	57
Michigan	78.6%	122,269	26,190	146
Minnesota	81.2%	65,053	12,249	68

(continued)

Sources: U.S. Department of Education, Consolidated State Performance Report, School Year (SY) 2013–14. <http://www2.ed.gov/admins/lead/account/consolidated/index.html>;
U.S. Department of Education, EDFacts Data Files, Regulatory Adjusted Cohort Graduation Rate, SY 2013–14. <http://www2.ed.gov/about/inits/ed/edfacts/data-files/index.html>

Note: The estimated number of nongraduates per school day is based on the estimated total number of nongraduates in the cohort divided by 180 school days.

State	Adjusted Cohort Graduation Rate	Estimated Cohort Size	Estimated Total Number of Nongraduates	Estimated Number of Nongraduates Per School Day
Mississippi	77.6%	32,988	7,393	41
Missouri	87.3%	65,327	8,310	46
Montana	85.4%	10,855	1,582	9
Nebraska	89.7%	21,806	2,250	13
Nevada	70.0%	32,889	9,867	55
New Hampshire	88.1%	15,193	1,813	10
New Jersey	88.6%	105,650	12,044	67
New Mexico	68.5%	24,235	7,624	42
New York	77.8%	218,181	48,349	269
North Carolina	83.9%	109,132	17,570	98
North Dakota	87.2%	7,550	964	5
Ohio	81.8%	138,098	25,148	140
Oklahoma	82.7%	43,821	7,577	42
Oregon	72.0%	45,142	12,649	70
Pennsylvania	85.5%	139,204	20,185	112
Rhode Island	80.8%	11,333	2,182	12
South Carolina	80.1%	50,897	10,154	56
South Dakota	82.7%	9,256	1,598	9
Tennessee	87.2%	69,503	8,882	49
Texas	88.3%	330,453	38,663	215
Utah	83.9%	42,580	6,868	38
Vermont	87.8%	6,206	756	4
Virginia	85.3%	94,447	13,893	77
Washington	78.2%	74,864	16,350	91
West Virginia	84.5%	19,793	3,074	17
Wisconsin	88.6%	66,098	7,509	42
Wyoming	78.6%	6,906	1,477	8



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