Building a Grad Nation:

Progress and Challenge in Raising High School Graduation Rates
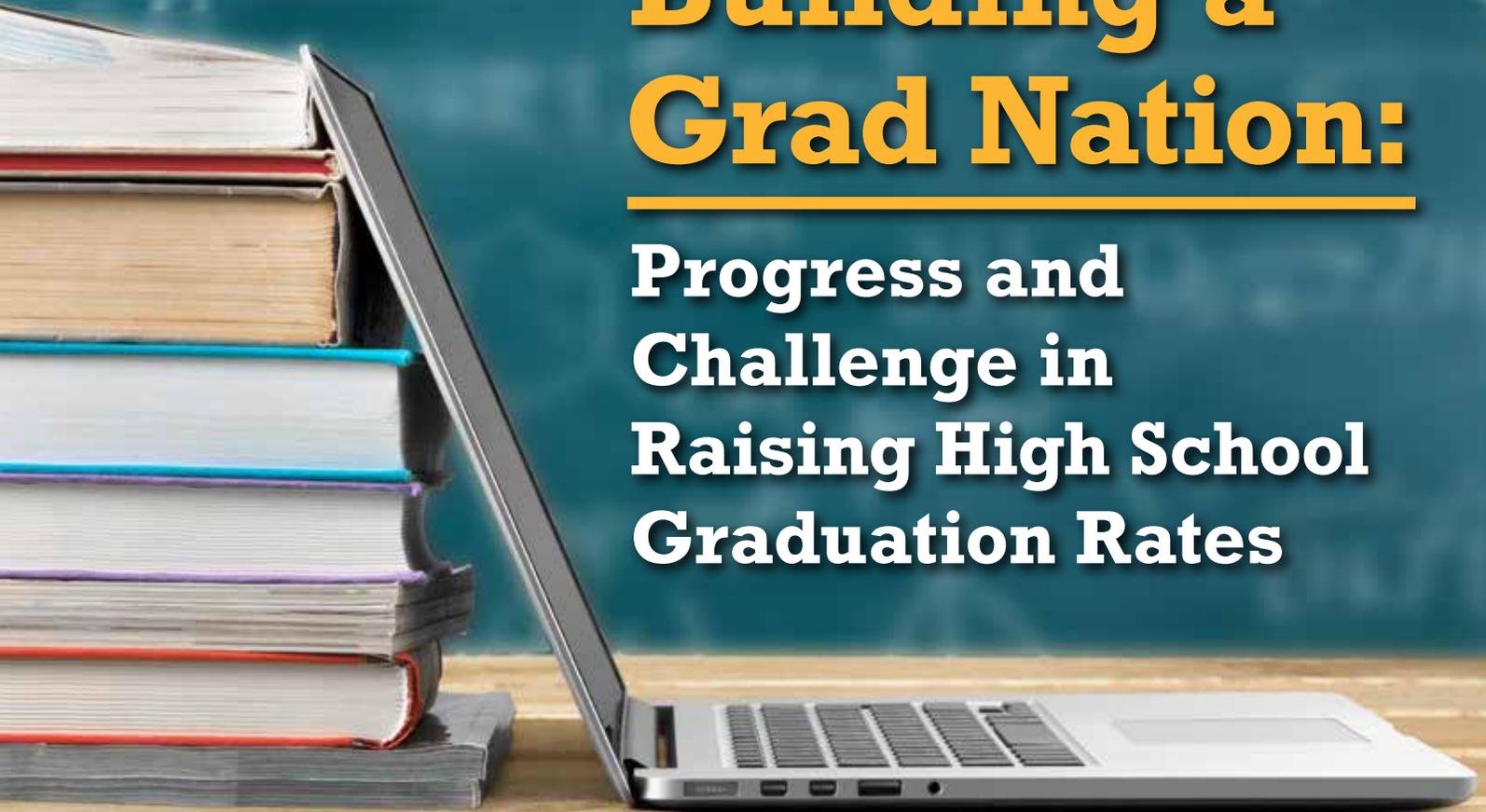
Executive Summary

This year signifies two key milestones in the GradNation campaign to raise high school graduation rates. First, the release of the 2015 federal graduation rate data marks five years since states began reporting the Adjusted Cohort Graduation Rate (ACGR). The ACGR, for the first time, created a common formula for collecting graduation rate statistics across states and provides data on individual student subgroups down to the school and district levels. With five years of ACGR data, it is clearer than ever before where progress is being made and where it is not, which students continue to graduate at higher and lower rates and how this varies by state, and where graduation rate gaps are closing and persisting between student subgroups. Second, there are now just five years of federal graduation rate data reporting between now and the culmination of the GradNation goal to raise high school graduation rates to 90 percent by the Class of 2020. We have made remarkable progress as a nation, but need to accelerate our progress to reach our goal.

These milestones are significant not simply because we are halfway to the endpoint of a 10-year campaign to bring greater attention to the state of high school graduation in our country, but also because they mark an opportunity to learn from the progress and challenges of the first five years of ACGR and to renew our commitment to graduating more students ready to move successfully into the postsecondary or career path of their choice. Since the 2010-11 school year, the national high school graduation rate is up more than four percentage points, rising from 79 percent to a record high of 83.2 percent in 2015. Over this five-year period, graduation rates have increased in almost every state and for every student subgroup. Progress since 2001 in raising high school graduation rates has resulted in 2.8 million more students graduating from high school rather than dropping out.

This progress, however, is tempered by slowing gains, stubborn graduation rate gaps for historically underperforming subgroups, and the significant number of students who still attend low-graduation-rate high schools. The nation needs to nearly double its rate of progress in boosting high school graduation rates in the coming years in order to reach its 90 percent goal by the Class of 2020. Questions also continue to be raised over the validity of increasing graduation rates and the alternative pathways that are being created for the students who fall off track to graduation. In this year's *Building a Grad Nation* report, we examine areas of concern in high school graduation rate reporting, including measurement errors, cases of schools and districts gaming the system, and issues around lowering diploma standards, as well as other areas of progress and remaining challenges on the path to 90 percent.

Where We Stand: High School Graduation in the 2014-15 School Year

The good news is that about half of all states reported high school graduation rates of 85 percent or more in 2015 and are on track to reach a 90 percent graduation rate by 2020. There are, however, a substantial number of states still graduating less than 80 percent of students in four years and several others with graduation rates in the lower 80s that have remained stagnant for years. The state-level data also show wide variation across states in the graduation outcomes for different subgroups of students with both positive and concerning trends. For every key subgroup of students, there are states where significant progress has been made, and others where gaps remain wide and recent improvements have been minimal. Thus, just as more authority and responsibility for educational improvement are being given to states through the Every Student Succeeds Act, there is growing evidence that beneath continued national progress, we are trending toward a divide between states that are pushing forward in boosting high graduation rates for all and those that are not:

- Ten states reported graduation rates for Hispanic/Latino students below 70 percent and another 22 states had Hispanic/Latino graduation rates between 70 and 80 percent.

- The graduation rate for Black students was less than 70 percent in 12 states and between 70 and 80 percent in 25 other states.

- In 11 states, the graduation rate for low-income students was below 70 percent, and in 28 other states, between 70 and 80 percent of low-income students graduated on time.

- In 33 states, English Language Learners (ELLs) graduated at rates less than 70 percent, and in five of those states, less than 50 percent of ELLs graduated on time.

- Thirty-three states graduated less than 70 percent of their students with disabilities (SWDs), and in four of those states, less than 50 percent of SWDs graduated on time.

- In contrast, 33 states reported graduation rates for White students at 85 percent or more and 43 states graduated 85 percent or more of non-low-income-students.

America must do far more to close its equity gap by focusing on the states, districts, and remaining low-performing schools where students still graduate in low numbers. Fortunately, there are growing numbers of states, districts, and schools from which the nation can learn what has worked.

The GradNation Five Drivers

As we move into the latter stages of the GradNation campaign, it is becoming more evident that the nation will be unable to meet its goal of a 90 percent high school graduation rate for *all* students without doubling down on efforts to reach the students who have historically faced the greatest challenges – low-income students, Black and Hispanic/Latino students, students with disabilities, and English Language Learners – and improve the low-graduation-rate high schools that disproportionately enroll many of the most vulnerable students. Because of these gaps, we return our focus this year to examining the data on the student subgroups and schools that have the greatest distance to travel.

Low-Income Students

Nearly half of the country's class of 2015 cohort – 48.2 percent, a slight increase from 2014 – came from low-income families. Nationally, the gap between low-income students and their middle- and upper-income peers now stands at 13.7 percentage points, a slight decrease from last year. Behind this national average, however, there is great variation across states. The graduation rate gap between low-income and non-low-income students ranges from a high of 24.2 percentage points in South Dakota to a low of 4.5 percentage points in Indiana. In nearly half of all states, the gap between low-income students and their more affluent peers is 15 percentage points or greater, and in 18 additional states the gap is at least 10 points. Yet, in nine states the low-income/non-low-income gap is less than 10 percentage points, indicating that some states are learning how to mitigate the impacts of poverty on graduation rates.

Black and Hispanic/Latino Students

Black and Hispanic/Latino students made the greatest gains – 9 and 15 percentage points, respectively – in high school graduation rates (as measured by the Averaged Freshman Graduation Rate) between 2006 and 2012. These gains have continued in the ACGR era, with graduation rates for Black students increasing by 7.6 percentage points and rates for Hispanic/Latino students increasing by 6.8 percentage points since 2011. The gains made by Black and Hispanic/Latino students and the corresponding narrowing of the graduation gaps between these students and their White peers are significant, but these students still have graduation rates in the 70s and the Black-White and Hispanic/Latino-White graduation rate gaps remain far too large.

Across the nation, Black and Hispanic students comprised 38.5 percent of the 2015 cohort but made up 54 percent of the students who failed to graduate on time. Conversely, White students were 52.7 percent of 2015 cohort but just 38.9 percent of all non-graduates.

States vary considerably in the rate of progress for Black and Hispanic/Latino students and in the absolute graduation rate levels achieved. Here again we see evidence of a growing divide between those states that are significantly closing gaps and raising levels and those that are not.

Students with Disabilities

In all, 33 states reported high school graduation rates for special education students below 70 percent, and nearly half of those 33 had graduation rates for students with disabilities below 60 percent. Four states – South Carolina, Louisiana, Mississippi, and Nevada – graduated less than half of their special education students.

The graduation rate gaps between students with disabilities and those without show how stark the contrast truly is. Nationally, the gap now stands at 21.1 percentage points. In 29 states, students in the general education population graduate at rates of 20 percentage points or more than their special education peers. In another 18 states, the gap between students with disabilities and those without is between 10 and 20 percentage points. In only three states is the graduation gap less than 10 points.

English Language Learners

The number of ELL students in America's public schools is climbing, increasing from 8.8 percent (an estimated 4.2 million students) in 2003-04 to 9.2 percent (an estimated 4.5 million) in 2013-14. ELL students are concentrated heavily in six states, five of which are in the west. The District of Columbia and six states – Alaska, California, Colorado, Nevada, New Mexico, and Texas – had 10 percent or more of their public school students as English Language Learners.

In states with significant populations of ELL students, graduation rates for this demographic remain low. In Arizona and New York, barely a third of ELL students are graduating on time, while Hawaii, Maryland, and Virginia graduate less than half of their ELL students. The 10 states with the highest proportion of ELL non-graduates comprised 66 percent of all ELL non-graduates in the country, while over one-third of English Language Learners who failed to graduate on time are located in California alone. In California and New Mexico, over one-third of the students who failed to graduate on time were English Language Learners.

Low-Graduation-Rate High Schools

Since the start of our reporting on high school graduation rates, we have identified large high schools (enrolling 300 or more students) that have either failed to promote more than 60 percent of their students from the 9th grade to the 12th grade, or in the ACGR era, graduate fewer than two-thirds of their students on time. Given their significant student populations, these schools play major roles in raising state graduation rates and are, in many cases, home to large numbers of disadvantaged students. Since 2002, the number of large, low-graduation-rate high schools has been cut in half and there are now fewer than 900,000 students enrolled in them – down from 2.5 million.

Under the Every Student Succeeds Act (ESSA), states are required to identify high schools enrolling 100 or more students that graduate less than two-thirds of students on time for intervention and support. Altogether, based on the ESSA definition, there were 2,249 low-graduation-rate high schools in 2015, making up just 12 percent of all public high schools enrolling 100 or more students. Fifty-six percent of low-graduation-rate high schools were in large to small cities and 25 percent were in suburban areas, while just 8 and 10 percent were found in small towns and rural areas, respectively.

For the purposes of this year's report, we break down low-graduation-rate high schools into two broad types – regular and alternative – due to both the distinct school missions presupposed by the NCES definition of these school types and because these schools make up the majority of high schools in the country. District-operated brick-and-mortar high schools make up 91 percent of all regular high schools and 60 percent of all regular low-graduation-rate schools. Regular brick-and-mortar charter schools comprise eight percent of all regular high schools and 29 percent of all regular low-graduation-rate schools.[1] For comparison's sake, 75 percent of regular district-operated brick-and-mortar high schools are high-graduation-rate high schools – graduating 85 percent or more of students. Fifty-three percent of regular brick-and-mortar charter schools are high-graduation-rate schools. Virtual schools still make up a small percentage of all public schools in the country, but despite their small numbers and presence in less than half of all states, they still amount to roughly one in ten regular low-graduation-rate schools.

Alternative schools and programs, defined by the US Department of Education as "designed to address the needs of students that typically cannot be met in regular schools,"[2] have become a hot-button issue as more of these schools open to serve students who have fallen off track to graduation. Though alternative schools make up roughly six percent of all high schools enrolling 100 or more students, they account for 30 percent of all low-graduation-rate high schools. Sixty percent of alternative schools and programs graduate fewer than 67 percent of their students in four years. Alternative high schools served just under 300,000 students in 2015. Compared to the student population in all high schools, Black and Hispanic/Latino students (59 percent versus 52 percent) and low-income (71 percent versus 46 percent) students are over-represented in alternative high schools.

In this year's report, we also explore the major issues surrounding alternative schools and programs, particularly in regards to inconsistencies in the data on these schools and the challenges that have arisen in establishing appropriate accountability systems for them. Though the number of these schools is small, the growth in the sector, especially of for-profit alternative schools, has led to serious concerns about their quality and whether they are capable of providing a meaningful learning experience and diploma to the nation's most vulnerable students. Though the challenges posed by alternative schools are far too complex to be examined fully here and do warrant further study, we lay out some of the concerns that have been brought to light to help bring greater attention to this issue.

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1   Regular brick-and-mortar district schools and regular brick-and-mortar (B&M) charter schools tend to serve different student populations, particularly given that charter schools tend to be located in urban areas. When comparing all regular B&M district and charter schools, charter schools serve a more disadvantaged student population; however, low-graduation-rate B&M district schools serve a more disadvantaged student population than low-graduation-rate B&M charter schools. For complete demographic breakdowns, please see Appendix M.

2   Carver, P.R., Lewis, L., & Tice, P. (2010). Alternative schools and programs for public school students at risk of educational failure: 2007-08. Westat and National Center for Education Statistics. Retrieved from https://nces.ed.gov/pubs2010/2010026.pdf

Policy Recommendations

As the GradNation campaign moves into its final phase, we urge adoption and implementation of the following policies and practices to continue raising graduation rates and ensure students are prepared to succeed as they move on to postsecondary education and employment:

■ **Create high-quality ESSA implementation plans and maintain accountability for underserved students.** To ensure that states create high-quality ESSA implementation plans, we urge states to adhere closely to the statute on identifying low-graduation-rate high schools as those with graduation rates of 67 percent or less, continue to use the four-year Adjusted Cohort Graduation Rate in this determination, and give substantial weight to graduation rates in state accountability plans.

■ **Create evidence-based plans to improve low-graduation-rate high schools.** With the ESSA requirement that states identify and intervene in high schools graduating fewer than two-thirds of students, we urge states and school districts to adopt evidence-based practices, including implementing early warning systems to identify and support students who are off track based on their attendance, behavior, and course performance records; making social and emotional learning a part of the curriculum; and providing students with high-quality postsecondary and workforce engagement opportunities.

■ **Get the cohort rate right.** The four-year Adjusted Cohort Graduation Rate (ACGR) remains the "gold standard" measure for collecting and reporting on high school graduation rates, but there is still room for improvement that would provide even greater uniformity and transparency. Issues of variability in determining cohort graduation rates reduce accuracy and comparability across states, and we recommend taking steps to resolve these issues and strengthen ACGR.

■ **Report extended-year graduation rates.** Requiring states to report extended-year graduation rates for students graduating in five and six years would achieve two important goals. First, it would create a policy incentive (and often, financial incentive) for schools and districts to keep off-track students in school and re-engage those who may have left the system. Second, in last year's *Building a Grad Nation* report, we found, using data from states already reporting extended-year graduation rates, that when extended-year graduation rates were included, the national average would be raised by roughly four percentage points and could provide a clearer picture of how many students ultimately earn a high school diploma.

■ **Strengthen accountability for non-traditional high schools.** Alternative schools are intended to provide a differentiated learning environment to students whose needs are not met in a traditional high school, and given their student populations, accountability measures pose a complicated challenge. While some states and districts have created high-quality alternative accountability systems, far too many alternative schools and programs, with some of the poorest academic outcomes of any school, are skirting accountability. To ensure young people have access to the best possible alternative options, greater efforts must be made to strengthen accountability for these schools.

■ **Convene a next generation Governors' summit on high school and postsecondary completion.** In 1989, President George H.W. Bush convened the nation's governors to establish a set of national goals to be achieved in K-12 education by 2020. One of the key goals to come out of the *Goals 2020* report was to raise the high school graduation rate to at least 90 percent, which President Bush and the next three presidents adopted as a central part of their education platform. Then, in 2005, all 50 state governors agreed to voluntarily implement the common, four-year adjusted cohort graduation rate formula, with all states committing to reporting graduation rates using this metric by 2010. Together, *Goals 2020* and the National Governors Association Graduation Rate Compact made raising high school graduation rates a key national priority and developed a reliable, common metric with which to measure them. Now, with ESSA putting power back into the hands of state educational officials and lawmakers, we call for a third governors' summit to set a new direction for raising high school graduation rates and measuring progress, and creating a plan of action for ensuring more students graduate high school ready for postsecondary and the increasing demands of the workforce.

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