

GETTING HONEST ABOUT GRAD RATES:

*HOW STATES PLAY THE NUMBERS
AND STUDENTS LOSE*



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The past year has seen unprecedented attention paid to the nation's public high schools. Faced with stagnant achievement in the secondary grades¹, declining academic standing among other industrialized nations², and most important, reports from college instructors, employers, and young people themselves that high schools are not preparing students for the expectations that they'll face once they finish³, the nation's leaders have taken heed and announced plans to transform and improve our high schools. The National Governors Association has produced *An Action Agenda for Improving America's High Schools*.⁴ The Bush Administration has made high school reform a top priority.⁵ Bill Gates has advanced the conversation with his widely publicized statement that "America's high schools are obsolete," and has contributed \$1.2 billion to the reform effort.⁶

This attention is both necessary and welcome. The only way to ensure that all young people graduate from high school ready for college, work, and life is through the concerted, coordinated

efforts of educators, students, policymakers, parents, and business and community leaders. We need to take stock of what we know about high schools—about what students need, what schools should be doing, and what it will take to ensure that all students are successful. But as we do, we can't lose track of one hugely important piece of information that we don't know nearly enough about—how many students who start high school actually graduate. In almost every state, those who are committed to student success are working in the absence of accurate data on high school graduation rates.

This year, states were required to report statewide graduation-rate data to the U.S. Department of Education. But in far too many cases, the information they provided is of little value to school-improvement efforts. In fact, three states reported no graduation-rate data at all. Another seven did not report data broken down by students' race, ethnicity, or socioeconomic status.

Of the states that did provide graduation-rate information, most reported rates that look dubiously

high when compared to the results of multiple independent analyses of state graduation rates.⁷ These studies estimate that nationally, almost *one-third* of all high school students don't graduate on time, with significantly worse rates for students of color. But in many of the state reports, these alarming numbers are nowhere to be found.

The states that are reporting inaccurate graduation-rate data are doing themselves a huge disservice. They're depriving educators, policymakers, and advocates of crucial information necessary to create a sense of urgency for high school improvement. And they're leaving educators vulnerable to accusations of dishonesty.

The annual cycle of states reporting inaccurate graduation rates and educators floundering to explain implausible numbers corrodes public confidence in schools and their leadership. Until educators are seen as honest and trustworthy reporters of student outcomes, it will be difficult to persuade the public to invest in improving high school results.

A few states, however, have broken ranks and decided to provide more honest data. As a



result, educators, policymakers, and advocates in these states have the information they need to begin the hard work of ensuring that high schools serve all students.

The importance of high school graduation rates

No one can dispute the singular importance of high school graduation. The high school diploma represents the bare minimum requirement for successful participation in the workforce, the economy, and society as a whole. The unemployment rate for high school dropouts is more than 30 percent higher than that of graduates.⁸ And when employed, dropouts earn close to 30 percent less.⁹ Dropouts are also more likely to end up incarcerated¹⁰ and to rely on public assistance.¹¹

High school graduation rates are a key component of the public reporting and accountability provisions of the No Child Left Behind Act (NCLB). Under the law, the graduation rates of all groups of students must be made available in public report cards for all high schools, districts, and states. Graduation rates also are used to determine whether schools are making Adequate Yearly Progress (AYP) under the law.¹² (For more on graduation rates and AYP, see *Graduation Rates and Adequate Yearly Progress*, on Page 3.)

On January 31, 2005, states were required to provide statewide graduation rates for the 2002-03 school year to the U.S. Department of Education as part of a performance report on NCLB implementation.¹³ These submissions followed state reports of baseline graduation-rate data for the 2001-02 school year in September 2003.

The January 2005 submissions

represented an opportunity for states to assess their progress toward ensuring that all students leave high school with a diploma in hand. But an analysis of these data shows that reported rates are misleading in some places and missing altogether in others. While some states are calculating and reporting honest graduation rates, and should be applauded for doing so, far too many are not providing accurate information. Equally disturbing is the Department of Education's failure to exert leadership and hold states to account on this issue.

Failure of leadership

In December 2003, the Education Trust released a report titled *Telling the Whole Truth (or Not) About High School Graduation Rates*. It examined the first round of state graduation-rate data reported to the U.S. Department of Education for the 2001-02 school year. This analysis found that in many states graduation-rate data were inaccurate and incomplete. Most states significantly understated the problems that students are facing in finishing high school. Some states used questionable graduation-rate definitions, while others provided no information at all about the graduation rates of the students who are facing the biggest challenges in high schools—low-income students, students of color, students with disabilities, and students with limited English proficiency. Not only did the Department allow states to report inaccurate and incomplete data with no consequence, it actually made the problem worse by communicating the NCLB graduation-rate requirements differently in different places.

Some educators and advocates

took notice. Understanding that good information is the basis of any successful improvement effort, these groups voiced frustration with faulty graduation-rate definitions and asserted their right to accurate data. One North Carolina high school principal summarized the sentiment by saying simply, "Let's get some data that truly captures the issue."¹⁴

In contrast, the U.S.

Department of Education defended its practices. In response to the Education Trust report, then-Acting Deputy Secretary of Education Gene Hickok claimed that graduation rates were being treated "with importance and urgency."¹⁵ But the only concrete step the Department took was to announce that an expert panel would study the issue.¹⁶

Now, a year and a half after the Department declared its commitment to tackling the graduation-rate issue head-on¹⁷, little has changed—the fundamental problem of states calculating and reporting faulty graduation rates remains largely unaddressed. The states that have taken responsibility and steps to improve their graduation-rate calculations and reporting have done so in spite of, not because of, the Department's actions. And the states that have continued to calculate and report inaccurate data without consequence have lost yet another year that they could have used to build public support for the hard work of improving results for students.

What's needed for accurate graduation rates

The best way to truly understand high school graduation rates is to calculate a "cohort" graduation rate—one that tracks the progress of a defined group



Graduation Rates and Adequate Yearly Progress

The goal of No Child Left Behind (NCLB) is to raise academic achievement for all students and close the gaps that separate low-income students and students of color from their peers.

Under the law’s accountability provisions, known as Adequate Yearly Progress (AYP), schools must demonstrate progress toward educating all students to state standards in reading and math. Schools must also meet goals set by their state for high school graduation rates.

Taken together, these proficiency and graduation-rate goals are meant to ensure that schools do the hard but critical work of bringing all students to grade level in the core academic subjects and seeing that all students leave high school with a diploma in hand. Paying attention to graduation rates is essential to ensuring that rising test scores aren’t the result of lower-performing students leaving high school before they graduate.

Initial state proficiency goals were set according to a formula in the law that was intended to focus initially on the lowest-performing schools and students. These goals increase at least once every three years, and must reach 100 percent by the 2013-14 school year.¹

States have more discretion in setting their graduation-rate goals. There is no specific formula for setting initial graduation-rate goals and no specific requirement for how or when these goals should increase. An analysis of state graduation-rate goals shows that most states have used this discretion in ways that make the graduation-rate provisions

of AYP almost meaningless.² Most have set graduation-rate “goals” that are below their currently reported rates. Even more have set laughably small progress targets, saying that *any* progress, progress of one-tenth of 1 percent, or even *no* progress, as long as the graduation rate doesn’t decline, is sufficient.

Table 1 lists the states that have set initial goals that are lower than their reported graduation rates for 2002-03.

Table 2 lists the states that have set low progress targets.

As low as these graduation-rate goals have been set, they are lower still for individual groups of students. That’s because schools calculate AYP in reading and math for each group of students, but AYP for graduation rates is based on the overall rate for the school.³ This means that schools can make AYP if some groups of students exceed the goal for graduation rates, even if other groups of students are graduating at much lower rates.

In states where only “any progress” is required, graduation rates can be far below the average *and declining* for students from low-income families and students of color, but the state will still deem the school to be making adequate progress, as long as the school overall registers any progress.

When Congress reauthorizes NCLB, it needs to ensure that (1) states set meaningful goals for raising high school graduation rates and (2) that success with individual groups of students counts as a full measure in evaluating school performance.

Table 1: States That Have Graduation-Rate Goals that are Lower than their Reported Graduation Rates for 2002-03

Alaska	Maine	Ohio
Arizona	Maryland	Oklahoma
Arkansas	Michigan	Pennsylvania
California	Minnesota	Rhode Island
Colorado	Mississippi	South Dakota
Connecticut	Montana	Texas
Delaware	Nebraska	Vermont
Georgia	Nevada	Virginia
Hawaii	New Hampshire	West Virginia
Illinois	New York	Wisconsin
Kansas	North Carolina	
Kentucky	North Dakota	

Table 2: States That Have Set Low Progress Targets

Any Progress

These states have said that any improvement in the graduation rate is sufficient to meet the Adequate Yearly Progress provisions of No Child Left Behind.

Alabama	Nebraska
Alaska	Nevada
Arkansas	New Hampshire
Connecticut	Ohio
Delaware	Oklahoma
Georgia	Oregon
Hawaii	Pennsylvania
Idaho	South Dakota
Indiana	Tennessee
Iowa	Texas
Kansas	Utah
Kentucky	Virginia
Minnesota	West Virginia
Mississippi	Wisconsin
Missouri	Wyoming
Montana	

Progress of at Least 0.1%

California	Maryland
Louisiana	North Carolina

No Progress Required

New Mexico	South Carolina
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Footnotes

¹ For more on proficiency goals under AYP, see The Education Trust. Summer 2004. *The ABCs of AYP*.

² Graduation-rate goals and progress targets from Approved State Consolidated Accountability Plans posted on the U.S. Department of Education’s website as of June 14th, 2005.

³ Except where the Safe Harbor provision is used. Under Safe Harbor, high schools that don’t meet performance targets overall or for any group of students can still make AYP as long as they reduce the percentage of students who are not proficient by ten percent from the previous year AND meet the graduation-rate goals.



of students from the first day they enter high school to the day they receive a regular high school diploma. In an accurate cohort calculation, students who leave the education system entirely are counted as nongraduates, lowering a high school's graduation rate. On the other hand, students who transfer to another degree-granting high school (or die, or go to prison) are not counted as dropouts. Unless there's documentation of transfer, missing students should be counted as dropouts.¹⁸

The primary challenges to calculating cohort graduation rates are data availability and data accuracy. Tallying diploma recipients is relatively easy. The hard part is accurately accounting for students who don't finish, distinguishing between those who should be counted as dropouts and those who shouldn't. In most cases, states rely on data from districts when calculating their statewide rates. Districts, in turn, rely on data from schools. Far too often, schools do not or cannot account for students who leave. They don't know whether these students transferred or dropped out. Faced with this situation, many schools assume, at least for reporting purposes, that missing students transferred. This assumption results in inaccurate dropout reporting, which in turn leads to inaccurate graduation rates.

In order to calculate a precise cohort graduation rate, states need integrated information systems that can tell if a student who stopped attending one high school shows up in another. Most states haven't developed information systems that allow for this kind of individual student tracking across schools and districts. A significant number are working to put those systems in place, but few are

completely established.

States are not required to calculate a true cohort graduation rate for NCLB reporting and accountability. Under the U.S. Department of Education's guidelines, graduation-rate calculations are to be made according to one of the following:

1) The percentage of students, measured from the beginning of high school, who graduate from a 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 or a GED) in the standard number of years; or

2) Another definition, developed by the state and approved by the U.S. Department of Education, that more accurately measures the rate of students who graduate from high school with a regular diploma. State definitions must avoid counting dropouts as transfers.

Given this definitional leeway, and lacking the systems necessary to calculate a cohort graduation rate, most states have made one of two choices. Some have used "graduation-rate" definitions that defy logic and common sense. Others have used a definition that, if applied correctly, should come reasonably close to a true cohort rate. But in doing so they've made inferences about missing information in ways that always, and inappropriately, give themselves the benefit of the doubt.

Unfortunately, for most states, both choices seem to have the same effect: Significantly overstating the percentage of high school students who actually graduate.

States have options other than these. They can treat missing students as dropouts. They

can use easy-to-implement graduation-rate definitions that are far more likely to produce results that get closer to the truth. A few states have made these choices already. But our analysis shows that most have not.

This is not simply a matter of compliance with a law or reporting for reporting's sake. Graduation rates are a fundamental measure of school performance. The integrity of accountability determinations rests on accurate information about who's graduating and who's not. Public confidence in educators and education leaders rests on this information as well. High school reform efforts will be badly undermined by a lack of accurate information on how many students are successfully completing high school and earning a diploma.

What did states report?

In the January 31 submissions, states were required to report the state-level graduation rates for all high school students in the Class of 2002-03, disaggregated by race/ethnicity, low-income status, disability status, English language proficiency, gender, and migrant status.

Three states—Alabama¹⁹, Louisiana, and Massachusetts—and the District of Columbia reported no graduation-rate data at all. Louisiana offered no explanation for this missing data. The District of Columbia simply reported that the "data required to calculate graduation rates [are] not immediately available." Alabama and Massachusetts both cited an inability to calculate graduation rates based on their current data capacity and gave a timeframe by which they would be able to do so (2005-06 for Alabama, 2006-07 for Massachusetts.)



Another seven states—Arkansas, Idaho, Kentucky, Michigan, Mississippi, Oklahoma, and Vermont—did not report any disaggregated data. Many more states did not provide data for certain student groups. In total, 33 did not provide data for low-income students. Twenty-nine did not provide data for students with disabilities, and 33 did not provide data for students with limited English proficiency. (See Appendix C for a full list of state-reported data for low-income students, students with disabilities, and students with limited English proficiency.)

Among the states that did report data, in full or in part, the results varied widely. State-reported graduation rates range from 97 percent in North Carolina to 63 percent in Georgia. Comparisons of state-reported rates, however, are meaningless. There are surely some real differences among the states in how well they help their high school students succeed. But independent analyses of graduation rates suggest other reasons for the variation. One such analysis is the Cumulative Promotion Index (CPI) created by Christopher Swanson of the Urban Institute, a widely recognized expert on high school graduation rates.

Using enrollment and diploma-count data from the U.S. Department of Education, the CPI “approximates the probability that a student entering the 9th grade will complete high school on time with a regular diploma.”²⁰ To calculate the CPI, Swanson compares the number of 10th graders in one year to the number of 9th graders in the previous year to estimate the percentage of 9th graders who were promoted. He then performs the same

calculation for the other grades (11th to 10th, 12th to 11th, and graduates to 12th) and multiplies these four ratios to arrive at an estimated graduation rate.²¹

There are other respected independent analyses of graduation rates. The CPI is used in this analysis because it makes modest demands on data systems, requiring only two years’ worth of enrollment data and one year’s worth of diploma-count data. It is not a true cohort graduation rate, but it is recognized as an accurate estimate. The CPI is used by such organizations as the Harvard Civil Rights Project²² and the Education Commission of the States.²³ It could be used by states for their own calculations until they develop the more advanced data systems they surely need.

Table 1 compares the graduation rates from the states’ January 2005 reports to the Urban Institute’s CPI. This provides a statewide graduation-rate estimate for those states that did not provide data themselves, and serves as an external check on the accuracy of the data the states did report. The states are ranked by the size of the difference between

Table 1: State-Reported Graduation Rates Compared to the Urban Institute’s Cumulative Promotion Index

	State-Reported Grad Rate 2002-2003	CPI 2000-2001	Difference (In Percentage Points)
Alabama	NA	61%	
District of Columbia	NA	65%	
Louisiana	NA	65%	
Massachusetts	NA	71%	
North Carolina	97%	64%	33
New Mexico	89%	61%	28
South Carolina	78%	51%	27
Mississippi	81%	58%	23
Nevada	75%	55%	20
Delaware	83%	64%	19
Indiana	91%	72%	19
Texas	84%	65%	19
California	87%	69%	18
Tennessee	76%	58%	18
South Dakota	96%	79%	17
Oklahoma	86%	70%	16
Colorado	84%	69%	15
Maine	87%	72%	15
New York	76%	61%	15
Hawaii	80%	66%	14
Kentucky	79%	65%	14
Wisconsin	92%	78%	14
Florida	66%	53%	13
Ohio	84%	71%	13
Connecticut	89%	77%	12
Iowa	90%	78%	12
Kansas	86%	74%	12
West Virginia	83%	71%	12
Arkansas	82%	71%	11
Illinois	86%	75%	11
Michigan	85%	74%	11
Missouri	84%	73%	11
New Hampshire	85%	74%	11
North Dakota	91%	80%	11
Pennsylvania	87%	76%	11
Maryland	85%	75%	10
Minnesota	88%	79%	9
Nebraska	86%	77%	9
Virginia	82%	74%	8
Arizona	74%	67%	7
Georgia	63%	56%	7
Montana	84%	77%	7
Oregon	81%	74%	7
Rhode Island	81%	74%	7
Utah	85%	78%	7
Vermont	84%	78%	6
Wyoming	77%	72%	5
Alaska	67%	64%	3
New Jersey	89%	86%	3
Washington	66%	63%	3
Idaho	81%	80%	1



the two rates. Please note that the state-reported data is for the 2002-03 school year, while the CPI is for the 2000-01 school year. While a better match of years would of course be preferable, state-level graduation rates do not change so much from year to year that it would preclude this comparison.²⁴

State-reported figures vary greatly in the degree to which they resemble the Urban Institute's calculations. In all cases, the CPI is lower than the state-reported rate, but the size of the difference ranges significantly, from 33 percentage points, again in North Carolina, to 1 percentage point in Idaho. The extent of the differences between the state-reported numbers and the Urban Institute's calculations suggests more than just differences in actual student outcomes. Rather, differences in definitions and data use mean that some states are honestly confronting the graduation-rate issue while others are obscuring the problem.

New Mexico, for example, reports not the percentage of high school *freshmen* who graduate but the percentage of high school *seniors* who do so. By using a graduation-rate definition that excludes students who drop out in the 9th, 10th, and 11th grades completely, New Mexico reported a graduation rate of almost 90 percent, one of the highest reported rates in the nation.

North Carolina is another state that uses an irrational graduation-rate definition, a fact that the Education Trust identified in our analysis of the first round of state-reported graduation rates. That analysis of 2001-02 graduation-rate data found that the North Carolina calculation was based

not on the percentage of students who entered in the 9th grade and received a diploma four years later, but on the percentage of graduates who got their diplomas in four years or less.

In other words, students who dropped out of high school were excluded from North Carolina's calculations altogether. Theoretically, if only 50 percent of students who entered high school in the state eventually obtained a diploma, but every one of those

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50 percent did so in four years or less, North Carolina would report a "graduation rate" of 100 percent. This definition resulted in a 92 percent "graduation rate" for 2001-02.

North Carolina stuck with this calculation for 2002-03, reporting an even higher graduation rate of 97 percent and arguing that the calculation is consistent with the wording provided in the actual NCLB legislation—"the percentage of students who graduate from secondary school with a regular diploma in the standard number of years."²⁵ (See Appendix A for a comparison of state-reported graduation rates for 2001-02 and 2002-03.)

This is an unreasonable reading of the statute and should have been addressed by the

U.S. Department of Education. Legalistic maneuvering aside, no administrator, policymaker, or educator could, in good faith, report the kind of data North Carolina provided as an *actual* graduation rate, much less hold schools accountable only for ensuring that those students who do graduate do so in four years.

Both New Mexico and North Carolina are in the process of putting in place data systems that will allow them to calculate cohort graduation rates. Both propose to calculate cohort graduation rates for the Class of 2005-06, which won't be reported for another two years. These states are engaging in very important work and should be applauded for doing so. But they—and many other states—are using the fact that they're building their data systems to justify calculating and reporting inaccurate graduation rates in the meantime. This is

inexcusable. There are, as we've said, ways for states to provide reasonable estimates—estimates that give educators, policymakers, and parents information that they badly need—without having sophisticated data systems in place. Some states have recognized and acted on this.

Take, for example, Alaska, which reported an 85 percent graduation rate for 2001-02. This was based on a comparison of the number of graduates to 12th grade enrollment on the last day of school. In other words, Alaska's definition only accounted for the students who made it all the way through high school, similar to New Mexico's definition. Unlike New Mexico, however, Alaska has since amended its definition to better reflect the actual success



of its students. It now uses a definition that accounts for dropouts in all four high school grades.²⁶ As a result, Alaska reported a graduation rate of 67 percent for 2002-03, much closer to the Urban Institute's CPI of 64 percent.

Washington State is currently building a statewide, student-level data system, but has not waited for this system to improve on its graduation-rate reporting.

In its September 2003 report to the U.S. Department of Education, Washington reported a 79 percent graduation rate for 2001-02. This number was supposed to be based on district-reported dropout and graduate counts for the Class of 2002. State officials realized, however, that this rate of 79 percent did not make sense. They knew that 10 percent of the 12th grade class had dropped out in 2001-02. And they knew that another 11 percent were not graduating but would be continuing in school, such as students who were retained in the 12th grade.

That meant for the 79 percent four-year graduation rate to be accurate, no 9th, 10th, or 11th graders from the Class of 2002 could have dropped out. When state officials looked deeper, they found that most districts did not keep students in their data system for multiple years after they dropped out. The dropout data reported by districts only reflected 12th grade dropouts.

Knowing that they were still years away from having a functioning student-level data system, and that they could not in good conscience continue to report an inaccurate graduation rate, state officials in Washington

developed a new approach. They adopted a method that uses current-year dropout data (which districts in the state *do* have) as a proxy for dropout rates in previous years. Starting with a 9th grade enrollment count, they applied the current-year dropout rate for each consecutive grade to come up with a graduation-rate estimate.²⁷ While dropout statistics can be unreliable, especially when they rely on self-reporting by the dropout, Washington has a system in place to greatly

" The new, more honest graduation rate in Washington was a major wake-up call for educators, policymakers, and parents in the state."

increase reliability. The state counts all students whose location is unknown as dropouts. Unless there is a formal transcript request from another school, or the student dies, any student who leaves school before completing with a regular diploma is counted as a dropout. Of the 21,390 reported dropouts from the class of 2003, almost half (10,008) fell into this "location unknown" category. Another 9,713 were "confirmed dropouts," and 1,669 left to take the GED.²⁸ Rather than giving itself the benefit of the doubt, Washington has chosen to err on the side of recognizing and reporting all students who have been unable to complete their degree.

The result has been much more

accurate information. In contrast with the 79 percent graduation rate for 2001-2002, Washington reported a 66 percent rate for 2002-2003, far closer to the CPI of 63 percent.

As state officials readily admit, this solution is not perfect. Until the new student-level data system is up and running, Washington will continue to report an estimate of graduation rates. But this estimate represents a thoughtful compromise between data limitations and the need for good information. And it is serving the primary function of such good information—the 66 percent graduation rate for the class of 2003 has been a catalyst for concern and discussion in the state. According to Pete Bylsma, Director of Research, Evaluation, and Accountability, the new rate was "a major wake-up call" for educators, policymakers, and parents in the state.

"They had no idea the rate would be as low as it is," he said. This kind of recognition is the first step toward meaningful improvement.

In contrast to Washington and Alaska, four states—Nevada, New Mexico, Oklahoma, and Rhode Island—reported graduation rates for 2002-03 that were at least 10 percentage points higher than the rates they reported for 2001-02. As discussed earlier, New Mexico's graduation-rate definition leads to inaccurate, unreliable data. In Rhode Island, the jump occurred because state officials reported their 2001-02 graduation rate *goal* for AYP determinations (71 percent) rather than their actual graduation rate in the September 2003 submission. According to Rhode Island officials, the actual



graduation rate for 2001-02 was much closer to the 81 percent they reported for 2002-03. The picture in the other two states is unclear. Not only did their rates jump dramatically from one year to the next, but in both, the state-reported graduation rate is significantly higher than the CPI. This raises questions about the accuracy and honesty of these states' graduation-rate definitions, and educators, policymakers, and advocates should call for an explanation.²⁹

Knowing less where we need it most

The number of students who are leaving high school without a diploma is both staggering and heartbreaking. Based on the Urban Institute's CPI calculations, a projected 1,252,396 students nationwide entered the 9th grade in 2000-01 but did not graduate in 2003-04. More than half—667,438—of these nongraduates were African American, Latino, or Native American.³⁰ Given that these groups comprise slightly more than a third of the students who start public school nationally³¹, we know that schools and systems must do much, much more to stem this tide of minority dropouts and ensure that *all* students have access to the support, resources, and opportunities that will see them through to graduation.

This disparity also means that the need for accurate information on high school graduation is especially acute when looking at students of color. Yet, as we said earlier, 10 states and the District of Columbia did not report any data for these students. And a comparison of state-reported data to the CPI shows that in almost every case, the difference between

the state-reported data and the CPI is bigger for minority students than for White students. This suggests that the graduation-rate calculations that states are using are even less likely to provide accurate information on the students about whom we need to know the most.

Tables 2, 3, and 4 show the states with the largest differences between the state-reported rates and the CPI. (See Appendix B for a full list of state-reported and CPI data for students of color). Not surprisingly, North Carolina, with its “on-time graduation rate,” tops each list. Indiana also makes it on to each. While Indiana uses a graduation-rate calculation that's very similar to Washington's³², the numbers they report are so high that they raise red flags in terms of accuracy and reliability. So much so, in fact, that *The Indianapolis Star* recently ran a week-long series on graduation rates. They pulled no punches in their reporting, as evidenced in the opening words of the first article in the series—“Missing in Action: Indiana claims 90 percent of students graduate from high school. The real numbers should shock you.”³³

The *Star's* analysis concluded that the Indianapolis Public

Table 2: State-Reported Grad Rates for African-American Students Compared to the Cumulative Promotion Index for African-American Students

	State-Reported Grad Rate 2002-2003	CPI 2000-2001	Difference (In Percentage Points)
North Carolina	95%	54%	41
New Mexico	93%	56%	37
Indiana	87%	53%	34
Colorado	77%	49%	28
Iowa	75%	48%	27

Table 3: State-Reported Grad Rates for Latino Students Compared to the Cumulative Promotion Index for Latino Students

	State-Reported Grad Rate 2002-2003	CPI 2000-2001	Difference (In Percentage Points)
North Carolina	94%	58%	36
Indiana	85%	50%	35
New Mexico	89%	55%	34
Delaware	71%	42%	29
Ohio	72%	43%	29

Table 4: State-Reported Grad Rates for Native-American Students Compared to the Cumulative Promotion Index for Native-American Students

	State-Reported Grad Rate 2002-2003	CPI 2000-2001	Difference (In Percentage Points)
North Carolina	96%	34%	62
Missouri	79%	23%	56
Pennsylvania	80%	25%	55
South Dakota	84%	32%	52
Indiana	85%	34%	51

School System, which is nearly 60 percent African American³⁴, has a 35 percent graduation rate, rather than the 90 percent rate the district reports.³⁵ The graduation rate for African-American males in Indianapolis is an abysmal 25 percent.³⁶ *The Star* further used the work of researchers at Johns Hopkins University to show that all five of Indianapolis's high schools lost two of every five students between 9th and 12th



Another Measure: the Promoting Power Index

Developed by Robert Balfanz and Nettie Legters, researchers at Johns Hopkins University, the Promoting Power Index (PPI) is an estimate of how well schools keep students in through the 12th grade. It compares the number of 12th graders enrolled in a high school to the number of 9th graders four years earlier (or 10th graders three years earlier in 10-12 schools). So, for example, a school with 1,000 students in 9th grade and 800 students in 12th grade four years later would have a PPI of 80 percent.¹

Like the Cumulative Promotion Index developed by the Urban Institute, the Promoting Power Index is an indirect measure of high school graduation rates. By looking at 12th grade enrollment rather than diploma counts, it does not account for students who make it to the 12th grade but do not graduate. And it loses accuracy where there are significant population increases or decreases within schools. For example, a school that loses a large number of students due to population out-migration from the

community it serves would have a PPI that underestimates the school's true promoting power.² Keeping these caveats in mind, Balfanz and Legters argue that the PPI can be used as a graduation-rate estimate based on the assumption "that high schools in which the number of seniors closely approximates the number of freshmen four years earlier will have high graduation rates...because most students will have remained in school, been promoted in a timely fashion, and are on course to graduate."³

A primary benefit of the Promoting Power Index is that it is calculated at the school level. This allows for analysis of the specific characteristics of high schools that keep students in and those that lose large numbers of students.

Nationally, more than 2,000 high schools—18 percent of all high schools⁴—have a Promoting Power Index of less than 60 percent. This suggests that more than 1 in 3 students who start 9th grade in these schools are not there for 12th grade four years later.

These low-PPI schools serve a

disproportionate number of students of color. As Chart 1 shows, almost 50 percent of all high schools where more than half of the students are non-white have a PPI of less than 60 percent. Just 9 percent of schools where fewer than half of the students are non-white have a comparably low PPI.

And as Chart 2 shows, almost half of the nation's African American high school students and a third of Latino students attend schools where the 12th grade class is less than *half* the size of the 9th grade class. Roughly one in 10 White students attends such schools.⁵

The PPI provides educators, policymakers, and advocates with important information. Knowing which schools lose the most students allows for targeted intervention and improvement efforts.

Much more information on the PPI, including state-specific analyses, is available from the Johns Hopkins University Center for Social Organization of Schools at <http://www.csos.jhu.edu/pubs/grad.htm>

Chart 1: Percentage of High Schools with a PPI of Less than 60 Percent, by School Racial/Ethnic Enrollment

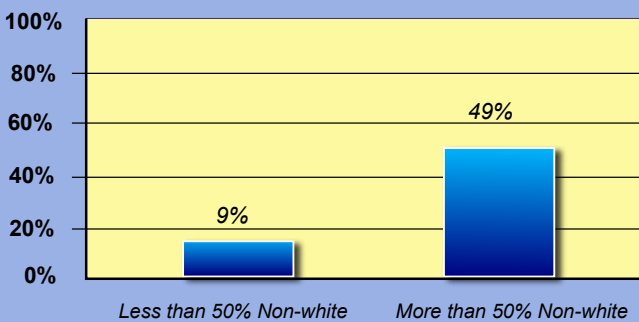
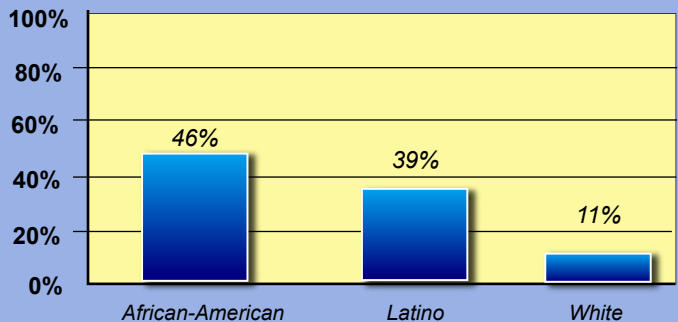


Chart 2: Percentage of High School Students in Schools with a PPI of Less than 50 Percent, by Race/Ethnicity



Footnotes

- ¹ For more information on the Promoting Power Index, see Robert Balfanz and Nettie Legters. September 2004. *Locating the Dropout Crisis—Which High Schools Produce the Nation's Dropouts? Where are they Located? Who Attends Them?* Johns Hopkins University.
- ² Based on available migration data, Balfanz and Legters estimate that no more than 5 percent of high schools are likely to be affected by high rates of net out migration.
- ³ Robert Balfanz and Nettie Legters. September 2004. *Locating the Dropout Crisis—Which High Schools Produce the Nation's Dropouts? Where are they Located? Who Attends Them?* Johns Hopkins University.
- ⁴ All regular and vocational high schools with more than 300 students.
- ⁵ Robert Balfanz and Nettie Legters. September 2004. *Locating the Dropout Crisis—Which High Schools Produce the Nation's Dropouts? Where are they Located? Who Attends Them?* Johns Hopkins University.



grade.³⁷ (For more information on this work, see *Another Measure* on Page 9.)

The discrepancy in reported and actual rates stems from an inability to account for students who leave school. Even the president of the Indianapolis School Board, Kelly Bentley, admitted that once students leave, “We don’t know where the kids go.”³⁸ And while officially, all students who leave a school and are not documented as having transferred are counted as dropouts, the numbers clearly indicate that this isn’t happening on the ground.

Indiana illustrates the point that good graduation-rate reporting requires both a reasonable definition *and* a commitment on the part of educators and public officials to take data accuracy seriously. Indiana does use a reasonable graduation-rate definition. But by failing to ensure vigilant tracking of dropouts, the end result is essentially the same – vastly over-estimated rates reported to the public. The prevalence of inflated results on Table 1 suggests that many other states have similar problems to overcome.

Indiana, like many states, is working to build a data system that will allow school officials to calculate a true cohort graduation rate. This new rate will be calculated for the first time for next year’s graduating class. The state should be applauded for this work. But there’s simply no excuse for reporting inaccurate data in the meantime, particularly when widely accepted, easy-to-calculate measures like the Urban Institute’s CPI are available. This is equally true for the states that, inexcusably, failed to provide any graduation rate data at all. Again, to quote *The Indianapolis Star*, “Education officials...have known for years that the graduation rates they report to the public are grossly inflated. Their failure to speak out about low and declining graduation rates has masked the extent of the dropout epidemic and kept the public in the dark.”³⁹

The first step

If we want high schools that truly serve all students and prepare them for work, college, and life, we first need to know how many students are leaving school

altogether. And we need to know who these students are. With that information in hand, we can begin to craft targeted, responsive improvement strategies.

Some states know this and, like Washington, have taken it to heart. They’ve been thoughtful and creative in calculating good graduation rate estimates, even in the absence of ideal data systems.

Others, under cover of a negligent U.S. Department of Education, have skirted the issue. Some have allowed their work to build future data systems, while important and necessary, to eclipse the very urgent needs of schools and students. These states, and the nation as a whole, cannot afford to wait any longer for good information, because as we wait, doors are closing on hundreds of thousands of young people.

Getting an honest picture of who is graduating from high school should be the priority of everyone—educators, policymakers, parents, business and community leaders—who is invested in improving our high schools. As *The Indianapolis Star* declared: “The first step is to tell the truth.”⁴⁰

Endnotes

¹ The Education Trust. January 2005. *Stalled in Secondary: A Look at Student Achievement Since the No Child Left Behind Act*.

² Program for International Student Assessment (PISA), 2003, administered by the Organisation for Economic Co-Operation and Development.

³ Achieve, Inc. February 2005. *Rising to the Challenge: Are High School Graduates Prepared for College and Work?*

⁴ <http://www.nga.org/ngatemplate/1,2441,7895,00.html>

⁵ <http://www.ed.gov/about/offices/list/ovae/pi/hs/index.html#hsi>

⁶ Bill Gates. February 26, 2005. Prepared remarks for the National Governors Association/Achieve High School Summit; Bill and Melinda Gates Foundation. Education Program Fact Sheet, <http://www.gatesfoundation.org/Education/RelatedInfo/EducationFactSheet-021201.htm>

⁷ Christopher Swanson. February 25, 2004. *Who Graduates? Who Doesn't? A Statistical Portrait of Public High School*

Graduation, Class of 2001. Education Policy Center, the Urban Institute; Jay Greene and Greg Forster. September 2003.

Public High School Graduation and College Readiness Rates in the United States. The Manhattan Institute for Policy Research; Paul Barton. February 2005. *One-Third of a Nation: Rising Dropout Rates and Declining Opportunities*. Policy Information Center, Educational Testing Service.

⁸ U.S. Census Bureau, *Statistical Abstract of the United States, 2004-2005*, Indicator Number 608.

⁹ U.S. Census Bureau, *Current Population Survey, 2004*, Table 9.

¹⁰ See the Justice Policy Institute, at <http://www.justicepolicy.org>

¹¹ U.S. Department of Education, National Center for Education Statistics. *Dropout Rates in the United States: 2000*.

¹² For more information on Adequate Yearly Progress, see The Education Trust. Summer 2004. *The ABCs of AYP*.

¹³ These reports, the Consolidated State Performance Reports for School Year 2003-2004, contain data on numerous aspects



of NCLB implementation, including student assessment, schools and districts identified as in need of improvement, and highly qualified teachers.

¹⁴ Todd Silberman. December 23, 2003. *The News and Observer*, Figures Called Deceitful.

¹⁵ U.S. Department of Education. December 22, 2003. Statement by Acting Deputy Secretary Gene Hickok in Response to Education Trust Reports on Teacher Quality and High School Dropout Data.

¹⁶ U.S. Department of Education. December 19, 2003. Paige Announces Expert Panel to Review High School Dropout and Graduation Rates. The panel was charged with reviewing the graduation-rate methodology used by the National Center for Education Statistics—the U.S. Department of Education’s research arm, considering what dropout and completion statistics are needed for what purpose, and recommending ways to improve data collection and measures. The panel’s findings included a thorough discussion of the calculation and data requirements of various graduation, completion, and dropout indicators, a catalogue of current state graduation-rate definitions, and a recommendation that the National Center for Education Statistics adopt a new, panel-defined graduation-rate calculation and urge states to do the same. The panel’s report is a valuable resource, but the panel was not asked to recommend changes in NCLB implementation and there is no direct link between the panel’s work and compliance with the NCLB graduation-rate requirements. For more information on the panel and its findings, see U.S. Department of Education, National Center for Education Statistics. 2005. *National Institute of Statistical Sciences/Education Statistics Services Institute Task Force on Graduation, Completion, and Dropout Indicator: Final Report*.

¹⁷ U.S. Department of Education. December 19, 2003. Paige Announces Expert Panel to Review High School Dropout and Graduation Rates.

¹⁸ There is growing consensus among researchers and practitioners that it is only appropriate to exclude students from the graduation-rate calculation when it can be documented that they transfer to another degree-granting institution, are imprisoned, or die. See, for example, U.S. Department of Education, National Center for Education Statistics. 2005. *National Institute of Statistical Sciences/Education Statistics Services Institute Task Force on Graduation, Completion, and Dropout Indicator: Final Report*.

¹⁹ The U.S. Department of Education allowed Alabama to use dropout, rather than graduation rates for reporting and accountability purposes for the 2002-03 school year.

²⁰ Christopher Swanson. February 25, 2004. *Who Graduates? Who Doesn't? A Statistical Portrait of Public High School Graduation, Class of 2001*. Education Policy Center, the Urban Institute.

²¹ The calculation is: $CPI = (\text{grade 10 enrollment in 2002} / \text{grade 9 enrollment in 2001}) * (\text{grade 11 enrollment in 2002} / \text{grade 10 enrollment in 2001}) * (\text{grade 12 enrollment in 2002} / \text{grade 11 enrollment in 2001}) * (\text{regular diploma recipients in 2001} / \text{grade 12 enrollment in 2001})$.

²² See, for example, Johanna Wald and Daniel Losen. May 19,

2005. *Confronting the Graduation Rate Crisis in the South*. The Civil Rights Project, Harvard University.

²³ See, for example, Selected Research and Readings on Dropouts. The Education Commission of the States. <http://www.ecs.org>

²⁴ See, for example, Jay Greene and Marcus Winters. February 2005. *Public High School Graduation and College-Readiness Rates: 1991-2002*. Education Working Paper Number 8. The Manhattan Institute for Policy Research.

²⁵ No Child Left Behind, Part A, Sec. 1111(b)(2)(C)(vi)

²⁶ The calculation is: $\text{Graduation Rate} = 2003 \text{ high school graduates} / (2003 \text{ high school graduates} + \text{grade 9 dropouts in } 1999-00 + \text{grade 10 dropouts in } 2000-01 + \text{grade 11 dropouts in } 2001-02 + \text{grade 12 dropouts in } 2002-03 + \text{grade 12 continuing students in } 2002-03)$.

²⁷ The calculation is: $\text{Graduation Rate} = 100 * (1 - \text{grade 9 dropout rate in } 2002) * (1 - \text{grade 10 dropout rate in } 2002) * (1 - \text{grade 11 dropout rate in } 2002) * (1 - \text{grade 12 dropout rate in } 2002 - \text{grade 10 continuing rate in } 2002)$. For more information, see Pete Bylsma and Lisa Ireland. September 2004. *Graduation and Dropout Statistics for Washington's Counties, Districts, and Schools: School Year 2002-03*. Washington Office of Superintendent of Public Instruction.

²⁸ Pete Bylsma and Lisa Ireland. September 2004. *Graduation and Dropout Statistics for Washington's Counties, Districts, and Schools: School Year 2002-03*. Washington Office of Superintendent of Public Instruction.

²⁹ The Education Trust made inquiries to officials in Nevada and Oklahoma about their graduation-rate data. We received no response from either state.

³⁰ Christopher Swanson. June 9, 2004. *Projections of 2003-04 High School Graduates: Supplemental findings based on findings from Who Graduates? Who Doesn't?* Education Policy Center, The Urban Institute.

³¹ U.S. Department of Education, National Center for Education Statistics, Common Core of Data. Data for the 2001-02 school year.

³² The calculation is: $\text{Graduation Rate} = 100 * (1 - \text{grade 9 dropout rate in } 2003) * (1 - \text{grade 10 dropout rate in } 2003) * (1 - \text{grade 11 dropout rate in } 2003) * (1 - \text{grade 12 dropout rate in } 2003)$.

³³ Indianapolis Star Editorial. May 15, 2005. Missing in Action.

³⁴ U.S. Department of Education, National Center for Education Statistics, Common Core of Data. Data for the 2002-03 school year.

³⁵ Indianapolis Star Editorial. May 15, 2005. Missing in Action. Graduation rate calculations were performed by dividing the number of graduates in 2004 by the number of eighth-graders in 2000.

³⁶ Indianapolis Star Editorial. May 18, 2005. Educational Genocide.

³⁷ Indianapolis Star Editorial. May 16, 2005. Dropout Factories.

³⁸ Indianapolis Star Editorial. May 19, 2005. Early Warning Signs.

³⁹ Indianapolis Star Editorial. May 21, 2005. The Challenge Ahead.

⁴⁰ Indianapolis Star Editorial. May 21, 2005. The Challenge Ahead.



About The Education Trust



The Education Trust, Inc., was created to promote high academic achievement for all students, at all levels— pre-kindergarten through college. While we know that all schools and colleges could better serve their students, our work focuses on the schools and colleges most often left behind in plans to improve education: those serving African American, Latino, Native American, and low-income students.

The Education Trust works side-by-side with policy makers, parents, education professionals, community and business leaders—in cities and towns across the country—who are trying to transform their schools and colleges into institutions that genuinely serve all students. We also bring lessons learned in local communities back to Washington to help inform national policy debates.

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**Appendix A: State-Reported Graduation Rates for 2001-02 and 2002-03**

	State-Reported Grad Rate 2001-2002	State-Reported Grad Rate 2002-2003	Change (In Percentage Points)
Alabama	16%	NA	
Alaska	85%	67%	-18
Arizona	71%	74%	3
Arkansas	85%	82%	-3
California	87%	87%	0
Colorado	82%	84%	2
Connecticut	87%	89%	2
Delaware	83%	83%	0
District of Columbia	64%	NA	
Florida	65%	66%	1
Georgia	62%	63%	1
Hawaii	79%	80%	1
Idaho	77%	81%	4
Illinois	85%	86%	1
Indiana	91%	91%	0
Iowa	89%	90%	1
Kansas	85%	86%	1
Kentucky	81%	79%	-2
Louisiana	NA	NA	
Maine	86%	87%	1
Maryland	85%	85%	0
Massachusetts	NA	NA	
Michigan	86%	85%	-1
Minnesota	88%	88%	0
Mississippi	72%	81%	9
Missouri	83%	84%	1
Montana	84%	84%	0
Nebraska	84%	86%	2
Nevada	64%	75%	11
New Hampshire	85%	85%	0
New Jersey	89%	89%	0
New Mexico	77%	89%	12
New York	75%	76%	1
North Carolina	92%	97%	5
North Dakota	91%	91%	0
Ohio	83%	84%	1
Oklahoma	69%	86%	17
Oregon	80%	81%	1
Pennsylvania	86%	87%	1
Rhode Island	71%	81%	10
South Carolina	NA	78%	
South Dakota	97%	96%	-1
Tennessee	76%	76%	0
Texas	83%	84%	1
Utah	86%	85%	-1
Vermont	82%	84%	2
Virginia	85%	82%	-3
Washington	79%	66%	-13
West Virginia	NA	83%	
Wisconsin	91%	92%	1
Wyoming	77%	77%	0



Appendix B: State-Reported Graduation Rates for African-American, Latino, and Native-American Students Compared to the Urban Institute's Cumulative Promotion Index for African-American, Latino, and Native-American Students

	African-American State-Reported Grad Rate 2002-2003	African-American CPI 2000-2001	Difference (In Percentage Points)	Latino State-Reported Grad Rate 20002-2003	Latino CPI 2000-2001	Difference (In Percentage Points)	Native-American State-Reported Grad Rate 2002-2003	Native-American CPI 2000-2001	Difference (In Percentage Points)
Alabama	NA	54%		NA	44%		NA	69%	
Alaska	58%	66%	-8	57%	58%	-1	53%	47%	6
Arizona	66%	NA		63%	NA		59%	NA	
Arkansas	NA	63%		NA	NA		NA	69%	
California	77%	55%	22	81%	57%	24	81%	50%	31
Colorado	77%	49%	28	70%	48%	22	66%	41%	25
Connecticut	81%	61%	20	73%	50%	23	83%	43%	40
Delaware	75%	53%	22	71%	42%	29	92%	NA	
District of Columbia	NA	60%		NA	56%		NA	NA	
Florida	50%	41%	9	59%	52%	7	68%	48%	20
Georgia	53%	44%	9	49%	43%	6	63%	34%	29
Hawaii	77%	61%	16	67%	60%	7	65%	71%	-6
Idaho	NA	NA		NA	NA		NA	NA	
Illinois	73%	48%	25	76%	58%	18	78%	NA	
Indiana	87%	53%	34	85%	50%	35	85%	34%	51
Iowa	75%	48%	27	68%	41%	27	80%	NA	
Kansas	75%	52%	23	68%	48%	20	77%	NA	
Kentucky	NA	48%		NA	63%		NA	NA	
Louisiana	NA	58%		NA	74%		NA	58%	
Maine	85%	NA		88%	NA		75%	33%	42
Maryland	77%	65%	12	86%	71%	15	78%	NA	
Massachusetts	NA	49%		NA	36%		NA	25%	
Michigan	NA	NA		NA	36%		NA	40%	
Minnesota	61%	51%	10	55%	NA		58%	36%	22
Mississippi	NA	53%		NA	NA		NA	NA	
Missouri	75%	52%	23	76%	NA		79%	23%	56
Montana	81%	71%	10	78%	57%	21	58%	46%	12
Nebraska	63%	45%	18	64%	47%	17	54%	32%	22
Nevada	60%	41%	19	63%	38%	25	69%	48%	21
New Hampshire	75%	NA		66%	NA		80%	NA	
New Jersey	80%	62%	18	80%	NA		89%	NA	
New Mexico	93%	56%	37	89%	55%	34	81%	60%	21
New York	58%	35%	23	53%	32%	21	69%	36%	33
North Carolina	95%	54%	41	94%	58%	36	96%	34%	62
North Dakota	88%	72%	16	82%	NA		66%	53%	13
Ohio	63%	40%	23	72%	43%	29	67%	22%	45
Oklahoma	NA	53%		NA	56%		NA	64%	
Oregon	63%	58%	5	62%	56%	6	69%	42%	27
Pennsylvania	71%	46%	25	65%	41%	24	80%	25%	55
Rhode Island	71%	84%	-13	67%	68%	-1	62%	NA	
South Carolina	67%	NA		76%	NA		54%	NA	
South Dakota	91%	NA		89%	NA		84%	32%	52
Tennessee	62%	NA		64%	NA		77%	NA	
Texas	81%	55%	26	77%	56%	21	85%	37%	48
Utah	70%	NA		62%	NA		69%	53%	16
Vermont	NA	NA		NA	NA		NA	NA	
Virginia	75%	63%	12	72%	65%	7	88%	69%	19
Washington	48%	NA		50%	NA		42%	NA	
West Virginia	80%	58%	22	86%	NA		52%	53%	-1
Wisconsin	63%	41%	22	76%	54%	22	79%	47%	32
Wyoming	70%	68%	2	61%	57%	4	36%	34%	2

Note: Missing CPI values are due to missing or inaccurate data in the U.S. Department of Education's Common Core of Data. For more information, see Christopher Swanson, February 25, 2004. *Who Graduates? Who Doesn't? A Statistical Portrait of Public High School Graduation, Class of 2001*. Education Policy Center, The Urban Institute.



Appendix C: State-Reported Graduation Rates for Low-Income Students, Students with Disabilities, and Students with Limited English Proficiency

	Low-Income State-Reported Grad Rate 2002-2003	Students with Disabilities State-Reported Grad Rate 2002-2003	Limited English Proficient State-Reported Grad Rate 2002-2003
Alabama	NA	NA	NA
Alaska	NA	NA	NA
Arizona	NA	NA	NA
Arkansas	NA	NA	NA
California	NA	60%	NA
Colorado	NA	58%	NA
Connecticut	NA	NA	NA
Delaware	69%	67%	92%
District of Columbia	NA	NA	NA
Florida	51%	34%	44%
Georgia	52%	29%	38%
Hawaii	75%	71%	62%
Idaho	NA	NA	NA
Illinois	70%	72%	65%
Indiana	NA	NA	NA
Iowa	NA	NA	NA
Kansas	75%	82%	NA
Kentucky	NA	NA	NA
Louisiana	NA	NA	NA
Maine	NA	NA	NA
Maryland	81%	78%	83%
Massachusetts	NA	NA	NA
Michigan	NA	NA	NA
Minnesota	77%	81%	67%
Mississippi	NA	NA	NA
Missouri	NA	NA	NA
Montana	NA	NA	NA
Nebraska	NA	NA	NA
Nevada	NA	NA	NA
New Hampshire	NA	NA	NA
New Jersey	NA	NA	NA
New Mexico	NA	78%	73%
New York	62%	58%	43%
North Carolina	95%	93%	94%
North Dakota	NA	NA	NA
Ohio	81%	79%	74%
Oklahoma	NA	NA	NA
Oregon	74%	78%	74%
Pennsylvania	76%	82%	66%
Rhode Island	NA	NA	NA
South Carolina	64%	35%	75%
South Dakota	93%	99%	100%
Tennessee	NA	NA	NA
Texas	78%	75%	55%
Utah	NA	NA	NA
Vermont	NA	NA	NA
Virginia	NA	NA	NA
Washington	59%	50%	50%
West Virginia	80%	70%	90%
Wisconsin	NA	NA	NA
Wyoming	NA	54%	NA