graduation counts

a report of the national governors association task force on state high school graduation data

redesigning the american high school

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The association meets twice a year to develop policy positions and discuss common issues facing states. The policy positions, formed by the governors, serve as the base for the association's legislative and information efforts.

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Foreword

As chairman of the National Governors Association I have made it my priority to raise national awareness about the urgent need to improve America's high schools and make them more challenging and relevant to student needs. Already, we have begun forging a national consensus on the need for high school students to graduate with the knowledge and skills they need to succeed on whatever path they choose—enrolling in postsecondary education or training, or entering the workforce. Together, national and state leaders are working to restore the value of the high school diploma, redesign high schools, give students the excellent teachers and principals they need, set goals, measure progress, hold high schools and colleges accountable, and streamline and improve education governance.

However, without better data about the outcomes our high school students attain, our efforts will fall short. The quality of state data on graduation and dropout rates is such that many states cannot account for the status of their students as they progress through high school or beyond. Further, states calculate and report this information in such different ways that comparisons are nearly impossible. To address this problem, the National Governors Association assembled a task force of governors' advisors, state education officials, education research and data experts, and representatives of organizations of state officials. The task force developed consensus on a series of recommendations—including a common formula for calculating high school graduation rates—which a significant number of governors have agreed to begin implementing.

I believe this is an important step for improving the quality of state data about high school outcomes. Much remains to be done, but with better data about the outcomes our high school students attain, we can better target state resources to ensure that all of our high school students graduate and acquire the knowledge and skills they need to succeed in the 21st century.

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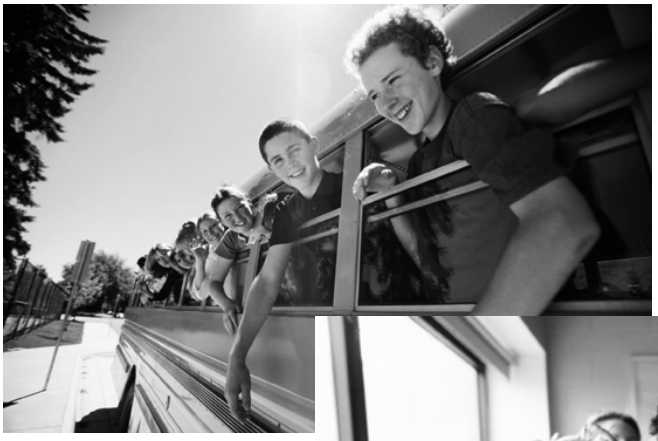

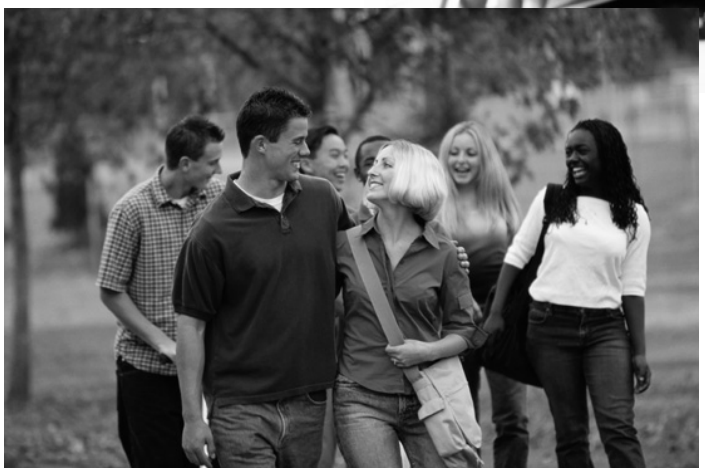

Summary

America's high schools play an integral role in preparing students for college and work in the 21st century. High school success is more important than ever for the health of our economy, for civic life, and to ensure equal opportunity. Unfortunately, the quality of state high school graduation and dropout data is such that most states cannot accurately account for their students as they progress through high school. Until recently, many states had not collected both graduation and dropout data, and those that have collected these data have not generally obtained accurate information.[1] Therefore, as education reform efforts increasingly focus on high schools, the quality of graduation and dropout data becomes even more critical.

The National Governors Association, under the leadership of NGA Chair Governor Mark R. Warner of Virginia, convened a Task Force on State High School Graduation Data to make recommendations about how states can develop a high-quality, comparable high school graduation measure, as well as complementary indicators of student progress and outcomes and data systems capable of collecting, analyzing, and reporting the data states need. The task force members found substantial consensus on which to build their findings and recommendations.

Governors, chief state school officers, higher education executive officers, legislators, state boards of education, district officials, principals, and teachers together must lead the charge to create better systems and methods of collecting, analyzing, and reporting graduation and dropout data. Specifically, the Task Force on State High School Graduation Data makes the following recommendations.

Recommendation 1: Immediately adopt, and begin taking steps to implement, a standard four-year, adjusted cohort graduation rate using the following formula:

Graduation rate = [on-time graduates in year x] ÷ [(first-time entering ninth graders in year x – 4) + (transfers in) – (transfers out)]

Graduates are those earning high school diplomas. Students earning modified diplomas, such as a special education diploma, count as graduates if the modified diploma is the standard that the state and the school system set for the student in an individualized education plan, for example. Students earning high school credentials by passing General Educational Development (GED) tests are not considered graduates for the purpose of this definition. Students receiving a certificate of completion or other alternative to a diploma, including special education students who receive a nondiploma credential, also are not graduates for this purpose. States are encouraged to include such students in complementary completion rates.

Special education students and recent immigrants with limited English proficiency may need more time to complete high school diploma requirements; they may be placed in different cohorts early in high school to allow for those differences. To ensure the exceptions are used appropriately, states should establish guidelines and standards for schools and districts to follow. In addition to transfers, the denominator can also subtract deceased students. Incarcerated students should be counted as transfer students as they move out of and back into the system. The graduation rate then is a measure of on-time completion, with most students, but not all, expected to finish in four years.

Recommendation 2: Build the state's data system and capacity to ensure that the system can collect, analyze, and report the adopted indicators and other important information. Ultimately, states should adopt a student-unit-record data system, with unique student identifiers that can track students through the state's education system from kindergarten through postsecondary education. Student-unit-record systems take time and money to build and bring online. In the meantime states should improve their graduation rate data immediately by providing appropriate guidelines to schools and districts on how they should collect and code data. For example, states should make it policy and standard practice that the default coding for student status is "dropout" unless it can be documented otherwise by, for example, a transcript request from a receiving school. States also should perform statistical checks and analyses and conduct on-site audits of record-keeping procedures to ensure schools and districts adhere to state data standards and guidelines.

Recommendation 3: Adopt additional, complementary indicators to provide richer context and understanding about outcomes for students and how well the system is serving them, including five- and six-year cohort graduation rates; a college-ready graduation rate; a dropout rate; completion rates for those earning alternative completion credentials from the state or a GED; in-grade retention rates; and percentages of students who have not graduated but are still in school or who have completed course requirements but failed a state exam required for graduation.

Recommendation 4: Develop public understanding about the need for good graduation and dropout rate data. State leaders should ensure that parents, educators, and the public understand that initially the numbers may be worse but that it is important to have an accurate picture of the problem to address it more effectively. Initially the new data on student outcomes may create frustration among many stakeholders. State leaders may need help from local education and community leaders and from communications experts about how to most effectively communicate the key messages.

Recommendation 5: Collaborate with local education leaders, higher education leaders, business leaders, and leaders of local community organizations, who can help build important political and public will, and local education leaders and staff members, who play a critical role in the implementation of new data formulas.

To ensure the successful implementation of these recommendations, state leaders must reconsider existing policies that may present barriers; consider current data system capacity and methodology and improve them; hold schools and districts accountable for accurate data collection and reporting; and commit the necessary leadership, political will, and resources to solving the problem.

Why Should States Improve Graduation and Dropout Data?

High school reform is at the forefront of the national and state education agendas. Federal, state, and local leaders are devoting more attention and resources to achieving the twin goals of improved high school graduation rates and increased attainment of college- and work-readiness. As leaders focus on improving high school outcomes, few factors are as important as knowing how many students, graduate, drop out, or otherwise leave the system.

Using various methods of estimating overall national graduate and dropout figures, we know that about a third of our students are not graduating from high school.[2] Outcomes for minority students are significantly worse. About three-fourths of white students graduate from high school, but only about half of African American and Hispanic students do.[3] The implications of these students' failure are grave. High school dropouts are 15 percent less likely to be employed and earn almost 30 percent less than their diploma- or GED-holding peers.[4] They are more likely to rely on public assistance and to end up in prison.[5]

Despite the critical importance of these goals for our economy, for civic life, and for ensuring equal opportunity, the quality of the data that tell us how many youths are graduating or dropping out are alarmingly poor. Until recently, few states have systematically collected and reported high school completion data and graduation rates.[6] "At both the national and state levels, officially reported high school graduation rates are routinely inflated."[7] Furthermore, "the graduation and dropout rates that most states have been accustomed to reporting were often grossly inaccurate and therefore misleading."[8] For example, the National Center for Education Statistics graduation rate formula, used by many states, relies on underestimated dropout figures and thus overestimates graduation rates significantly.[9]

The Challenges of Obtaining Good Data

Dropout data are exceptionally difficult to track accurately because they rely on local school officials and outdated data collection systems to track the whereabouts of individual students who have left a given school for any of a number of reasons.[10] In many schools, a missing student is presumed to be either in another school or to have graduated; in some cases, missing students are dropped from the records as if they had never existed. Some states do not require schools and school districts to request transcripts for transferring students, and so transfers may or may not be documented, making it all too easy for officials to code as transfers students whose status is actually unknown.

In some states, these records are still kept on paper, but even in states that have fully computerized data systems but lack a statewide student identifier, it is still nearly impossible to track students across grade levels within a school, let alone across schools or districts. As a result, most states are not able to identify the outcomes for individual students.[11] Some methods of calculating dropouts provide terribly misleading assessments. For example, many dropout counts are limited to enrolled twelfth graders and do not include students who drop out before reaching twelfth grade, which may in fact be the majority of dropouts.[12] The graduation rate should not be calculated as a function of the dropout rate, as in the formula by which the dropout rate equals one minus the graduation rate.[13] The two rates are not necessarily the inverse of one another for two

main reasons: (1) some students take more than four years to graduate but are not dropouts, and (2) some students do not receive regular diplomas but receive other completion credentials. Improved dropout rate calculations require more sophisticated data collection and coding.

At the least, states, districts, and schools need modern, computerized record-keeping systems that provide better, more accurate information in a format that is easy to use. To understand the scope and nature of the dropout problem, as well as how well the high school system is performing and serving students, states have to collect and report good dropout and graduation data, plus other indicators of school and student performance. To ensure ultimately that all students graduate from high school—and graduate ready for college and work—states need to understand the extent to which the system currently falls short.

NCLB Requirements for Calculating Graduation Rates

The No Child Left Behind Act (NCLB) requires states to use graduation rates, as well as performance on states' assessments, as an indicator of adequate yearly progress for all public high schools. Additionally, states must report annually their graduation rates for all high school students, and they must disaggregate the data by poverty, race, ethnicity, disability, limited English proficiency, gender, and migrant status. The law provides that states' calculations of their graduation rates must be based on "the percentage of students who graduate from a secondary school with a regular diploma in the standard number of years." Regulations released by the U.S. Department of Education elaborate on the statute by providing that the percentage of students graduating must be measured from the beginning of high school and may not include an alternative degree that is not fully aligned with the state's academic standards, such as a certificate of completion or GED. However, the regulations also allow states to use "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.[14]

The graduation data that the states report under NCLB vary greatly. A 2003 analysis of state plans by the Urban Institute found wide variation in the ways states proposed to measure graduation rates. Nine states intended to use a longitudinal graduation rate, using data from individual students tracked over time; more may now be planning to move in this direction. Thirty-one states planned to use a leaver rate developed by the National Center for Education Statistics, the statistical agency of the U.S. Department of Education. Five states planned to use a completion ratio, two planned to use a dropout rate, and four planned to use some other measure.[15] A later analysis of the state-reported data by the Education Trust found that "the differences in state definitions and methodologies not only result in wide variations in the data but, in many cases, significantly understate the problems that many schools and students are facing."[16] Many states are also using one method of calculating a graduation rate for federal reporting requirements and another for state reporting requirements. Although multiple measures can be useful for developing richer understanding of a problem, they can also be quite confusing to the public if they are not well communicated.

The objective of the graduation data requirements in the NCLB Act is useful and promises to promote better data collection and reporting among states. The U.S. Department of Education created flexibility in the regulations in acknowledgment of the varying capacities of states to provide the data needed to meet the requirements of the law. However, the regulation seems to have created some confusion and inconsistency. To date, the graduation data states have provided are inconsistent in methodology and quality. Many states are making progress, but state leaders need to act to improve and ensure the quality, accuracy, and utility of the information being gathered and reported.

A Call to Action

Because the state and federal graduation and dropout data are variable and of low quality, policymakers and practitioners cannot reasonably target resources to improving high school graduation rates and too many students fail to have their education needs met. Better data alone will not increase graduation rates or decrease dropout rates, but they do allow policymakers and state leaders to measure the cost-effectiveness of different policy strategies and programs aimed toward reaching those goals. States, schools, and districts can better design programs to help youths at-risk of dropping out, and those who have dropped out, only if they know the scope of the problem, why students are leaving, and what their educational and personal needs are. Better data can help leaders reallocate resources to more effectively address problems in the high school system. There also are benefits to the local community and labor market, as well as higher education institutions. An analysis by the Alliance for Excellent Education found that some states could see earnings increases of $100 million or more if they could cut in half the percentage of students who do not finish high school in four years.[17]

To help states address these issues, the NGA Center for Best Practices, under the leadership of Virginia Governor Mark R. Warner, formed the Task Force on State High School Graduation Data—which included representatives of the nation's governors and of national organizations, education experts, and researchers—to make recommendations for improved, standard measures of state high school graduation rates and other complementary indicators of the performance of the nation's high schools. The task force also offers some guidelines and principles for states to follow to collect and produce the best data possible on high school graduates and dropouts.

The Bottom Line

To obtain the improved data that policymakers need, governors, chief state school officers, higher education executive officers, legislators, and state boards of education must create better systems and methods of collecting, analyzing, and reporting data. They should adopt a standard formula for calculating a four-year, cohort-based high school graduation rate, as well as the additional indicators of high school performance and completion outlined below. Furthermore, they must reconsider existing policies that may present barriers, consider current data system capacity and methodology and improve them, hold schools and districts accountable for accurate data collection and reporting, and commit the necessary political will and resources to solving the problem.

Setting the Stage

A number of principles guided the task force as it considered the issues and developed its recommendations. The task force believes the same principles should guide state efforts to improve high school graduation rate data.

- The ultimate goal should be better outcomes for students. Better information can lead to better policies and program implementation.
- Each state should be able to look at a particular ninth-grade (or eighth-grade) cohort, track actual outcomes for each student four, five, or six years later, and know how many graduated, how many transferred, how many dropped out, how many are deceased, how many are incarcerated, and how many are still working toward graduation.
- Tracking cohorts of eighth- or ninth-grade students over time and across districts requires a statewide longitudinal data system with statewide student identifiers. Without such a system, individual districts cannot keep track of students who transfer to new districts.
- The effort to improve graduation rate data collection and reporting is one of continuous improvement. States should set goals for improving their data collection and analysis and adopting better measures and data systems; start working toward their goals immediately; and improve on the process and goal as they move forward. It will take states different lengths of time to implement the recommendations and achieve improved graduation rate data. The task force outlines in its recommendations below interim steps to immediately improve the quality of the graduation data they collect.
- There is inevitable variability in how states define, count, track, and report these data, and there inevitably will be students who do not fit the general rules and categories. But the exceptional situations need not drive the whole system. States should not allow concerns about the exceptional cases to stymie change efforts. The exceptional cases are so few that state standards for data coding and entry should allow for commonsense adjustments, and audits can ensure proper application.
- States should use multiple measures to evaluate high school performance—including four-, five-, and six-year graduation rates; dropout rates; retention rates; completion rates; college-ready graduation rates; and more—to create a rich understanding of how the system is serving students. States should start with the questions: What do we need to know to make better policy, and what do our districts and schools need to know to better serve students? States should use these questions to build the data system and identify the data elements they need to collect for state leaders, district officials, school faculty, parents, and other stakeholders.

Preparing for Action

Before governors or other state leaders act to change the graduation and dropout data their states collect and report, they should examine and consider several key elements and conditions that may affect the state's ability to implement the changes.

POLICY

Existing state policies may affect a state's ability to adopt a particular method for tracking students, collecting data, or calculating statistics or its ability to define the elements of the graduation rate formula. For example, how "graduation" is defined in the state and what is considered on-time graduation may impede the effort to implement the recommended formula for a four-year cohort graduation rate. State leaders should identify such potential barriers and address them as part of their plan.

LEADERSHIP AND POLITICAL WILL

It may take considerable political will to implement new methods for collecting data and calculating graduation and dropout rates. For example, there may be legitimate public concerns about privacy when it comes to creating student-unit-record data systems that track individual students through the education system. There may be resistance in various quarters to implementing a new graduation or dropout rate formula that reveals fewer graduates and more dropouts than previously reported and makes the state, district, or school "look bad." Governors and other state officials need to take the lead to ensure that student information is collected and stored securely to avoid privacy violations. They also must explain why it is important to improve these data collection and reporting efforts, emphasizing the ultimate benefits to students and the community. One leader acting alone may meet considerable resistance; together a state's political and education leadership can be a powerful force for change.

Leaders also must be willing to find new resources or reallocate existing funds to support these efforts, either of which can be challenging. In figuring costs, state leaders should also weigh and communicate the benefits. Good data enable leaders to evaluate existing policies and programs and reallocate funds to support more effective initiatives. States that have already invested in better data systems are finding that the benefits outweigh and justify the costs and that the costs of implementing a new graduation rate measure are negligible because they already have the necessary data system in place.

The current capacity of a state's data system will determine the cost of implementing a new graduation rate calculation. States that have sophisticated, student-unit-record data systems can implement the recommended rate at minimal cost. Most states currently have less-sophisticated data systems and may need to invest in new ones in the long term. Many are already taking steps to do so. In the short term, there are less-expensive means of implementing the rate proposed in the recommendations below. Furthermore, as state leaders consider the costs of upgrading their data systems, they should consider that they are doing so not just to get better graduation and dropout counts, but to get better information about all aspects of school system performance.

DATA SYSTEM CAPACITY

As a state builds it system, it should incorporate flexibility to change over time and to link with other state data systems, such as that used by its higher education system. In states where school districts have more control over the design of their data systems, state leaders should ensure that the districts have systems that are compatible with one another and with the state's system for aggregating the data. Other aspects of system capacity include creating a deliberate system of coding students and their status; training those entering data at the school, district, and state levels to use codes correctly and consistently; and setting up an audit process for checking on the correct and consistent use of codes and data entry. States currently use many different codes for identifying student status. When developing a coding protocol, state leaders and system architects should not necessarily aim to minimize or maximize the number of codes but be guided by what it is they want to know.

Urban Institute researcher Christopher B. Swanson has identified four useful criteria that states can employ to ensure high-quality data collection and reporting: uniformity, accuracy, transparency, and accountability.

- *Uniformity*. Education statistics should be calculated in a uniform manner across a state and within a school system. The statistics should also be based on raw data that are collected and defined in a consistent manner system wide.
- *Accuracy*. Statistics such as test scores or graduation rate are (to a greater or lesser extent) imperfect estimates of a quantity that cannot be directly observed. Nevertheless, these statistics should come as close to the true value as possible, given available data and methods.
- *Transparency*. Information about the methods for collecting data, calculating statistics, and attaching stakes to the results should be made publicly accessible in terms interpretable by a lay audience. Stakeholders in the public education system include policymakers, educators, parents, and the public at large.
- *Accountability*. Some organization or agency should be held formally accountable for ensuring the quality, completeness, and accuracy of graduation rate and other data through audits or other appropriate methods. States should regularly audit district and school data records.[18]

Taking Action: The Task Force Recommendations

The task force recommends that governors and other state leaders take the following actions.

Recommendation 1: Immediately adopt, and begin taking steps to implement, the following formula for computing a four-year, adjusted cohort graduation rate:

Graduation rate = [on-time graduates in year x] ÷ [(first-time entering ninth graders in year x – 4) + (transfers in) – (transfers out)]

The following definitions and principles should be applied to the above formula:

- Graduates are those who earn a diploma.
- "On-time," for most students is four years and can include those completing graduation requirements in the summer of a given year. However, students with disabilities for whom the individualized education plan (IEP) contains an expectation of high school graduation more than four years after entering grade nine are assigned to the appropriate cohort based on that expectation. A student entering ninth grade for the first time in 2005–2006, whose IEP states that he or she will take five years to graduate, can be assigned to the cohort graduating in 2009–2010 instead of 2008–2009. Other students to whom this exception could apply are 1) recent immigrants who enter American high schools with limited English proficiency and need an additional year of English language instruction, and 2) students in programs that give them five years to earn both a high school diploma and an associate's degree. To ensure the exceptions are used appropriately, states should establish guidelines and standards for schools and districts to follow.
- In limited circumstances, students earning modified diplomas, such as a special education diploma, may count as graduates if the modified diploma is the appropriate standard that the state and the school system set for the student in an IEP, for example. These students are meeting the standards set for them, have completed the prescribed program of study, and are graduating from high school with a diploma.
- Students earning high school credentials by passing General Educational Development (GED) tests are not considered graduates for the purpose of this definition. Students receiving a certificate of completion or other alternative to a diploma, including special education students who receive a nondiploma credential, also are not graduates for this purpose. States are encouraged to include such students in complementary completion rates.
- Transfers by students from one school to another must be documented with a transcript request from a receiving school. Death or incarceration should also be documented, and incarcerated students should be counted as transfer students as they move out of and back into the system. By default, a student for whom there is no information should be documented as a nongraduate or dropout. This creates incentives for schools to seek out students and accurately determine their status and is important for ensuring the accuracy of the calculation.

Recommendation 2: Build the state's data system and capacity.

State leaders need to ensure that their state has a system that can collect, analyze, and report the data needed for the adopted graduation rate and the related indicators and other desired information about school and system performance. The data systems need the ability to disaggregate the graduation data and other indicators by poverty, race, ethnicity, disability, limited English proficiency, gender, and migrant status. State leaders should ensure that systems across the state and within districts are fully compatible with one another and create uniform standards to guide data collection, entry, analysis, and reporting. The state should also establish a process for auditing state, district, and school records to ensure accuracy and consistency. Creating a sophisticated data system takes time and resources. A few states have already built such systems, and more are building them, while others are just beginning to consider changes. The task force offers the following specific recommendations:

- Ultimately, states should adopt a student-unit-record data system with unique student identifiers that can track students through the state's education system from kindergarten through postsecondary education. States should adopt criteria—such as uniformity, accuracy, transparency, and accountability, as outlined above—for developing quality systems that meet state needs and should take extra precautions to ensure that privacy concerns are addressed sufficiently. States might also consider student identifiers and data systems that would allow them to track students across state lines, to other high schools, and to postsecondary institutions. It is a complicated proposition but worth thinking about while states are designing and building new data systems, to avoid having to try later to modify systems to do such sophisticated tracking.
- Student-unit-record systems take time and money to build and bring online. In the short term, states should improve their graduation rate information by providing appropriate guidelines to schools and districts on how they should collect and code data. For example, states should make it policy and standard practice that the default coding for student status is "dropout" unless it can be documented otherwise by, for example, a transcript request from a receiving school. States should perform statistical checks and analyses and conduct on-site audits of record-keeping procedures to ensure schools and districts adhere to state data standards and guidelines.

  Moreover, while building better data systems, states can also use methods of estimating graduation rates that use aggregate enrollment and graduation data. One method divides the number of graduates in a given year by the average of the number of eighth-, ninth-, and tenth-grade students five, four, and three years earlier. The number in the denominator is also adjusted to reflect changes in district enrollment.[19] Another method uses counts of diploma recipients and enrollment figures in each grade from nine through 12 to calculate grade-to-grade promotion rates, which can be combined to generate a cumulative promotion index for estimating the high school graduation rate.[20] These are crude measures that do not track individual students or necessarily pick up transfers in and out, but at higher levels of aggregation (such as the state level) such measures prove to be relatively accurate.[21] Researchers, and members of the task force, agree that this is a reasonable starting point for states with less-sophisticated data capacity.

  To measure on-time graduation and transfers, states can ask schools to provide the numbers to the state, and the state can aggregate the school-reported data. Schools have this information and should be able to

report it as they do other data. States should limit these requests to schools, so as not to impose unreasonable reporting burdens, and should create standards and conduct periodic audits to ensure the accuracy of the data the schools report.

- Where districts have responsibility for creating and maintaining their own data systems, the state needs to play the critical role of ensuring that those systems are fully compatible with the state system and that the districts are using unified data collection and reporting systems within the district—for attendance and assessment data, for example.

Recommendation 3: Adopt additional, complementary indicators to provide richer context and understanding about outcomes for students and how well the system is serving them.

Some of the graduation rate measures currently used by states are inaccurate or inflated because they try to capture too many different student outcomes in one rate. Adopting a series of complementary indicators allows states to measure and report different forms of high school completion without skewing the recommended four-year graduation rate. The indicators should include five- and six-year cohort graduation rates; a college-ready graduation rate; a dropout rate; completion rates for those earning alternative completion credentials from the state or a GED; in-grade retention rates; and percentages of students who have not graduated but are still in school or who have completed course requirements but failed a state exam required for graduation. Definitions for those rates might include the following:

- A complementary dropout rate will be a four-year cohort rate based on identification of student status, in which the default for a student whose status is unknown is “dropout.” Because many students are lost in or between grades eight and nine, states should include those students in dropout indicators. Annual dropout rates can also be useful.
- Complementary completion rates will use the same denominator as the graduation rate computation above but will add additional types of completers to the numerator, such as those receiving certificates of completion or GEDs.
- A complementary college-ready graduation rate requires a state to define what requirements graduates must meet to be considered college ready. The number of graduating students meeting those requirements is the numerator and is used with the denominator described above to calculate a college-ready graduation rate.

Recommendation 4: Develop public understanding about the need for good graduation and dropout rate data.

State leaders should ensure that parents, educators, and the public understand that initially the numbers may be worse, but that it is important to obtain an accurate picture of the problem to address it more effectively. States should report these data to the public annually, and leaders should explain the differences in the methodologies and results in terms the public can understand clearly. States, districts, and schools providing higher-quality data are to be commended for their efforts, rather than criticized for lower graduation rates or higher dropout rates; they are not given a reprieve from addressing the problem but acknowledged for taking the right first steps. State leaders should engage a variety of local leaders in their efforts to communicate these important messages.

Recommendation 5: Collaborate with local education leaders, higher education leaders, business leaders, and leaders of local community organizations.

State leaders should ensure that local leaders are engaged in the process of adopting and implementing the recommended graduation rate and other indicators and new or improved data systems. Local education leaders can provide additional resources, lend their own political will to accomplish effective implementation, identify key staff and ensure that they receive training, and provide another level of oversight and accountability. Local leaders in some districts may also be able to share knowledge that they have acquired in developing their own data systems, some of which are more sophisticated than those at the state level. State leaders should also engage higher education leaders—who can help ensure that K–12 and higher education data systems are compatible and can link with one another—and business leaders, who can share expertise on data systems and data-based decision making and who can lend support for building public and political will. Leaders of local community and civil rights organizations can also help build local support and political will and can help communicate important messages about the need for better data.

Learning from Leading States

FLORIDA

During the 1998–1999 school year, in response to legislative requests for an accurate and accountable school-level graduation rate, Florida implemented an adjusted four-year cohort graduation rate based on the compilation and tracking of individual student records; it is made possible by the state's comprehensive education information database, which relies on the individual student as the basic unit of analysis.

Florida's high school graduation rate is the percentage of students who graduated within four years of their initial enrollment in ninth grade. Incoming transfer students are included in the appropriate cohort based on their grade level and year of entry into the ninth grade. Deceased students and students who withdraw to attend school in another school system (public, private, authorized home school program, or adult education program) are removed from the cohort. Each student in the remaining, adjusted cohort receives a final classification as a graduate, dropout, or nongraduate. Nongraduates include certificate recipients and retained students who remain enrolled. A technical guide for Florida's graduation rate is available online at http://www.firn.edu/doe/eias/eiaspubs/pdf/gd0304.pdf.

To implement this graduation rate a statewide data system for collecting and compiling individual student records and for analyzing and reporting that information is needed. Florida had established such a system starting in 1984. With a data system already in place, the costs of implementing the four-year adjusted cohort graduation rate were subsumed under the existing costs of the data system, and additional costs were negligible. The amount of time to implement the new rate was minimized because Florida already had at least five years of the records needed to calculate a first cohort of graduates.

VIRGINIA

The initial impetus to improve Virginia's student information system came from the requirements established by NCLB. Virginia began to revamp its system by eliminating duplicative reporting requirements and combining multiple collections of the same information into a single student record collection and repository. The one system combines all elements for meeting state, federal, and other reporting and data analysis needs. In 2004–2005, Virginia added a new component, implementing its Educational Information Management System (EIMS), which allows the state to link individual student records over time and across locations using a unique student identifier, known in Virginia as the "student testing identifier." THE EIMS project began in February 2004 with a pilot in 16 school districts. The state gradually expanded it to an additional 16 districts in September 2004, 50 more in November, and the remaining 50 in January 2005. For more information about the system's structure and maintenance, see http://www.doe.virginia.gov/VDOE/Technology/EIMS/ or contact Lan Neugent, Assistant Superintendent for Technology and Human Resources (Lan.Neugent@doe.virginia.gov).

Beginning with the 2005 end-of-year student record collection, school districts will submit their student records using student testing identifiers. This collection will serve as the basis for calculating a cohort graduation rate beginning with the class of 2008. Completion indicators will be developed by first determining a completion cohort for the numerator that will include students completing high school in a given year who were first-time

ninth graders four years earlier, or who transferred into the school cohort in grades ten, 11, or 12. The membership cohort for the denominator will include students entering ninth grade four years earlier, plus students who transferred in, and minus students who transferred out or who meet other legitimate criteria for exclusion, such as death.

The number of students completing can be adjusted to include all completers or diploma recipients only. Students with disabilities can be included in the completion cohort that corresponds with their IEP goals. Thus a student with an IEP might be assigned to a cohort graduating five years from that student's entrance into the ninth grade, but the student would be considered an on-time graduate as long as he or she graduated with that cohort five years later. The level of detail captured in the Virginia student record supports the calculation of a wide variety of completion indicators because the system can collect and record cumulative information on an individual student, the various diplomas and completion documents offered in the state, the year a student originally entered a Virginia public school, transfers in and out of Virginia public schools, student promotions and retentions, and student disability status.

Conclusion

Improved high school graduation—and college- and work-ready graduation—rates are critical to the future of the United States. But without better data states cannot adequately understand the nature of the challenge they confront. There are real challenges to implementing the recommendations laid out by the Task Force on State High School Graduation Data, but the benefits will prove far greater. Governors, chief state school officers, higher education executive officers, legislators, and state boards of education must embrace the challenge and work with one another and with local educators and business leaders to implement the policy and data system changes that will produce good information. New formulas cannot produce more accurate counts of graduates and dropouts without better data systems and more sophisticated data collection. Only when leaders understand the scope of the problem can they begin to evaluate what works to alleviate it and ensure that all students not only graduate from high school but graduate ready for college and work.

Notes

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2. Jay P. Greene and Marcus A. Winters, *Public High School Graduation and College Readiness Rates: 1991–2002* (New York: The Manhattan Institute for Policy Research, February 2005); and Christopher B. Swanson, *Who Graduates? Who Doesn't? A Statistical Portrait of Public High School Graduation, Class of 2001* (Washington, D.C.: The Urban Institute, 2004).

3. Ibid.

4. The Education Trust, *Telling the Whole Truth (or Not) about High School Graduation* (Washington, D.C.: Education Trust, 2003), 2; for employment data see U.S. Census Bureau, *2001 Statistical Abstract of the United States, 2001*, Section 12 at http://www.census.gov; for earnings data, see U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 2002*, Indicator 16 at http://wwwnces.ed.gov.

5. Jay P. Greene, *High School Graduation Rates in the United States* (New York: The Manhattan Institute for Policy Research, 2001); and Education Trust, *Telling the Whole Truth*, 2.

6. Swanson, "Measuring High School Dropout and Graduation Rates;" and Swanson, *The Real Truth About Low Graduation Rates*.

7. Greene and Winters, *Public High School Graduation and College Readiness Rates*.

8. Gary Orfield, Daniel Losen, Johanna Wald, and Christopher B. Swanson*, Losing Our Future: How Minority Youth Are Being Left Behind by the Graduation Rate Crisis* (Cambridge, Mass.: The Civil Rights Project at Harvard University, 2004).

9. Ibid, 8.

10. Swanson, *The Real Truth About Low Graduation Rates*.

11. Ibid.

12. Orfield et al.*, Losing Our Future*.

13. U.S Department of Education, National Center for Education Statistics, *National Institute of Statistical Sciences/Education Statistics Services Institute Task Force on Graduation, Completion, Dropout Indicators: Final Report*, NCES 2005-105 (Washington, D.C.: U.S. Department of Education, 2005), 17.

14. The No Child Left Behind Act of 2001, Public Law 107-110, section 1111 (b)(2)(C)(vi); and 34 CFR Part 200 Title I—Improving the Academic Achievement of the Disadvantaged, Final Regulations section 200.19(a)(1).

15. Christopher B. Swanson, *High School Graduation, Completion, and Dropout (GCD) Indicators: A Primer and Catalogue* (Washington, D.C.: The Urban Institute, 2003) and e-mail to author, June 21, 2005.

16. The Education Trust, *Telling the Whole Truth*, 3.

17. "Show Me the Money: Alliance Analysis Finds That States Could Generate Millions More in Wages by Raising High School Graduation Rates," *Straight A's: Public Education Policy and Progress 5*, no. 7 (Washington, D.C.: Alliance for Excellent Education, April 11, 2005).

18. Swanson, "Measuring High School Dropout and Graduation Rates."

19. Greene and Winters, *Public High School Graduation and College Readiness Rates*, 5.

20. Swanson, *Who Graduates?*

21. Ibid; and Greene and Winters, *Public High School Graduation and College Readiness Rates*.