

The High Cost of Dropping Out: How Many? How Come? How Much?

A Texas KIDS COUNT Special Report

Every May, hundreds of thousands of Texas high school seniors don caps and gowns to celebrate an academic rite of passage: high school graduation. Texas' youth face a rapidly changing world, one increasingly dependent upon education as the cornerstone for economic success. Without the skills to succeed in our new economy, students who leave without a diploma face a lifetime of limited opportunities and low earnings.¹

The variety of ways that the dropout rate is calculated has generated controversy over the last several years, both in Texas and the United States. Using the most recent data available, we provide an overview of how the dropout rate is measured in Texas, as well as data on who is dropping out and why. We also examine the costs and benefits of keeping dropouts in school.

Measuring the Dropout Rate

According to the Texas Education Agency (TEA), Texas' graduation rate was 84.6% for the Class of 2004.² However, TEA and two other education data groups provided five additional statistics for students who did not graduate that academic year in Texas: 1) the annual dropout rate; 2) the four-year longitudinal rate; 3) "other" leavers; 4) the attrition rate; and 5) the status dropout rate. With so many different calculations, it is easy to see why there is confusion about how many Texas students never receive a diploma. While the lack of a common calculation might be confusing, no single calculation tells the whole story. Each says something different but important.

Why So Many Calculations?

Each calculation provides additional insight into the dropout problem, allowing us to examine not only who drops out, but when and why. The more data we have, the better our understanding of who is succeeding and who is failing in Texas' public schools.

Despite its limitations, we have chosen to use TEA's four-year longitudinal dropout rate to discuss dropouts in the remainder of this report, unless otherwise specified. Without discounting the value of the other measurement methods, we believe the four-year longitudinal measure provides an adequate picture of the students in a class who have specifically "dropped out" over time without including students who may have gone to private school, graduated early, or received a GED.

With every measurement since 1996 showing a decrease in the dropout rate, it is a positive indication that Texas is heading in the right direction. Yet, there is no room for complacency—tens of thousands of students continue to fall through the cracks. Once students leave, they are less likely to be economically successful.

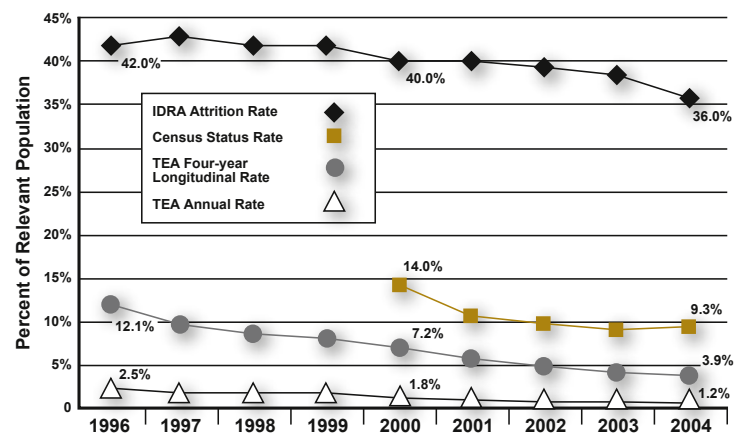


Methods for Measuring the Number of Students Without High School Diplomas

Measurement	Primary Organization/Agency	Definition
Annual Dropout Rate³	TEA	Percentage of students who drop out of school during one school year
Four-Year Longitudinal Dropout Rate⁴	TEA	Percentage of students from a class of 9th graders who drop out before completing high school
"Other" Leavers⁵	TEA	Students who leave a school district for reasons other than graduation, continuing high school, or dropping out
Attrition Rate⁶	IDRA	Percentage of students from a class of 9th graders not enrolled in 12th grade four school years later
Status Rate⁷	Census Bureau	Percentage of 16-19 year olds not enrolled in high school and who lack a high school diploma or its equivalent

Note: Complete definitions are located on page 7.

No Matter How It's Measured, the Texas Dropout Rate Has Declined Since the Mid-1990s



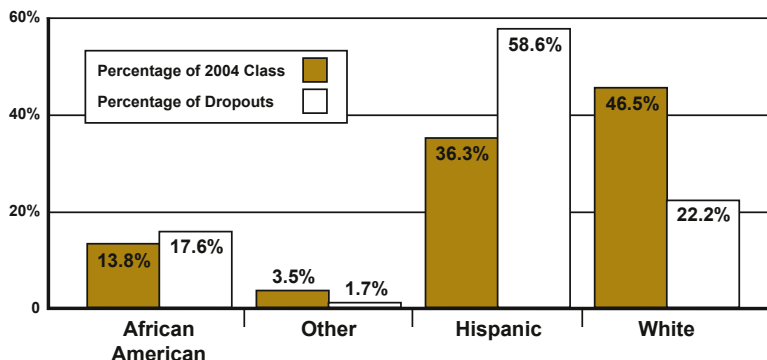
Graduation Gaps Instead of Graduation Caps

According to TEA's four-year longitudinal dropout rate, of the 270,911 students who began 9th grade in Texas in Fall 2000, 3.9% (or 10,507 students) had dropped out by Spring 2004. However, not all students are dropping out of high school at the same rate. Certain racial/ethnic groups, males, and students who live in urban or suburban areas have the highest dropout rates. For example, 3.7% of African Americans who were freshmen in 2000-2001 dropped out before graduating, compared to only 1.9% of White students. Hispanics fared far worse: 6.3% of Hispanics dropped out of high school between 9th and 12th grades. Hispanics and African Americans are overrepresented in dropout rates as compared to their representation in the total student population.

Even with the recent improvements, Texas still ranks among the 15 worst states in the country for kids leaving school without a high school diploma, regardless of how the dropout rate is measured.

2005 KIDS COUNT Data Book, Annie E. Casey Foundation; "Leaving Boys Behind: Public High School Graduation Rates," 2006 Report from the Manhattan Institute.

Minorities are Overrepresented in the Dropout Population

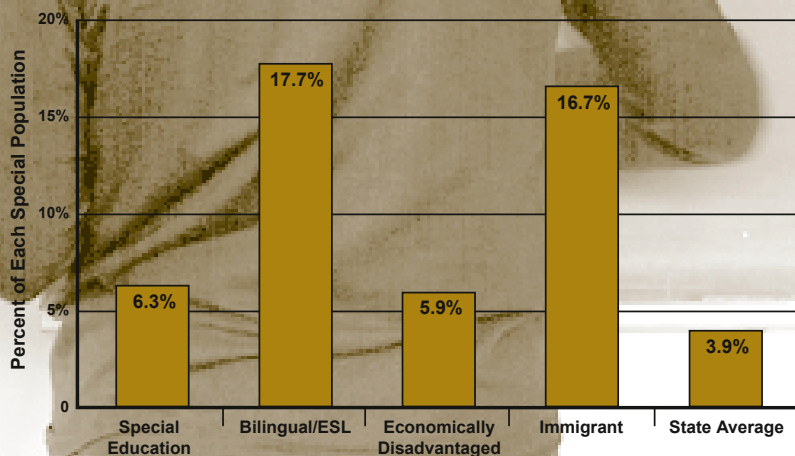


Source: Texas Education Agency, Class of 2004 Four-year Longitudinal Dropout Rates

A study conducted by the Pew Hispanic Center offers a perspective on why Hispanics may be dropping out at a higher rate than other student groups. Research has shown that larger school environments are linked to lower student achievement and higher dropout rates, and the effects are worsened when a large percent of the student population is low-income.⁸ The high schools Hispanics typically attend in the United States are larger on average than those attended by non-Hispanic students. More than 56% of Hispanic students attend high schools with more than 1,838 students, compared to 32% of Blacks and 26% of Whites.⁹ This can place Hispanics at a greater risk for dropping out than other racial/ethnic groups.

In Texas, the dropout rates of special student groups highlight the fact that some students are more at risk of dropping out than others. For example, immigrant and Limited English Proficiency (LEP) populations are at a higher risk of dropping out than the average student. These special student groups, including the economically disadvantaged, require more specialized support from school communities, making it easier for them to slip through the cracks. Schools have a responsibility not only to provide adequate resources for these students, but also to create a welcoming environment for individuals who require additional assistance to achieve in the Texas public school system.

Four-Year Longitudinal Dropout Rates for Special Student Groups, Class of 2004¹⁰

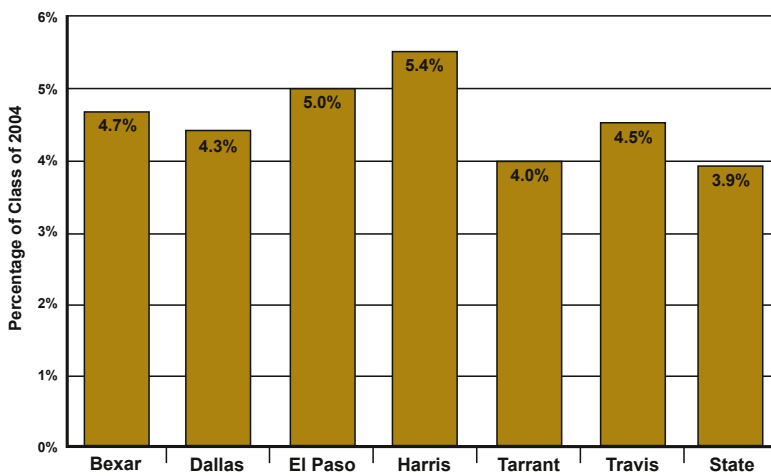


Source: Texas Education Agency, Class of 2004 Four-year Longitudinal Rates

The graduation gap also exists between males and females; in Fall 2004, the longitudinal dropout rate was 4.3% for males and 3.4% for females.¹¹ Females have had consistently lower dropout rates in comparison to males since TEA began reporting the data in the late 1980s. TEA reports that a higher percentage of males than females are retained a grade, and grade retention has been linked to higher dropout rates.¹² More research is needed to accurately assess why males do not fare as well as females in school.

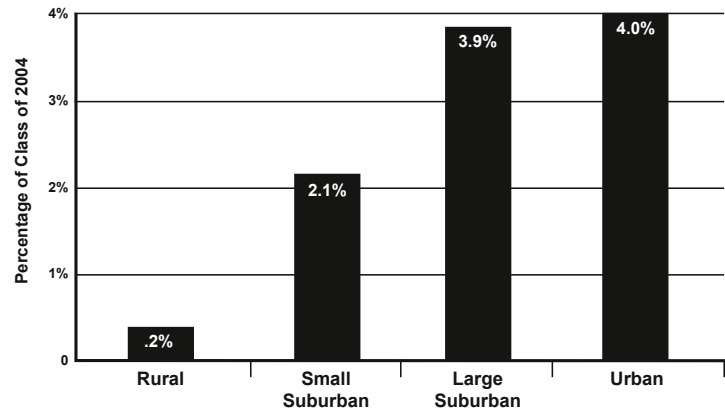
Students living in Texas' urban and large suburban¹³ areas drop out at higher rates than the rest of the state. Students living in rural counties are the least likely to drop out. This phenomena also may be related to school size,¹⁴ as the average number of students in Texas' high schools increases dramatically as the counties become more urban. The average number of students in high schools in rural counties is 158; small suburban counties, 288; large suburban counties, 498; and urban counties, 951. To assess how students in your county are faring, go to the county-by-county supplement to this report at www.cppp.org/kidscount.¹⁵

Dropout Rates Are Higher in Metropolitan Counties than the State Average



Source: Texas KIDS COUNT Project, Center for Public Policy Priorities, 2005; TEA Class of 2004 Four-year Longitudinal Dropout Rates.

Students Living in Counties with Small Populations are Less Likely to Drop Out



Source: Texas Education Agency, Class of 2004 Four-year Longitudinal Dropout Data by County Size

Predictors of Dropping Out

Many studies indicate that dropping out of school is not a sudden decision, but a gradual process where the student slowly becomes disengaged from academic life. The process of dropping out of school begins months or even years before the student stops attending school altogether. The clearest warning sign for most students at risk of dropping out is persistent absenteeism. A study by the Bill and Melinda Gates Foundation found that other dropout warning signs include low grades, behavior problems, lack of school involvement, pregnancy, grade retention, transfers, and difficulty transitioning to 9th grade. The amount of parental involvement and communication between home and school also play large roles in determining whether a student will drop out of school.¹⁶

In addition, new regulations found in the No Child Left Behind (NCLB) Act may have inadvertently established negative incentives for schools to “push out” low performing students. Under NCLB, schools are judged not only by Adequate Yearly Progress (as defined by TEA) of the school's average student, but also by their lowest performing group of students. On the one hand, such a policy encourages schools to focus on their most vulnerable students. However, it can also encourage schools to push out their low performers in order to raise campus test scores. The growing trend of school accountability will undoubtedly have an effect, for better or worse, on how school districts approach the issue of reducing school dropouts.

The Texas Education Agency reports that the most common reasons for dropping out include academic performance, pursuit of a job, and aging out of the system.¹⁷ A separate

Lost in the Shuffle: Students in Foster Care

In August 2005, over 19,000 children were in foster care in Texas, and approximately 62% of these children were school age.^{19,20} Children in foster care face a multitude of hardships that directly affect their educational outcomes, including a higher probability of dropping out.^{21,22}

The average foster-care child who emancipated²³ from long-term care in 2005 lived with an average of just under nine families.²⁴ Research has shown that high rates of mobility among homes and schools make it difficult for students to transfer grades and receive credit for previously taken classes.^{25,26} These problems can lead a student to be held back, which in turn makes him less likely to complete high school.²⁷

Research shows that foster youth are much less likely to have a high school diploma than their non-foster peers. Within one to four years of leaving the foster care system, 32 to 55% of former foster youth did not have a high school diploma.²⁸ These findings apply even when accounting for the students' race/ethnicity, academic ability, and school transitions.²⁹

The Texas Department of Family and Protective Services (DFPS) has made progress in removing barriers to educational success. The Preparation for Adult Living (PAL) program prepares foster children for their eventual departure from the foster care system. Its services include independent skills level training and support, high school graduation expenses, counseling, and GED classes, which were provided to over 6,400 current or former foster youth ages 16-20 in 2005.³⁰ The state also has recently mandated the creation of an "education passport" that will streamline information transmission when foster care students transfer to new schools.³¹ The DFPS has 12 education specialists to coordinate services for students in foster care.

However, with the education passport yet to be implemented and approximately one education specialist to 1,000 school age foster children, the education needs of our foster youth are still unmet.

study conducted for the Bill and Melinda Gates Foundation focused on the individual perspectives of more than 450 dropouts to determine why they dropped out, and what their lives have been like since leaving high school. According to the report, the top five reasons identified as major factors for leaving school are:¹⁸

- 1. Classes were not interesting (47%).**
- 2. Missed too many days and could not catch up (43%).**
- 3. Spent time with people who were not interested in school (42%).**
- 4. Had too much freedom and not enough rules in my life (38%).**
- 5. Was failing in school (35%).**

Turning the Tide

Although the number of children not receiving a diploma in the Texas public school system is still much too high, the tide is beginning to turn. Every measurement since 1996 has shown a decrease in the dropout rate, regardless of how it is measured. Still, thousands of students continue to be lost by the public school system. The big question remains: what can we do not only to keep students in school, but also to ensure that students are leaving with a degree?

The Texas Education Code requires TEA to develop a dropout plan that includes systematic and measurable goals. The six broadly defined goals put forward by TEA for 2002 through 2014 are as follows:³²

- **All students will graduate from high school by 2013-2014.**
- **TEA will develop a comprehensive dropout prevention action plan by 2002-03 that will be regularly updated.**
- **A Dropout Prevention Center will be created by 2002-2003.**
- **All students will be taught by highly qualified teachers.**
- **The statewide annual dropout rate for Grades 7-8 will be reduced to under 1%, and the statewide completion rate for Grades 9-12 will be increased to 85% by 2006-07.**
- **All students will reach high standards by attaining proficiency or better in reading and mathematics by 2013-14.**

To help reach these goals, districts and organizations across the state have introduced specific dropout prevention programs. Many state and national initiatives, such as the Coca-Cola Valued Youth Program and Project GRAD, have made a difference in the lives of at-risk students by increasing their academic and social skills, building self-discipline, and offering college scholarship support.

But what would it mean if all students actually did graduate from high school? How much would this cost our public education system? And what are the potential economic benefits to our economy?

The Cost of Keeping Dropouts in School

The Texas Education Agency has a commendable goal of ensuring that all students graduate from high school. However, more students in school means increased expenses, putting a financial burden on an already strapped funding system that cannot cover such basic expenses as textbooks, building maintenance, and adequate teacher pay. To estimate these additional expenses, we examine the Class of 2004 in closer financial detail.

Of the 10,507 students from the class of 2004 who were officially listed as having dropped out of high school, 3,354 dropped out while in the 9th grade, 2,896 in 10th, 2,260 in 11th, and 1,997 while in 12th. Using the median per student operating budget across all public senior high schools³³ to estimate the yearly costs, the Texas public education system would have spent at least an additional \$180 million if all of the dropouts from Fall 2000 to Spring 2004 actually stayed in school and graduated.^{34,35}

The costs increase dramatically when looking at how many kids leave from year to year but may not be considered official dropouts. Of the 360,857 students who were enrolled in 9th grade in Fall 2000, 68,505 left between 9th and 10th grade, 26,829 left between 10th and 11th grade, 22,220 left between 11th and 12th grade, and 12,170 left between Fall 2003 and graduation in Spring 2004. We estimate that Texas spent about \$8.6 billion on the students in the Class of 2004 who actually did stay in the Texas public school system from 9th through 12th grade.³⁶ If all of the students who were originally enrolled in the 9th grade in 2000-2001 stayed in school and graduated in Spring 2004, the Texas public school system would have had to spend an additional \$1.7 billion dollars, or 25% more than what was actually spent.³⁷ This is just the additional cost for the Class of 2004.

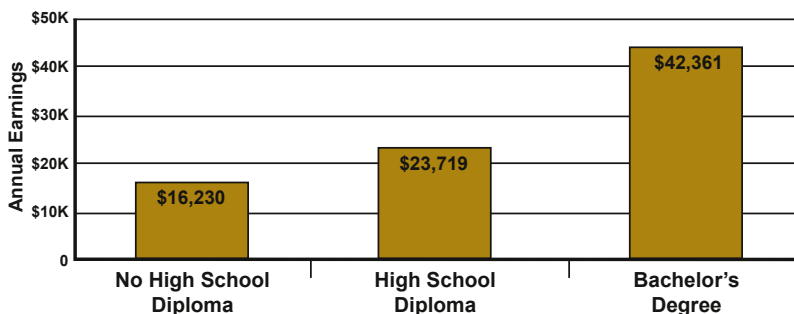
<p>If every 9th grader in Fall 2000 graduated in Spring 2004, it would have cost Texas at least an additional \$1.7 billion over four years.</p>	<p>But...</p>	<p>If every 16-19 year old who is not in school and does not have a diploma simply graduated, they would earn an additional \$3 billion in income in just four years.</p>
---	----------------------	--

These are, at best, rough estimates for the potential costs if all students in the Class of 2004 had graduated. As noted above, any method of measuring dropouts has its benefits and drawbacks (for example, underestimating by excluding students who leave but are not “official” dropouts versus overestimating by including students who may leave for legitimate reasons such as moving to a private school). These calculations are no exception. If anything, we have underestimated the costs as these numbers do not include any capital costs for building new facilities to house these students if they stayed in the system. Nor do they include the costs of alternative education or dropout prevention programs that would certainly be needed to achieve the 100% graduation goal. (If you would like to replicate these calculations for your district, see the methodology discussions in endnotes 33 through 37.)

The Benefits of Keeping Dropouts in School

Although the short-term costs for educating all students may be daunting, the potential long-term economic benefits would be substantial. While many dropouts leave school and find full-time employment,³⁸ the immediate return in income quickly pales in comparison to what they could earn if they continued their education. In fact, Texas high school dropouts earned almost \$7,500 less in 2004 than their high school graduate counterparts, and about \$26,000 less than college graduates.³⁹ If every 16-19 year old who is not in school and does not have a high school diploma simply graduated, the state’s combined earnings could increase by over \$865 million per year, or about \$3 billion in just four years.⁴⁰ However, higher incomes are only available if the jobs are available. Businesses tend to be attracted to areas that have a better educated workforce.⁴¹ Therefore, Texas must increase its number of educated workers.

Having a Degree Translates to Higher Annual Earnings

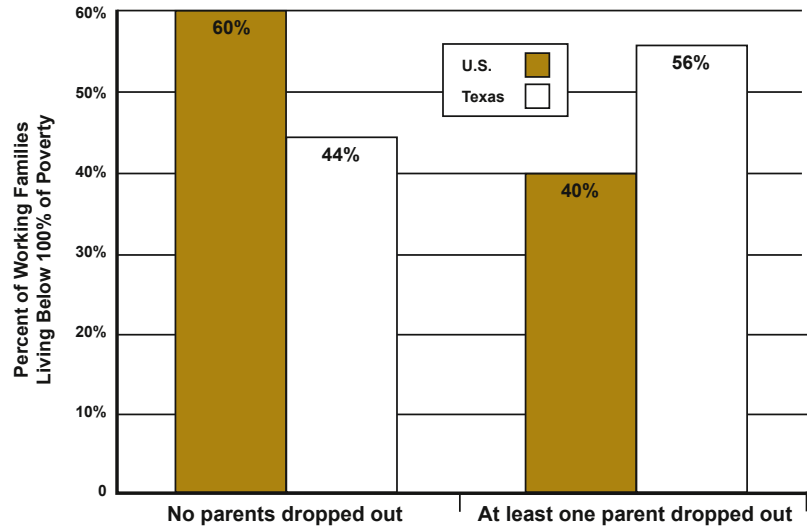


Source: Median Earnings in Past 12 Months for Texas Population 25 and Over, 2004 American Community Survey, U.S. Census Bureau.



Another economic effect on Texas is dropouts' greater need for government assistance. In the United States, four out of every 10 young adults (ages 16-24) lacking a high school diploma received some type of government assistance in 2001. In addition, a dropout is more than eight times as likely to be incarcerated as a person with at least a high school diploma, which costs millions of dollars per year.⁴² Overall, the Intercultural Development Research Association reports that 2.2 million students have left Texas schools without a diploma between 1986 and 2005, "costing the state \$500 billion in forgone income, tax revenues, and increased job training, welfare, unemployment and criminal justice costs."⁴³

The Majority of Texas' Working Poor Families Have a Parent Who Dropped Out of High School



Source: Working Poor Families Project, 2004 American Community Survey microdata, U.S. Census Bureau.

Whatever the individual or sociological reasons behind a student's decision to drop out, at least part of the problem may be as simple as the fact that it is impossible to put ten gallons of water in a five-gallon bucket. High schools do not have the teachers, textbooks, or space necessary for everyone to graduate. It would take at least an additional \$1.7 billion, or 25% more than is currently spent on 9th through 12th graders, for everyone to stay in school. This leaves us with the question: How can we afford to keep all kids in school . . . and how can we not?

Definitions of Dropout Measurements

Annual Dropout Rate for Grades 9-12

The Texas Education Agency's annual dropout rate is calculated by dividing the number of public high school⁴⁴ students who drop out during the school year by the total number of students enrolled in the Fall of that academic year. During the 2003-2004 school year, 15,160 students were classified as dropouts out of the 1,252,016 high school students, giving Texas an annual dropout rate of 1.2%.⁴⁵ The annual dropout rate is frequently used because it only requires one year of data to calculate, giving a timely snapshot of how many students dropped out in a given year. The annual rate also produces the lowest dropout measurement TEA employs. However, it masks any problems or trends that a particular student group or entire grade might have, since it groups all students and grades together.

Longitudinal Dropout Rate

The longitudinal dropout rate is more in line with the general public's understanding of a dropout measurement because it tracks a group of students throughout their entire high school career. The longitudinal dropout rate is defined by TEA as the percentage of students from a class of 9th graders who drop out before completing high school. Of the 270,911 students who began 9th grade in fall of 2000, 10,507 students were classified as dropping out sometime between October 2000 and May 2004, yielding a dropout rate of 3.9%.⁴⁶ The longitudinal dropout rate provides a better picture than the annual rate of how a class of students deteriorates due to cumulative dropouts over time and is typically higher than the annual dropout rate. One drawback is that the longitudinal dropout rate masks changes that happen from year to year. Also, it is important to realize that neither the annual or longitudinal rates capture all students who may leave the Texas public school system without a high school degree.

"Other" Leavers

TEA provides another classification that is not as well known: leavers. Leavers are students who left between October of a given year and September of the following school year.⁴⁷ Leavers are divided into three groups: graduates, dropouts, and "other" leavers. In 2003-2004, 566,222 high school students were classified as leavers, with 43.1% leaving due to graduation and 2.9% dropping out. However, 19.0% (107,742) left due to "other reasons."⁴⁸ These "other reasons" include several categories that clearly should not be included in the dropout rate: enrolling in an out of state school, attending an alternative GED or diploma program, and enrolling in private school. It is less clear whether additional "other" leaver categories, such as completing all graduation requirements except passing the TAKS test or being expelled for criminal behavior, should be classified as dropouts when considering that those students leave without a clear path to a high school degree.

Attrition Rate

The attrition rate measures the percentage of students from a class of 9th graders who are not enrolled in 12th grade four years later. According to the Intercultural Development Research Association (IDRA), of the 387,258 9th graders who began high school in 2000-2001, 139,413 students were not enrolled in grade 12 in Texas public schools four years later, giving the state an attrition rate of 36% (see IDRA's website, www.idra.org, for full details on their calculation methods).⁴⁹ The attrition rate produces the largest dropout measurement by far, representing a school's ability to keep students enrolled through their senior year.⁵⁰ However, it does not take into account the valid reasons for students leaving the system, such as early graduation and transfers to private schools. This measure also does not capture those students who leave between fall enrollment of their senior year and graduation.

Status Dropout Rate

The status dropout rate is a nationally used measure for a wide range of age groups. The status dropout rate provided by the U.S. Census Bureau's 2000 Census and American Community Survey (2002-2004) estimates the percentage of people ages 16-19 who are not enrolled in school and lack a high school diploma or high school equivalency.⁵¹ The percentage of 16-19 year olds in Texas who are not enrolled in school and do not have a high school degree is 9.3%.⁵² The status dropout rate is useful because it signifies eventual educational attainment for youth, giving students a longer amount of time to obtain graduation certification. However, it is only an estimate from the sample population, which leaves room for error. Additionally, it does not differentiate between Texas public school students and those who have moved into the state without a degree—further clouding the specific role and responsibility of the Texas public school system in providing an educated workforce.

Sources

1 United States General Accounting Office. "School Dropouts: Education Could Play a Stronger Role in Identifying and Disseminating Promising Prevention Strategies." February, 2002. Page 1.

2 Texas Education Agency, "Secondary School Completion and Dropouts in Texas Public Schools 2003-2004"; Austin, TX: 2005.

3 Ibid.

4 Ibid.

5 Ibid. Page 11.

6 Intercultural Development Research Association, "Little Improvement in Texas School Holding Power: Texas Public Attrition Study, 2004-05." IDRA Newsletter Online. <http://www.idra.org/News/2005/Oct/Roy.htm>. 2005.

7 National Center for Data Statistics. "Dropout Rates in the United States: 2000." 2001.

8 Fry, Richard. "The High Schools Hispanics Attend: Size and Other Key Characteristics." Pew Hispanic Center. November, 2005. Page i.

9 Ibid. Page i.

10 Percentages are of those special groups who dropped out; e.g. of the 3,086 students classified as immigrants in their 9th grade year, 516 (16.7%) dropped out by their scheduled graduation in 2004.

11 Texas Education Agency, "Secondary School Completion and Dropouts in Texas Public Schools." August 2005.

12 Texas Education Agency, "1996 Comprehensive Biennial Report on Texas Public Schools." Online. <http://www.tea.state.tx.us/reports/1996cmrpt/04retain.html>.

13 To create our county size categories, we applied the U.S. Department of Agriculture Codes Using to TEA's four-year longitudinal dropout rate for each county. We then collapsed the USDAs nine categories into the following four to enhance data interpretation: urban = counties in metro areas of 250,000 or more; large suburban = counties with populations from 20,000 to 249,999; small suburban = counties with populations from 2,500 to 19,999; rural = counties with populations less than 2,500. We then created a weighted percentage within each county grouping, dividing the total number of dropouts for that category by the total student population for the class of 2004 from that county.

14 Fry, Richard. "The High Schools Hispanics Attend: Size and Other Key Characteristics." Pew Hispanic Center. November, 2005. Page i.

15 Dropout data is usually reported by school district as an accountability measure. Our supplemental county-by-county report is less concerned with school district performance and more concerned with economic consequences. This supplement is intended to help you assess the economic consequences of your community by looking at the four-year longitudinal graduation and dropout rates for your counties or the counties in your region.

16 Bridgeland, John, John Dilulio, and Karen Burke Morison. "The Silent Epidemic: Perspectives of High School Dropouts." Bill and Melinda Gates Foundation. Seattle, WA.: 2006.

- 17 Texas Education Agency, "Secondary School Completion and Dropouts in Texas Public Schools 2003-2004." Austin, TX: 2005. Page x.
- 18 Bridgeland, John, John Dilulio, and Karen Burke Morison. "The Silent Epidemic: Perspectives of High School Dropouts." Bill and Melinda Gates Foundation. Seattle, WA: 2006. Page 3.
- 19 Texas Department of Family and Protective Services. "2005 Data Book." Austin, TX: 2005.
- 20 School age is defined in this statistic as children ages 6-17.
- 21 Burley, M., and M. Halpern. "Educational Attainment of Foster Youth: Achievement and Graduation Outcomes for Children in State Care." Washington State Institute for Public Policy. Olympia, WA: 2001.
- 22 Courtney, M. E., Roderick, M., Smithgall, C., Gladden, R. M., & Nagaoka, J. "The Educational Status of Foster Children." Chapin Hall Center for Children, Issue Brief #102. Chicago: 2004. University of Chicago.
- 23 DFPS considers youths to be emancipated from the Texas foster care system either when they turn 18 or, if they are under age 18, have married or had their minority status removed by a court of law.
- 24 2005 Data Book. Austin, TX: Texas Department of Family and Protective Services. 2005.
- 25 Hormuth, Pamela. "All Grown Up, Nowhere to Go: Texas Teens in Foster Care Transition." Texas Foster Care Transitions Project. Center for Public Policy Priorities, Austin: 2001.
- 26 Choice, P., et al. "Education for Foster Children: Removing Barriers to Academic Success." Bay Area Social Services Consortium. Center for Social Services Research. University of California, Berkeley: 2001.
- 27 Smithgall, C., Gladden, R. M., Howard, E., Goerge, R., & Courtney, M. "Educational Experiences of Children in Out-of-home Care." Chapin Hall Center for Children, Chicago: 2004.
- 28 For reviews, see Courtney et al. (2004), Hormuth (2001), and Mech, E. V. (1994). "Foster Youths in Transition: Research Perspectives on Preparation for Independent Living." Child Welfare, 73, pp.603-623.
- 29 Burley, M., & Halpern, M. "Educational Attainment of Foster Youth: Achievement and Graduation Outcomes for Children in State Care." Washington State Institute for Public Policy. Olympia, WA: 2001.
- 30 Texas Department of Family and Protective Services. "2005 Data Book." Austin, TX: 2005.
- 31 Senate Bill 6, 79th Regular Legislative Session (enacted): 2005.
- 32 Texas Education Agency, "Secondary School Completion and Dropouts in Texas Public Schools." Austin, TX: August 2005. Page 65.
- 33 We retrieved the senior high school designations and the total operating expenses per pupil per campus from TEA's Academic Excellence Indicator System (AEIS). The 2003-2004 actual expenses are reported in the AEIS 2004-2005 profiles. The senior high school designation applied to 1,674 campuses in 2003-2004, which included at least a 9th, 10th, 11th, or 12th grade class.
- 34 The dropout rate cost calculation assumed that students who were retained would still have been retained in our scenario, but that they would not be retained again if they had stayed in school through graduation. Because of these retentions, some students would have been in school past the 2003-2004 school year. For example, students who repeated the eleventh grade twice would not have graduated in our scenario until 2005-2006. From there, we created a total number of students for each academic year from 2000-2001 through 2005-2006 who would have still been in school from the Class of 2004 if they had not dropped out. Then we multiplied each number of additional students for that academic year by the median operating expenses per student across all Texas senior high schools for that year. For those years that have yet to occur or report their expenditure data, we estimated the median cost per student for the academic years of 2004-2005, 2005-2006, and 2006-2007 based on the change in median cost across the preceding school years from 2000-2001 to 2003-2004. Lastly, we summed the total cost per year across the related academic years to obtain an estimate of total costs to Texas of keeping all official dropouts in school at \$180 million.
- 35 This statistic is over a six-year period as the data we received from TEA on students who dropped out also showed the years that they were retained in school. Thus, assuming that grade retention stayed the same that no kids dropped out, it would take six years, rather than the traditional four, for all students from the Class of 2004 to graduate.
- 36 To estimate what Texas actually spent from 9th grade to 12th grade on the Class of 2004, we first determined the enrollment numbers for the class of 2004 from 9th grade through 12th grade. Next, we multiplied the number of students in each year by the median total operating expenses per student across all Texas public senior high schools for that academic year (2000-01: \$5602; 01-02: \$5600; 02-03: \$6261; 03-04: \$6323). Next, we summed the total costs across all four years to obtain an estimate of \$6.6 billion in total operating expenses to educate all of the Class of 2004 from 9th grade through graduation in Spring 2004.
- 37 To estimate additional costs required if all students enrolled in 9th grade in the Fall of 2000 had stayed in the Texas public school system and graduated, we assumed that all 360,857 9th graders would stay through their 12th grade year and graduate in Spring 2004. Next we multiplied the total number of 9th graders from the Fall of 2000 by the median total operating expenses per student across all Texas public senior high schools for each academic year of high school (see endnote 41 above for median costs). Next, we summed the total costs across all four years, and subtracted this number from the estimated costs of the students who actually did stay in school (see footnote 41 above the estimated actual costs). This calculation yielded a total of \$1.7 billion in extra expenses if all of these students who enrolled in 9th grade in 2000-2001 had stayed in school and graduated in Spring 2004.
- 38 Bridgeland, John, John Dilulio, and Karen Burke Morison. "The Silent Epidemic: Perspectives of High School Dropouts." Bill and Melinda Gates Foundation. Seattle, WA: 2006. Page 6.
- 39 2004 Census Bureau. American Community Survey Subject Tables: Texas.
- 40 The 2004 American Community Survey estimates that 115,546 sixteen to nineteen year-old Texans are not in school and do not have a high school degree.
- 41 "Louisiana Business Image Survey." The Public Policy Research Lab, Louisiana State University. Online: <http://www.survey.lsu.edu/lasurvey.html>. 2005.
- 42 Bridgeland, John, John Dilulio, and Karen Burke Morison. "The Silent Epidemic: Perspectives of High School Dropouts." Bill and Melinda Gates Foundation. Seattle, WA: 2006. Page 2.
- 43 Intercultural Development Research Association, "Little Improvement in Texas School Holding Power: Texas Public Attrition Study, 2004-05." IDRA Newsletter Online: <http://www.idra.org/Newsletters/2005/Oct/Roy.htm>. 2005.
- 44 For the purposes of this report, the term "high school" is used specifically in reference to grades 9-12 unless otherwise stated.
- 45 Texas Education Agency, "Secondary School Completion and Dropouts in Texas Public Schools 2003-2004." Austin, TX: 2005. Page 24.
- 46 Ibid.
- 47 Ibid. Page 6.
- 48 Ibid. Page 10.
- 49 Intercultural Development Research Association, "Little Improvement in Texas School Holding Power: Texas Public Attrition Study, 2004-05." IDRA Newsletter Online: <http://www.idra.org/Newsletters/2004/Oct/Roy.htm#lost>. 2005.
- 50 Ibid.
- 51 The 2000 Decennial Census and 2002-2004 American Community Survey data files can be found at www.census.gov.
- 52 Status dropout rate was calculated from the U.S. Census Bureau's 2004 American Community Survey, table B14005.



Principal Researchers

Frances Deviney, Ph.D.
Texas KIDS COUNT Director

Leticia Cavazos
Texas KIDS COUNT Intern

Editorial Support

Eva DeLuna Castro
Senior Budget Analyst

Lynsey Kluever
Communications Director

F. Scott McCown
Executive Director

Since 1993, the Center for Public Policy Priorities has been home to Texas KIDS COUNT. Texas KIDS COUNT provides sound and reliable data on key benchmarks of child well-being as a way to enrich discussion and ensure better futures for all children.

We thank the Annie E. Casey Foundation for funding this report. The findings and conclusions presented, however, are solely those of the Center for Public Policy Priorities, as are any errors or omissions.



The Center for Public Policy Priorities is a nonpartisan research organization committed to improving public policies to better the economic and social conditions of low- and moderate-income Texans.