The Civil Rights Project
HARVARD UNIVERSITY

CONFRONTING THE GRADUATION RATE CRISIS IN CALIFORNIA

MARCH 24, 2005

Executive Summary

Every year, across the country, a dangerously high percentage of students—disproportionately poor and minority—disappear from the educational pipeline before graduating from high school. Nationally, only about 68% of all students who enter 9th grade will graduate "on time" with regular diplomas in 12th grade.[1] While the graduation rate for white students is 75%, only approximately half of Black, Latino, and Native American students earn regular diplomas alongside their classmates. Graduation rates are even lower for Black, Latino and Native American males. Yet, because of misleading and inaccurate reporting of dropout and graduation rates, the public remains largely unaware of this educational and civil rights crisis.

This crisis may be even less apparent in California because, officially, the state reports a robust overall graduation rate of 87%. However, this rate is based upon a flawed National Center for Education Statistics (NCES) formula that dramatically underestimates the actual numbers of dropouts. When the more accurate Cumulative Promotion Index (CPI—see next section) is used, the overall graduation rate is 71% for 2002, which is slightly above the national average. In fact, according to a recent study released by ETS, California is one of only seven states in the country where the overall graduation rate has improved from 1992 to 2002 (from 64% to 71%).[2]

Nonetheless, graduation rates in individual districts and schools—particularly those with high minority concentrations—remain at crisis level proportions. Only 64% of all students in central city districts graduate with regular diplomas. In racially segregated districts, only 65% of all students graduate, and only 58%

---

[1] Throughout this report, the term "graduation rates" refers to the percentage of 9th grade students who graduate with a regular diploma with their 12th grade class.

[2] *One Third of the Nation: Rising Dropout Rates and Declining Opportunities*, Report Released by ETS, available online at: www.ets.org/research.

graduate in socio-economically segregated districts. According to Professor Robert Balfanz of Johns Hopkins University, Black and Latino students are 3 times more likely then White students to attend a high school where graduation is not the norm and where less than 60% of ninth graders obtain diplomas four years later. Another independent study by Dr. Julie Mendoza of the University of California All Campus Consortium on Research for Diversity (UC/ACCORD) finds that in the state's largest district, Los Angeles, only 48% of Black and Latino students who start 9th grade complete grade 12 four years later. The exodus of Los Angeles youth from school is especially pronounced between grades 9 and 10, which means that they are leaving school ill prepared for all but the most menial jobs. And, even among the Black and Latino youth who complete high school in Los Angeles Unified School District (LAUSD), only one in five have met the curriculum requirements to qualify for admission to a four-year public university in California.

California's failure to graduate so many of its students is a tragic story of wasted human potential and tremendous economic loss. When high numbers of youth leave school ill-prepared to contribute to our labor force and to civic life, our economy and our democracy suffer. Life opportunities for these youth and for their offspring are dramatically curtailed. According to Russell Rumberger, Professor at the University of California at Santa Barbara, the 66,657 students who were reported as dropouts from the California public schools in the 2002-03 will cost the state $14 billion in lost wages. These costs rise significantly when one considers that the actual number of students who leave school without diplomas is much higher than the estimates provided by the state. Since the greatest economic benefits of earning a high school diploma are realized in the next generation, the most significant loss is to their—and our— future.[3]

---

[3] See Lance Lochner & Enrico Morettie, The Social Savings from Reducing Crime through Education, (Joint Center for Poverty Research 2001), available at www.jcpr.org/policybriefs/ vol4_num5.html; Arthur Blakemore & Dennis Hoffman, The Economics of Dropouts: The Complexities of Uncovering the Real Costs of the Loss of "Human Capital" (paper presented at the Southwest Conference on Enhancing School Completion, Arizona State University, Tempe, Arizona, Nov. 7, 2003) (unpublished manuscript on file with Daniel J. Losen).

CONFRONTING THE GRADUATION RATE CRISIS IN CALIFORNIA

National Context

Every year, across the country, a dangerously high percentage of students—disproportionately poor and minority—disappear from the educational pipeline before graduating from high school. Nationally, only about 68% of all students who enter 9th grade will graduate "on time" with regular diplomas in 12th grade.[4] While the graduation rate for White students is 75%, only approximately half of Black, Latino, and Native American students earn regular diplomas alongside their classmates. Graduation rates are even lower for Black, Latino and Native American males. Yet, because of misleading and inaccurate reporting of dropout and graduation rates, the public remains largely unaware of this educational and civil rights crisis.

Dropouts in California: Achieving a More Accurate Portrait

Officially, California reports a robust graduation rate of 87%. Yet this rate is based upon a flawed National Center for Education Statistics (NCES) formula that dramatically underestimates the actual numbers of dropouts. This formula relies heavily on underestimated dropout data. As a result, it significantly overestimates graduation rates compared to other methods.[5]   For example, schools often report students who never receive diplomas as successfully transferring to some other school. Moreover, because data on dropouts are often unavailable, the NCES calculations are based on only about half of the districts nationally, and therefore represent far fewer students than measures that avoid using dropout data.

The most accurate method for tracking high school graduation rates would be to provide each student with a single lifetime school identification number that would follow him or her throughout his or her entire school career. Until states decide to implement and carefully monitor such a system, we will never know

---

[4] Throughout this report, the term 'graduation rates" refers to the percentage of 9th grade students who graduate with a regular diploma with their 12th grade class.

[5] The coverage varies from state to state. For detailed reporting including coverage statistics see Christopher B. Swanson (2003.) *Keeping Count and Losing Count. Calculating Graduation Rates for All Students Under NCLB Accountability*. Washington DC: The Urban Institute.

exactly what happens to all students. The good news is that in 2002 California's legislature passed a law to require such identifiers be developed for use throughout the state.[6] Unfortunately, the current state government has refused to fund the measure.

We believe that the most useful and accurate estimates of high school graduation rates currently available are those that are based on the actual enrollment data that each district provides annually to the nation's Common Core of Data. Using the Common Core's enrollment and diploma data, Dr. Christopher Swanson of The Urban Institute developed the Cumulative Promotion Index (CPI), which is considered among the most accurate methods for estimating graduation rates.[7]

Using this calculation, California actually graduated only 71% of its students in 2002, just slightly above the national average. Graduation rates for minority students for that year were substantially lower: 57% for Blacks, 60% for Latinos,

---

[6] See CAL. ED. CODE § 60900 (Deering 2005). To enable California to meet the federal requirements, this section codified Senate Bill 1453 (SB 1453) in September 2002 to require (1) the assignment of individual, yet non-personally identifiable student identifiers to all K-12 students enrolled in California public schools; and (2) the establishment of the California Longitudinal Pupil Achievement System (CALPADS) that includes statewide assessment data, enrollment data, and other demographic elements required to meet federal NCLB reporting requirements. The assignment of student identifiers is the responsibility of the California School Information Services (CSIS) program; the SB 1453 grant program, and the establishment of the longitudinal data system is the responsibility of the California Department of Education (CDE). The release of funds for this program is contingent on approval of an expenditure plan by the Department of Finance. Id. at § 60900(j). Because of California's budget crisis, this system has not yet been adequately funded. On February 22, 2005, a Bill was introduced in the California Assembly that would repeal the requirement that the release of funds is contingent on approval of an expenditure plan. On March 10, 2005, this proposed Bill went to the Assembly Committee of Education. A.B. 1213, 2005 Assem., Reg. Sess. (Cal. 2005).

[7] The CPI method is based on the combined average success of groups of students moving from ninth grade to tenth grade, from tenth grade to the eleventh grade, from eleventh grade to twelfth grade, and from twelfth grade to graduation, at the district and state level. This method allows comparisons across years, districts, and states. It is very useful for determining which subgroups experience the greatest difficulty graduating from high school and whether progress in improving high school completion rates is being achieved. Some critics assert that estimates based on enrollment data do not adjust sufficiently for the large, statistical 9th grade enrollment "bubble" that is likely caused when 9th grade students are retained in grade. When simulations were run to test the accuracy of commonly used methods, including the NCES based estimate currently used by most states, the CPI graduation rate estimate was the least susceptible to bias caused by the 9th grade enrollment bulge. However, it should be noted that an enrollment bulge caused the CPI and all other measures examined to overestimate, not underestimate, the actual graduation rate. This suggests that all measures are currently overestimating graduation rates, and actual rates would likely prove even lower.

and 52% for Native Americans. In contrast, Whites graduated at a rate of 78%. When we consider graduation rates for minority males, the figures become even more alarming: 50.2% for Blacks, 54% for Latinos, and 46% for Native Americans.[8]

California Graduation Rates By Race and Gender

	All Students	Female	Male
California report using modified NCES	86.9		
California Students CPI	71.3	74.7	66.8
By Race/Ethnicity			
American Indian / AK Nat.	52.2	n/a	n/a
Asian/Pacific Islander	83.5	86.8	79.6
Latino	60.3	64.9	54.4
Black	56.6	60.2	50.2
White	77.8	80.2	74.6

Source: Christopher Swanson, Urban Institute

Dropouts in California at the District and School-Levels:

Although California's overall graduation rate has risen modestly since 1992, the rates remain quite low and the racial gaps pronounced. At the state level, a graduation gap of 30 percentage points separates the highest and lowest performing groups. Even larger gaps are found at the district and school levels. California's central city districts consistently graduated lower percentages than rural and suburban districts. This is consistent with research that shows that segregation and the percentage of minority students in a district has a strong relationship with low graduation rates.[9] Fewer than 2/3 of all students graduate from high school in central city districts and in communities that suffer from high levels of racial and socioeconomic segregation.   The following chart documents graduation rates for all racial subgroups in the ten largest districts. [10]

---

[8] See EPC Policy Bulletin: Who Graduates in California, Christopher Swanson, March 2005

[9] Christopher B. Swanson (2004.) *Who Graduates? Who Doesn't? A Statistical Portrait of Public High School Graduation. Class of 2001*. Washington, DC: The Urban Institute.
http://www.urban.org/url.cfm?ID=410934

[10] Chris Swanson, Urban Institute "Who Graduates in California", March 2005.

California's Ten Largest Districts

District	Enrollment	Largest R/E Group	% Minority	% FRL	Total	Nat. Am.	Asian	Hisp.	Black.	White.
					\ CPI Graduation Rates					
Los Angeles Usd	735,058	Latino	90.4	72..8	45.3	39.7	76.7	39.1	46.5	66.7
San Diego City Usd	141,599	Latino	73.4	61.4	63.8	60.0	81.2	49.2	52.0	77.5
Long Beach Usd	96,488	Latino	82.7	66.9	69.1	61.1	82.7	62.6	59.4	78.7
Fresno Usd	81,058	Latino	80.8	73.7	56.9	59.0	76.6	47.4	46.3	66.1
Santa Ana Usd	61,909	Latino	96.3	73.4	72.5	68.6	79.8	72.6	70.5	65.8
San Francisco Usd	58,566	Asian/PI	89.5	54.5	70.9	---	82.4	55.9	47.1	74.3
Oakland Usd	53,545	Black	94.3	51.5	47.8	33.8	67.5	42.8	42.0	52.1
Sacramento City Usd	53,418	Latino	76.6	63.1	52.6	48.3	73.5	41.3	38.2	55.0
San Bernardino City Usd	54,166	Latino	81.1	78.2	50.6	42.2	82.4	48.5	49.4	51.8
San Juan Usd	51,383	White	26.1	27.2	93.9	--	--	---	-	97.9

Calculating A School's Promotion Power

Researchers at Johns Hopkins University have developed a method for analyzing data on individual schools that brings the stark reality for children in underperforming high poverty districts into even sharper focus. Without even looking at diplomas, The Hopkins researchers, led by Professor Robert Balfanz, have developed a rubric for identifying high and low performing schools. Their analysis, like Swanson's, is based on enrollment data, but uses school level data to analyze the rate at which students are able to meet the requirements and pass from grade to grade. Schools with high percentages of successful passage are labeled as having "high promoting power." Conversely, schools that struggle to keep minority students in attendance and experience high rates of student attrition are deemed to have low promoting power. This research pinpoints California's "dropout factories" as well as schools that appear to be beating the odds of socio-economic and racial isolation by successfully promoting most of its students from 9th to 12th grade.

Some of the key findings based on Professor Balfanz's analysis include:

1. In California, Black and Latino students are 3 times more likely then White students to attend a high school where graduation is not the norm (i.e. promoting power of 60% or less). Overall 32% of Black and 31% of Latino students in California attend one of these high schools compared to only 8% of White students.
2. Black and Latino students are also only half as likely as White students to attend a high school where graduation is nearly a given (i.e. high schools with 90% promoting power). Overall only 10% of Black and 7% of Latino students attend these schools, compared to 20% of White students (and 25% of Asian).
3. Two-thirds of the high schools in California where graduation is not the norm (60% or less promoting power) have 40% or more of their students eligible for free or reduced price lunch. Yet, less then half of these schools receive Title 1 funding.
4. Eighty percent of the high schools in which graduation is nearly a given (90% or more promoting power) have fewer than 20% of their students eligible for free or reduced price lunches.
5. Racial isolation appears to increase the odds that minority children will attend a "dropout factory" for high school. Schools that are exclusively attended by minority students (90% or more minority) make up about half the high schools in which dropping out is the norm.

Schools That Beat The Odds

Nonetheless, there are schools that are beating the odds by graduating a higher than expected percentage of its students. The following table lists 15 schools in California where at least 40% of students qualify for free lunch, where 25% or more of students are Black or Latino, and where the average promoting power, averaged over three years (2000--2002), is at least 80%.

School Name:	Average Promoting Power
Polytechnic High – Long Beach	104%
Calexico High – Calexico Unified	95%
Alhambra High – Alhambra City High	94%
Northview High – Covina Valley Unified	91%
Gabrielino High – San Gabriel Unified	90%

32nd St USC Performing Arts – LA Unified   88%
Holtville High – Holtville Unified   87%
Bassett Senior High – Bassett Unified   87%
Southwest Senior High – Sweetwater Union High   86%
Jordan High – Long Beach   85%
Lincoln Senior High – San Diego Unified   85%
Jurupa Valley High – Jurupa Unified   85%
Southwest High – Central Union High   83%
Glenn High—Norwalk—La Mirada Unified   82%
 El Rancho High – El Rancho Unified   81%

Los Angeles: Overall Graduation Rate of Under 50%

Los Angeles Unified School District (LAUSD) is the state's largest school district, with an overall enrollment of 735,000, of which 90% are minority. Dr. Julie Mendoza of UC/ACCORD analyzed Los Angeles school level data and calculated graduation rates based on enrollment. To simplify the comparison, Dr. Mendoza combined Latino, Native American and Black students into one category. Her research reveals that only 48% of the minority students enrolled in 9th grade in the Fall of 1998 successfully completed high school in the district four years later. In a subsequent analysis, using LAUSD student identifier data, she found that most of the students who do not finish leave between grade 9 and grade 10. In LAUSD, where 71% of all students are Latino, the Latino attrition rates are particularly alarming. Just 41% of the district's 9th grade Latino students stay in school long enough to reach grade 12.

Top 15 LAUSD high schools ranked in descending order by GRAD COR for Latino, African American and American Indian students			
RANK	HS NAME	COR	GRADUATES
1	Los Angeles Center for Enriched Studies	100:79:71	79
2	Sherman Oaks	100:77:26	77
3	Eagle Rock	100:71:41	71
4	Bravo Medical Magnet	100:70:19	70
5	King/Drew Medical	100:70:70	70
6	Foshay Learning Center	100:68:64	68
7	Downtown Business	100:66:38	66
8	Marshall	100:65:16	65
9	Thirty-Second St. USC Performing Arts	100:64:64	64
10	Sylmar	100:62:28	62
11	Kennedy	100:60:15	60
12	Elizabeth Learning Center	100:59:23	59
13	Carson	100:58:29	58
14	Westchester	100:58:16	58
15	El Camino Real	100:58:16	58

Bottom 15 LAUSD high schools ranked in descending order by GRAD COR for Latino, African American and American Indian students			
44	Van Nuys	100:37:9	37
45	Franklin	100:37:12	37
46	Los Angeles	100:37:16	37
47	Canoga Park	100:36:8	36
48	Jordan	100:35:10	35
49	Locke	100:34:10	34
50	Garfield	100:34:16	34
51	Banning	100:33:6	33
52	Belmont	100:33:3	33
53	Fremont	100:32:16	32
54	Manual Arts	100:32:9	32
55	Lincoln	100:31:9	31
56	Jefferson	100:31:12	31
57	Verdugo Hills	100:29:11	29
58	Hollywood	100:26:3	26

Data Souce: Analysis based on UC/ACCORD's 2002 College Opportunity Ratio (COR)
www.ucaccord.org

The chart above shows the schools in LAUSD with the highest and lowest graduation rates for Black, Latino, and Native American students.

These estimates are based on California's Department of Education enrollment and school completion data. It is worth noting that for all the schools listed there are quite a few in the top twenty with high graduation rates but where few students have successfully completed the requirements to enroll in any of the state's four year public universities (the indicator is the last number in the series of three presented in the first column). It is important to note that none of the schools on the list have been studied or reviewed, and that none were asked to explain their numbers.

Only 1 in 5 Black or Latino students in LAUSD meet the state's four year public college bound criteria

Dr. Mendoza's research also examines LAUSD's students' readiness for college. Unfortunately, her findings are not encouraging. When the number of LAUSD Black and Latino youth who pass the "college preparatory curriculum" are examined, the data show that only 20% of the entering high school freshmen complete high school with the academic credentials needed to qualify for admissions to both the University of California and California State University systems. The economic implications of not being prepared for college are devastating.

Economic Implications of Dropping Out

The U.S. Census estimates that high school dropouts will earn $270,000 less than high school graduates over their working lives.[11] Census data also shows that the earning gap between high school graduates and dropouts has grown over the last two decades—in 1975, high school dropouts earned 90% as much as high school graduates; in 1999, high school dropouts earned only 70% as much.[12]

The negative impact of not graduating may be more severe for some minority groups. A 2002 Census Bureau report shows that the mean earnings of young adult Latinos who finish high school are 36% higher than those who drop out.[13] A 2003 report on the Chicago job market shows that more than half of young adult male African American dropouts in that city have no job at all. [14]

Professor Russell Rumberger, of the University of California at Santa Barbara, has estimated that the 66,657 students the State reported as dropouts from the California public schools in the 2002-03 will cost the state $14 billion in lost wages. The following chart below reflects the economic costs based on the official and understated dropout numbers provided by the State, which suggests that the actual costs may be much higher.

---

[11] Jennifer Cheeseman Day and Eric C. Newburger. *The big payoff: Educational attainment and synthetic estimates of work-life earnings* (Washington, D.C.: U.S. Census Bureau, 2002), Table 2.
[12] Ibid, p. 3.
[13] Ibid, Table 3.
[14] Center for Labor Market Studies, Northeastern University, *Youth Labor Market and Education Indicators for the State of Illinois* (Chicago: Alternative Schools Network, October 2003).

Social costs from one year's dropouts in California	
Number of dropouts (2002-03)	66,657
Reduced national and state income	$14 billion
Additional state prisoners	1,225
Incarceration costs	$73 million

Source: Dr. Russell Rumberger

Dropouts also cost the state in other ways – through higher crime and incarceration rates, increased welfare, and more dependence on public health care. Sixty-eight percent of all state prison inmates, for example, have not graduated high school. As Professor Rumberger's chart above indicates, when incarceration costs are considered, California's failure to graduate more students adds millions of dollars to the state's expenditures. Rumberger's estimates are based on a study conducted by a team of economists who found that, on average, high school graduation lowers the subsequent probability of incarceration for Whites by 0.76 percentage points, and for Blacks by 3.4 percentage points.[15] Declines hold true across all types of crime examined. Based on these crime reduction rates, the economists estimate that a 1% increase in the high school graduation rates would save the nation as much as $1.4 billion dollars each year in crime-related costs.[16]

Strengthening California's Educational Accountability Systems

Despite the tremendous costs that coincide with high dropout rates, current educational policies, such as high stakes tests for students and test-driven accountability for schools, appear to create unintended incentives for school officials to push out low achieving students. It is worth noting that the recent report by ETS showed graduation rates increasing in California and six other states while they declined in all other states. In the period for which the data

---

[15] Lance Lochner and Enrico Moretti, "The effect of education on crime: Evidence from prison, arrests, and self-reports," *American Economic Review* (2004) 94: 155-189, p. 173. Rumberger estimates that the reduction in Hispanic incarceration rates would be 2.0 percentage points, based on national estimates that show lifetime probabilities of incarceration at 3.4% for Whites, 10% for Hispanics, and 18.6% for Blacks. See: Thomas P. Bonczar. *Prevalence of Imprisonment in the U.S. Population, 1974-2001*. (Washington, D.C.: U.S. Department of Justice, 2003), Table 9.

[16] Ibid, Table 13.

was collected (1990-2000) and analyzed, none of the seven states showing improvement, like California, required that students pass an exit exam to receive a diploma.[17]

Congress took a first step in recognizing the national dropout crisis in 2001 by inserting graduation rate accountability into the *No Child Left Behind* (NCLB) Legislation, in part out of concern that the focus on testing alone could have unintended negative consequences. Unfortunately, the U.S. Department of Education has been lax about enforcing NCLB's reporting and accountability measures regarding graduation rates, while rigidly enforcing its testing accountability measures. An overemphasis on test-driven accountability, without the balance that graduation rate accountability provides, creates perverse incentives for school officials to "push out" low-performing students, and thus is likely to worsen the dropout crisis.

The concern about lax graduation rate accountability should be discussed within the context of the central element of the adequate-yearly-progress (AYP) provisions of NCLB. Under the law, states must demonstrate that, in every school and district, students are on track toward achieving 100% proficiency in reading and mathematics within twelve years (by 2014). To ensure that this goal will be met, states must monitor the progress of the districts, and districts their schools, on interim benchmarks.[18] If the school or district in question does not improve enough, and if mandated technical assistance does not help, further intervention is mandatory and includes a host of progressively severe sanctions and consequences.[19]

NCLB requires that racial and ethnic minorities, English-language learners, students with disabilities, and students from low-income families make adequate yearly progress as defined in the statute. If any of these groups does not meet the state's standards, the educational agency in question will not make adequate yearly progress and will face more severe sanctions. Although benefits should accrue from a sound multi-measure system of subgroup accountability for academic achievement, students in these groups, which are disproportionately

---

[17] *One Third of the Nation: Rising Dropout Rates and Declining Opportunities*, Report Released by ETS, available online at: www.ets.org/research.

[18] If a school or district fails to make adequate yearly progress (AYP) for two years in a row, it is flagged for technical assistance and "identified for improvement." See 20 U.S.C. § 6311(b)(1) (2002).

[19] See *id.* §§ 6311, 6317.

low achieving, are more likely to be pressured to leave when predetermined proficiency benchmarks, calibrated to meet the goal of 100% proficiency in twelve years, determine whether schools and districts are sanctioned.

California's "500 Year" Plan Does Very Little to Account for Low Graduation Rates:

California's apparently high 82.8% graduation rate standard is an illusion. For accountability, California is among the weakest of 39 "soft" states that set a graduation rate goal under requirements of the NCLB, but give an accountability "pass" to any school or district that falls below the goal, if they show "any improvement." In January of 2004, California reported that their goal for accountability was a 100% graduation rate. When a state official was asked to explain the system, he said that a school or district had to show any improvement from whatever its current graduation rate happened to be. In California, "any improvement" is defined as including even 1/10th of 1% growth over the prior year for accountability. When the official was told that it could take more than 500 years for a district like Los Angeles, (overall graduation rate of 45%) to meet the state's goal of 100% he replied, "In California, we're patient."

Since that time California has modified its goal to 82.8% and modified its system, but only slightly. As of February 2004, the new accountability system as explained on the State's website requires either a 1/10th of 1% increase, or an average of two tenths of 1% improvement over two years.[20] This change means little. Furthermore, California considers only the aggregate graduation rate for accountability purposes when determining AYP. This means that it does not consider the low graduation rates of any subgroup.[21] For example, African Americans in Sacramento could have their extremely low graduation rate (38.2%) slip to below 30%; it could remain there; and the district would never be deemed "needing improvement" so long as the rates of Latinos and other groups improved. Under California's accountability system, the unusually low graduation rates of minority groups can be ignored completely wherever the aggregate rate shows even 2/10th of 1% improvement over the prior two years.

---

[20] http://www.cde.ca.gov/ta/ac/ay/documents/implement.ppt

[21] There is a "safe harbor" where meeting the graduation rate goal for a minority subgroup can mitigate failing to make AYP based on missing the proficiency test score goal for that subgroup.

Many Californian Districts Would Fail AYP If They Employed the CPI Method

If a true floor of 66% (using CPI) were established for graduation rates, then only four of California's ten largest districts (Long Beach, Santa Ana, San Francisco, and San Juan) would make AYP if this floor was used in the aggregate. If this measure was required for all racial and ethnic subgroups, it appears that just one of the state's districts (Santa Ana) would make AYP with San Juan a question mark because of insufficient data. In contrast, under California's current system, it is estimated that fewer than 1% of all California's districts would fail to make AYP because of graduation rates that were too low.

Recommendations Regarding NCLB and Accountability

California should not settle for "any improvement" when looking at graduation rates. The absurdly low threshold required for schools and districts to achieve a second change, based on calculations that inflate the graduation rate, suggests that California is not serious about graduation rate accountability.

Until the single identifier system is functioning in California, the state should use CPI for both reporting and accountability purposes. For accountability purposes the state should set a clear floor and the floor should be calculated for major racial groups, not just students in the aggregate. Schools and districts should be given rewards for schools or districts falling below the floor but that make substantial and steady progress over a number of years toward the goal. The state should provide substantial technical assistance to struggling schools and districts, especially toward improving the rates for Latinos, Blacks and Native Americans. AYP sanctions should be reserved only for districts that consistently make little or no progress toward the goal.