HOW THE ESEA COULD HELP END THE GRADUATION RATE CRISIS

Only very recently, such as in the 2008 NCLB regulations, in the priorities of Race to the Top grant awards, and in the President's stated priorities for reauthorizing and increasing the budget for the ESEA,[1] has improving high school graduation rates for poor and minority students gained traction as a central goal. Moving forward, the ESEA must drop the near exclusive focus on test-score accountability at the school and district level[2], which can create perverse incentives for schools to encourage low scorers to drop out. Instead, equal emphasis must be placed on graduation rate accountability, with disaggregation for students of color and other subgroups, along with much stronger support for a variety of other helpful policies at the secondary level to ensure every child can graduate, college and career-ready.

The failure of high poverty schools to graduate Hispanics, Native Americans and African-Americans is acute: The percentages of students who fail to graduate are most severe among the economically disadvantaged, LEP students, and students with disabilities.[3] Minority students are statistically overrepresented in each of these groups. When graduation rate data are disaggregated by race and ethnicity, Blacks, Native Americans and Hispanics fare the worst with national rates hovering between 50 and 60 percent [4] The 2009 report "Cities in Crisis" covering the nation's 50 largest metropolitan areas showed an average graduation rate of 52.8 percent for the principal districts serving these cities, with 10 principal districts having rates of 45 percent or lower.[5]

Racially and socio-economically isolated schools and districts tend to have the lowest graduation rates. The majority of "dropout factory" schools with exceedingly low graduation rates serve minority students in urban and rural high-poverty school districts, often in racially isolated schools.[6] The negative impact of minority isolation on graduation rates remains--even after holding constant the effects of a variety of other school performance indicators. [7]

School policies and practices contribute to low graduation rates. Many school-controlled factors influence graduation rates significantly.[8] For example, changes in school structure, policies, and practices have increased the proportion of diplomas earned and reduced dropout rates substantially.[9] Likewise, large impersonal schools with few resources for remedial support, harsh discipline codes, and frequent suspensions and expulsions increase significantly the odds that struggling students will never graduate.[10] There are both educational and out-of-school causes for dropouts, and schools need resources to deal with them, along with greater collaboration with other agencies.

Economists report that boosting graduation rates would produce tremendous dividends, more productive communities, and lower social costs, and would especially benefit poor and minority families:[11] Non-graduates, who lose hundreds of thousands of dollars of lifetime earnings, are more likely to be unhealthy, unemployed or on welfare, and are far more likely to be incarcerated. [12]

Improving secondary education is the best antidote to juvenile delinquency: One study predicts that increasing high school graduation rates would decrease violent crime by 20 percent and drug and property crimes by more than 10 percent.[13] The economists calculated that each additional high school graduate yielded an average of $26,500 in lifetime cost savings to the public.[14]The Youth Promise Act, a well-supported Bill in the House and Senate, contains important investments that could improve school completion and reduce delinquency.

The potential of the ESEA to spur real growth in graduation rates has not been realized. In recent years, public awareness of the crisis in graduation rates has gained prominence in education reform discussions. Between 1995 and 2005 many large districts have somewhat improved their graduation rates.[15] However, 19 of the 50 largest urban districts witnessed an increase in dropouts during the same period.[16]

The ESEA should target supports for high schools with low graduation rates as well as the middle schools that feed into them. Researchers have noted that many indicators of future dropping out occur in middle school and include failing a core academic course, being retained at grade, or being suspended.[17] Efforts to improve high school outcomes should include supports for middle schools so that they can intervene or modify policies when high percentages of students display these early warning indicators of dropping out.

The requirements for accurate public reporting of "four year" graduation rates must be strengthened in the ESEA.[18] The longitudinal data work funded by the Race to the TOP should help to report more accurate graduation rates.[19] Even states that use longitudinal data systems, however, can artificially inflate graduation rates if their policies for counting and tracking students are not strict and transparent.[20] District report cards should include accurate graduation rate data disaggregated by gender and migrant status as well as the subgroups used for accountability purposes.[21] Further, annual reporting of a 4 year graduation rate for all subgroups is critical to ensure the integrity of graduation rate analysis across districts and over time, and should be codified in the statute, with enforcement provisions to ensure the reporting requirements are met.

In addition to 4 year graduation rates, high schools should be required to report on the number of 1st time 9th graders as distinguished from students repeating that grade. It is well established that repeating a grade is one of the leading indicators of dropping out. All high schools should be required to publicly and annually report the number of 1st time 9th graders as well as the number of students repeating grade 9, disaggregated by subgroups.[22] This data will help flag struggling high schools based on one year's worth of data, and will be especially important for use by states and districts that have not yet developed a reliable method for tracking graduation rates using longitudinal individual student identifiers.[23]

The 2008 regulations requiring sub-group accountability for graduation rates are too weak.[24] The regulations that maintained the practice of allowing states to set their own goals and benchmarks have a track record of lax accountability.[25] One 50 state survey, completed in 2004, found that the graduation rate accountability goal in most

states was nothing more than "any improvement."[26] Therefore, if, as the President has suggested, ESEA is to pursue graduating every student college and career-ready, this is one area where more prescriptive standards and benchmarks are sorely needed. Further, while a more reasonable and compensatory system should replace AYP, the new system should not neglect the need to improve the rates of the subgroups whose dismal graduation rates were ignored by the AYP system until the 2008 regulations.

Benchmarks for improvement in graduation rates should be based on research on what kind of yearly gains are achievable. Accountability should be contingent on school systems receiving funds for technical assistance and implementing research-based interventions. Many systems are in deep fiscal crises now, and launching anything new without funds is exceedingly difficult. Moreover, research indicates that school reform measures can take more than one or two years to generate substantial improvement in outcomes. As accountability for improving graduation rates is added, significantly more accountability credit should be provided to high schools that improve these rates by at least 2 percentage points per year. However, given the non-linear nature of school improvement, schools and districts should be allowed to demonstrate such gains as averaged over several years.[27]

Accountability measures should reward schools for ensuring that students who need more time, including previous dropouts and court-involved youth, all earn diplomas. The new accountability incentives should be aligned to keep students in school and also to reach out to those who have dropped out (and won't graduate with their four-year cohort). An effective system will provide incentives for schools and districts to support for those who need more time. Schools that are not designed on a traditional model and seek to help youth who have dropped out once already, or have been incarcerated, should be evaluated in light of the very special populations they serve.

High school policy should foster more diverse educational environments: When students from racially isolated schools have had an opportunity to attend more diverse schools, they tend to have higher graduation rates and are more likely to go on to college.[28] While more reasonable standards, incentives and rewards should spur better outcomes, in some cases closing or restructuring a failing school because of persistently low graduation rates will be necessary. Where failing schools were racially or socio-economically isolated, ESEA provisions should provide incentives to ensure that transfers or other school choice opportunities enable students to attend "high performing" and more diverse high schools.[29]

The ESEA should support the development and expansion of a variety of effective interventions. Decades of research on early childhood and basic skills training has paid dividends. Parallel work on ways to help students graduate is badly needed and has not been adequately funded.

---

[1] The President's recent 2011 budget request explicitly makes "graduating every student college and career-ready" a "key priority." Fiscal Year 2011 Budget Summary (February 1, 2010), available at http://www2.ed.gov/about/overview/budget/budget11/summary/edlite-section1.html

[2] Even where the ESEA added accountability for graduation rates, the language of the statute makes it clear that improvement on test-scores is of far greater importance. For example, Sec 111(b)(2)(I)(vi), which requires that high schools consider graduation rates in determining AYP, makes explicit that if the school is not already making AYP on state assessments, improving the graduation rates cannot change that determination. Even the exception to this rule, the "safe harbor" provision of the law, requires a combination of substantial improvement on test scores for members of the subgroup otherwise triggering AYP failure along with improvement on "other indicators" for that subgroup to qualify for reconsideration.
[3] D.R. Johnson, M.L. Thurlow, & K.E. Stout (2007). "Revisiting Graduation Requirements and Diploma Options for Youth with Disabilities: A National Study." Retrieved May 16, 2008, from http://cehd.umn.edu/NCEO/OnlinePubs/Tech49/TechReport49.pdf
[4] See e.g. Christopher B. Swanson, "Crisis in Cities: Closing the Graduation Gap," at 1 EPI (April, 2009). Available at www.edweek.org/media/cities_in_crisis2009.pdf.
[5] See Id. at p. 14 Table 4.2 "Graduation Rates for the Principal School Districts Serving the Nations's 50 Largest Cities" 2009.
[6] R. Balfanz (2009) "Can the American High School Become an Avenue of Advancement for All?" in C.E. Rouse & J. Kemple, eds. *America's High Schools, Future of Children* 19(1) 17-37. R. Balfanz, C. Alemedia, A. Steinberg, J. Santos, & J.H. Fox . *Graduating America: Meeting the Challenge of Low Graduation Rate High Schools* (Everyone Graduates Center and Jobs for the Future, 2009).
[7] 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).
[8] *See generally* Russell W. Rumberger, "Why Students Drop Out of School*,"* in *Dropouts In America: Confronting The Graduation Rate Crisis,* Gary Orfield ed., (Harvard Education Press, 2004). See also James McPartland & Will Jordan, "Essential Components of High School Dropout Prevention Reforms" (Presented at the Conference on Dropouts in America, Harvard University, January 13, 2001);
[9] This conclusion is based on research that accounted for contributing socio-economic factors. *See e.g.,* Valerie E. Lee & David T. Burkam, "Dropping Out of High School: The Role of School Organization and Structure," (Presented at the Conference on Dropouts in America, Harvard University, January 13, 2001).
[10] See e.g., Rumberger *supra* note 8; G. Orfield & M. Kornhaber, *Raising Standards or Raising Barriers: Inequality and High-Stakes Testing in Public Education* (New York: The Century Foundation Press, 2001).
[11] Henry Levin, Clive Belfield, Peter Muennig, & Cecilia Rouse, *The Costs and Benefits of an Excellent Education for America's Children,* Working Paper, Teachers College, Columbia University (2006). http://www.cbcse.org/pages/cost-benefit-studies.php.
[12] See e.g., "The Alliance for Excellence in Education, The Economic Benefits from Halving the Dropout Rate: A Boom to Businesses in the Nation's Largest Metropolitan Areas" (January 2010) (applies the city estimates from Swanson's report and estimates that reducing dropouts by 50% in our nation's largest cities, for just one cohort of high school students, would yield over $4 Billion total in increased earnings and other sizeable benefits further calculated at the district level.) available at http://www.all4ed.org/files/EcconBeneCityCardBooklet011210.pdf ; J. Heckman & P. LaFontaine, "The Declining American High School Graduation Rate: Evidence, Sources and Consequences". Retrieved May 16, 2008, from www.voxeu.org/index.php?q=node/930#%23
[13] Henry Levin, Clive Belfield, Peter Muennig, & Cecilia Rouse, "The Costs and Benefits of an Excellent Education for America's Children." Working Paper, Teachers College, Columbia University (2006). http://www.cbcse.org/pages/cost-benefit-studies.php. Crimes and arrests were considered in deriving the impact of education on the commission of specific crimes because crimes greatly exceed arrests. Data on specific crimes was taken from the annual Uniform Crime Report. *Id.* at 41.
[14] Levin, et al., *The Costs and Benefits of an Excellent Education for All of America's Children,* at 14, Table 9 (Columbia Teachers College, January 2007).
[15] See Swanson, Cities in Crisis, April 2009 (looking at trends between 1995-2005).
[16] Id at p. 15
[17] See e.g. Balfanz supra note 6; Rumberger supra note 8.
[18] Not until the recent regulations has there been a requirement of uniform graduation rate reporting using a reliable method for calculating the rates. For a history of the problems of reporting accurate rates see P. Kaufman, "The National Dropout Data Collection System: History and the Search for Consistency," in *Dropouts in America: Confronting the Graduation Rate Crisis*, Gary Orfield, ed. (Harvard Education Press, 2004).

[19] A recent report by the Data Quality Campaign suggests that, despite surveys demonstrating commitment by most states to track longitudinal outcomes using unique student identifiers, states are just beginning to implement these goals. "Only ten states are sharing individual progress reports with educators, and fewer than half of states provide reports to stakeholders using aggregate-level statistics." See Data Quality Campaign, Inaugural Overview of States' Actions to Leverage Data to Improve Student Success (2010) available at http://www.dataqualitycampaign.org/resources/846.

[20] D. Losen, R. Balfanz, & G. Orfield (2006) "Confronting the Graduation Rate Crisis in Texas". Available at www.civilrightsproject.ucla.edu/research/dropouts/texas_10-17-06.pdf

[21] The reporting requirements for state report cards Sec 1111 (h)(1)(C)(i)

[22] Because repeating a grade is a predictor of failing to graduate in four years, public reports that distinguish repeaters from first time members of a cohort used to calculate 4 year graduation rates would provide immediate feedback on the likely success of attempts to turn around existing schools and whether newly reconstituted schools were on track to meet graduation rate improvement goals.

[23] Thomas C. West, *Still a Freshmen: Examining the Prevalence and Characteristics of 9th Grade Retention in Six States* (Baltimore: Everyone Graduates Center, 2009). Even if repeaters are not explicitly reported, disaggregated data on 1st time 9th graders can be compared to enrollment demographics reported to the CCD annually. This cohort data, if reported publicly, will lend an important degree of transparency to education reform attempts, and allow the public and independent researchers to detect early any initiatives that may unintentionally reduce graduation rates.

[24] For a more complete summary of graduation rate reporting and accountability requirements in the ESEA see Daniel J. Losen, "Graduation Rates and Federal Policy*:* The Changing Landscape of Reporting *and* Accountability Since 2001" *Senior Education Law and Policy* **...** *www7.nationalacademies.org/.../Graduation%20Rates%20and%20Federal%20Policy%20-*

[25] Daniel Losen, "Graduation Rate Accountability under the No Child Left Behind Act and the Disparate Impact on Students of Color," in *Dropouts In America: Confronting The Graduation Rate Crisis*, Gary Orfield, ed. (Harvard Education Press, 2004).

[26] Id.

[27] In preparing testimony on the reauthorization in 2007, The Civil Rights Project met with several prominent researchers including those who work directly with schools and districts as well as those who study high school performance. The unpublished consensus was that, over several years, an average of 2.5 percentage points growth in graduation rates per year would be a reasonable expectation.

[28] Jonathan Guryan, "Desegregation and Black Dropout Rates," *American Economic Review* 94(4) (September 2004): 919-943; L. S. Rubinowitz & J. Rosenbaum, *Crossing the Class and Color Lines From Public Housing to White Suburbia* (Chicago, IL: University of Chicago Press*,* 2000); J. Rosenbaum, S. DeLuca, & T. Tuck, "New Capabilities in New Places: Low Income Black Families in Suburbia," in X. Briggs, ed., *The Geography of Opportunity: Race and Housing Choice in Metropolitan America* (Washington, D.C.: Brookings Institution, 2005).

[29] For example, some funds under Title V of the ESEA designated for improvement recently supported the New Haven Voluntary Public Schools Choice Program. The project expands efforts to provide students attending low–performing Title I schools with high-quality school choice options like inter and intra-district magnet schools, charter schools and a transfer program called Project Choice that has as an explicit goal of creating diverse and high-achieving schools. See U.S. Department of Education, Innovation and Improvement, Fiscal Year 2010 Budget Request at f-91 available at: http://www2.ed.gov/about/overview/budget/budget10/justifications/f-iandi.pdf