

SREB

Gaining Ground on High School Graduation Rates in SREB States:

Milestones and Guideposts

2009

Southern
Regional
Education
Board

www.sreb.org

CHALLENGE TO LEAD SERIES



This report was prepared by Matthew A. Lenard, research associate, and Joan M. Lord, vice president, Education Policies. It was edited by Alan Richard, director of communications, and Lisa Johnston, associate director of communications. It was designed by Leonard Wandu, graphic designer, and Lety Jones, senior designer and production manager.

It is part of the *Challenge to Lead* education goals series, directed by Joan Lord. For more information, e-mail joan.lord@sreb.org. *Goals for Education: Challenge to Lead* is available on the SREB Web site at www.sreb.org. A full listing of the goals, including reports on each goal, is printed on the inside back cover.

A Message from the President of SREB

Nearly five years ago, the Southern Regional Education Board published a sobering report called *Getting Serious About High School Graduation*. It alarmed many leaders in the 16 SREB states, showing that high school graduation rates were low in many SREB states — and slipping.

Today we present more encouraging news. Rates are up in 13 of the 16 SREB states over the last few years. Perhaps for the first time, Southern states overall are within reach of the national average graduation rate.

We also have more accurate measures of these rates, which can help states begin to solve the dropout problem more effectively. Signs of progress are emerging already.

But this is no time to celebrate. We lose more than one in four high school students in SREB states and nationally before they earn a diploma, and rates in states with sizeable gains in recent years are still too low. Our two states with the highest graduation rates based on federal data, Arkansas and Maryland, still do not graduate about one in five students on time. In some SREB states, close to 40 percent do not graduate on time. And rates just now are close to what they were in the early 1990s.

The seriousness of this issue should spur us into action. Our economic future depends in great part on helping more residents of SREB states reach higher levels of education. There simply is no good reason why determined states, armed with good information and effective policy-making, cannot raise graduation rates to record levels.



We must set higher goals for improving graduation rates at the state and local level, provide better help for schools that need it, and hold schools accountable for reaching their goals.

We lose more than one in four high school students in SREB states and nationally before they earn a diploma, and rates in states with sizeable gains in recent years are still too low.

Please examine this useful and informative report carefully. And don't miss the companion report, *The Next Generation of School Accountability: A Blueprint for Raising High School Achievement and Graduation Rates in SREB States*. That report builds on this one, urging SREB states to set the pace for more effective school accountability systems in this country.

We must set higher goals for improving graduation rates at the state and local level, provide better help for schools that need it, and hold schools accountable for reaching their goals. States that have aspired to such goals — Tennessee, for example — have seen some of the greatest improvements in graduation rates in the past several years.

Raising graduation rates may seem like a daunting task. But SREB states have built a tradition of facing our educational challenges and addressing them. This challenge will be no different, and we aim to meet it.

This report gives you the numbers you need to understand the dropout problem better than ever. Let it be a tool as we work toward tremendous improvement in our region in helping more students graduate from high school ready to succeed in college, careers and life.

A handwritten signature in black ink that reads "David S. Spence". The signature is written in a cursive style with a large, prominent 'D' and 'S'.

Dave Spence

Gaining Ground on High School Graduation Rates in SREB States:

Milestones and Guideposts

All young adults have a high school diploma — or, if not, pass the GED tests.

One of the SREB *Challenge to Lead* Goals for Education

Graduation rates in America's high schools dipped four years in a row in the early 1990s — and almost no one noticed for quite some time. More alarming, the graduation rate for the Southern Regional Education Board median states slipped six years in a row around the same time — and most policy-makers did not notice that drop either. Why? Because they did not have good ways to measure graduation rates state by state, regionally or nationally.

Researchers have created better ways to estimate graduation rates in recent years. These new methods show that **since 2000, graduation rates have risen significantly in both the nation and the 16-state SREB region**. But these gains have only brought the regional and national graduation rates back to where they were in the early 1990s. Still, at least one in four ninth-graders does not graduate from high school on time with their classmates.

Researchers also have developed new ways for states to monitor the progress of each high school class toward graduation. **Now, you and other policy-makers have the tools to evaluate your state's status and to know when to take action to help more students graduate.**

The last major SREB report on high school graduation rates told a different story. In 2005, *Getting Serious About High School Graduation* reported that not only were graduation rates low



Since 2000, graduation rates have risen significantly in both the nation and the 16-state SREB region. But these gains have only brought regional and national rates back to where they were in the early 1990s.

across the region and in many states — but they also were on a downward trend. Today, the trend has reversed. Policy-makers and education leaders have much more detailed information about student progress through high school. This information can help you develop policies that ensure more students stay in school and graduate.

The information shows where more work is needed. This is especially true in the region's most troubled high schools. Lower graduation rates of black and Hispanic students and of the region's males also need more attention. Dropouts remain one of the SREB region's most important challenges.

This report is a companion to *The Next Generation of School Accountability: A Blueprint for Raising High School Achievement and Graduation Rates in SREB States* (2009), available on SREB’s Web site. The companion report calls for SREB states to make both graduation rates and student

achievement important elements of their school accountability systems — and for states to set ambitious goals for raising both graduation rates and achievement in all schools. The key recommendations of this blueprint for change are highlighted in the conclusion of this report.



High school graduation rate calculations: A brief recap

The federal *No Child Left Behind Act of 2001* (*NCLB*) requires states to report graduation rates every year and calls for annual improvements. It sets some general requirements for how states should measure graduation rates. For example, graduates must finish “with a regular diploma in the standard number of years.” The law does not, however, stipulate the specific calculation to be used.

Soon after *NCLB* was implemented, various researchers, including those at the Manhattan Institute and Urban Institute, drew national attention when they developed graduation rates that estimated the percentage of a ninth-grade “cohort” — or group — that finished high school four years later. The National Center for Education Statistics (NCES) began studying these rates in 2003 to determine the ones most useful in gauging state progress. Soon after, it began reporting a new cohort-based calculation — the **averaged freshman graduation rate**. (See Box 1 on Page 4.)

Yet states continued to calculate graduation rates in their own ways and to report those rates to the U.S. Department of Education (USDOE) as required by *NCLB*. Some states drew on information from comprehensive statewide student data systems to refine their calculations, while other states still were building these systems. Some states changed their rates after the first year or two of reporting under the new federal law; others did not. Researchers continued to report their own rates for states. In the end, policy-makers often were confused by the widely varying estimated rates.



In 2006, the National Center for Education Statistics concluded that the best available estimated rate at that time was the averaged freshman graduation rate.

In 2005, all 50 of the nation’s governors signed a National Governors Association (NGA) compact, committing states to work toward using a common, cohort-based graduation rate and to develop the data systems needed to calculate the rate. The same year, a federal task force recommended that states adopt a consistent rate, called a “cohort graduation indicator,” that was similar to the NGA rate.

Then NCES concluded in 2006 that the best available estimated rate was the averaged freshman graduation rate (AFGR). It reflects the proportion of ninth-graders who graduate from high school in four years. For states with strong data systems, a cohort-based rate also can take into account any students who transferred into high school or left for any reason.

Since 2005, many SREB states have switched to cohort-based rates in reporting graduation rates to the USDOE and to the public. Some have continued to use the same graduation rate calculations they have used since *NCLB* took effect, reluctant to replace their long-standing

reporting practices until they implement new student data systems. **But in 2008, the USDOE announced it would require all states to use a cohort-rate calculation by 2011.** This rate, similar to the ones recommended by the NGA and NCES, will require states to have in place robust data systems to enable them to replace estimates of ninth-grade enrollment with actual counts in 2011.

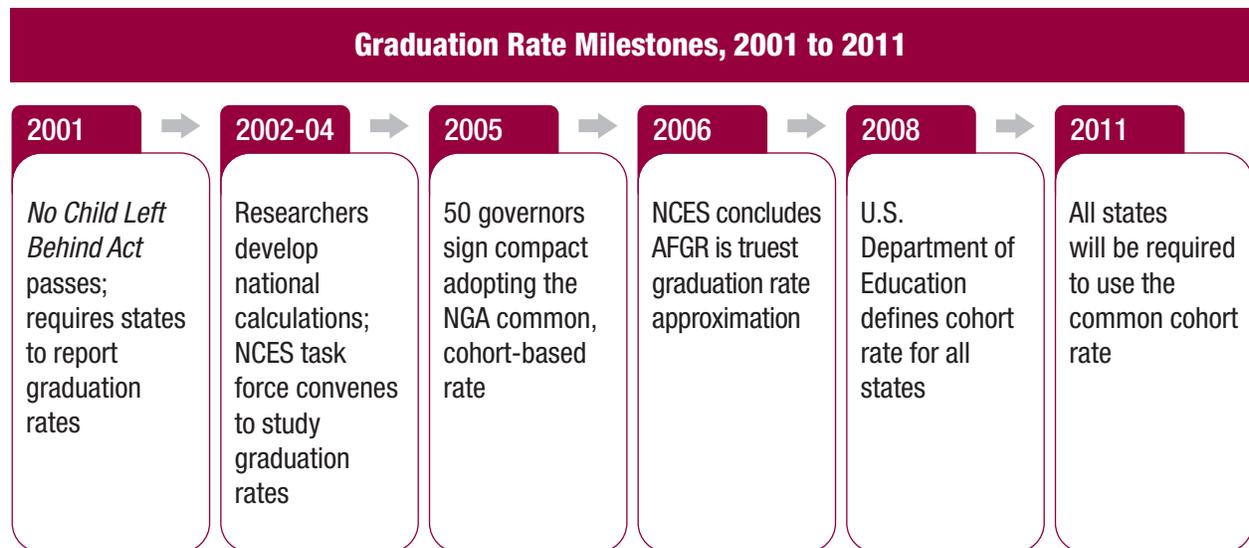
Until 2011, two other types of graduation rates will remain in use. **Leaver rates** compare the number of students who leave high school with a diploma to the number of all students who leave for any reason, including dropouts. Leaver rates often overstate graduation rates. They rely on local officials distinguishing between dropouts and transfers, and then accurately counting dropouts, who can be difficult to track.

The **Cumulative Promotion Index (CPI)** estimates graduation rates by measuring the cumulative progression of students from the ninth through the 12th grade, including seniors who

graduate. The CPI is used by *Education Week* in its annual *Diplomas Count* report and is cited widely in the news media. The CPI is particularly useful because of its rates for various groups within the general cohort, including racial and ethnic groups and males and females.

Until 2011, when all states are required to report rates the same way, how can you and other policy-makers assess your state's progress on graduation rates?

- Some states have used the same calculation for years. Even though the calculation may not be ideal, as long as you as a policy-maker understand what it does measure, it can provide you with an important picture of progress over time.
- You can refer to the NCES averaged freshman graduation rate or to *Education Week's* CPI. These rates are calculated for all 50 states. They can serve as national benchmarks until all states are required to use the new federal measure.



Definitions of Current High School Graduation Rates

National Four-Year Adjusted Cohort Rate:

All states are required to report rates using this calculation to comply with *NCLB* by 2011. Developed by the USDOE, it accounts for transfers and is similar to the graduation rate adopted by the National Governors Association in 2005. It offers comparability across states, ensures that states set aggressive graduation goals, and holds schools accountable for graduating students from all groups. States have the option of calculating a five-year rate for students who take longer than four years to graduate.

**Number of Students Who Graduate in
Four Years with a Regular Diploma
(not including GED credential, certificate of
attendance, or alternative credentials)**

+

**Number of Students Entering
High School Four Years Earlier**

+

Students Entering the Cohort

-

Students Who Leave the Cohort, Die or Emigrate

Averaged Freshman Graduation Rate (AFGR):

This rate, reported by NCES, is based on enrollment and graduation counts. The calculation divides the number of diploma recipients by the estimated first-time, ninth-grade class size from four years earlier. By averaging eighth-, ninth-, and 10th-grade enrollments, the AFGR accounts for the “ninth-grade bulge” (an increase in ninth-grade enrollment caused by high levels of failure in the ninth grade) and thereby estimates the number of first-time ninth-graders. The AFGR does not account for transfers. The AFGR is a commonly used *cohort-based* graduation rate; some states use it — or one similar — for reporting rates to the USDOE under *NCLB*.

**Number of Students Who Graduate
with a Regular Diploma**

+

**Estimated First-time 9th-grade
Enrollment for the Group
(derived by averaging 8th-, 9th- and
10th-grade enrollments for the group)**

Leaver Rate:

This rate estimates completion by dividing the number of students leaving high school because they received *some* credential by the number of students from the group who left for *any* reason. This rate varies from state to state in those that report it, because different states count different credentials of interest in the numerator and different reasons for leaving in the denominator (including graduation, dropping out, transfer, death and incarceration). States are permitted to report graduation rates using this calculation under *NCLB* until 2011.

**Students Departing High School
with a Specified Credential**

+

All Students from the Group Departing High School

Cumulative Promotion Index (CPI):

This *progression rate*, developed by Chris Swanson when he was at the Urban Institute, estimates school, district or state graduation rates using enrollment counts for each grade, plus counts for total diploma recipients. It measures the probability that students will graduate in four years by estimating the progress of students from grade to grade. The rate is used by *Education Week* for its annual *Diplomas Count* report.

(% of 9th-Graders Promoted)

x

(% of 10th-Graders Promoted)

x

(% of 11th-Graders Promoted)

x

(% of 12th-Graders Graduating)

Sources: U.S. Department of Education, National Center for Education Statistics and *Education Week*.

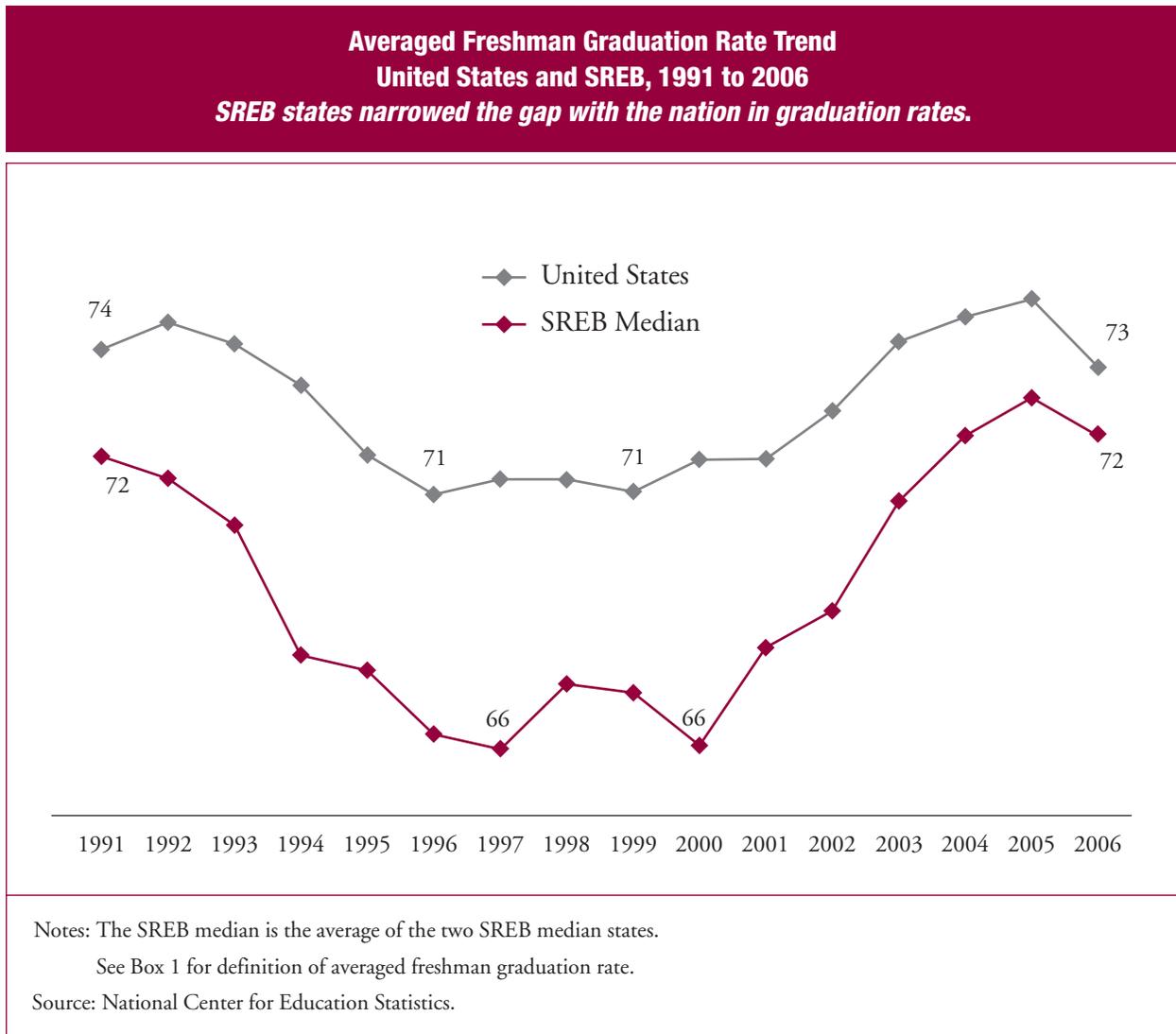
Region raises graduation rate, narrows gap with nation: The good news is that since 2000, the high school graduation rate in the SREB median states not only has risen, but it also nearly has caught up to the national rate. In 2006, the gap was the smallest since 1991, at 1 percentage point. (See Figure 1.) The Cumulative Promotion Index (CPI) also shows the region narrowing the gap: In 2006, the 3 percentage-point gap was the smallest in a decade.

The graduation rates in a few SREB states consistently exceeded the national rate, yet the

SREB median rate has trailed the national rate at least since 1991, when the averaged freshman graduation rates (AFGR) were first calculated for all states. The AFGR showed that the region trailed the nation by wide and growing margins for most of the 1990s. In 2000, when the gap between the region and nation was widest — more than 5 percentage points — both rates began to rise.

The disappointing news is that both the national AFGR and CPI and the regional AFGR dipped in 2006 — the first decline in the AFGR since 2000.

Figure 1

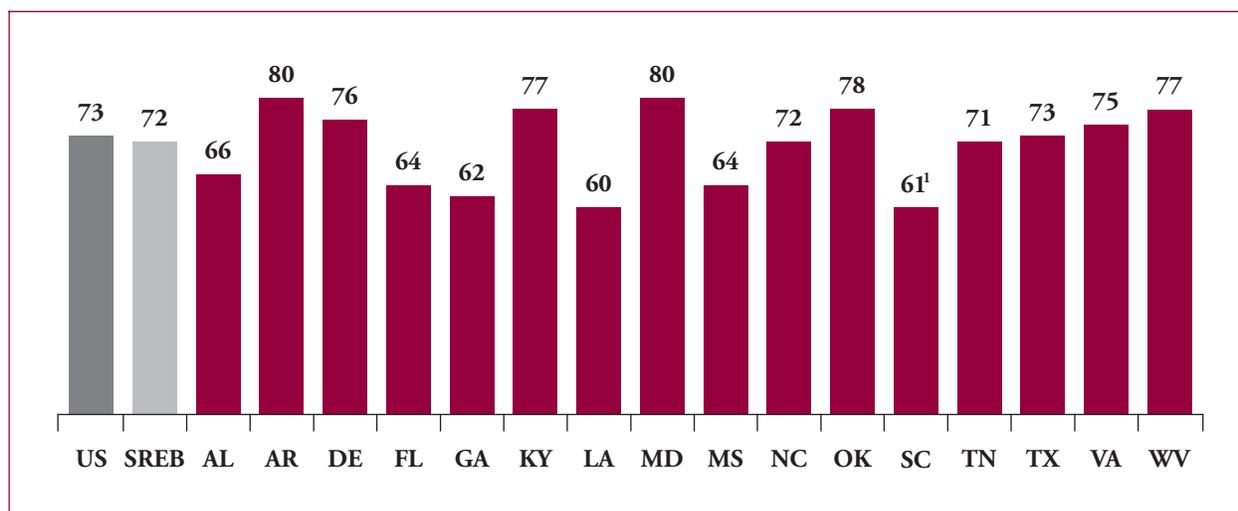


The SREB region and most states are gaining ground: SREB states have made dramatic gains in graduation rates and in narrowing the gap with the nation. From 1996 to 2006, the SREB median states raised their graduation rates by nearly 6 percentage points — more than twice the national rate of growth.

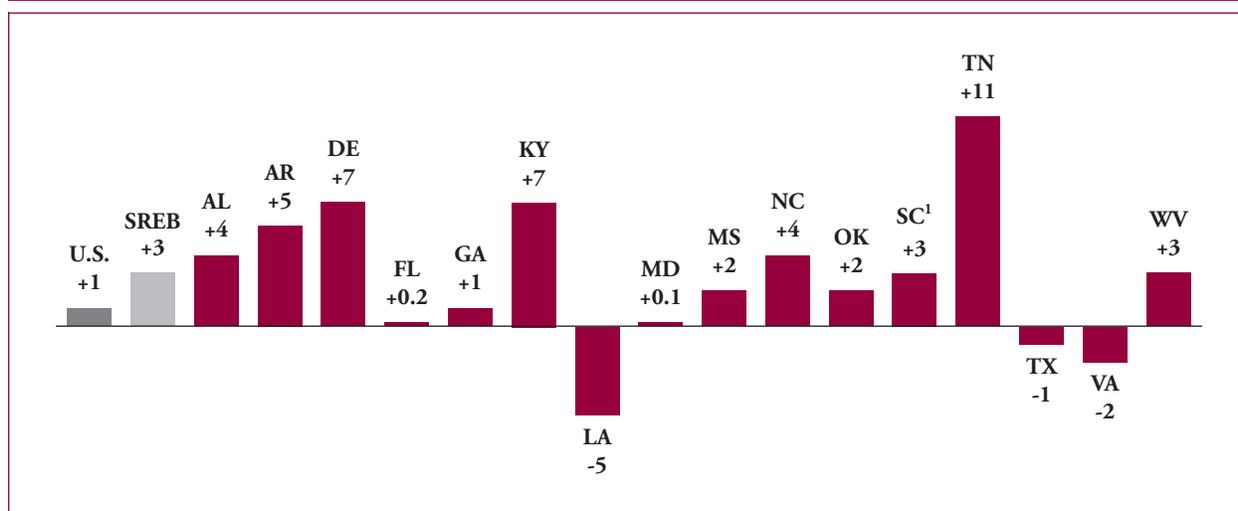
From 2002 to 2006, this growth was particularly strong: More than half of SREB states, led by Tennessee, outpaced the national rate of growth. Half of the 12 states nationwide with the most growth were SREB states: Alabama, Arkansas, Delaware, Kentucky, North Carolina and Tennessee. (See Figure 2b.)

Figures 2a and 2b

Averaged Freshman Graduation Rates in SREB States, 2006
Half of SREB states met or exceeded the national graduation rate.



Most SREB states gained in percent of students getting on-time diplomas, 2002 to 2006.



Note: SREB is the average of the two SREB median states.

¹ South Carolina's 2006 rate is based on estimated high school graduates from NCES 2008-078, *Projection of Education Statistics to 2017*.

Source: National Center for Education Statistics.

Seven SREB states had higher graduation rates, based on the AFGR, than the nation in 2006. Five of these were states that had consistently exceeded national rates from 1996 to 2006: Arkansas, Maryland, Oklahoma, Virginia and West Virginia. Delaware's rate exceeded the

national rate in 2006, the first time since 1998. Kentucky's rate exceeded the national rate in 2005 and 2006. Texas had rates that surpassed national rates in recent years, but not in 2006. (See Table 1 and Appendix A.)

Table 1

High School Graduation Rates in SREB States, 2006
Graduation rates varied depending on the calculation used.

	Averaged Freshman Graduation Rate ¹	Cumulative Promotion Index ¹	State-Reported Graduation Rates
United States	73	69	Not Applicable
SREB Median	72	66	— ²
Alabama	66	61	82 ³
Arkansas	80	72	83 ⁴
Delaware	76	66	84 ³
Florida	64	58	68 ⁵
Georgia	62	56	72 ³
Kentucky	77	72	83 ³
Louisiana	60	62	65 ⁵
Maryland	80	74	85 ³
Mississippi	64	61	87 ⁵
North Carolina	72	63	70 ⁵
Oklahoma	78	71	85 ³
South Carolina	61 ⁶	66	74 ⁵
Tennessee	71	70	81 ³
Texas	73	65	80 ⁵
Virginia	75	69	79 ³
West Virginia	77	72	85 ³

Notes: The SREB median is the average of the two SREB median states.

State rates that exceed the national rate are shown in **bold**.

¹ See Box 1 for definitions of the terms shown.

² Because individual state rates are not calculated the same way, it is not appropriate to report an SREB median rate.

³ These states reported graduation rates to the USDOE using a **lever rate**.

⁴ Arkansas reported graduation rates to the USDOE using a persistence rate based on dropout and completion data. Since 2006, it also has calculated a cohort graduation rate in anticipation of changing its rate.

⁵ These states reported graduation rates to the USDOE using a **cohort rate**.

⁶ South Carolina's 2006 rate is based on estimated high school graduates from NCES 2008-078, *Projection of Education Statistics to 2017*.

Sources: National Center for Education Statistics, *Education Week's Diplomas Count 2009*, and state departments of education as reported to the USDOE.

New measures help gauge progress: A 2009 study by Johns Hopkins University’s Everyone Graduates Center examined the AFGR in the 12 states that had the greatest gains nationally from 2002 to 2006. The study focused on student progression through high school, using measures of **promoting power** and the percentage of **seniors to graduates**, to study the gains. In schools with strong promoting power, 90 percent or more of ninth-graders make it to their senior year on time; in schools with weak promoting power, 60 percent or fewer do. The seniors-to-graduates ratio measures the percentage of seniors who earn a regular diploma at the end of the school year. It indicates the ability of schools to ensure that students enter the senior year nearly ready to graduate. States with high ratios have many seniors with sufficient credits to graduate by the next spring and with the knowledge and skills to pass required graduation tests. *The six SREB states in the Johns Hopkins study — Alabama, Arkansas,*

Delaware, Kentucky, North Carolina and Tennessee — led the nation in the growth rates on these two measures over the period. (See Table 2 and Boxes 2-4.)

These six SREB states increased their overall promoting power and seniors-to-graduates ratios over the period. All but two of them also increased the number of strong promoting-power schools and decreased the number of weak promoting-power schools.

Tennessee was the only SREB state to increase the percentage of students attending strong promoting-power schools and decrease the percentage attending weak ones at better rates than the nation. Arkansas and Delaware were among the best in the nation in gains in the percentage of students attending strong promoting-power schools. Alabama, Kentucky and North Carolina were national leaders in decreasing the percentage of students attending weak promoting-power schools.

Table 2

Intermediate Measures of Graduation Rate Growth in SREB States, 2002 to 2006 <i>SREB states with big rate increases saw growth on several important measures.</i>							
Measures from the Johns Hopkins Study ¹	U.S.	AL	AR	DE	KY	NC	TN
AFGR: <i>Percentage-point gain</i>	0.4	4	5	7	7	4	11
Promoting power: <i>Percentage-point gain</i>	0.4	2	1	5	7	6	4
Seniors to graduates: <i>Percentage-point change</i>	-3.1	4	5	4	.4	-2	10
Strong promoting-power high schools: <i>Gain in number of schools</i>	2,008	15	50	4	12	25	38
Strong promoting-power high schools: <i>Percentage-point gain in students</i>	10	3	17	12	4	6	11
Weak promoting-power high schools: <i>Change in number of schools</i>	-184	-30	0	2	-26	-26	-22
Weak promoting-power high schools: <i>Percentage-point change in students</i>	-4	-10	0	-3	-11	-12	-6

Note: States exceeding the national rate of growth are shown in **bold**. Applies only to percentages.

¹ AFGR refers to the NCES **averaged freshman graduation rate**. **Promoting power** means the percentage of ninth-graders who progress to 12th grade in three years. **Seniors to graduates** means the percentage of seniors who earn a regular diploma at the end of the school year. Schools with **strong promoting power** get 90 percent or more of ninth-graders to the senior year in three years; schools with **weak promoting power** get 60 percent or less of ninth-graders to the senior year.

Source: Johns Hopkins University.

Just as it is important to study states that make impressive year-to-year gains in graduation rates, it also is important to examine how states with *consistently* high rates over longer periods of time have been successful.

Arkansas, Maryland, Oklahoma, Virginia and West Virginia were the only SREB states that had graduation rates that met or exceeded the national rate *every year* from 1996 to 2006. (See Box 3 and Appendix A.) Yet even these states can use promoting power, the seniors-to-graduates ratio, and a third measure — the ninth-grade enrollment bulge — to identify specific points throughout the

high school pipeline for improvement. The **ninth-grade bulge** shows the increase in enrollment in ninth grade that happens in most states because too many freshmen fail their courses and are not promoted to 10th grade. In spite of having graduation rates that exceeded national rates:

- **Maryland** and **Virginia** had ninth-grade enrollment bulges larger than the national average in 2006.
- **Virginia** and **West Virginia** ranked low nationally in helping seniors graduate.

Box 2

What explains Tennessee's largest graduation rate increase in the nation from 2002 to 2006? Programs, policies and a serious goal: a 90 percent graduation rate by 2014.

Tennessee **led the nation** in increasing its graduation rate (AFGR) from 2002 to 2006. The state also more than doubled the rate of growth in all states except for Delaware, Kentucky and New York. Tennessee Department of Education officials reported that several factors contributed to the growth:

- Tennessee's *feeder-to-receiver initiative* — launched in 2002 as part of the Tennessee School Improvement Planning Process (TSIPP) — uses adult mentors and academic coaches to help students succeed as they move from the eighth to ninth grade.
- About half of Tennessee's approximately 400 high schools also have freshman academies, which provide students with small and more focused learning environments.
- A 2001 driver's license law requires that students ages 15 to 18 meet compulsory attendance requirements and make "satisfactory academic progress" or have their driving privileges suspended until they return to school or improve their grades.

Leadership at the district and school levels has made these programs and policies particularly effective in some areas of the state. Particularly strong gains in the Memphis City Schools (the state's largest district) and the Hamilton County Schools (based in Chattanooga) have been attributed to local leaders who implemented the ninth-grade transition program and freshman academies effectively. They also worked closely with public safety officials to implement the driver's license law.

Tennessee was one of the few SREB states to set a high goal under *NCLB* for high school graduation rates. Most states set graduation-rate goals based on small, incremental improvements each year, but Tennessee's goal is 90 percent. Schools with lower initial graduation rates were required to make larger incremental gains through 2014. Thus, school and district leaders made the goals part of their local TSIPP plans and helped their schools move toward them. Tennessee, like most other SREB states, still has not reached its high school graduation target, but sustained growth from 2002 to 2006 makes it within reach.

Sources: National Center for Education Statistics and the Tennessee Department of Education.

- All five SREB states ranked in the bottom half of all states nationwide in promoting power.

Each state should analyze its policies and programs to determine why students fall behind or drop out at specific points in high school. For

example, state leaders and policy-makers should know the percentages of students meeting grade-level curriculum requirements each year to determine students' readiness for the next grade at each stage of high school.

Table 3

Graduation Success Indicators in SREB States, 2006
SREB states can pinpoint problems by studying hurdles revealed by various measures.

Measures ¹	Ninth-Grade Bulge [U.S. Rank]	Promoting Power [U.S. Rank]	Seniors-to-Graduates Ratio [U.S. Rank]	AFGR [U.S. Rank]
United States	113	78	88	73
SREB	114	70	91	72 ²
Alabama	110 [27]	71 [39]	87 [36]	66 [43]
Arkansas	104 [4]	81 [27]	98 [3]	80 [13]
Delaware	111 [29]	73 [38]	96 [5]	76 [26]
Florida	117 [43]	63 [48]	85 [39]	64 [45]
Georgia	119 [45]	67 [45]	84 [40]	62 [46]
Kentucky	113 [35]	73 [37]	98 [2]	77 [22]
Louisiana	— ³	64 [47]	91 [25]	60 [47]
Maryland	115 [40]	79 [30]	95 [9]	80 [16]
Mississippi	105 [8]	67 [44]	90 [29]	64 [44]
North Carolina	117 [41]	70 [40]	93 [15]	72 [36]
Oklahoma	106 [10]	78 [32]	96 [6]	78 [21]
South Carolina	117 [42]	61 [50]	87 ⁴	61 ⁴ [48]
Tennessee	111 [31]	76 [34]	89 [33]	71 [37]
Texas	120 [47]	69 [42]	94 [11]	73 [35]
Virginia	114 [36]	78 [33]	88 [35]	75 [30]
West Virginia	109 [25]	78 [31]	93 [18]	77 [25]

Notes: States performing at or better than the U.S. rate are shown in **bold**.

Rankings for seniors-to-graduates ratio and AFGR are for 48 states. Pennsylvania and South Carolina are excluded from rankings because they did not supply data to the USDOE for 2006.

¹ **Ninth-grade bulge** is the ratio of ninth-grade to eighth-grade enrollment. **Promoting power** is the percentage of ninth-graders who progress to 12th grade in three years. The **seniors-to-graduates ratio** is the percentage of enrolling seniors who earn a regular diploma at the end of the school year. **AFGR** is the averaged freshman graduation rate.

² AFGR reported for SREB is the average of the two SREB median states. All other “SREB” data indicate the percentage for SREB states.

³ Louisiana did not have a ninth-grade enrollment bulge in 2006 because of Hurricanes Katrina and Rita.

⁴ South Carolina’s seniors-to-graduates ratio is not available for 2006 because data were not reported to the USDOE. The rate reported is the average of 2003, 2004 and 2005. National rank is not reported. The AFGR is based on estimated high school graduates.

Source: National Center for Education Statistics.

Explaining Arkansas's Consistently High Graduation Rate *Arkansas has high marks across all graduation success indicators.*

Arkansas's high school graduation rate has met or exceeded the national average every year since at least 1991. It was one of several states in the nation in 2006 to achieve at least an 80 percent graduation rate, federal data show. The state achieved this success by paying particular attention to students' preparation for high school and to how they moved through the high school pipeline.

The state has one of the lowest ninth-grade enrollment bulges in the nation, which means that more eighth-graders successfully transition into high school and fewer ninth-graders are held back. Arkansas's ninth-graders moved through high school to the 12th grade at a rate higher than in all other SREB states. And high school seniors in Arkansas received diplomas at the end of the year at the nation's third-highest rate.

Arkansas Department of Education officials point to their state's flexible statewide accountability system as one reason for the higher rates. The state's underperforming schools can set a school accountability indicator based on their specific circumstances. In this way, schools can improve faster than they would if the accountability system treated them the same way. The Department also points to particular local strategies and strong performance in select districts that have led to high graduation rates:

- In 1999, Arkansas identified high schools with the highest dropout rates and helped local school leaders expand their skills and capacity to improve their schools. Dropout rates fell in all but a few of the more than 30 high schools targeted.
- The state has long provided students with supplemental services to help them catch up on or improve their academic skills. These include flexible remediation hours, twilight programs and double-block classes.

Research suggests that students in small high schools are more likely to graduate. Arkansas has a large proportion — about one-third — of small high schools, which NCES counts as those schools with fewer than 300 students enrolled. The state's secondary school average enrollment is among the smallest in the nation, with an average of fewer than 500 students per school.

Arkansas has developed 24 secondary technical centers, offering more than 50 unique occupational and technical programs. These centers are administered by the Arkansas Department of Workforce Education in partnership with public high schools, regional education service cooperatives and two-year colleges. Students earn career credits for high school graduation and may receive technical college credit at these centers.

Sources: National Center for Education Statistics, Arkansas Department of Education and the Arkansas Department of Workforce Education.

Black and Hispanic students in SREB states narrow gaps with peers nationwide, but trail white students

Education Week's Cumulative Promotion Index (CPI) for 2006 shows that black students in SREB states graduated from high school at substantially higher rates than their peers nationwide and that Hispanic students in the

region kept pace with their peers. Black students in Arkansas, Maryland and West Virginia had graduation rates at least 10 percentage points higher than their counterparts nationwide. Hispanic students in Louisiana and Maryland did the same. In Arkansas, Maryland, Oklahoma, Texas and Virginia, both black and Hispanic students surpassed their national peers. (See Appendix B.)

While black and Hispanic students in many SREB states fare well when compared with their peers nationally, the disappointing news is that these students still graduate at considerably lower rates than white students. In the 15 SREB states that reported graduation rates for black students to the federal government (all but South Carolina), their rates trailed white students' rates by wide margins — 16 percentage points in the SREB median states. In the 13 SREB states that reported Hispanic students' graduation rates, the rates trailed those of white students by a similar margin. (See Figure 3.)

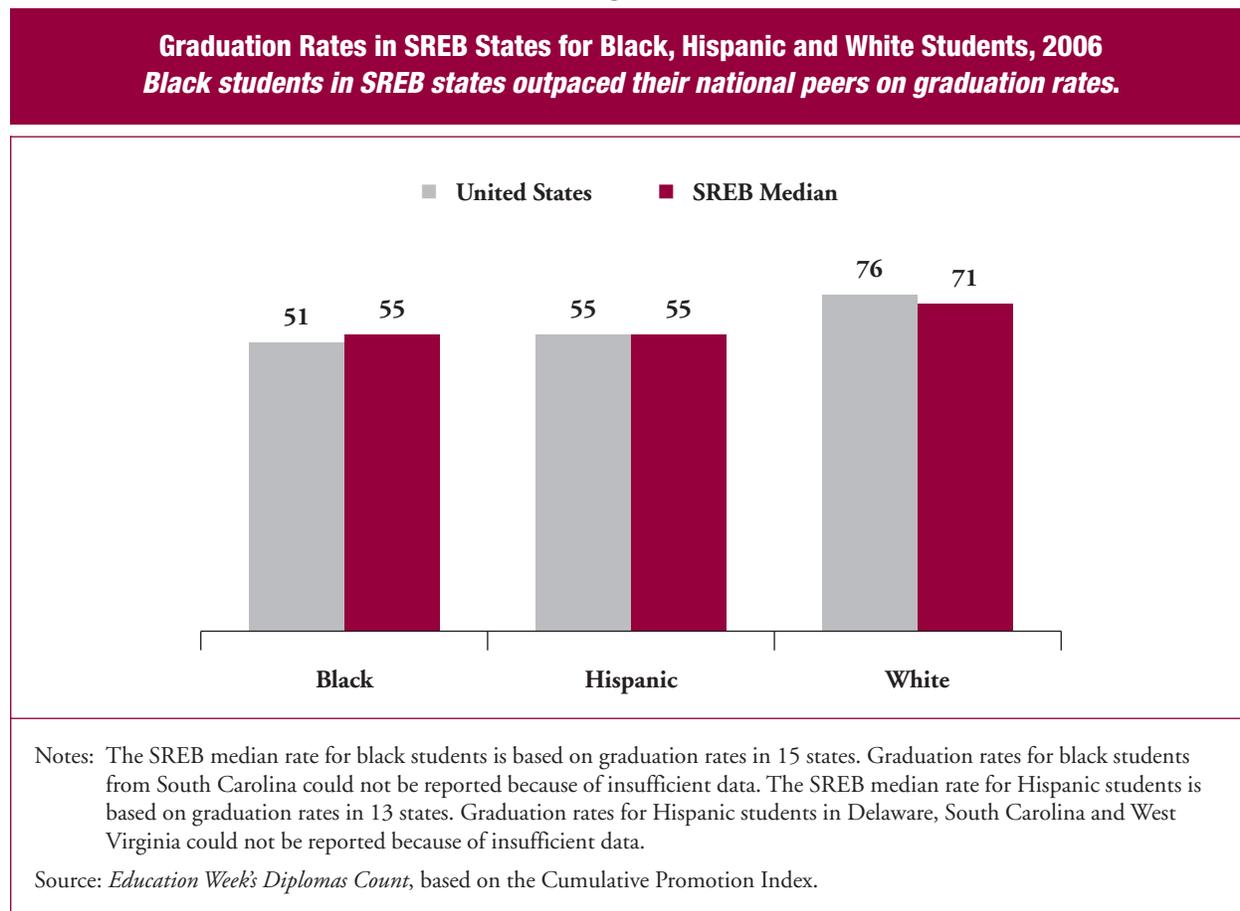
Education Week's CPI for 2006 also shows that both male and female students in SREB states graduate at lower rates than their counterparts nationwide. (See Figure 4.) The gap between females in the SREB median states and the nation was about 1 percentage point. For males, the gap

was 3 points. Also, the gap between males and females was wider in SREB states — 9 percentage points — than in the nation, which had a 7-point gap.

Although black males in SREB states graduate at rates similar to their peers nationwide, their rates in the region trailed black females by 16 percentage points. In contrast, Hispanic males trailed Hispanic females by 7 points, and white males trailed white females by 6 points in SREB states. (See Figure 5.)

Among SREB states with available data, only Maryland graduated black, Hispanic and white students — both male and female — at higher rates than the nation. Black and Hispanic students, as well as both male and female students in Texas and Virginia, also graduated at rates higher than their national counterparts.

Figure 3



**What explains Delaware's growth in graduation rates in recent years?
*Delaware is better than most states at ensuring seniors become graduates.***

From 1996 to 2006, Delaware's graduation rate often trailed the national average. Yet from 2002 to 2006, Delaware experienced the second-largest graduation rate increase in the nation, behind only Tennessee. (See Box 2.) And in 2006, the state had its highest graduation rate of the decade. What accounts for this impressive growth?

Researcher Robert Balfanz of Johns Hopkins University credits Delaware with increasing schools' promoting power (the percentage of ninth-graders who reach the senior year on time) and the percentage of seniors who graduate. (See Table 2.) Indeed, Delaware had one of the nation's most improved promoting power rates. From 1997 to 2006, Delaware met or exceeded the national seniors-to-graduates ratio each year. From 2002 to 2006, Delaware had the third-best rate of improvement on the ratio in the nation, and the fifth-best ratio in 2006.

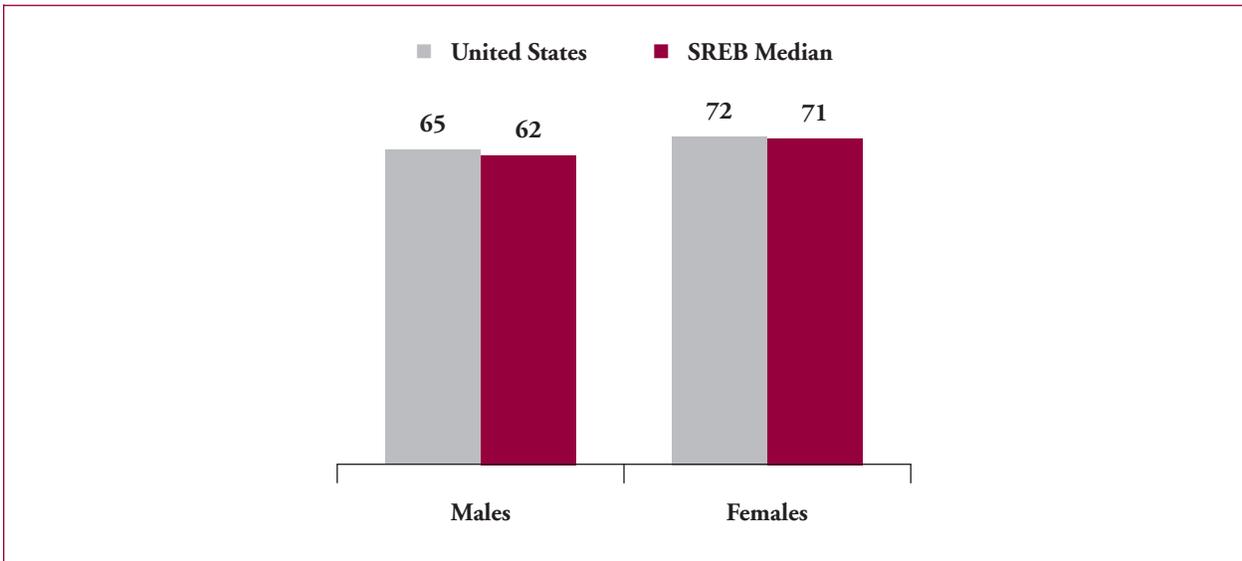
Some large Delaware high schools have improved promoting power in recent years. One large high school that had been labeled a "dropout factory" in 2006 raised itself out of that category because it improved its promoting power. Another school had notable improvements. A 2009 University of Delaware study identified the state policies and practices that helped improve graduation rates in three high schools. The study concluded that:

- all three schools gave struggling students extra instructional time in smaller classes *during* the school day. Students requiring remediation were assigned to freshman seminars for extra math help in one school and an entire extra math class in the two others.
- two schools instituted freshman-transition programs that included special orientation activities in the week before school started. These extra days provided opportunities for students to meet their teachers, tour the school and more.
- two schools used online credit-recovery courses called "twilight programs." Students who needed credits in core academic courses attended the program a few times each week, helping more of them graduate on time.

Sources: National Center for Education Statistics, University of Delaware and Johns Hopkins University.

Figure 4

Male and Female Graduation Rates in SREB States, 2006
More females than males completed high school — in both the nation and region.

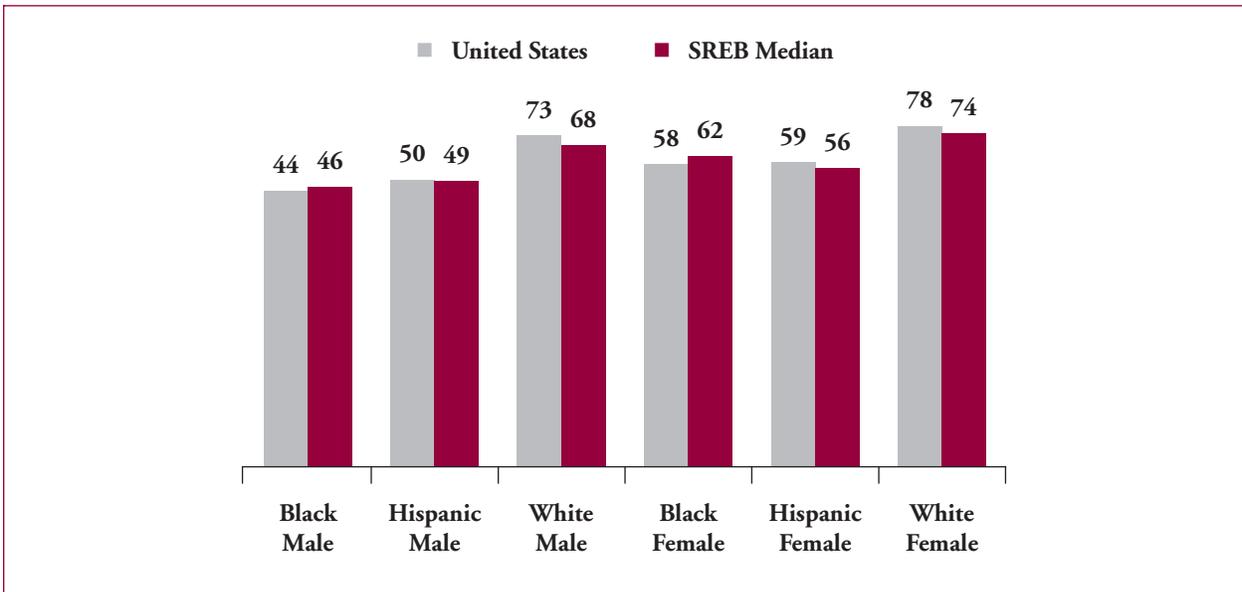


Notes: The SREB median rate for males is based on graduation rates in 15 states. Graduation rates for male students in South Carolina could not be reported because of insufficient data.

Source: *Education Week's Diplomas Count*, based on the Cumulative Promotion Index.

Figure 5

Graduation Rates by Racial/Ethnic Groups and Gender, 2006
Graduation rates for black males and females in SREB states exceeded those of their national peers.



Source: *Education Week's Diplomas Count*, based on the Cumulative Promotion Index.

Accounting for students who do not graduate

Some research suggests that 500,000 students drop out of high school each year, while other research suggests the number may exceed 1 million students in a single national cohort. This range is so large because researchers calculate dropouts in different ways. Some calculate the percentage of dropouts in a state by subtracting a state’s graduation rate from 100 percent. For example, if a state has a 70 percent graduation rate, then the state is presumed to have a 30 percent dropout rate. These “inverse” rates can result in misleadingly high dropout rate estimates. Others estimate dropout rates by counting those who leave each grade level each year. These rates depend on the ability of state data systems to differentiate dropouts from transfer students.

In 2004, a U.S. Department of Education task force that studied graduation and dropout rates strongly discouraged states from measuring dropouts as the inverse of graduation rates. What is wrong with the calculation? It classifies as dropouts students who take longer than four years to graduate — even if they finish a year late. It also counts as dropouts those who earn a GED credential or other alternative credential, so long as they are not otherwise considered “graduates” by the state.

The federal task force recommended instead that states count the total number of dropouts in each grade per year and divide that number by

grade-level enrollment. This measure — called the “event dropout rate” — gives states information about when students leave school. In SREB states, the median event dropout rate is higher than the national rate in ninth, 10th and 11th grades. (See Table 4.) However, the accuracy of this rate depends on local officials correctly classifying students who leave their schools as dropouts, transfers or graduates. They often do not know why students leave and do not have state data systems available to track student movement. Until states have implemented adequate data systems, the event dropout rates will not be completely accurate.

The only way for states to know how many students from each ninth-grade class graduate or drop out is to develop robust student-data systems that account for all students from grade to grade. The national Data Quality Campaign has promoted the development of these systems for all states nationwide. The campaign advocates that all states need systems comprised of 10 essential elements, beginning with individual student identifiers.

By 2009, 13 SREB states had the tools to monitor individual students’ movement toward graduation. But only a handful of states had implemented systems to track whether students graduate in four years (or longer), earn an alternative credential, or drop out.

Some SREB states already have the tools: Texas and Virginia, for example, can track

Table 4

Event Dropout Rates by Grade, U.S. and SREB states, 2006
Event dropout rates in SREB states exceeded national rates in grades 9 to 11.

	9th Grade	10th Grade	11th Grade	12th Grade
U.S. ¹	3.1	3.5	3.9	5.4
SREB Median ²	3.2	3.7	4.1	3.9

¹ The **event dropout rate** for a grade is the number of dropouts from that grade divided by the number of students enrolled in that grade at the beginning of the school year.

² The SREB median is the average of the two SREB median states.

Source: The National Center for Education Statistics.

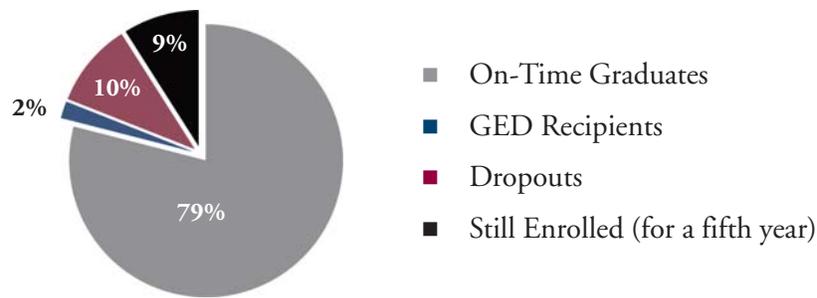
students by grade level and report whether they graduate. (See Box 5.) The data systems show that these states had significant percentages of students from the Class of 2008 in school for a fifth year: 9 percent in Texas and 3 percent in Virginia. In addition, they had sizeable percentages of students

who earned an alternative high school credential: Texas with 2 percent and Virginia with 4 percent. While some of the students enrolled for a fifth year may ultimately drop out, it is clear that dropout rates in these states are not the inverse of graduation rates.

Box 5

Composition of High School Cohorts in Two SREB States with Student Data Systems
High-quality data systems give states answers to questions about students who do not graduate.

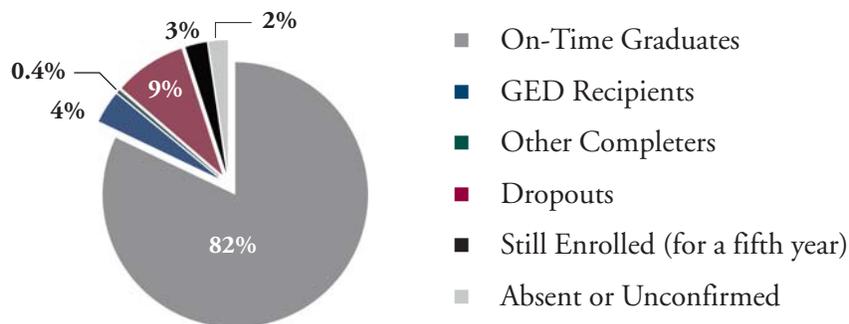
Texas' Class of 2008 Cohort (300,488 students)



Note: Texas reports three completion rates to state constituents. The On-Time graduation rate (79 percent) equals regular diploma recipients divided by the ninth-grade enrollment four years earlier. The “Completion I” rate (88 percent) adds students still enrolled divided by the cohort (9 percent) to the on-time rate. The “Completion II” rate (90 percent) rate adds GED recipients divided by the cohort (2 percent) to the Completion I rate.

Source: Texas Education Agency, Division of Accountability Research.

Virginia's Class of 2008 Cohort (96,152 students)

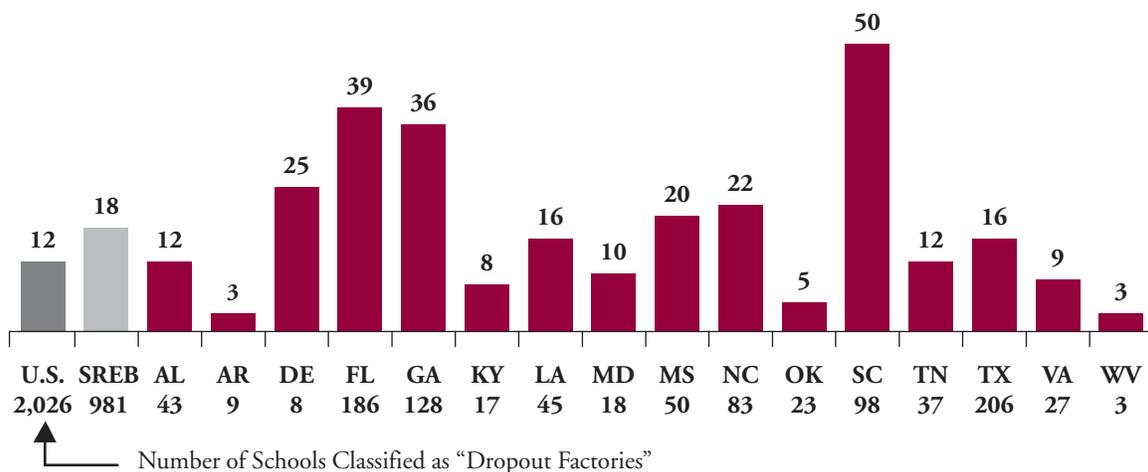


Note: Virginia calculates two completion rates. The On-Time graduation rate (82 percent) equals the percentage of ninth-grade students earning the Advanced Studies, Standard, Modified Standard, Special or General Achievement diploma. The Cohort Completion rate adds GED recipients and certificates of completion (totaling 86 percent).

Source: Virginia Department of Education.

Figure 6

Percent of High Schools in Which 60 Percent or Fewer Ninth-Graders Became Seniors, 2007¹
SREB states have a high percentage of the nation's so-called "dropout factories."



¹ Promoting power for these high schools represents the average for the Classes of 2005, 2006 and 2007.

Source: Johns Hopkins University.

Looking at dropping out in urban settings:

Studies indicate that a significant portion of students who drop out of high school live in heavily populated, urban areas. The National Center for Education Statistics reported in 2008 that the event dropout rate was often highest in large cities and in school districts with 50,000 or more students.

Johns Hopkins University researcher Robert Balfanz showed that a small percentage of high schools — mostly in urban areas — account for a large percentage of dropouts. He calls these schools “dropout factories.” They are schools that have a three-year track record of weak promoting power — in which 60 percent or less of ninth-graders make it to the senior year on time. Nearly half of all such schools in the nation — 981 of 2,026 — were in SREB states in 2007. “Dropout factories” made up half of high schools in South Carolina and a sizable percentage in Florida and Georgia. (See Figure 6.)

Researcher Chris Swanson of *Education Week* has reported that the nation’s largest school districts

account for a disproportionately high percentage of dropouts. While these districts educate one in every eight students, they account for about one-quarter of all dropouts.

Graduation rates in most urban districts in SREB states trail those in urban districts nationwide. SREB states need to help these schools and districts substantially increase overall high school graduation rates.

You as a policy-maker and education leader can focus on:

- schools and districts with high ninth-grade enrollment bulges.
- schools and districts with weak promoting power, particularly those schools that are chronically low and labeled “dropout factories.”
- schools that have low seniors-to-graduates ratios.
- schools in urban areas.
- black and Hispanic students, and males.

What can you and your state do?

During the 1990s, graduation rates in both the SREB region and the nation declined and then stagnated. Since 2000, rates have rebounded, and the region is close to reaching the national average for the first time. This push is led by SREB states that have consistently exceeded the national graduation rate — and others that have made significant improvements in recent years.

Whether states are making progress or struggling to help more students graduate, the national and regional focus on graduation rates likely will intensify. By 2011, all states must use the same national graduation rate. Your state's ability to calculate the rate depends on having the necessary data systems. Also, states are showing interest in making graduation rates a more integral part of their school accountability systems. Some SREB states already have begun using graduation rates — in addition to test results — to measure high school performance.

The conclusions and recommendations in this report complement those in the SREB report *The Next Generation of School Accountability: A Blueprint for Raising High School Achievement and Graduation Rates in SREB States*. That report outlines how your state can give the same attention to high school graduation rates as it does to student achievement. It provides these 10 key principles to guide states in this work:

1. Give equal weight to graduation and achievement in determining school performance.
2. Set ambitious goals for improving graduation rates.
3. Set high school achievement levels beyond minimum competency and hold schools accountable for significant annual improvement in the percentages of students who meet them.
4. Stress improvement, provide rewards and assistance for districts and schools to make expected progress, and focus sanctions on districts and schools that fail to improve even after receiving state assistance.
5. Strengthen middle grades students' transition into high school and reduce ninth-grade failure rates.
6. Recognize that one path to graduation does not fit all students.
7. Broaden the definition of academic rigor to include career/technical (CT) programs of study that join a "ready" academic core with a coherent sequence of quality CT courses.
8. Bring dropouts back into the education system.
9. Target schools with the lowest achievement levels and graduation rates for major improvements.
10. Make better use of the senior year to prepare students for graduation and give students a jump-start on college and careers.

Together, the *Next Generation* report and this report give your state the information and strategies you need to take the next steps in improving high school graduation rates and changing your school accountability system to help more students succeed in every school and district.

Appendix A

Historical Averaged Freshman Graduation Rates in SREB States, 1996 to 2006

	1996	1997	1998	1999	2000	2001
United States	71	71	71	71	72	72
SREB Median	67	66	67	67	66	68
Alabama	63	62	64	61	64	64
Arkansas	74	71	74	74	75	74
Delaware	70	72	74	70	67	71
Florida	62	63	62	61	61	61
Georgia	62	62	58	57	60	59
Kentucky	71	71	70	70	70	70
Louisiana	62	59	61	61	62	64
Maryland	78	77	76	77	78	79
Mississippi	60	60	60	59	59	60
North Carolina	66	65	66	65	66	67
Oklahoma	76	75	75	76	76	76
South Carolina	61	60	59	59	59	57
Tennessee	67	62	58	58	60	59
Texas	66	67	69	69	71	71
Virginia	76	77	77	76	77	78
West Virginia	77	77	77	78	77	76
	2002	2003	2004	2005	2006	Change, 1996-2006
United States	73	74	74	75	73	2.4
SREB Median	69	71	72	73	72	5.6
Alabama	62	65	65	66	66	3.5
Arkansas	75	77	77	76	80	6.2
Delaware	70	73	73	73	76	5.9
Florida	63	67	66	65	64	1.3
Georgia	61	61	61	62	62	0.5
Kentucky	70	72	73	76	77	5.9
Louisiana	64	64	69	64	60	-2.2
Maryland	80	79	80	79	80	1.5
Mississippi	61	63	63	63	64	3.8
North Carolina	68	70	71	73	72	5.3
Oklahoma	76	76	77	77	78	2.2
South Carolina	58	60	61	60	61 ¹	0.2
Tennessee	60	63	66	68	71	4.1
Texas	74	75	77	74	73	6.3
Virginia	77	81	79	80	75	-1.7
West Virginia	74	76	77	77	77	-0.1

Notes: The SREB median is the average of the two SREB median states. State rates that exceed the national rate are shown in **bold**.

¹ This rate is based on estimated high school graduates from NCES 2008-078, *Projection of Education Statistics to 2017*.

Source: National Center for Education Statistics.

Appendix B

High School Graduation Rates in SREB States for Black, Hispanic and White Students, 2006

Calculation used ¹	Black		Hispanic		White	
	AFGR	CPI	AFGR	CPI	AFGR	CPI
United States	59	51	61	55	81	76
SREB Median	63	55	66	55	77	71
Alabama	58	51	60	42	71	68
Arkansas	73	64	84	60	82	75
Delaware	70	54	65	—	79	71
Florida	51	43	61	54	69	59
Georgia	54	46	51	41	68	65
Kentucky	—	59	—	55	—	70
Louisiana	47	51	63	74	70	69
Maryland	71	63	78	65	84	80
Mississippi	60	55	66	43	67	66
North Carolina	—	45	—	50	—	70
Oklahoma ²	69	55	73	57	79	73
South Carolina	—	—	—	—	—	70
Tennessee	62	58	70	52	73	73
Texas	66	53	64	56	81	76
Virginia	63	55	69	57	79	76
West Virginia	67	61	100 ³	—	77	73

Notes: The SREB median is the average of the two SREB median states.

State rates that exceed the national rate are shown in **bold**.

“—” indicates results were unavailable for 2006.

¹ See Box 1, Page 4, for definitions of averaged freshman graduation rate (AFGR) and Cumulative Promotion Index (CPI).

² In Oklahoma, the AFGR in 2006 for American Indians was 78 percent, compared with 62 percent for American Indians in the nation. The CPI for American Indians was 64 percent, compared with 50 percent in the nation.

³ More Hispanic students enrolled in West Virginia high schools in 2006 than transferred or dropped out, which resulted in more graduates than estimated freshmen four years earlier. When the calculated rate exceeds 100 percent, the National Center for Education Statistics adjusts the calculated rates to 100 percent.

Sources: National Center for Education Statistics and *Education Week's Diplomas Count 2009*.

References

2008 Survey of State P-12 Data Collection Issues Related to Longitudinal Analysis. Data Quality Campaign and the National Center for Educational Achievement, 2008. Accessed at — (<http://www.dataqualitycampaign.org/survey>).

Accelerating the Agenda: Actions to Improve America's High Schools. National Governors Association, National Conference of State Legislatures, National Association of State Boards of Education and Council of Chief State School Officers, 2008.

Balfanz, Robert, and Cheryl Almeida, Adria Steinberg, Janet Santos, and Joanna Hornig Fox. *Graduating America: Meeting the Challenge of Low Graduation-Rate High Schools*. Everyone Graduates Center and Jobs for the Future, July 2009. Accessed at — (<http://www.jff.org/publications/education/graduating-america-meeting-challenge-low/863>).

Balfanz, Robert, and Nettie Legters. *Locating the Dropout Crisis: Which High Schools Produce the Nation's Dropouts? Where Are They Located? Who Attends Them?* Center for Research on the Education of Students Placed At Risk, September 2004.

Balfanz, Robert, and Thomas C. West. *Progress Toward Increasing National and State Graduation Rates*. The Everyone Graduates Center at Johns Hopkins University, 2009. Accessed at — (<http://www.every1graduates.org/PDFs/StateProgressReport.pdf>).

Bottoms, Gene, and Dave Spence and Marna Young. *The Next Generation of School Accountability: A Blueprint for Raising High School Achievement and Graduation Rates in SREB States*. Southern Regional Education Board, 2009.

Buttram, Joan, and Leslie Cooksy, and Jonathan Rubright. *Policies and Practices of Successful Delaware High Schools*. Delaware Education Research and Development Center, University of Delaware, 2009. Accessed at — (<http://www.rdc.udel.edu/?p=417>).

Curran, Bridget, and Ryan Reyna. *Implementing Graduation Counts: State Progress to Date, 2009*. NGA Center for Best Practices, National Governors Association, July 2009. Accessed at — (<http://www.nga.org/Files/pdf/0907GRADCOUNTSPROGRESS.PDF>).

Dalton, Ben, and Elizabeth Glennie, Steven J. Ingels, and John Wirt. *Late High School Dropouts: Characteristics, Experiences, and Changes Across Cohorts*. National Center for Education Statistics, 2009. Accessed at — (<http://nces.ed.gov/PUBSEARCH/pubsinfo.asp?pubid=2009307>).

Daugherty, Rebecca, and Joan Lord. *Getting Serious About High School Graduation*. Southern Regional Education Board, 2005.

Diplomas Count 2009: Broader Horizons. Education Week and the Editorial Projects in Education Research Center, June 2009.

Habash, Anna. *Counting on Graduation: An Agenda for State Leadership*. The Education Trust, 2008. Accessed at — (<http://www2.edtrust.org/edtrust/product+catalog/main>).

National Institute of Statistical Sciences/Education Statistics Services Institute Task Force on Graduation, Completion, and Dropout Indicators: Final Report. National Institute of Statistical Sciences and the Education Statistics Services Institute, December 2004. Accessed at — (<http://nces.ed.gov/pubs2005/2005105.pdf>).

Seastrom, Marilyn M., and Chris Chapman, Robert Stillwell, Daniel McGrath, Pia Peltola, Rachel Dinkes and Zeyu Xu. *User's Guide to Computing High School Graduation Rates*, Volumes 1 and 2. U.S. Department of Education, National Center for Education Statistics and Institute for Education Sciences, August 2006.

Secondary School Completion and Dropouts in Texas Public Schools, 2007-08. Texas Education Agency, Department of Assessment, Accountability, and Data Quality and Division of Accountability Research, July 2009. Accessed at — (http://ritter.tea.state.tx.us/research/pdfs/dropcomp_2007-08.pdf).

Stillwell, Robert, and Lee Hoffman. *Public School Graduates and Dropouts from the Common Core of Data: School Year 2005-06*. U.S. Department of Education, National Center for Education Statistics and Institute for Education Sciences, September 2008.

Swanson, Christopher B. *Closing the Graduation Gap: Educational and Economic Conditions in America's Largest Cities*. Editorial Projects in Education Research Center, April 2009. Accessed at — (http://www.edweek.org/media/cities_in_crisis_2009.pdf).

Thomas, Marilyn, and Crystal Collins, Alice Anne Bailey, and Joan M. Lord. *Keeping Middle Grades Students on the Path to Success in High School: Increasing Engagement and Achievement in SREB States*. Southern Regional Education Board, 2009.

U.S. Department of Education, National Center for Education Statistics and Common Core of Data (CCD). "State Nonfiscal Survey of Public Elementary/Secondary Education," 1986-87 through 2006-07; *The Averaged Freshman Graduation Rate for Public High Schools From the Common Core of Data: School Years 2002-03 and 2003-04*; and *Projections of Education Statistics to 2017*.

Wolfe, Christine O. *The Great Graduation-Rate Debate*. Thomas B. Fordham Foundation, July 2009. Accessed at — (http://www.edexcellence.net/index.cfm/news_the-great-graduation-rate-debate).

Zuckerbrod, Nancy. "1 in 10 schools are 'dropout factories.'" Associated Press article in *USA Today*, November 9, 2007. Accessed at — (http://www.usatoday.com/news/education/2007-10-30-dropout-factories_N.htm).

Challenge to Lead Goals for Education

The reports listed below for each goal, and other reports on the goals, are found at www.sreb.org.

1. All children are ready for the first grade.
Ready to Start: Ensuring High-Quality Prekindergarten in SREB States
2. Achievement in the early grades for all groups of students exceeds national averages and performance gaps are closed.
Set for Success: Improving Reading and Mathematics Achievement in the Early Grades
3. Achievement in the middle grades for all groups of students exceeds national averages and performance gaps are closed.
Keeping Middle Grades Students on the Path to Success in High School
4. All young adults have a high school diploma — or, if not, pass the GED tests.
Gaining Ground on High School Graduation Rates in SREB States: Milestones and Guideposts
5. All recent high school graduates have solid academic preparation and are ready for post-secondary education and a career.
Getting Students Ready for College and Careers
6. Adults who are not high school graduates participate in literacy and job-skills training and further education.
Investing Wisely in Adult Learning is Key to State Prosperity
7. The percentage of adults who earn postsecondary degrees or technical certificates exceeds national averages.
Creating College Opportunity for All: Prepared Students and Affordable Colleges
8. Every school has higher student performance and meets state academic standards for all students each year.
Focusing on Student Performance Through Accountability
9. Every school has leadership that results in improved student performance — and leadership begins with an effective school principal.
Schools Need Good Leaders Now: State Progress in Creating a Learning-Centered School Leadership System
10. Every student is taught by qualified teachers.
Resolve and Resources to Get a Qualified Teacher in Every Classroom
11. The quality of colleges and universities is regularly assessed and funding is targeted to quality, efficiency and state needs.
Holding Colleges and Universities Accountable for Meeting State Needs
12. The state places a high priority on an education system of schools, colleges and universities that is accountable.
From Goals to Results: Improving Education System Accountability

The Southern Regional Education Board has established these Goals for Education. They are built on the groundbreaking education goals SREB adopted in 1988 and on an ongoing effort to promote actions and measure progress. The goals raise further the sights of the 16 SREB states and challenge them to lead the nation.

