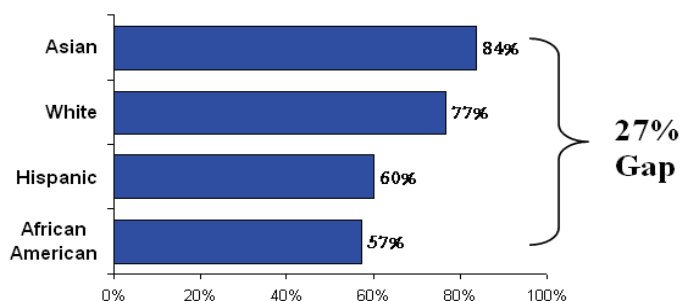




## Understanding High School Graduation Rates in California

Graduation rates are a fundamental indicator of whether or not the nation's public school system is doing what it is intended to do: enroll, engage, and educate youth to be productive members of society. In today's increasingly competitive global economy, graduating from high school is more critical than ever to securing a good job and a promising future. Since an estimated 85 percent of today's jobs and almost 90 percent of the fastest-growing high-wage jobs will require some postsecondary education, having a high school diploma and the skills to succeed in college and the workplace are essential. Yet nationally, one-third of our students—about 1.23 million each year—leave high school without a diploma and graduation rates for poor and minority students are even lower. Dropouts earn less and experience a poorer quality of life than those who graduate, but the individuals themselves are not the only ones who suffer; there are significant costs to the communities and states in which they live, as well as to society at large.

### Who's Graduating in California?



### The Importance of Graduation Rates

Only by knowing how well—or how poorly—schools, districts, and states are educating students can the country ensure that every student receives an excellent education. Graduation rates are important indicators of school performance for parents, policymakers, and other concerned members of the community, and they can facilitate the targeting of resources and interventions to low-performing schools. Graduation rates are also a cornerstone of high school accountability. Holding schools, districts, and states responsible for graduation rates helps discourage schools from “pushing out” students who might not score highly on achievement tests.

### Cost of Dropouts

*Each year nearly 140,000 students in California do not graduate with their peers...*

- Dropouts from the class of 2006 **cost the state more than \$36.3 billion** in lost wages, taxes, and productivity over their lifetimes.
- If California's likely dropouts from the class of 2006 graduated instead, the state could **save more than \$2.3 billion** in Medicaid and expenditures for uninsured care over the course of those young people's lifetimes.
- If California's high schools and colleges raise the graduation rates of Hispanic, African-American, and Native-American students to the levels of white students by 2020, the potential increase in personal income would **add more than \$101 billion** to the state economy.
- Increasing the graduation rate and college matriculation of male students in California by only 5 percent could lead to **combined savings and revenue of almost \$1.1 billion** each year by reducing crime-related costs.

### Misleading Graduation Rates

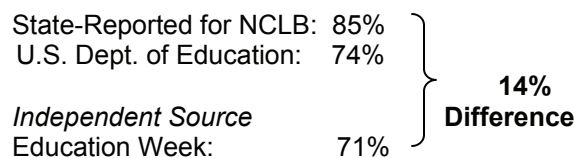
Unacceptably low graduation rates, particularly among poor and minority children, have been obscured for far too long by inaccurate data, misleading calculations and reporting, and flawed accountability systems at the state and federal levels.

The No Child Left Behind Act of 2002 requires states to use a graduation rate calculation defined as “the percentage of students who graduate from secondary school with a regular diploma in the standard number of years.” However, citing a lack of data and capacity, states proposed (and the U.S. Department of Education approved) a range of misleading graduation rate calculations that do not provide the accurate measurement intended by the law and significantly underestimate the number of students dropping out each year.

Over the last few years, independent researchers have confirmed that many more of our nation's youth are dropping out of the education pipeline during high school than had been reported, and

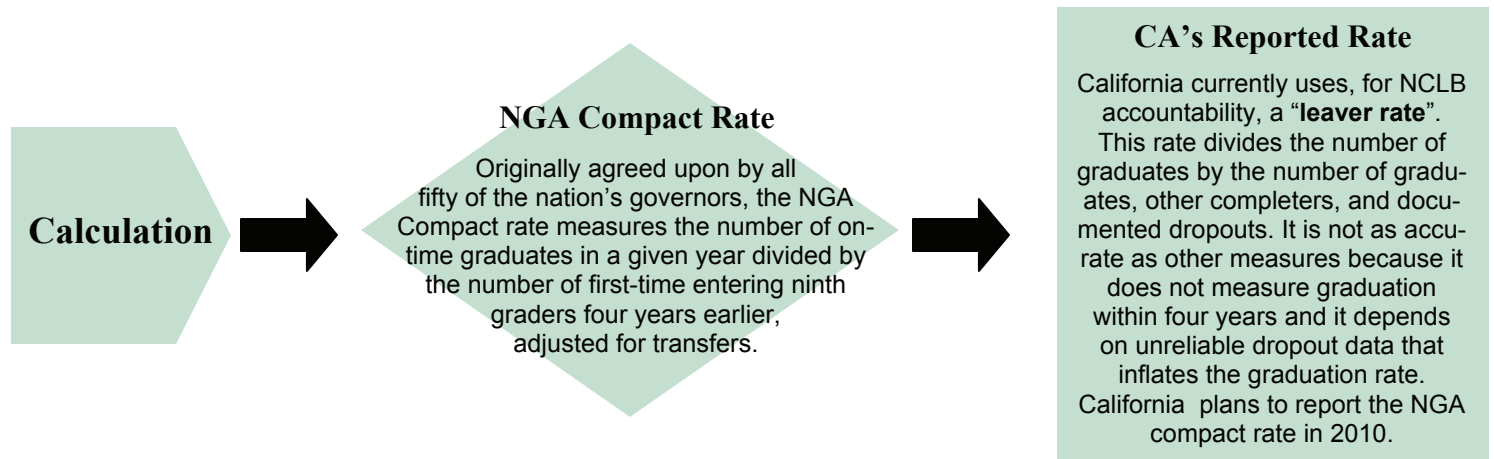
have issued estimates that most experts agree are far more accurate than those of official sources. But as a result, state-reported, federally reported, and independently reported rates vary widely—in California, for instance, there is as much as a 14 percent difference:

### How Many Students Graduate in California?

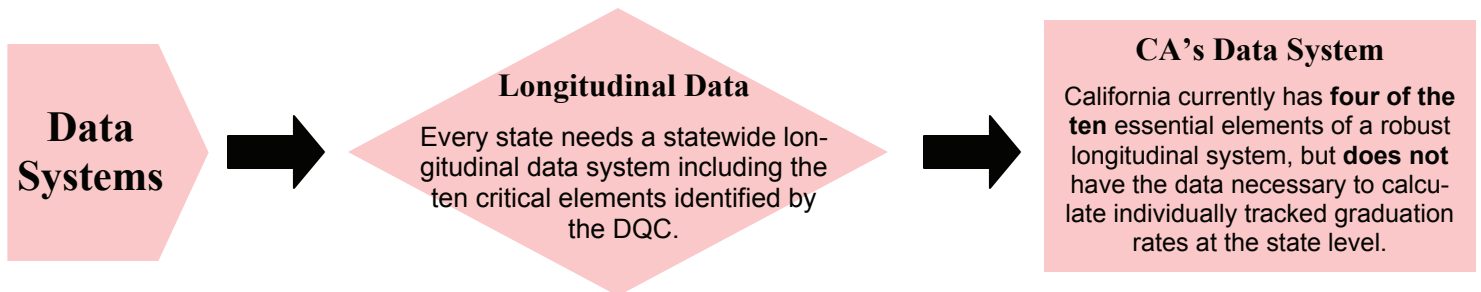


While a number of policies affect the comparability of graduation rates from state to state, there are three core areas that are fundamental to calculating and reporting accurate graduation rates:

1. Common, accurate **graduation rate calculations** are a critical first step toward understanding and addressing the nation's graduation rate crisis. In 2005, the National Governors Association's Graduation Rate Compact was signed by all fifty of the nation's governors pledging to adopt accurate and consistent measurements for high school graduation.



2. Educators, advocates, and policymakers have increasingly recognized that more (and better) data is necessary to provide accurate graduation rate calculations and improve practice and policy on many levels. Every state needs a high-quality **longitudinal data system** that tracks individual student data from the time a student enters the educational system until he or she leaves it. The Data Quality Campaign (DQC), a national collaborative effort to support and encourage state policy makers to improve the collection, availability, and use of high-quality education data, has identified the ten essential elements of a rigorous, statewide longitudinal data system. Many states, including California, are undertaking efforts to build these systems, but few have yet achieved the goal of putting all ten elements in place.



3. **Meaningful accountability:** High schools should be held responsible for improving test scores *and* graduation rates so that low-performing students are not unnecessarily held back or pushed out (that is, in some way encouraged to leave school without a diploma). While NCLB sets a goal of 100 percent proficiency in reading and math by 2014, it does not target an ultimate graduation rate, nor set any corresponding meaningful annual progress goals, and only aggregate (not subgroup) rates are used in the determination of Adequate Yearly Progress (AYP) status. As a result, it is currently up to the states to ensure that schools and districts are held responsible for increasing the graduation rates of all their students.

