

New 4-year Cohort Graduation Rate Calculation (Effective Beginning with 2006-2007 School Year)

The 2006-2007 graduation rate will be calculated by tracking individual students who first enrolled in ninth grade in fall 2003, and graduated four years later with a regular diploma. Continuing students who were not reported as diploma recipients were recorded for accountability purposes as “off-track.”

This new calculation provides a more accurate rate to assist schools, districts, and the state in developing education policies and, ultimately, help greater numbers of students to succeed in school and earn a diploma. In addition, the method meets the accountability requirements of the No Child Left Behind Act of 2001 and the national standards set forth in the National Governors Association (NGA) *Graduation Counts Compact*.

Example for 2006-2007 School Year

Calculation Information	4-Year Graduation Rate	4-Year Drop Out Rate
100 Students Fall 2003	$\frac{85}{85+10+6+23-24} = \frac{85}{100}$ or 85 percent	$\frac{6}{85+10+6+23-24} = \frac{6}{100}$ or 6 percent
85 Students Graduated 4 years Later in Class of 2007		
10 Students Continued in School and are Expected to Graduate in Future		
6 Dropped Out of School		
23 Students Transferred In		
24 Students Transferred Out		

What is the relationship between graduation and dropout rates?

- As shown in the above example, the graduation rate subtracted from 100 percent does NOT equal a dropout rate. Students not reported among the “on-time” graduates may be continuing “off-track”; those students may be reported as successful completers in a subsequent year.
- A decrease in the four year graduation rate does not necessarily mean that more students are dropping out of school.
- Although only an “on-time,” four-year rate can be used in the High School Reports Cards, **CEPI plans to publish additional rates in future years**, such as five-year cohort rates to help districts highlight successful outcomes beyond the 4-year rate.

Why was it important for the state to adopt a new process?

- A solid high school education is essential for success in college, job training, and the 21st century workforce.
- Michigan has always made it a priority to lower the dropout rate and help as many students as possible earn a diploma that truly signifies readiness for college and the workforce.
- The first step in improving the state's high schools is to collect and report accurate data on how many students graduate in four years and how many never graduate at all.
- With more accurate information, we can generate stronger more effective policies and, ultimately, help greater numbers of students to succeed in school and earn a diploma. Prior calculations were based on estimates and a formula using retention rates.
- More accurate data also will provide a basis to determine which reforms are most effective.

- Until now, every state has had its own way of deciding which students to count as graduates or dropouts. This new formula will, for the first time, provide a standard measurement and make state-to-state comparisons feasible.
- This new formula recommended by the National Governor's Association is simple and straightforward. It calculates the graduation rate by counting all first-time entering ninth graders and then looking to see how many of them graduate four years later, with allowances made for the numbers of students who transfer into and out of the system.

How does this effort affect federal No Child Left Behind (NCLB) requirements?

- This formula can be used to meet one of the obligations under NCLB, which requires states not only to show adequate yearly progress in student test scores but also to raise graduation rates.
- The federal government requires states to report their graduation rates every year for all high school students, disaggregated by poverty, race, ethnicity, disability, limited English proficiency, gender, and migrant status. This new system allows the effective calculation and reporting of that data.

Why didn't we address this issue decades ago?

- To report this new rate, we needed first to have an accurate data tracking system in place. Second, that system has to be in place for a minimum of five years, in order to follow the first student cohort's progress from first entering ninth through 12th grade.
- In addition, while we always have tried to keep good track of students as they move through the education pipeline, Michigan like every other state in the country, didn't have a system to track each individual student. Now, with each Michigan student having a Unique Identification Code (UIC) number, students can be tracked from school to school.
- Americans are much more mobile than they used to be, and when families move from district to district or state to state, it becomes harder than ever to collect accurate student enrollment data.

Have any states successfully implemented this new data collection and reporting system?

- Specific initiatives like ours are underway in a number of states, including Minnesota, Massachusetts, New York, Arizona and Mississippi. These states have the same goal—increasing high school graduation rates statewide.
- The new graduation rate formula is scheduled to take effect in at least 39 states by 2010, with the remaining states to follow in subsequent years.

What changes can we expect with the release of the 2006-07 data?

- The first step is to have the data. This information will give us a much clearer picture of the dropout issues, which will help us to make better decisions as to where we invest our resources.
- The old and new formulas are very different and may yield substantially different results.
- Given that this new formula only allows students who graduate in four years to be counted, the reported state graduation rate may actually decline initially. At a local level, reported graduation rates will vary from district to district, with some remaining near current levels and others possibly declining.

How do I contact CEPI if I have questions?

Please contact CEPI at cepi@michigan.gov, or by telephoning 517-335-0505, and choosing option 3. If you need assistance in understanding the impact the new graduation rate will have on your district, please contact MDE's Office of Educational Assessment and Accountability at 877-560-8378.

What happens next?

- Michigan has strengthened its graduation requirements, which are considered among the most rigorous in the nation.
- We also are beginning mandatory National Accreditation for all Teacher Preparation Institutions; establishing three-tiered teacher licensure system; reforming teacher testing to ensure teacher candidates are well prepared, and integrating technology into instruction
- In December 2007, Governor Granholm established a workgroup that will be chaired by the state Superintendent of Public Instruction to explore additional ways to assist schools and districts improve their graduation rates.
- We will also look at what is working in our districts and promising practices high schools could implement to help those students most at-risk stay on track for graduation.

Just the Facts -- What research says

- A vast majority of students drop out because either they are not engaged in school or they do not see the importance or relevancy of getting a high school diploma.
- One-third of America's students do not graduate from high school on time. Even more disturbing, approximately half of all African-American and Hispanic students do not graduate on time.
- Students who don't graduate on time are less likely to graduate.
- The impact of not graduating is profound. Dropouts are 15 percent less likely to be employed, and those who do find jobs earn 30 percent less than their peers who hold a regular diploma or GED.
- In addition, a recent report entitled "The Costs and Benefits of Excellent Education for America's Children" (2007, Columbia University Teachers College), found that American taxpayers could reap \$45 billion annually if the number of high school dropouts were cut in half. The savings would be achieved via extra tax revenues, reduced costs of public health, crime, and justice, and decreased welfare payments.
- Teenage aspirations are higher than they ever have been. In fact, studies show 80 percent of **high school** students expect to earn a college degree.
- Surveys have found a disconnect between what research and employers say students need in order to succeed and earn a good living and what many adults believe.
 - o While 80 percent of high school students want to continue their education after graduation and earn a college degree, 46% of Michigan adults believe schools should just train students for jobs they can get with a high school degree.
 - o Only 41% of Michigan adults believe college preparation should be the mission of a high school graduation.
- The United States graduation rates trail most developed countries.

FACT SHEET

Michigan's 2005-2006 Graduation / Dropout Methodology

2005-2006 Graduation Rate Calculation

The 2005-2006 graduation rate is a four-year "estimated" rate that is derived by multiplying together the retention rates of the four graduating classes and yielding an average retention rate. This average rate is then multiplied by 100 to get the graduation rate percentage.

Example using retention rate data in table below: $(.984 \times .980 \times .974 \times .987 = .927 \times 100 = 92.7$ percent graduation rate)

Retention Rate Calculation

Class retention rates are determined by taking one graduation class (grade) at a time and dividing the fall 2006 enrollment by the fall 2005 enrollment, after all the transfers-in and transfers-out have been identified.

Example Calculation of Retention Rates					
	Class of 2009	Class of 2008	Class of 2007	Class of 2006	TOTAL
Fall 2005 Enrollment (+)	280	275	273	259	1,087
Net Transfers (In – Out) (+)	-24	30	-10	-27	-31
Net Retained in Grade (+)	0	25	-25	0	0
Students Located (-)	5	25	7	9	46
Expected Fall Enrollment 2006 (+)	247	299	225		771
Graduates (-)	0	0	0	220	220
Unaccounted for (Drop Outs) (+)	4	6	6	3	19
Class Retention Rate	247/251 = .984	293/305 = .980	225/231 = .974	220/223 = .987	991/1,010 = .981

Dropout Rate Calculation

The dropout rate is the percentage of unaccounted-for students at the secondary level for a school year. It is derived by subtracting the secondary school's/facility's total retention rate from 100 percent. The following is an example of the dropout rate calculation based on the table above.

The total retention rate would be $991/1,010 = .981 \times 100$ or 98.1 percent

Example: $(100 - 98.1 = 1.9$ percent dropout rate)

Example Summary of 2005-2006 Graduation, retention and Dropout Rates

2005 – 2006 Information	
Graduation Rate	92.7 percent
Retention Rate	98.1 percent
Drop Out Rate	1.9 percent