



ALLIANCE FOR
EXCELLENT EDUCATION

The Effect of ESEA Waiver Plans on High School Graduation Rate Accountability

FEBRUARY 2013



Table of Contents

Executive Summary | **3**

Introduction | **5**

The Importance of Keeping the 2008 Graduation Rate Regulations Fully Intact | **7**

High School Graduation Rate Calculations | **9**

Accountability for Traditionally Underserved Students | **11**

The Wrong Incentives | **13**

Allowing Late Graduates While Holding Schools Accountable | **14**

Are the Right High Schools Receiving Support? | **15**

Some States Are Doing It Right | **16**

The Way Forward | **17**

Conclusion and Acknowledgments | **18**

Endnotes | **19**

Appendix A: High School Graduation Rate Accountability: State-by-State Highlights and Recommendations | **22**

Appendix B: High School Graduation Rate Accountability in States' Waiver Applications: Concerns by Issue | **35**

Executive Summary

Prior to 2008, the truth about how many students graduate from high school each year was often masked by complicated calculations that obscured the answer to a very simple and important question: How many students graduate from high school with a regular diploma in four years?

Based on the work of the nation's governors, in 2008 the U.S. Department of Education (ED) issued regulations, scheduled to become fully operational in every state in the 2011-12 school year, to address this concern. During this same school year, ED granted Elementary and Secondary Education Act (ESEA) waivers to thirty-four states and the District of Columbia. ED's flexibility policy (i.e., waivers from key provisions within the No Child Left Behind Act [NCLB]) provides an opportunity for states to implement innovative policies and practices designed to improve student achievement and graduation rates. However, many of the ESEA waivers are inconsistent with the intended outcome of the 2008 graduation rate regulations.

Before the 2008 regulations came into effect, many states used inaccurate graduation rate calculations.¹ Additionally, the performance of traditionally underserved students was masked, because federal policy only held high schools accountable for the performance of the whole school, not student subgroups based on income, race/ethnicity, special needs, or English language ability. Also prior to the 2008 regulations, NCLB permitted states to have graduation rate goals as low as 50 percent, and high schools only needed to achieve as little as 0.1 percent annual growth in graduation rates to avoid having to implement improvement strategies.²

These issues were addressed in ED's 2008 regulations. All public high schools are required to use the same, accurate graduation rate calculation and report the rates for individual student subgroups in addition to the rate for the entire student body. States have had to establish ambitious but achievable goals and annual graduation rate targets toward reaching those goals. Additionally, all high schools are required to implement interventions if a subgroup of students consistently misses state-determined graduation improvement targets.

Because the U.S. Congress has been unable to reauthorize (that is, revise and renew) the law, ED is using its authority to grant states waivers from many of NCLB's requirements. These waivers allow states flexibility to design their own system of accountability and improvement. States receiving

wavers have a tremendous opportunity: rather than being constrained by the decade-old NCLB law, they can design and implement innovative reforms that more effectively prepare their students for college and a career. While there are certainly examples of promising reforms being realized through the waiver process, an extensive analysis conducted by the Alliance for Excellent Education finds an unfortunate consequence of these changes: the progress made by the 2008 graduation rate regulations in holding schools accountable for how many students they actually graduate—the ultimate goal of K-12 education—may be threatened in numerous states.

In this emerging era of increased federal flexibility, each state that has received a waiver from NCLB requirements is employing a unique system of accountability and improvement. While each state's approach to graduation rate accountability is different, ED emphasizes that all states are still required to *calculate and report* graduation rates in accordance with the 2008 regulations. Only a few states, however, are fully implementing the 2008 graduation rate regulations for accountability purposes as well.

Reporting is not the same
as accountability.

Reporting is not the same as *accountability*, which is defined as the way in which states require interventions as a result of low graduation rates. The 2008 regulations included specific provisions regarding calculating, reporting, *and* accountability. Many states now have policies in place that seem to be inconsistent with certain provisions of the 2008 regulations, specifically with regard to accountability. Areas of concern include the following:

High school graduation rate calculations. Eleven states have been approved to utilize a measure of high school completion that is inconsistent with the requirements of the 2008 regulations. Specifically, the regulations stipulate that only the adjusted cohort graduation rate be used for accountability purposes to measure the percentage of students graduating from high school. For example, under current waivers two states are permitted to include General Education Diplomas (GEDs) in their accountability systems. Under the 2008 regulations, only a regular high school diploma may be included in the accountability system. In addition, four states are allowed to combine dropout rates with the adjusted cohort rate for accountability purposes. This is problematic, because methods for determining dropout status are often inconsistent and may not be completely accurate.

Accountability for traditionally underserved students. Unlike under the 2008 regulations, some states that receive waivers are not required to implement interventions in all high schools with a subgroup that consistently misses graduation rate performance targets. In eleven states, subgroup graduation rate accountability is weak or nonexistent.

The wrong incentives. Some have long argued that NCLB's reliance on test scores provided a possible incentive to "push out" low-performing students in order to increase a school's overall test scores. The 2008 regulations addressed this concern by holding schools accountable for the end result through increasing the focus on graduation rates. Under waivers, however, in twelve states graduation rates account for less than 25 percent of the state's accountability system. As a result, graduation rates no longer counterbalance test scores, and the possible incentive to push out students may be revived.

Allowing late graduates, and holding schools accountable. Both the 2008 regulations and state waivers allow students more than four years to graduate if necessary. However, ten state waivers lack the safeguards originally put in place by ED to maintain an emphasis on the goal of graduating as many students as possible in four years while also providing the flexibility to graduate some students in more than four years.

Whether a state's waiver weakens the application of the 2008 graduation rate regulations is no minor accounting issue. Graduation rates measure the ultimate result of

The most effective way to assure effective graduation rate policy is for Congress to reauthorize ESEA.

students' K-12 education experience and the overall success of the school system. Obviously, the measurements of how well students are progressing along the K-12 continuum are important, and shortcomings should trigger immediate interventions. But whether students overall *and also* within each subgroup are graduating in a timely manner from high school must be one of the main determinants for instituting improvement actions. For many states, this vital element has been weakened under the waiver system.

Certainly, not all states are implementing policies that are inconsistent with each provision of the 2008 regulations, and only modest changes will be necessary to bring many states into full compliance with the letter and spirit of the regulations. Some states, such as Delaware and New York, are implementing policies that are stronger than or comparable to the 2008 regulations. The Alliance analysis, however, indicates that the majority of states that were granted waivers are implementing individual policies that depart from the 2008 regulations.

ED and states should work together in the short term to address such issues as inaccurate and inconsistent measures of high school completion, the inclusion of GEDs, and the lack of subgroup accountability. In the long term—i.e., when state waivers are renewed—ED and states should implement a stronger and more coherent system of graduation rate accountability that is completely aligned with the 2008 regulations and ensures that high schools with low overall or subgroup graduation rates are properly identified and receive targeted support. The most effective way to assure effective graduation rate policy is for Congress to reauthorize ESEA and incorporate the Every Student Counts Act, legislation that codifies into law the key elements of the 2008 regulations.

Introduction

Prior to 2008, the truth about how many students graduate from high school each year was often masked by complicated calculations that obscured the answer to a very simple and important question: How many students graduate from high school with a regular diploma in four years?

Based on the work of the nation's governors, in 2008 the U.S. Department of Education (ED) issued regulations, scheduled to become fully operational in every state in the 2011-12 school year, to address this concern. That same school year, ED granted Elementary and Secondary Education Act (ESEA) waivers to thirty-four states and the District of Columbia. ED's flexibility policy (i.e., waivers from key provisions within the No Child Left Behind Act [NCLB]) provides an opportunity for states to implement innovative policies and practices designed to improve student achievement and graduation rates. However, an extensive analysis conducted by the Alliance for Excellent Education of each state waiver application approved by ED indicates that many of the ESEA waivers are inconsistent with the intended outcome of the 2008 graduation rate regulations.

The 2008 regulations,³ as they have come to be known, set parameters for a common, accurate calculation of graduation rates that enable clear comparisons across schools, districts, and states. The regulations were intended to accomplish two objectives: to ensure that graduation rates were measured and reported accurately and consistently across states, and to hold all schools accountable for meaningful annual improvements in graduation rates for all students. This policy is particularly important for student subgroups—students of color, English language learners, students with a disability, and students from low-income families—whose low graduation rates had previously been hidden within the average of the entire student population. The 2008 regulations resulted in parents and the public receiving clear

and accurate graduation rates. The regulations also ensured that the education system properly identifies schools with low graduation rates, both overall and for subgroups of students, and targets the appropriate interventions and resources toward these schools.

Confronted with congressional failure to reauthorize the expired Elementary and Secondary Education Act, commonly known as the No Child Left Behind Act, ED began in late 2011 to permit states to request waivers from certain requirements of the law and to design their own accountability and improvement systems.⁴ These systems establish the criteria and mechanisms by which states will measure school success, rank schools based on their performance, and identify and select the schools that are in need of interventions. As of December 2012, ED has granted thirty-four states and the District of Columbia waivers from certain NCLB requirements and given them approval to implement their own unique systems of school accountability and improvement.

The waivers from NCLB present states with an opportunity to improve upon their accountability systems. Rather than being constrained by the decade-old law, states were permitted to design and implement innovative reforms that more effectively prepare their students for college and a career. Many facets of these new reforms are promising. For example, states are planning to implement college- and career-ready standards that promote “deeper learning”—learning in which students master rigorous content and apply

The regulations were intended to accomplish two objectives: to ensure that graduation rates were measured and reported accurately and consistently across states, and to hold all schools accountable.

that knowledge to problem-solve, communicate effectively, work in teams, and engage in self-reflection.⁵ Many states are also incorporating measures of college and career readiness into their accountability systems, embedding in state policy the notion that postsecondary education is a requirement in the twenty-first-century economy and that public schools must prepare students for educational opportunities after high school. Unfortunately, on the whole, promising reform is not being realized when it comes to graduation rate accountability.

In waiver documentation provided to states (for example, State Implementation Letters,⁶ Frequently Asked Questions, or FAQs,⁷ and Secretary of Education Arne Duncan's November 26, 2012, "Dear Colleague" letter⁸), ED emphasized that the 2008 regulations have not been waived,⁹ yet many states' approach to graduation rate accountability represents a retreat from the regulations' most meaningful requirements. Concerns around this issue were raised during ED's peer review process and are documented in the individual state Peer Panel Notes. While some problems were resolved by ED and the states, many remain insufficiently addressed in the approved applications.¹⁰ As a result, a number of ED-approved state plans are inconsistent with the intent of the 2008 regulations and roll back much of what they helped to achieve.

A shared commitment by states and ED to fully implement each provision of the 2008 regulations can result in a more effective accountability system for states and more positive outcomes for students.

In Virginia, for example, during the review process peer reviewers raised concerns about the use of Virginia's Graduation and Completion Index, asserting that the

index could "mask lower graduation rates by combining diplomas with GEDs and other completion certificates" and "weaken the current federally approved graduation rate accountability."¹¹ ED worked closely with the state to modify its approach, and Virginia is now using the four-year adjusted cohort rate for federal accountability purposes.¹²

Whether or not a state's waiver weakens the application of the 2008 graduation rate regulations is not a minor accounting issue: graduation rates measure the endgame of the K-12 education experience. Obviously, evaluations of how well students are progressing along the K-12 continuum are also important, and shortcomings should trigger immediate interventions. But whether students overall and within in each subgroup are graduating in a timely manner from a high school must be one of the main determinants for instituting improvement actions. This priority existed under the 2008 regulations but has been weakened in many states since the waiver process began.

The good news is that many states will need to make only modest adjustments to their plans in order to fully align their graduation rate accountability with the letter and spirit of the 2008 regulations. (A summary of graduation rate policies that are inconsistent with provisions of the 2008 regulations by state and recommendations to address these inconsistencies are provided in Appendix A.)

This paper examines graduation rate policy within each ED-approved waiver application. It highlights specific state policies that are inconsistent with the 2008 regulations and provides examples of states that are effectively implementing the regulations. The paper concludes with short- and long-term recommendations for states, ED, and Congress to improve graduation rate accountability.

Whether or not a state's waiver weakens the application of the 2008 graduation rate regulations is not a minor accounting issue: graduation rates measure the endgame of the K-12 education experience.

The Importance of Keeping the 2008 Graduation Rate Regulations Fully Intact

NCLB mandated that high school graduation rates must be included in state accountability systems, but until the 2008 regulations were issued, that requirement was poorly implemented.¹³

Prior to the 2008 regulations, state graduation rates were often inflated, inaccurate, and difficult to compare, because states used a variety of methods for calculation. For example, some states and their districts and schools calculated graduation rates based only on the percentage of entering twelfth graders who earned a diploma. This approach hid the great majority of dropouts, since students who drop out of high school typically do so before the twelfth grade. To address this concern, the 2008 regulations required the use of an accurate graduation rate, known as the four-year adjusted cohort rate, that represents the percentage of students who enter the ninth grade and graduate with a regular diploma (i.e., not a GED or other forms of an alternative diploma) four years later.

Unfortunately, eleven states are using measures of high school completion that are inconsistent with the 2008 regulations, such as the inclusion of GED completion and dropout rates, as part of their accountability systems. As explained below, this is problematic because these other measures of high school completion tend to be less accurate than the four-year adjusted cohort graduation rate. Dropout rates, for example, are not simply the inverse of graduation rates, and their accuracy is questionable. Dropouts are difficult to identify and count because students rarely choose to formally notify schools of their decision to drop out. In essence, dropout data is based on “the decisions of school principals and staffs about how to classify and report students’ lack of attendance.”¹⁴ Additional measures of high school completion are inconsistent with the 2008 regulations and serve to undo much of what those regulations were able to accomplish.

Furthermore, prior to the 2008 regulations NCLB effectively permitted states to set their own graduation rate goals and annual targets for improving graduation rates without meaningful oversight from ED. Unfortunately, some states used this flexibility to set graduation rate goals as low as 50 percent and required as little annual improvement as 0.1 percentage points each year.¹⁵

Prior to the 2008 regulations, state graduation rates were often inflated, inaccurate, and difficult to compare.

The 2008 regulations required that graduation rates for all students and student subgroups be incorporated into Adequate Yearly Progress (AYP) determinations. Specifically, the regulations required states to set ambitious but achievable goals for improving graduation rates, both overall and for each subgroup, and required states to make continuous and substantial progress toward reaching those goals each year. When a high school did not meet the annual target for two consecutive years, overall or for one or more subgroups, the school was required to make changes designed to improve graduation rates.

A final major provision of the 2008 regulations is its application to student subgroups; previously, schools were not responsible, under federal law, for the graduation rates of students of color, English language learners, low-income students, and students with disabilities.¹⁶ As a result of the 2008 regulations, the performance of these subgroups of students would no longer be masked by overall averages, and low graduation rates among specific subgroups would *trigger* a response by the school district. Each of these provisions is critical to ensuring that there is accurate measurement, reporting, and accountability with regard to graduation rates. A comparison of graduation rate accountability under the 2008 regulations and under waivers is available in Table 1.

Table 1:

High School Graduation Rate Accountability: 2008 Regulations vs. ESEA Waivers

Policy	2008 Regulations	ESEA Waivers
Reporting requirements	Four-year adjusted cohort graduation rate is reported for all students and individual student subgroups	Same
Interventions in Title I-eligible or Title I-receiving high schools with graduation rates of less than 60 percent	No such provision	Required
Permissible measure of high school completion	Four-year adjusted cohort graduation rate	Use of an adjusted cohort graduation rate is required; other measures can be included with the adjusted cohort rate, including the dropout rate, leaver rate, completer rate, and a combination of rates
Extended-year graduation rate (i.e., allow more than four years to graduate)	Permitted; ED implementation policy required extended-year rates to be accompanied by more rigorous annual graduation rate targets	Permitted; however, the trigger for priority or focus school identification can remain at 60 percent even if an extended-year rate is used
Inclusion of GEDs for accountability purposes	Not permitted	Permitted
Subgroup accountability	Interventions required if a subgroup misses graduation rate target for two consecutive years	Interventions are not required if a subgroup misses graduation rate targets; subgroup graduation rates are used to drive interventions once they have been triggered, but subgroup graduation rates do not trigger interventions on their own

As a result of the 2008 regulations, the performance of these subgroups of students would no longer be masked by overall averages, and low graduation rates among specific subgroups would trigger a response.

High School Graduation Rate Calculations

Under ED's waiver policy, eleven states include measures of high school completion other than or in addition to the four-year adjusted cohort graduation rate in their accountability systems.^a

Although ED still requires states to calculate and report the four-year adjusted cohort graduation rate, these eleven states are permitted to use calculations consisting of other measures of high school completion in addition to the adjusted cohort graduation rate for triggering necessary interventions. This directly contradicts the intent of the 2008 regulations.

For example, Indiana includes a "waiver diploma" in its graduation rate calculation. Indiana's waiver diploma is defined as "a diploma awarded pursuant to the alternative graduation requirements in IC 20-32-4-4 or IC 20-32-4-5."¹⁷ The heading of this section within Indiana's statute regarding the waiver diploma specifically reads, "graduation eligibility requirements for students not passing graduation examination." Clearly, the waiver diploma is only available for students who have failed the end-of-course exams that are aligned to the state standards. It is not an alternative path to the same requirements of a standard diploma, it is a diploma awarded only after alternative graduation requirements have been met. It is important to note that the waiver diploma was in place prior to Indiana's waiver application being approved, but its usage has resulted in inflating the graduation rate of a major urban school district within the state by more than 17 percentage points.¹⁸

Beyond these details, what is most troubling about Indiana's waiver diploma is who receives it. More than one-quarter of the graduates in the Indianapolis Public Schools (IPS)—a district with predominantly low-income students and students of color—received a waiver diploma. When IPS is compared with Carmel Clay, one of the state's predominantly white and upper-income districts, just fifteen miles away from IPS, where only three waiver diplomas were awarded,^b legitimate equality questions arise as to whether all students in the state are being held to the same high standard.

The 2008 regulations explicitly prohibit the inclusion of alternative diplomas in the graduation rate calculation, yet Indiana was permitted to include the waiver diploma in the graduation numbers used in its accountability system. ED also permitted Georgia to use a calculation in its approved waiver application known as the "leaver" rate that inflated its graduation rate by 13.5 percentage points. The inflation of the graduation rate, caused by calculations such as those that include alternative diplomas or additional measures of completion, has consequences, especially for the schools that are not properly identified for interventions as a result. In Georgia, if ED had required the use of the adjusted cohort graduation rate in accordance with the 2008 regulations, up to thirty-seven high schools with graduation rates below 60 percent would potentially have been added to the state's list of schools slated to receive priority support.¹⁹

Similarly, under waivers, ED permits four states to use dropout rates in their accountability system—this is not permitted under the 2008 regulations. (See Appendix B for a detailed list of states using the dropout rate.) The dropout rate is a poor indicator of high school completion and much less straightforward than the regular calculation of the graduation rate.²⁰ In many states, the dropout rate calculates the total percentage of students who drop out between grades seven to twelve or nine to twelve during a single school year, rather than the percentage of students from each ninth-grade cohort who drop out before finishing high school four years later. The four-year adjusted cohort calculation more clearly depicts the percentage of students who fail to stay in school from ninth through twelfth grade, and also allows the district to better identify at what point in the pipeline students are dropping out and how best to address the problem. Further, it is unclear how schools identify and record whether a student is a dropout, thus presenting the possibility of dropout rates being inaccurate and inconsistent.

^a See Appendix B for a detailed list of states incorporating measures other than the adjusted cohort graduation rate in their accountability systems.

^b See S. Elliot, "Waivers Allow Graduation for Nearly 27% in IPS Who Failed State Tests," *Indianapolis Star*, July 1, 2012. Indianapolis Public Schools is an urban school district; 82 percent of its students are from low-income families, and 77 percent of its students are nonwhite. Carmel Clay School District is an affluent suburban school district, with just 9.7 percent of its students from low-income families and 21.7 percent nonwhite students. See "Indianapolis Public Schools Fact Sheet 2011-12," http://www.ips.k12.in.us/fileadmin/Assets/AboutUs/pdf/2011-12_fact_sheet_copy_2_for_web_indd.pdf (accessed September 13, 2012), and "Carmel Clay District Dashboard," <http://www1.ccs.k12.in.us/uploads/attachments/0001/1059/dashboard.pdf> (accessed October 5, 2012).

In addition, it is important to understand that the dropout rate measures the percentage of students who remain in school, regardless of whether or not they have received a diploma. This means, for example, that the dropout rate gives credit to schools if it has seniors in their fifth or sixth year of high school, even if they do not end up graduating.

Under the 2008 regulations, the adjusted cohort graduation rate has a specific definition that accurately calculates the percentage of students who graduate with a regular diploma in four years and that can easily be compared across states. By using both the dropout rate and the adjusted cohort graduation rate as a measure of completion, states are not only using an inaccurate calculation, they also are diluting the weight of the accurate graduation rate with a measure that is far less precise.

Finally, the 2008 regulations clearly prohibit the use of the GED in calculating the graduation rate. However, ED has allowed Louisiana and South Dakota to include GEDs in their accountability systems. In Louisiana, the GED is a relatively minor part of the accountability system,²¹ but in South Dakota it is much more significant.²² Both states include GEDs in order to provide schools with an incentive to serve students who are unlikely to graduate with a standard diploma.

However, the 2008 regulations prohibited the use of GEDs in graduation rate calculations for several reasons:

- **Research has shown that GEDs actually provide students with an incentive to drop out.**²³
- **The use of the GED inflates high school graduation numbers.**²⁴
- **Relatively few people with a GED use it to obtain a postsecondary credential.**²⁵
- **The GED's labor market value—especially in today's economy— is questionable, at best.**²⁶

The waivers do not specify the maximum weight the GED can assume in a state's accountability system. Its inclusion creates a slippery slope where states can inappropriately reward the schools from which students drop out and then receive their GED, due to the students' own effort, while possibly incentivizing schools to push students toward a GED rather than a standard diploma.

By using both the dropout rate and the adjusted cohort graduation rate as a measure of completion, states are not only using an inaccurate calculation, they also are diluting the weight of the accurate graduation rate with a measure that is far less precise.

Accountability for Traditionally Underserved Students

Nationally, the graduation rate of students of color is approximately 20 percentage points lower than the graduation rate of white students. In many states, the graduation rate gap is substantially larger.²⁷

Under ED's waiver system, however, federal policy would no longer require action to be taken by the state if a subgroup misses annual performance targets. Instead, ED requires subgroup graduation rates to be a factor that "drives" interventions in schools that are *already* identified to receive support. (In a letter to chief state school officers, ED states that "each SEA that has received ESEA flexibility must identify all Title I schools with graduation rates below 60 percent over a number of years, must implement rigorous interventions in those schools, and must also use graduation rate targets, including for subgroups, to *drive*^b [emphasis added] incentives, interventions, and supports in all other Title I schools.")²⁸ Although it is helpful that ED's waiver policy upholds the reporting provisions of the 2008 regulations, the possibility that many schools will no longer be held accountable for the graduation rates of student subgroups may be problematic.

Some advocates of waiving graduation rate accountability within the 2008 regulations may argue that this will allow reform to take place with greater speed. They maintain that under waivers, high schools with graduation rates below 60 percent will be identified as "priority" or "focus" schools, whereas under the 2008 regulations schools must miss performance targets for at least two consecutive years before interventions are required.

At best, however, the speed with which interventions are required under waivers is comparable to the requirements under the 2008 regulations. Both the waiver policy and the 2008 regulations require interventions only after high schools miss performance targets for multiple years. Specifically, under the waiver policy high schools are required to implement interventions only if they have a graduation rate below 60 percent for all students "over a number of years."²⁹ Similarly, under the 2008 regulations a school begins the improvement process after missing performance targets for two consecutive years. In both cases, the use of multiple years of data helps to ensure that action is not taken in response to a single-year data fluctuation. In fact, under waivers, some states (e.g., Colorado, Massachusetts, and Minnesota) require high schools to have a graduation rate below 60

percent over more than two years before being identified as a priority or focus school. (Colorado high schools must have a graduation rate of less than 60 percent over three years,³⁰ and the graduation rate utilized is the highest rate among the four-, five-, six-, and seven-year graduation rates.³¹ Massachusetts high schools must have a five-year graduation rate less than 60 percent over four years,³² and Minnesota high schools must have a six-year graduation rate less than 60 percent over three years.³³) The requirements for interventions in high schools with graduation rates below 60 percent is certainly a laudable policy; however, waivers provide no meaningful gain in response time.

Eleven state waivers approved by ED have either weak or no approaches to subgroup graduation rate accountability.

More important is the fact that the requirement for interventions under the 2008 regulations also applies to student subgroups, whereas the requirement for interventions under waivers does not. Under the 2008 regulations, subgroup graduation rates were included in AYP determinations, which meant that a high school that missed its annual graduation rate targets for one or more subgroups for two consecutive years would be required to implement interventions. Under waivers, this requirement to implement interventions as a result of AYP determinations no longer exists. As a result, eleven state waivers approved by ED have either weak or no approaches to subgroup graduation rate accountability. In six of the eleven states, a high school is not required to implement interventions based on subgroup

^b The definition of the term "drive" is unclear, and guidance has not been provided by ED on how this policy is to be implemented.

graduation rates, regardless of how many years in a row a subgroup misses its targets. In three of the eleven states, low subgroup graduation rates are such a small portion of the accountability system that they will not trigger action on their own. The remaining two additional states have been approved to limit subgroup graduation rate accountability to only two or three subgroups. (See Appendix B for a detailed list of states with minimal or no subgroup graduation rate accountability.)

It is critical that states require interventions for schools where one or more subgroups have low graduation rates rather than requiring that low subgroup graduation rates only be addressed if the overall graduation rate is low. As noted above, graduation rates among low-performing students can be masked when assimilated into the graduation rate of the entire student body. For example, New Mexico's accountability index system assigns schools an overall letter grade based on six categories of student performance, including the performance of all students in math and reading, graduation rates, and indicators of college and career readiness, such as participation and performance in Advanced Placement (AP) and International Baccalaureate (IB) courses.³⁴ If this letter grade is a D or an F, interventions are triggered for underperforming schools. However, individual subgroup graduation rates are not factored in when schools are given letter grades and cannot trigger intervention on their own.

This exclusion masks the performance of these groups while also weakening the transparency in information that is so important to parents and the public.

States are also permitted to limit the number of subgroups for which they are held accountable. For example, Nevada limits subgroup accountability to three subgroups: students with an individualized education plan, students with limited English proficiency, and students who qualify for free and reduced-price lunch.³⁵ Nevada's approved waiver application excludes accountability for low subgroup graduation rates based on race or ethnicity.³⁶ This is particularly concerning because one of the state's three subgroup measurements, free and reduced-price lunch eligibility, is extremely underreported and notoriously inaccurate at the high school level.³⁷

ED's waiver policy was intended to allow states the opportunity to develop more effective ways to identify low-performing subgroups and support their performance, thereby strengthening the 2008 regulations, not weakening them. In the area of subgroup graduation rates, that goal clearly has not been achieved.

It is critical that states require interventions for schools where one or more subgroups have low graduation rates.

The Wrong Incentives

Under ED's waiver policy, twelve states have created accountability indexes that dilute the weight of graduation rates. In these states, the adjusted cohort rate is not a significant factor in their accountability systems.

Under ED's waiver policy, states are permitted to use the adjusted cohort rate as one of several measures of high school completion, which is itself one of several components within the state accountability index. Therefore, in these states, the impact of the adjusted cohort rate in measuring high school performance is diluted and low graduation rates may not induce action. This is very different from the policy under the 2008 regulations, where low graduation rates triggered reform.

For example, in one-third of the approved states, the adjusted cohort rate accounts for less than one-quarter of the index. (See Appendix B for a detailed analysis of the weighting of graduation rates in state accountability indexes.) As a result, a low adjusted cohort rate, particularly among subgroups, will no longer trigger an automatic response in the same way that it was required under the 2008 regulations. This is because high performance on other indicators that carry more weight, such as student performance on reading and math tests, can raise the overall score a school receives enough to avoid intervention.³⁸

This leads to the major potential risk that schools will push out low-performing students in order to raise test scores.³⁹ The majority of state indexes focus on different types of tests, including how well students performed and how much they have improved. Because schools in these states will get far more points for increasing test scores than for increasing graduation rates, they can increase their test scores if they limit the number of low-performing students taking the tests by "counseling" such students toward alternative programs, GEDs, or dropping out. Unless the adjusted cohort graduation rate is truly a significant portion of the accountability system, the benefit to driving up test scores by pushing out low-performing students may far outweigh the impact of having a lower graduation rate. While issuing waivers is designed to curb shortcomings created by NCLB, the irony is that many state waivers could actually be restoring a major deficiency of NCLB, namely, the failure to hold schools accountable for the progress that all their students have made in graduating.

The use of accountability indexes also diminishes the requirement of the 2008 regulations for substantial and continuous growth in graduation rates. Because other indicators carry much more weight than graduation rates, schools can increase their letter grades by increasing their performance on other indicators, such as test scores, even if graduation rates remain low or make insubstantial gains. In addition, a high school could maintain a low graduation rate or have a declining graduation rate but see no change in its letter grade because of improvement on other indicators.

In order to ensure that schools are not incentivized to push out students or focus on other indicators at the expense of making continuous and substantial improvements in graduation rates, those rates should carry significant weight within state accountability systems. One way to demonstrate "significance" is for graduation rates and test scores to be weighed equally.

The irony is that many state waivers could actually be restoring a major deficiency of NCLB.

Allowing Late Graduates While Holding Schools Accountable

Recognizing that some students may need longer than four years to graduate, the 2008 regulations allow states to request an “extended-year” graduation rate. Under this extended rate, schools receive credit for students who take longer than four years to graduate—a process that provides schools with an incentive to keep students in school longer if necessary.

In implementing the 2008 regulations, a state had to apply to ED to use the extended-year rate and agree to increase its annual targets to accompany it. For example, if a state required an annual increase of 2 percentage points in the four-year graduation rate, it might require an increase of 3 percentage points in the five-year graduation rate. The policy goal was simple and straightforward: if a school has more time, it should graduate more students.

The requirement for increased targets was not a part of the 2008 regulations; however, it was an important policy implemented by ED.⁴⁰ By requiring increased annual targets for states utilizing an extended-year rate, ED balanced two policy objectives: supporting students who take longer than four years to graduate, and maintaining the important emphasis on graduating students in four years.

Students deserve every opportunity to succeed, and an extended-year graduation rate provides schools with an accountability incentive to support struggling students who need more than four years to complete high school. Alternative schools serving young people who have already dropped out of high school or who are severely over-age and undercredited may be best served through a different accountability system that uses additional and distinct measures. While a full discussion of effective accountability systems for alternative schools lies outside the scope of this paper, it is clear that using an extended-year graduation rate can be an important element of a high school accountability system. However, it must be used with caution. Unless an extended-year graduation rate is combined with higher annual graduation rate targets, unintended negative consequences in traditional high schools can result.

Under the waivers, ten states have been approved to use extended-year graduation rates without increasing their targets. Three of the ten have been approved to use the highest rate among their four-, five-, six-, and, in one state’s case, seven-year graduation rate in the accountability system. This is particularly problematic because it gives no incentive to emphasize the need for students to graduate in four years,

If a school has more time, it should graduate more students.

and could lead to some students being counseled into a five- or six-year track, perhaps further disengaging struggling students, while others are encouraged to complete high school in four years.

Using an extended-year graduation rate also affects the number of high schools identified for district intervention. ED requires all high schools with graduation rates below 60 percent—so-called dropout factories—to implement interventions.⁴¹ This is critical, because more than 1,500 U.S. high schools have estimated graduation rates below 60 percent, and together they produce over 40 percent of the nation’s dropouts.⁴² Unfortunately, rather than requiring interventions in all high schools with a four-year graduation rate below 60 percent, five states require interventions in schools with a five- or six-year graduation rate below 60 percent (see Appendix B). This approach may not identify high schools with four-year graduation rates below 60 percent, potentially preventing them from receiving needed intervention.

Are the Right High Schools Receiving Support?

The purpose of state accountability systems is to accurately identify schools in need of support and then provide them with effective assistance and interventions to increase student performance. One critical question is whether, under the waivers, the right high schools are being identified to receive support.

The answer? Maybe not.

ED's waiver policy requires states to identify high schools that receive Title I funding and have a graduation rate below 60 percent. These schools must be classified as "priority" schools and are required to implement "dramatic, systemic change."⁴³ States may also include as priority schools high schools with a graduation rate below 60 percent that are eligible for, but do not receive, Title I funding. If a state reaches its quota of priority schools before serving all of its high schools with graduation rates below 60 percent, the remaining high schools may be identified as "focus" schools, which are required to implement targeted interventions based on the needs of the school and its students.⁴⁴ (The "quota" is a number equal to at least 5 percent of the state's Title I-receiving schools. For example, if a state has 100 elementary, middle, and high schools that receive Title I funding, then the state must identify at least a total of five schools, of any grade span, as priority schools.)

This policy was designed to capture the nation's lowest-performing high schools and provide them with an appropriate amount of support. However, it appears that a number of low-performing high schools may be overlooked despite this requirement.

Florida, for example, identifies fifty-six high schools as priority or focus schools, while Maryland identifies none.⁴⁵

However, independent data from the Everyone Graduates Center at Johns Hopkins University suggests that in Florida there are 100 high schools with estimated graduation rates below 60 percent, and twenty-eight in Maryland.⁴⁶ Similarly, in North Carolina, forty-seven high schools are identified as priority or focus schools, but seventy-eight high schools in the state have estimated graduation rates below 60 percent.⁴⁷ Additional investigation into and analysis of other state priority and focus school lists need to be conducted to determine the extent to which such discrepancies exist in other states.

It is important to note that this is a comparison between state-reported data and a graduation rate estimate based on a single school year.^c Additionally, only high schools that receive Title I funding and have a graduation rate below 60 percent are required to be classified as priority or focus schools. ED's policy of allowing states to limit identification and intervention only to high schools that receive or are eligible for Title I funding overlooks nearly 1,300 high-poverty high schools because they are not classified as eligible for Title I. This could provide an explanation for the discrepancy between the total number of high schools with estimated graduation rates below 60 percent and the number of identified priority and focus high schools. Current waiver policies may need to be modified in order to ensure that all high schools with low graduation rates—regardless of Title-I states—are identified and provided with the support they need.

Current waiver policies may need to be modified in order to ensure that all high schools with low graduation rates are identified and provided with the support they need.

^c In identifying priority and focus schools based on graduation rates, states are required to use multiple years of data. The graduation rate estimate used in this analysis is for a single school year. This comparison provides a conservative estimate because the number of high schools with estimated graduation rates below 60 percent has declined over the past several years (Balfanz, Bridgeland, Bruce, and Fox, *Building a Grad Nation*).

Some States Are Doing It Right

Delaware, Hawaii, Kentucky, New York, Ohio, Virginia, and Washington are among the states that are using graduation rate accountability policies that are consistent with the letter and spirit of the 2008 regulations.

Specifically, Delaware’s methodology for calculating and reporting graduation rates is consistent with the 2008 regulations; continuous and substantial graduation rate targets, both overall and for subgroups, have been set; and any high school with a graduation rate less than 60 percent, or with the largest gaps in subgroup graduation rates, is identified as in need of intervention.⁴⁸ Ohio is also continuing to fully implement each key provision of the 2008 regulations and is explicitly targeting subgroup graduation rate gaps within its accountability system.⁴⁹ New York is identifying any high school that fails to meet their graduation rate identification standards, regardless of whether they are Title I or non-Title I high schools.⁵⁰ The state identified three categories of schools in need of intervention, each of which includes a strong focus on improving overall and subgroup graduation rates.⁵¹ In addition, New York is using the extended-year rate in combination with higher targets and uses only the four-year rate to determine whether a high school is identified as a priority or focus school.⁵² Although not yet approved by ED at the time of publication, Hawaii is planning to implement a particularly strong approach to graduation rate accountability. Any high school with a graduation rate below 70 percent will be classified as a priority or focus school, regardless of Title I status or performance on other measures. This policy would be implemented in addition to subgroup accountability for graduation rates and the inclusion of graduation rates as one of three college- and career-ready indicators that together comprise 55 percent of Hawaii’s Academic Performance Index.⁵³

Virginia is an example of a state implementing federal graduation rate accountability in addition to its state-required approach.⁵⁴ The state’s school accreditation system includes a graduation and completion index that is inconsistent with the 2008 regulations because it assigns partial credit for GEDs and full credit for nonregular diplomas. Most significantly, the state system does not require disaggregation for accountability purposes. However, the state is implementing policy in order to meet federal requirements. Specifically, high schools with a four-year graduation rate below 60 percent are identified as priority or focus schools. Additionally, high schools receiving Title I funds must have a graduation rate of 80 percent for all students, including subgroups, or reduce

the number of nongraduating students by 10 percent over the previous year. Title I schools that do not meet these requirements must implement an early-warning indicator system to support continuous improvement. Unfortunately, however, the 80 percent target may be met by using the highest of the four-, five-, and six-year graduation rates. Additionally, the impact of the federal graduation rate target will be limited because only seven out of 308 high schools in Virginia receive Title I funding (another example of how Title I status can be a barrier for properly identifying and intervening in high schools in need of support).⁵⁵

While variations exist in the extent to which the 2008 regulations are being implemented with fidelity, several other states are on the right track. Although the state of Washington uses an extended-year graduation rate (the five-year adjusted cohort rate) without higher annual targets, their method for calculating the graduation rate and its weight within the accountability system are consistent with the 2008 regulations. Washington is also implementing a number of dropout prevention and student support policies in an effort to help schools meet their graduation targets.⁵⁶ New Jersey identifies any high school with a graduation rate of less than 75 percent for intervention, higher than ED’s 60 percent requirement.⁵⁷ However, the state’s approach to graduation rate accountability for student subgroups is unclear. Similarly, although Kentucky does not include graduation rates for specific subgroups in its accountability system, the state does require high schools to meet their graduation rate target for the “All Students” group in order to be considered to have made AYP under the new accountability system.⁵⁸ Although ED permitted Georgia to classify its priority and focus schools using the leaver rate, Georgia’s system classifies high schools with large graduation rate gaps between subgroups as “graduation alert” schools and treats them as focus schools, regardless of whether or not the schools are eligible for or receive Title I funding.⁵⁹

Minor modifications to graduation rate policies would put these states in full compliance with the 2008 regulations, demonstrating that even in states granted waivers, graduation rate accountability does not need to be rolled back in order to promote innovation.

The Way Forward

Specific actions should be taken by Congress, ED, and the states to address the concerns outlined in this paper.

The disparate graduation rate accountability policies that are currently being implemented will best be corrected through the reauthorization of ESEA. The education committees of the House of Representatives and the U.S. Senate each passed ESEA reauthorization bills in 2012; they should build on this momentum and finish the reauthorization process in 2013.

The reauthorization must include clear and consistent graduation rate accountability policy by incorporating the Every Student Counts Act, already included in the Senate bill, which codifies into law the key elements of the 2008 regulations, consistent with the short- and long-term recommendations listed below.

Absent an ESEA reauthorization, the concerns raised in this paper can be addressed by ED and the states. In the short term, several states should make modest changes in their approach to graduation rate accountability that would not cause major shifts in their overall systems but would nonetheless have a substantial impact and better target limited resources.

States that have been approved to use measures that include GEDs or alternative diplomas in their accountability systems should remove them. Doing so would not require these states to radically change their accountability systems, and it would prevent a bad policy from becoming common practice. Additionally, states without subgroup graduation rate accountability should incorporate subgroup graduation rates into their accountability systems in a manner that triggers intervention rather than simply driving interventions already taking place. States could do this by implementing interventions in all schools with a subgroup graduation rate below 60 percent.⁶⁰

These changes should be required by ED immediately. Other specific policy changes recommended for each state are included in Appendix A.

In the long term, when state waivers are up for renewal in 2014, ED should implement a much stronger and more coherent system of graduation rate accountability consistent with each provision of the 2008 regulations and their intent, including the following components:

- **All states should be required to use the four-year adjusted cohort rate for reporting and accountability purposes.** No additional measures of high school completion, such as dropout rates or completer rates, should be combined with the four-year adjusted cohort graduation rate for accountability purposes. If a state only has one year of data available from the four-year adjusted cohort rate, this data should be used instead of multiple years of data from a different and less accurate graduation rate calculation. In addition, GEDs and other alternative diplomas should not be included in calculations of high school completion.
- **As is presently permitted under the 2008 regulations, states should have the opportunity to use an extended-year graduation rate, thereby allowing students more time to graduate from high school when necessary.** However, extended-year graduation rates should only be used in conjunction with more rigorous annual targets. For example, consistent with ED's current waiver policy, all high schools with four-year graduation rates below 60 percent should be required to implement rigorous interventions.⁶¹ However, states using an extended-year graduation rate should raise this threshold (e.g., to 65 percent).
- **Four-year adjusted cohort graduation rates below 60 percent in student subgroups should trigger interventions and support.**
- **Graduation rates should have significant weight within accountability indexes.** One way this can be accomplished is by giving graduation rates equal weight to test scores. This will avoid the possible unintended consequence of creating an incentive to push out low-performing students in order to increase test scores. It will also prevent schools from being able to increase their letter grades or overall index scores by improving performance on tests while having stagnant or declining high school graduation rates.

Conclusion

ED's waiver policy provides states with the opportunity to develop unique accountability systems that will foster teaching and learning and prepare today's students for the twenty-first-century economy.

These new approaches must be balanced with strong accountability measures to ensure that all students have the opportunity to succeed. Unfortunately, the waiver policy has fallen short for graduation rate accountability. Many states have been approved by ED to implement graduation rate accountability policies that risk repeating problems that were addressed by the 2008 regulations. By implementing graduation rate accountability aligned with the letter and spirit of these regulations, states' limited resources will be more effectively targeted to the schools and students most in need, and more students will have the opportunity to graduate on time, ready for college and a career.

Acknowledgments

This report was written by members of the Alliance's federal advocacy team, including Phillip Lovell, vice president of federal advocacy; Jessica Cardichon, director of federal advocacy; and Fred Jones, legislative associate.

The Alliance for Excellent Education is a Washington, DC-based national policy and advocacy organization that works to improve national and federal policy so that all students can achieve at high academic levels and graduate from high school ready for success in college, work, and citizenship in the twenty-first century.

Alliance for Excellent Education
1201 Connecticut Avenue, NW, Suite 901
Washington, DC 20036
p 202 828 0828 · f 202 828 0821
www.all4ed.org



Endnotes

1. Alliance for Excellent Education, “Every Student Counts: The Role of Federal Policy in Improving Graduation Rate Accountability” (Washington, DC: Author, 2009).
2. U.S. Government Accountability Office, *No Child Left Behind Act: Education Could Do More to Help States Better Define Graduation Rates and Improve Knowledge About Intervention Strategies*, GAO-05-879 (Washington, DC: Author, September 2005), <http://www.gao.gov/new.items/d05879.pdf> (accessed September 13, 2012).
3. These regulations contained several provisions that issue requirements around the calculation, reporting, and use of graduation rates for accountability purposes [34 C. F. R. § 200.19(b)].
4. U.S. Department of Education, “ESEA Flexibility” (Washington, DC: Author, updated June 7, 2012), <http://www.ed.gov/esea/flexibility/documents/esea-flexibility.doc> (accessed September 13, 2012).
5. Alliance for Excellent Education, “Providing Greater Opportunities for Deeper Learning in NCLB Waivers” (Washington, DC: Author, 2012).
6. State implementation letters are available at <http://www.ed.gov/esea/flexibility/requests>.
7. See question A-10 in U.S. Department of Education, “ESEA Flexibility: Frequently Asked Questions” (Washington, DC: Author, updated August 3, 2012), <http://www2.ed.gov/policy/eseaflex/esea-flexibility-faqs.doc> (accessed September 13, 2012).
8. A. Duncan, “Letter to Chief State School Officers Announcing the Availability of Preliminary State-by-State Graduation Rate Data and a Clarification of ESEA Flexibility and Graduation Rates” (Washington, DC: U.S. Department of Education, November 26, 2012), <http://www2.ed.gov/policy/elsec/guid/secletter/121126.html> (accessed December 4, 2012).
9. Each “implementation letter” sent to states by ED declares that the state and its local education agencies are required to comply with 2008 regulations. Each state’s implementation letter is available at <http://www.ed.gov/esea/flexibility/requests>. Further, FAQs issued by ED specifically state that the 2008 regulations are not waived (see question A-10, U.S. Department of Education, “ESEA Flexibility: Frequently Asked Questions”).
10. Several concerns raised by peer reviewers regarding waiver applications remain unresolved. For example, peer reviewers of South Dakota’s application noted that “[g]raduation rate accountability is weakened with the including of the completer rate” (U.S. Department of Education, “ESEA Flexibility Peer Panel Notes, South Dakota,” March 27, 2012, 51, <http://www2.ed.gov/policy/eseaflex/panel-notes/sd.pdf> [accessed September 13, 2012]); however, the completer rate was approved by ED (South Dakota Department of Education, “ESEA Flexibility Request” [Pierre, SD: Author, 2012], 37, <http://www2.ed.gov/policy/eseaflex/approved-requests/sd.pdf> [accessed September 10, 2012]). Similarly, peer reviewers of Louisiana’s application wrote, “The [state education agency] awards points to attendees and recipients of certificates of achievement into its calculation of the graduation index; this may dilute the meaningfulness of the index” (U.S. Department of Education, “ESEA Flexibility Peer Panel Notes, Louisiana,” March 29, 2012, 13, <http://www2.ed.gov/policy/eseaflex/panel-notes/la.pdf> [accessed September 13, 2012]). ED required the state to remove certificates of achievement, skills certificates, and attenders; however, it approved the inclusion of GEDs in the state’s accountability index (Louisiana Department of Education, “ESEA Flexibility Request” [Baton Rouge, LA: Author, 2012], 56, <http://www2.ed.gov/policy/eseaflex/approved-requests/la.pdf> [accessed September 10, 2012]). Additionally, peer reviewers of New Mexico’s application expressed the following concern with the state’s approach to the identification of focus schools: “The [state education agency]’s methodology described is not built on finding the largest gaps between subgroups, the lowest achieving subgroups, or the largest graduation rate gaps. It is unclear how the A-F grading system ties to identification of these types of focus schools” (U.S. Department of Education, “ESEA Flexibility Peer Panel Notes, New Mexico,” December 7, 2011, 25, <http://www2.ed.gov/policy/eseaflex/panel-notes/nm.pdf> [accessed September 13, 2012]). This notwithstanding, ED approved New Mexico’s waiver application without requiring the state to address graduation rate gaps within the identification of focus schools (New Mexico Public Education Department, “ESEA Flexibility Request” [Santa Fe, NM: Author, 2012], 86, <http://www2.ed.gov/policy/eseaflex/approved-requests/nm.pdf> [accessed September 10, 2012]).
11. U.S. Department of Education, “ESEA Flexibility Peer Panel Notes, Virginia,” March 26, 2012, 13, <http://www2.ed.gov/policy/eseaflex/panel-notes/va.pdf> (accessed September 13, 2012).
12. Virginia Department of Education, “ESEA Flexibility Request” (Richmond, VA: Author, 2012), 51-53, <http://www2.ed.gov/policy/eseaflex/approved-requests/va.pdf> (accessed September 10, 2012).
13. U.S. Government Accountability Office, *No Child Left Behind (NCLB) Act of 2001*.
14. G. Orfield, “Losing Our Future: Minority Youth Left Out,” in *Dropouts in America: Confronting the Graduation Rate Crisis*, ed. G. Orfield (Cambridge, MA: Harvard Education Press, 2004), 4.
15. U.S. Government Accountability Office, *No Child Left Behind (NCLB) Act of 2001*.
16. D. J. Losen, “Graduation Rate Accountability Under the No Child Left Behind Act and the Disparate Impact on Students of Color,” in *Dropouts in America*, ed. G. Orfield (Cambridge, MA: Harvard Education Press, 2004), 41-56.
17. Indiana State Board of Education, 511 IAC 6.2-6-0.5.
18. S. Elliot, “Waivers Allow Graduation for Nearly 27% in IPS Who Failed State Tests,” *Indianapolis Star*, July 1, 2012.

19. An Alliance for Excellent Education comparison of the data provided by Georgia in its approved waiver application (Georgia Department of Education, "ESEA Flexibility Request" [Atlanta, GA: Author, 2012], 52, <http://www2.ed.gov/policy/eseaflex/approved-requests/ga.pdf> [accessed September 10, 2012]), with graduation rate data released by the state in April 2012 (<http://www.doe.k12.ga.us/External-Affairs-and-Policy/Communications/Pages/PressReleaseDetails.aspx?PressView=default&pid=33> [accessed September 13, 2012]), demonstrates that the graduation rate information included in the state's approved waiver application was calculated using the leaver graduation rate. Moreover, Georgia states that it will identify Title I-participating or Title I-eligible high schools with graduation rates below 60 percent as priority schools, and identifies thirty-two such high schools as priority or focus schools (Georgia Department of Education, "ESEA Flexibility Request," 37, 260). However, there are eighty-four high schools with graduation rates between 60 percent and 20 percent when calculated using the adjusted cohort graduation rate. Therefore, up to fifty-two high schools may be misidentified. It should also be noted that Georgia has several high schools with adjusted cohort graduation rates below 20 percent. These schools were excluded from this calculation because many of them appear to be alternative schools, and it may be inappropriate for such schools to be identified as priority or focus. Fifteen additional schools were removed from this calculation based on information received by the Alliance from the Georgia Department of Education because of the schools' student population size, status as an alternative school, or because they have closed. Upon removal of these schools from the calculation, the number of schools potentially misidentified is reduced to thirty-seven ($84 - 32 - 15 = 37$). (Georgia Department of Education, interview, December 11, 2012). For additional information on ED's policy regarding priority and focus schools, see page 15.

20. G. Orfield, ed., *Dropouts in America: Confronting the Graduation Rate Crisis* (Cambridge, MA: Harvard Education Press, 2004).

21. In addition to the cohort graduation rate (25 percent of the state's accountability system), Louisiana also includes a graduation index as an additional 25 percent of the state's accountability system. The graduation index is intended to measure not only graduation rates (as does the cohort graduation rate), but also quality of graduation outcomes. Within that index, an individual school can receive up to 25 School Performance Score (SPS) points (equivalent to a low "F") depending on the number of students who receive a GED out of a possible 150 points. By comparison, a school receives up to 100 points for students who receive a regular diploma and 110 points for students who receive a regular diploma *and* earn a 1 or 2 on an Advanced Placement (AP) test (after successfully completing the AP course); a 1, 2, or 3 on an International Baccalaureate (IB) course, including the assessment which constitutes the majority of the overall score; an industry-based certificate (IBC); or credit through a dual enrollment program. Additionally, a school receives 150 points for students who receive a regular diploma and earn a 3, 4, or 5 on an AP test or a 4, 5, or 6 on an IB course. Louisiana encourages schools to focus on a regular diploma instead of the GED by providing 75 points for students who graduate in their fifth year and only 25 points for students who earn a GED (Louisiana Department of Education, "ESEA Flexibility Request," 53, 56).

22. Fifty percent of the "High School Completion Rate" for each school in South Dakota is based on the "completer" rate. The completer rate gives schools credit for students who complete a high school experience with a GED. In addition to allowing states to include the GED in the calculation of the graduation rate, under ED's flexibility policy states are also permitted to use the GED in their accountability index, which identifies schools in need of intervention (South Dakota Department of Education, "ESEA Flexibility Request," 34, 37).

23. J. Heckman, J. Humphries, P. LaFontaine, and P. Rodriguez, *Taking the Easy Way Out: How the GED Testing Program Induces Students to Drop Out* (Cambridge, MA: National Bureau of Economic Research, 2008), http://www.nber.org/papers/w14044.pdf?new_window=1 (accessed September 13, 2012).

24. J. Heckman, J. Humphries, and N. Mader, *The GED* (Cambridge, MA: National Bureau of Economic Research, 2010), http://www.nber.org/papers/w16064.pdf?new_window=1 (accessed September 13, 2012).

25. Ibid.

26. Ibid.

27. Editorial Projects in Education, "Diplomas Count: Trailing Behind, Moving Forward," *Education Week* 31, no. 34 (June 2012): 26, http://www.edweek.org/media/diplomascount2012_presspacket_final.pdf (accessed January 14, 2013).

28. Duncan, "Letter to Chief State School Officers Announcing the Availability of Preliminary State-by-State Graduation Rate Data and a Clarification of ESEA Flexibility and Graduation Rates."

29. U.S. Department of Education "ESEA Flexibility," 7-8. See definitions of "priority" and "focus" schools.

30. Colorado Department of Education, "ESEA Flexibility Request" (Denver, CO: Author, 2012), 85, <http://www2.ed.gov/policy/eseaflex/approved-requests/co.pdf> (accessed September 10, 2012).

31. Colorado Department of Education, "School Performance Framework 2012—Preliminary Draft for District Review," <http://www.cde.state.co.us/accountability/Downloads/SPFTemplate2012multilevel.pdf> accessed January 14, 2013).

32. Massachusetts Department of Elementary and Secondary Education, "ESEA Flexibility Request" (Boston, MA: Author, 2012), 53, <http://www2.ed.gov/policy/eseaflex/approved-requests/ma.pdf> (accessed September 20, 2012).

33. Minnesota Department of Education, "ESEA Flexibility Request" (Roseville, MN: Author, 2012), 121, <http://www2.ed.gov/policy/eseaflex/approved-requests/mn.pdf> (accessed September 20, 2012).

34. New Mexico Public Education Department, "ESEA Flexibility Request" (Sante Fe, NM: Author, 2012), 42, 45, <http://www2.ed.gov/policy/eseaflex/approved-requests/nm.pdf> (accessed September 10, 2012).

35. Nevada Department of Education, "ESEA Flexibility Request" (Carson City, NV: Author, 2012), 63, 118, <http://www2.ed.gov/policy/eseaflex/approved-requests/nv.pdf> (accessed September 10, 2012).

36. Ibid.

37. W. Riddle, "Title I and High Schools: Addressing the Needs of Disadvantaged Students at All Grade Levels" (Washington, DC: Alliance for Excellent Education, 2011).

38. It is important to note that there is an exception to this policy under the waivers. As discussed on page 15, ED's formal policy requires all schools with a graduation rate below 60 percent to implement improvement interventions. This is an important policy, but it does not address the fact that high school graduation rates are diluted within state accountability systems because: (1) schools with graduation rates above 60 percent, but that are nonetheless low and/or stagnant (e.g., 62 percent for several consecutive years), may not be required to implement interventions; and (2) this policy overlooks subgroup graduation rates (e.g., a school may have an overall graduation rate of 85 percent but a subgroup graduation of 55 percent; under this policy, such a school would not be required to implement interventions).

39. For background information on “pushouts,” see D. Rosborough, “Left Behind, and Then Pushed Out: Charting a Jurisprudential Framework to Remedy Illegal Student Exclusions,” *Washington University Law Review* 87, no. 3 (2010): 663–97, <http://lawreview.wustl.edu/in-print/left-behind-and-then-pushed-out-charting-a-jurisprudential-framework-to-remedy-illegal-student-exclusions/> (accessed September 20, 2012); G. Orfield, D. Losen, J. Wald, and C. Swanson, *Losing Our Future: How Minority Youth Are Being Left Behind by the Graduation Rate Crisis* (Cambridge, MA: Civil Rights Project at Harvard University; contributors: Urban Institute, Advocates for Children of New York, and the Civil Society Institute), <http://civilrightsproject.ucla.edu/research/k-12-education/school-dropouts/losing-our-future-how-minority-youth-are-being-left-behind-by-the-graduation-rate-crisis> (accessed September 13, 2012).
40. See question D-4 in U.S. Department of Education, “High School Graduation Rate Non-Regulatory Guidance” (Washington, DC: Author, December 22, 2008).
41. Such schools are classified as priority or focus schools and are required to implement improvement interventions. Priority schools must implement a comprehensive set of interventions aligned with turnaround principles detailed in ED’s flexibility policy. Focus schools are additional schools that must implement interventions under the direction of the school district.
42. R. Balfanz, J. M. Bridgeland, M. Bruce, and J. H. Fox, *Building a Grad Nation: Progress and Challenge in Ending the High School Dropout Epidemic* (Washington, DC: Civic Enterprises, Everyone Graduates Center at Johns Hopkins University, America’s Promise Alliance, and Alliance for Excellent Education, 2012) 7, <http://www.americaspromise.org/Our-Work/Grad-Nation/~media/Files/Our%20Work/Grad%20Nation/Building%20a%20Grad%20Nation/BuildingAGradNation2012.ashx> (accessed September 13, 2012); and Alliance for Excellent Education analysis of unpublished data from the Everyone Graduates Center at Johns Hopkins University, 2011.
43. U.S. Department of Education, “ESEA Flexibility.”
44. *Ibid.*, 8. States are required to identify a number of schools at least equal to 5 percent of their schools receiving Title I funding as priority schools. If a state has numerous high schools with graduation rates below 60 percent, it is unlikely that all of these high schools will be classified as priority schools, because the state will reach the 5 percent threshold before serving all of the high schools. For example, if a state has 100 Title I-receiving schools, then it must identify at least five priority schools. If the state has seven high schools with graduation rates below 60 percent, five of the high schools would be identified as priority schools. The two remaining high schools would then be identified as focus schools.
45. See <http://www.fldoe.org/esea/xls/priorityfocusschoolslist.xls>; Maryland State Department of Education, “ESEA Flexibility Request” (Baltimore, MD: Author, 2012), 112, 128, <http://www2.ed.gov/policy/eseaflex/approved-requests/md.pdf> (accessed September 10, 2012).
46. Balfanz, Bridgeland, Bruce, and Fox, *Building a Grad Nation*, 30.
47. North Carolina Department of Public Instruction, “ESEA Flexibility Request” (Raleigh, NC: Author, 2012), Table 2, 189–98, <http://www2.ed.gov/policy/eseaflex/approved-requests/nc.pdf> (accessed September 10, 2012); *ibid.*, 30.
48. Delaware Department of Education, “ESEA Flexibility Request” (Dover, DE: Author, 2012), 67–70, 91, <http://www2.ed.gov/policy/eseaflex/approved-requests/de.pdf> (accessed September 10, 2012).
49. Ohio Department of Education, “ESEA Flexibility Request” (Columbus, OH: Author, 2012), 60, <http://www2.ed.gov/policy/eseaflex/approved-requests/nc.pdf> (accessed September 10, 2012).
50. New York State Education Department email message to Alliance for Excellent Education, November 28, 2012.
51. New York State Education Department, “ESEA Flexibility Request” (Albany, NY: Author, 2012), 77, <http://www2.ed.gov/policy/eseaflex/approved-requests/ny.pdf> (accessed September 10, 2012).
52. New York State Education Department email message to Alliance for Excellent Education, November 28, 2012.
53. Hawaii Department of Education, “ESEA Flexibility Request for Window 3” (Honolulu, HI: Author, 2012), 63, 65, 88–89, <http://www2.ed.gov/policy/eseaflex/hi.pdf> (accessed October 10, 2012).
54. Virginia Department of Education, “ESEA Flexibility Request,” 43, 51.
55. Alliance for Excellent Education analysis of Virginia Department of Education’s “Local and Regional Schools and Centers 2011–12,” http://www.doe.virginia.gov/statistics_reports/enrollment/local_regional_schools_centers/2011_12_local_reg_sch_ctr_a.pdf (accessed October 11, 2012), and “Virginia AYP Status for 2010–2011: Summary by Division and Title I School,” https://p1pe.doe.virginia.gov/reportcard/ayp_report.do?link=2&year=2011 (accessed October 17, 2012).
56. Washington Office of Superintendent of Public Instruction, “ESEA Flexibility Request” (Olympia, WA: Author, 2012), 86, <http://www2.ed.gov/policy/eseaflex/approved-requests/wa.pdf> (accessed September 10, 2012).
57. New Jersey Department of Education, “ESEA Flexibility Request” (Trenton, NJ: Author, 2012), 64, <http://www2.ed.gov/policy/eseaflex/approved-requests/nj.pdf> (accessed September 10, 2012).
58. Kentucky Department of Education, “Kentucky ESEA Flexibility Request: Final Submission” (Frankfort, KY: Author, 2012), 59–60, <http://www2.ed.gov/policy/eseaflex/approved-requests/ky.pdf> (accessed September 10, 2012).
59. If a high school has a subgroup graduation rate that falls at or below the third standard deviation compared to the statewide subgroup average, it is classified as a “graduation alert” school and considered a focus school (Georgia Department of Education, “ESEA Flexibility Request,” 80).
60. Missouri is an example of a state that uses this approach to subgroup graduation rate accountability (Missouri Department of Elementary and Secondary Education, “ESEA Flexibility Request” [Jefferson City, MO: Author, 2012], 82, <http://www2.ed.gov/policy/eseaflex/approved-requests/mo.pdf> [accessed September 10, 2012]).
61. This policy is included within ED’s flexibility policy. However, ED has not provided adequate guidance to states on the differentiation between priority and focus high schools with graduation rates below 60 percent.

Appendix A: High School Graduation Rate Accountability: State-by-State Highlights and Recommendations

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
Arizona	Serving sixty-two high schools, which is three times the number of high schools with estimated graduation rates below 60 percent. ¹	<ul style="list-style-type: none"> The adjusted cohort rate only comprises 1.5 percent of the accountability index.² ED is requiring the percentage to be increased to 20 percent.³ Uses the dropout rate as part of the accountability system.⁴ A low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Additionally, subgroup graduation rates are not included in the state's accountability index.⁵ 	<ul style="list-style-type: none"> The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores. Remove the dropout rate from the accountability system. Include subgroup graduation rates in the accountability system. For example, implement interventions in all high schools that have a subgroup graduation rate of less than 60 percent.
Arkansas	High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention. ⁶	<ul style="list-style-type: none"> Uses a completion rate to identify high schools with a graduation rate below 60 percent for intervention.⁷ 	<ul style="list-style-type: none"> Use the one year of data available based on the four-year adjusted cohort rate rather than the completion rate to identify high schools with a graduation rate of less than 60 percent.

1. Based on an Alliance for Excellent Education comparison of the number of high schools reported to be served in the Arizona Department of Education, "ESEA Flexibility Request," 113, with the number of high schools with an estimated graduation rate of less than 60 percent (Balfanz, Bridgeland, Bruce, and Fox, *Building a Grad Nation*).

2. Arizona's current accountability system awards 1.5 percent of its index to the adjusted cohort rate and is awaiting approval from its state board of education to raise it to 20 percent (Arizona Department of Education, "ESEA Flexibility Request," 43-44). Information is unavailable at the time of this publication as to whether the dropout rate will remain included within Arizona's accountability system.

3. Arne Duncan, "Secretary's Approval Letter" (Washington, DC: U.S. Department of Education, July 19, 2012), <http://www2.ed.gov/policy/elsec/guid/secletter/121126.html> (accessed December 4, 2012).

4. Arizona Department of Education, "ESEA Flexibility Request," 40, 42-43.

5. *Ibid.*, 43, 50-51.

6. Arkansas Department of Education, "ESEA Flexibility Request," 99.

7. *Ibid.*, 88. Rather than using the one year of the four-year adjusted cohort graduation rate that was available, Arkansas used data from its completion rate. Specifically, the state conducted a four-year review of completion rates from 2007 to 2010, which did not reveal any Title I high schools or Title I-eligible high schools with a graduation rate of less than 60 percent over a number of years. However, there are twelve high schools in the state with estimated graduation rates below 60 percent (Balfanz, Bridgeland, Bruce, and Fox, *Building a Grad Nation*). Arkansas will be using only the four-year adjusted cohort rate to calculate the graduation rate and for identification purposes in the future (Arkansas Department of Education, "ESEA Flexibility Request," 76).

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
Colorado	<ul style="list-style-type: none"> Disaggregated graduation rates comprise 8.75 percent of the accountability index.⁸ High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.⁹ 	<ul style="list-style-type: none"> The adjusted cohort rate only comprises 17.5 percent of the accountability index.¹⁰ The dropout rate accounts for 8.75 percent of Colorado’s accountability index system.¹¹ The graduation rate is based on the highest rate among a school’s four-, five-, six-, and seven-year graduation rates.¹² Uses an extended-year graduation rate without raising the trigger for priority and focus school identification above 60 percent.¹³ 	<ul style="list-style-type: none"> The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores. Remove the use of the dropout rate and apply its weight to the graduation rate and the disaggregated graduation rate within the accountability system, such that the graduation rate accounts for 25 percent of the index. Extended-year graduation rates should be included only if combined with higher targets. Combine the use of an extended-year graduation rate with a higher trigger for priority and focus school identification.
Connecticut	<ul style="list-style-type: none"> Uses only the four-year adjusted cohort rate to identify priority and focus schools.¹⁴ High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.¹⁵ 	<ul style="list-style-type: none"> Uses an extended-year rate that is unauthorized by the 2008 regulations.¹⁶ 	<ul style="list-style-type: none"> Use only the adjusted cohort rate to determine an extended-year rate.
Delaware	<ul style="list-style-type: none"> Uses only the four-year adjusted cohort rate to calculate the graduation rate.¹⁷ High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.¹⁸ 		

8. Colorado Department of Education, “ESEA Flexibility Request,” 58.

9. Ibid., 102.

10. Ibid., 58.

11. Ibid.

12. Ibid., 52; “Colorado Department of Education, School Performance Framework 2012—Preliminary Draft for District Review,” <http://www.cde.state.co.us/accountability/Downloads/SPFTemplate2012multilevel.pdf> (accessed January 14, 2013).

13. Colorado Department of Education email message to Alliance for Excellent Education, October 18, 2012.

14. Connecticut Department of Education, “ESEA Flexibility Request,” 98.

15. Ibid., 83.

16. Ibid., 92–94. Connecticut’s extended-year graduation rate gives schools credit for students still enrolled after four years and for students with disabilities who earn a special education certificate. This calculation of the extended-year graduation rate is prohibited under the 2008 regulations. This measure does not calculate the specific number of students who graduate in five or six years as measured by the extended-year graduation rate permitted under the 2008 regulations. Rather, this calculation measures the percentage of students retained in school in October of the following school year in addition to those students who graduated within four years or who earned a special education certificate. See Connecticut State Department of Education, “Frequently Asked Questions,” <http://www.sde.ct.gov/sde/cwp/view.asp?a=2683&Q=334584#gradrate1> (accessed December 13, 2012).

17. Delaware Department of Education, “ESEA Flexibility Request,” 67.

18. Ibid., 70.

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
District of Columbia	<ul style="list-style-type: none"> Starting in SY 2013-14, will use only the four-year adjusted cohort rate to calculate the graduation rate.¹⁹ High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.²⁰ 	<ul style="list-style-type: none"> Combines the leaver rate, which is an inaccurate graduation rate calculation, with the four-year adjusted cohort rate to identify high schools for interventions for SY 2012-13.²¹ 	<ul style="list-style-type: none"> Use only the four-year adjusted cohort rate to calculate the graduation rate.
Florida	<ul style="list-style-type: none"> Uses only the four-year adjusted cohort graduation rate to calculate the graduation rate.²² High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.²³ 	<ul style="list-style-type: none"> The adjusted cohort rate only comprises 18.75 percent of the accountability index.²⁴ It appears possible for a high school to have a graduation rate of less than 60 percent and still avoid receiving a D or F grade (letter grades that trigger specific intervention).²⁵ Fifty-six high schools²⁶ are identified for intervention; however, there are 100 high schools in Florida with an estimated graduation rate below 60 percent.²⁷ 	<ul style="list-style-type: none"> The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores. Review the data for the high schools with an estimated graduation rate of less than 60 percent to determine why they were not identified as a priority or focus school.
Georgia	<ul style="list-style-type: none"> High schools, regardless of Title I status, may be classified as “graduation alert” schools and receive interventions due to low subgroup graduation rates.²⁸ Sets an overall graduation rate goal of 100 percent.²⁹ 	<ul style="list-style-type: none"> Uses the leaver rate instead of the four-year adjusted cohort rate to calculate the graduation rate.³⁰ Up to thirty-seven high schools with graduation rates between 20 and 60 percent might not be included on the state’s list of high schools identified for intervention.³¹ 	<ul style="list-style-type: none"> Use only the four-year adjusted cohort rate to calculate the graduation rate and set targets. Recalculate the number of high schools identified for intervention using only the adjusted cohort rate to calculate the graduation rate.
Idaho	<ul style="list-style-type: none"> Starting in School Year (SY) 2013-14, will use only the four-year adjusted cohort rate to calculate the graduation rate.³² 		

19. District of Columbia Office of the State Superintendent of Education, “ESEA Flexibility Request,” 68.

20. Ibid., 88.

21. Ibid., 68.

22. Florida Department of Education, “ESEA Flexibility Request,” 76.

23. Ibid., 116.

24. Ibid., 50.

25. Ibid., 52, 93; see also <http://schoolgrades.fldoe.org/pdf/1011/Guidesheet2011SchoolGrades.pdf> (accessed September 13, 2012).

26. See <http://www.fldoe.org/esea/xls/priorityfocusschoolslist.xls> (accessed January 14, 2013).

27. Florida Department of Education, “ESEA Flexibility Request,” 125; Balfanz, Bridgeland, Bruce, and Fox, *Building a Grad Nation*, 30.

28. See endnote 59 in report.

29. Georgia Department of Education, “ESEA Flexibility Request,” 50.

30. See endnote 19 in report.

31. Ibid.

32. Idaho State Department of Education, “ESEA Flexibility Request,” 71.

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
Indiana	<ul style="list-style-type: none"> One-third of the accountability index is based on the graduation rate. The remaining two-thirds is equally based on college- and career-ready skills and student performance.³³ 	<ul style="list-style-type: none"> The state does not use an accurate four-year adjusted cohort graduation rate calculation; its graduation rate calculation includes students who receive a waiver diploma.³⁴ 	<ul style="list-style-type: none"> The waiver diploma should not be included in the graduation rate calculation for reporting and accountability purposes. Recalculate the number of high schools identified for intervention using an adjusted cohort rate based only on the number of students receiving a regular diploma.
Kansas	<ul style="list-style-type: none"> Uses the four-year adjusted cohort rate to identify high schools with a graduation rate of less than 60 percent for identification for intervention.³⁵ 	<ul style="list-style-type: none"> Uses an extended-year graduation rate without setting higher targets.³⁶ 	<ul style="list-style-type: none"> Combine the use of an extended-year graduation rate with a higher trigger for priority and focus school identification.
Kentucky	<ul style="list-style-type: none"> Starting in SY 2014-15, will use only the four-year adjusted cohort rate to calculate the graduation rate.³⁷ Sets an overall graduation rate goal of 98 percent.³⁸ A high school identified as a priority school will need to have a graduation rate of at least 70 percent for three consecutive years to be removed from priority status.³⁹ Any high school with a graduation rate of less than 60 percent for two consecutive years will be identified as a focus school.⁴⁰ If identified for this reason, the school must have a graduation rate of at least 70 percent for two consecutive years to exit focus status.⁴¹ In order for a high school to meet its overall targets, it must either meet the graduation rate goal of 98 percent or meet its annual graduation target for the “All Students” group.⁴² 	<ul style="list-style-type: none"> The adjusted cohort rate only comprised 20 percent of the accountability index for SY 2011-12 and will only comprise 14 percent of the index starting with SY 2013-14.⁴³ A low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Additionally, subgroup graduation rates are not included in the state’s accountability index.⁴⁴ 	<ul style="list-style-type: none"> The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores. Include subgroup graduation rates in the accountability system. For example, implement interventions in all high schools that have a subgroup graduation rate of less than 60 percent.

33. Indiana Department of Education, “ESEA Flexibility Request,” 58.

34. See endnotes 17 and 18 in report.

35. Kansas Department of Education, “ESEA Flexibility Request,” 82.

36. *Ibid.*, 82.

37. Kentucky Department of Education, “ESEA Flexibility Request,” 37.

38. *Ibid.*, 59-60.

39. *Ibid.*, 74.

40. *Ibid.*, 76.

41. *Ibid.*, 80.

42. The annual graduation target is calculated as follows: $(98\% - \text{baseline graduation rate}) / 11 \text{ years} = \text{percentage-point growth required each year}$. *Ibid.*, 59-60.

43. *Ibid.*, 42, 45. In the Kentucky index, the graduation rate accounted for 20 percent of the index for SY 2011-12 and will account for 15.4 percent of the index for SY 2012-13 and 14 percent of the index for SY 2013-14 and beyond.

44. *Ibid.*, 42, 76-77.

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
Louisiana	<ul style="list-style-type: none"> The accountability index includes a dropout indicator for schools with an eighth grade.⁴⁵ The extended-year rate is given fewer points in the index than the four-year rate.⁴⁶ 	<ul style="list-style-type: none"> The adjusted cohort rate only comprises 25 percent of the accountability index.⁴⁷ Awards points to GED recipients in its calculation of the graduation index.⁴⁸ 	<ul style="list-style-type: none"> The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores. Remove the GED in calculating the graduation index. Include a safeguard in the accountability system to ensure that the additional points awarded for “Diploma Plus” (AP/IB/dual enrollment) do not prevent a school with large numbers of dropouts from receiving interventions.
Maryland	<ul style="list-style-type: none"> Uses only the four- and five-year adjusted cohort rates to calculate the graduation rate.⁴⁹ Sets an overall graduation rate goal of 95 percent.⁵⁰ Combines the use of an extended-year graduation rate with a higher trigger for priority and focus school identification.⁵¹ 	<ul style="list-style-type: none"> The adjusted cohort rate only comprises 18 percent of the accountability index.⁵² Identifies no high schools for intervention.⁵³ However, there are twenty-eight high schools with estimated graduation rates below 60 percent.⁵⁴ 	<ul style="list-style-type: none"> The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores. Review the data for the twenty-eight high schools with an estimated graduation rate of less than 60 percent to determine why they were not identified as a priority or focus school.

45. Louisiana Department of Education, “ESEA Flexibility Request,” 50–51.

46. Ibid., 56.

47. Ibid., 53, 56.

48. Ibid., 56. See endnote 21 in report.

49. Maryland State Department of Education, “ESEA Flexibility Request,” 78.

50. Ibid., 78.

51. Ibid., 79.

52. Ibid., 76.

53. Ibid., 112. Maryland identifies eleven Title I-eligible or –participating high schools with graduation rates below 60 percent. However, Maryland disqualifies five of these eleven schools based on their guidelines for Trend Data and disqualifies another five schools due to their “n” size, leaving one eligible school, in which Maryland is electing not to intervene as either a priority or a focus school.

54. Balfanz, Bridgeland, Bruce, and Fox, *Building a Grad Nation*, 30.

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
Massachusetts	<ul style="list-style-type: none"> • Uses only the four- and five-year adjusted cohort rates to calculate the graduation rate.⁵⁵ • Sets an overall graduation rate goal of 95 percent.⁵⁶ • Combines the use of an extended-year graduation rate with a higher target for points awarded within the index.⁵⁷ • High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.⁵⁸ 	<ul style="list-style-type: none"> • The adjusted cohort rate comprises only 14.3 percent of the accountability index.⁵⁹ • Within the accountability index system, 50 out of 100 possible points for graduation rates are awarded for schools making any improvement, and 25 points are awarded if there is no change in the graduation rate.⁶⁰ • Uses the dropout rate as part of the accountability system.⁶¹ • Uses an extended-year graduation rate without raising the trigger for priority and focus school identification above 60 percent.⁶² 	<ul style="list-style-type: none"> • The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores. • A school should only receive points for maintaining or making minimal improvements in the graduation rate if the graduation rate is at least 80 percent. • Remove the use of the dropout rate and apply its weight to the adjusted cohort graduation rate within the accountability system. • Combine the use of an extended-year graduation rate with a higher trigger for priority and focus school identification.
Michigan	<ul style="list-style-type: none"> • Requires all focus schools to identify a minimum number of students nearing a transition year at risk of dropping out and to provide intervention.⁶³ 	<ul style="list-style-type: none"> • The adjusted cohort rate only comprises 16.7 percent of the accountability index.⁶⁴ • The graduation rate is based on the highest rate among a school's four-, five-, and six-year graduation rates.⁶⁵ • A low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Although subgroup graduation rates are included within the accountability system, the graduation rate for a single subgroup does not carry sufficient weight to trigger improvement interventions.⁶⁶ • Uses an extended-year graduation rate without setting higher targets.⁶⁷ 	<ul style="list-style-type: none"> • The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores. • The graduation rate should be based on the adjusted cohort rate. • Include subgroup graduation rates in the accountability system. For example, implement interventions in all high schools that have a subgroup graduation rate of less than 60 percent. • Extended-year graduation rates should be included only if combined with higher targets.

55. Massachusetts Department of Elementary and Secondary Education, "ESEA Flexibility Request," 36.

56. Ibid.

57. Ibid.

58. Ibid., 52-53.

59. Massachusetts Department of Elementary and Secondary Education email message to Alliance for Excellent Education, October 18, 2012.

60. Massachusetts Department of Elementary and Secondary Education, "ESEA Flexibility Request," 37.

61. Ibid., 36-37.

62. Ibid., 43, 53.

63. Michigan Department of Education, "ESEA Flexibility Request," 83-84.

64. Michigan Department of Education email message to Alliance for Excellent Education, November 14, 2012.

65. Michigan Department of Education, "ESEA Flexibility Request," 510.

66. Ibid., 57-58, 60-61, 130-33.

67. Ibid.

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
Minnesota	<ul style="list-style-type: none"> Requires all focus schools with low graduation rates to implement an early indicator and response system to identify and target students at risk of dropping out.⁶⁸ 	<ul style="list-style-type: none"> The adjusted cohort rate only comprises 25 percent of the accountability index.⁶⁹ High schools with a four-year graduation rate of less than 60 percent are not identified for intervention. Only high schools with a six-year adjusted cohort graduation rate of less than 60 percent are identified for interventions.⁷⁰ Uses an extended-year rate (the three-year average of the six-year rate) without raising the trigger for priority and focus school identification above 60 percent.⁷¹ A low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Although subgroup graduation rates are included within the accountability index, the graduation rate for a single subgroup does not carry sufficient weight to trigger improvement interventions.⁷² 	<ul style="list-style-type: none"> The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores. Graduation rate accountability should be based on the four-year adjusted cohort rate. Extended-year graduation rates should be combined with a higher trigger for priority and focus school identification. Include subgroup graduation rates in the accountability system. For example, implement interventions in all high schools that have a subgroup graduation rate of less than 60 percent.
Mississippi	<ul style="list-style-type: none"> Uses only the four- and five-year adjusted cohort rates to calculate the graduation rate.⁷³ Combines the use of an extended-year graduation rate with higher targets.⁷⁴ High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.⁷⁵ 		

68. Minnesota Department of Education, “ESEA Flexibility Request,” 132.

69. Ibid., 89.

70. Ibid., 120–21.

71. Ibid.

72. Ibid., 89, 120–21.

73. See footnote 28.

74. Ibid.

75. Ibid., 68, 85.

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
Missouri	<ul style="list-style-type: none"> One-third of the accountability index is based on the graduation rate.⁷⁶ High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.⁷⁷ 	<ul style="list-style-type: none"> Uses an extended-year graduation rate without raising the trigger for priority and focus school identification above 60 percent.⁷⁸ Does not use the adjusted cohort rate to identify priority and focus schools; however, it is used within the accountability index.⁷⁹ 	<ul style="list-style-type: none"> Combine the use of an extended-year graduation rate with a higher trigger for priority and focus school identification. Recalculate the number of high schools identified for intervention using only the adjusted cohort rate to calculate the graduation rate. Use only the adjusted cohort rate to identify priority and focus schools.
Nevada	<ul style="list-style-type: none"> Thirty percent of the accountability index is based on the graduation rate and 16 percent is based on college and career readiness.⁸⁰ Uses only the four-year adjusted cohort rate to calculate the graduation rate.⁸¹ Sets an overall graduation rate goal of 97 percent.⁸² 	<ul style="list-style-type: none"> Subgroup accountability is limited to three groups: students with an Individualized Education Plan, students with limited English proficiency, and students who qualify for free and reduced-price lunch.⁸³ 	<ul style="list-style-type: none"> Include subgroups based on race and ethnicity within the accountability framework.
New Jersey	<ul style="list-style-type: none"> Uses only the four-year adjusted cohort rate to calculate the graduation rate.⁸⁴ Identifies any high school with a graduation rate of less than 75 percent for intervention.⁸⁵ 	<ul style="list-style-type: none"> A low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Subgroup graduation rates are included in School Performance Reports, but these reports do not trigger improvement requirements.⁸⁶ 	<ul style="list-style-type: none"> Include subgroup graduation rates in the accountability system. For example, implement interventions in all high schools that have a subgroup graduation rate of less than 60 percent.

76. Missouri Department of Elementary and Secondary Education, "ESEA Flexibility Request," 61.

77. Ibid., 82.

78. Ibid., 60, 74.

79. Missouri Department of Elementary and Secondary Education email message to Alliance for Excellent Education, October 4, 2012.

80. Nevada Department of Education, "ESEA Flexibility Request," 63.

81. Ibid., 50, 61-63.

82. Ibid., 90.

83. Ibid., 63, 118.

84. New Jersey Department of Education, "ESEA Flexibility Request," 149.

85. Ibid., 52-53.

86. Ibid., 34-36, 38, 52.

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
New Mexico	<ul style="list-style-type: none"> • Sets an overall graduation rate goal of 95 percent.⁸⁷ • Uses only the four- and five-year adjusted cohort rates to calculate the graduation rate. In 2012, a six-year rate will be used.⁸⁸ • The extended-year rate is given less weight in the index than the four-year rate.⁸⁹ 	<ul style="list-style-type: none"> • The adjusted cohort rate only comprises 17 percent of the accountability index.⁹⁰ • A low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Additionally, subgroup graduation rates are not included in the state's accountability index.⁹¹ • A low graduation rate does not trigger interventions on its own; a high school must have a graduation rate of less than 60 percent and receive an F.⁹² 	<ul style="list-style-type: none"> • The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores. • Include subgroup graduation rates in the accountability system. For example, implement interventions in all high schools that have a subgroup graduation rate of less than 60 percent. • High schools with graduation rates less than 60 percent, overall and for subgroups, should be identified for intervention.
New York	<ul style="list-style-type: none"> • Uses only the four- and five-year adjusted cohort rate to calculate the graduation rate.⁹³ • Combines the use of an extended-year graduation rate with higher targets.⁹⁴ • High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.⁹⁵ • High schools, regardless of Title-I status, may be identified for intervention due to low graduation rates.⁹⁶ 		

87. New Mexico Public Education Department, "ESEA Flexibility Request," 62.

88. New Mexico is using the four-year graduation rate to determine whether a high school meets its targets or has a graduation rate of less than 60 percent for the purposes of identification for intervention. Both the four- and five-year rates are used within the accountability index, but a high school receives additional points if the four-year goals are met (New Mexico Public Education Department email message to Alliance for Excellent Education, October 29, 2012; see also New Mexico Public Education Department, "ESEA Flexibility Request," 45, 73, 86).

89. Ibid., 45.

90. Ibid.

91. Ibid., 42, 45.

92. Ibid., 73, 86.

93. New York State Education Department email message to Alliance for Excellent Education, November 28, 2012.

94. Ibid.

95. New York State Education Department, "ESEA Flexibility Request," 61.

96. New York State Education Department email message to Alliance for Excellent Education, November 28, 2012.

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
North Carolina	<ul style="list-style-type: none"> • Uses only the four- and five-year adjusted cohort rates to calculate the graduation rate.⁹⁷ • Combines the use of an extended-year graduation rate with higher targets.⁹⁸ • Uses the four-year adjusted cohort rate to identify high schools with a graduation rate of less than 60 percent for identification for intervention.⁹⁹ 	<ul style="list-style-type: none"> • A low subgroup graduation rate, or gap, does not trigger priority or focus school identification.¹⁰⁰ • Forty-nine high schools are identified for intervention; however, there are seventy-eight high schools with an estimated graduation rate below 60 percent.¹⁰¹ 	<ul style="list-style-type: none"> • Include subgroup graduation rates in the accountability system. For example, implement interventions in all high schools that have a subgroup graduation rate of less than 60 percent. • Review the data for the high schools with estimated graduation rates below 60 percent to determine why they were not identified as a priority or focus school.
Ohio	<ul style="list-style-type: none"> • Uses only the four-year adjusted cohort rate to calculate the graduation rate.¹⁰² • High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.¹⁰³ 		
Oklahoma	<ul style="list-style-type: none"> • Starting in SY 2013-14, will use only the four-year adjusted cohort rate to calculate the graduation rate.¹⁰⁴ • Sets an overall graduation rate goal of 100 percent.¹⁰⁵ 	<ul style="list-style-type: none"> • Focus school identification is limited to two subgroups and subgroup graduation rate accountability is not included in the state’s accountability index.¹⁰⁶ • Subgroup targets are included in the accountability system by adding a plus (+) or minus (-) sign to school letter grades based on the number of targets achieved; however, a minus sign does not appear to trigger interventions.¹⁰⁷ • Uses a graduation index instead of the adjusted cohort rate.¹⁰⁸ 	<ul style="list-style-type: none"> • Strengthen subgroup graduation rate accountability such that the graduation rate of each subgroup is included in the accountability system. For example, implement interventions in all high schools that have a subgroup graduation rate of less than 60 percent. • Use only the adjusted cohort graduation rate for accountability purposes. • Recalculate the number of high schools identified for intervention using only the four-year adjusted cohort rate to calculate the graduation rate.

97. North Carolina Department of Public Instruction, “ESEA Flexibility Request,” 47.

98. North Carolina Department of Public Instruction email message to Alliance for Excellent Education, October 11, 2012.

99. Ibid.

100. North Carolina Department of Public Instruction email message to Alliance for Excellent Education, November 19, 2012.

101. Ibid., Table 2.

102. Ohio Department of Education, “ESEA Flexibility Request,” 59.

103. Ibid., 76-78, 94.

104. Oklahoma State Department of Education communication with Alliance for Excellent Education, October 29, 2012. See also Oklahoma State Department of Education, “ESEA Flexibility Request,” 54.

105. Ibid., 55.

106. Ibid., 34, 80.

107. Ibid., 40-43.

108. Ibid., 54.

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
Oregon	<ul style="list-style-type: none"> Uses only the four- and five-year adjusted cohort graduation rates to calculate the graduation rate.¹⁰⁹ Fifty percent of the accountability index is based on the graduation rate.¹¹⁰ High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.¹¹¹ Combines the use of an extended-year graduation rate with higher interim targets (however, a higher overall target is not set for the extended-year rate).¹¹² 	<ul style="list-style-type: none"> Uses an extended-year graduation rate without raising the trigger for priority and focus school identification.¹¹³ High schools with a four-year graduation rate of 67 percent are considered “satisfactory.”¹¹⁴ 	<ul style="list-style-type: none"> For reporting and accountability purposes, graduation rates and subgroup graduation rates should be calculated for small schools. Combine the use of an extended-year graduation rate with a higher trigger for priority and focus school identification. For transparency purposes, schools with a graduation rate of less than the overall state goal should not be labeled “satisfactory” unless they have demonstrated substantial improvement during the prior year.
Rhode Island	<ul style="list-style-type: none"> Schools with graduation rates higher than their annual targets or the state average receive additional credit within the graduation rate component of the accountability index.¹¹⁵ 	<ul style="list-style-type: none"> The adjusted cohort rate only comprises 20 percent of the accountability index.¹¹⁶ A low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Additionally, subgroup graduation rates are not included in the state’s accountability index.¹¹⁷ Appears to use an extended-year graduation rate without raising the trigger for priority and focus school identification. Specifically, Rhode Island uses the higher of the four-year rate or the composite graduation rate, which is comprised of the four-year rate (50 percent), five-year rate (25 percent), and six-year rate (25 percent).¹¹⁸ 	<ul style="list-style-type: none"> The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores. Include subgroup graduation rates in the accountability system. For example, implement interventions in all high schools that have a subgroup graduation rate of less than 60 percent. Combine the use of an extended-year graduation rate with a higher trigger for priority and focus school identification.

109. Oregon Department of Education, “ESEA Flexibility Request,” 57.

110. *Ibid.*, 67, 91.

111. *Ibid.*, 81, 112.

112. *Ibid.*, 80, 97.

113. *Ibid.*, 80.

114. *Ibid.*, 69.

115. Rhode Island Department of Elementary and Secondary Education, “ESEA Flexibility Request,” 62.

116. *Ibid.*, 49.

117. *Ibid.*

118. *Ibid.*, 62, 100.

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
South Carolina	<ul style="list-style-type: none"> Thirty percent of the accountability index is based on the graduation rate.¹¹⁹ Uses only the four-year adjusted cohort graduation rate to calculate the graduation rate.¹²⁰ 	<ul style="list-style-type: none"> A low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Although subgroup graduation rates are included within the accountability index, the graduation rate for a single subgroup does not carry sufficient weight to trigger improvement interventions.¹²¹ 	<ul style="list-style-type: none"> Include subgroup graduation rates in the accountability system. For example, implement interventions in all high schools that have a subgroup graduation rate of less than 60 percent.
South Dakota	<ul style="list-style-type: none"> High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.¹²² 	<ul style="list-style-type: none"> The adjusted cohort rate only comprises 12.5 percent of the accountability index.¹²³ Uses the completer rate in School Performance Index calculations, giving schools credit for students who may not graduate in four years and who complete high school in line with GED requirements.¹²⁴ This completer rate comprises 12.5 percent of the accountability index, making it equal in value to the adjusted cohort graduation rate. 	<ul style="list-style-type: none"> The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores. Remove the completer rate from the accountability system and apply its weight to the adjusted cohort rate.
Tennessee	<ul style="list-style-type: none"> Uses only the four-year adjusted cohort graduation rate to calculate the graduation rate.¹²⁵ High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.¹²⁶ 	<ul style="list-style-type: none"> The adjusted cohort rate only comprises 20 percent of the accountability index.¹²⁷ 	<ul style="list-style-type: none"> The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores.

119. South Carolina Department of Education, "ESEA Flexibility Request," 67.

120. Ibid.

121. Ibid., 57-58, 119.

122. South Dakota Department of Education, "ESEA Flexibility Request," 69.

123. Ibid., 37.

124. Ibid.

125. Tennessee State Department of Education, "ESEA Flexibility Request," A24.

126. Ibid., 65.

127. Ibid., 51, 53-54.

State	High School Graduation Rate Accountability: Good Practice	High School Graduation Rate Accountability: Concern(s)	Recommended Action(s)
Utah	<ul style="list-style-type: none"> • Uses only the four-year adjusted cohort graduation rate to calculate the graduation rate.¹²⁸ • Sets an overall graduation rate goal of 95 percent.¹²⁹ • High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.¹³⁰ 	<ul style="list-style-type: none"> • The adjusted cohort rate only comprises 25 percent of the accountability index.¹³¹ 	<ul style="list-style-type: none"> • The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores.
Virginia	<ul style="list-style-type: none"> • High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.¹³² 	<ul style="list-style-type: none"> • Allows for a four-, five-, and six-year graduation rate and maintains the 80 percent overall graduation rate goal for the extended-year rates.¹³³ 	<ul style="list-style-type: none"> • Extended-year graduation rates should be included only if combined with higher targets.
Washington	<ul style="list-style-type: none"> • High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.¹³⁴ 	<ul style="list-style-type: none"> • Uses an extended-year graduation rate without raising the trigger for priority and focus school identification above 60 percent.¹³⁵ 	<ul style="list-style-type: none"> • Combine the use of an extended-year graduation rate with a higher trigger for priority and focus school identification.
Wisconsin	<ul style="list-style-type: none"> • Uses only the four- and six-year adjusted cohort graduation rates to calculate the graduation rate.¹³⁶ • High schools with low subgroup graduation rates or graduation rate gaps are identified for intervention.¹³⁷ • Combines the use of an extended-year graduation rate with higher interim targets (however, a higher overall target is not set for the extended-year rate).¹³⁸ 	<ul style="list-style-type: none"> • The adjusted cohort rate only comprises 20 percent of the accountability index.¹³⁹ 	<ul style="list-style-type: none"> • The adjusted cohort rate should have significant weight within the accountability index. For example, give the adjusted cohort rate equal weight to test scores.

128. Utah State Office of Education, "ESEA Flexibility Request," 40.

129. Ibid., 44.

130. Ibid., 52.

131. Ibid., 40.

132. Virginia Department of Education, "ESEA Flexibility Request," 51, 54–55.

133. Ibid., 167; see also U.S. Department of Education, "Approved Graduation Rate Goal and Targets as of November 2012" (Washington, DC: Author, 2012), <http://www2.ed.gov/policy/elsec/guid/secletter/enclosurechart3.doc> (accessed December 3, 2012).

134. Washington Office of Superintendent of Public Instruction, "ESEA Flexibility Request," 148.

135. Ibid., 95.

136. Wisconsin Department of Public Instruction, "ESEA Flexibility Request," 66–67, 74.

137. Ibid., 88.

138. Ibid., 74, 80.

139. Ibid., 67.

Appendix B: High School Graduation Rate Accountability in States' Waiver Applications: Concerns by Issue

High School Graduation Rate Accountability Concern:

Eleven states* use measures of high school completion that are inconsistent with the 2008 graduation rate regulations.

Approved State ESEA Flexibility Request

Use of the GED

1. **Louisiana** (Louisiana Department of Education, "ESEA Flexibility Request," 53, 56)
2. **South Dakota** (South Dakota Department of Education, "ESEA Flexibility Request," 37)

Use of an Alternative Diploma

1. **Indiana**¹

Alternative Rates

1. **Arizona** uses a combination of the three-year average of the five-year adjusted cohort rate and the dropout rate (Arizona Department of Education, "ESEA Flexibility Request," 40, 42-43).
2. **Colorado** uses the dropout rate in addition to the adjusted cohort rate (Colorado Department of Education, "ESEA Flexibility Request," 58).
3. **Connecticut** uses an extended-year rate unauthorized by the 2008 regulations (Connecticut Department of Education, "ESEA Flexibility Request," 92-94).²
4. **District of Columbia**** combines the leaver rate with the adjusted cohort rate (District of Columbia's Office of the State Superintendent of Education, "ESEA Flexibility Request," 68).
5. **Georgia**** uses the leaver rate to identify priority and focus schools.³ Revised annual measurable objectives are based on the four-year adjusted cohort rate (Georgia Department of Education, interview, December 11, 2012).
6. **Massachusetts** uses the dropout rate in addition to the adjusted cohort rate (Massachusetts Department of Elementary and Secondary Education, "ESEA Flexibility Request," 36-37).
7. **Missouri**** does not use the adjusted cohort rate to identify priority and focus schools, but does use it in its accountability index (Missouri Department of Elementary and Secondary Education email message to Alliance for Excellent Education, October 4, 2012).
8. **Oklahoma**** uses a graduation index instead of the adjusted cohort rate (Oklahoma State Department of Education, "ESEA Flexibility Request," 54).
9. **South Dakota** uses the completer rate in addition to the adjusted cohort rate (South Dakota Department of Education, "ESEA Flexibility Request," 37).⁴

Note: Wisconsin uses the dropout rate to flag schools for intervention independent of their accountability index (Wisconsin Department of Public Instruction, "ESEA Flexibility Request," 59).

* South Dakota appears twice in this section.

** The state intends to use the adjusted cohort rate (including possibly an extended-year rate) in the future.

High School Graduation Rate Accountability Concern:

Twelve states have a system that allocates less than 25 percent of the accountability index to the adjusted cohort graduation rate, creating the possible incentive to push out low-performing students in order to increase overall test scores.

Approved State ESEA Flexibility Request (For states that are implementing an index system, the following numbers represent the percentages of the index for which the adjusted cohort rate accounts.)

1. **Arizona** accounts for 1.5 percent of the index. ED is requiring the percentage to be increased to 20 percent.⁵ Pending approval from the state's board of education, the graduation rate based on the adjusted cohort rate will account for 20 percent of the index⁶ (Arizona Department of Education, "ESEA Flexibility Request," 43-44).
2. **Colorado** accounts for 17.5 percent of the index (Colorado Department of Education, "ESEA Flexibility Request," 58).
3. **Florida** accounts for 18.75 percent of the index (Florida Department of Education, "ESEA Flexibility Request," 50).
4. **Kentucky** accounts for 20 percent of the index for SY 2011-12, 15.4 percent of the index for SY 2012-13, and 14 percent of the index for SY 2013-14 and beyond (Kentucky Department of Education, "ESEA Flexibility Request," 42, 45).
5. **Maryland** accounts for 18 percent of the index (Maryland State Department of Education, "ESEA Flexibility Request," 76).
6. **Massachusetts** accounts for 14.3 percent of the index (Massachusetts Department of Elementary and Secondary Education, "ESEA Flexibility Request," 31-38; criteria for awarding Progress and Performance Index points to districts, schools, and subgroups are available at www.doe.mass.edu/apa/2012/PPICriteria.docx).⁷
7. **Michigan** accounts for 16.7 percent of the index (Michigan Department of Education email message to Alliance for Excellent Education, November 14, 2012).
8. **New Mexico** accounts for 17 percent of the index (New Mexico Public Education Department, "ESEA Flexibility Request," 45).
9. **Rhode Island** accounts for 20 percent of the index (Rhode Island Department of Elementary and Secondary Education, "ESEA Flexibility Request," 49).
10. **South Dakota** accounts for 12.5 percent of the index (South Dakota Department of Education, "ESEA Flexibility Request," 37-38).
11. **Tennessee** accounts for 20 percent of the index (Tennessee State Department of Education, "ESEA Flexibility Request," 51, 53-54).
12. **Wisconsin** accounts for 20 percent of the index (Wisconsin Department of Public Instruction, "ESEA Flexibility Request," 67).

High School Graduation Rate Accountability Concern:

Eleven states have weak or no subgroup graduation rate accountability.

Approved State ESEA Flexibility Request

No Subgroup Graduation Rate Accountability

1. In **Arizona**, a low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Additionally, subgroup graduation rates are not included in the state's accountability index (Arizona Department of Education, "ESEA Flexibility Request," 43, 50–51).
2. In **Kentucky**, a low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Additionally, subgroup graduation rates are not included in the state's accountability index (Kentucky Department of Education, "ESEA Flexibility Request," 42, 76–77).
3. In **New Jersey**, a low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Subgroup graduation rates are included in School Performance Reports; however, these reports do not trigger improvement requirements (New Jersey Department of Education, "ESEA Flexibility Request," 34–36, 38, 52).
4. In **New Mexico**, a low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Additionally, subgroup graduation rates are not included in the state's accountability index (New Mexico Public Education Department, "ESEA Flexibility Request," 42, 45).
5. In **North Carolina**, a low subgroup graduation rate, or gap, does not trigger priority or focus school identification (North Carolina Department of Public Instruction email message to Alliance for Excellent Education, November 19, 2012).
6. In **Rhode Island**, a low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Additionally, subgroup graduation rates are not included in the state's accountability index (Rhode Island Department of Elementary and Secondary Education, "ESEA Flexibility Request," 49).

Weak Subgroup Graduation Rate Accountability

7. In **Michigan**, a low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Although subgroup graduation rates are included within the accountability system, the graduation rate for a single subgroup does not carry sufficient weight to trigger improvement interventions (Michigan Department of Education, "ESEA Flexibility Request," 57–58, 60–61, 130–33).^a
8. In **Minnesota**, a low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Although subgroup graduation rates are included within the accountability index, the graduation rate for a single subgroup does not carry sufficient weight to trigger improvement interventions (Minnesota Department of Education, "ESEA Flexibility Request," 89, 120–21).^b
9. **Nevada** limits subgroup accountability to (1) students with an Individualized Education Plan, (2) students with limited English proficiency, and (3) students who qualify for free and reduced-price lunch; Nevada's approved waiver application does not include subgroups based on race or ethnicity (Nevada Department of Education, "ESEA Flexibility Request," 63, 118).^c
10. In **Oklahoma**, focus school identification is limited to two subgroups and subgroup graduation rate accountability is not included in the state's accountability index (Oklahoma State Department of Education, "ESEA Flexibility Request," 34, 80).^d
11. In **South Carolina**, a low subgroup graduation rate, or gap, does not trigger priority or focus school identification. Although subgroup graduation rates are included within the accountability index, the graduation rate for a single subgroup does not carry sufficient weight to trigger improvement interventions (South Carolina Department of Education, "ESEA Flexibility Request," 57–58, 119).^e

Note: Page numbers refer to the location within the approved waiver application that would likely include information on subgroup graduation rate accountability if the state were to include subgroup graduation rates in the accountability system.

a. Graduation rates comprise 16.66 percent of Michigan's accountability scorecard. Each individual subgroup graduation rate constitutes 1/11th of this 16.66 percent (1.5 percent of the overall index) and therefore does not carry sufficient weight to trigger improvement actions on its own.

b. Minnesota's accountability index allocates 25 percent to graduation rates. Each individual subgroup graduation rate constitutes 1/9th of this 25 percent (2.8 percent of the overall accountability index) and therefore does not carry sufficient weight to trigger improvement actions on its own (Minnesota Department of Education, "ESEA Flexibility Request," 89). Minnesota identifies seven subgroups in addition to the "White" and "All Students" groups, for a total of nine individual graduation rates (ibid., 119).

c. Nevada's accountability index allocates 30 percent to the graduation rate: 15 percent is based on the overall graduation rate, and 15 percent is based on subgroup graduation rate gaps. However, this is limited to the three subgroups identified above (Nevada Department of Education, "ESEA Flexibility Request," 52, 61, 63).

d. Only two subgroups will be considered in Oklahoma's multistep process for determining focus schools based on subgroup graduation rates: Step 1: Oklahoma will identify the two subgroups with the lowest graduation rates in the state. Step 2: Any school with a population of students for the subgroup that is more than the state's percentage of students in the subgroup will be ranked by the three-year average of the subgroups' graduation rates. Step 3: The bottom 10 percent will be classified as focus schools (Oklahoma State Department of Education, "ESEA Flexibility Request," 80).

e. South Carolina's accountability index allocates 30 percent to graduation rates. Each individual subgroup graduation rate constitutes 1/11th of this 30 percent (2.7 percent of the overall accountability index) and therefore does not carry sufficient weight to trigger identification on its own (South Carolina Department of Education, "ESEA Flexibility Request," 57–58). South Carolina identifies ten subgroups in addition to the "All Students" group, for a total of eleven individual graduation rates (ibid.).

High School Graduation Rate Accountability Concern:

Ten states use an extended-year rate without setting more ambitious graduation rate targets.

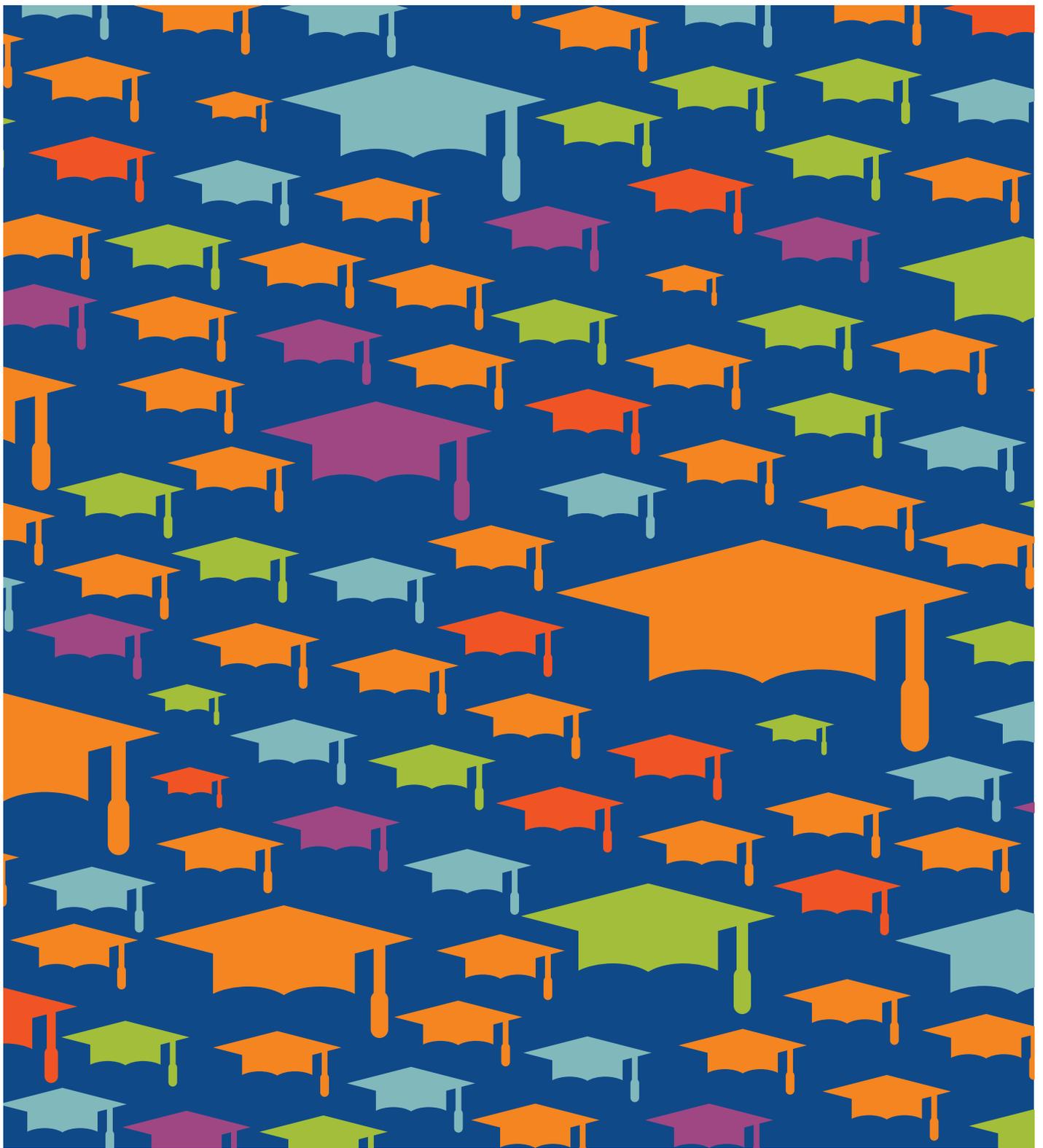
Approved State ESEA Flexibility Request

1. **Colorado** uses the highest of the four-, five-, six-, and seven-year rates without raising the 60 percent trigger for priority/focus classification (Colorado Department of Education, "ESEA Flexibility Request," 52, 85, 374; Colorado Department of Education, email message to Alliance for Excellent Education, October 18, 2012).
2. **Kansas** uses the four- and five-year rates without setting higher targets (Kansas Department of Education, "ESEA Flexibility Request," 82).
3. **Massachusetts** uses the five-year rate to identify priority and focus schools without raising the 60 percent trigger for priority/focus classification (Massachusetts Department of Elementary and Secondary Education, "ESEA Flexibility Request," 43, 53).
4. **Michigan** uses the highest of the four-, five-, and six-year rates without setting higher targets (Michigan Department of Education, "ESEA Flexibility Request," 510).
5. **Minnesota** uses the three-year average of the six-year rate to identify priority and focus schools without raising the 60 percent trigger for priority/focus classification (Minnesota Department of Education, "ESEA Flexibility Request," 120-21).
6. **Missouri** uses the four- and five-year rates to identify priority and focus schools without raising the 60 percent trigger for priority/focus classification (Missouri Department of Elementary and Secondary Education, "ESEA Flexibility Request," 60, 74, 82).
7. **Oregon** uses the five-year rate to identify priority and focus schools without raising the 60 percent trigger for priority/focus classification (Oregon Department of Education, "ESEA Flexibility Request," 80).
8. **Rhode Island** appears to use an extended-year graduation rate without raising the trigger for priority and focus school identification. Specifically, Rhode Island uses the higher of the four-year rate or the composite graduation rate, which is comprised of the four-year rate (50 percent), five-year rate (25 percent), and six-year rate (25 percent) (Rhode Island Department of Elementary and Secondary Education, "ESEA Flexibility Request," 62, 100).
9. **Washington** uses the five-year rate to identify priority and focus schools without raising the 60 percent trigger for priority/focus classification (Washington Office of Superintendent of Public Instruction, "ESEA Flexibility Request," 95).
10. **Virginia** uses the highest of the four-, five-, and six-year rates without setting higher targets (Virginia Department of Education, "ESEA Flexibility Request," 167. See also U.S. Department of Education, "Approved Graduation Rate Goal and Targets as of November 2012" [Washington, DC: Author, 2012], <http://www2.ed.gov/policy/elsec/guid/secletter/enclosurechart3.doc> [accessed December 3, 2012]).

Note: Page numbers refer to the location within the approved waiver application that indicates that an extended-year rate is used and (1) suggests that the trigger for priority and focus school identification remains set at 60 percent and/or (2) does not suggest that higher targets are used with the extended-year rate.

Appendix B Endnotes

1. Indiana allows students who do not pass end-of-course exams required for high school graduation to receive a “waiver diploma,” defined as “a diploma awarded pursuant to the alternative graduation requirements in IC 20-32-4-4 or IC 20-32-4-5” (511 IAC s6.2-6-0.5[29]). Such alternative diplomas are expressly prohibited by the U.S. Department of Education’s 2008 graduation rate regulations. For additional information on Indiana’s waiver diploma, see page 9 of the report.
2. See Appendix A, footnote 16.
3. See endnote 19 in report.
4. Rather than measuring the percentage of students graduating in four years, the completer rate measures the percentage of students receiving a diploma or a GED in a single school year, regardless of the length of time it took the student to earn the credential.
5. A. Duncan, “Secretary’s Approval Letter” (Washington, DC: U.S. Department of Education, July 19, 2012), <http://www2.ed.gov/policy/eseaflex/secretary-letters/az.doc> (accessed December 4, 2012).
6. The Arizona Department of Education is awaiting approval from the state board of education to raise the proportion based on the graduation rate to 20 percent. Although this 20 percent will be based on the adjusted cohort rate, it is unclear at this time if any proportion of that 20 percent will be based on the dropout rate, or some combination thereof, or if the dropout rate will be included as an additional indicator.
7. Massachusetts has seven core indicators within its index for high schools, totaling 700 points. High school graduation rates are worth up to 100 points, or 14.3 percent, of the index. More specifically, 300 points are possible for reducing achievement gaps, comprised of 100 points each for English language arts (ELA), mathematics, and science. Growth in ELA and mathematics are each eligible for 100 points, for a total of 200 points. High school graduation rates are worth 100 points, and dropout rates are worth 100 points. In addition, there are four “extra credit” indicators. Specifically, 25 points are possible for increasing the percentage of students performing at the advanced level in both ELA and mathematics, for a total of 50 points. Similarly, 25 points are possible for decreasing the percentage of students performing at the warning/failing level in both ELA and mathematics, for a total of 50 points.



ALLIANCE FOR
EXCELLENT EDUCATION

Alliance for Excellent Education
1201 Connecticut Avenue, NW, Suite 901
Washington, DC 20036
p 202 828 0828 · f 202 828 0821
www.all4ed.org