

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 69a

49th Legislature, 2nd Session, 2010

Tracking Number: .180269.1

Short Title: Reporting of Cohort Graduation Data

Sponsor(s): Representative Rick Miera and Others

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FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AS AMENDED

The House Education Committee amendments:

- **require PED, school districts and state-chartered charter schools to report:**
 - **students who have exited high school with the intent to pursue a General Educational Development (GED), rather than those who have exited to enter a program that awards a GED, a vocational certificate, or other secondary credential not part of the public school system; and**
 - **students who have advanced to the next grade level in high school, rather than those who have earned the units to advance to the next grade; and**
- **clarify certain issues related to charter-school accountability reporting by:**
 - **stating that the accountability report of all charter schools must include the names of members of governing bodies who failed to attend annual mandatory training; and**
 - **eliminating a reference to “state-chartered” charter schools to clarify that data about the costs of central office administration of *all* charter schools must be reported.**

Original Bill Summary:

HB 69 amends the *Assessment and Accountability Act* in the *Public School Code* to establish how the Public Education Department (PED), school districts, and state-chartered charter schools must report cohort high school graduation rates.

Among its provisions, HB 69 requires that PED:

- **report cohort graduation data annually for the state, and for each school district, state-chartered charter school, and public high school based on information provided by districts and charter schools according to the procedures established by the department;**

- include the number and percentage of students who:
 - have graduated by August 1 of the fourth year after entering 9th grade;
 - have graduated in more than four years but by August 1 of the fifth year after entering 9th grade;
 - have received a state certificate at the end of 12th grade without having satisfied the statutory requirements for a high school diploma, or having completed the necessary coursework but not having passed the required graduation assessment or portfolio;
 - have dropped out or whose status is unknown;
 - have exited to a program that awards a General Educational Development (GED) certificate, vocational certificate, or other secondary educational credential that is not part of the public school system; or
 - are still enrolled in public school;
- report annually, based on data provided by districts and charter schools, the number and percentage of students in each cohort in the state in grades 9 through 12 who:
 - have earned the units required to advance to the next grade or graduate on schedule;
 - remain enrolled but have not advanced to the next grade on schedule; or
 - have dropped out or whose other educational outcomes are known; and
- establish technical criteria and procedures to define which students are included or excluded from a cohort.

HB 69 requires that school districts and state-chartered charter schools' annual accountability reports:

- include the four- and five-year graduation rates for each public high school;
- ensure that the privacy of individual students in the cohort is protected; and
- include data showing the number and percentage of students in the cohort:
 - who have received a state certificate by exiting the school system at the end of grade 12 without having satisfied statutory requirements for a diploma, or without having passed the statutorily required graduation assessment or portfolio;
 - who have dropped out or whose status is unknown;
 - who have exited to a program that awards a GED, vocational certificate, or other secondary educational credential that is not part of the public school system;
 - who are still enrolled; and
 - whose other educational outcomes are known to the school district.

Among its other provisions, HB 69:

- defines “cohort” to mean a group of students who enter grade 9 for the first time at the same time, plus those who transfer into the group in later years minus those who leave the cohort for documented excusable reasons; and
- includes clean-up language related to accountability reports of charter schools, to clarify that:

- a school district's annual yearly progress report must include reports of all locally chartered charter schools in the district;
- all charter schools' annual accountability reports must include the names of board members who failed to attend annual mandatory training;
- state-chartered charter schools must:
 - disaggregate and report data in the same manner as other public schools and school districts;
 - include results of parent surveys;
 - include data on expenditures for central office administration; and
 - be adopted and published in the same manner as those of a school district; and
- the accountability data system established by PED must compile data from state-chartered charter schools as well as school districts, and PED must provide training to all charter school personnel in use of the system as well as those from school districts.

Fiscal Impact:

The House Education Committee amendments to HB 69 eliminate all of the items in HB 69 that PED identified as entailing new costs to the department.

Original Fiscal Impact:

HB 69 does not include an appropriation.

The PED bill analysis notes a cost of approximately \$200,000 annually to implement certain requirements of HB 69:

- to collect verified enrollment in programs outside the jurisdiction of the department;
- to fully implement reporting of GED completion by school, district, and state; and
- to implement accumulation by students of Carnegie units (high school credits) in the Student Teacher Accountability Reporting System (STARS).

Substantive Issues:

HB 69 would codify the requirements for PED to report cohort high school graduation rates.

- In November 2009, PED reported certified cohort graduation rate data for the high school class of 2008, that is, for students who entered 9th grade in 2004, the first year all students in the state were issued unique PED identification numbers. For the first time, PED data showed the four-year cohort graduation rates for every public high school and school district in New Mexico according to a formula agreed to by all 50 states pursuant to the "Graduation Counts" Compact (see "Background).
- Previously, PED has reported "event rate" data based on the number of students present on the 40th day of grade 12 who graduated the following spring.

- In 2009, the Legislature passed a bill permitting a school system to count a student who satisfies all graduation requirements within five years of entering 9th grade, including the final summer session, as a graduate in the year in which the requirements are completed. PED has announced that in summer 2010, it will publish five-year cohort graduation rates for the cohort that entered high school in 2004.
- The PED agency bill analysis for HB 69 indicates that the bill in most respects is parallel with PED practice and data collection as implemented for cohort graduation rate reporting for the class of 2008.
- PED also notes that HB 69 would update language throughout current statute to equate the reporting requirements of state-chartered charter schools with those of school districts, and to clarify that all school district annual accountability reporting must include locally chartered charter schools, standardizing practice and holding districts more clearly accountable for local charters.

In addition to standardizing and codifying PED's current practices, HB 69 would provide for the collection and publication of additional data to present a more complete picture of students' graduation status.

- During the 2009 interim, the Legislative Education Study Committee (LESC) heard two presentations on the cohort graduation data report. Among other points, this testimony clarified that cohort graduation rates are *not* the inverse of dropout rates.
- The committee heard that there are many reasons why a student would be neither an on-time graduate nor a dropout. For example, according to raw data provided by PED to LESL staff concerning the graduating cohort of 2008, at least:
 - 0.3 percent did not graduate on time because they were remanded to a court-ordered setting with no educational services;
 - 0.3 percent left school due to pregnancy;
 - 2.0 percent of students in the cohort did not graduate on time because they completed course requirements but did not pass the high school graduation exam. These students have five years to pass the exam and receive a diploma;
 - 3.4 percent were still enrolled in fall 2009; some of these students had an individualized education program (IEP) that allowed extra years to graduate;
 - 3.7 percent were known to have exited to a non-secondary school, such as a GED program, that does not issue a standard diploma;
 - 1.5 percent graduated after August 1, 2009 and will be reflected in five-year graduation rate data; and
 - 19.8 percent were either dropouts or of unknown status.
- HB 69 requires the department to establish technical criteria and procedures to define which students are included or excluded from a cohort. PED notes that this information is currently published in the annual technical manuals and will continue to be updated as any technical issues arise or revisions are needed.

- HB 69 includes a definition for “cohort” that PED notes concurs with that used by the department, by the National Governor’s Association “Graduation Counts” Compact, and by the US Department of Education.
- HB 69 includes language that assures protection of privacy of individual students in annual reporting, which PED notes is in keeping with the federal *Family Educational Rights and Privacy Act* (FERPA).

Background:

Both the change in method and the publication of detailed, disaggregated graduation data were set in motion in 2005 when New Mexico became a signatory to the National Governors Association (NGA) “Graduation Counts” Compact. The compact, entered into by the governors of all 50 states, contains four key provisions:

- *to use a common, four-year adjusted cohort graduation rate formula*, which PED is now doing;
- *to build a state data collection and reporting capacity*, as New Mexico did when the state issued unique ID numbers and developed STARS;
- *to develop additional student outcome indicators*, as New Mexico is doing during the 2009 interim as part of the College and Career-Ready Policy Institute, the subject of a presentation to the LESC in June 2009; and
- *to report annually on their progress toward meeting these commitments*, which PED has regularly done.

The NGA cohort graduation rate being implemented in the 50 states specifies that states include:

- only students who receive a standard diploma, not a GED or certificate of completion with lesser requirements than the standard; and
- only students who graduate within four years. In New Mexico, students who graduate by August following their senior year count as on-time graduates.

According to the NGA, 20 states, including New Mexico, are reporting the NGA Compact rate for the class of 2008. Most of the remaining states have indicated that they will be reporting the NGA rate for the class of 2011 or earlier. New federal regulations will make a rate similar to the NGA calculation mandatory for all states by school year 2012-2013.

The formula agreed to by signatories to the “Graduation Counts” Compact formula is:

Where X = the 9 th grade year:	
Graduation Rate	= $\frac{\text{On-time graduates in Year X+4 (numerator)}}{\text{First-time 9th graders in Year X + Transfers In – Transfers Out (denominator)}$

Table 1 below shows the certified four-year cohort graduation data for all students and for each significant subgroup statewide in the class of 2008:

Table 1: Cohort Graduation Rates, Class of 2008

Subgroup	Certified Rate (%)
All students	60.3
Female	64.9
Male	55.9
Asian	80.1
Caucasian	71.3
African-American	60.9
Hispanic	56.2
Native American	49.8
Econ. Disadvantaged	64.8
English Language Learners	61.1
Students with Disabilities	53.1

In the 2007 interim, PED provided testimony to the LESC indicating that initial tracking of ninth graders issued unique student IDs in fall 2004 showed that, by their second year in high school, approximately 27.5 percent of the cohort had either left school or were retained in grade 9; and that by their third year of high school, only approximately 58.3 percent of the cohort was still on track to graduate on time.

Table 2 shows the preliminary data presented by PED to the LESC in the 2007 interim:

Table 2: Two-Year Promotion and Attrition of Students Entering Students, Class of 2008

	9 th Grade 2004	10 th Grade 2005	11 th Grade 2006
Original cohort still enrolled in <u>any</u> grade	30,158	26,788 88.8% of cohort	22,662 75.1% of cohort
Still enrolled and on track to graduate	n.a.	21,848 72.4% of cohort	17,586 58.3% of cohort
Percent fewer on track from previous year	n.a.	27.5%	19.5%
Still enrolled but not promoted – fall 2006	n.a.	4,940 16.4% of cohort	5,076 16.8% of cohort
“Leavers”	4,976 16.5% of cohort	4,126 13.7% of cohort	<i>Avail. fall '07</i>

Related Bill(s):

CS/HB 70a *Educational Data System*

HM 46a *Study Reading & Math Scores & Dropout Rates*