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The Every Student Succeeds Act: Accountability for Schools with Low Graduation Rates

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Summary

The Every Student Succeeds Act (ESSA) comprehensively reauthorized the Elementary and Secondary Education Act of 1965 (ESEA). Among other changes, the ESSA amended federal K-12 educational accountability requirements for states and local educational agencies (LEAs) receiving ESEA funds, including those regarding the identification, support, and improvement of high schools with low graduation rates.

In addition to new accountability rules, the ESSA provided the first definition of the high school graduation rate in federal education law. States and LEAs have been reporting their rates using this definition, originally laid out in 2008 regulations, since the 2010-2011 school year.

Long-standing national surveys indicate a dramatic increase in educational attainment after World War II. While the rate of increase has slowed in recent decades, the proportion of the population with at least a high school education has reached a historically high level. At the same time, notable gaps in educational attainment persist among racial and ethnic groups.

The national graduation rate for the Class of 2015 was 83.2%—the highest rate recorded using the new ESSA methodology. The graduation rate for the Class of 2011 was 79.0%. This improvement has been accompanied by improvements in nearly every state and across all reported groups of students, including all racial and ethnic subgroups, low-income students, English learners, and students with disabilities. Still, graduation rate gaps persist among several student subgroups.

At the state level, 29 states were above the national average and 21 were below. Three states graduated fewer than 75% of their students, twelve states graduated 75%-79.9%, eleven states graduated 80%-84.9%, sixteen states graduated 85%-87.9%, and eight states graduated 88% or more.

Importantly for ESSA accountability implementation, analysis of 2014-2015 school-level data reveals that as many as 16% of high schools may fail to graduate at least one-third of their students. Implementation of the accountability rule occurs in school year 2017-2018 and relies on additional criteria that would undoubtedly impact this estimate.

Contents

Figures

Tables

Appendixes

Contacts

Introduction

The Every Student Succeeds Act (ESSA), signed into law on December 10, 2015 (P.L. 114-95), comprehensively reauthorized the Elementary and Secondary Education Act of 1965 (ESEA). Among other changes, the ESSA amended federal K-12 educational accountability requirements for states and local educational agencies (LEAs) receiving ESEA funds, including those regarding the identification, support, and improvement of high schools with low graduation rates.

Under the ESSA, states seeking Title I-A[1] funds are required to submit accountability plans to the Department of Education (ED) that must address, among other things, their approaches toward dealing with low high school graduation rates. In implementing these plans, states must identify for support and improvement all public schools failing to graduate one-third or more of their students. LEAs that serve schools identified for support and improvement are required to develop a plan to improve graduation rates. If a school does not improve within a state-determined number of years, the school is subject to more rigorous state-determined actions.

The national graduation rate for the Class of 2015 was 83.2%—the highest rate recorded since 2010-2011, when most states and LEAs began consistently reporting under 2008 federal guidelines. Improvement in the national rate has been accompanied by improvements in nearly every state and across all reported groups of students, including all racial and ethnic subgroups, low-income students, English learners, and students with disabilities. However, graduation rate gaps persist among the several student subgroups.

Moreover, the graduation rate varies enormously among individual high schools across the country, with a large number of schools doing poorly on this measure. Importantly for ESSA accountability implementation, analysis of school-level data reveals that as many as 16% of high schools may fail to graduate at least one-third of their students. Thus, there are potentially thousands of high schools nationwide that may be identified for intervention in the coming years.

Measuring the Graduation Rate

In addition to new accountability rules, the ESSA provided the first definition of the high school graduation rate in federal education law.[2] This was the culmination of years of effort at the national, state, and local levels to achieve national uniformity of measurement and establish statewide longitudinal data systems. Put simply, the ESSA defines the Four-Year Adjusted Cohort Graduation Rate (ACGR) as the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for the graduating class.

From the beginning of 9th grade, students entering that grade for the first time form a cohort that is adjusted by adding students who subsequently transfer into the cohort and subtracting students who subsequently transfer out, emigrate to another country, or die. The following formula provides an example of how the ACGR would be calculated for the class of 2015:

[1] Title I-A is the ESEA's largest grant program, distributing more than $14 billion to schools with relatively high concentrations of students from low-income families in FY2016.

[2] This definition first appeared in federal regulations issued in 2008 (34 C.F.R. §200.19) and a modified version was adopted through the ESSA (§8101(25)).

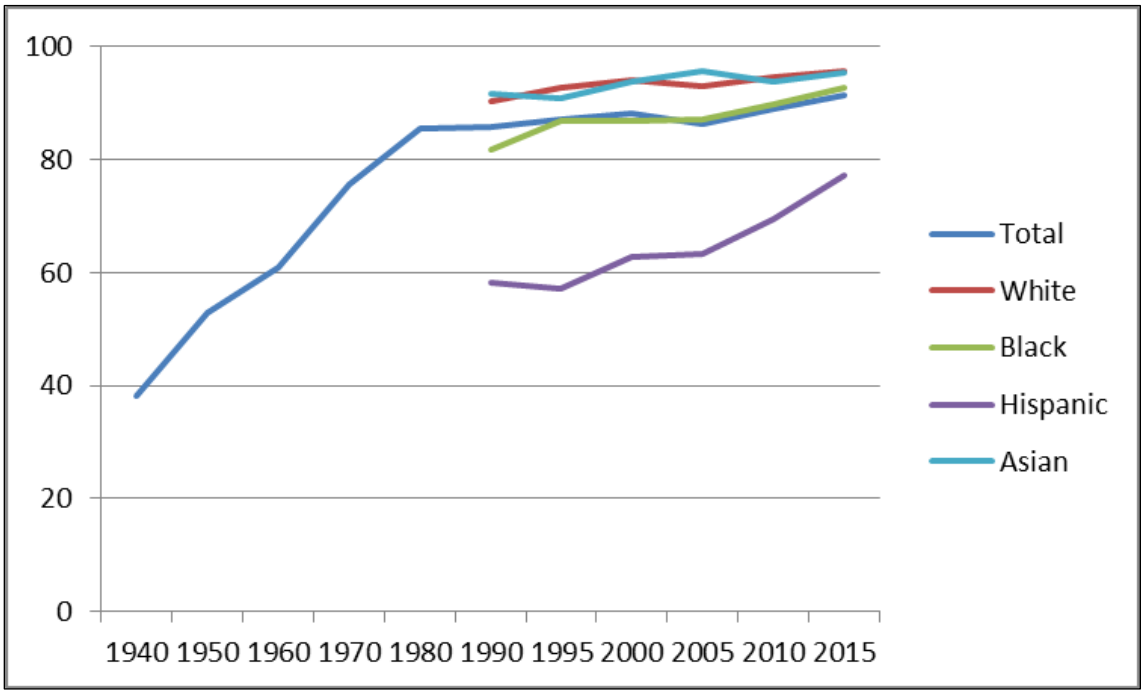
$$\frac{\text{Number of cohort members who earned a regular high school diploma by the end of the 2014-2015 school year}}{\text{Number of first-time 9th graders in fall 2011 plus students who transferred in, minus students who transferred out, emigrated, or died, during school years 2011-2012, 2012-2013, 2013-2014, and 2014-2015}}$$

Improving National Trends

As **Figure 1** shows, the rate of high school completion in the United States increased dramatically after World War II. The rate displayed in this figure is not the ACGR; rather, it represents the number of persons ages 25 to 29 whose highest level of educational attainment was at least a high school diploma (or its equivalent). It is based on responses to the Current Population Survey (CPS). After 10%-15% increases every decade, this measure plateaued at about 85% in 1980 and stood at 91% in 2015.

Although the overall rate of high school completion has reached a historically high level, inequities persist across racial and ethnic groups. All groups have made progress similar to the overall trend with one exception: Hispanics have seen a much more rapid increase in high school completion. Even with this increase, the attainment gap between whites and Hispanics remains wide—18 percentage points in 2015. Black attainment also continues to lag behind that of whites, though the gap has narrowed from eight percentage points in 1990 to two percentage points in 2015.

Figure 1. Percentage of Persons Ages 25 to 29 with a High School Diploma, Equivalent, or Higher Degree, 1940-2015



Source: U.S. Census Bureau, Education of the American Population (1960) and Current Population Reports (1970-2015).

The CPS educational attainment rate is presented here (in **Figure 1**) because it is useful for tracking long-term trends. It is important to note the differences between the ACGR and the CPS educational attainment rate. The CPS is a cross-sectional measure (i.e., taken at a single point in time) of those included in the survey sample. The ACGR is a longitudinal measure that tracks an entire cohort of students from entry into high school to graduation.

Another distinction between the two measures is that the CPS includes diploma equivalencies (such as the GED) in its rate, while the ACGR only includes "regular" diplomas. The inclusion of equivalencies may partly explain why the CPS rate is higher than the ACGR. Additionally, the CPS rate shown in **Figure 1** is for people ages 25 to 29—giving them more time to complete high school or receive a GED compared to the four years allotted to cohorts in the ACGR (**Table 1**). More broadly, while the ACGR is confined to those engaged in the school system, the CPS captures a wider population of persons in society, generally.

Even with these differences, the overall ACGR collected since 2010-2011 shows similar trends. As **Table 1** shows, the overall graduation rate increased four percentage points between 2011 and 2015—a rate similar to the two percentage point increase in the CPS educational attainment rate estimate for the same time period. The ACGR shows somewhat different trends among racial/ethnic groups than the CPS. Across racial/ethnic groups, the ACGR rate among black students increased the most—nearly eight percentage points; Asian/Pacific Islander students saw the smallest increase—just over three percentage points.

Table 1. Four-Year Adjusted Cohort Graduation Rates by Subgroup

Group	Class of 2011	Class of 2012	Class of 2013	Class of 2014	Class of 2015	Change Between 2011 and 2015
Total	79.0%	80.0%	81.4%	82.3%	83.2%	4.2%
American Indian / Alaska Native	65.0	67.0	69.7	69.6	71.6	6.6
Asian / Pacific Islander	87.0	88.0	88.7	89.4	90.2	3.2
Hispanic	71.0	73.0	75.2	76.3	77.8	6.8
Black	67.0	69.0	70.7	72.5	74.6	7.6
White	84.0	86.0	86.6	87.2	87.6	3.6
Low Income Students	70.0	72.0	73.3	74.6	76.1	6.1
English Language Learners	57.0	59.0	61.1	62.6	65.1	8.1
Students with Disabilities	59.0	61.0	61.9	63.1	64.6	5.6

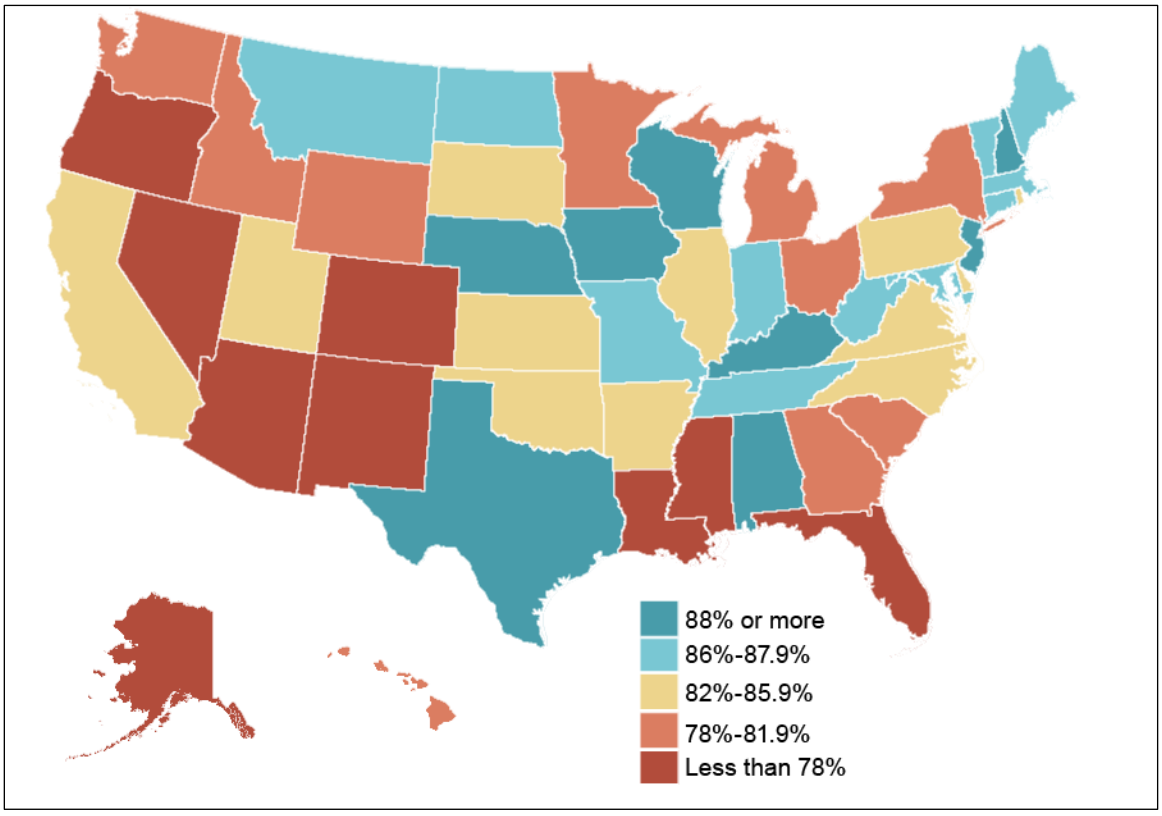
Source: U.S. Department of Education, Data Express website, http://eddataexpress.ed.gov/index.cfm.

Because the ESSA accountability requirements apply to both the total student body within schools as well as specified subgroups, states must report the ACGR for several subgroups including low-income students, English language learners, students with disabilities, and various racial/ethnic categories. The data indicate progress among all three of these subgroups: graduation rates among low-income students increased six percentage points, English language learners increased eight percentage points, and students with disabilities increased over five and a half percentage points.

State Distribution

The rate of on-time high school completion varies widely across the country. For the Class of 2015, the ACGR was above the national average (83.2%) in 29 states and below the national average in 21 states. New Mexico had the lowest ACGR (67%) and Iowa had the highest (91%). **Figure 2** displays the ACGR for the Class of 2015 by state. Three states graduated fewer than 75% of their students, twelve states graduated 75%-79.9%, eleven states graduated 80%-84.9%, sixteen states graduated 85%-87.9%, and eight states graduated 88% or more.

Figure 2. Adjusted Cohort Graduation Rates by State, Class of 2015



Source: U.S. Department of Education, Data Express website, http://eddataexpress.ed.gov/index.cfm.

As shown in **Table 2**, graduation rates have increased in nearly every state. The largest increase between the graduating classes of 2011 and 2015 occurred in Alabama, which saw an increase from 72% (which was below the national average) to 89.3% (which was above the national average). Five states—Alaska, Georgia, Nevada, Utah, and West Virginia—had increases of more than 10 percentage points. Seven states—Arizona, Ohio, Mississippi, North Dakota, South Dakota, Vermont, and Wyoming—saw increases of at least one percentage point. Iowa, Texas, and Nebraska maintained high graduation rates over the period, while Arizona's rate slipped from 78% to 77.4%.

Table 2. Adjusted Cohort Graduation Rates by State

	Class of 2011	Class of 2012	Class of 2013	Class of 2014	Class of 2015
United States	**79%**	**80%**	**81.4%**	**82.3%**	**83.2%**
Alabama	72	75	80.0	86.3	89.3
Alaska	68	70	71.8	71.1	75.6
Arizona	78	76	75.1	75.7	77.4
Arkansas	81	84	84.9	86.9	84.9
California	76	79	80.4	81.0	82.0
Colorado	74	75	76.9	77.3	77.3
Connecticut	83	85	85.5	87.0	87.2
Delaware	78	80	80.4	87.0	85.6
Florida	71	75	75.6	76.1	77.9
Georgia	67	70	71.7	72.5	78.8
Hawaii	80	81	82.4	81.8	81.6
Idaho	–	–	–	77.3	78.9
Illinois	84	82	83.2	86.0	85.6
Indiana	86	86	87.0	87.9	87.1
Iowa	88	89	89.7	90.5	90.8
Kansas	83	85	85.7	85.7	85.7
Kentucky	–	–	86.1	87.5	88.0
Louisiana	71	72	73.5	74.6	77.5
Maine	84	85	86.4	86.5	87.5
Maryland	83	84	85.0	86.4	87.0
Massachusetts	83	85	85.0	86.1	87.3
Michigan	74	76	77.0	78.6	79.8
Minnesota	77	78	79.8	81.2	81.9
Mississippi	75	75	75.5	77.6	75.4
Missouri	81	84	85.7	87.3	87.8
Montana	82	84	84.4	85.4	86.0
Nebraska	86	88	88.5	89.7	88.9
Nevada	62	63	70.7	70.0	71.3
New Hampshire	86	86	87.3	88.1	88.1
New Jersey	83	86	87.5	88.6	89.7
New Mexico	63	70	70.3	68.5	68.6
New York	77	77	76.8	77.8	79.2
North Carolina	78	80	82.5	83.9	85.6
North Dakota	86	87	87.5	87.2	86.6
Ohio	80	81	82.2	81.8	80.7

	Class of 2011	Class of 2012	Class of 2013	Class of 2014	Class of 2015
Oklahoma	–	–	84.8	82.7	82.5
Oregon	68	68	68.7	72.0	73.8
Pennsylvania	83	84	85.5	85.3	84.8
Rhode Island	77	77	79.7	80.8	83.2
South Carolina	74	75	77.6	80.1	80.3
South Dakota	83	83	82.7	82.7	83.9
Tennessee	86	87	86.3	87.2	87.9
Texas	86	88	88.0	88.3	89.0
Utah	76	80	83.0	83.9	84.8
Vermont	87	88	86.6	87.8	87.7
Virginia	82	83	84.5	85.3	85.7
Washington	76	77	76.4	78.2	78.2
West Virginia	78	79	81.4	84.5	86.5
Wisconsin	87	88	88.0	88.6	88.4
Wyoming	80	79	77.0	78.6	79.3

Source: U.S. Department of Education, Data Express website http://eddataexpress.ed.gov/index.cfm.

Notes: "–" = not available. Data for the classes of 2011 and 2012 were reported in whole numbers only.

Implications for ESSA Accountability

ESSA provisions require that, beginning with the 2017-2018 school year, each state must use the ACGR as an indicator in their accountability systems and in calculating long-term and interim goals.[3]

Analysis of school-level data for the Class of 2015 reveals 2,512 high schools—16% of schools nationwide—had an ACGR of less than 70% (**Table 3**). (Note that, due to privacy protections imposed on publically available data, this analysis uses 70% (instead of 66.7%) as the cutoff for schools to be identified for intervention.[4] These limitations only apply to published data; states would not face such constraints as they have access to the complete data of actual rates reported for every school.) Because this analysis uses 70% instead of 66.7%, it likely overestimates the number of schools that may be identified for intervention due to low graduation rates. This analysis may further overestimate the number of schools that may be identified for intervention because the accountability provisions do not take effect until the 2017-2018 school year and graduation rates have been improving.

[3] ESSA regulations issued by the Obama Administration would have also required states to use the ACGR to identify schools in need of comprehensive support and improvement. However, President Trump signed legislation (S.J.Res. 25) to nullify this requirement.

[4] ED uses data suppression techniques to protect student privacy in schools with small enrollments. In some cases, these actions constrained the analysis because data were reported as a range rather than a number (e.g., 65%-70% instead of 67.5%). In other cases, these privacy protections prevented the reporting of any data for a given school. Out of a total of 18,213 high schools in the ACGR dataset, 2,851 schools could not be analyzed due to these limitations. More information on the limitations is available in the **Appendix**.

Even with these caveats, this analysis suggests that there are potentially thousands of high schools that may be identified for improvement due to failure to graduate more than one-third of their students. Whether or not these schools would be uniquely identified for intervention based upon graduation rates (or identified for other reasons as well) is unknown. That is, it is unclear how much overlap may exist among schools identified under category two and the other two categories (i.e., the lowest-performing 5% of Title I schools and those with chronically underperforming subgroups). Nonetheless, the number of schools identified as being in need of comprehensive support for this reason may be large in some states.

Table 3. High Schools Reported in the ACGR Data for the 2014-2015 School Year

	High Schools
U.S. Total	18,213
Data Suppressed for Privacy Protection[a]	2,851
Data Reported Without Suppression	15,362
ACGR less than 70%	2,512
Percentage of Reported	16%

Source: CRS calculations using data from the U.S. Department of Education *EDFacts* data files available at http://www2.ed.gov/about/inits/ed/edfacts/data-files/index.html#acgr.

Notes: For analysis presented in this report, an ACGR of 70% (instead of 66.7%) was used as the cutoff for schools that may be identified, due to limitations in the published data.

a. Department of Education data suppression techniques were applied to schools with small enrollments to protect student privacy. These actions prevented the reporting of data for certain schools. More information on these issues is available in the **Appendix**.

Appendix. ACGR Technical Notes

The Department of Education (ED) collects the ACGR from states through its EDFacts Initiative.[5] These data are made public on ED's website. Disclosure avoidance techniques are applied to comply with privacy protections required by the Family Educational Rights and Privacy Act.[6] These steps result in complete suppression of the ACGR for schools with cohorts of fewer than 6 students, reporting of ACGR ranges for cohorts between 6 and 200 students, and reporting of exact rates for cohorts of over 200 students. The widths of the ACGR ranges are determined by cohort size and get progressively wider as a cohort size decreases. The actual ACGR reported by states lies somewhere within the published range. ACGR ranges reported by EDFacts are shown in **Table A-1**.

Table A-1. Ranges Used by EDFacts to Report ACGR Data

Cohort Size	ACGR Reported in EDFacts Data File
1-5	Reported as "PS"
6-15	<50%, ≥50%
16-30	≤20%, 21%-39%, 40%-59%, 60%-79%, ≥80%
31-60	≤10%, 11%-19%, 20%-29%, 30%-39%, 40%-49%, 50%-59%, 60%-69%, 70%-79%, 80%-89%, ≥90%
61-200	≤5%, 6%-9%, 10%-14%, 15%-19%, 20%-24%, 24%-29%, 30%-34%, 35%-39%, 40%-44%, 45%-49%, 50%-54%, 55%-59%, 60%-64%, 65%-69%, 70%-74%, 75%-79%, 80%-84%, 85%-89%, 90%-94%, ≥95%
201+ (301+ for subgroups)	≤1%, [whole number percentages] 2%, 3%, ... , 98%, ≥99%

Source: *Regulatory Four Year Adjusted-Cohort Graduation Rates – School Year 2014-15, EDFacts Data Documentation*, U.S. Department of Education, http://www2.ed.gov/about/inits/ed/edfacts/data-files/acgr-sy14-15-public-file-documentation.doc.

a. In school districts with only two schools where one school has a very small student population (n≤ 6) and the second school has a student population between 200 and 300 students, the department has implemented an additional routine that removes whole number reporting in the larger school within this subset of two-school districts. As a result, the reported graduation rate for the larger school is not a whole number percentage but instead is presented as a standard five percentage point range (i.e., 50-54% instead of 52%).

[5] More information on EDFacts may be found at http://www2.ed.gov/about/inits/ed/edfacts/index.html

[6] 20 U.S.C. §1232g; 34 C.F.R. Part 99.

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