California Department of Education

Executive Office

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# **MEMORANDUM**

**DATE:** June 1, 2018

**TO:** MEMBERS, State Board of Education

**FROM:** TOM TORLAKSON, State Superintendent of Public Instruction

**SUBJECT:** Ongoing Development of California’s New Accountability System: Update on Revisions to Calculating the Graduation Rate and Impact on the California School Dashboard.

## Summary of Key Issues

This Information Memorandum provides an overview of changes to California’s methodology for calculating the four-year Adjusted Cohort Graduation Rate (ACGR) and the potential implications to the Graduation Rate and College/Career Indicators on the 2018 California School Dashboard (Dashboard). The California Department of Education (CDE) is required to make these changes to: (1) address audit findings from the U.S. Department of Education (ED) Office of Inspector General (OIG) related to California’s four-year ACGR calculation process and methodology; (2) to align with the guidance and definitions provided in the *Every Student Succeeds Act High School Graduation Rate Non-Regulatory Guidance* (2017). The CDE estimates these changes will result in an estimated one to two percentage point decrease in California’s statewide graduation rate and may affect performance for some schools and local educational agencies (LEAs) on the 2018 Dashboard.

## Background

The purpose of the OIG audit (which began in September 2016) was to determine whether the CDE had implemented a system of internal control over calculating and reporting graduation rates sufficient to provide reasonable assurance that reported graduation rates were accurate and complete. In addition to California, the OIG audited Alabama and is currently conducting a similar audit of Utah.

The audit findings and recommendations are outlined in the OIG’s final audit report, *Calculating and Reporting Graduation Rates in California* (2018), which includes the CDE’s comments and response to each finding and recommendation. The final audit report is located on the OIG Web site at <https://www2.ed.gov/about/offices/list/oig/auditreports/fy2018/a02q0005.pdf>. The OIG based its analysis on guidance and definitions provided in the *No Child Left Behind High School Graduation Rate Non-Regulatory Guidance* (2008), located on the ED Web site at <https://www2.ed.gov/policy/elsec/guid/hsgrguidance.pdf>, and on the *Every Student Succeeds Act High School Graduation Rate Non-Regulatory Guidance* (2017), also located on the ED Web site at <https://www2.ed.gov/policy/elsec/leg/essa/essagradrateguidance.pdf>.

The guidance provides detailed information required for calculating the four-year ACGR, including, but not limited to:

1. The definition of the four-year ACGR.
2. Which students may be counted as a “regular high school” graduate.
3. Under which circumstances it is allowable to remove students from the four-year cohort (e.g., transfers out, emigrates to another country, transfers to a prison or juvenile facility, or dies during the four-year cohort period).
4. Requirements for LEAs to maintain written documentation to support removing students from the cohort to support auditing and monitoring of the data.

### Impact to the Graduation Rate Calculation

After extensive discussions with the OIG and the ED regarding the CDE’s disagreements with some findings, the CDE is required to adopt the following recommendations from the audit report in order to comply with ESSA, provide guidance to LEAs, and adopt more rigorous data quality procedures:

* The CDE will no longer remove students from the cohort who transfer to adult education programs or community college and do not receive a “regular high school” diploma. Instead, these students will remain in the cohort denominator and be counted as “Other Transfers” for public reporting on DataQuest. This change will likely increase the four-year ACGR denominator, which will in turn reduce the graduation rate.
* The CDE will no longer count students who receive an adult education diploma as “regular high school” graduates. Instead, these students will be counted as “Adult Education H.S. Diplomas” for public reporting on DataQuest. This change will likely decrease the four-year ACGR numerator, which will in turn reduce the graduation rate.
* The CDE will no longer count students who pass the California High School Proficiency Examination (CHSPE) as “regular high school” graduates. Instead, these students will be counted as “CHSPE Completers” for public reporting on DataQuest. This change will likely decrease the four-year ACGR numerator, which will in turn reduce the graduation rate.
* The CDE will incorporate data quality procedures into the four-year ACGR methodology to ensure that students are not counted in multiple cohorts. This change is likely to have a negligible impact on the graduation rate.
* The CDE will provide guidance to LEAs regarding collecting and reporting data to California Longitudinal Pupil Achievement Data Systems (CALPADS) for the four-year ACGR and the requirements for maintaining acceptable supporting documentation for cohort removals and outcomes. This is not likely to impact the graduation rate.
* The CDE will include a review of supporting LEA documentation required for cohort removals in the Federal Program Monitoring (FPM) process. This is not likely to impact the graduation rate.

### Communication and New Resources for Local Educational Agencies

The CDE recently communicated these changes to LEAs in April 2018. A copy of the LEA announcements are available on the CALPADS Communications Web page at <https://www.cde.ca.gov/ds/sp/cl/communications.asp>. In late May 2018, LEAs were provided a private preview of the graduation rate for the Class of 2017 and an additional opportunity to review and correct their data. The public release of this data is scheduled for July 2018.

Additionally, the timeline for the four-year ACGR will change beginning with the 2018 Dashboard to provide LEAs with access to current data. A new cohort report is now available in CALPADS to assist LEAs with this transition. The cohort report in CALPADS displays the students in the Class of 2018 for each school in the LEA, along with counts of graduates and non-graduates, and the resulting graduation rates as students are exited in CALPADS at the end of the school year. Accordingly, the CALPADS data submission timeline for the four-year ACGR was revised and shortened. LEAs are now required to exit all students from CALPADS at the end of the school year. Therefore, the CDE will be able to calculate the four-year ACGR for the class of 2018 in time for the Dashboard release in late fall.

### Impact to the California School Dashboard

The CDE plans to review the impact of these changes to the Dashboard and provide the State Board of Education an Information Memorandum in August 2018.

## Attachments

* None.