Summary of Business Rule and Methodological Changes in the Four-Year Adjusted Cohort Graduation Rate

The California Department of Education (CDE) is making several business rule and methodological changes to the calculation of California’s Four-Year Adjusted Cohort Graduation Rate (ACGR). These changes, which are outlined below, are being initiated for the following reasons: (1) to address audit findings from the U.S. Department of Education (ED) Office of Inspector General (OIG) of California’s ACGR calculation process and methodology; (2) to align with the Every Student Succeeds Act (ESSA) High School Graduation Rate Non-Regulatory Guidance (2017); and (3) to simplify and streamline the calculation of the ACGR within the California Longitudinal Pupil Achievement Data System (CALPADS), which will be provided daily to local educational agencies (LEAs) during the cohort window in a new CALPADS cohort report.

The CDE estimates that the following two changes will result in a two to three percent decrease in the statewide graduation rate: (1) no longer allowing students transferring to adult education or community college to be removed from the cohort; and (2) no longer counting students exiting with an adult education high school diploma as regular high school graduates. The impact on county, district, and school graduation rates will vary depending on how often students were exited as transferring to an adult education program during the cohort period, or how many students completed with an adult education high school diploma.

The CDE will also further improve the quality and accuracy of the ACGR by:

- Revising or retiring CALPADS Student Exit Category and School Completion Status code definitions
- Insuring that students are only counted in one year’s four-year high school cohort
- Providing more comprehensive guidance on maintaining appropriate written documentation for monitoring and auditing purposes

The changes described above are discussed in more detail in the following sections.

Background: ACGR Concepts

The following key concepts, some of which are outlined in the ESSA High School Graduation Rate Non-Regulatory Guidance (2017), outline the changes being made to the calculation of California’s ACGR:

- **Four-Year ACGR:** The number of students who graduate from high school in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for the graduating class.

- **Cohort:** Those students who enter grade nine for the first time adjusted by adding into the cohort any student who transfers in later during grade nine or
during the next three years and subtracting any student from the cohort who transfers to another high school, emigrates to another country, transfers to a prison or juvenile facility, or dies during that same period.

- **High School:** A secondary school that grants a regular high school diploma and includes, at least, grade twelve (Elementary and Secondary Education Act (ESEA) section 8101(28)).

- **Regular High School Diploma:** The standard high school diploma awarded to the preponderance of students in a State that is fully aligned with the State’s standards and does not include a general equivalency diploma, certificate of completion, certificate of attendance, or any other similar or lesser credential, such as a diploma based on meeting Individualized Education Program (IEP) goals. The term “regular high school diploma” also includes any “higher diploma” that is awarded to students who complete requirements above and beyond what is required for a regular high school diploma (ESEA section 8101[43]; 34 Code of Federal Regulations [C.F.R.] § 200.34[c][2]).

- **Transfer:** A transfer into a cohort occurs when a student enrolls in a high school after the beginning of the entering cohort’s first year in high school, beginning at grade nine and up to and including in grade twelve. A transfer out of a cohort occurs when a student leaves a high school and enrolls in another high school or in an educational program from which the student is expected to receive a regular high school diploma.

- **Cohort Removals:** Only a student who transfers out and enrolls in another high school or in an educational program (including a program in a prison or juvenile facility) from which the student is expected to receive a regular high school diploma, emigrates to another country, or dies may be removed from a high school’s or LEA's cohort. A student may not be removed from the cohort for any other reason. Before removing a student from a cohort, a school or LEA must obtain official written confirmation that the student transferred out, emigrated, transferred to a prison or juvenile facility, or died.

- **Cohort Outcome Period:** For the calculation of the ACGR, the period for determining cohort inclusion is 07/01/Year1 – 06/30/Year4; however, the period for determining cohort outcomes is 07/01/Year1 – 08/15/Year4. This provides LEAs with additional time to report summer graduates. All cohort graduation requirements, including the awarding of the diploma, must be completed by the end of the cohort outcome period (August 15).

**Summary of Changes to ACGR**

**Disallowing Certain Cohort Removals**

Effective immediately, high school students who transfer to an adult education program or to community college during the four-year cohort outcome period without
earning a regular high school diploma will no longer be removed from the cohort. These students are reported to CALPADS using the following Student Exit Category codes:

- **T260**: Transfer to an Adult Education Program
- **T280**: Transfer to College

The process for calculating the ACGR is being modified so that students falling into these two categories will now remain in the cohort and be counted as “other transfers” if the transfer is the last record in the cohort outcome period. The impact on district and school graduation rates will vary depending on the frequency that students leave a public high school without graduating and transfer to an adult education program or community college.

**Disallowing Certain Cohort Outcomes**

Effective immediately, **students who receive an adult education diploma** will no longer be counted as traditional high school graduates as they do not meet the definition above for receiving a “regular high school diploma.” LEAs may continue to report these students to CALPADS as having received an Adult Education Diploma provided they have obtained official written documentation that the student received an adult education diploma within the cohort outcome period after withdrawing from their high school.

To report these students, LEAs may submit a one-day enrollment to CALPADS with the following Student Exit Category code and School Completion Status code combinations E230/250 (Completer/Received an Adult Education Diploma). The associated exit date submitted to CALPADS must reflect the date that the student completed the requirements and was awarded the adult education diploma. Although these students will no longer be counted as having received a “regular high school diploma,” reporting these student outcomes to CALPADS will prevent students from being counted as “other transfers” if they had been previously transferred to adult education using the T260 exit code, or possibly as dropouts for the LEA and school if they were previously lost transfers.

**Revising or Retiring CALPADS Student Exit Category and School Completion Status Codes**

Effective immediately, the definitions of the following CALPADS Student Exit Category codes are being streamlined, clarified, revised to align with federal definitions, or modified to specify that written documentation supporting the transfer or exit is required:

- **T200**: Transferred to another public or private U.S. school outside California
- **T240**: Left school to move to another country
- **T260**: Transfer to an Adult Education Program
- **T280**: Transfer to College
- **T370**: Transfer to an Institution with a High School Diploma Program
- **T380**: Transfer to an Institution without a High School Diploma Program
• 100: Graduated, Regular High School Diploma
• 250: Adult Education High School Diploma

Attachments 2 and 3 include tables that detail all of the changes to Student School Exit Category and School Completion Status codes outlined above and provides information about how each exit code and completion status is handled in ACGR processing.

The following Student Exit Category CALPADS codes will be retired as they are not required or relevant:

• **T270: Transfer to Adult Education Program (Dropout):** The T270 exit code was previously used to signify that a student had transferred to an adult education program and subsequently dropped out. With the changes to the T260 exit code described above, all high school students who transfer to an adult education program will remain in the cohort and be counted as dropouts unless they graduate from an approved adult education program within the cohort outcome period and with acceptable written documentation. As a result, the T270 exit code is being retired.

• **T310: Transfer to a Health Facility:** The T310 exit code was previously used to signify that a student had transferred to a health facility and these students were removed from the cohort. The federal non-regulatory guidance does not have a provision for removing students from the cohort for health or medical reasons. As a result, the T310 exit code is being retired and LEAs are instructed to use exit code **E410: Medical Reasons** to signify that a student withdrew or left school for medical reasons and these students will remain in the cohort.

• **T460: Transfer to Home School:** The definition of the T460 exit code states: “Student withdrew from/Left school for a home school setting not affiliated with a private school or independent study program at a public school.” As written, neither of these situations is allowable under California state law. (For more information about homeschooling options in California, please consult the CDE Schooling at Home Web page at [https://www.cde.ca.gov/sp/ps/homeschool.asp](https://www.cde.ca.gov/sp/ps/homeschool.asp).) As a result, the T460 exit code is being retired and LEAs are instructed to do the following: (1) If a student is transferring to a home school that is affiliated with a private school, LEAs are instructed to use exit code T180: Transfer to a Private School; (2) If a student is transferring to a public school with an independent study/home school program, LEAs are instructed to use exit code T160: Transfer to a California Public School.

**Summary of ACGR**

*Initial Cohort Assignment*

High school students are assigned to a four-year graduation cohort based on a determination of the year they first enrolled in ninth grade using data from CALPADS. Students who enroll for the first time in California after ninth grade are assigned to a
cohort based on an imputed first-time ninth grade year. As such, students within the same cohort share the same first-time ninth grade year and expected graduation year. Students within the same four-year cohort are expected to graduate on-time within four years.

Previously, LEAs were permitted to adjust a student’s first-time ninth grade year, which determined their cohort assignment. Moving forward, the process for calculating the ACGR is being modified to review prior cohort data to ensure that students are not assigned to multiple four-year cohorts and that they have only one cohort outcome during high school within the CALPADS Operational Data Store. Students found to belong to a prior cohort will be removed from the current cohort. The impact of this change on graduation rates is expected to be negligible, as very few students have been found in multiple cohorts. LEAs will need to pay close attention to enrollment and grade records that establish the first-time ninth grade year as there will be limited opportunities to modify these data.

**Cohort Removals**

Students will be removed from the cohort when the last enrollment record during the cohort outcome period includes any of the following Student Exit Category codes:

- E130: Died
- T180: Transfer to Private School
- T200: Transfer to a High School Out of California
- T240: Transfer/Emigrated out of the U.S.
- T370: Transfer to an Institution with a High School Diploma Program

For a student to be removed from the cohort, the LEA must obtain official written confirmation or maintain written documentation demonstrating that the student meets the required exit code criteria. (See CALPADS Data Guide, Appendix C.)

Students may be removed from a school’s or district’s cohort under specific circumstances associated with the following Student Exit Category codes:

- T160: Transfer to another California public high school
- T165: Transfer to another California public high school for disciplinary reasons
- T167: Transfer to another California public high school, non-disciplinary referral

When a subsequent enrollment record is found for any T160, T165, or T167 exits, the student will be removed from the transferring district- and school-level cohort and added to the enrolling district- and school-level cohort. When a subsequent enrollment is not found, and the last enrollment record during the cohort outcome period has a T160, T165, or T167 exit code, the student record will remain in the original school- or district-level cohort and be counted as a “lost transfer” dropout.
Cohort Outcomes

The ED requires states to determine a cohort graduation rate, which is the ACGR, but does not require states to determine a cohort Non-Graduate Completer or Dropout rate. However, historically the CDE has allowed LEAs, as part of their Fall 1 submission, to report non-graduate completers and students who are “still enrolled” on the Census Day immediately following the end of the cohort outcome period so that these students are not incorrectly viewed as dropouts. The CDE has then publicly posted on DataQuest information about the following four cohort outcome categories: (1) Cohort Graduates, (2) Non-Graduate Completers; (3) Still Enrolled; and (4) Dropouts. The CDE will continue to publicly report these four cohort outcome categories, however, LEAs will have to report these students earlier in the fall, prior to the CALPADS extraction in mid-September.

1. **Cohort Graduates**

For the purposes of calculating the ACGR, the following Student Exit Category code and School Completion Status combination will be counted as traditional high school graduates who received a “regular high school diploma”:

- E230/100: Traditional graduate receiving a regular high school diploma
- E230/330: Passed California High School Proficiency Exam (CHSPE). (The OIG found that students exiting high school on the basis of passing the CHSPE should not be counted as completing high school with a regular high school diploma as it does not meet the federal definition of a regular high school diploma. The CDE, however, is appealing this determination.)

**Note:** The California High School Exit Examination graduation requirement was repealed by the Legislature in 2014 and school completion statuses 104, 106, and 108 were subsequently retired in CALPADS in 2015. If any of these school completion status codes are present in the cohort data, they will be treated as graduates.

2. **Non-Graduate Completers**

The following Student Exit Category code and School Completion Status combinations will be counted as Non-Graduate Completers:

- E230/120: Special Education Certificate Completion
- E230/250: Adult Education High School Diploma
- E230/320: Received a High School Equivalency Certificate (no diploma)

3. **Still Enrolled**

Cohort students will be counted as “still enrolled” as a fifth-year senior if they did not graduate or complete high school by the end of the cohort outcome period (August 15) and meet one of the following criteria:
• Are re-enrolled after August 15 and not exited before the CALPADS cohort data extraction date (mid-September), which is shortly after the close of the End-of-Year Amendment Window.

• Graduated from or otherwise completed high school after the end of the cohort outcome period (August 15) and prior to the CALPADS cohort data extraction date (mid-September), shortly after the close of the EOY Amendment Window.

Again, LEAs were previously given until the close of the Fall 1 amendment window to submit data to CALPADS for the determination of “still enrolled” students. **This is no longer the case.** All prior year exits and summer graduates must be submitted by the close of the EOY Amendment Window, and fifth-year seniors must be enrolled prior to the CALPADS cohort extraction date or they will be counted as dropouts. This is required so that the CDE can include the most recent graduation data in the California School Dashboard (Dashboard), something that has been widely requested by county and district superintendents and required by the State Board of Education (SBE).

4. **Dropouts**

All remaining cohort students who do not meet the criteria for being a graduate, non-graduate completer, or still enrolled will be counted as dropouts, including “lost transfer” dropouts or students whose last enrollment record within the cohort outcome period is a T160, T165, or T167 transfer with no subsequent enrollment.

**Supporting Written Documentation**

Please be advised that it is important for LEAs to maintain appropriate documentation supporting both cohort outcomes and removals, as these are subject to monitoring and auditing processes.

In terms of required documentation for students being removed from the cohort, the **ESSA High School Graduation Rate Non-Regulatory Guidance (2017)** states that:

“Before a student is removed from a cohort, a school or LEA must have written confirmation that a student has transferred, emigrated to another country, transferred to a prison or juvenile facility, or died. (ESEA section 8101[23][B] and [25][B]; 34 C.F.R. § 200.34[b][3]). Written documentation facilitates audits and, thus, will help ensure that a school, LEA, and State have an accurate measure of graduation rate.”

For students transferring to another public high school within the state, the guidance further states that:

“In the case of a student who moves to another public school within the State, that transfer would most likely be officially documented and recorded in the State’s data system; thus, a record from the State’s data system would be considered official written documentation.”
Pursuant to this requirement, the CDE requires LEAs to obtain and maintain official written documentation supporting the removal of certain students from the cohort. Official written documentation needs to be maintained for potential monitoring and auditing processes, and it will need to support both the reason for the cohort removal and the date associated with the removal. Without written documentation, the LEA or school may not submit an exit code to CALPADS that removes a student from the cohort. If LEAs are unable to obtain written documentation that the student transferred to a private school, moved to another state, emigrated to another country, or transferred to a prison or juvenile facility, or died, then the student must be exited with E140: Truant or E400: Unknown. The specific type of written documentation that is required is described in the CALPADS Data Guide, Appendix C.

LEAs should also maintain official written documentation supporting all cohort graduate and non-graduate completer outcomes. Like cohort removals, official written documentation needs to be maintained and provided for potential monitoring and auditing processes, and it will need to support both the cohort outcome, date associated with the outcome, and verification that the outcome requirements were completed within the cohort outcome period. Without written documentation, the LEA or school may not submit a Student Exit Category and School Completion Status code combination to CALPADS indicating that the student has completed high school as a graduate or non-graduate completer. If LEAs are unable to obtain written documentation that the student completed all graduate and non-graduate completer requirements within the cohort outcome period, then the student must be exited with Student Exit Category code E230: Completer and School Completion Status 360: Completed Grade 12 Without Completing Graduation Requirements, which is counted as a dropout.