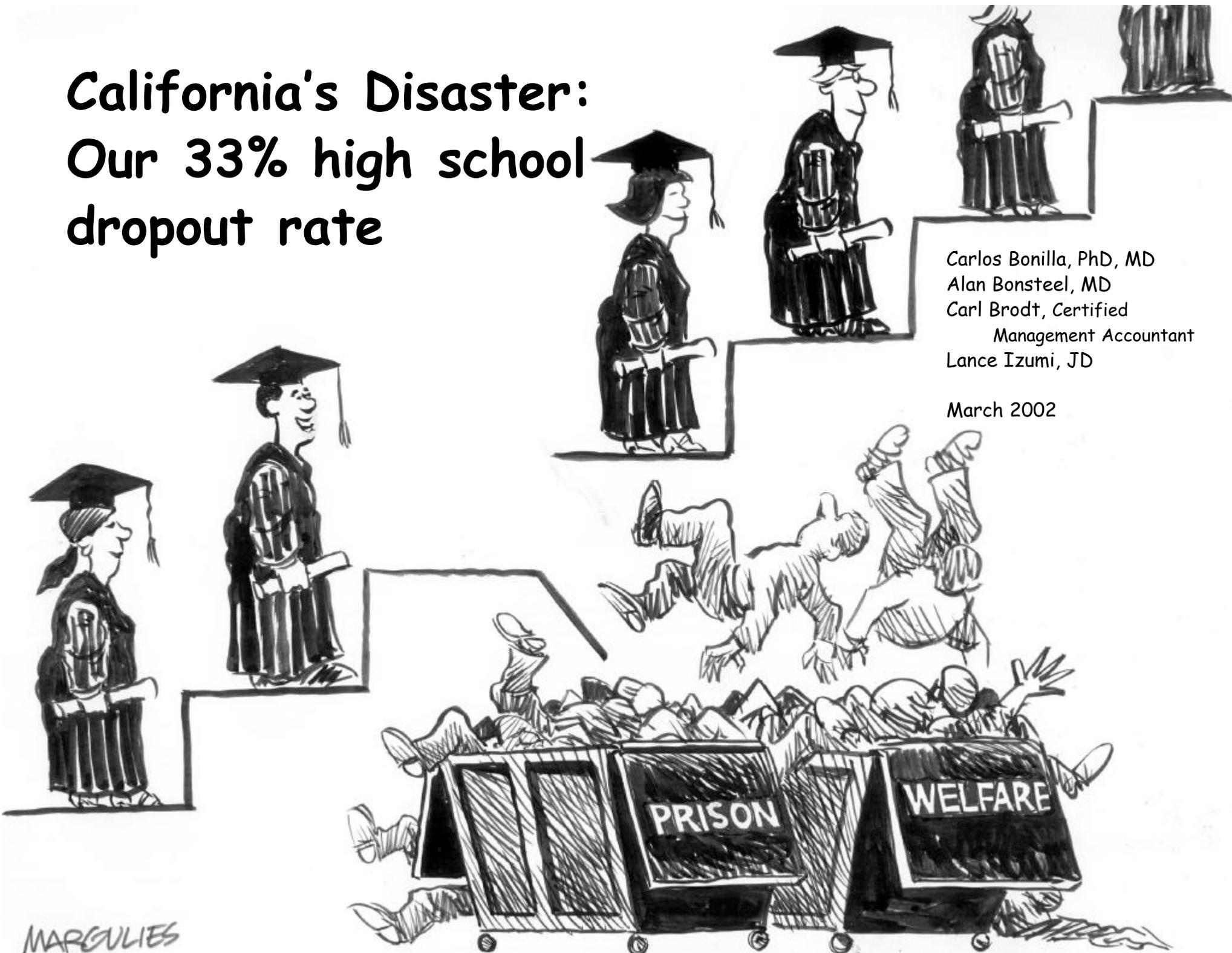


# California's Disaster: Our 33% high school dropout rate



Carlos Bonilla, PhD, MD  
Alan Bonsteel, MD  
Carl Brodt, Certified  
Management Accountant  
Lance Izumi, JD

March 2002

# California's Disaster: Our 33% high school dropout rate

Carlos Bonilla, PhD, MD  
Alan Bonsteel, MD  
Carl Brodt, Certified Management Accountant  
Lance Izumi, JD

March 2002

**©2002 California Parents for Educational Choice**

2291 Stockton Street #407

San Francisco, CA 94109

415-982-6403

[www.cpeconline.org](http://www.cpeconline.org)

MARGULIES

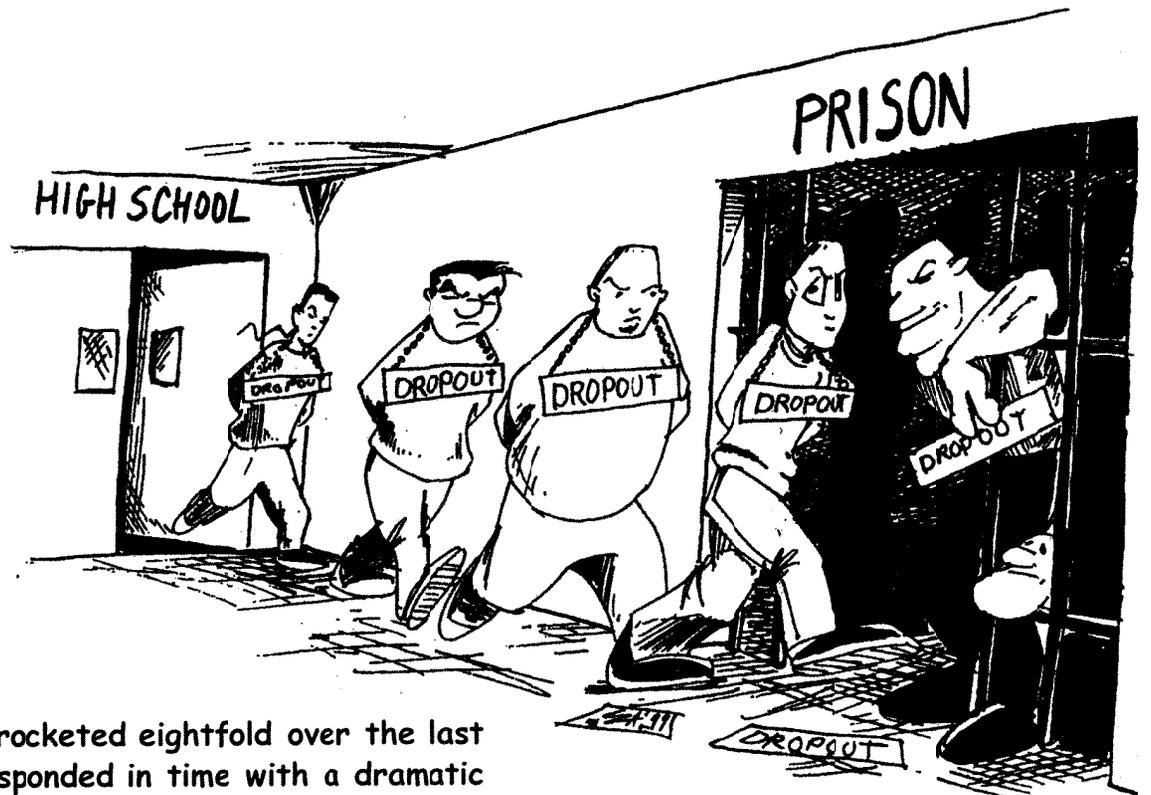


"DROPOUTS ARE A BIG PROBLEM IN CALIFORNIA. BUT HERE IN OURTOWN UNIFIED, WE HAVE EVERYTHING UNDER CONTROL. WITH OUR INNOVATIVE DROPOUT PREVENTION PROGRAMS, AND OUR CREATIVE WAYS OF COUNTING DROPOUTS, HARDLY ANY KIDS DROP OUT OF OURTOWN HIGH SCHOOL. TRUST US."



# Table of Contents

Page		Page	
1	Introduction	17	Should GEDs and High School Equivalencies Be Counted as High School Diplomas?
1	What We'd Like You to Get Out of this Report	18	There Are Two Types of Dropouts Who Are Not Counted in Anyone's Statistics — Including Ours
3	A Few Good Terms	20	Myth #1: The 9th Grade Hump
4	Identifying Dropouts	21	Myth #2: California Immigrants
5	Dropouts Made Simple	22	Myth #3: Transferring Students
8	How Districts Miss Kids	24	Myth #4: California Student Information System
9	Why the Derived Dropout Rate Is Projected	24	What We'd Like to Ask of You
10	How to Verify that Your District's Four-Year Derived Dropout Rate Is Predicted Rather than Actual	27	Appendix: Articles from USA TODAY, Forbes, Los Angeles Times, Christian Science Monitor, School Reform News, and the Authors
11	How Districts Hide Their Dropouts in the County's Numbers		
12	Isn't There Some Reasonable Relationship Between Derived Dropout Rates and Real Dropout Rates?		
12	Why Graduation Rates Can Be Trusted		
13	The Long-Term Trend in California's Graduation Rate		
14	Calculating Your District's Graduation and Attrition Rates		
15	But What About Students Who Repeat a Year and Then Graduate?		
17	How Does the Attrition Rate Translate into a Real Dropout Rate		



California's prison population skyrocketed eightfold over the last 20 years, an increase that corresponded in time with a dramatic decrease in the state's high school graduation rate.



## Introduction

California's shockingly high dropout rate is the greatest crisis facing our state. This crisis has been masked by false dropout rates from the California Department of Education (CDE). In the spring of 1998, the CDE reported a 3.3% dropout rate. What they didn't tell the public is the rate was a one-year dropout rate for an average graduating class of high school students, not a four-year rate for a graduating class in high school. This is called the derived dropout rate, and it's shortchanging our children and school systems.

In response to the CDE's use of this misleading statistic, three board members of California Parents for Educational Choice — Lance Izumi, Carlos Bonilla, and Alan Bonsteel — petitioned the State Board of Education to mandate more accurate dropout rate reporting. By Spring 1999, the fact that one-third of California's students were dropping out was finally front-page news.

Even with this publicity, most school districts are still reporting the old, utterly discredited four-year derived dropout rates that dramatically understate their real dropout numbers. District administrators are claiming that while the state does indeed have a dropout problem, the dropout rates in their districts are just fine.

The purpose of this report is to unravel the complexities of dropout rate reporting, to make clear why the four-year

derived dropout rates are meaningless and even fraudulent, and to advocate that they not be reported to the public.

## What We'd Like You to Get Out of This Report

We hope that you get two insights from this report:

The derived dropout rates now being reported by California's districts — whether one-year or four-year rates — are worthless, giving parents and taxpayers a wildly inaccurate impression of the true dropout levels in your district. These rates should not be reported to the public.

Instead, we implore you to report the graduation rate and its flip side, the attrition rate. These numbers, while not now publically available, can easily be calculated from the the CDE site data using the instructions in this report.

If we could persuade you that the best numbers of all are the CPEC adjusted attrition rates — which have been adjusted to reflect enrollment growth or loss, as well as GEDs and the like — that would be the icing on the cake.

### *Contra Costa Times* Dropout Rate Down Statewide

■ It's 3.3% in California and was 5% five years ago; the level decreased in the West County School district from 2.9% to 2.1%

The *Contra Costa Times* (May 29, 1998) and other reputable publications unwittingly publicized the misleading four-year derived dropout rates.

# When many kids drop out, state loses track

By Deb Kollars  
Sacramento Bee Staff Writer  
Sept. 6, 1998

Over the past 10 years, thousands upon thousands of students in California have dropped out of high school without graduating. Each had a name and a birth date, a record of immunizations and test scores, memories of teachers and playgrounds and lunchtimes, a distinguishable face, an emerging personality and a private collection of dreams for the future.

## Los Angeles Times

### Facing Truth on Dropouts

Editorials, June 8, 1999

California's shockingly low high school graduation rate is a national wide embarrassment. Almost one in three ninth-graders does not graduate with his or her class, among the nation's worst rates.

### THE CHRISTIAN SCIENCE MONITOR

#### Estimate revises US school-dropout rate upwards

January 16, 2001  
Cambridge, Mass.

-- The effort to boost standards in public schools enjoys broad bipartisan support, a fact that the

### San Francisco Chronicle

#### Dismal state graduation rate

■ 33% in 9th grade will not finish with classmates

June 8, 1999

Only two out of three ninth graders in California public schools graduate with

### The Bakersfield Californian

#### Graduation rate among worst in US

■ A California report shows one-third of one year's freshmen did not make it through four years of high school. Other indicators put the graduation rate at just over 80% for the state.

June 8, 1999

### THE SUN

San Bernardino, California

#### Dropout stats spur debate

July 2, 2001

Last week, the city's school board called for initiatives to curb the dropout rate in its public high schools.

The members were responding to an apparent near-doubling

On June 8, 1999, as a result of years of work by the authors of this paper, Californians finally discovered that the California Department of Education dropout statistics underestimated by a factor of 10 our true dropout rate.

# A Few Good Terms

## **Dropout**

The CDE defines a dropout as any student in secondary grades who A) left school before graduation or before earning the legal equivalent of a high school diploma by passing the General Educational Development (GED) examination or the California High School Proficiency Examination (CHSPE), or B) did not return to a school or an educational program by mid-October of the following school year, as evidenced by a transcript request or other reliable documentation.

## **One-Year Dropout Rate**

The percent of dropouts during a single year, calculated from actual data submitted. It compares enrollment and dropout figures for high school grades in the same school year. Also called the "annual" or "event" rate, it is used by the National Center for Education Statistics (NCES) to compare states and school districts. For 1999-00, statewide one-year dropout rate was 2.8%. (Source: CDE)

## **Four-Year Derived Dropout Rate**

A projection of the percentage of students who would drop out in a four-year period based on data collected for a single year. It is calculated by multiplying the current one-year derived dropout rate times four.

## **High School Graduation Rate**

Graduates as a percent of class that entered 9th grade four years prior, i.e. those who graduated with their class. For example, the 1999-00 graduation rate was calculated by 2000 graduates as a percentage of 1996 grade 9 enrollment. It does not include students graduating on the basis of passing the California High School Proficiency Examination, passing the General Education Development (GED) test, from programs administered by a community college or from adult education programs. The statewide graduation rate for 1999-00 was 68.7%.

## **Attrition Rate**

Percentage of a freshman class who did not graduate and who are not still enrolled. This rate always mirrors the graduation rate. So, in the above example, the 1999-00 attrition rate was 31.3%.

## **General Educational Development (GED)**

The GED tests certify 12th-grade ability in Language Arts (Reading and

Writing), Social Studies, Science, and Mathematics. The 2002 Series GED Tests incorporate the many new skills that traditional high schools now require of their graduates. The 1988 edition of the tests was released before many of these requirements were in place. Since passing the GED tests leads to a high school credential, the tests have to reflect these new requirements. (Source: American Council on Education)

## **California High School Proficiency Examination (CHSPE)**

The CHSPE is a three-hour test consisting of a timed essay (30 minutes) and 100 multiple choice questions. Passing the CHSPE does not exempt students from attending school unless they are 16 or over and have verified parental permission to leave early. Students are required to have completed at least one academic year of the 10th grade, or are enrolled in the second semester of 10th grade. CHSPE results are reported as "pass" or "not pass." There is no limit to the number of times you may take the test.

California law provides that the Certificate of Proficiency "shall be equivalent to a high school diploma." All persons and institutions controlled by California law that require high school diplomas for any purpose must accept the certificate as satisfying those requirements. It does not equate, however, with completing all coursework required for regular graduation from high school. (Source: California Proficiency Testing)

School officials may claim the discrepancy between the graduation rate and the dropout rate is that some students eventually earn a high school equivalent diploma, although they earn it past the normal four-year high-school diploma-granting period. Such students, it is argued, should not be considered dropouts. Nationally, about 17% of all new high school degrees were awarded through an equivalency exam such as the GED. Research, however, shows that these certifications are hardly equivalent to a normal high school diploma. (Source: Pacific Research Institute for Public Policy's California Index of Leading Education Indicators 2000 by Lance Izumi.)

## **Completion Rate**

The high school completion rate represents the proportion of 18- through 24-year-olds who have left high school and earned a high school diploma or the equivalent, including a GED credential. (Source: NCES) An alternate, and possibly competing, definition is used in California. In the past, the completion rate has been expressed as the complement of the four-year derived dropout rate. In other words, the four-year derived dropout rate is subtracted from 100%.



MARGULIES

Until 1999, the California Department of Education was passing off the one-year dropout rate as the four-year derived dropout rate.

### Identifying Dropouts

According to the CDE, expulsions are counted as dropouts if the student is gone from school for more than 45 consecutive school days and has not returned to an educational institution or program prior to the next the California Basic Educational Data System (CBEDS) reporting period. Note the use of "consecutive" — if a student is absent for 44 days, returns for just one day, then is gone for another 44, he or she is not considered a dropout.

Deceased students are not reported as dropouts. Districts are on

their own for determining whether no-show students have dropped out, received a high school diploma or its equivalent, gone on to college or simply transferred to another school.

In a report issued earlier this year (based on 1999 data), the state's Employment Development Department estimated that more than 2.1 million California workers earn less than \$6.75 per hour. The study found that nearly half of minimum wage earners in California are under age 25 and didn't have a high school diploma or GED. (Source: San Francisco Business Journal, December 31, 2001)

## Dropouts Made Simple

Counting dropouts is a complex task—and one that has been made more so by the smoke and mirrors put forth by those within our public school system who would like to minimize the issue in the eyes of the public. Here are the main ways of counting dropouts in California:

1. Estimating the derived dropout rate
2. Comparing graduation rate with the attrition rate, which always add up to 100%
3. Relying on Census Bureau methodology

To illustrate the differences between the three, let's imagine a young couple trying to master the intricacies of balancing a checking account.

## Derived Dropout Rate

Suppose that this couple tries the textbook method of keeping track of their checks by writing them down one by one in their check register. However, each writes checks and forgets to tell the other. They go off on vacation, where, as in the cartoon, they write checks and don't record them. Not surprisingly, they end up overdrawn at the end of the month.

This is, in essence, the system currently used by California's school districts and ultimately the state. Because of lack of communication, students who claim they are transferring to another school are counted as transfers, rather than dropouts—even if they never make it to the next school. And, perhaps worse still, the equivalent of the weekend getaway of our young couple is the summer vacation—or, in the case of year-round schools, the main vacation, whenever that may be. Students who fail to return from summer vacation are almost never counted as dropouts.



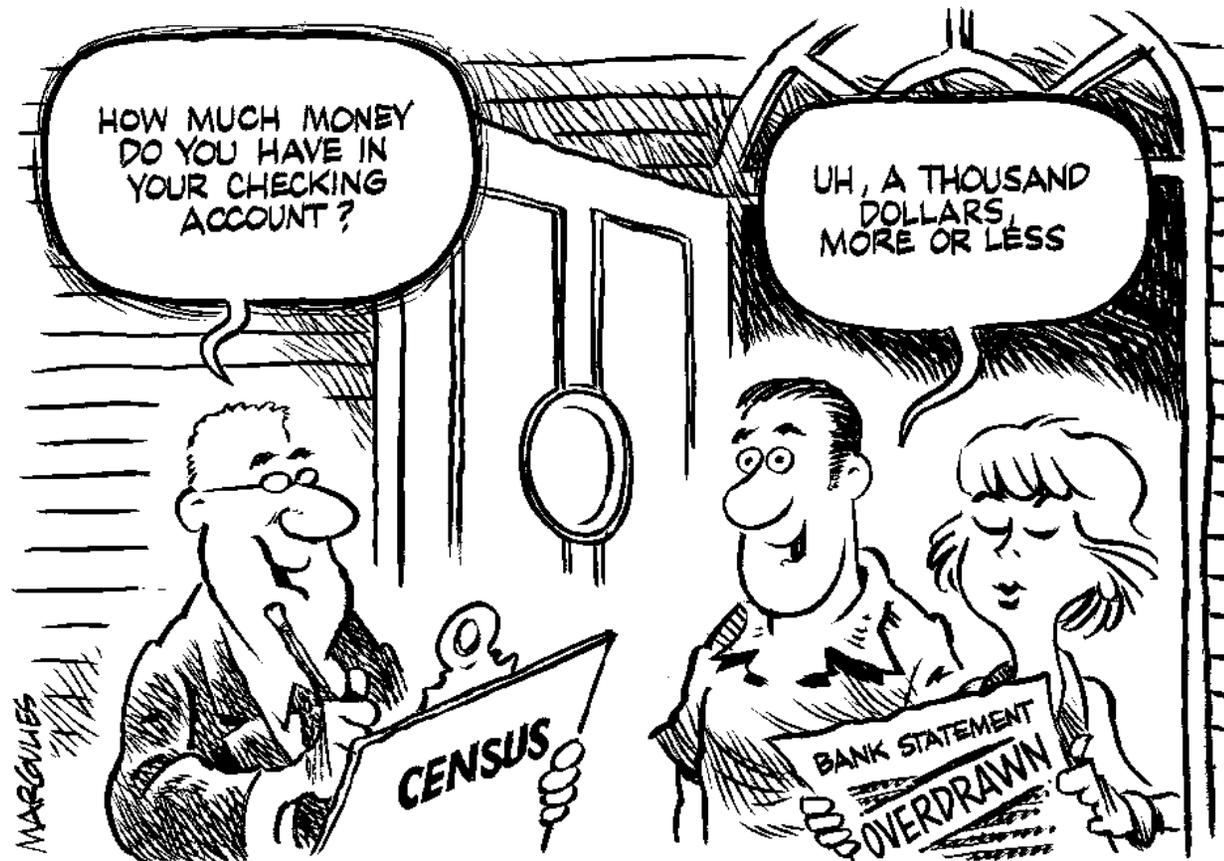
Just as this couple is forgetting to record checks written during the weekend getaway, school districts almost always miss dropouts who never returned from the summer vacation.

### Census Bureau Self-Reported Dropout Rates

The Census Bureau arrives at its dropout rates from self-reported data. In essence, census takers go door to door or collect data through the mail recording what people claim to be their educational attainments.

In the scientific world, such self-reported data is considered wholly unreliable. No peer-reviewed medical journal, for example, would publish a study based on self-reported data. Even the Census Bureau's own internal analysis of the accuracy of its data admits that it has never made any

meaningful effort to see if people are really telling the truth when asked about their educational attainments. As with our fictitious couple who are being asked about how much money is in their checking account—with no independent verification — there is every reason to believe that people exaggerate their educational attainments.



Census Bureau dropout rates rely on self-reported data, which is notoriously unreliable.

Equally important to the inaccuracy of Census Bureau data is that census takers consistently undercount those low-income, low-educational attainment families most likely to have children who drop out — like the family living at "71 Chevy Street."

Thus, the Census Bureau estimate for high school completion for Californians 18 years of age and older — currently 80% — dramatically overstates the true educational attainment of the citizens of our state.

Nevertheless, even that number, inaccurate though it is, represents a dropout rate almost twice what is being reported by the CDE.

#### **Graduation and Attrition Rates**

In the real world, most of us keep our checking account balances accurate by verifying with our bank how much money is left in our checking account. We know that if we started with \$1,000, and there's \$300 left in the checking account, we must have spent \$700 (assuming all checks have cleared).

Graduation and attrition rates work the same way. If a school has 1,000 9th grade four years ago, and graduated 700 this year, then the graduation rate is 70%. The graduation rate and the attrition rate always add up to 100%. In this case, the attrition rate is 30%.



**Census Bureau data undercounts the families most likely to have dropouts: transients, migrant workers and the homeless**

## How, Like Our Irresponsible Couple Failing to Balance Their Checkbook, School Districts Miss Kids Right and Left

You think it's tough to keep tabs on your own children. Try having 6 million, each one darting this way and that. If you're not completely organized, a few are going to slip through the cracks. When you have upwards of 30% slipping through, it's a crisis. Here are some examples how school districts are missing kids.

Students who say they are going to transfer to another school, but never make it to the new one are routinely counted as transfers but not

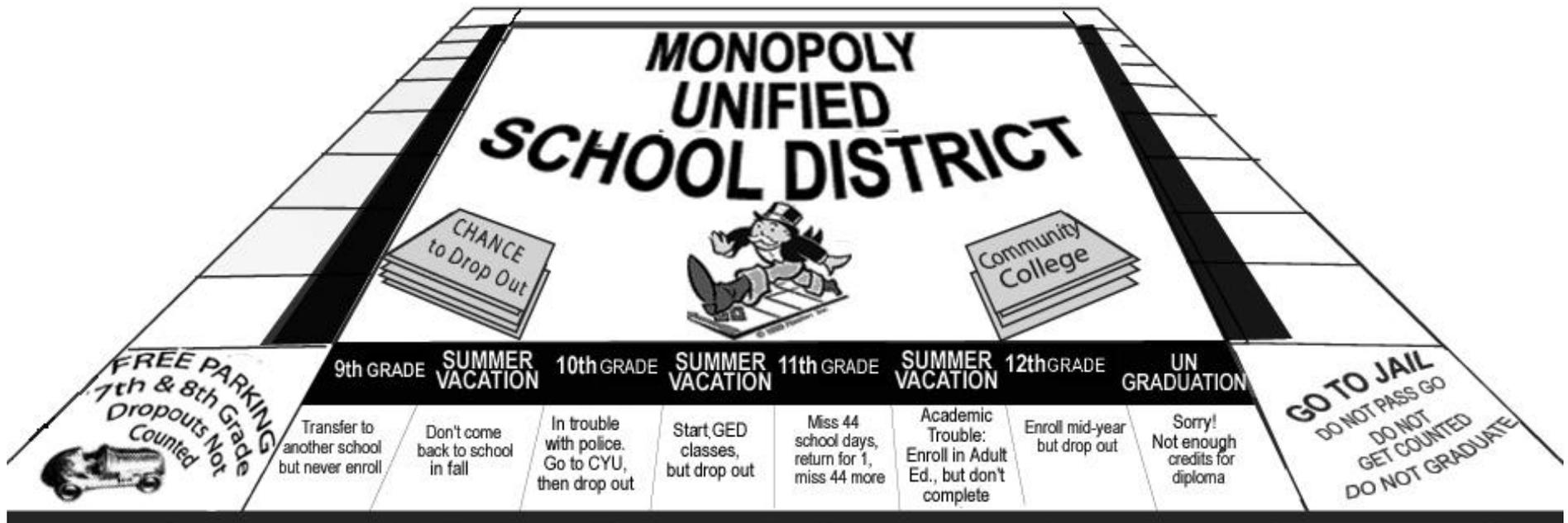
dropouts.

Kids who don't come back after summer vacation are not enrolled in any school, but also not counted as a dropout. Year-round schools have an even worse problem, since their vacations are spread out throughout the calendar year.

Those who get sent to special county schools, juvenile hall, or even the California Youth Authority are considered transfers, not dropouts.

Some find themselves in academic trouble and switch to adult education program. If they then drop out, the district still only counts them as a transfer.

Lastly, the ones who make it to graduation day, but don't have enough credits to get a diploma are still not counted as dropouts.



Here are some examples how school districts are not counting kids as dropouts.

## Why the Derived Dropout Rate Is a Projected Rather than Actual Rate

Aside from the problems of the four-year derived dropout rate missing huge numbers of kids and hiding dropouts in the county numbers, it is a predicted, or projected, dropout rate.

For example, California posted the following one-year dropout rates during the four most recent reporting years:

2000	2.8%
1999	2.8%
1998	2.9%
1997	3.3%

---

Total 11.8%

Source: CDE Website

Since the total is 11.8%, one would think that this would be the number reported to the public as the four-year dropout rate. Instead, for 1999-00, the CDE reported an 11.1% four-year derived dropout rate.

Unfortunately, this percentage does not compute. Even though the four-year derived dropout rate is calculated by multiplying the latest (and usually rosier) one-year rate by four. In this case, it was 2000's 2.8%.

But, 2.8% multiplied by 4 equals 11.2%, still .1% higher than what the CDE reported. Are they rounding off the percentages to their advantage?

Here's another example: For 1997, Compton Unified School District reported a four-year derived dropout rate of 30.7%. By 1998, it had dramatically improved to 18.8%. By 1999, it had improved more still to an amazing 7.6%, better than California's average dropout rate of 11.1%.

This seemed too good to be true, especially for a district in a disadvantaged part of Los Angeles that was so dysfunctional that it had been taken over by the CDE. These numbers received a considerable amount of ink in the Los Angeles Times in Spring 2000 when the figures were reported.

Unfortunately, they were too good to be true. In 2001, the Compton district reported a four-year derived dropout rate for the 1999-00 school year of 33.7% — the worst ever! The increase was blamed on "better reporting."

Had Compton and the other districts in the state been reporting a real dropout rate for the previous four years instead of a derived dropout rate



for the next four years, these wild and misleading swings could have been avoided.

Better still, of course, would have been to report the attrition rate, which changed very little over those four years. Compton enrolled 1,853 students in 9th grade in 1996 and graduated 1,091 12th-graders in 2000 for an attrition rate of 42%. (Source: CDE Educational Demographics Unit)

## How to Verify that Your District's Four-Year Derived Dropout Rate Is Predicted Rather than Actual

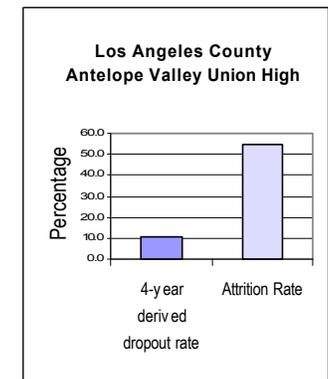
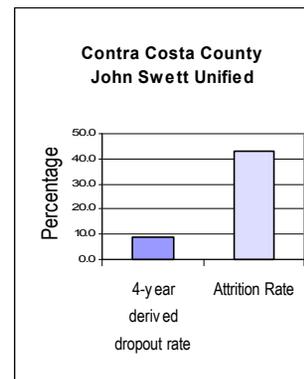
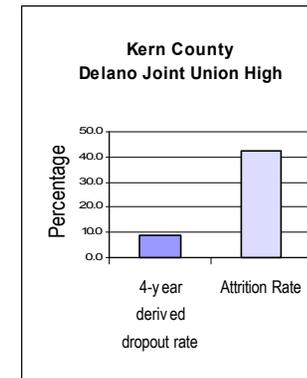
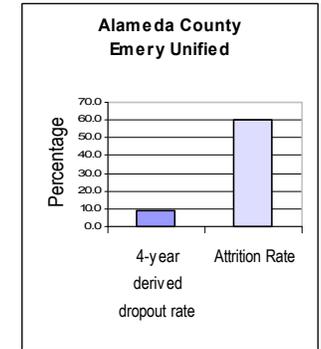
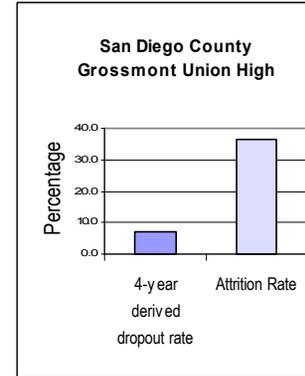
Through 1998, the CDE was successful in reporting to the public the one-year derived dropout rate as the state's official dropout rate. The public was not informed that this rate had to be multiplied by four to get a four-year dropout rate.

That sleight of hand came to an end in 1999 following the efforts of the authors of this report. However, the number that replaced the one-year derived dropout rate — the four-year derived dropout rate — is in fact a prediction of what the dropout rate will be over the next four years if the current year's one-year rate holds up. Since the current year's one-year rate is usually the rosiest, the four-year derived dropout rate almost always produces a more optimistic number than adding up the one-year derived dropout rates for the previous four years.

Here's how you can verify this for yourself:

- 1 Go to the CDE website at [www.cde.ca.gov](http://www.cde.ca.gov). Under Finance, Research and Statistics, click on DataQuest.
- 2 Under Subject, choose Dropouts, and under Level, choose District. Click Submit. Use the most recent reporting year available and type in the name of your district. Note: 2000-01 statistics will be available Spring 2002.
- 3 Select Dropouts by Ethnic Group, Grade, and click Submit. At the extreme lower right, you will find the one-year derived dropout rates for your district, county and state. Just to the left are the four-year derived dropout rates.
- 4 Repeat the above process for each of the previous three years. Add the one-year derived dropout rate for your district for each year. With very, very few exceptions, you will find that they don't add up to the four-year derived dropout rate for your district.

Here are examples of districts claiming that their 4-year derived dropout rate was less than the state average of 11.1% but having an attrition rate telling a very different story.



## How Districts Hide Dropouts in County Numbers

Is this the case in your county? Verify it for yourself by logging on to the CDE website at [www.cde.ca.gov](http://www.cde.ca.gov). Then click on DataQuest at the right under Finance, Research and Statistics. Under Subject, choose Dropouts, and under Level, choose County. Then enter your county and the latest year for which data is available. Then click County Summary (with District Data) Dropouts by Ethnic Group.

If you live in a large county, you will discover that the total dropouts from the districts in your county do not add up to the total number of dropouts reported by your county. The column of figures only adds up if you add in the dropouts from the county office of education. These are kids who started out in a school district (including your school district) and were sent to the county system, where they then dropped out.

The district dropout numbers reported by the CDE, and in turn the media, do not include students who made a pit stop in the county system before dropping out. If you live in a very small rural county, this may not apply because in small counties, the county office of education may be an insignificant player in actually running schools.

If you live in a large county, verifying the above will take a pocket calculator. For a quick example, check out Yuba County. The sum of district dropouts is 72, but the county dropouts totaled 111, including 39 hidden from the public in the figures of the county office of education.

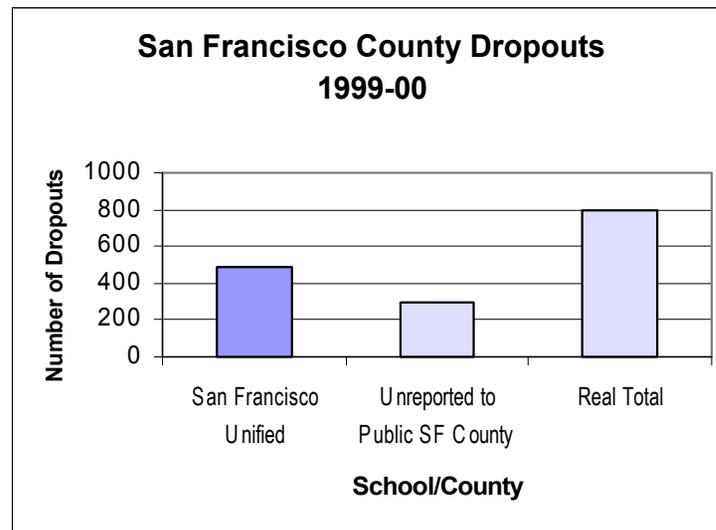
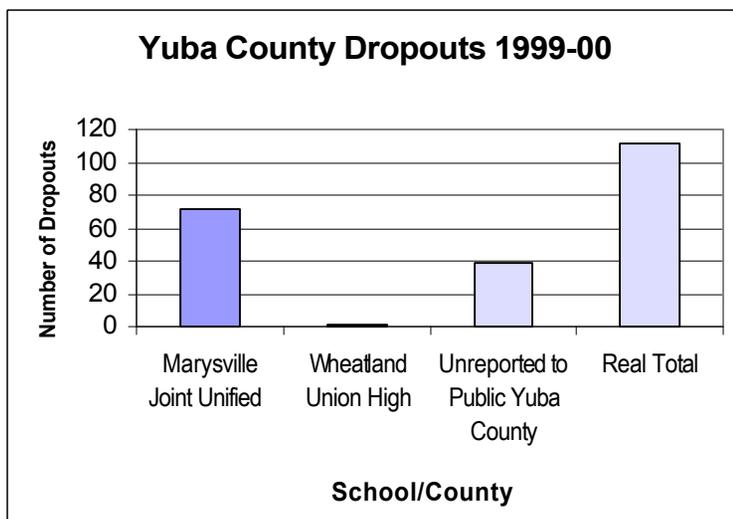
Another very easy-to-figure example is the County of San Francisco, which has only one district: the San Francisco Unified School District.



For the most recent 1999-00 reporting period, San Francisco Unified reported 492 dropouts, while the county reported 792 dropouts. The missing 300 dropouts, all of whom started in San Francisco Unified, are reported in the numbers from the county office of education, which are not reported to the public. This is the case with many other counties.

There are five large counties that are simply lying and reporting no dropouts at all from the county offices of education: Alameda, San Diego, Santa Clara, Fresno, and Sacramento. To verify that these are, indeed, lies, go to DataQuest. Under Subject, choose Graduates, and under Level,

choose County. Then enter the county and the latest year for which data is available. Then click Grade 12 Enrollment and Graduates (with district data). Note the very high numbers of 12th grade enrollments in these county offices of education and the very tiny numbers of graduates.





## Isn't There Some Reasonable Relationship Between Derived Dropout Rates and Real Dropout Rates?

It is easy to imagine that, since the reports of dropouts to the public in California from the various districts are expressed as derived dropout rates, some official must have verified that there is a relationship between these rates and reality. It is tempting to think that perhaps the real dropout rate lies somewhere between the attrition rate and the derived dropout rate.

In fact, in almost all cases, these derived dropout rates are utterly fictitious.

During 2001's dropout rate reporting "season," for example, the superintendent of Berkeley Unified School district reported no dropouts whatsoever, a claim that received considerable publicity in Alameda County. Subsequently he has become state superintendent of instruction in Nevada. Since his departure, the CDE site has been revised to show a one-year derived dropout rate of 0.8% and a four-year derived dropout rate

To make matters worse, the four-year-derived dropout rates of the districts are not audited by any other department. The CDE has no right to examine the numbers, nor do they have the funding to do so. If the public tries to examine the numbers, they are rebuffed on "privacy" grounds.

of 3.2%.

Even those revised numbers are fictitious. In 1996, Berkeley Unified enrolled 813 freshmen, and in June 2000 graduated 676. While this attrition rate of 16.7% is admittedly better than the state average, it is still more than five times higher than the numbers reported to the public.

## Why Graduation Rates Can Be Trusted

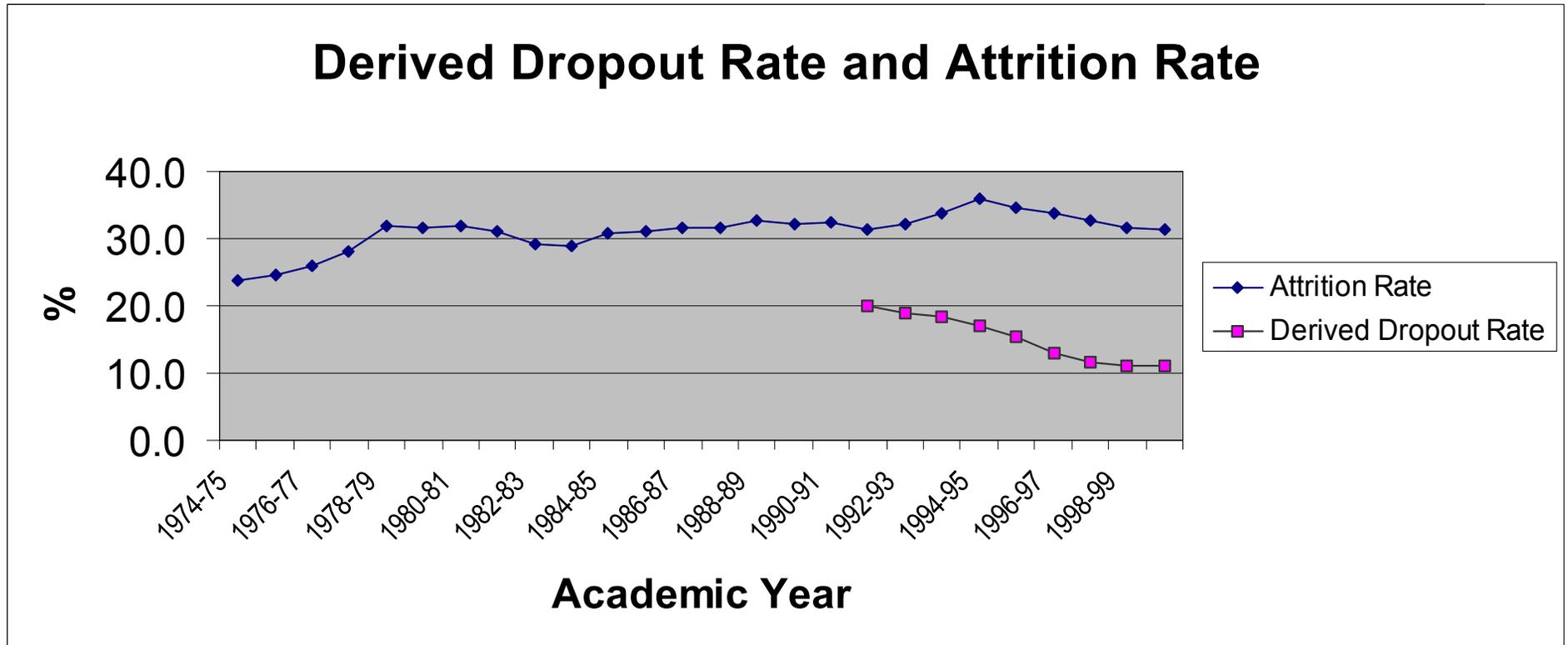
While derived dropout rates are totally unaudited, graduation rates are among the most reliable numbers in all of California public education. Enrollment figures, which are counted in October and is a one-time number, must bear at least some relationship to average daily attendance (ADA) figures on which per-student funding is based. Falsifying ADA numbers and collecting money for ghost students is criminal fraud.

In compiling derived dropout numbers, districts generally do not include students who arrived at the end of 12th grade, but did not graduate. The theory is that they didn't drop out, but rather simply failed to graduate. However, it's pretty hard to just make up numbers on who actually did mount the podium while "Pomp and Circumstance" played and collected a diploma.

## The Long-Term Trend in California's Graduation Rate

As a result of the total lack of auditing of the four-year derived dropout rate, it has gone down year after year even in the face of worsening attrition rates — a mathematical impossibility if both rates are to be considered meaningful. The inescapable result: Districts have discovered that no matter how implausible their dropout rates are, there are no consequences.

Note that the highest graduation rate ever posted is the oldest on record. Dropout rates were not collected before 1985-86 and only for grades 10 to 12 prior to 1991-92. (Source: CDE)



## Calculating Your School District's Graduation and Attrition Rates

As a result of the efforts of this report's authors, the graduation and attrition rates of the state of California are now available through the CDE. However, they are not available at the district level, either through the CDE or the districts.

This spring, California Parents for Educational Choice will calculate and publish those rates (CPEC Adjusted Dropout and Graduation Rates), as well as a more sophisticated calculation that adjusts attrition rates for enrollment growth. Please contact Dr. Alan Bonsteel for a copy of this report.

Here's how to calculate the graduation and attrition rate for your district on your own using raw data from the CDE website:

- 1** Go to the CDE website at [www.cde.ca.gov](http://www.cde.ca.gov). Under Finance, Research and Statistics, click on DataQuest.
- 2** Under Subject, choose *Graduates*, and under Level, choose District. Click Submit. Use the most recent reporting year available and type in the name of your district. Note: 2000-01 statistics will be available Spring 2002.

- 3** Select *Grade 12 Enrollments and Graduates*, and click Submit. Note the column for graduates. Make a note of these numbers.
- 4** Go back to the DataQuest page. Under Subject, choose *Enrollment*, and under Level, choose *District*. Click Submit.
- 5** Enter the school year four years before the most recent graduation data and the name of your district, and click Submit. Select *District Enrollment by Grade*. Look at the *Grade 9 Enrollment* column and run the calculation on your calculator.

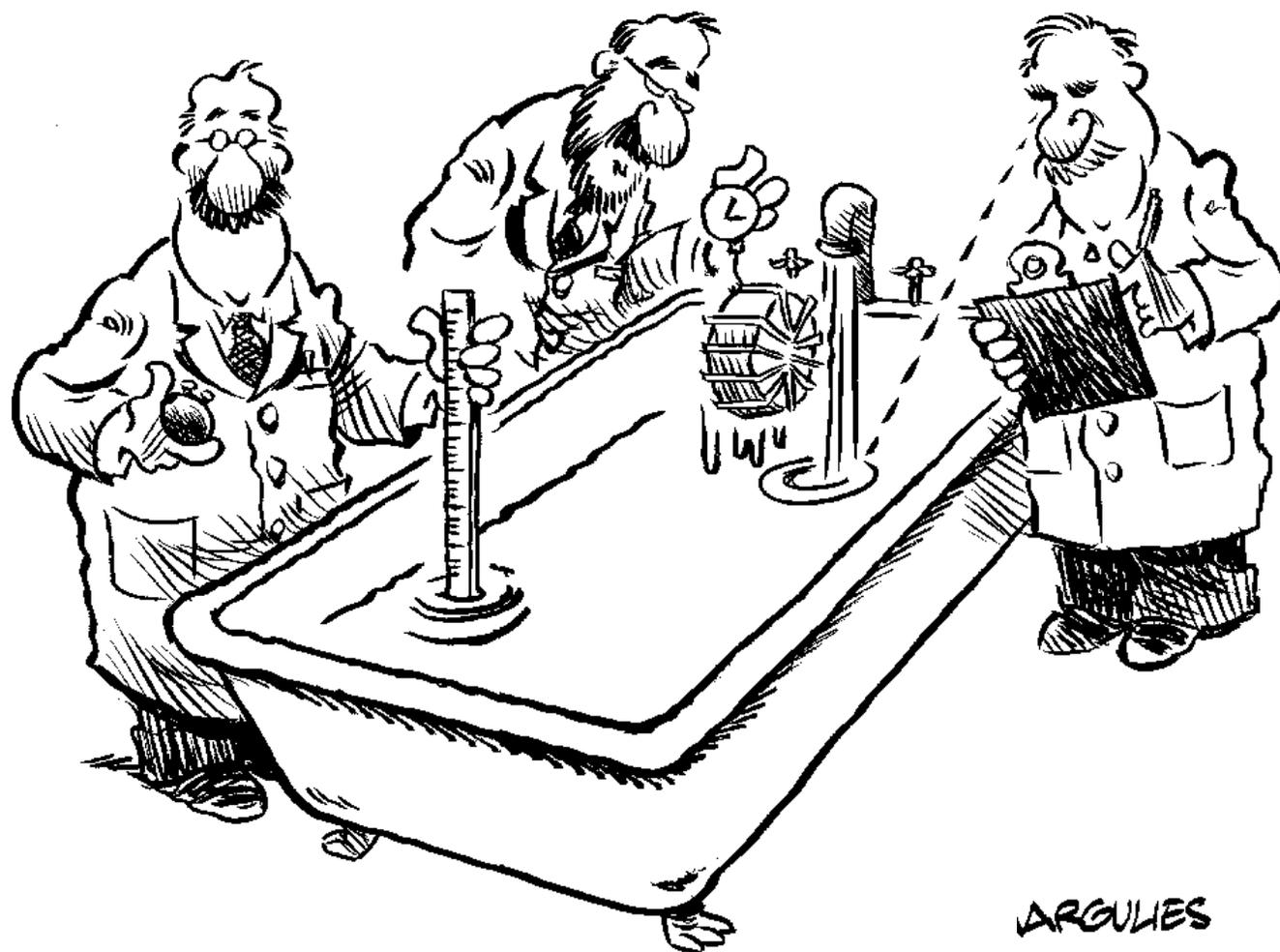
## But What About Students Who Repeat a Year and Then Graduate? Don't We Have to Make an Adjustment for Them?

As long as students repeat years at the same rate year after year, this will not affect the graduation rate.

Imagine a river coursing down a gentle slope. This river doesn't have any streams coming in, bringing it more water. Some parts of the river may flow faster than others. There are also eddies and whirlpools, symbolizing repeating students.

Nevertheless, the total amount of water flowing at the beginning of the river is the same as that flowing near the end, even if some of the water flows temporarily into whirlpools and eddies.





The first scientist is measuring the drop in the level of water, symbolizing attrition rates. The next scientist is measuring the water, or enrollment growth, pouring in from the faucet. The third one is calculating the amount of water going down the drain — the total number of dropouts. To calculate a real dropout rate by the methodology of the California Parents for Educational Choice, we also adjust the final number upwards to reflect students who have passed the *General Education Development (GED)* test or the *California High School Proficiency Examination*, and transfers to community colleges without high school diplomas and deaths for 14 to 18 year olds.

## How Does the Attrition Rate Translate into a Real Dropout Rate?

Since the attrition rate is a complement of the graduation rate, if you were to subtract California's graduation rate (68.7% for 2000) from 100, you'd get the attrition rate (31.3%).

Some may argue that there are some "good" reasons for not graduating. There are, in fact, four acceptable grounds for not making it to graduation day. Students who:

- \* Transfer to a community college without a high school diploma
- \* Earn a General Education Development (GED) certification
- \* Earn a California High School Proficiency Examination (CHSPE) certification
- \* Die prior to graduation

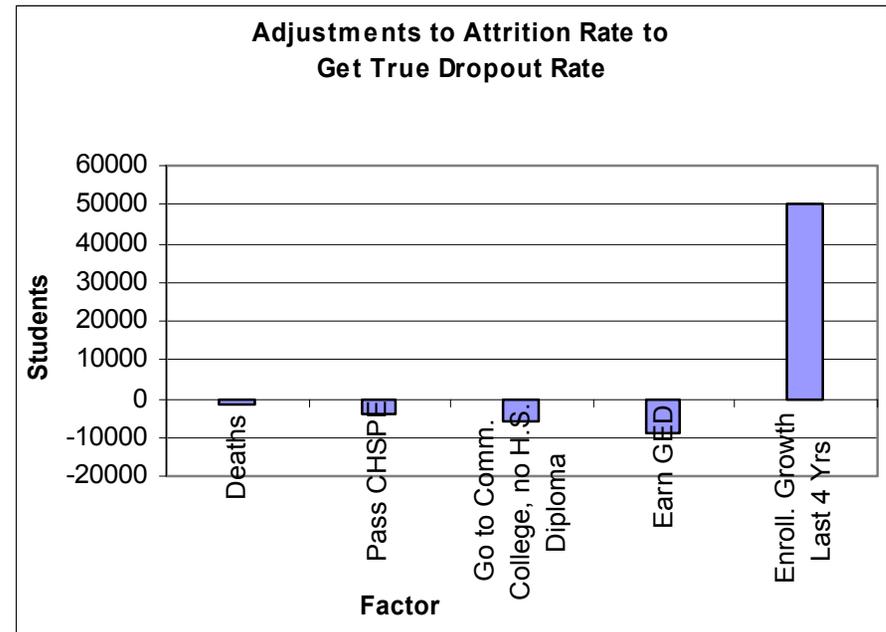
## Should GEDs and High School Equivalencies Be Counted as High School Diplomas?

The CPEC Adjusted Dropout and Graduation Rates (provided separately) include an estimate of the numbers of students with GEDs and CHSPEs.

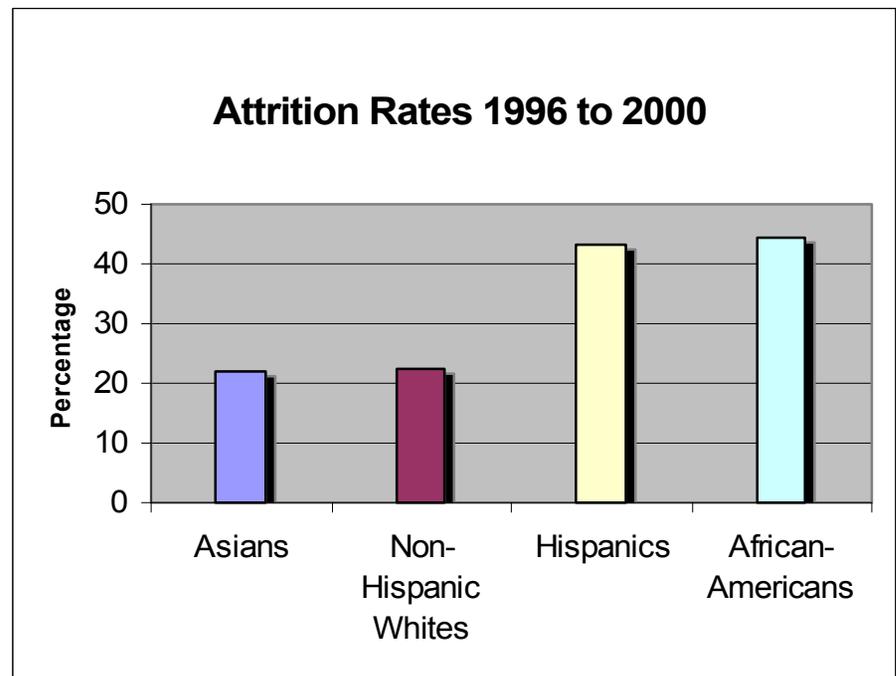
However, in a truly rigorous accounting of dropouts, it is unclear if these students should be counted at all, as it turns out that they are barely ahead of high school dropouts in their earnings potential.

In their groundbreaking 1993 study, University of Chicago professors Stephen Cameron and James Heckman found that GED-certified people were indistinguishable from high school dropouts in their performance in the labor market. According to Cameron and Heckman, both dropouts and exam-certified persons had comparably poor wages, earnings, hours of work, unemployment experiences, and job tenure. They also found evidence that employers discounted the worth of GEDs.

Cameron and Heckman found that what mattered most was the number of years of actual schooling completed by individuals. Dropouts, GED-certified persons and high school graduates who had the same number of years of schooling actually had roughly similar earnings. High-school graduates earn statistically higher wages, however, when compared to GED-recipients or dropouts who have fewer years of schooling. As Cameron and Heckman point out, "There is no cheap substitute for classroom instruction." (Source: Pacific Research Institute for Public Policy's California Index of Leading Education Indicators 2000 by Lance Izumi.)



Note that of these five adjustments, the enrollment growth overwhelms the other four.



**There are two types of dropouts who are not counted in anyone's statistics — including ours!**

First, there are Lost in Space teenagers who move to California and never even enroll in a school. Of course, this isn't necessarily a reflection on the schools, public or otherwise; however, a full accounting of the impact on society of dropouts must take into account their existence.

See Appendix for Los Angeles Times article, "L.A. Workers Held Back by Low Education Rate," February 5, 2002.

Lost in Space teenagers move to California but never even enroll in a school.



Second, there are kids who drop out before even starting high school. Because of the 9th grade hump, it is very difficult to calculate how many students never make it to high school; however, we know that there are many such students out there.

In 1999, Fox TV in Los Angeles did a documentary about dropouts, in which Dr. Alan Bonsteel was one of the participants. The producers had no difficulty whatsoever finding teenagers to interview who had dropped out of middle school and never even started high school.

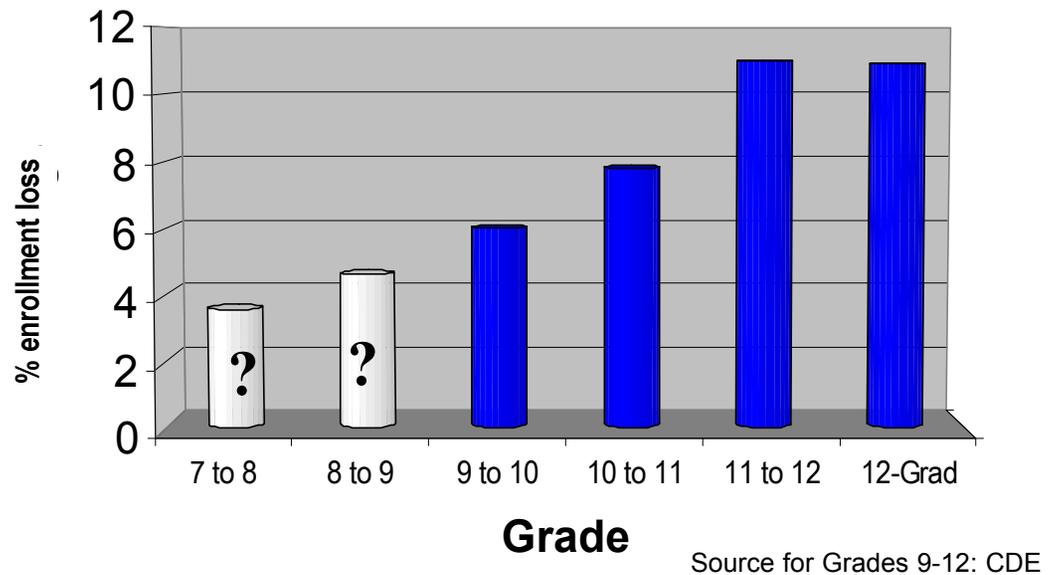
In addition, several years ago San Francisco Unified School District took a survey for 780 San Francisco children who dropped out of school. Almost 15% dropped out just in the summer between 8th and 9th grade, i.e. the summer before the period that the CDE currently uses to start counting dropouts. (Source: SFUSD Dropout Prevention Plan, District Goal (1f), 1990-1991)

Let's take a look at what we know about the patterns of dropping out in high school in California. Notice that in high school, we lose on average 8% of our kids. How likely is it that we could be losing a significant percentage of our kids after 7th and 8th grades?

**If We Count the Lost in Space Kids and the 7th and 8th Grade Dropouts, California's True Dropout Rate Could Be...**

**40%**

## Enrollment Loss



**If we start losing kids right from the start of high school, how many students drop out of middle school? We won't know until the state starts counting dropouts in 7th and 8th grade.**

## Myth #1 The 9th Grade Hump

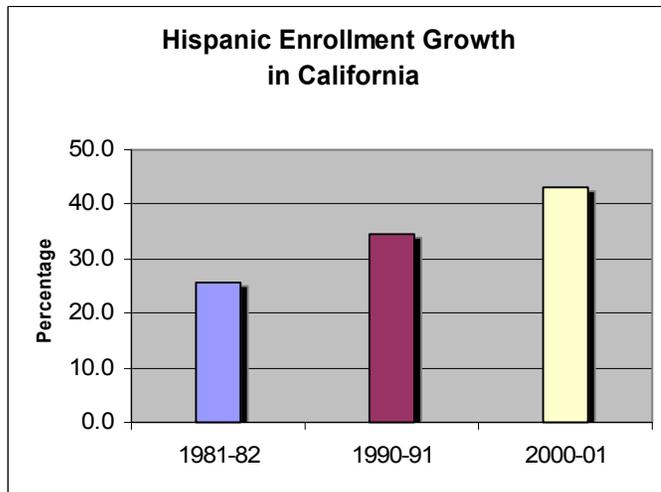
The 9th grade "hump" exists primarily because private schools cost much more at high school level than at the elementary level. Therefore, following the 8th grade, many former private school students transfer to public schools. Also, immigrants who have never attended high school, even if they are older than most 9th graders, are generally assigned to 9th grade. Thus, in most years, California has more students enrolled in 9th grade than 8th.

All of the kids in the 9th grade hump, however, are there for a good reason, and if they don't graduate, they're dropouts.



## Myth #2 California Immigrants

The mystique of California's high immigrant rate creates another myth, that children aren't dropping out but returning to their native countries. In reality, immigration to California, especially from Mexico and Latin America, far exceeds emigration to these countries. The percentage of Hispanic students enrolled in California's public schools increased from 25.8% in 1981-82 to 34.4% in 1990-91 to 43.2% in 2000-01. (Source: CDE)



If students are failing to graduate because they are returning to their native countries, why does Hispanic enrollment in California schools continue to skyrocket?

### Myth #3 Transferring Students

On July 2, 2001, the San Bernardino County Sun ran a story on dropouts that was inspired by Alan Bonsteel pointing out the fact that San Bernardino City Unified School District had the highest attrition rate of any of the state's 10 largest districts. In 1996, 4,732 freshmen enrolled in the district, but only 1,884 graduated in Spring 2000, a 60% attrition rate. [Source: CDE]

In response to this challenge, the Sun quotes Dr. Michael Karpman, the district's assistant to the superintendent research/systems analysis, as saying, "That statistic is ludicrous... We know that kids leave the district during high school and we don't replace them [with an equal number of other students moving in]. They go to other districts, they go to adult education, they get a GED."

Karpman observed that as students get older, their parents earn college degrees and improve their job skills. Often, they find they can get better-paying jobs in Los Angeles or Orange Counties. "If they can go to another great school in a city with better job opportunities, why not move?" Karpman said in the article.

Among several other problems with Karpman's analysis, if families had been moving out of San Bernardino Unified, the district would have been losing enrollment. In fact, it was growing at a tremendous pace, enrolling 46,309 students in 1996-97 and 52,031 in 2000-01. (Source: CDE)

Unfortunately, the San Bernardino excuse is far from unique. Many school districts, faced with probing questions about what is happening to all those missing students, have come up with some variation of how they are transferring to other districts.

The chart on the following page shows the pattern of enrollment loss of the five largest school districts in the state. It is interesting to note that Los Angeles Unified encompasses 11.9% of the total California student population. (Source: CDE)

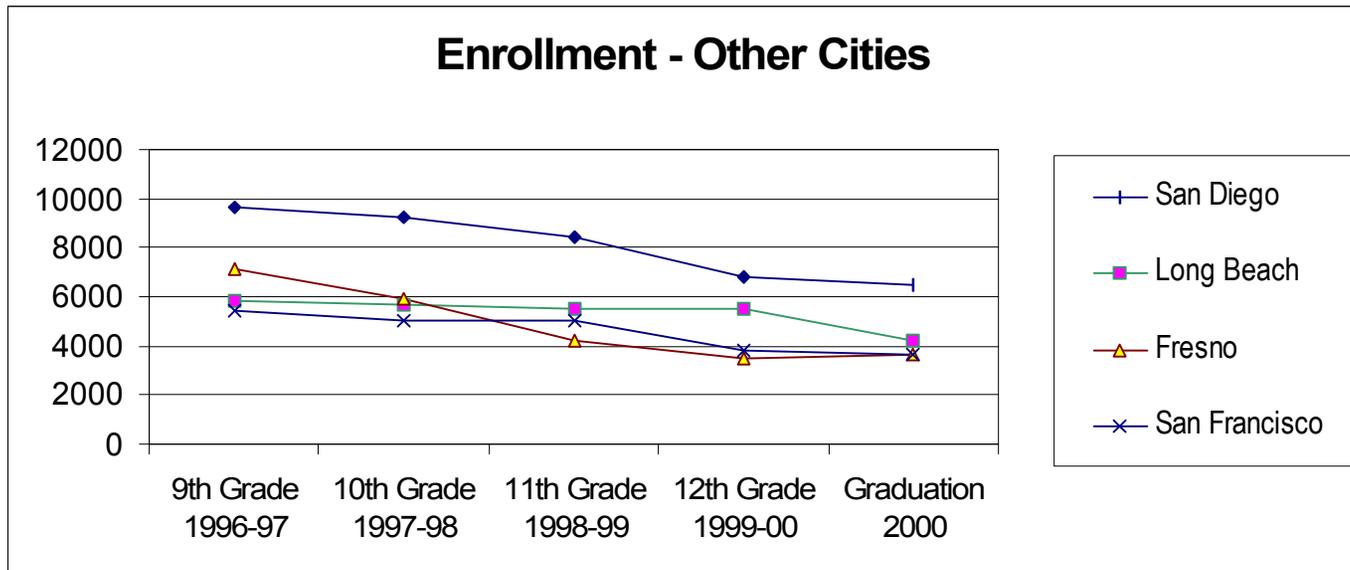
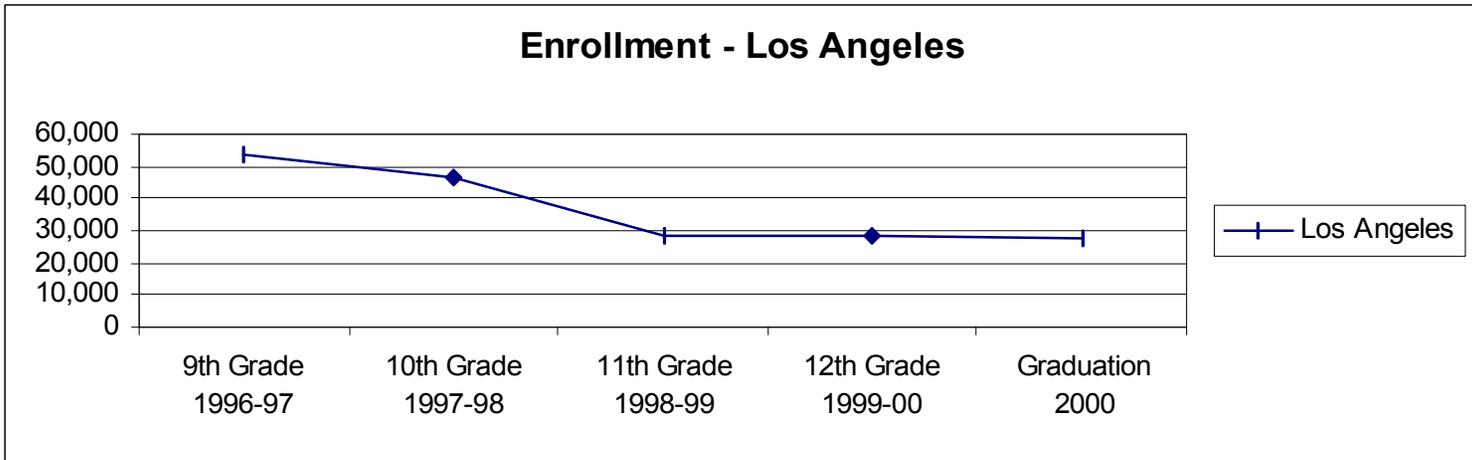
There are a few ultra-elite districts in the state, such as Coronado, Beverly Hills and Hillsborough, that show only a slight loss of students from 9th grade to 12th graduation.

However, the vast majority of school districts in the state show these



same patterns of dramatic enrollment loss in high school, and we know of no districts of any size in the state that actually gain students from 9th grade to 12th grade. Thus, for a district to plausibly claim that its lost students are transferring to other districts, it would have to find some nearby district that is gaining students — a nonexistent species in California.

Those imaginative demographers might well be asked an even more pointed question, namely, if their students are transferring out of their district and no students are replacing them, what does that say about the quality of their school district?



**If students who fail to graduate from one district are transferring to other districts, where are the districts that gain enrollment from 9th grade to 12th? There are almost no such districts in California.**

Source: CDE

## **Myth #4 California Student Information Service**

The CDE is putting its faith in the California Student Information System (CSIS) to bring some truth to the dropout rate reports, but even this system has its limitations.

The CSIS allows school districts to exchange records over the Internet to create a statewide student-level database and information-transfer network. Aggregated information would be provided to the CDE. Its goal is to track each student enrolled in California public schools. Although CSIS literature never mentions dropouts, the information it gathers will surely produce more accurate dropout rates. For more information about the CSIS, log on to [www.csis.k12.ca.us](http://www.csis.k12.ca.us).

Several states, including Texas, Florida, Louisiana and Arkansas, have already implemented similar systems. By 1998, after just two years under the new, more accurate system, Louisiana's reported dropout rate tripled and began to mirror the 40% attrition rate. [Source: Sacramento Bee]

In fact, a pilot of the CSIS already exists. As of 2001, 155 districts and county offices of education representing nearly 1.5 million students are now submitting data on enrollments, transfers and graduations. [Source: Edsource.org] For CSIS to work, however, every school district would have to participate, totaling 6 million students.

The glitch is the state of California has no statutory authority to impose such a system on public school districts without their permission. Since CSIS could produce dropout rates at least four times higher than are now being reported to the public, it is doubtful that more school districts will voluntarily participate.

The CSIS website says "CSIS expects to substantially complete implementation by June 30th, 2004." At press time, the only money that has been appropriated for CSIS is for this pilot program. Interestingly, in the event that the CSIS program is terminated, all data maintained in the data repository will be destroyed.

## **What We'd Like to Ask of You**

We hope you have found our case convincing. If you still have doubts, we'd be happy to discuss them with you.

Journalists, we ask you not to report to your readers any derived dropout rates, whether one-year or four-year. Please inform your readers that your newspaper has determined these rates have no reasonable relationship to the true dropout rates in your district; that they are not useful for comparisons with other districts; and that they are not reliable enough to determine if dropout rates in your district are rising or falling.

We would like to ask that you do report graduation and attrition rates, or better still, the CPEC Adjusted Dropout and Graduation Rates, which will be available to you in Spring 2002.

If you are part of your newspaper's editorial board, we would like to ask you to editorialize on the crucial importance of this crisis, or publish one of the guest editorials we are preparing for this project. We can customize it to include the graduation and attrition rates in your district.

Political leaders, we hope you have recognized that dropouts are truly one of California's greatest crises, and the first step is truth in reporting. We ask your help in demanding that the CDE and our state's districts report accurate dropout rates.

Solving a problem of this magnitude — and one that has not been addressed for decades — won't be easy. Without accurate tracking and reporting, thousands of students will continue to slip through the cracks and possibly find themselves in prison.

OK, OK, SO DROPOUTS ARE A BIG PROBLEM  
IN OURTOWN UNIFIED. BUT IF YOU CAN  
GIVE US TEN MORE YEARS, THE  
CALIFORNIA STUDENT INFORMATION  
SYSTEM WILL TELL US HOW MANY KIDS  
WE'RE LOSING. AND IN ANOTHER TEN  
YEARS AFTER THAT, MAYBE WE'LL BE  
BACK TO THE DROPOUT RATE WE HAD  
IN 1974. TRUST US.



MARSHES



# Appendix



---

## Editorial/Opinion

---

January 1, 2002

### Disappearing dropouts

Here's a quick tutorial on how to drop out of high school and never be counted as a dropout:

Step 1: Stop going to school.

Step 2: When the principal's office calls, say you're leaving town to enroll in another school.

That's all. Task accomplished.

Schools want to be fooled. In the new era of accountability, students at risk of dropping out make them look bad by testing poorly, flunking classes and causing discipline problems.

But the social price of ignoring dropouts is high. After age 25, dropouts earn only half as much as high school graduates, an invitation to crime, welfare, family breakdown and a host of other poverty-related problems.

That's one reason the new federal education bill Congress passed last month requires states to keep track of dropouts and report that data to the federal government. Trouble is, the new law doesn't force states to standardize or improve dropout accounting. That means schools that try to hide their dropout rates can continue to do so. And even schools that truly care about their drop outs can't do much about them. Only a handful of states have tracking systems to see

whether dropouts enroll in other schools.

Keeping accurate track of dropouts is probably the most ignored and serious problem of school reform. In many urban school districts, dropout rates run as high as 50%. Yet, because the counts are so suspect, the underlying problems causing the high dropout rates aren't addressed.

One way to expose the problem is to agree on a standard way of calculating drop out rates. That, however, is fraught with problems. For example, should students who eventually earn a GED (general equivalency degree) count as high school grads? If so, national graduation rates would improve from 74% to 86%, estimates one recent Manhattan Institute study. But GED students generally fare no better in life than dropouts, suggesting they shouldn't be counted in the same category as graduates.

That's just one question that must be settled before states can arrive at a solution for tracking dropouts. Yet, there's little progress on a common formula and even less success building accurate tracking systems.

Without those solutions, thousands of students will continue to slip away unnoticed.

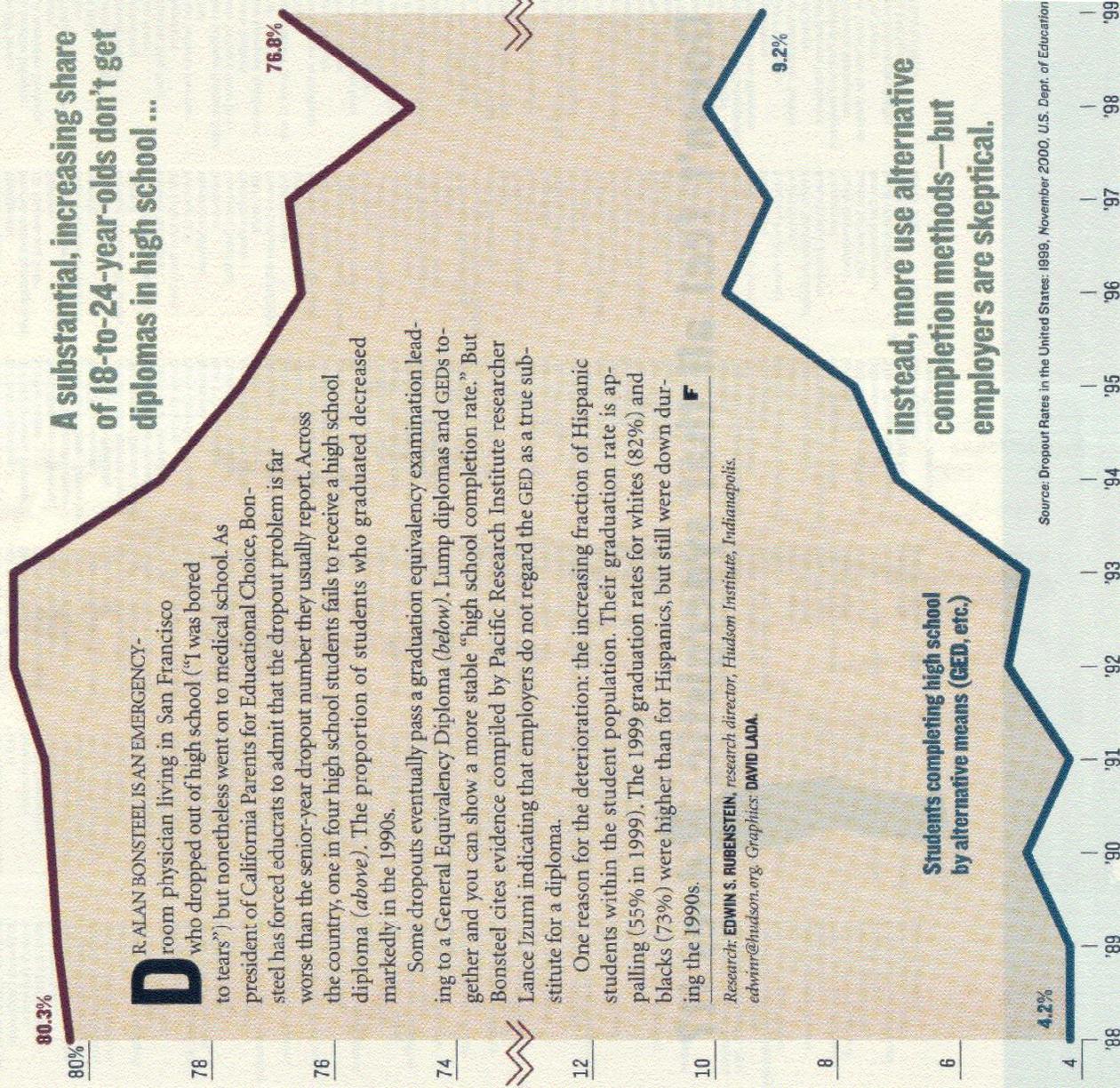
CHARTICLE

BY PETER BRIMELOW

# Diploma Missing

More high school students drop out than educators would like to admit. And the GED may not be a substitute.

**Percent of 18-to-24-year-olds graduating with a high school diploma**



**A substantial, increasing share of 18-to-24-year-olds don't get diplomas in high school ...**

**D**R ALAN BONSTEEL IS AN EMERGENCY-room physician living in San Francisco who dropped out of high school ("I was bored to tears") but nonetheless went on to medical school. As president of California Parents for Educational Choice, Bonsteel has forced educators to admit that the dropout problem is far worse than the senior-year dropout number they usually report. Across the country, one in four high school students fails to receive a high school diploma (*above*). The proportion of students who graduated decreased markedly in the 1990s.

Some dropouts eventually pass a graduation equivalency examination leading to a General Equivalency Diploma (*below*). Lump diplomas and GEDs together and you can show a more stable "high school completion rate." But Bonsteel cites evidence compiled by Pacific Research Institute researcher Lance Izumi indicating that employers do not regard the GED as a true substitute for a diploma.

One reason for the deterioration: the increasing fraction of Hispanic students within the student population. Their graduation rate is appalling (55% in 1999). The 1999 graduation rates for whites (82%) and blacks (73%) were higher than for Hispanics, but still were down during the 1990s.

*Research: EDWIN S. RUBENSTEIN, research director, Hudson Institute, Indianapolis. edwinr@hudson.org. Graphics: DAVID LADA.*

**instead, more use alternative completion methods—but employers are skeptical.**

**Students completing high school by alternative means (GED, etc.)**

Source: Dropout Rates in the United States: 1999, November 2000, U.S. Dept. of Education

# Los Angeles Times

## L.A. Workers Held Back by Low Education Rate

February 5, 2002

■Labor: One in 10 adults has only six years of schooling or less. The trend may spell trouble.

By NANCY CLEELAND, TIMES STAFF WRITER

Reyna Lavariega's parents were too poor to buy a pencil or a notebook. That's why they never sent her to school.

As a young adult, she cobbled together as much education as she could in Oaxaca, Mexico. Still, she was barely able to read and write when she joined her husband in Los Angeles 12 years ago.

Now Lavariega washes broken stoves and refrigerators for the family appliance repair business, which is run out of the basement of her rented home near MacArthur Park. She hopes for something better, but knows the odds are against her: "I have no skills, no education. All I have is a great desire to work. It isn't enough." There are thousands like her in the blue-collar neighborhoods of Los Angeles: immigrants who never got past primaria, the basic six-year public education of rural Mexico and Central America. In the best of times, they hang on to jobs with landscaping services and in carwashes, garment shops and steamy restaurant kitchens. The recession has hit their tenuous lives hard, and a lack of skills makes it that much harder to claw back.

It is a problem not only for Lavariega and other low-skilled workers, but also for the city that has been their beacon for two decades.

One in 10 adults in the Los Angeles region has six years of education or less. That rate is the worst of all U.S. metropolitan areas, including the immigrant magnets of New York, Chicago and Miami, and is more than double that of San Francisco and Sacramento, according to a tabulation of recent federal statistics for The Times.

Even compared to other California cities, Los Angeles

stands out. Nearly 25% of Los Angeles adults never completed high school--about double the rate of San Francisco and San Diego. Only agricultural communities such as Visalia and Modesto have larger shares of nongraduates.

While shrinking nationwide, the pool of minimally educated adults has grown steadily in the Los Angeles metropolitan area for a generation, researchers said.

From 1983 to 1999, the number of workers lacking a high school diploma decreased by 20% nationwide, yet increased by 50% in the Los Angeles-Long Beach area, a separate study by the Center for Labor Market Studies at Northeastern University in Boston showed.

"These findings reveal that the Long Beach-L.A. labor market is moving in a decidedly different direction than the nation as a whole, employing growing shares of high school dropouts in the [construction], goods-producing and retail-trade sectors," wrote Neeta Fogg and Paul Harrington, who prepared the report for the U.S. Conference of Mayors work-force development summit in Long Beach last spring.

"Nationally, all three of these industry sectors substantially reduced their reliance on dropouts," they wrote.

The trend has enabled the region to retain and even increase low-wage manufacturing and service jobs that have disappeared elsewhere and helps explain why blue-collar employment grew in Los Angeles at more than twice the national rate, the study said.

But it also drives huge disparities in wealth and complicates a range of social issues, from education to health care.

Unless the cycle is interrupted, Harrington said, "it means rising poverty, more inequality, a less productive economy and probably more social disruption."

Using numbers from the Current Population Survey of the Census Bureau, Harrington and Fogg looked at a period of wrenching change for Southern California, which lost thousands of high-wage, high-skilled jobs in aerospace and other manufacturing industries in the late 1980s and early 1990s. The region rebuilt a blue-collar base--becoming the national leader in manufacturing jobs for much of the last decade--but the work shifted to small, nonunion shops that produced clothing, furniture and other nondurable products.

The transformation of the Los Angeles economy coincided with tremendous demographic changes: Not only did the region draw more immigrants than anyplace else in the nation, but the new arrivals tended to have less education than immigrants to other areas.

On average, about 37% of noncitizens in the nation's metropolitan areas lack a high school diploma, according to the business-supported Economic Policy Institute in Washington. That rate jumps to 52% in the consolidated metro areas of Los Angeles, Riverside and San Bernardino, said institute labor economist Ron Bird.

Several researchers said the Los Angeles region is caught in a cycle in which the labor pool attracts employers dependent on low-skilled workers, which in turn attracts more such workers.

"We've become addicted to the availability of very-low-wage labor from Mexico," said Raul Hinojosa-Ojeda, who directs UCLA's North American Integration and Development Center. "We have used this unwittingly as an economic strategy, but it creates an industrial base that is not very productive and is vulnerable to low-wage competition around the world. In the long run, we can't survive as a sweatshop economy."

Researchers representing a range of political viewpoints have reached similar conclusions, but there is little agreement on the proper response. Ideas range from further restricting immigration to passing a general amnesty for illegal immigrants, which in theory would encourage them to seek better training and demand fair treatment on the job.

Some argue that an increase in the minimum wage and beefed-up enforcement of labor laws would halt the proliferation of extremely low-skilled, exploitative jobs and thus cut the cycle. But they caution that a certain number of low-skilled, low-wage workers, particularly in service industries, benefit the economy overall.

"It's almost impossible to look at the evidence and say, 'This is good or bad and these are the policy implications,'" said David Card, a labor economist at UC Berkeley. "For high-income people, the ready supply of lots of low-skilled workers is quite a boon. They staff nursing facilities, do lawn care, work in carwashes. Those groups of workers don't exist in other cities."

Most analysts agree the skills deficit in Los Angeles requires more strategic economic development and an intensive commitment to job training, which has lately emerged as the nation's answer to rising unemployment.

"This group of noncitizens is a great potential asset," said Bird of the Economic Policy Institute, which contends that the nation is facing a long-term labor shortage that immigrants can help fill. "The challenge is to deliver appropriate services of education and training. In the long run, the returns to society have always been positive."

So far, however, training and development have been addressed in an ad hoc fashion, by state and local government programs and independent nonprofit groups. Still, there are scattered successes, noble efforts and sometimes overwhelming obstacles.

At the Pacoima Workforce Development Initiative, a privately funded job-training program of the Valley Economic Development Center, director Mario Matute struggles to match the needs of local employers with the

area's abundant supply of eager workers.

"The lack of skills and education are what's holding them back," Matute said from his cubbyhole office in a city building in Pacoima. "What I hear [from employers] over and over again is that their skills and what I have do not match."

Even warehouse and factory jobs often require basic English literacy and sometimes rudimentary computer skills, he said. Those that don't have those requirements generally pay less than \$15,000 a year and offer little security.

Matute, whose program handles 3,000 job seekers, tackles the biggest obstacles first. Applicants without legal residency are referred to a nonprofit immigration law center. Those without English proficiency--the majority--are guided to English-as-a-second-language classes. Many are sent around the corner to computer classes run by the Los Angeles Unified School District, where they learn not to fear the keyboard.

A few are funneled into vocational programs in health care, child care and janitorial services.

Among them is Veronica Berrios, a mother of four from El Salvador, who left school in the 11th grade and has cleaned houses during most of her nine years in Los Angeles.

Berrios is close to completing a two-year child-care training program, a collaborative effort between the Pacoima initiative and Mission College in Sylmar.

While the program paid for baby-sitting for her own children, she studied English, child development, cultural diversity and other subjects. Last year, she landed a \$10-an-hour job caring for infants at a day-care center in Arleta.

Throughout the region, community colleges, school districts and community organizations are trying to tackle the skills gap, with varying success.

Some students work all the way from below seventh-grade reading skills to a high school equivalency certificate, said Cynthia Moore, principal of the Metropolitan

Skills Center in the Westlake district, one of several vocational training schools run by the Los Angeles Unified School District.

She conceded, however, that such achievements are rare. Among those who keep trying is Lavariega, 45, who has walked the 10 blocks from her home to a survival English class at the skills center every weekday morning for two years.

For 2 1/2 hours, she joins 37 other students practicing the proper way to fill out a job application, ask for a favor and read a bus schedule in English.

Someday, said the mother of five, her diligence may pay off. Her ultimate goal? To land a steady factory job that pays the minimum wage, plus benefits.

She laughed as she said it, shaking her head. With her background, that modest goal seemed as unreachable as the moon.

# Estimate revises US school-dropout rate upwards

CAMBRIDGE, MASS.

The effort to boost standards in public schools enjoys broad bipartisan support, a fact that the recent nomination hearings for Rod Paige as Education secretary underscored. But amid the enthusiasm over progress toward that goal, some education reformers are starting to promote a largely neglected part of that agenda: students who never make it to graduation day.

Most estimates in the past decade indicated the completion rate has run at about 86 percent, close to the 90 percent goal set by the government in 1988.

But the problem is more serious than many previously thought, according to a new report from the Harvard Graduate School of Education. Between just 70 and 75 percent of students graduate from US schools, the study says. "We are way off in understanding our dropout problem," says Gary Orfield, co-director of The Harvard Civil Rights Project.

Part of the discrepancy stems from poor records. Some students who drop out are marked as transfers or their record is simply lost, confounding dropout estimates.

The revised outlook also is rooted in different definitions of what it means to finish high school. Estimates fail to distinguish between those who receive a GED, or General Equivalency Diploma, and a traditional diploma.

The report, commissioned by The Harvard Civil Rights Project and Achieve Inc., a nonprofit group that focuses on accountability issues, shows that the number of young people opting for GEDs more than doubled between 1993 and 1998. Most experts are highly skeptical that the GED can carry its recipients as far as a high school diploma.

The need for reliable dropout rates for states and districts is heightened by increased attention to testing and accountability. Without knowing exactly who is making it to the tests, it is hard to fairly assess states' progress in providing a satisfactory education for all students.

"The biggest problem is that the national data don't allow us to get state dropout rates," says Phillip Kaufman, a report author.

Although the US Department of Education has been pouring roughly \$45 million into assessment data, only \$1 million makes its way to dropout research, according to Mr.

Kaufman.

US education officials admit the problem has not received much attention in recent years. "We've neglected that area because we've been focusing on achievement," says Rafael Valdivieso, executive director of the National Educational Research Policy and Priorities Board.

"Greater emphasis on national accountability will force more attention on dropouts. We need to provide data and money that can help researchers look at dropout rates as part of comprehensive achievement."

The heat surrounding the "Texas miracle," which claimed significant progress in closing the achievement gap between poor minorities and middle-class whites, indicates "what happens when you have poor data," says Robert Schwartz, president of Achieve. TAAS, Texas' high-stakes test, has been lauded as a way to resuscitate underperforming schools and decried as the reason some districts in Texas have dropout rates as high as 50 percent.

Mr. Schwartz is anticipating the same sorts of polarized views about testing and dropout rates to emerge from Massachusetts' high-stakes tests. More-reliable and extensive data, he says, can help clarify what is happening.

Many educators agree on basic steps for keeping kids in school, such as targeting cities with high dropout rates and creating smaller schools. But first, the dropout issue has to move back to the top of the agenda. "Right now schools are talking about tests," says Mr. Orfield. "They're not talking about what happens when these kids don't succeed."

-- Samar Farah

# School Reform News

## Study Exposes Severity of School Dropout Problem

*Almost half of black and Latino students drop out*

JANUARY 2002 -- A new study of high school graduation rates reveals that one in four U.S. students (26%) did not finish high school in 1998, with the rates soaring to almost two out of four for blacks (44%) and Latinos (46%).

Failure rates were even higher in many urban school districts, with almost three out of four students (72%) in Cleveland, Oh., quitting school without a high school diploma.

When a participant in a March 2001 education conference in Washington, DC asked why so little attention was paid the alarmingly high dropout rate among African-Americans and why the U.S. Department of Education (DoEd) reported incomplete and even inaccurate dropout statistics, an aide to President George W. Bush responded: "The truth hurts, and few people want to share the truth about underperforming students these days."

Kaleem Caire, president and CEO of the Black Alliance for Educational Options (BAEO), recalled that episode in explaining why BAEO decided to commission a study, "High School Graduation Rates in the U.S."

The results of that study now are in, and they indicate how official dropout numbers paint a picture far rosier than reality. BAEO's study exposes in shocking detail just how abysmal graduation rates are in some major American cities, particularly for black and Latino students.

### Only 74% Graduate

The study's author, Manhattan Institute scholar Jay P. Greene, computed a national graduation rate for the class of 1998 of 74%. That is significantly lower than the national high school completion rate of 86% reported by the National Center for Education Statistics (NCES), an arm

of the federal DoEd. Recently, NCES reported the 2001 graduation rate had inched up to 86.5%.

Why the gap between the BAEO and NCES figures? Greene explained the NCES numbers are inflated partly because the federal agency counts persons who receive General Educational Development (GED) or other alternative certificates as full high school graduates, even though they acquire those certificates after quitting high school. In addition, a GED does not require the same levels of exertion and knowledge to acquire as a high school diploma, nor does a GED command the same value as a real diploma in the job market.

Furthermore, the NCES data are flawed because they rely on self-reporting of educational status. Since that requires people to admit they are high school dropouts, the procedure likely results in a serious undercount of dropouts.

Greene calculated graduation rates by a method both simpler and more likely to depict the true successes or failures of public school systems. He identified the 1993 eighth-grade enrollments for each jurisdiction and for each racial/ethnic group. He then collected data on the number of regular high school diplomas awarded in 1998 when those students should have been graduating. He also adjusted the data to account for students moving into or out of an area during that five-year period.

The most revealing findings were the wide disparities among major urban areas, states, and racial/ethnic groups.

Five of the nation's 50 largest school districts had graduation rates below 50%. Cleveland was unchallenged for the cellar, with only 28% of its students completing high school. Cities with the next lowest graduation rates were Memphis (42%), Milwaukee (43%), Columbus (45%), and Chicago (47%).

### Blacks Fare Worst in Cleveland & Milwaukee

Cleveland also had the lowest graduation rate among African-Americans (29%) and Latinos (26%). Milwaukee had the second lowest black graduation rate (34%).

"Reviewing the findings of this report--including the horrific graduation rates in such cities as Cleveland and Milwaukee--it is no wonder why parents there have led the fight for education vouchers and other new educational

options for their children," Caire commented.

"America is not a land of equal educational opportunity for economically disadvantaged students, and these findings show us the consequences," commented John Boehner, chairman of the House Education and the Workforce Committee.

"Children who do not earn a high school diploma, much less a college degree, will have a much more difficult time achieving the American dream," he continued. "Fundamental changes are needed in our public education system to increase accountability and give new options to parents with children in schools that refuse to change."

The U.S. Supreme Court has accepted for review the question of the constitutionality of Cleveland's publicly funded vouchers, which have enabled 4,000 children to escape the failing public schools for private-sector alternatives.

The large school districts with the highest graduation rates were Fairfax County, Va. (87%); Montgomery County, Md. (85%); Albuquerque, N.M. (83%); Boston (82%), Jordan, Ut. (80%); and Virginia Beach, Va. (80%).

A look at state-by-state data was not flattering to Georgia, which had the lowest overall graduation rate in the country, at 57%, followed by Tennessee (59%), and Mississippi and the District of Columbia, tied at 60%. Georgia and Tennessee were also among the states where fewer than half of black students graduated.

### Anomalies in Wisconsin & Minnesota

But the BAEO study unearthed an intriguing anomaly: Some of the states with the best overall graduation rates had some of the worst rates for African-Americans. Even though Wisconsin had the second-best overall graduation rate (87%), it had the worst graduation rate for African-Americans (40%). Similarly, Minnesota had the second-worst African-American graduation rate (43%), but one of the highest overall graduating rates. In those two states, white students were twice as likely to graduate as black students.

Nationally, the graduation rate for African-American students was 56%. Several states performed significantly above that level. West Virginia had the highest graduation rate for African-Americans (71%), followed by Massachusetts (70%), Arkansas (67%), and

New Jersey (66%).

The national graduation rate for Latinos was 54%. The lowest-scoring states in this category were Georgia (32%), Alabama (33%), Tennessee (38%), North Carolina (38%), Nevada (40%), Oregon (43%), Colorado (47%), and Arkansas (48%).

Montana had the highest graduation rate for Latino students (82%), a statistic that should be tempered by recognition that Montana has few Latino students. Perhaps the best performers in this category were Maryland and Louisiana, each with 70% graduation rates for Latinos.

### "Implausible" School Dropout Reports

Greene offered some withering commentary on school bureaucrats' use of "event dropouts"--the students who leave school within one year--to issue dropout reports. In order to look good, central offices often assume children moved out of town or followed some route other than dropping out of school.

That method results in implausible reports, such as one from the Dallas Independent School District claiming an annual dropout rate of only 1.3%. The BAEO study, by contrast, shows Dallas' graduation rate is just 52%.

"If only 1.3% of students drop out each year," asked Greene, "how is it that Dallas had 9,924 students in 8th grade in 1993 but only 5,659 graduates in 1998, while the total student population in the district went up by 10.5%?" There is simply no other reasonable explanation for several thousand missing students than that they dropped out, "making the 1.3% event dropout rate simply unbelievable."

Greene urged the NCES to vastly improve the quality of data on high school completion, a key measure of educational quality. While the federal government annually spends \$40 million for the National Assessment of Educational Progress, which the NCES uses to document student acquisition of knowledge, it spends less than \$1 million collecting dropout/high school completion statistics.

*Robert Holland is a senior fellow at the Lexington Institute, a public policy think tank in Arlington, Va. See also Jay Greene's Education Week article (<http://www.edweek.org/ew/newstory.cfm?slug=18greene.h21>).*

## The Authors



Alan Bonsteel, MD,  
San Francisco

Alan Bonsteel's Op Ed pieces have been published voluminously in California and national publications. His efforts to expose the systematic, gross under-reporting of California's school dropout rates reached fruition in 1999, when the California Department of Education was finally forced to admit its deceptive practices and promise to tell the truth in the future.

Alan's first book, *A Choice for Our Children: Curing the Crisis in America's Schools*, was written in collaboration with Carlos Bonilla.

A graduate of Dartmouth Medical School, Alan works in the emergency department of Santa Rosa Memorial Hospital. He lives in San Francisco with his wife, Chantal Charbonneau.



Carlos A. Bonilla,  
PhD, MD, Stockton

Carlos A. Bonilla is a molecular biologist and human geneticist who has published extensively in the fields of toxicology, pharmacology, and education. He is formerly with National Institutes of Health Special Research in cardiovascular medicine

Over the past 20 years, Carlos has devoted much time to being a consultant, columnist and author of 16 books, including *School Dropouts: The Tragedy of America's Undereducated Youth*; *Hispanic Dropouts: Causes, Frequency & Solutions*; *Students -at-Risk: The Teachers' Call to Action*; and *Public (K-12) Education's Hot Jalapenos: Topics Picantes in Special Education*.

Carlos is California's foremost expert on state dropout rates, especially for Hispanic students, and he testified in 1991 before the Little Hoover Commission on the systematic underreporting of dropout rates by the State Department of Education. He lives in Stockton.



Carl L. Brodt,  
C.M.A., Berkeley

Carl Brodt first became active on school choice when he was the Berkeley coordinator for Parents for Educational Choice during the Prop. 174 campaign. He then served as secretary of the Dunfey Group, which sought unsuccessfully to prepare another education reform initiative for the 1998 ballot. He also served as treasurer for Deborah Wright, another strong school choice activist, in her congressional races in 1994 and 1996, and her state senate race in 1998.

Carl is currently a vice president of a bank. A graduate of Santa Clara University, he also holds masters degrees in international studies and business administration from Claremont Graduate School.

He lives in Berkeley with his wife, Teofista.



Lance Izumi, JD,  
Sacramento

Lance T. Izumi is Senior Fellow in California Studies and Director of the Center for School Reform at the Pacific Research Institute for Public Policy. He has published the *California Index of Leading Education Indicators*, which in 1997 led directly to such education reforms as eliminating bilingual education and more accurate reporting of dropout rates. He is currently a member of the California Post-Secondary Education Commission.

Lance also served as chief speechwriter for Governor George Deukmejian, and in the Reagan Administration as speechwriter to U.S. Attorney General Edwin Meese.

Lance received his M.A. in Political Science from the University of California at Davis and his J.D. from the University of Southern California Law Center. He received his B.A. from the University of California at Los Angeles. Lance lives with his wife April in Sacramento.