

# ISSUE PAPER



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## Dropout Rate in Texas

### BACKGROUND

Every school day, the nation loses seven thousand students to what is commonly called the silent epidemic. In Texas alone during the 2005-06 school year, the most current Texas Education Agency report shows 51,841 students in grades 7-12 dropped out of school. That is equivalent to  $\frac{1}{4}$  of Houston ISD's student population dropping out of school. When students drop out of school, they often set themselves up for a lifetime of challenges. Many cycle in and out of the prison system. Others struggle with unemployment. A recent Princeton University study shows that each dropout, over his or her lifetime, costs the nation \$260,000. Over the next decade dropout numbers are expected to grow to more than 12 million nation-wide if high schools can't graduate students at higher rates. It is estimated that this will cost the nation \$3 trillion over the next decade.<sup>1</sup>

In 2003, the Texas Legislature amended the Texas Education Code to adopt the federal definition of "dropout" for state accountability purposes. The new definition took effect starting with 2005-06 dropout data. The federal definition was created by the National

Center for Education Statistics (NCES), a division of the United States Department of Education. The federal definition of dropout is broader than the state's previous definition. This means students who would not have been classified as dropouts under the old definition may now be deemed as such.

For example, Texas previously did not count students as dropouts if they left high school to complete a GED or intended to acquire a GED someday. Under the NCES definition however, a student who leaves high school to enroll in a GED program, but does not complete it by August 31<sup>st</sup> of that same year will now be classified as a "dropout."

Students who dropped out during the 2005-06 school year were the first to be reported using the new definition. The Texas Education Agency (TEA) released 2005-06 dropout data August 1, 2007, because there is a one year lag in the release of dropout data. Since the 2005-06 dropout data incorporates the federal definition of dropout, these data can not be compared to prior years' dropout data in Texas. For that reason, TEA did not count dropout data for purposes of district and campus accountability ratings in its 2007 accountability report. But, school board members should be aware that dropout data will affect future accountability ratings.

<sup>1</sup> Rouse, C.E. (2005). "Labor market consequences of an inadequate education." Paper prepared for the symposium on the Social Costs of Inadequate Education, Teachers College Columbia University, October 2005.

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## FINDING THE DROPOUT RATE

Texas' dropout rate measures the percentage of students who drop out of school during a school year. The dropout rate for the state, any district, or a campus is calculated by dividing the number of students who dropped out during a given school year by the number of students enrolled during that same year.

$$\frac{\text{\# of students who dropped out during school year}}{\text{\# of students enrolled during school year}} = \text{Dropout Rate}$$

## WHO IS A DROPOUT?

The calculation of the dropout rate has not changed; however, *who* is considered a dropout has changed. TEA requires districts to use "*leaver codes*" to describe where students who leave school have gone. In 2006, TEA reduced the number of leaver codes from 30 to 12. The current leaver codes are:

- Graduated outside Texas, returned to school, and left again
- Completed GED outside Texas
- Entered college early to pursue degree
- Withdrew for home schooling
- Removed from the district by Child Protective Services
- Left school to enroll in a Texas private school
- Left school to enroll in school outside Texas
- Expelled for criminal behavior and cannot return
- Administrative withdrawal for non-residence, falsification of enrollment information, or failure to provide identification or immunization records
- Deceased
- Returned to home country
- Other

Because the leaver codes are now fewer in number and broader in scope than they used to be, students who would not have been considered dropouts under the more specific coding may now be classified as such.

Other definitional changes this year could make a district's 2005-06 dropout rate appear higher than previous years. Under the NCES definition, a student

who leaves high school to enroll in a GED program, but does not complete it by August 31<sup>st</sup> of the same year will now be classified as a *dropout*. A student who leaves school to enter a court-ordered alternative program will now be considered a dropout.

Many Texas districts have a mobile student population, which is also cited as a reason for high dropout rates. Students who move from one Texas school to another are no longer reported as *leavers* (or "dropouts") as long as the school district the student leaves confirms that the student has enrolled in another Texas public school. The Texas Education Agency makes the final determination as to whether a student is a *mover* or *leaver*.

In short, because more students will now be considered dropouts if they do not complete a traditional four year program, districts may see an increase in their dropout rates beginning with the 2005-06 school year.

## WHAT IS COMPLETION RATE?

The completion rate is another way for districts to gauge which student groups are falling behind. While the dropout rate measures the percentage of students who drop out, the completion rate shows the percentage of students who first attended schools in ninth grade and either graduate or continue their education four years later. For accountability purposes, TEA deems a student a "completer" if the student received a high school diploma with his or her class or re-enrolled for another year of high school. The completion rate for any district or campus is calculated by using the following formula:

$$\frac{\text{\# of completers in a given school year}}{\text{\# of students in that class}} = \text{Completion Rate}$$

Since the completion rate is calculated based on the expectation that students will receive a diploma after four years, it will give a different snapshot than the dropout rate does. The completion rate cannot be calculated by grade and it does not show program improvement from year to year.

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## LEGISLATIVE ACTION

In 2006 and again in 2007, the Texas Legislature passed several pieces of legislation addressing the dropout rate and closely related topics of high school success, and workforce readiness:

During the 79<sup>th</sup> Texas Legislature's Third Special Session in 2006, lawmakers passed House Bill 1 which mandated a series of high school success and college readiness initiatives. Those measures include incorporating college readiness standards into the curriculum, increasing math and science requirements in order for a student to graduate, establishing Texas Governor's Schools, allowing districts to create a flexible school day, creating an end-of-course assessment, funding for additional college readiness programs, and a P-16 College Readiness and Success Action Plan. While not all of these measures address the dropout issue directly, they help provide all students with the services they need to succeed academically and graduate from high school.

House Bill 2237 passed by the 80<sup>th</sup> Texas Legislature requires TEA to add dropout prevention programs to its online clearinghouse of best practices; requires districts to create personal graduation plans for students not performing satisfactorily in high school; and provides grants to districts to fund student clubs and other programs to help students at-risk for dropping out.

House Bill 1609 passed by the 80<sup>th</sup> Texas Legislature, aimed at addressing the dropout rate, allocates \$42.5 million in funding for Communities in Schools programs. The campus-based programs combine parental involvement, academic support, career and social services awareness with counseling. Its programs are designed to empower at-risk students in grades K-12 so that they can be successful in school.

A bill addressing the quality of dropout data was considered but not passed by the 80<sup>th</sup> Texas Legislature. House Bill 3621 would have required districts to have written documentation as to why a student left school. If House Bill 3621 had passed, districts would have had to obtain copies of death certificates and transfer information to prove that a student did not drop out of school. Any student who planned or was currently pursuing a GED would have also been classified as a dropout. This bill, while it was heard by the House Public Education Committee, was left pending in committee.

## CONCLUSION

The public's attention is turning increasingly to the dropout rate as a barometer of a school's and district's effectiveness. It is critical that school board members be apprised of how the state's new definition of dropout will impact their students, programs, and accountability ratings. Fewer leaver codes and more stringent rules may cause a district's dropout rate to appear higher than it has in past years.

Because these changes have impacted 2005-06 dropout rate calculations, comparing a district's 2005-2006's dropout rate to 2004-2005 will not give school board members an accurate depiction of the dropout rate trend in their district. Until multiple years of data are collected using the new calculation, districts should compare their dropout rates to those of other districts with similar student characteristics. Furthermore, in order to allocate the district's resources and reduce the dropout rate most effectively, school board members should examine programs proven to help improve the graduation and dropout rates in other districts with similar student populations. ♦

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