

Texas Dropouts 101

by Brooke Dollens Terry

Senior Education
Policy Analyst

Recommendations

- Increase Transparency and Accountability with the Dropout Rate and Graduation Rate
- Create an Education Tax Credit
- Increase Choices with Traditional Public Schools
- Expand Public Charter School Options
- Expand the Virtual School Network
- Increase Rigor and Relevance of Courses

Introduction

High dropout rates across Texas and the nation are causing parents, taxpayers, and policymakers to examine the effectiveness and quality of many public schools. There are many different ways to analyze the dropout crisis, with varying calculations and dropout rates making it difficult to pinpoint the scope of the problem. This paper seeks to educate the public and policymakers to help them compare and contrast the most commonly used ways to calculate the dropout rate in Texas, and fully understand the scope of the dropout crisis.

Defining a Dropout

It is important to note that the definition of a “dropout” has changed over time. In 1987, state lawmakers defined a dropout as a student in grades 7-12 who did not have a high school diploma or the equivalent (GED) and is absent from school for 30 or more consecutive days without notification of that student being enrolled in a separate public or private school (TEC §11.205, 1998). When implemented, the definition of a dropout also excluded: students with an approved excuse; students who returned to school the next semester or school year; students who withdrew to enter a health care facility; and students incarcerated in correctional facilities.

In subsequent years, the definition of a dropout was changed to exclude: students previously counted as dropouts; all expelled students; students who withdrew from school to

return to their home countries; students who fail the exit-level TAAS but meet all graduation requirements; students who enroll in alternative programs; and 16-year-olds that enroll in Job Corps programs leading to a GED.

In 2003, Texas lawmakers adopted the U.S. Department of Education, National Center for Educational Statistics (NCES) dropout definition allowing Texas’ dropout rate to be compared to other states using the NCES definition. The NCES defines a dropout as a student enrolled in public school in grades 7-12, who does not re-enroll the following fall,* is not expelled, does not graduate, does not receive a GED, does not continue school in a private school or home-school setting, does not begin college, and does not die. The NCES definition was implemented in Texas in the 2005-06 school year. Therefore, dropout rates for the 2004-05 school year and earlier are not comparable to dropout calculations in the 2005-06 school year and beyond.

With the passage of House Bill 3 in 2009, state lawmakers excluded five groups of students from dropout counts when evaluating the data for accreditation and performance ratings beginning in the 2011-12 school year. Those excluded are: previous dropouts; dropouts that don’t provide their school district Foundation School Program funds; students who are attending court-ordered GED programs; students incarcerated in facilities not served by Texas public schools; and refugees and asylees.

* A student has between the first day of school and the last Friday in September to enroll in public school to be considered re-enrolled.

Leaver Codes

If a student in grades 7-12 does not enroll in public school by the last Friday in September, then the school district is required to submit a leaver record explaining their whereabouts. Thus, a leaver is a student who did not come back to school.

There are 14 different leaver reason codes that school districts can use to explain the student's status. One leaver code is for graduating from high school. Twelve of the 14 codes are for exclusions such as: expelled, died, returned to home country, removed by Child Protective Services, withdrew for home-schooling, moved out-of-state, and withdrew to enroll in a Texas private school. The last leaver code *Other* is for reasons unknown or not included in the above list. The code *Other* is the only code included in the calculation of the dropout rate. In the 2008-09 school year, there were 40,972 students coded as *Other* that are counted as dropouts.

Leaver records submitted by school districts in fall 2009 show that:

- 66.8 percent or 264,275 students graduated,
- 10.4 percent or 40,972 students dropped out, and
- 22.8 percent or 90,116 students left Texas public schools for other reasons.

Out of the more than 90,000 Texas students who left Texas public school, 41.9 percent of students enrolled in school outside Texas (37,718 students), 23.3 percent of students began home-schooling (20,948 students), and 13.9 percent of students enrolled in a Texas private school (12,516 students).

It is important to note that there could be an incentive for the school district to miscode the reason a student left their school so that it does not affect their dropout rate and accountability rating. The Texas Education Agency may not receive data from local school districts for every 7-12 grade student that is considered a "leaver," meaning they have not re-enrolled in the public school system. Students for whom enrollment or leaver records are expected but are not received are considered "underreported" students. In the 2008-09 school year, 0.5 percent of all students in grades 7-12, or 10,045 students, were classified as unknown or underreported. Students classified as underreported are not included in the dropout calculation.

Various Dropout Rate Calculations

Texas Education Agency Annual Dropout Rate

The annual dropout rate measures the percentage of students who drop out of school during one school year. There are three ways to calculate the annual dropout rate: using data from grades 7-8, grades 7-12, or data from grades 9-12. The Texas Education Agency (TEA) has been calculating the annual dropout rate for grades 7-12 since the 1987-88 school year, and for grades 9-12 since the 1998-99 school year. The 7-12 annual dropout rate is used to determine accountability ratings for alternative education schools. The 9-12 annual dropout rate is not used to determine accountability ratings and is a report-only measure. The grade 7 and 8 annual dropout rate is used to determine a school and district's accountability rating.

Advantages

This measure uses student-level data, meaning it is not an estimate but is based on actual student data. In addition, the annual dropout rate can be calculated for specific groups of students based on a variety of characteristics including: ethnicity, socio-economic status, age, gender, grade level, and participation in a special program such as special education or bilingual education. Such information can be useful in identifying problems contributing to a higher dropout rate.

Disadvantages

One disadvantage of the annual dropout rate method of calculation is that it gives a very low dropout rate that could be seen to minimize and understate the dropout problem. A disadvantage with using student-level data is that school districts self-report data and there could be an issue with data quality at some districts. If there is a data entry error on basic student identification information, this can prevent a year of an individual student's record from being linked to other years, causing it to be inaccurate.

Texas Education Agency Completion Rate & Longitudinal Dropout Rate

The completion rate is the percentage of students (7th or 9th graders) who complete high school by their anticipated graduation date. The longitudinal dropout rate is the percentage of students from the same class who drop out of high school before completing their high school education.

TABLE 1: Various Statewide Texas Public School Dropout Rates

Graduating Class	TEA Annual Dropout Rate (Grades 9-12)	TEA 4-Year Longitudinal Dropout Rate (Grades 9-12)
1999	2.2%	8.5%
2000	1.8%	7.2%
2001	1.4%	6.2%
2002	1.3%	5.0%
2003	1.3%	4.5%
2004	1.2%	3.9%
2005	1.3%	4.3%
2006	3.7%*	8.8%*
2007	3.9%*	11.4%*
2008	3.2%*	10.5%*
2009	2.9%*	9.4%*

Source: Texas Education Agency

*Texas adopted the NCES definition of dropouts in the 2005-06 school year making the TEA dropout rates from 2006 and beyond incomparable to previous dropout rates.

TABLE 2: Texas' 2009 Four-Year Completion Rate & Longitudinal Dropout Rate

Class of 2009	State
Graduated	80.6%
Received GED	1.4%
Continued High School	8.6%
Dropped Out (4-yr)	9.4%
Total	100%

Source: Texas Education Agency

TABLE 3: Texas' 2008 Four-Year Completion Rate & Longitudinal Dropout Rate by Education Service Center Region

Class of 2008	State	Austin	Dallas	Houston	Ft. Worth	San Antonio
Graduated	79.1%	80.3%	77.8%	77.8%	83.3%	74.0%
Received GED	1.5%	1.6%	1.3%	1.2%	1.2%	2.2%
Continued High School	8.9%	9.1%	9.5%	9.2%	7.5%	10.8%
Dropped Out (4-yr)	10.5%	9.0%	11.3%	11.8%	7.9%	13.0%
Total	100%	100%	100%	100%	100%	100%

Source: Texas Education Agency and AEIS Reports

The completion rate and longitudinal rate added together equal 100 percent. The Texas Education Agency began calculating the longitudinal dropout rate for grades 7-12 in the 1997-98 school year. This calculation requires eight years of student-level enrollment and dropout data.

Texas breaks out the completion rate data into three categories:

1. Graduating,*
2. Continuing high school beyond four years, or
3. Receiving a General Educational Development (GED) certificate.†

Schools and districts are held accountable in the state accountability system for their completion rate. There are two ways to calculate the completion rate: tracking a cohort of beginning 7th graders, or tracking a cohort of beginning 9th graders until the fall following their anticipated graduation date. For purposes of this paper, we will examine the completion rate for beginning 9th graders.

To determine the completion rate and longitudinal dropout rate, the Texas Education Agency assigns each student a student identifier number and tracks their whereabouts in the Public Education Information Management System (PEIMS) at the state level, with the help of data obtained by multiple sources including school districts. A student only belongs to one cohort and stays with their cohort regardless of them graduating early or being held back.

Advantages

An advantage of the completion and longitudinal dropout rate is that it provides the public more specific information about students by differentiating between those that graduated, continued on in high school, or obtained a GED. It also is more accurate than an attrition rate calculation because it uses multiple years of data to make adjustments for students who move out of state, transfer to a private school or home-school environment, die, or other circumstances that do not constitute dropping out. It is also continually updated rather than a single point in time.

The Texas Education Agency reports that 24.2 percent of 2008 continuing students dropped out.

Disadvantages

A disadvantage of the completion and longitudinal dropout rate measurement is that it does not include some dropouts in the rate until several years after they drop out. For example, if a 9th grade student drops out of school they are not counted as a dropout under this calculation until the fall after what should have been their senior year. Thus, the school district is not held accountable for that student dropping out until several years after the student dropped out. In addition, if a student who continues on in high school for a fifth year drops out they are never counted as a dropout. The 5-year graduation rate is a report-only measure and is not used in the state accountability system to rate schools and districts.

In the class of 2008, there were 26,865 students who continued high school beyond four years and re-enrolled in the fall of 2008. There were 6,495 continuing students who dropped out, leading to a 24.2 percent dropout rate for continuing students. The completion rate and longitudinal dropout rate calculation also does not produce dropout rates by grade.

Other Types of Measures

Intercultural Development Research Association (IDRA) Attrition Rate

The IDRA attrition rate is the percent change in the student enrollment between 9th grade and 12th grade (the base year and end year). The rate is an estimate that uses aggregate public school enrollment numbers from Texas' state-level Public Education Information Management System (PEIMS). IDRA examines student enrollment numbers at two points

* Graduates include summer graduations. To be counted as a graduate in the class of 2009, a student needed to have graduated by August 31, 2009.

† A student must have received a GED certificate by August 31, 2009 to be counted as receiving a GED for the class of 2009 calculations.

in time at the beginning of both the 9th and 12th grades to estimate those not enrolled with their class three years later. This analysis allows for increases and decreases in a school district's enrollment figures since district enrollment varies from school year to school year. IDRA, a non-profit organization located in San Antonio, Texas, has been calculating Texas' attrition rate since the 1985-86 school year at the statewide and county level broken out by ethnicity and race.

The IDRA attrition rate has fluctuated between 33 percent in 1985-86, 43 percent in 1996-97, and 31 percent in 2008-09. Other organizations might calculate the attrition rate for an individual school or a school district and could use different starting and ending points.

Advantages

An advantage of using the attrition rate is that it is a simple measure that the public understands. In addition, IDRA has used the same methodology since 1986 which allows for comparisons to be made over time.

Disadvantages

One large disadvantage to using the attrition rate is that it does not take into account individual student data and thus does not incorporate specific student information such as: students who graduate early; students who transfer to other schools (public, private, or home-school settings); students who are held back a year; students who die; or students who move to a different school, district, or out-of-state. Student mobility rates are important to consider since Texas has a mobile student population and mobility rates do not impact schools and districts around the state equally. There are many fast-growing suburban school districts with large increases in student enrollment while some urban school districts are experiencing large reductions in student enrollment. This calculation may actually mask the true dropout rate in suburban areas as the influx of students could easily overcome a high number of students dropping out. Thus, an attrition rate that does not take into account student mobility for a particular city or area could be significantly inaccurate.

Conclusion

In 2009, 68,414 Texas students did not graduate with their class (based on the Texas Education Agency longitudinal completion and dropout rate for grades 9-12). Too many students are dropping out of school and determining that a

public school diploma is irrelevant to them. As Texas struggles with a dropout crisis, policymakers need to improve the quality of public education and should also explore new solutions to catch those students who continue to fall through the cracks. Dropouts desperately need a second chance at an education and should be given a variety of options—be it in a public, charter, virtual, or private school—that meet their individual needs.

Recommendations

Increase Transparency & Accountability with the Dropout Rate and Graduation Rate

Currently, only the 7th and 8th grade annual dropout rate is used to rate schools and districts under the standard accountability system. In addition, the 7-12 annual dropout rate is used to rate schools and districts under the alternate education accountability system. Traditional schools and districts should be held accountable for the 7-12 annual dropout rate as well and have it used in their accountability ratings. Having all schools be evaluated with the same dropout rate would allow for greater transparency with dropouts.

In addition, Texas schools are not held accountable for continuing students who dropout. For example, out of 26,865 Texas students who re-enrolled for a fifth year of high school in the fall of 2008, 6,495 dropped out. This means that continuing students had a dropout rate of 24.2 percent in 2008. Texas should hold schools and districts accountable in the state accountability system for their 5-year graduation rate by adding it as a measure to the state accountability system.

Create an Education Tax Credit

Many parents desire a different educational environment for their child such as home-schooling, a different public school, or private school, but cannot afford the additional expense. Texas should adopt an education tax credit so that parents are empowered to send their children to the school of their choice—whether public, private, or home-school. Tax credits save the state and taxpayers money, have a broad base of support, and are less vulnerable to attacks in court as they have never been declared unconstitutional at a state or federal level despite several court challenges. Policymakers should consider creating an education tax credit whereby businesses can claim a credit against the franchise tax for donations to a scholarship organization.

- Create a tax credit scholarship program for: private school tuition, transportation expenses to alternate public schools, or home-school curriculum.

Increase Choices with Traditional Public Schools

Texas students are typically assigned their public school by their zip code leaving them little choice in which school they attend. Yet, each student has different educational needs and interests. Competition among schools and education models leads to real improvement in education. By allowing students to move to different schools within the public school system via transfers, open-enrollment policies, or magnet schools, there is a greater incentive for schools to serve the individual needs of students, operate efficiently, and compete to keep that student enrolled.

- Create open-enrollment school district policies that allow students to pick which school in their district they want to attend so they can choose the school that best meets their needs.
- Improve student transfer policies within school districts and with neighboring districts so that students are not trapped in low-performing schools.
- Increase the number of magnet programs and schools that specialize in specific areas with rigorous and relevant curriculum.

Expand Public Charter School Options

Texas charter schools serve a higher percentage of minorities and low-income students than traditional public schools including many who have or are at-risk of dropping out of school. For example, 83 percent of students at Texas charter schools were minorities and 70 percent of students were low-income compared to 65 percent and 55 percent respectively at traditional schools during the 2007-08 school year. Dropout recovery charter schools focus *exclusively* on serving at-risk students. These charter schools help students with challenges—such as teenage parents, homeless youth, students in foster care, juvenile offenders, students in residential treatment centers, and former dropouts—learn workforce skills and earn their high school diploma or GED. Since charter schools serve a large portion of at-risk students and former dropouts, eliminating Texas' cap on charter schools during the next legislative session is important to encouraging innovative alternatives to a traditional public school education. It

is also important to reduce red tape, bureaucracy, and barriers that prevent successful charter schools from expanding.

- Eliminate or raise the cap on open-enrollment charter schools.
- Help successful charter schools expand by lowering barriers to replication.

Expand the Virtual School Network

Texas is in the early stages of implementing a statewide network of electronic courses called the Texas Virtual School Network. The Texas Virtual School Network began offering electronic courses to high school students in the spring semester of the 2008-09 school year. Texas public school districts, open-enrollment charter schools, education service centers, and public or private institutions of higher education are all eligible to provide electronic courses. Unfortunately, not every current public school student has been offered the opportunity to take up to two courses a semester for free in the virtual school network, because many school districts have not chosen to participate in the network. The Texas Virtual School Network provides supplemental online courses and therefore, does not grant diplomas. The student's home district or charter school awards credit for the course, receives credit for the student's TAKS score in that academic area, and is in charge of granting students their diploma. Virtual school courses can help students who live in rural areas and have limited rigorous course offerings. In addition, taking a course online provides flexibility to students who may be struggling with health issues, have difficulty learning in a traditional classroom setting, need to work part-time, or are a teenage parent.

- Encourage school districts to participate in the network so more students have the opportunity and choice about taking courses online.
- Expand the Texas Virtual School Network to provide courses full-time and become diploma-granting entities.

Increase Rigor and Relevance of Courses

According to a poll by Civic Enterprises and Peter D. Hart Research Associates, 47 percent of high school dropouts surveyed said a major reason for dropping out of school was because classes were not interesting. Challenging content and relevance to the real world can capture students' interest

and keep them in school. Schools can create rigorous magnet programs within a school or as a separate school.

In addition, schools with rigorous and relevant career and technology education (CTE) courses can engage students with hands-on, project-based coursework and teach advanced technical skills needed in the workplace. Well-designed and well-taught CTE courses can improve students' academic and technical skills, increase high school graduation rates, promote post-secondary education, and help students get and keep jobs. While research is mixed on whether vocational education leads to improved academic outcomes for attaining an industry credential, enrolling in college, and graduating from college, research does find that CTE reduces high school dropout rates. Students taking a combination of three CTE classes for every four academic

classes had the least likelihood of dropping out. Those students with the highest risk of dropping out, those with low test scores and low grades when entering high school, had the greatest reduction in dropout rates.

- Increase the number of rigorous magnet programs and schools in a range of subjects.
- Improve the quality and relevance of CTE curriculum.
- Recruit current industry professionals and industry retirees to teach CTE classes by reforming the teacher certification process and allow them to be a guest lecturer, teach part-time, or mentor students aspiring to work in that particular field. ★

Sources

Texas Education Agency, *Secondary School Completion and Dropouts in Texas Public Schools*. (1998-1999 through 2007-2008) <http://www.tea.state.tx.us/index4.aspx?id=4080>.

Texas Education Agency, *Dropout Study: A Report to the 77th Texas Legislature* (Dec. 2000) <http://ritter.tea.state.tx.us/research/pdfs/rider71.pdf>.

Johnson, R., Intercultural Development Research Association, *Attrition Rates in Texas* (2008-09 through 1996) http://www.idra.org/Research/Attrition/IDRA_Attrition_Studies/.

Mellon, Ericka, "Fake document allegations arise in HISD," *Houston Chronicle* (8 Apr. 2010) http://www.chron.com/dispatch/story.mpl/metropolitan/6949837.html?utm_source=twitterfeed&utm_medium=twitter&utm_campaign=Feed%3A+houstonchronicle%2Ftopheadlines+%28chron.com+++Top+Stories%29.

Terry, Brooke Dollens, *A Charter School Q&A: Examining Charter Schools in Texas and the Nation*, Texas Public Policy Foundation (Mar. 2009) <http://www.texaspolicy.com/pdf/2009-03-PP05-charterschools-bdt.pdf>.

Terry, Brooke Dollens and Blaine Yelverton, *Charter Schools in Texas: The Waiting Lists Grow Longer*, Texas Public Policy Foundation (Dec. 2009) <http://www.texaspolicy.com/pdf/2009-12-PP29-charterupdate-bt.pdf>.

Terry, Brooke Dollens, *Career and Technology Education: Systemic Change is Needed to Help America Stay Competitive*, Texas Public Policy Foundation (Dec. 2006) <http://www.texaspolicy.com/pdf/2006-12-PP35-CTE-bt.pdf>.

Terry, Brooke Dollens, Paige Perez, and Brittany Wagner, *Helping Parents Pay for Education: Examining Education Tax Credits & Deductions*, Texas Public Policy Foundation (Apr. 2010) <http://www.texaspolicy.com/pdf/2010-04-PP10-EdTaxCredits-bt-pp.pdf>.

Bridgeland, John, *The Silent Epidemic: Perspectives of High School Dropouts*, prepared for the Bill and Melinda Gates Foundation (Mar. 2006) iii, <http://www.gatesfoundation.org/nr/downloads/ed/TheSilentEpidemic3-06FINAL.pdf>.

Plank, Stephen, *Career and Technology Education in the Balance: An Analysis of High School Persistence, Academic Achievement and Post-secondary Destinations*, National Research Center for Career and Technology Education (2001) 35, http://www.nccte.org/publications/infosynthesis/r&dreport/CTE%20in%20Ince_Plank.pdf.

About the Author

Brooke Dollens Terry is a former senior policy analyst at the Texas Public Policy Foundation. She has written extensively on the math/science teacher shortage, teacher incentive pay, charter schools, teacher certification, end-of-course assessments, career and technology education, and a host of other k-12 education issues.

Her work has been published in numerous publications including the *Dallas Morning News*, the *Houston Chronicle*, the *Fort Worth Star-Telegram*, and the *San Antonio Express-News*. Her research has also been mentioned in *The Economist*, *The Wall Street Journal*, *Education Week*, and other prominent publications.

About the Texas Public Policy Foundation

The Texas Public Policy Foundation is a 501(c)3 non-profit, non-partisan research institute guided by the core principles of individual liberty, personal responsibility, private property rights, free markets, and limited government.

The Foundation's mission is to promote and defend liberty, personal responsibility, and free enterprise in Texas by educating and affecting policymakers and the Texas public policy debate with academically sound research and outreach. Our goal is to lead the nation in public policy issues by using Texas as a model for reform.

The work of the Foundation is primarily conducted by staff analysts under the auspices of issue-based policy centers. Their work is supplemented by academics from across Texas and the nation.

Funded by hundreds of individuals, foundations, and corporations, the Foundation does not accept government funds or contributions to influence the outcomes of its research.

The public is demanding a different direction for their government, and the Texas Public Policy Foundation is providing the ideas that enable policymakers to chart that new course.

