

**Overview**  
**How North Carolina Counts Dropouts**  
**Jan. 24, 2007**

**Background:**

Children in North Carolina who are ages 7 to 16 are required by state law to be enrolled in school so that they can be prepared to be useful and productive citizens. The NC State Board of Education has requested that the NC General Assembly change the law to require students to stay in school until age 18, and the issue is under study at this time.

The goal of high school is for students to graduate with a diploma and with the preparation they need for success at the college or university and in the workplace. The majority of students do graduate from high school, but for many, graduation remains elusive.

**Measurement:**

North Carolina counts students who leave school before graduation in two main ways, an *Annual Dropout Rate* and a *Cohort Graduation Rate*. These two ways of measuring the same phenomena are different from each other and provide different perspectives on students' leaving school. This overview gives you details about each measure.

*Annual Dropout Rate*

This measure has been collected each year since 1988-89, although reporting methods were changed in 1991 because of new federal guidelines and in 1999 because of changes in the state's definition of a dropout.

For the annual dropout rate calculation, a dropout is defined as a student who:

- was enrolled in school at some time during the previous school year, which is the reporting year;
- was not enrolled on Day 20 of the current school year;
- has not graduated from high school or completed a state or district approved educational program; and
- does not meet any of the following reporting exclusions:
  - transferred to another public school district, private school, home school or state/district approved educational program,
  - temporarily absent due to suspension or school-approved illness, or death.

Students who leave high school to enroll in a GED program are considered to have dropped out of school under the policy of the State Board of Education.

The annual rate tells us what percentage of students in grades 9-12 dropped out of school in a year's time. The rate also is calculated for students in grades 7-12. Sometimes students may drop out of school more than once during their educational career. The annual rate would not tell us which students left school more than once during their middle/high school years.

**Dropout Rate Calculation: Rate = 100 \* Numerator/(Denominator + Numerator)**  
**Numerator: Number of Dropouts. Denominator: (07 Membership – FM20 + 08 Membership)/2**  
**FM20: students who enroll in a school system for the first time and remain in membership for twenty days or less**

It may seem logical to think that multiplying the annual dropout rate by 4 would tell us the percentage of students who fail to graduate from high school, but that would not be very accurate. The annual rate does not account for students who exit and re-enter school multiple times or for students who may take more than four years to complete high school.

#### *Cohort Graduation Rate*

The *Cohort Graduation Rate* is a new measure, and the *2006 Cohort Graduation Rate* is the first time this measure has been collected and reported. The Cohort rate illustrates what percentage of ninth graders have graduated from high school four years later. The 2006 rate, to be released in February 2007, will illustrate the percentage of the 2002-03 first time ninth graders who graduated from high school by June 30, 2006.

In fall 2002, local principals and other educators began tracking ninth graders to determine whether they were still in school each year and whether or not they graduated by the summer of 2006. This gives a cohort rate. Some people have described this as similar to taking a ninth grade year book and blocking out the photos of all those students who are not there by the time graduation ceremonies happen four years later. A difference is that students who transfer into the school are included in the calculation.

This rate will not reflect students who may take five years to graduate from high school. In future years, the NC Department of Public Instruction hopes to be able to show a five-year graduation rate as well as the four-year cohort rate.

#### **One More Measure:**

##### **NCLB On-Time Graduation Rate**

No Child Left Behind, the federal education law approved five years ago, required the reporting of a graduation rate. To meet the regulations of the law, it was not enough to show an annual dropout rate and North Carolina did not have enough data collected to give a cohort rate in 2002.

In lieu of the cohort rate, the federal government recommended that North Carolina report an "on-time" graduation rate. This rate has been reported since 2002 to comply with the federal law. It illustrates the percentage of high school graduates who graduated in four years. As a result, it is a very high rate and does not adequately show the students who do not finish high school. North Carolina will report this NCLB rate on the 2006 School Report Cards for the last time because each state is required to report a trendline on this issue. It will be replaced in 2007 by the *Cohort Rate*, which more accurately shows the problem of high school dropouts. The NCLB rate should be considered only as a placeholder used to satisfy the law.

For More Information:

NCDPI Dropout Data Collecting and Reporting Procedures - 2008:

<http://dpi.state.nc.us/docs/research/dropout/reports/dropoutmanual.pdf>

Cohort Graduation Rate:

<http://ayp.ncpublicschools.org/>

**Cohort Graduation Rate**  
**House Select Committee on High School Graduation and Drop Out Rates**  
**October 24, 2006**

**The rate for a school will be calculated as follows:**

Students who graduated with a diploma prior to June 30, 2006  
(and are included below)

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Students in the school in the 9<sup>th</sup> grade in 2002-03\*  
Plus students who transferred into the school in the grade  
appropriate to the cohort\*\*  
Minus students who transferred out of the school and  
students who are deceased\*\*\*

**The rate for an LEA will be calculated as follows:**

Students who graduated with a diploma prior to June 30, 2006  
(and are included below)

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Students in the LEA in the 9<sup>th</sup> grade in 2002-03\*  
Plus students who transferred into the LEA in the grade  
appropriate to the cohort\*\*  
Minus students who transferred out of the LEA  
and students who are deceased\*\*\*

**The rate for the state will be calculated as follows:**

Students who have graduated with a diploma prior to June 30, 2006  
(and are included below)

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Students in the state in the 9<sup>th</sup> grade in 2002-03\*  
Plus students who transferred into the state in the grade  
appropriate to the cohort\*\*  
Minus students who transferred out of the state  
and students who are deceased\*\*\*

**Notes:**

\* Only includes those students who are in the 9<sup>th</sup> grade for the first time.

\*\* Students who were in 8<sup>th</sup> grade in 2001-02 and transfer in as a  
9<sup>th</sup> grader in 2002-03  
10<sup>th</sup> grader in 2003-04  
11<sup>th</sup> grader in 2004-05  
12<sup>th</sup> graders in 2005-06

\*\*\* Students who transfer out are those who have not been reported as having dropped out and the school has received a records request from an educational institution, public or private in North Carolina or another state.

**Dropout students count as non-graduates unless they enroll in another school on track at some point.**

**The state rate is not the average of the LEA or school rates.**