



White paper:

The facts about Oregon's high school
graduation rate problem

Aug. 3, 2016 (updated Oct. 17, 2016)

The facts about Oregon’s dismal high school graduation rate

Oregon Governor Kate Brown calls our high school graduation rate “dismal.”¹ She’s right.

Oregon is at the bottom of the pack nationally when it comes to getting our kids through high school. This has been the case since 2011, when state governors and education policy-makers implemented a new system for state-to-state comparisons. Every year since then, tens of thousands of Oregon high school students have dropped out, failed to graduate and lost their way on the path to productive and rewarding careers. Oregon is now 48th of the 50 states in graduation rates. Also too many of our graduates are unprepared for college and career, while employers report difficulty finding capable workers to fill jobs.

There is a set of salient facts and outcomes to consider when looking at the experience of our high school students and the performance of our high schools. At the same time, there are proven strategies for advancing individual opportunity and shared prosperity through our public education system.

In later papers, we will address how we can improve our high schools, boost our graduation rate and better prepare our students for opportunities that await them in a rapidly-changing economy.

Oregon trailing the nation in high school graduation rates

- ***Oregon has one of the country’s worst high school graduation rates. Some 10,000 students fail to graduate from our high schools every year.***

In Oregon, there are approximately 45,000 students at each grade level – including high school freshman, sophomores, juniors and seniors. This year – and every year thereafter – upwards of 10,000 will fail to graduate.

High school graduation is the single most important measure of success in our K-12 system. By this measure, Oregon has ranked in the bottom five of all states for most of this decade, with a four-year graduation rate that has ranged from a low of 68 percent to a high of 74 percent.²

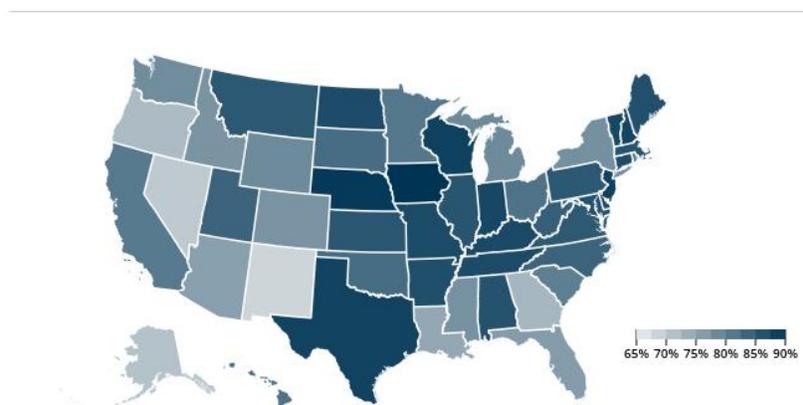
How do we measure state graduation rates?

There are different ways to compute a high school graduation rate – by counting students who secure a diploma within four or five years, deducting those who drop out or leave one school for another, and by later attainment (e.g. students who go on to secure a GED). In this report, we use the four-year graduation rate as computed by each of the 50 states, according to national standards established by the U.S. Department of Education that define an Adjusted Cohort Graduation Rate (ACGR). The ACGR was developed by the governors of all 50 states in 2005, adopted by the U.S. Department of Education in 2008 and first implemented in the 2010-11 school year. The ACGR is the standard for computing graduation rates in all 50 states.

¹ Governor Kate Brown (2015, December) “A Thriving Oregon: Oregon Business Leadership Keynote” <https://www.oregon.gov/gov/media/Pages/speeches/OR-Business-Leadership-Summit-Keynote-121415.aspx>

² Oregon Department of Education (2015) “Statewide Report Card 2014-2015: An Annual Report to the Legislature on Oregon Public Schools” Pg. 70.

Figure 1: Graduation Rate by State³



The all-state rankings in Figure 1 (above) are based on the most recent year for which national data for the 2013-14 school year, when our graduation rate was 72 percent. New data show Oregon's ranking declined to 48th of the 50 states, behind Louisiana and Mississippi.

Can we trust that Oregon's national ranking is a true measure of student performance?

This question was addressed in a November 2015 report, entitled "Sealing the Cracks," produced by The Data Quality Campaign, a national nonprofit focused on education data, and the Chalkboard Project, a nonprofit education transformation organization based in Oregon.

Their answer was yes, at least in comparison to measures used prior to 2011. The "Sealing the Cracks" report, found that the AGCR is "a more comparable and accurate four-year rate than any previously used by states..." and that the ACGR provides a good basis for comparison from state to state.

New national rankings for 2014-15 are expected to be released by the National Center for Education Statistics in the near future. We already know that in that time period, Oregon boosted its graduation rate from 72 percent to 74 percent. This improvement largely was due to changes in how Oregon's rate was calculated.⁴ While these changes do appear to align better with the calculations made by other states, they, unfortunately, do not reflect a significant improvement in student performance.

Still, high school graduation is only one measure of success for our students. We should also look at their experience after graduation. In this regard as well, we are failing our students and trailing other states.

³ National Center for Education Statistics (2016, January) "Table 219.46. Public high school four-year adjusted cohort graduation rate), by selected student characteristics and state: 2010-2011 through 2013-2014" Digest of Education Statistics.

http://nces.ed.gov/programs/digest/d15/tables/dt15_219.46.asp

⁴ Noor, S. "An Annual Report to the Legislature on Oregon Public Schools: Statewide Report Card 2014-2015" Oregon Department of Education (2015)

<http://www.ode.state.or.us/data/annreportcard/rptcard2015.pdf>

Note: For example, one change captured students who earn modified diplomas in the calculation of the state's graduation rate. Another change picked up students who earn enough credits for a diploma but choose to stay in high school to take advantage of co-enrollment programs for college credit.

Too many of our graduates are unprepared for college and work

- ***Nearly three- fourths of Oregon high school graduates who enroll in community college are unprepared for college-level work.***

Even those who graduate and go on to college pay a price when they are poorly prepared for post-secondary education. They take longer to complete their studies, incur more debt and are less likely to earn a degree.

A May 2015 study found that 73 percent of Oregon high school graduates who enrolled in community college were unprepared for college-level work in one or more subject areas.⁵ The cost of these “catch-up courses” reached \$41.6 million in taxpayer funds and student tuition payments in 2010-11 – dollars that otherwise could have been used to minimize student debt and increase students’ chances to earn a college degree or certificate.⁶

- ***Recent high school graduates in Oregon are less likely to earn a college degree than students in other states.***

Oregon students are also less likely to succeed in community college than their peers in other states. A 2015 audit by the Oregon Secretary of State’s office found that Oregon ranked 32nd of 36 states evaluated in the percentage of students who manage to earn a two-year degree within seven years of enrolling in a community college.⁷

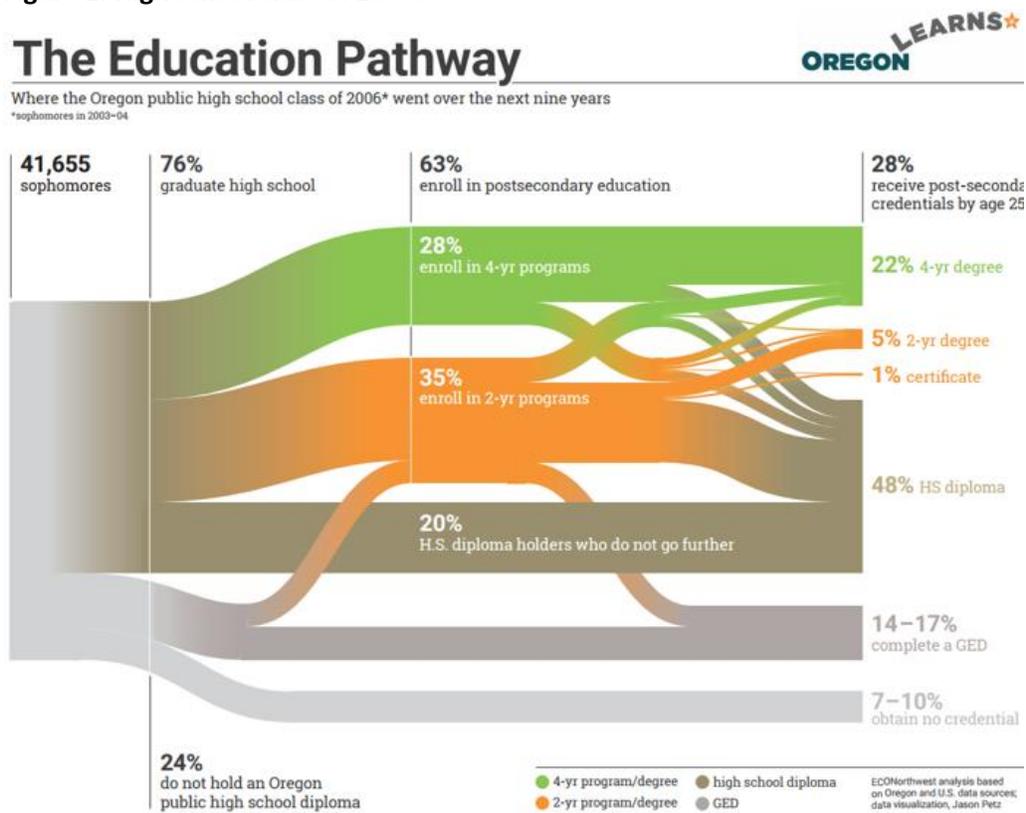
These problems are not new. An earlier study by ECONorthwest, a Portland-based economic consulting firm, tracked the experience of Oregon’s high school class of 2006. The findings: Seven years later, only 76 percent earned a high school diploma, only 6 percent earned a two-year degree or credential, and 22 percent earned a four-year degree. See Figure 2 on page 4. These results lag far behind the same achievements made by students in other states.

⁵ Institute of Educational Sciences and the Regional Educational Laboratory at Education Northwest. (2015, May) *“What predicts participation in developmental education among recent high school graduates at community college? Lessons from Oregon”*

⁶ Atkins, J.P. Blackner, G. (2015, April) “Education Audits Capstone Report: Achieving Oregon’s Education Goals for All Students” Oregon Secretary of State Education Audits Overview. <http://sos.oregon.gov/audits/Documents/2015-08.pdf>

⁷ Atkins, J.P. Blackner, G. (2015) “Community Colleges: Targeted Investments Could Improve Student Completion Rates” Secretary of State Audit Report. <http://sos.oregon.gov/audits/Documents/2015-14.pdf>

Figure 2: High school class of 2006.⁸



Oregon's young adults under the age of 26 are twice as likely to be unemployed than older workers

Finally, as employment data show, recent high school graduates and young adults in Oregon are having a hard time finding jobs, even with record-high levels of employment in our state. In 2015, unemployment among young adults in Oregon age 16 to 24 (12.4 percent) was more than twice as high as that of older workers (4.7 percent). Even more troubling, the rate of participation in the workforce, counting those working and looking for work, was at an all-time low for young workers, far below the rates seen before the recession of 2008.⁹

It will be very difficult to improve the employment prospects of young Oregonians if their current state of unpreparedness persists.

⁸ Oregon Learns. (2015, July) "The Education Pathway"

http://oregonlearns.org/docs/home/The_Education_Pathway_6-10-15.pdf

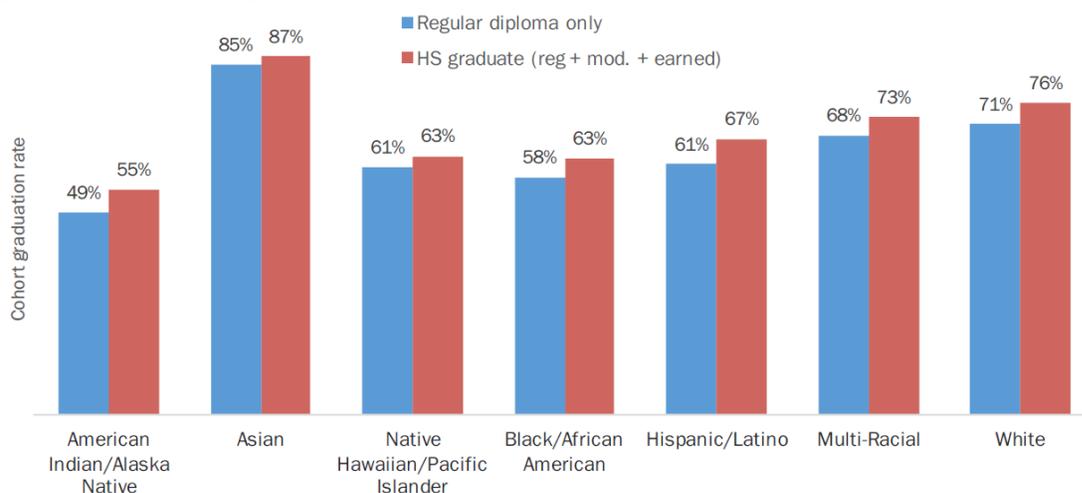
⁹ Beleiciks, N. (2015, April) "Endangered: Youth in the Labor Force" State of Oregon Employment Department

Students from low-income families and communities of color are falling behind

- ***Students from low-income families and communities of color are trailing their peers in high school graduation and post-secondary success.***

As shown in Figures 3 and 4, students from low-income households lag behind their Oregon peers in graduation rates by 15 percentage points, while African-American, Native American and Latino students graduate at rates 10 to 15 percentage points behind their Oregon peers.

Figure 4: 2013-2014 High School Graduation Rates by Ethnicity¹⁰

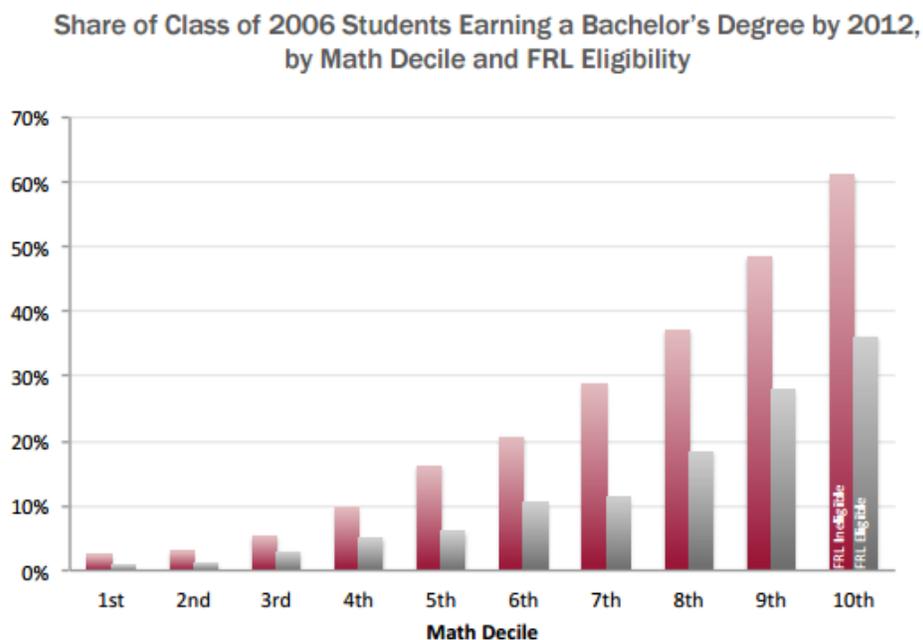


Further, there is a marked and troubling difference in the achievement of economically disadvantaged students in our K-12 system. This is evident as students progress through high school and on to college.

As shown in Figure 5, even the most outstanding low-income students with proficiency in math fall far behind their peers when it comes to their chances of earning a college degree. Students' economic status is determined by eligibility for Free and Reduced Lunch (FRL).

¹⁰ ECONorthwest analysis of ODE data (2016).

Figure 5: Degree Attainment Rates by Student Economic Status¹¹



The consequences of leaving high school without a diploma are lifelong

- **Students who fail to graduate high school face poorer job prospects, earn less over their lifetime and need more social services.**

Failure to complete high school has serious consequences, from the loss of initial employment opportunities to a lifelong earnings gap. A recent study determined Oregon students who did not earn a high school diploma, earned \$10,000 a year less than their peers.¹² A national study found that non-graduates are more likely to experience poverty, to rely on public assistance and to end up in the criminal justice system.¹³ A less educated cohort of younger workers is also a drag on our economy, as employers face difficulty in filling jobs with capable workers.

Too many students lose their way in high school

- **Oregon students don't fall behind their peers in other states until their high school years.**

¹¹ ECONorthwest longitudinal analysis using matched ODE, OUS, CCWD, and NSC Records

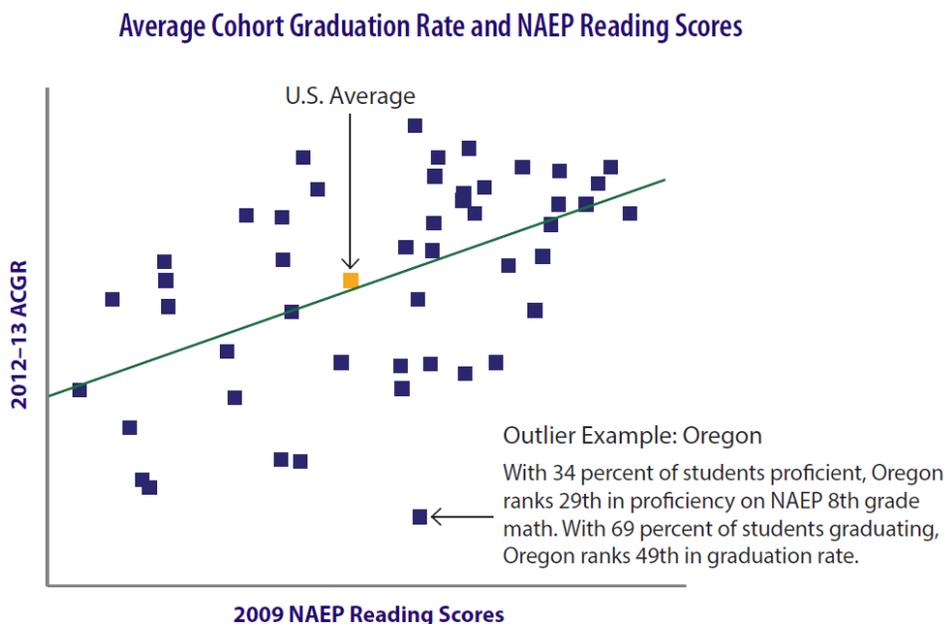
¹² House, E. (2010). Oregon's High School Dropouts: Examining the economic and social costs. Retrieved from (<http://files.eric.ed.gov/fulltext/ED509327.pdf>)

¹³ Alliance for Excellent Education. (2011, November). The high cost of high school dropouts: What the Nation Pays for Inadequate High Schools. www.all4ed.org

The causes of Oregon's low high school graduation rate are the subject of much debate, nationally and in Oregon. We have a shorter school year and larger class sizes than most school systems in the country. Oregon's high school seniors, in particular, often have part-time schedules. And we have seen a steep decline in career technical or vocational course offerings in our high schools, from a high of 1,202 in 1999-2000 to 690 in 2014-15.¹⁴ Whatever the causes, our students are not keeping up in high school.

There's a data set that makes this point in compelling fashion: Oregon's 8th graders score at or above national averages in math and reading as measured by the National Assessment of Educational Progress (NAEP) tests. However, our 8th graders don't match the progress of students in other states when it comes to graduating from high school four years later. The Data Quality Campaign found that Oregon is an outlier in this respect, as shown in Figure 6. We are the only state in the country that shows a large disparity between 8th grade achievement and 12th grade graduation.¹⁵

Figure 6: Scatterplot of ACGR and NAEP Reading Scores



¹⁴ Oregon Department of Education. "2014-2015 Oregon Secondary Career and Technical Education (CTE) Performance Measurements" (2016, January)

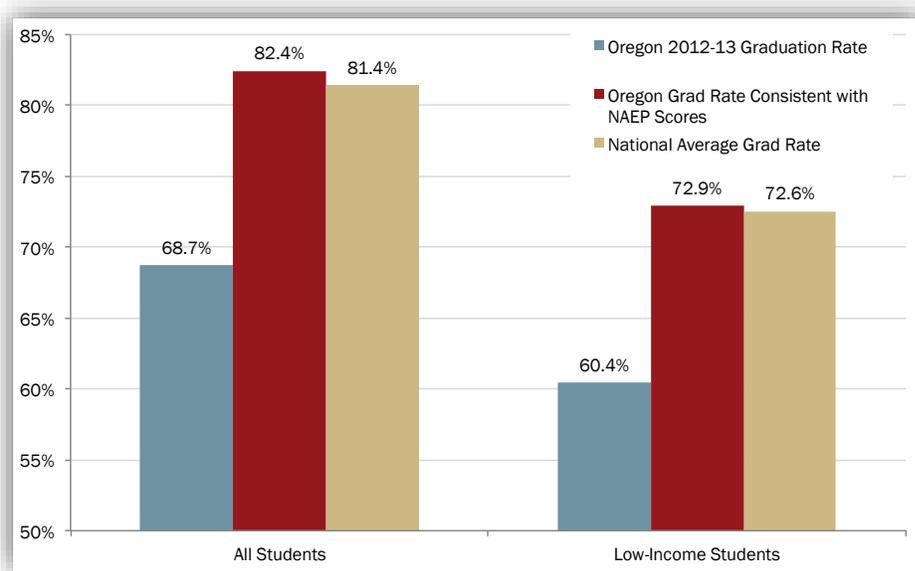
<http://www.ode.state.or.us/wma/teachlearn/cte/sec14-15trafficlight-bjo.pdf>

¹⁵ Data Quality Campaign. (2015, November) "Sealing the Cracks: Using graduation data, policy, and practice to keep all kids on track" Chalkboard Project.

<http://dataqualitycampaign.org/wp-content/uploads/2016/03/DQC-Chalkboard-Sealing-the-Cracks.pdf>

If Oregon's 8th graders matched the progress made by their peers in high schools in the other 49 states, our graduation rate would be higher than the national average. Based on 8th grade NAEP scores for the high school class of 2013, ECONorthwest estimates that their graduation rate would have been almost 14 percentage points higher if they had maintained the progress to graduation of students nationally.

Figure 7: Graduation Rates and Projections¹⁶



Oregon is falling short of the nation's and our own educational goals

➤ *Oregon trails other states in progressing toward national goals for high school graduation.*

In a report entitled "Building a Grad Nation," the School of Education at Johns Hopkins University set a goal for the nation of achieving a 90 percent high school graduation rate by 2020 and began tracking the progress of states toward this goal in 2011. This coincided with the adoption of consistent ACGR standards for measuring high school graduation from state to state. In 2015, the authors of the report found that the nation as a whole was on track to meet this goal. Oregon, however, is not. In 2016, the authors placed Oregon on a list of 10 "states in the biggest trouble," far below the trajectory needed to reach the nation's graduation goal by the end of this decade.¹⁷

➤ *Oregon is even farther behind in meeting state goals for high school graduation.*

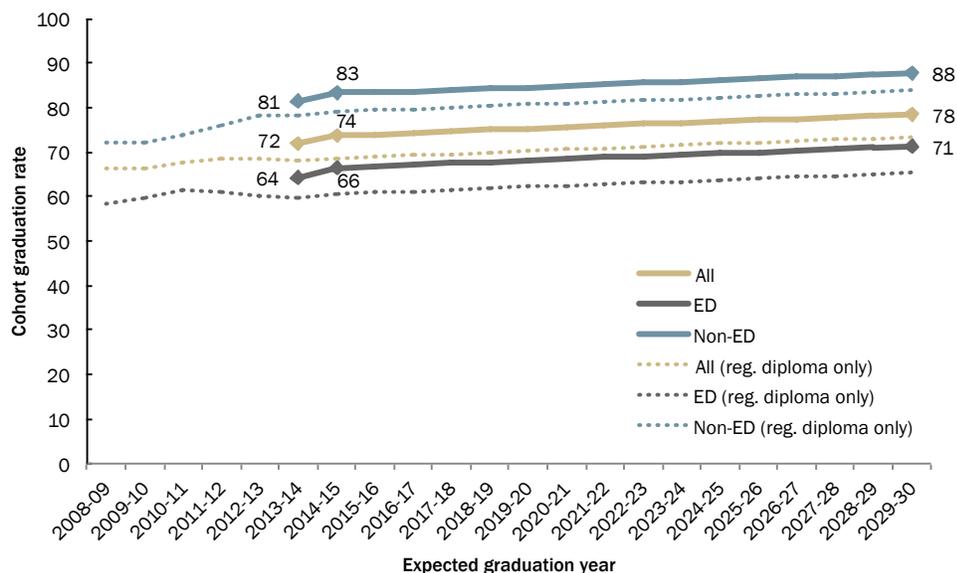
In 2011, the Oregon legislature established the most ambitious goals in the nation for high school and college completion.

¹⁶ ECONorthwest analysis of ODE Data (2016)

¹⁷ Everyone Graduates Center (2016) "Building a Grad Nation: Progress and Challenge in Raising High School Graduation Rates." Civic Enterprises

These goals, shorthand as the state's "40-40-20 goals," call for 40 percent of Oregonians to have a four-year college degree, 40 percent to have a two-year degree or post-secondary certificate and the remaining 20 percent to have a high school diploma by 2025. Effectively, this sets an aspirational goal of 100 percent high school graduation by 2025. But, as the years tick by, our schools have yet to achieve a trajectory of progress to achieve this goal.

Figure 8: Oregon High Graduations by Diploma Type and Economic Status of Students ¹⁸



Based on data compiled by the Oregon’s Quality Education Commission, ECONorthwest predicts that Oregon’s high school graduation rate will rise at a rate of less than half a percent per year through the end of the next decade. At this rate, our high school graduation rate will be 78 percent in 2029. This is far short of the 40-20-20 goal, still short of the national goal of 90 percent and still below today’s national average for all states. The sad reality is that Oregon’s high school graduation rate is on track to remain below the average of all states.¹⁹

At this rate, one of every five kids entering kindergarten in Oregon this fall will fail to graduate with their peers in the high school class of 2029.

¹⁸ ECONorthwest analysis of ODE Data (2016)

¹⁹ Quality Education Commission. (2016, August) “Quality Education Model: Final Report”

Charting a path to high school success

Consistent use of data nationally, state-to-state comparisons and national and state goal-setting have rightly focused attention on high school graduation rates and the importance of strategies to improve student success in our K-12 education system and beyond.

Within Oregon, as in other states, there is growing recognition of widely-varying outcomes among school districts and among socio-economic and racial and ethnic student populations. Among Oregon school districts, for example, graduation rates range from below 60 percent to 100 percent. Some of these differences can be traced to socio-economic factors. But even districts with similar demographics show widely varying results.

This recognition has motivated deeper and more honest analyses of the differences that exist between high-performing and low-performing schools and the challenges of meeting the needs of students in poverty and those from different racial and ethnic communities. To this end, Oregon has increased its investments in early learning and full-day kindergarten and has brought more focus at the district level to the importance of achieving 3rd grade reading goals. But it is increasingly clear that investments in early education will be wasted if we continue to let students fall behind in high school.

It also is evident that Oregon's school leaders know what works to improve our high schools. As a result of demonstration projects funded by the Oregon legislature in recent years and federally-funded grant programs, a small number of Oregon school districts have achieved marked improvements in graduation rates and post-secondary success. They have done so with the revitalization of career technical (vocational) education programs; expansion of innovative early college-credit courses in their high schools; and with strategies to ensure students receive the support they need in the critical transition from 8th to 9th grade, and in maintaining progress to graduation thereafter. The problem is that these "islands of success" are few and far between—often the result of one-time grant programs that do not provide sustained funding or scalability.

Strategies to improve Oregon's high school graduation rate and student success in college and careers requires learning from, scaling up and sustaining best practices with targeted investments in all of our high schools.

We will expand on what we have learned from Oregon's "islands of success" in future papers that focus on Measure 98's proposal for establishing and expanding career technical education classes, college credit courses and dropout prevention for all Oregon high school students.