

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 71

(Delegates Gutierrez and Marriott)

Ways and Means

Education, Health, and Environmental Affairs

**Public Schools - Graduation Rate Formula - Collecting, Maintaining, Analyzing,
and Reporting**

This bill requires the Maryland State Department of Education (MSDE) and local boards of education to collect and maintain data to calculate a graduation rate for each graduating class. Graduation rates must be calculated using a methodology that tracks cohorts of students as they enter ninth grade and measures the percentage who graduate with a Maryland high school diploma within four years.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: MSDE has received a federal grant of approximately \$5.9 million to add unique student identifiers to its existing data bank. The addition of the unique identifiers would enable MSDE to implement the graduation rate calculation without additional State funds.

Local Effect: Any additional data collection requirements for local school systems could be performed with existing resources.

Small Business Effect: None.

Analysis

Bill Summary: By September 1, 2011 and each year thereafter, local school systems and MSDE must report graduation rates as calculated using the new methodology. Rates must be reported in the aggregate and disaggregated by five race/ethnicity groups and

three at-risk categories. The graduation rate formula, including permissible adjustments consistent with the federal No Child Left Behind Act (NCLB), must be used as the additional high school indicator to determine whether a high school has made adequate yearly progress (AYP) under NCLB. Students who graduate on time with GEDs or other certificates not aligned with State standards are not included in the formula calculation.

Prior to 2011, unless MSDE implements the graduation rate formula earlier than is required by the bill, local boards and MSDE must report a less precise “interim graduation rate” by September 1 of each year. In 2006, 2007, 2008, 2009, and 2010, the interim graduation rate must be used as the additional high school indicator to determine whether a high school makes AYP under NCLB.

MSDE must report annually on the implementation of the graduation rate methodology, statistical analyses and data verification processes developed for the methodology, and discrepancies discovered in the analysis of graduation rate data. A report on the interim graduation rate calculation is due from MSDE by August 1, 2006.

MSDE must implement training for personnel responsible for collecting, maintaining, analyzing, and reporting graduation data and must provide technical support to the local boards of education with respect to these efforts. MSDE also must establish a standard process for verifying graduation rate data and must serve as the central repository for the data. Finally, a public awareness campaign about the need for accurate graduation data must be implemented by MSDE.

Local boards of education and MSDE may develop additional indicators regarding alternative high school completions. MSDE must ensure that that the indicators are comparable for all schools and school systems.

Current Law: Although the current measure does not meet the standards established in the bill, MSDE reports aggregate and disaggregated graduation rates for schools, school systems, and the State. Aggregate information is used to determine whether high schools have made AYP under NCLB.

Background: The bill proposes a graduation rate methodology that has been recommended by the National Governor’s Association (NGA). In a 2005 report entitled *Graduation Counts*, a task force assembled by NGA to examine graduation data made adopting a standard four-year, adjusted cohort graduation rate its top recommendation. The report notes that “the quality of state high school graduation and dropout data is such that most states cannot accurately account for their students as they progress through high school.” The report also recommends that states adopt additional, complementary indicators of high school completion and develop public awareness about the need for good graduation data.

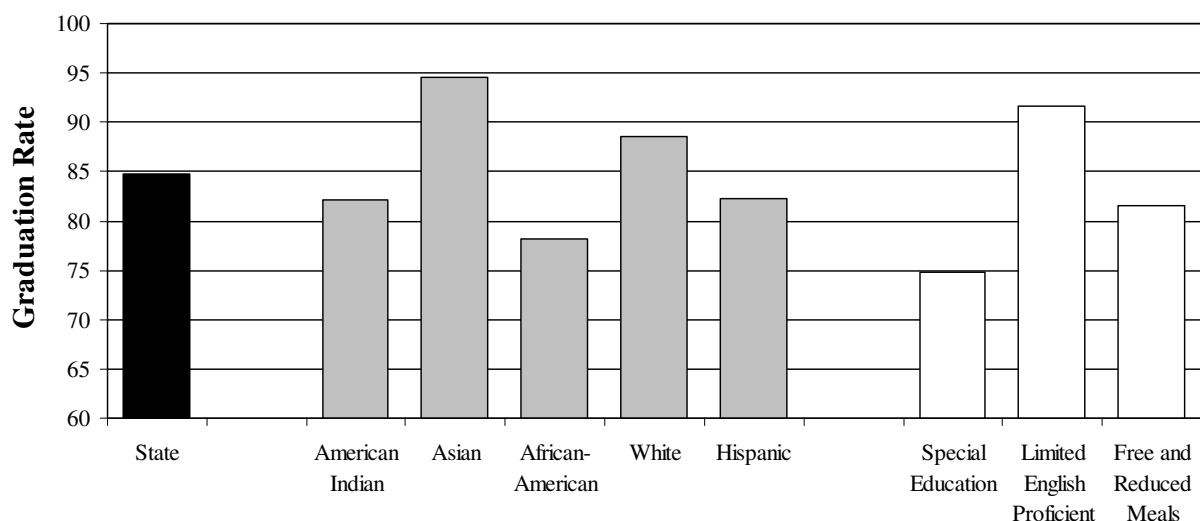
MSDE reports a 2005 graduation rate for Maryland of 85%. As shown in **Exhibit 1**, the rates for local school systems range from 59% in Baltimore City to 95% in Frederick County. Only four school systems have graduation rates below 80%: Baltimore City and Dorchester (78%), Kent (77%), and Wicomico (79%) counties. Graduation rates for five categories of race/ethnicity and three categories of at-risk students are shown in **Exhibit 2**.

Exhibit 1
2005 Graduation Rates by Local School System

Allegany	87.6%	Harford	89.0%
Anne Arundel	83.0%	Howard	93.8%
Baltimore City	59.0%	Kent	76.6%
Baltimore	84.8%	Montgomery	91.4%
Calvert	90.0%	Prince George's	86.8%
Caroline	80.2%	Queen Anne's	87.7%
Carroll	93.8%	St. Mary's	87.0%
Cecil	83.4%	Somerset	81.8%
Charles	84.7%	Talbot	91.1%
Dorchester	78.3%	Washington	91.3%
Frederick	95.0%	Wicomico	78.6%
Garrett	85.3%	Worcester	88.7%

Source: Maryland Report Card, Maryland State Department of Education

Exhibit 2
Statewide 2005 Graduation Rates



Source: Maryland Report Card, Maryland State Department of Education

State Expenditures: MSDE advises that it has received a \$5.9 million three-year federal grant to add unique student identifiers to its existing data sets. Adding the student identifiers will enable MSDE to track student progress over multiple years and will make the graduation rate calculation proposed in this bill possible. No additional State funds will be required.

Additional Information

Prior Introductions: None.

Cross File: SB 59 (Senator Britt) – Education, Health, and Environmental Affairs.

Information Source(s): Maryland State Department of Education, Department of Legislative Services

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