

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

Senate Bill 284

(Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Education)

Education, Health, and Environmental Affairs

Ways and Means

**Education - High School Graduation Records - Collection, Maintenance, Analysis,
and Reporting**

This departmental bill modifies the Maryland high school graduation rate formula to be consistent with federal regulations and guidelines. In addition, the ethnic and racial categories for which graduation rates must be reported are altered to align with federal requirements. The bill also repeals the annual graduation rate reporting requirement.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: The Maryland State Department of Education (MSDE) can implement the changes with existing resources. Alignment with federal standards for reporting graduation rates and disaggregating data by racial and ethnic groups enables the State to continue receiving federal education funds.

Local Effect: Local school system expenditures may increase minimally to update their student data collection systems.

Small Business Effect: MSDE has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Bill Summary: The graduation rate is defined as the number of students who graduate on time with a Maryland high school diploma divided by the number of students in the

four-year adjusted cohort. The “four-year adjusted cohort” is defined as a group of students who are entering the ninth grade for the first time from a cohort that is subsequently adjusted by adding any students who transfer into the cohort later during the ninth grade and the next three years and subtracting any students who transfer out, emigrate to another country, or die during that same period. Students retained in a grade are included and are only counted once as members of their original cohort. “On time” means by the conclusion of a four-year adjusted cohort’s fourth year of high school.

Each local board is required to report and post the graduation rate aggregated and disaggregated by Hispanic or Latino of any race; for individuals who are non-Hispanic or non-Latino only: American Indian or Alaska Native; Asian; Black or African American; Native Hawaiian or other Pacific Islander; White; or two or more races. The graduation rate must also be disaggregated by: students who are limited English proficient; students who receive free and reduced priced meals; and students who receive special education services.

Current Law: The graduation rate is defined as the number of students who graduate on time with a Maryland high school diploma divided by the number of students in the four-year cohort. The “four-year cohort” includes a student who: transfers into the group; is retained in grade; or is enrolled in a GED program. The “four-year cohort” does not include a student who: dies before graduation; transfers out of the group; or the local board confirms has permanently left the United States. Students retained in grade are only counted once as member of their original cohort.

Each local board is required to report and post the graduation rate aggregated and disaggregated by American Indian, African American, Hispanic, White, Asian/Pacific Islander, students who are limited English proficient, students who receive free and reduced price meals, and students who receive special education services.

By November 1 of each year, the State Board of Education is required to report to the Governor and the General Assembly regarding: the implementation of the graduation rate methodology enacted in Chapters 229 and 558 of 2006; statistical analyses and data verification processes developed while implementing Chapters 229 and 558; and discrepancies discovered while collecting, maintaining, analyzing, and publicly reporting the required information.

Background: Chapters 229 and 558 of 2006 required MSDE and local boards of education to collect and maintain data to calculate a graduation rate for each graduating class based on a methodology recommended by the National Governor’s Association in a 2005 report entitled *Graduation Counts* and promoted by the Alliance for Excellent Education. The new methodology had to be operational by 2011, and an interim

methodology was put in place until the database needed to implement the new methodology was operational.

In 2009, the U.S. Department of Education announced that it would define the calculation for the four-year cohort graduation rate and the rate would be incorporated into the reporting and accountability requirements under the federal Elementary and Secondary Education Act of 2001 (ESEA). Therefore, Maryland needs to modify its four-year graduation rate calculation in order to assure Maryland's continued eligibility for Title I and other federal funds. In addition, it assures comparability of graduation data with all other states, which was the intent of Chapters 229 and 558.

The bill also addresses federal changes in its mandated categories for ethnicity and race as well as the additional sub-categories for special populations. MSDE reports that every state will need to revise their reporting and accountability methodologies to meet the federal regulations and guidelines by 2012.

MSDE reports that the annual reporting requirement was to enable the Governor's Office and the legislature to track progress towards the full implementation of Chapters 229 and 558, which have been fully implemented, and is therefore no longer necessary. Further, MSDE currently has the infrastructure necessary for the reporting of a graduation cohort rate on www.mdreportcard.org. The website exceeds the parameters and timeline of the original legislation, thus making a separate reporting requirement on progress outdated and redundant.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education; Harford, Montgomery, and Prince George's counties; Department of Legislative Services

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ncs/mwc

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Education – High School Graduation Records – Collection,
Maintenance, Analysis, and Reporting

BILL NUMBER: SB 284

PREPARED BY: Maryland State Department of Education

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

☒ WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESS

OR

☐ WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.