GRADUATING AMERICA:

MEETING THE CHALLENGE OF LOW GRADUATION-RATE HIGH SCHOOLS

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July 2009

EVERYONE GRADUATES CENTER

JOBS FOR THE FUTURE

THIS REPORT IS A COLLABORATION BETWEEN THE EVERYONE GRADUATES CENTER AT JOHNS HOPKINS UNIVERSITY AND JOBS FOR THE FUTURE.

Generously funded by the Bill & Melinda Gates Foundation.

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EVERYONE GRADUATES CENTER

The Everyone Graduates Center is located at the Center for Social Organization of Schools at Johns Hopkins University. The center's mission is to help develop and disseminate the know-how required to enable all students to graduate from high school prepared for college, career, and civic life. Through a systematic and comprehensive approach, EGC combines analysis of the causes, location, and consequences of the nation's dropout crisis with the development of tools and models designed to keep all students on the path to high school graduation and capacity-building efforts to enable state, communities, school districts, and schools to provide all students with the supports they need to succeed.

JOBS FOR THE FUTURE

Through research, action, and advocacy, Jobs for the Future develops promising education and labor-market models that enable American families and companies to compete in a global economy. Across the United States, in partnership with foundations and other national nonprofits, JFF improves the educational and workforce pipelines leading from high school to college to family-sustaining careers. Our initiatives take us to 206 communities in 41 states and the District of Columbia.

ABOUT THE AUTHORS

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Janet Santos conducts research at Jobs for the Future on state policies enabling the development of blended K-12 and higher education models—dual enrollment, early college high schools, and back on track models. Before joining JFF, Ms. Santos was an intern at the Annenberg Institute for School Reform, where she provided research support. She spent five years as a program associate at The Education Alliance at Brown University, assisting in the development of training materials and tools facilitating the implementation of effective instructional and curricular interventions for English language learners. At the Education Alliance, she co-authored reviews of literature on minority teachers in education and on second language-writing instruction for adolescent English Language Learners. Ms. Santos has a M.A. in Urban Education Policy and a B.A. from Brown University.

Adria Steinberg, a vice president at Jobs for the Future, leads the organization's efforts to improve educational prospects and options of young people who have become disengaged and disconnected from their schooling. These efforts currently include: 1) developing new program models to help these young people get back on track to high school completion and college and career success; 2) demonstrating how cities can implement systems of high quality learning environments for this population, by working with leading school districts and their partners; 3) developing a training platform and tools to support other cities to follow suit; and 4) working with state and federal policymakers to improve graduation rates and support creation and scale-up of program designs for off-track and out-of-school youth. Ms. Steinberg has authored many publications, including a five-year stint as primary writer/editor of *The Harvard Education Letter*. Recent publications include: *Raising Graduation Rates in an Era of High Standards*; *Making Good on a Promise: What Policymakers Can Do to Support the Educational Persistence of Dropouts*; and *On the Road to Reform: Building a System of Equitable and Excellent High Schools*.

ACKNOWLEDGMENTS

A special thanks to our colleagues Richard Kazis and Joel Vargas at JFF, and Ruth Curran Neild at EGC, who made critical, thoughtful and timely conceptual contributions to this report. Thanks also to Thomas C. West who provided invaluable help with the data analysis. Final thanks to Carol Gerwin and Marc Miller for their skilled and insightful editorial assistance.

EXECUTIVE SUMMARY

In his first major address to Congress, President Barack Obama envisioned a country where dropping out "is no longer an option." He linked improving high school graduation rates to restoring the nation's economic and political standing in the world.

Since then, federal officials and educators have focused on transforming or replacing the 2,000 high schools that produce more than half of U.S. dropouts. No longer can these failing schools, which routinely graduate fewer than two-thirds of their students, "go it alone." Substantially increasing the number of young people who earn a high school diploma and are ready for college will require effective partnerships among the federal government, states, communities, and school districts.

The timing could hardly be better. The American Recovery and Reinvestment Act (ARRA) is pumping billions of dollars into turning around low-performing schools and has laid important groundwork for different levels and branches of government to work together.

Despite the temptation to quickly scale up interventions that have made an impact in a few places, it would be a waste of precious resources to do so without carefully analyzing the conditions that make success possible. Too often, good ideas are applied in the wrong places. And no single approach—or particular combination of federal, state, and local participation—will work for every low graduation-rate high school.

To navigate this tricky terrain, policy and practice leaders require a framework for deciding which strategies to apply where, and how each level of government should participate. This report takes the critical first step, providing analytic tools for examining the characteristics of schools, districts, and states that make certain approaches more likely to succeed in certain places. By analyzing these factors, leaders will be better able to diagnosis reform opportunities and challenges and target human, financial, and knowledge resources to where they are needed most and have the potential to do the most good.

While high schools with low graduation rates have developed in every state and many communities across the country, they are concentrated in a subset of 17 states that produce approximately 70 percent of the nation's dropouts. These states, which are the focus of this report, are by no means homogeneous. Some are densely populated; others are not. Nearly half have raised their graduation rates, while rates remain stagnant or have worsened in others. These 17 states are the "make or break" places on the road to reaching the President's goal of making America once again first in the world in educational attainment.

FACTORS TO CONSIDER IN MAKING STRATEGIC CHOICES

To make wise choices about effective transformation strategies for these states and others with low graduation rates, three major factors should be considered.

FACTOR #1: PATTERNS OF GEOGRAPHIC SPREAD AND CONCENTRATION: IMPLICATIONS FOR LOCAL, STATE, AND FEDERAL ACTION

Understanding the geographic spread and concentration of low graduation-rate high schools within a state is critical to devising strategies that are most likely to improve graduation rates. Research by the Everyone Graduates Center and Jobs for the Future reveals three distinct types of "make or break" states. Each represents a unique combination of the geographic spread and concentration of high schools with low graduation rates, with a unique combination of federal, state, and local government involvement required to make a difference.

Big City Challenge: *Intense concentration of low graduation-rate high schools in one or two metropolitan school districts*. In Illinois, New York, Pennsylvania, and Tennessee, low graduation-rate high schools are intensely concentrated in one or two cities. At least 60 percent of the state's students who go to schools with low graduation rates attend school in Chicago, Memphis City, Metro Nashville, New York City, or Philadelphia. However, low graduation-rate high schools account for less than 15 percent of all high schools in these states.

In these states, transforming low graduation-rate high schools will require that local officials take a leading role. State and federal governments also have important roles to play: removing policy barriers to school reform strategies; requiring states to include graduation rates in accountability systems; developing funding opportunities; pushing for effective district-wide reforms; and using the bully pulpit to underscore the need to address the dropout crisis throughout the state.

Statewide Spread: *Low to modest concentration of low graduation-rate high schools spread throughout much of these states*. Low graduation-rate high schools are spread across these states. They are located in multiple urban districts, as well as in small towns and counties, including many districts with just one high school. These schools are a relatively small percentage of all the states' high schools.

Eight states share this pattern, clustered into two subgroups. California, Michigan, and Ohio have the lowest percentage of low graduation-rate high schools among the "make or break" states. However, because of their large populations, they each have nearly 100 or more of these schools. Alabama, Arizona, Mississippi, North Carolina, and Texas have somewhat higher concentrations of low graduation-rate high schools. In Alabama, Mississippi, and North Carolina, over half of the schools are in rural communities.

This category includes the states perhaps best positioned for progress. Because the relative numbers of low graduation-rate high schools are not overwhelming and spread throughout the state, a strong case can be made for state action. Federal officials should encourage states in this category to play an active role, and federal incentive funding could help develop statewide strategies, including a focus on helping impacted districts develop dropout prevention, intervention, and recovery programs and implement new school designs, especially ones tailored to students at high risk of dropping out.

Statewide Crisis: *High concentrations of high schools with low graduation rates that are widespread across the state*. Florida, Georgia, Nevada, New Mexico and South Carolina have among the nation's lowest overall graduation rates. The likelihood that any student is assigned to a school where graduation is not the norm is alarmingly high.

The prevalence of low graduation-rate high schools with large proportions of dropouts argues for a substantial federal role, especially since most of these states are in dire economic straits. At the same time, state policymakers must make it clear that dramatically increasing graduation rates is a top priority.

FACTOR #2: DISTRICT, SCHOOL, AND STUDENT CHARACTERISTICS: OPPORTUNITIES AND CHALLENGES

The second step in analyzing what it will take to transform or replace low graduation-rate high schools is to look closely at the districts, schools, and students themselves. Among the most critical questions to answer are how many districts with major dropout problems have a single high school, making it the only public option available to young people, and how common low graduation-rate high schools are in districts with multiple high schools. Other important factors include school size, student-teacher ratios, the proportion of students living in poverty, and the proportion of students from minority backgrounds, as well as how these characteristics interact.

In single-high-school districts, the case for fundamental change may be strong, but reform options might be constrained because these schools typically are central to the community. Efforts to transform these high schools must engage community leaders who have the credibility and skill to galvanize parents and others about the need for change. State governments can create incentives for communities to improve their high schools, but they also must tailor approaches to the unique opportunities and challenges in rural areas and single-high-school districts.

A district with a high concentration of low graduation-rate schools often needs to transform the entire secondary education system. As a result, not only school leaders but also district leaders may need technical assistance. In addition, states may need to invest in building the capacity of school districts to manage complex change, including supporting improvements in their data systems, professional development, and human resource departments.

FACTOR #3: STATE AND COMMUNITY CONTEXT: BROADER FACTORS INFLUENCING LOCAL OPPORTUNITIES

The broader socioeconomic, demographic, and political trends in the community and state influence and shape reform possibilities. Among the important factors to consider are the vibrancy of the local economy, the scale of population growth, and the speed with which the community is becoming multicultural. These all affect the feasibility and nature of collective action, as do the community's commitment to public education and the labor market for young people.

For example, the economic crisis has hit all 17 "make or break" states hard, and 11 were among the 15 with the nation's highest unemployment rates in 2008–09. Communities most heavily affected by economic and population trends will likely require increased federal and state resources and technical assistance in addition to community-level strategic planning.

RECOMMENDATIONS FOR IMMEDIATE FEDERAL ACTION

The federal government has a once-in-a-generation opportunity to stimulate significant progress in solving the nation's graduation crisis. Leaders in policy and practice must seize the moment and plan thoughtful approaches to using federal ARRA and other funding to help turn around failing high schools. In particular, federal officials should rethink how they can most effectively target resources to tackle the challenges posed by the high schools that produce most of the nation's dropouts.

Immediate federal action in four areas would make a significant difference in efforts to help hundreds of thousands more high school students earn a diploma and prepare for postsecondary education:

1 Require states seeking ARRA Race to the Top funding to use analytic data on graduation rates and low graduation-rate high schools as part of their plans for turning around failing schools.

Recommendation: The ARRA should require states applying for Race to the Top funding to identify their lowest graduation-rate high schools and to analyze the concentration and spread of these high schools, as well as other relevant school, student, and contextual factors in the selection of strategies.

2 Build the capacity of states, districts, and schools to implement appropriate high school reform strategies.

Recommendation: No single strategy or approach will work for all states, districts, and schools. Capacity-building and technical-assistance efforts need to be flexible enough to allow those with the capacity to lead to do so, which will sometimes be the state and other times the district or school, often in concert with reform organizations. Federal and state leaders can use a variety of approaches to build capacity. For example, they can support community-led efforts to raise the graduation rate through a community investment fund, similar to a fund mandated in the 2009 Edward M. Kennedy Serve America Act.

3 Designate additional federal innovation funding for the development and replication of effective school designs to use in transforming or replacing low graduation-rate high schools.

Recommendation: Transforming or replacing all of the nation's low graduation-rate high schools will require investment in new school designs, as well as growing and spreading models that are effective for the low-income students who predominate in failing schools, including the substantial percentage of students who are not on track to graduate. More is known now than ever before about what works for this group of young people. Promising results are emerging from new small schools and programs that put them back on track to graduation. The federal government can provide incentives for states to reallocate resources and encourage innovators to expand the supply of such designs and models.

4 Target federal financing to high schools, districts, and states with the most pressing dropout problems.

Recommendation: The whole nation suffers from the failure of high schools in Florida, California, and other large states. Like the financial services giant AIG, they are simply too big to fail. And many communities in states such as South Carolina and Michigan, where industry has left, may be too fragile to recover on their own. Graduation Bonds, similar to the Recovery Bonds mandated in the ARRA, could go a long way toward providing needed seed capital to enable districts to transform or replace low graduation-rate high schools and to develop new options for dropouts.

IN CONCLUSION

In order to make progress, our nation's leaders and the public must get beyond the myth that "nothing works," that low graduation-rate schools cannot be transformed or replaced successfully. The growing knowledge base of promising strategies, combined with a more concerted effort to match reforms to the circumstances where they are most likely to succeed, can go a long way in helping the nation reach the president's goal of once again being the first in the world in the percentage of our young people who complete high school and earn a postsecondary credential as well.

INTRODUCTION: A NEW SPOTLIGHT ON THE DROPOUT CRISIS

Just six weeks into his administration, President Obama brought fresh urgency to calls for solving the dropout crisis in America. In his first major address to Congress, the President envisioned a country where dropping out "is no longer an option," and he linked sweeping improvement of high school graduation rates with the restoration of the nation's economic and political standing in the world. Since then, federal officials and educators have focused increasingly on the formidable task of transforming or replacing the 2,000 high schools that produce more than half of U.S. dropouts.[1]

The primary responsibility for fixing these struggling schools has for years rested mainly in the districts where the schools are located and within the schools themselves. For the most part, however, this "go-it-alone" strategy has not produced the desired results. These high schools continue to routinely graduate less than two-thirds of their students.[2] Simply put, their challenges outweigh the current capacity of the schools and districts to address them (Balfanz & Legters 2004; Steinberg & Almeida 2008; Pinkus 2009).

Now the federal government, states, communities, and school districts have the opportunity—and the obligation—to take a hard look at how to work together to substantially increase the number of young people who graduate from high school and are ready for college. The American Recovery and Reinvestment Act (ARRA) has laid important groundwork for building effective partnerships among different levels and branches of government. For the first time, substantial federal dollars are available to help turn around low-performing high schools.[3]

USING GOOD IDEAS IN THE RIGHT PLACES

Ultimately, the success of these efforts will depend on the ability of policymakers and school reformers to find and implement effective school transformation and replacement strategies. To do so they will need to navigate the challenging terrain between "one-size-fits-all" reform plans and "every school is unique" approaches. The selected strategies need to be robust enough to overcome the educational challenges faced and tailored to the local context in which the effort must succeed. At the same time, they need to be scalable to similar contexts so that pockets of success can lead to widespread improvement.

No single approach will work for every school. The pressure to find ways to fix schools fast will no doubt tempt some to scale up interventions that make an impact in one or a few sites, without a careful analysis of the conditions that made success possible. Too often, well-meaning people have applied good ideas in the wrong places. The inevitable result is disappointment and the abandonment of strategies that have the potential to make a significant difference when applied in locations with favorable conditions.

A NEW ANALYSIS OF AN ENDURING PROBLEM

Navigating this tricky terrain will require new methods to help policy and practice leaders decide systematically which strategies to apply where, and the role each level of government will need to play in transforming or replacing the nation's low graduation-rate high schools.[4] This report takes the critical first step, providing a new set of analytic tools to examine the characteristics of low graduation-rate high schools as well as the districts, and states where they are located. The goal is to enable a better diagnosis of the reform opportunities and challenges present in each location and in so doing lead to more effective targeting of the human, financial, and knowledge resources. In short, spread the appropriate know-how to the locations where it can do the most good.

While high schools with low graduation rates have developed in many communities across the country, it is a subset of 17 states that produces about 70 percent of the nation's dropouts and houses more than 70 percent of the U.S. high schools with the lowest graduation-rates. Each of these states produces either a disproportionate share of dropouts given its population or a large absolute number of dropouts. (*See Appendix A, Report Methodology, Why These States, and Appendix B, Table 1.*)

The states are hardly homogeneous: Some are densely populated; others are largely rural. Nearly half have made some recent progress in raising their graduation rates, most notably Tennessee, while graduation rates in others have remained stagnant or declined. (*See Appendix B, Table 2.*) Together, the 17 states, which also account for 68 percent of the nation's children and youth living in poverty, are the "make or break" places on the road to reaching the goal of making America once again first in the world in educational attainment (U.S. Census Bureau 2007a).

To make wise choices about effective improvement strategies for these "make or break" states and other places with high dropout rates, three major factors should be considered:[5]

- The geographic spread and concentration of low graduation-rate high schools within each state;
- The number of low graduation-rate high schools in a school district, their characteristics, and the composition of their student body; and
- The broader socioeconomic and demographic trends within each state and community, such as whether a state is gaining or losing population, economically vibrant or stagnant, and becoming multicultural rapidly or slowly.

Each of these factors enables or constrains efforts to transform or replace low graduation-rate high schools. The first three sections of the report analyze each of these core factors for the 17 "make or break" states and discuss the implications for federal, state, and local policymakers who seek to turn around the 2,000 high schools driving the nation's dropout crisis. The report is intended to be useful to policymakers and practice leaders, as well as to the reform organizations and networks with whom they partner. The final section of the report offers four policy recommendations for immediate federal action that would go a long way toward helping to improve graduation rates where it matters most.

FACTOR #1: PATTERNS OF GEOGRAPHIC SPREAD AND CONCENTRATION: IMPLICATIONS FOR LOCAL, STATE, AND FEDERAL ACTION

Understanding the geographic spread, and concentration of low graduation-rate high schools within a state—whether they are primarily in one or two cities or spread throughout all regions—is critical to devising strategies that are most likely to improve graduation rates there. Trying to transform 20 to 50 low graduation-rate high schools in a single large city, for example, is an entirely different task than turning around the same number of schools scattered across several urban and many suburban or rural districts.

Research for this paper reveals three distinct "make or break" state groupings, each with a unique combination of the geographic spread and concentration of high schools with low graduation rates.[6]

1. **BIG CITY CHALLENGE:** The majority of a state's low graduation-rate high schools are found in one or two highly impacted metropolitan school districts.
2. **STATEWIDE SPREAD:** Low to modest concentration of low graduation-rate high schools spread across multiple school districts in the state.
3. **STATEWIDE CRISIS:** High concentration of low graduation-rate high schools found throughout the state. The likelihood of any student being assigned to a school where graduation is not the norm is alarmingly high.

These patterns cross geographic boundaries, as illustrated in the U.S. map (*see **Figure 1***). This suggests possibilities for cross-state conversations and information sharing that goes beyond regional borders. It also indicates that the natural tendency to group states based on their geographic proximity may not be the most productive path.

BIG CITY CHALLENGE: INTENSE CONCENTRATION IN ONE OR TWO METROPOLITAN SCHOOL DISTRICTS

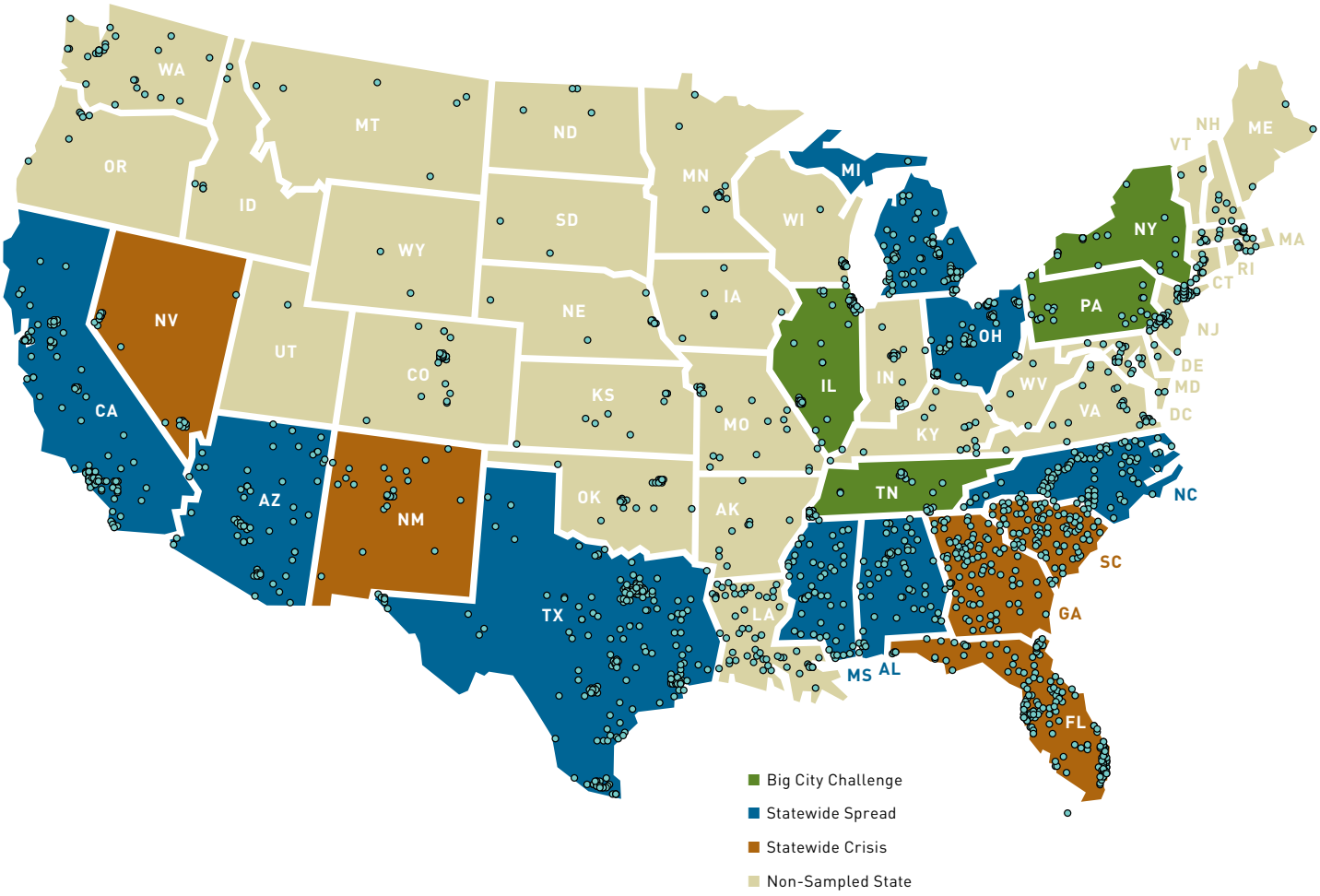
In four states—Illinois, New York, Pennsylvania, and Tennessee—low graduation-rate high schools are intensely concentrated in one or two metropolitan school districts. At least 60 percent—and as much as 84 percent—of the states' students who go to schools with low graduation rates attend school in one of these large urban districts: Chicago, Memphis City, Metro Nashville, New York City, or Philadelphia (*see **Figure 2***). However, despite their large numbers and intense concentrations in one or two urban areas, low graduation-rate high schools do not represent a large percentage of all high schools in these states. In fact, they account for less than 15 percent—and as little as 9 percent—of all high schools. (*See Appendix B, Table 3.*)

Policy Implications: Districts as Lead Actors

In the Big City Challenge states, the transformation of low graduation-rate high schools will require local officials to take the lead. The individual school districts, the mayors' offices, and other political leaders in the affected urban areas are best positioned to play key roles. As New York City, Philadelphia, and Portland, Oregon have shown, local leaders can be instrumental in partnering with community organizations to launch a data-driven strategic planning process, which should include a careful analysis of the scope and dimensions of the dropout problem, as well as an analysis of the resources and partnerships that potentially could be leveraged to address it.[7] Ultimately, the districts and their partners will need to develop and implement a strategic plan for transforming or replacing failing high schools along with ways to reengage large numbers of dropouts and students at risk of dropping out.

Figure 1.

Geographic Spread and Concentration of Low Graduation-Rate High Schools Across 17 States: 2005–06

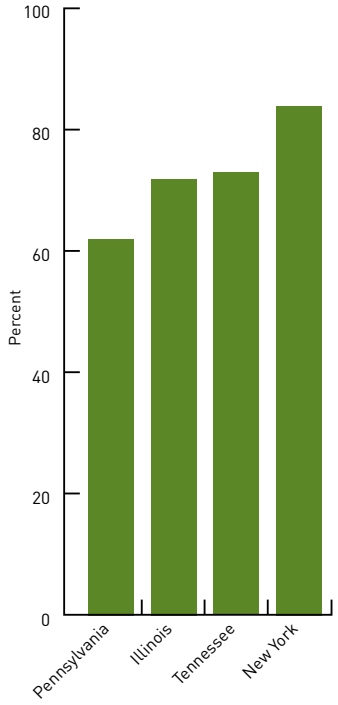


NOTE: Colors will be represented in Figures 2, 3, 4, 5, 8, 11, and 13.

Figure 2.

Big City Challenge States: 2005–06

Percent of All Students in Low Graduation-Rate High Schools Attending Schools in Two or Fewer Metropolitan Districts



The challenge for these state governments is determining how best to support necessary action in the heavily affected metropolitan districts.[8] It is difficult for districts to go it alone. The cities are grappling with historically or current high rates of population growth, high or growing poverty rates, and educational funding that has not kept pace with the need (Gaines 2008; U.S. Census Bureau 2006). In addition, state laws and regulations may contain barriers to some of the strategies that local leaders seek to use, such as creating more flexible charter-school-like conditions in schools targeted for turnaround (Steinberg & Almeida 2008; Calkins, Guenther et al. 2007).

A number of factors, however, fuel tensions between local and state leaders. In most of these states, the department of education is physically and often culturally located some distance from the school districts in need. Chicago and New York City, for example, are not easily directed or supported from Springfield or Albany. Graduation rates are also considerably higher, on average, in the rest of these states, so the situation may not have the same urgency beyond the urban cores.

State policymakers are often reluctant to target additional resources to urban districts for fear of political fallout in their own communities where the dropout problem may seem relatively insignificant. Nevertheless, to raise the state graduation-rate and ensure steady growth of skills in the emerging workforce, policymakers cannot ignore the dropout problem in either their own districts or major urban districts where low graduation-rate high schools are concentrated. This means focusing on the schools that are losing the most students, as well as creating new options for young people who have already dropped out. In these states, graduation rates will not rise significantly until a means is found to transform or replace a score or more of high schools educating tens of thousands of students.

One early step states can take is to conduct a "policy audit" to find and remove policy barriers that create disincentives to district action and to identify areas where new policies or waivers might be needed. State leaders also can use their data on graduation and "on-track-to-graduation" rates as a trigger for pushing large, highly impacted districts toward significant reform and redesign of their secondary schools. Given the large number of low graduation-rate high schools in these districts, systemwide reform certainly will be required.

States also can use their oversight role to provide continuity across changes in district leadership. In so doing, they can help provide districts with the time and focus required not only to transform their low graduation-rate high schools but also to reform their middle-grade feeder schools, create strong dropout recovery programs, and build better pathways to postsecondary success for all students.

At the same time, the involvement of the federal government can help mitigate the political dynamic that often constrains state policymakers from targeting additional resources to the problem. By using the national bully pulpit to underscore the need to address the dropout crisis, requiring states to measure and count graduation rates in state accountability systems, and developing funding mechanisms that recognize both the large scale and high need of these highly impacted large districts, the federal government can pave the way for state policymakers to act without risking their own political futures.

The federal government also can remove barriers and provide incentives to allow and encourage state and local leaders to use dollars more strategically. Youth and public care agencies could receive funding to help them collaborate with districts to implement more effective efforts to improve student school attendance, engagement, and success. Such collaboration will require changes in rules, regulations, and the flow of funding streams, as well as changes in long-standing practices among agencies, including those focused on education, juvenile justice, foster care, mental health, and housing.

Although this would be useful throughout the nation, it is in the large, highly impacted urban school districts that initial efforts would bring the biggest impact. For example, in Philadelphia, a citywide collaborative of agencies and organizations, staffed by the Philadelphia Youth Network, has begun to make headway on the graduation rate crisis by focusing efforts on the mayor's goal of halving the dropout rate by 2014.[9]

STATEWIDE SPREAD: LOW TO MODEST CONCENTRATION SPREAD THROUGHOUT MUCH OF THE STATE

In the largest grouping of "make or break" states, low graduation-rate high schools are spread across the state. They are located in several cities, as well as in small towns and counties, including many districts with just one high school. Even so, these schools are a relatively small fraction of all the state's high schools, commonly representing one in five, or less.

Eight states share this overall pattern, but they cluster into two clear subgroups. California, Michigan, and Ohio have the lowest percentage of low graduation-rate high schools among the group of "make or break" states (fewer than one in six), found in the fewest districts (fewer than one in seven). This means that the overwhelming majority of school districts in these states have no high schools with very low graduation rates (*see* ***Figure 3***).

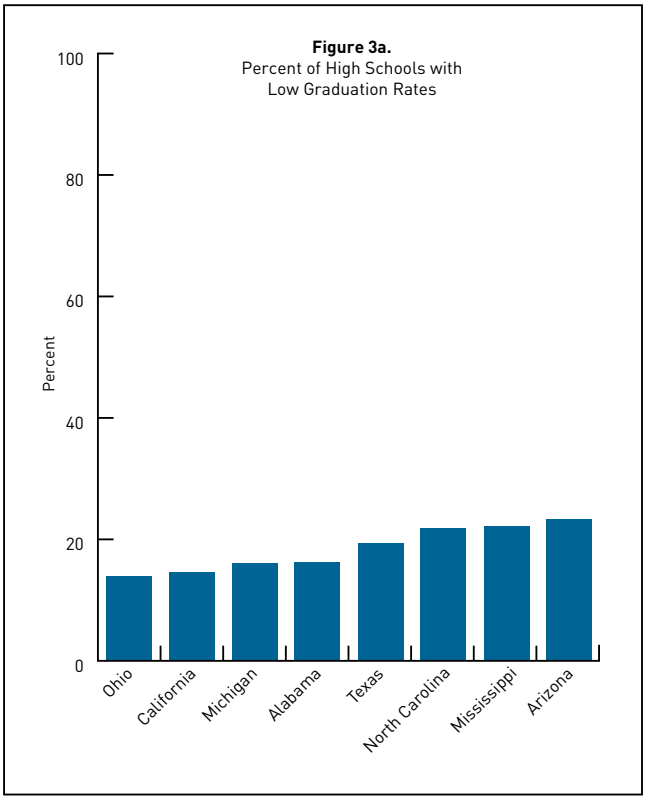
However, because of their large populations, these three states still have a significant number of high schools with low graduation rates: California (148 schools), Michigan (103), and Ohio (94). California and Michigan also each have one school district, Los Angeles and Detroit, respectively, with large numbers of low graduation-rate high schools. In both cases, however, more than half of the students in the state who attend low graduation-rate high schools do so outside of these big cities.

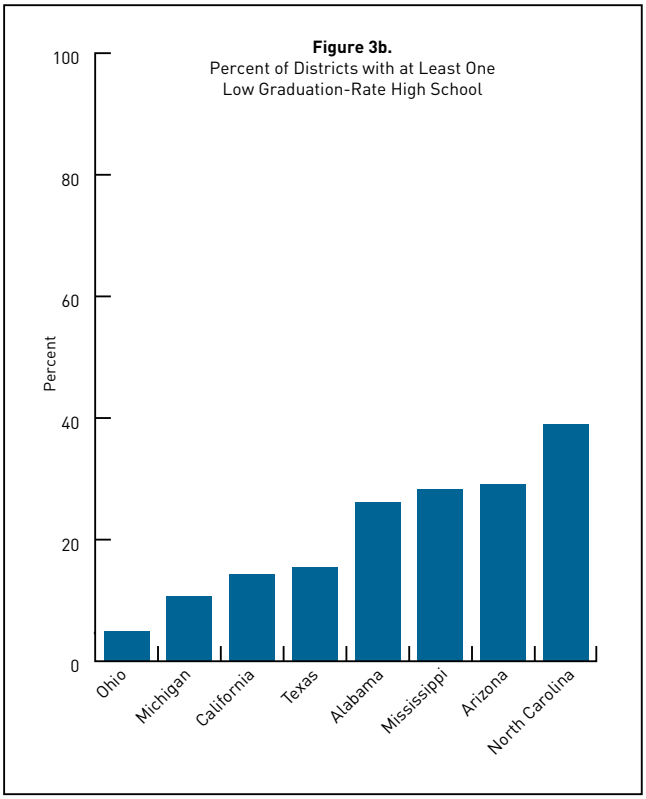
The states in the second subgroup—Alabama, Arizona, Mississippi, North Carolina, and Texas—have somewhat higher concentrations of low graduation-rate high schools. In four of these states, at least one of every five high schools has a low graduation rate and low graduation-rate high schools are found in at least one of every five districts.[10]

Each of these states has low graduation-rate high schools in multiple cities or urban centers and also in many outlying rural and/or single-high-school districts, with the exception of Mississippi, where Jackson is the only large city. In three states—Alabama, Mississippi, and North Carolina—more than half of low graduation-rate high schools are in rural communities. In Texas and Arizona, it is about a quarter. (*See Appendix B, Table 4.*)

Figure 3.

Statewide Spread of Low Graduation-Rate High Schools: 2005–06





Policy Implications: States as Lead Actors

This group of states calls for a different mix of local, state, and federal activity. Within this category are the states perhaps best positioned for progress. Because low graduation-rate high schools are found throughout the state, yet their relative numbers are not overwhelming, it is possible to make a strong case for state action. However, the feasibility of state action, as well as its specific nature, may vary across the two subgroups within this category.

Michigan shares with Ohio strong traditions of local control and a large number of school districts, both of which may constrain state action. California's sheer size and population density complicate state reform efforts. Ironically, it may be the states with a somewhat higher concentration of low graduation-rate high schools that are better positioned for effective state-led high school transformation efforts because the case for collective action is stronger.

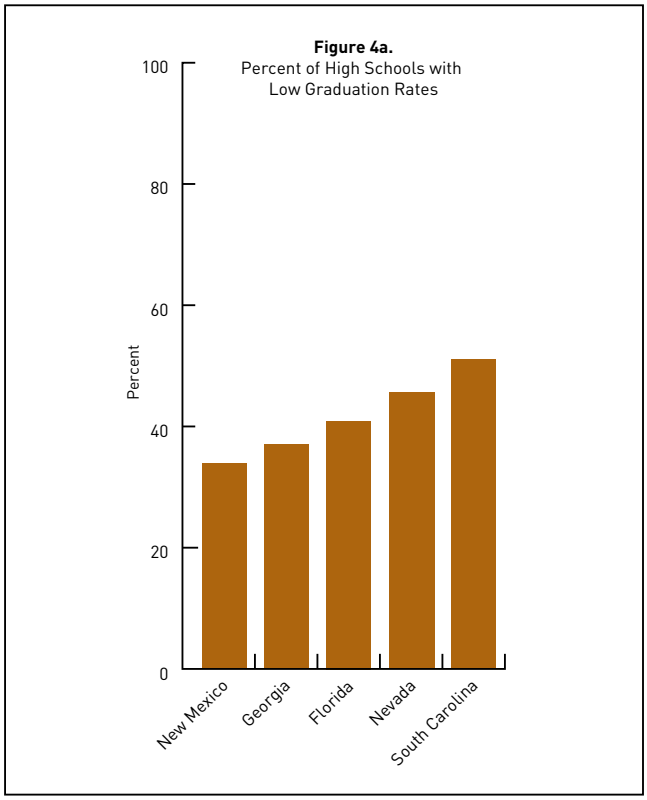
North Carolina, which has demonstrated the most recent progress among this group, is a case in point (Balfanz & West 2008). The state has the greatest distribution of high schools with low graduation rates at the district level, with low graduation-rate high schools found in just under 40 percent of its school districts. Yet these represent only 22 percent of all its high schools.

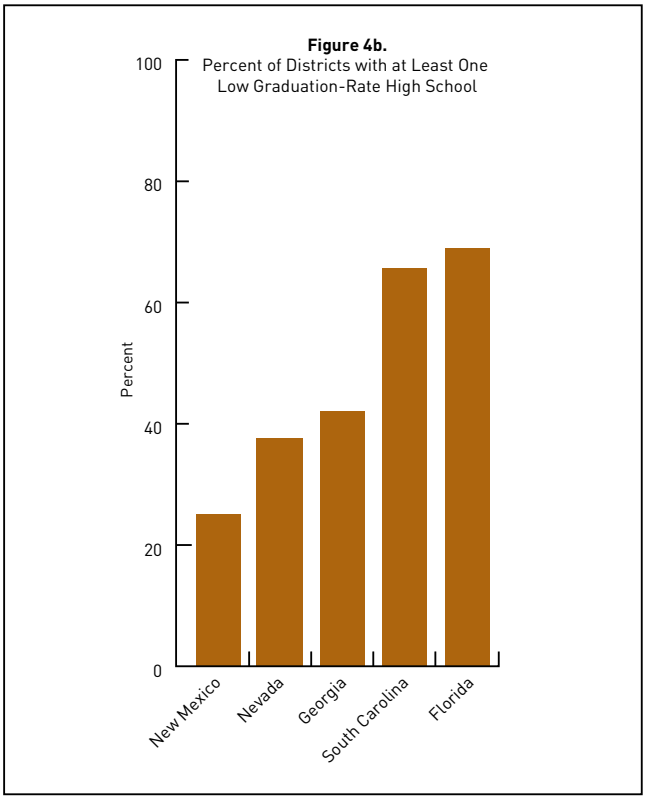
Less robust economies and lower levels of growth may have hampered the intensity of reform efforts in Alabama and Mississippi. However, both recently launched statewide, district- or county-led efforts to raise graduation rates, and Alabama is among the 12 states that have made the most recent progress in raising graduation rates (Balfanz & West 2008).

In these states, where low graduation-rate high schools touch a significant percentage of young people but their relative number remains manageable, state policymakers can make the case that transforming or replacing low graduation-rate high schools is both in everyone's interest and doable. Even in Ohio and Michigan, where strong traditions of local control potentially mitigate against state or federal officials taking directive roles in transforming schools, states can lead and organize learning networks among the many districts with high schools graduating 60 percent or less of their students. Perhaps these could be differentiated into one network for urban districts with multiple low graduation-rate high schools and another network for single-high-school districts.

Figure 4.

Low Graduation-Rate High Schools in Statewide Crisis States: 2005–06





Federal officials working with states in this category should encourage an active state role, recognizing the importance of states leveraging resources and enlisting districts as co-developers of shared strategies. Federal or state incentive funding could be used to develop a statewide strategy. Districts, based on their strengths, could work intensively on important components of dropout prevention, intervention, and recovery, such as early warning and intervention systems, effective extra help and credit recovery strategies, and the implementation of new schools designed to get young people back on track to high school and postsecondary credentials.

In return for the development dollars, participating districts would agree to share their knowledge and provide technical assistance and professional development in the use of these strategies to similar districts. It does not make sense, for example, for Dallas, Ft. Worth, Houston, San Antonio, and El Paso, or Cleveland, Cincinnati, Columbus, Akron, Toledo, and Youngstown to each work independently on all these elements in isolation, when they all are located in the same state, operate under common accountability frameworks, and face similar socioeconomic conditions.

STATEWIDE CRISIS: HIGH CONCENTRATION WIDESPREAD ACROSS THE STATE

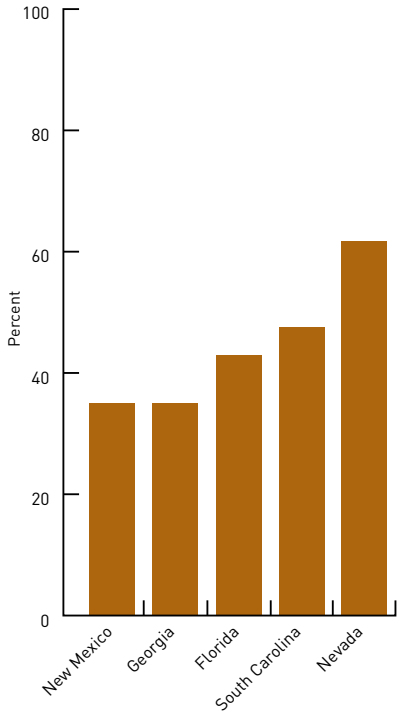
The five remaining "make or break" states—Florida, Georgia, Nevada, New Mexico, and South Carolina—feature high concentrations of high schools with low graduation rates that are widespread across the state.[11] From 25 to almost 70 percent of the districts in the state have at least one of these high schools. And in all cases, low graduation-rate high schools represent at least one-third and up to a half of all schools in these states (*see **Figure 4***).

In these states, at least one-third (and in the case of Nevada, close to two-thirds) of all high school students attend a low graduation-rate high school (*see **Figure 5***). For high school-aged youth residing in these states, the likelihood of attending high school where graduation is not the norm is alarmingly high. As a result, these five states have among the lowest overall graduation rates in the nation (Balfanz & West 2008).

Figure 5.

Statewide Crisis States: 2005–06

Percent of All Students Attending a Low Graduation-Rate High School



While low graduation-rate high schools are widespread and extensive in all these states, their number varies significantly. In the less populated states of Nevada and New Mexico, the total numbers of schools are a more manageable 31 and 37 schools, respectively. More challenging is the situation in Florida, Georgia, and South Carolina, where their numbers approach or exceed 100. (*See Appendix B, Table 3.*)

Policy Implications: Federal Government as a Lead Actor

In these five states, low graduation-rate high schools are virtually everywhere. The prevalence of high schools with large proportions of dropouts argues for the necessity of federal, as well as, direct state-level action. An immediate step that state policymakers can take is to make dramatically increasing graduation rates a top statewide priority. States can establish the means to both mobilize and sustain state and community efforts to transform these high schools.

Most of the states are in dire economic straits. The federal government needs to prioritize action in this group of states and ensure resources and technical assistance adequate to the crisis. In today's interconnected, mobile world, it is hard to imagine the nation continuing to prosper if graduation is not the norm even in states where the challenges currently outweigh the opportunities.

For example, South Carolina has among the highest unemployment rates in the nation, in part because its manufacturing base has been depleted.[12] It has many smaller towns, with low graduation-rate high schools in communities that now lack the wherewithal to finance major school improvements. Yet the development of human capital is perhaps one of the only ways these de-industrialized towns have to rejuvenate themselves. Similarly, New Mexico has among the highest percentage of children living in poverty and the weakest economic base.[13] Nevada and Florida have been hit hard by the foreclosure crisis, which has not only put more families in economic peril, but has depleted many school districts' resource bases.

FACTOR #2: DISTRICT, SCHOOL, AND STUDENT CHARACTERISTICS: ANALYSIS OF OPPORTUNITIES AND CHALLENGES

The second step in determining which high school transformation and replacement strategies have the best odds of success is to look more closely at the districts where low graduation-rate high schools are located, the schools themselves, and their students. The challenges and opportunities facing each state will be determined not only by the total number or overall proportion of low graduation-rate high schools in a state, but also by the degree of educational difficulty each school presents.

Among the most critical questions to answer are how many school districts with major dropout problems have a single high school, making it the only public school option available to young people, and how common low graduation-rate high schools are in districts with a larger number of high schools. Key school characteristics include school size and student-teacher ratios. Each of these can either enable or constrain school transformation or replacement efforts. While neither smaller school size nor more teachers by themselves necessarily lead to improvement, larger schools and fewer teachers can complicate reform efforts.

Student body composition matters in several ways. Two schools of similar size will likely have different levels and intensities of student support needs if in one 20 percent of the student body is low income and in the other 80 percent or more is. Racial and ethnic isolation that occurs when a school essentially only educates a student body from a single racial or ethnic group adds a further reform challenge.

A CLOSER LOOK AT DISTRICTS

Distribution of Low Graduation-Rate High Schools

In the vast majority of the 17 "make or break" states, most districts with low graduation-rate high schools have only one such school. For 14 states, this is true of between 60 percent and 80 percent of these districts (*see* ***Figure 6***).

The good news in this finding is that many communities have only a single high school that needs to be transformed. However, all too often that single high school is the only public high school option available to young people. In seven of the fourteen states, between 50 percent and 80 percent of the districts with only one low graduation-rate high school are single high school towns or rural communities (*see* ***Figure 6***).

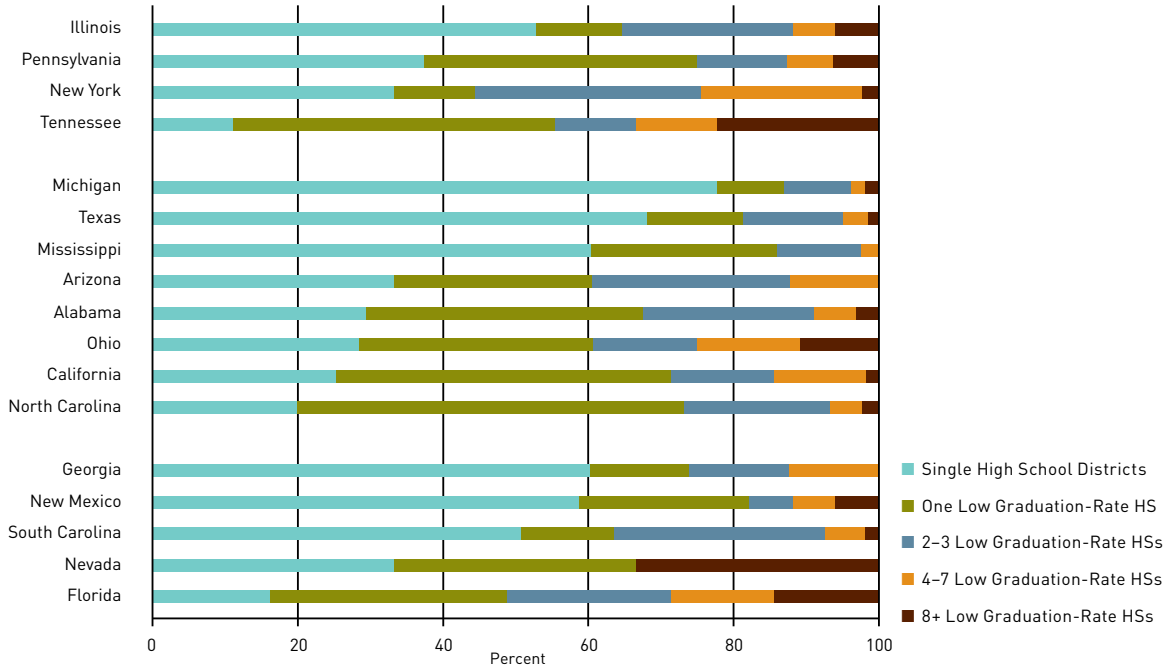
States where this "single high school" problem is coupled with high percentages of low graduation-rate schools overall face a particularly knotty challenge. South Carolina is the most striking example. Half of its high schools are low graduation-rate schools, and these are in two-thirds of the state's districts. In half of these districts, the low graduation-rate high school is the only public school option available to young people trying to earn a high school diploma.

In addition, every one of the seventeen states profiled for this report has districts with multiple low graduation-rate high schools. In ten states, at least 10 percent of the districts with low graduation-rate high schools have four or more such schools (*see* ***Figure 6***).

In four of the ten states—Florida, Nevada, New York, and Tennessee—one-fifth or more of the districts with low graduation-rate high schools show this pattern. In Nevada and Tennessee, these districts tend to have eight or more such schools. In almost all of these districts, low graduation-rate high schools account for at least half of the high school options available to students enrolled in the district. (*See Appendix B, Table 5.*)

Figure 6.

Distribution of Low Graduation-Rate High Schools Across School Districts, By State: 2005–06



Analyzing the Opportunities and Challenges

Districts where a low graduation-rate high school is the only high school face starkly different reform challenges than districts where a single such high school is one among other, higher-performing high schools. In single high school districts, the need for transformation may be strong, but reform options might be constrained by the fact that these schools typically are central to the community, often serving as a major employer and fostering a sense of collective spirit and cohesion.

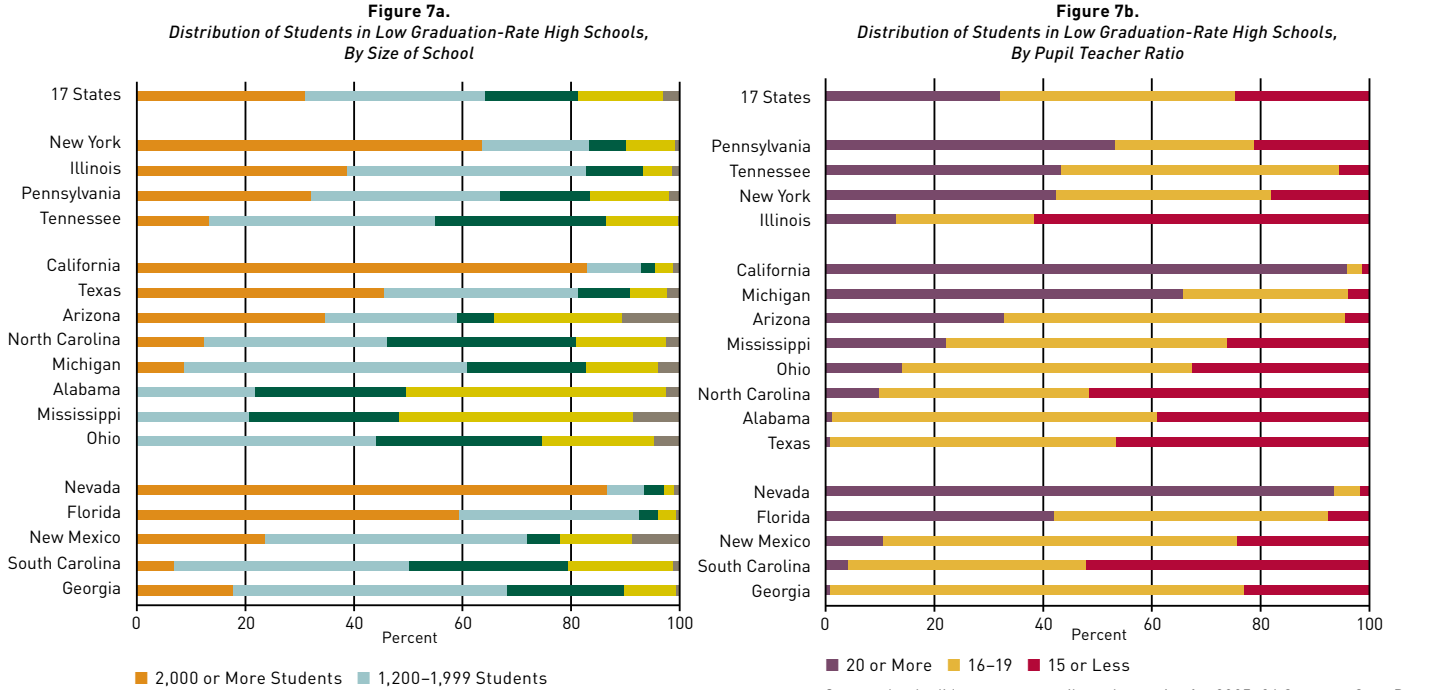
Efforts to transform these high schools must engage key community leaders who have the credibility and skill to galvanize parents and others about the need for change. State governments can create both pressure and incentives for communities to improve their high schools, but they also will need to tailor their approaches to the unique opportunities and challenges in rural and single high school districts. The advantage is that improvement can follow quickly once obstacles are overcome and school transformation or replacement is underway.

A wider range of reform strategies may be possible when only one high school in a multiple high school district suffers from low graduation rates. However, this could be counterbalanced by local pressures to maintain the status quo, because most high schools in the district are viewed as successful. As a result, the low graduation-rate high school could continue to receive an intense concentration of the district's neediest students without the political and social capital required to make a claim on enough resources to address its problems.

Districts with a high concentration of low graduation-rate schools face a different challenge. Here the need is to transform not just a single school but often the entire secondary education system. As a result, not only school leaders but also district leaders may need technical assistance. In addition, states may need to invest in building the capacity of school districts to manage complex change, including supporting improvements in their data systems, professional development programs and human resource departments.

Figure 7.

Distribution of Students in Low Graduation-Rate High Schools, By School Size Characteristics and Pupil Teacher Ratio: 2005–06



Some schools did not report pupil teacher ratios for 2005–06 Common Core Data (CCD), therefore, total number of students in this sample does not equal the total number of students attending low graduation-rate high schools in the state.

SCHOOL AND STUDENT CHARACTERISTICS

The Challenge of Very Large Schools with High Student-Teacher Ratios

School size is an important variable in efforts to turn around low graduation-rate high schools: it influences the nature of student-teacher, peer, and adult interactions. In general, students feel more anonymous and less supported in larger schools (Bridgeland, Dilulio et al. 2006). Therefore, it is more likely that students will fall through the cracks and never get the help they need, absent organizational strategies aimed at creating smaller schools or academies within the high school.

Student opportunities for success in large schools are further compromised when there are too few teachers or other staff who can provide critical support. These functions may include: providing extra help; participating in programs aimed to improve attendance; behavior and effort; interacting with students on more personal levels; and sponsoring the extracurricular activities that can provide a meaningful foundation for building student engagement.

In most of the "make or break" states—13 of 17—the majority of students attending low graduation-rate high schools go to schools of 1,200 students or more (*see* ***Figure 7a***). In California, Florida, Nevada, and New York, at least 60 percent of the students are in schools of 2,000 or more students. For these four states, low graduation-rate high schools are disproportionately larger than high schools with higher graduation rates. In Illinois, Pennsylvania, and Texas, at least a third of the students in low graduation-rate high schools attend schools of 2,000 or more students.

The most challenged low graduation-rate high schools tend to be those with large enrollments and high student-teacher ratios. Some of the 17 "make or break" states have no low graduation-rate high schools that fit this definition, while others have many. The most extreme examples are Nevada and California, where 80 percent or more of students in low graduation-rate high schools attend schools with more than 2,000 students and unfavorable student-teacher ratios of 20 to 1 or worse.[14] In Florida, New York, and Pennsylvania, roughly a third of students in low graduation-rate high schools attend such schools. Alabama, Mississippi, and Ohio in contrast have no 2,000-plus student low graduation-rate high schools (*see* ***Figure 7***).

Figure 8.

Percent of High Schools With a Low-Income Student Body of 40% or More: 2005–06

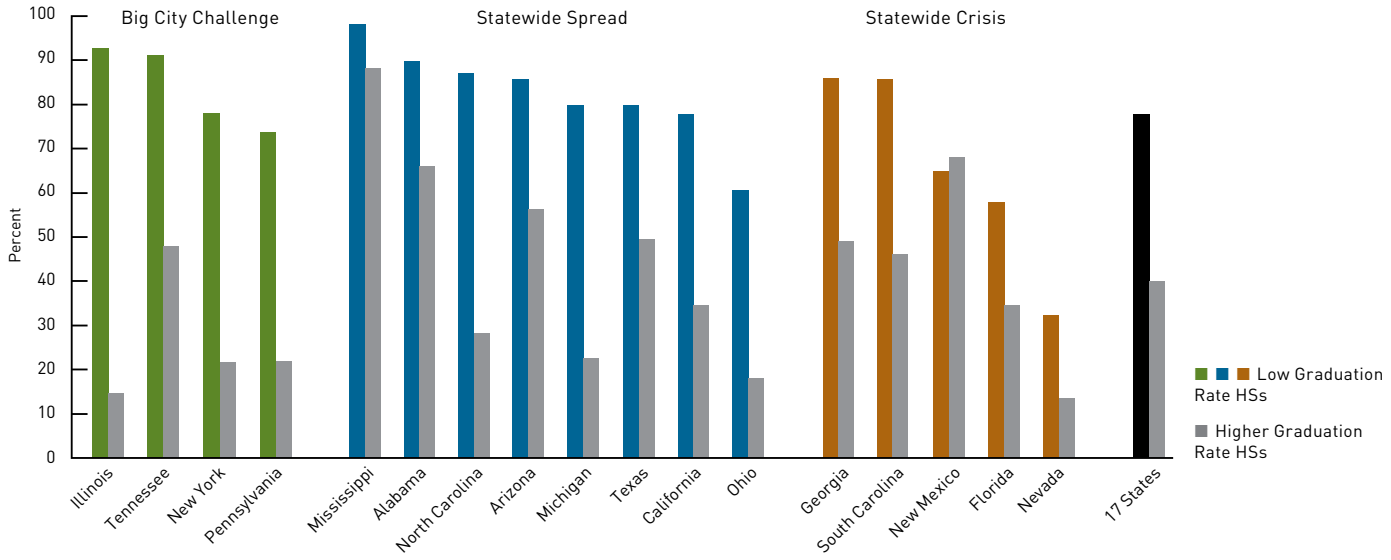


Figure 9.

Distribution of Students Across Low Graduation-Rate High Schools, By Percent Enrollment of Students of Color in the School: 2005–06

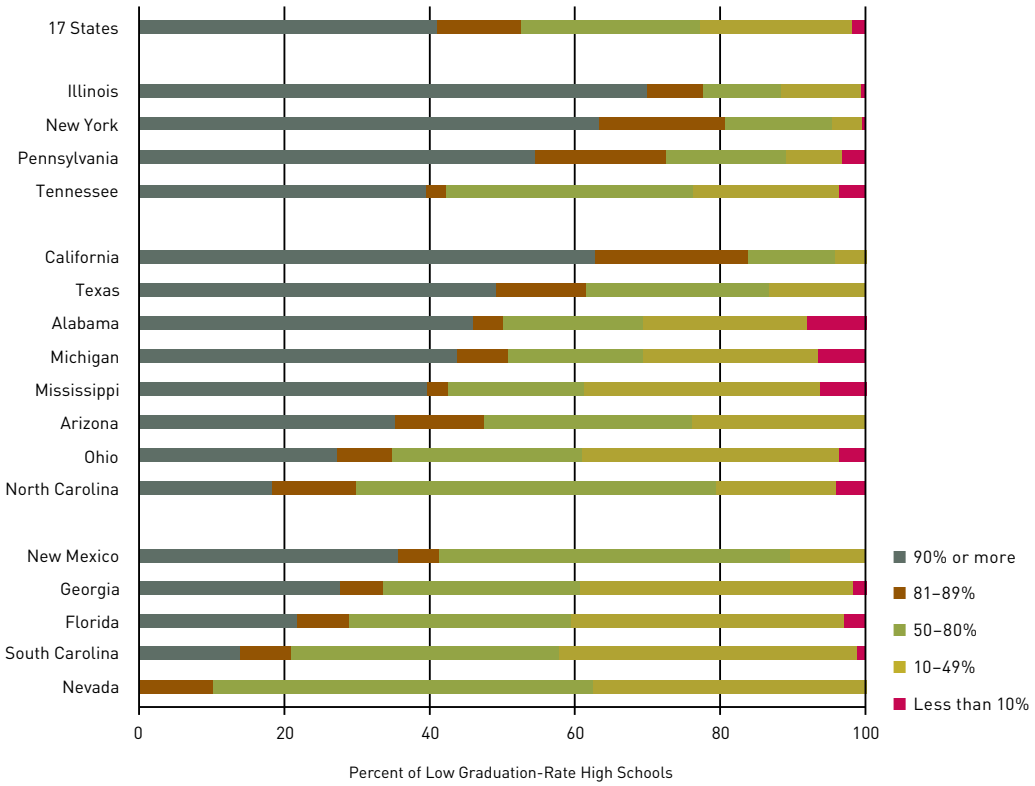
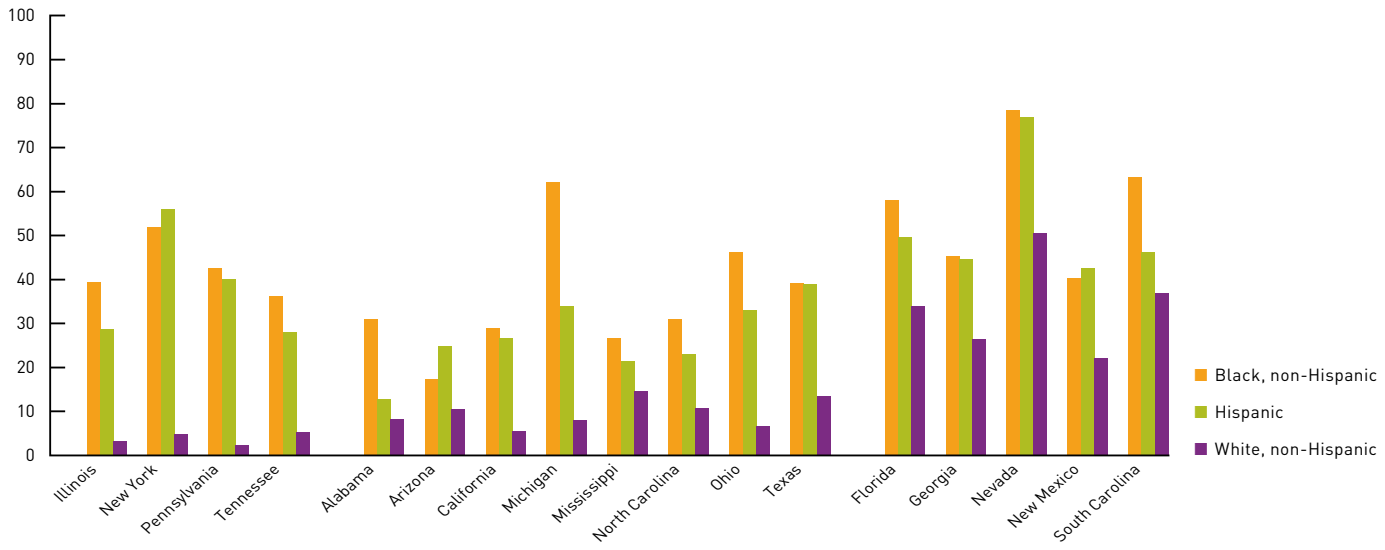


Figure 10.

Percent of Students from All Race and Ethnic Groups Attending Low Graduation-Rate High Schools: 2005–06



Note: Although the enrollment numbers for students from Asian/Pacific Islander and American Indian/Native American backgrounds varies by state, they account for under 10 percent of the overall student enrollment. For more information on the percent enrollment of students from these backgrounds, see Appendix B, Table 6.

The Untapped Opportunity of Low Graduation-Rate High Schools with Smaller Enrollments and Lower Student-Teacher Ratios

Low graduation-rate high schools that are smaller and have more favorable student-teacher ratios may be better positioned to make progress at improving and graduating many more of their students. Not all low graduation-rate high schools in the "make or break" states are large. In North Carolina and Ohio, for example, more than half of students attending low graduation-rate high schools attend schools with fewer than 1,200 students. More strikingly, in Alabama and Mississippi, half of the students attending low graduation-rate high schools attend schools with fewer than 800 students (*see* ***Figure 7a***).

Evidence from these states makes it clear that school size is but one of many factors influencing student success.[15] However, a robust body of research indicates that small school size matters most to low-income and struggling students—populations that are overrepresented in failing high schools (The Education Trust 2005; Jobs for the Future 2009; Kahne, Sporte et al 2006). In addition, recent reform efforts in New York, Philadelphia, and other large cities show the promise of small-school strategies that intentionally combine academic pressure and challenge with extensive student supports, recognizing that both are essential for student success. These efforts include closing down and gradually replacing large failing high schools with new small schools, as well as creating even smaller, highly supportive "back-on-track" models for students who are at risk of dropping out or already have dropped out.

In each of the four states with smaller-sized low graduation-rate high schools, one-third to one-half of all students in these high schools also attend schools with favorable student-teacher ratios (15 to 1 or better). Some research has shown that this is the ratio necessary to support many of the leading evidence-based reforms for low-performing high schools (Balfanz, Legters, West & Weber 2007).

High Concentrations of Low-Income Students and Students of Color

The most common feature of low graduation-rate high schools across all states is that they educate large proportions of low-income students. In 13 of the 17 "make or break" states, 70 percent or more of low graduation-rate high schools educate student bodies that are at least 40 percent or more low income.[16] Poverty is especially concentrated in the South, where 85 percent or more of these high schools report 40 percent or more low-income students (*see* ***Figure 8***).[17]

It is only in Mississippi and New Mexico, two of the poorest states in the country, that low graduation-rate high schools have poverty levels similar to other high schools. In all the other "make or break" states, low graduation-rate high schools educate poorer student bodies.

Another widespread feature of low graduation-rate high schools is that they serve primarily students of color. In many of the 17 states, essentially only students of color attend high schools with low graduation rates. In California, Illinois, New York, and Pennsylvania, 70 percent or more of low graduation-rate high schools educate student populations that are 80 percent or more minority. In seven additional states, between 40 percent and 55 percent of low graduation-rate high schools educate student populations that are 80 percent or more minority (*see* ***Figure 9***).

African-American and Latino students in the 17 "make or break" states are far more likely than white students to attend low graduation-rate high schools. In Florida, Michigan, Nevada, New York, and South Carolina, the majority of African-American students attend high schools with low graduation rates. In Nevada and New York, the majority of Hispanic students also attend low graduation-rate high schools. Six additional states also have large percentages (39 percent to 49 percent) of their African-American students attending low graduation-rate schools (*see* ***Figure 10***).

By comparison, in 10 states concentrated in the Midwest and in parts of the South, only 10 percent or less of white students attend low graduation-rate high schools. In only the 5 statewide crisis states—Florida, Georgia, Nevada, New Mexico and South Carolina—do more than 15 percent of white students attend high schools with high dropout rates. (*See Appendix B, Table 6.*)

When low-income and minority populations are considered together, it is clear that in eight of the "make or break" states, half or more of the students who attend low graduation-rate high schools attend schools that educate student populations that are at least 40 percent low-income and 80 percent minority. In three more states, this is true for 40 to 45 percent of the students attending low graduation-rate high schools.

Analyzing the Opportunities and Challenges

In three of the four Big City Challenge states—Illinois, New York, and Pennsylvania—significant proportions of students who go to low graduation-rate high schools attend high schools of 2,000 or more students. Moreover, in most of these states, larger school size is combined with higher student-teacher ratios in low graduation-rate high schools, disproportionately so with the rest of the state. This creates significant numbers of schools, within one or two large districts, that will require an intensive set of interventions, transformation, and replacement strategies.

California, Florida, and Nevada also share this distinction. Even before the most recent financial crisis, they faced the daunting statewide task of transforming or replacing large numbers of low graduation-rate high schools enrolling 2,000 to 3,000 students each (Balfanz & Legters 2004). Transforming very large high schools likely will require capital investment to reconfigure buildings that support smaller learning communities or small schools, as well as additional staff and intensive professional development to retrain teachers and administrators to adapt to the new environment. Unfortunately, the realization of this need is occurring at the same time that state and district revenues are declining in all three states.

On the other hand, some states have untapped opportunities. New Mexico and South Carolina, states with high concentrations of low graduation-rate high schools widespread throughout the state but more favorable student-teacher ratios in half of them, have a potential reform resource to build upon. The same can be said for the smaller high schools found in Alabama and Mississippi.

Thus, a number of the 17 "make or break states" appear to have untapped opportunities—they either have a number of smaller size low graduation-rate high schools or low graduation-rate high schools with more favorable student-teacher ratios. In some cases, they have schools that share both characteristics.

Finally, the one common feature, shared by nearly all low graduation-rate high schools, cannot be forgotten: they educate primarily low-income students of color. How they vary is in the intensity of the poverty their students experience and the extent to which their student bodies are racially and ethnically isolated or more multicultural. Despite the progress the nation has made, issues of race and class, in subtle and not so subtle ways, can intersect with school transformation and replacement efforts.

Awareness of these circumstances and the opportunities and challenges they present will enable more robust and effective reform efforts. For example, in schools where students are racially or ethnically isolated, care and attention needs to be placed on building bridges to the larger multicultural world in which the students will go to college and spend their career. Conversely, schools that educate multiple racial and ethnic groups will need to work to insure that teachers and students learn how use the strength of diversity as part of their educational toolbox.

FACTOR #3: STATE AND COMMUNITY CONTEXT: BROADER FACTORS INFLUENCING LOCAL OPPORTUNITIES

It is not only the characteristics of schools and districts that influence the likelihood that a high school improvement strategy will succeed but also a broader socioeconomic, demographic, and political trends in the community and state. Among the important factors are the vibrancy or stagnation of the local economy, the scale of population growth, and the speed of ethnic change. These trends all affect the feasibility and nature of collective action, as does the community's commitment to public education and the labor market pull for young people.

This paper presents and compares state data on several of these factors. While beyond the scope of this research, a close examination of how these factors play out at the local level will help states and communities make better strategic decisions about how to move forward with the process of transforming or replacing their low graduation-rate high schools.

ECONOMIC CONDITIONS

The current economic crisis has hit all 17 "make or break" states hard. Eleven of the states were among the 15 in the country with the highest rates of unemployment in 2008–09.

The economic slump has struck a particularly strong blow to several states. Nevada has seen a dramatic spike in unemployment. California and Michigan are among the states with the nation's highest unemployment rates. North and South Carolina also have been hard hit.[18]

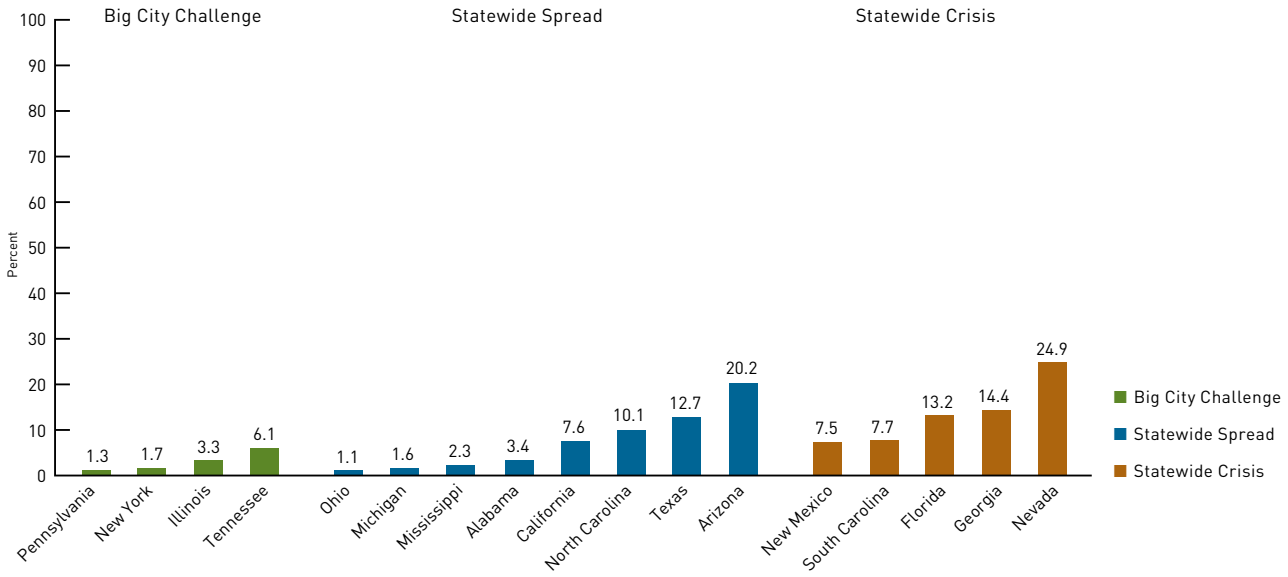
Beyond the impact of the current economic downturn, it is also important to analyze the intersection of economic capacity and fiscal will in the "make or break" states. This in good part determines the potential resources that states and communities can bring to bear to support the transformation of low graduation-rate high schools. Communities in some states with substantial resources may not be able to access them. And states with more limited financial resources may be able to generate high levels of public will but still lack the funding necessary to transform their neediest schools.

The 17 "make or break" states include both wealthy and poor states. California, New York, and Texas together accounted for 30 percent of the nation's total Gross Domestic Product in 2007, while Mississippi, Nevada, and New Mexico each produced less than 1 percent.[19]

Significant state wealth does not preclude high rates of poverty, however. In fact, the three wealthiest states—California, Texas, and New York—also have high proportions of poor residents. Other "make or break" states—Mississippi and South Carolina, for example—have the nation's highest percentages of people living in poverty. Overall, the 17 states account for 64 percent of the U.S. population living in poverty and 68 percent of children living in poverty (U.S. Census Bureau 2007; Kids Count 2006).

Figure 11.

Cumulative Population Change Between April 1, 2000 and July 1, 2006, By State



POPULATION GROWTH AND DECLINE

Population growth can provide both opportunities and challenges for states. On the one hand, it can fuel a state's economic engine, resulting in increased revenues and a more robust labor market. On the other hand, it can strain a state's ability to keep pace with the demands on its social and educational infrastructure, particularly if the growth is rapid and concentrated, as in Nevada.

As the U.S. population grew between 2000 and 2006, the 17 "make or break" states accounted for 73 percent of the total growth (U.S. Census Bureau 2006). However, the states have had marked differences in the concentration and rate of their growth. Most of the Southern and Southwestern states, including California, have grappled with rapid population growth, with many of the states dramatically outpacing the national average of 6.4 percent (U.S. Census Bureau 2006). In contrast, growth was negligible in all of the industrial states, as well as in Mississippi and to some extent Alabama (*see* ***Figure 11***).[21]

DRAMATIC GROWTH IN DIVERSITY

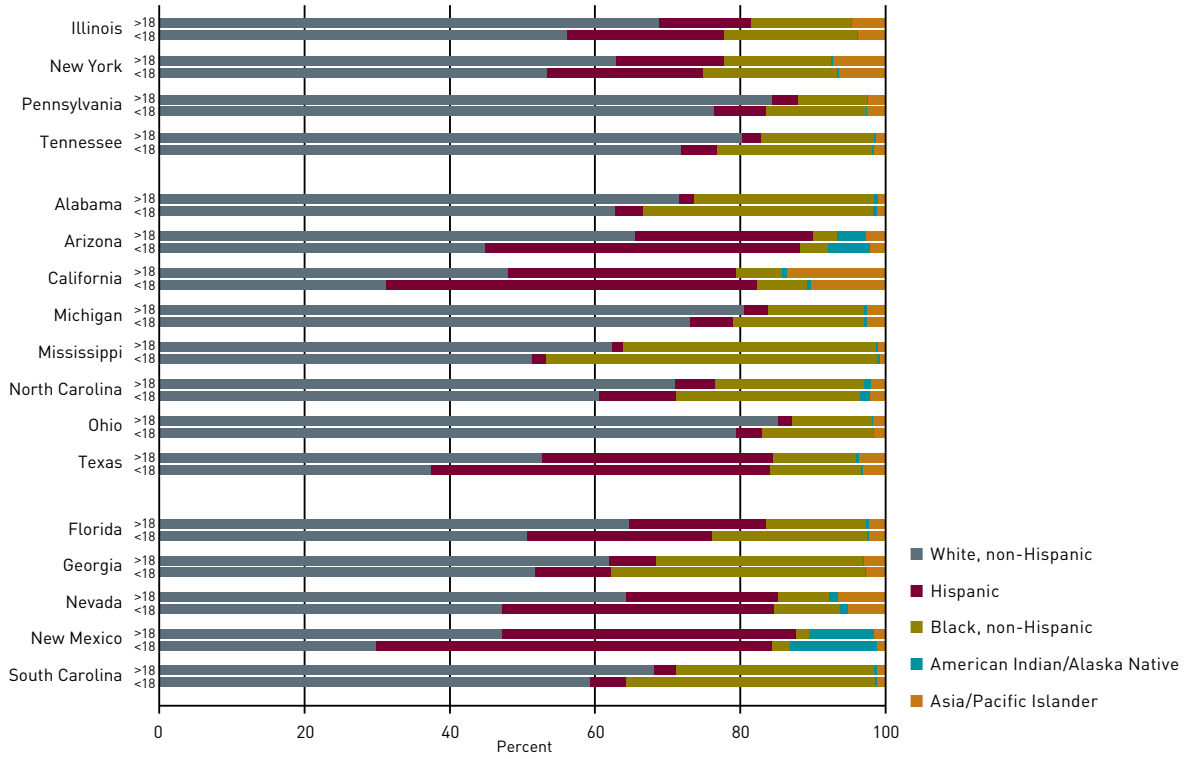
The ethnic and racial composition of our nation, especially among youth, is shifting dramatically; the 17 states analyzed here are no exception. An increasingly diverse population can bring new ideas and fresh perspectives to reenergize and revitalize local communities. Such changes also can create tensions among groups and political pressures as key institutions—schools and districts chief among them—struggle to keep up with evolving realities.

In eight of the 17 states—most notably in the Southwest, plus California and Florida—at least 50 percent and up to 70 percent of young people under 18 years old are from non-white backgrounds (*see* ***Figure 12***).[21] What separates the 17 "make or break" states is the degree to which they are educating increasingly multicultural student populations and the extent to which they have large numbers of English language learners in their schools. Alabama, Mississippi, Ohio, Pennsylvania, and South Carolina have smaller English language learner populations than the other states (Garofono & Sable 2008).

The rapidly changing faces of America's classrooms create new urgency for states and districts to develop an increasingly diverse teaching force. Staff must combine deep content knowledge and the skill to accelerate student learning with cultural competence and the ability to foster excellence in students of multiple cultures and ethnicities.

Figure 12.

Race and Ethnicity of Population Over 18 and Under 18, By State: 2005–06



LABOR–MARKET PULL

In places where high school dropouts have a decent chance to get a job, labor-market pull may play an important role in a student's decision to leave high school prematurely.[22] Our review of state employment rates for non-graduates revealed a distinct labor-market pull for Hispanic youth. In 13 of the 17 states, the employment rates for Hispanic non-graduates was higher than for any other group of non-graduates.[23]

This trend is especially marked in the South, where employment rates for Hispanic non-graduates ranged from about 55 percent in Florida, Georgia, and Alabama to 75 percent or higher in Mississippi and Tennessee. Strikingly, in Alabama, Mississippi, North Carolina, and Tennessee, the employment rate for Hispanic high school dropouts exceeds the rate of employment for Hispanic high school graduates. In Tennessee and Mississippi, the rates outpaced that of all other groups, including all high school graduates. (*See Appendix B, Table 7*)

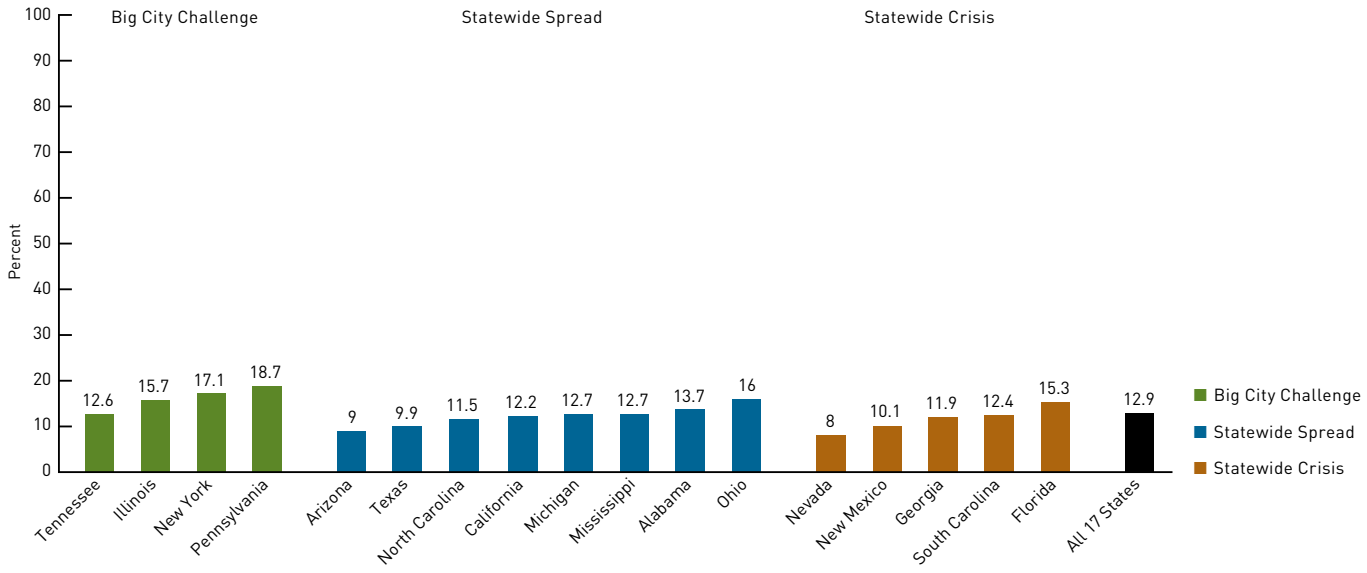
Hispanics are the fastest-growing group of young people across the states. They are also the group of young people who in some locations have been most poorly served by traditional high schools. High schools often post the lowest graduation rates for Hispanic students even though many persist into a fifth or even sixth year of high school in an effort to earn a diploma. With high schools ill-prepared to meet their needs, in the face of immediate family financial pressures the short-term economic payoffs may prove a powerful lure for students to discontinue their education and enter the labor market full time.

PRIVATE SCHOOL ENROLLMENT

Private school enrollment can be construed as an indication of the confidence parents have in their local public education system. To the extent that families with the economic means believe their children's education will be enhanced by a private school, it reduces the number of people invested in changing the quality of the public system—not just at the local level but at the state level as well.

Figure 13.

Private School Enrollment Across 17 States: 2005–06



Fifteen of the states had private school enrollments above the national average of 9.4 percent and noticeably so in New York, Pennsylvania, Illinois, Ohio and Florida (Broughman, Swaim & Keaton 2008). Three of these are states where low graduation rates are intensely concentrated in one or two districts. This, combined with higher private school enrollment, likely further weakens the political will for state action (*see* ***Figure 13***).

In contrast, Texas has one of the lowest overall private school enrollment rates (9.9 percent) and the lowest percentage of counties with private school enrollment over the national average of 9.4 percent. This could generate greater public will for the state to assume a more active role in responding to educational needs. In fact, in the past five years, the Texas Legislature has initiated new policies and invested resources in a number of innovative educational practices, including comprehensive dropout initiatives.

Analyzing the Opportunities and Challenges

An analysis of the factors presented here can help communities and states to be strategic in shaping their high school transformation efforts. For example, a city or town where many families have fled the public school system will need to focus initial efforts on building understanding of how the dropout crisis affects the whole community—even those not using the public schools—and developing community will to address the problem. Alternatively, a city or town in which segments of the high school population leave school at least in part because of the availability of and need for income can consider shaping schooling options that combine finishing high school with paid internships in growth sectors or with getting on a fast track to a technical/community college credential.

At the same time, in the communities most heavily affected by economic and population trends, increased federal and state resources and technical assistance will need to accompany community-level strategic planning. For example, in places facing rapid population growth, the need to simply have enough schools open quickly are likely to crowd out the time, energy, and resources needed to support reform. Similarly, high school transformation may be one of many urgent and competing issues overwhelming communities especially hard hit by the economic downturn. To transform or replace their low graduation-rate high schools, these communities will need federal and state leaders to play a more active role.

USING THE FACTORS TO CHOOSE STRATEGIES: A STATE EXAMPLE

This report highlights many factors that can ease or constrain the efforts of states and districts to turn around their low graduation-rate high schools. Each factor affects the likelihood of success or failure of particular strategies.

Over the past decade, the repertoire of school reform strategies has grown at the same time that goals have become more ambitious. What started out as small, incremental, often piecemeal improvement strategies or efforts to create a handful of new schools has evolved into more comprehensive whole-school reform or transformation and more systematic district-wide efforts to create innovative smaller schools that replace the old.

In some locations these reforms have been paired with the replacement of principals and staff. In others, principals have gained more authority to select a staff committed to the mission of the school or gained more autonomy and sometimes resources in exchange for meeting higher performance standards. In some districts and states, low graduation-rate high schools have been paired with external reform organizations that have developed specific evidence-based models to support turnaround (Calkins, Guenther et al 2007; Steinberg & Almeida, 2008).

School development and reform organizations also are working with states and districts to create new, innovative small school models as part of their replacement strategy—for example, early college high schools that blend secondary and postsecondary learning, or partnerships with community colleges to deliver career and technical programming. A key part of any replacement strategy is the creation of schools and programs designed to reengage young people who have fallen behind in credits and skills, getting them back on track to earning high school and postsecondary credentials. These often operate as partnerships with community-based organizations that provide integrated student support to enable young people to meet high academic standards.

Across the country, these and related approaches—individually or in combination—have met with success or led to disappointment and disillusionment. The challenge for policymakers and practitioners is to make wise choices about which strategies are most likely to succeed in a particular time and place. Through applying and further developing the analytic framework presented in this report, leaders will have a tool to use in understanding and interpreting what is working in one place and whether it can work in another—and if so, to determine what adjustments are needed. When a state is making progress in lowering its dropout rate and improving low graduation-rate high schools, as North Carolina is, for example, the framework is valuable for helping other states to understand the strategies in play and how these interact with the particular state context.

Through the lens of the analytic framework presented in this paper, North Carolina would appear to have a number of conditions favoring a reform agenda aimed at increasing the state's high school graduation rate. Until the recent economic crisis, North Carolina benefited from economic growth driven by the transformation from an agricultural, textile, and manufacturing economy to a new, diverse, and technologically based economy.

The modest concentration and wide geographic spread of low graduation-rate schools in North Carolina creates a situation where it is in everyone's interest to transform or replace failing high schools without overwhelming the state. These conditions have likely helped to make it possible to develop the significant gubernatorial, judicial, legislative, political and community will to address the dropout challenge.

In this context, it is helpful to consider the different approaches North Carolina officials have taken over several decades to raise the graduation rate. The state has learned to modulate its strategies based on state and local conditions. These have included whole school reform and, more recently, the fundamental redesign of low-performing high schools and the development of new small schools for students at risk of dropping out (*see box, "A Public-Private Partnership"*). And, depending on local circumstances, the state has in some instances let districts take the lead, with modest state oversight and in others has taken a more directive role.

A PUBLIC-PRIVATE PARTNERSHIP

Since 2003, North Carolina has pioneered a public-private partnership that is now beginning to produce very promising results. In that year, North Carolina's "Innovative Education Initiatives Act" authorized community colleges and local school boards to jointly establish innovative programs for students who are at risk of dropping out but would benefit from accelerated instruction. Next came the establishment of the New Schools Project, a public-private partnership with the mission of coordinating statewide high school reform efforts and providing technical assistance and resources to local partners planning new small high schools or redesigning existing ones.

The New Schools Project operates as the state's premier school-development entity, charged with providing technical assistance and resources to local partners in the creation of up to 100 small, accelerated "Learn and Earn" high schools across the state. These are early college high schools, planned jointly by high schools and community colleges and designed to enable students to earn both a high school diploma and up to two years of college credit, or an Associate's degree, tuition free, in five years.

This is an ambitious effort to create a system of small high schools as part of a statewide redesign effort. Currently, 62 Learn and Earn high schools educate 7,805 students throughout the state, many of whom were at risk of not graduating from high school. Early college schools retain their students past the critical ninth grade year compared to similar high schools, 96 percent and 87 percent, respectively. These schools also have a higher rate of success in keeping students successfully engaged in school relative to comparison high schools, reporting an annual dropout rate of 1.38 percent and 5.37 percent, respectively (State Board of Education 2009a).

They also serve as exemplars of best practice for the ongoing transformation and/or replacement of high schools with low graduation rates. The redesign of the state's traditional comprehensive high schools, conducted in partnership with the local school districts, led to the creation of 43 new autonomous schools across 25 high school campuses in 22 schools districts across the state by 2007-2008. Each of the new schools has selected a curricular focus that combine students' academic work with adult real world experience. In 2006, these redesigned schools reported annual dropout rates of 3.93 percent versus 5.24 percent of similar high schools (State Board of Education 2009b).

North Carolina has gained some traction in improving its high school graduation-rate and is recognized as a leader in innovation with the New Schools Project. At the same time, North Carolina reformers realize the work that still lies ahead as the state continues to grapple with a graduation rate that hovers around 70 percent.

For states that look to North Carolina as a possible model, it will be important to analyze the extent to which similar conditions exist. If those do not, then it will be critical to determine what adaptations may be needed to enable the strategy to succeed. For example, in contrast to North Carolina, three of the other "Statewide Spread" states—California, Michigan and Tennessee—have very few high schools with a student-teacher ratio of 15 to 1 or better, while California, Florida, and Nevada have many 2,000-student high schools. Particular conditions shape opportunities and constraints.

The analytic framework also can identify states that, perhaps unexpectedly, share similar profiles and could profitably share strategies and learn from one another. For example, Texas and North Carolina are similar in terms of degree of concentration and geographic spread of low graduation-rate high schools, percentage of single high school districts, and relatively uniform and reasonable student-teacher ratios. Texas shares other characteristics with Ohio: Each has five major cities with significant numbers of high schools with high dropout rates. Similarly, Tennessee and Pennsylvania have features in common, as do South Carolina and New Mexico, in terms of their concentration and geographic spread of high schools with high dropout rates.

RECOMMENDATIONS FOR IMMEDIATE FEDERAL ACTION

The federal government has a once-in-a-generation opportunity right now to help make significant progress in solving the nation's dropout crisis. The American Recovery and Reinvestment Act is pumping billions of dollars in new education funding to help states climb out of the current economic downturn. Policymakers and practice leaders must seize the moment and plan thoughtful approaches that use ARRA resources to help turn around failing high schools. In particular, federal officials should rethink how they can most effectively target resources to help tackle the challenges posed by the relatively small group of high schools that produce most of the nation's dropouts. It is wise strategy—for both the short and the long term—for advancing the nation's economic well-being and global competitiveness.

Four immediate federal actions would make a notable difference in efforts to help hundreds of thousands more high school students earn a diploma and prepare themselves for postsecondary education:

1 Require states seeking ARRA Race to the Top funding to use analytic data on graduation rates and low graduation-rate high schools as part of their plans for turning around failing schools.

Recommendation: In the American Recovery and Reinvestment Act, making progress toward improving low-performing schools is one of the four assurances states must provide in order to receive their second installment of stimulus funds. States and districts should provide similar assurances in order to compete for additional funding from the new $5 billion Race to the Top Fund and within it the $650 million in the Invest in What Works and Innovation Fund in 2009–10.

In providing guidance to applicants, the U.S. Department of Education should require states and districts to identify all of their high schools with graduation rates of 65 percent or lower and to analyze their improvement plans based on key factors likely to affect their chances for success. Among the most useful data to analyze would be the concentration and distribution within their state of high schools with low graduation rates, as well as other relevant school, student, and contextual factors identified in this report. These factors range from the number of low graduation-rate high schools within a district to school size, to student-teacher ratios and the proportion of low-income students in the low graduation-rate high schools, to the economic, and demographic conditions of the community. In addition, teacher and administrator quality and mobility need to be factored in.

States and districts should also demonstrate that the specific roles to be played in the turnaround effort by the state, districts, schools, and external organizations are based on a thorough assessment of the needs and capacity of the low graduation-rate schools, as well as the capacities of the districts and the state to meet the challenges and exploit the opportunities present. Districts that receive ARRA Title I School Improvement Program funds or compete for the High School Success initiative and Innovation funds in the U.S. Department of Education's 2010 budget should be required to perform similar analyses.

The U.S. Department of Education also can take steps to enable states and districts to conduct even more fine-grained analyses to inform selections of school transformation strategies in the future. The department should require states and districts to annually collect and report the course and credit requirements for graduation in each school district, as well as the number of students repeating ninth grade in each school and the number of diplomas awarded in each school. It also should launch a biannual survey of high school programs and practices and of teacher and student views ensuring that a representative sample of low graduation-rate high schools is included. This additional data will allow the U.S. and state departments of education to identify the low graduation-rate high schools that are improving and to connect the improvements to specific practices. This, in turn, will lead to even better matching of school transformation or replacement strategies most likely to succeed in a given situation.

2 Build the capacity of states, districts, and schools to implement appropriate high school reform strategies.

Recommendation: Few school districts or state educational agencies have the necessary capacity or infrastructure to select, guide, support, and fund high school transformation and replacement strategies. Moreover, no single strategy or approach will work for every state, district, or school. Therefore, they need access to the growing knowledge base of what works and where it works, as well as help translating this know-how and supporting its implementation in a local context. By working together, the federal government, state governments, and private philanthropists could support a range of approaches aimed at the different environments in which low graduation-rate high schools are found:

- *Allow states and districts to seek waivers from various federal programs (e.g., Title I, School Improvement, Perkins Career and Technical) in order to direct larger portions of federal high school improvement funds into capacity building efforts.* To support these efforts and provide quality assurance, the federal government might also enable and help form technical-assistance collaboratives composed of external TA providers with proven track records, leaders of successful state, district, and school efforts (including charter schools), and postsecondary experts experienced in research and data analysis.

  These collaboratives could provide intensive (two- or three-week) summer training or short courses as well as, implementation support for combined state and district technical assistance teams and the school leadership of the high schools undergoing transformation. The training would be tailored to the particular strategies to be used in each district, based on the local and state challenges and opportunities, and ensure that state, district, and school personnel involved in the reform effort proceed from a common knowledge base. The collaborative could also advance common standards and evidence-based practices for key components of school transformation, including using data to establish early warning systems that trigger prevention, intervention, and recovery support for at-risk students and those who already have dropped out.
- *Enable community-led efforts to raise graduation rates to compete for federal or state investment funds.* These funds would be distributed by local nonprofits and used to organize, coordinate, and support school district and external reformers, local and national social entrepreneurs, and technical-assistance and capacity-building providers. As part of this effort, communities would be asked to build multisector support and widespread common will for turning around low graduation-rate schools codified through multiyear community compacts.

  Philadelphia's Project U-Turn provides a model of how such an effort can lead to the reengagement of young people in the education system and the development of new options for off-track and out-of-school youth, as well as spur community-wide dropout prevention and school transformation efforts.[24] This builds on the community investment fund concept in the 2009 Serve America Act and may be particularly well suited for areas with strong traditions of local control and where community-led efforts could draw on resources beyond the school system. It also could provide the means and infrastructure for shepherding and sustaining reform efforts through the inevitable changes in school and political leadership over time.
- *Implement a federal knowledge-building and dissemination effort modeled on the agricultural extension agency, which has played a major role in advancing agricultural productivity in the nation for more than a century.* A cadre of education extension agents, informed and supported by a consortium of proven technical-assistance providers, as well as states, districts, and schools with successful efforts, would serve as dissemination and training agents. They could work with districts and schools to adapt effective strategies for school transformation or replacement to local circumstances. This could be especially useful in reaching the single high school districts and rural high schools with low graduation rates.

3 Designate additional federal innovation funding for the development and replication of effective school designs to use in transforming or replacing low graduation-rate high schools.

Recommendation: The American Recovery and Reinvestment Act establishes an "Invest in What Works and Innovation Fund" that supports the scaling up of proven educational innovations. A critical next step would be for federal officials to link innovation more deliberately to the transformation or replacement of low graduation-rate high schools. This should include efforts to invent and launch new school designs, further incubate models with initial but not yet definitive results, and bring proven models to locales where the conditions for success exist.

Most immediately, the U.S. Department of Education could provide incentives for states—through the Race to the Top Fund, for example—to reallocate state resources and provide additional supports to innovators. Done perhaps in part through design competitions, the goal would be to expand the supply of school designs and models tailored to the range of students in their low graduation-rate high schools.

Despite the decisions of some large districts to expand their innovative school sectors, and of a few states, often in partnership with philanthropies, to spur high school innovation, the number of effective high school learning environments for these students remains far too low. New funding is necessary not only in the big cities that have led the way in closing down and replacing very large high schools with extreme concentrations of high-need students, but in the hundreds of smaller and single-high-school districts with low graduation-rate high schools, where incentive funding could spur school districts and a community college or a branch of the state university to collaborate on innovative designs.

Federal support is also critical to increasing the supply of "back on track" school designs for the many students in these high schools who are significantly overage for grade and not progressing to graduation. A portion of the Innovation Fund could be set aside to sustain school models with promising but early-stage data and to build the infrastructure to expand the number of students they serve as part of transforming or replacing low graduation-rate high schools. In these high schools, often close to 80 percent of ninth graders are significantly behind in skills or credits (Neild & Balfanz 2007). Poor outcomes for these students are endemic in cities, towns, and rural areas (Neild & Balfanz 2006; Balfanz & Legters 2004).

Several cities have launched new schools and programs designed for the most at risk young people, including, for example, the Accelerated Schools in Philadelphia and the Transfer Schools and Young Adult Borough Centers in New York City. Although many of these are too new to be designated as proven models, early results are promising. For example, new Transfer Schools in New York City are getting overage and under-credited students back on track and graduating them at two to three times higher rates than traditional high schools (New Visions for Public Schools: Internal research using May 2009 New York City Department of Education data). Philadelphia's Accelerated Schools have increased the district's graduation rate by two percentage points in each of the last three years (Communications with the Office of Multiple Pathways, School District of Philadelphia). Innovation funding is needed to sustain these efforts, enable the codification of best practices so that these models can be replicated, and support further research on effectiveness and return on investment.

Finally, federal support is needed to scale up proven models and designs and bring them to the locales where they can do the most good and have high odds of success. Innovation and Race to the Top funds used to spread effective high school transformation and replacement strategies should require an analysis of favorable conditions for success and how the model will be adapted to local conditions.

SCALING UP WHAT WORKS

Around the country, innovative or redesigned high schools are beginning to amass evidence of their effectiveness in graduating more students with a college-ready diploma. For example, the national network of early college high schools, launched in 2002 with generous resources from the Bill & Melinda Gates Foundation, has expanded to more than 200 schools in 24 states, serving 42,000 students. Early data show that grade-to-grade promotion rates exceed 90 percent. In the network's first two graduating cohorts, 88 percent of students earned at least a semester of transferable college credit, and 11 percent earned an Associate's degree along with their high school diploma. More than 81 percent enrolled in postsecondary education (Jobs for the Future, 2009).

Evidence of success is also emerging from cities that have invested in innovation. Two of the largest school districts, Chicago and New York City, have moved aggressively to replace low-performing high schools with new, more successful schools. Chicago has opened over 100 smaller, more personalized and academically challenging high schools, and many are posting higher on-track rates, that is the percentage of students earning enough credits for promotion to 10th grade, a strong predictor of future graduation. The nearly 200 schools created as the core of New York City's high school reform effort achieve graduation rates consistently above 75 percent, nearly 20 percentage points higher than the city average and often twice the rate of the schools they replaced. This is despite the fact that these schools have a higher-than-average percentage of English language learners and students with disabilities compared to other schools in the city (Klein, 2008).

Several bills that will likely become part of the reauthorization process of the Elementary and Secondary Education Act could also provide additional support for inventing, sustaining, and scaling up schools directed at the young people most in danger of being left behind. These include the Graduation Promise Act, that would establish a competitive grants program for creating new programming for young people who are not on track to graduation or have already dropped out; the Innovations Act, which would establish within ESEA something like the Innovation Fund in ARRA; and the Fast Track to College Act, which would establish competitive grants focused particularly on models that blend high school with the first two years of postsecondary education.

4 Target federal financing to high schools, districts, and states with the most pressing dropout problems.

Recommendation: Low graduation-rate high schools predominately, and in many cases exclusively, educate low-income students. Across all of the nation's high schools, these schools have among both the highest concentrations and the largest numbers of students who need extra support. It is one of the main reasons they have been so difficult to improve.

Yet only 8 percent of Title I of the Elementary and Secondary Education Act of 1965 goes to support high schools, leaving millions of Title I-eligible, low-income high school students in low-performing schools without the focused support, external assistance, and financial resources for improvement that Title I was created to provide (U.S. Department of Education 2007). As ESEA reauthorization moves forward, it is critical to use this opportunity to direct additional resources to high-need, low graduation-rate high schools, in return for both school reform efforts tailored to the school's needs and capacity, and tight progress benchmarks, such as is called for in pending legislation like the Graduation Promise Act.

Among the 17 "make or break" states highlighted in this report, additional federal support, even beyond increased Title I funding, likely will be required in a subset of extremely impacted states and communities. Most notably, Florida and California, like financial services giant AIG, are simply too big to fail. Even if California voters choose to under-invest in education, the whole nation suffers from the failure of its high schools, given the size of the state and the high degree of inter-connectedness across state economies. It is hard to imagine Los Angeles achieving the level of improvement required if hundreds of thousands of its low-income students continue to attend large, severely under-resourced high schools, with relatively few adults to support them. It will be difficult if not impossible, in turn, for the United States to realize the goal of leading the world in educational outcomes if high school graduation does not become universal in its major cities.

In addition, in small towns with a single high school and where industry has left (e.g., South Carolina textile and Michigan manufacturing towns), the communities may be too fragile to recover on their own. In these cases, there is a strong equity argument for the federal government to invest in giving these young people a shot at educational opportunity.

Federal policymakers should consider an approach that would provide the seed capital for local school transformation or replacement, as well as the development of new options for dropouts. This seed capital is needed for infrastructure investments at the school and district level, to provide incentives to attract and retain the best teachers and leaders, to support ongoing professional development, and to defray the cost of bringing additional skilled adults into the school from community-based, national service, and integrated student support organizations.

One way to do this could be to create "Graduation Bonds," similar to the Recovery Bonds established in the American Reinvestment and Recovery Act. Ability to access the bonds would be based on meeting stringent assurances that supportive policies and proven reforms tailored to the conditions of the community will be put in place and maintained. As the reforms take effect, the increase in high school graduates would allow the state to repay these bonds through the increased local and state revenue and decreased social welfare costs resulting from a higher graduation rate.

CONCLUSION

Immediate federal actions as delineated here will set the stage for the longer-term strategic work that practice and policy leaders at all levels will need to undertake in order to significantly increase the number of young people earning a high school diploma. As President Obama has recognized, our nation can no longer tolerate having so many high schools where, year after year, graduation is not the norm.

To progress toward this goal, our nation's leaders and the public must get beyond the myth that "nothing works," that low graduation-rate schools cannot be transformed or replaced successfully. The growing knowledge base of promising strategies, combined with a more concerted effort to match reforms to the circumstances where they are most likely to succeed, can go a long way in helping the nation reach the President's goal of once again being the first in the world in the percentage of our young people who complete high school and earn a postsecondary credential as well.

APPENDICES
REFERENCES
ENDNOTES

APPENDIX A: REPORT METHODOLOGY

CRITERIA FOR SELECTING 17 STATES

Three criteria were used to identify the state analyzed in this report:

- States which produce a greater percent of the nation's non-graduates than graduates based on Average Freshmen Graduation (AFGR) rates; the graduate rate estimate found by the US Department of Education to most closely approximate a cohort graduation rates, under the greatest range of conditions.
- States which did not produce disproportionate numbers of non-graduates but because of their population size still produce large numbers of the nations non-graduates (2.5% or more).
- States which enabled us to look at distinct regional groupings

These criteria produced the set of 17 states. Thirteen of the seventeen states produce a higher percent of the nation's non-graduates than graduates. The four remaining states Illinois, Ohio, Pennsylvania, and Michigan produce at least 2.5% of nation's non-graduates. (see Appendix B. Table 1) Collectively, these seventeen states account for approximately 70% of the nation's non-graduates and as a group produce nine percentage points more of the nation's non-graduates than graduates.

There are arguably four other states that should/could be included in a list of make or break states. Louisiana is not included in our analysis because Katrina disrupted enrollment patterns and makes it difficult to examine 2006, the focal year of our study. Washington, the only other state, which by a fraction 0.1% produces more non-grads than grads was not included because of our desire to examine distinct regional groupings. Virginia and Indiana fell just below our cut point of 2.5% for states that do not produce a disproportionate share of non-grads but because of their population size still produce larger overall number. They are the only states not included in our analysis with an estimated 20,000 or more non-graduates per cohort. Together these four states account for approximately another nine percent of the nation's nongraduates.

DATA SOURCE(S)

Data on AFGR and it's components is from the most recent publication released from NCES. Table 1 of Appendix B shows that the 17 states account for roughly 70% of all estimated non-graduates. Pennsylvania and South Carolina did not report graduate data for the 2005–06 State Dropout and Completion Data file, so data for 2004–05 is used instead. The data used to identify low graduation-rate high schools and their characteristics is taken from the most recent NCES Common Core of Data files.

LOW GRADUATION-RATE HIGH SCHOOLS

Low graduation-rate high schools are identified by using a measure called Promoting Power, which compares the number of students enrolled in the 9th grade to the number enrolled in 12th grade three years later. High schools in which there are 60% or fewer 12th graders than 9th graders (three years earlier) are classified as high schools with weak promoting power. These are high schools that have a great likelihood of having low graduation rates typically of 65% or less.

Promoting power is used to identify low graduation-rate high schools because currently no common measure of graduation rates exists across all states and data on the number of diploma's awarded is currently only tabulated at the district level in federal statistics. Only regular and vocational high schools that enroll 100 or more students are including in the analysis. Alternative and special education schools are not considered in our analysis.

The promoting power measure does not account for student transfers, but it will only be biased if the number of in-and-out transfers are significantly out of balance. In benchmarking studies we have found that this is only the case in a small percent of high schools. The measure captures students who are repeating the 9th grade, but it also captures students who are in the 12th grade for a second or third time. Moreover, repeating 9th grade is the strongest predictor that a student will not graduate so even if the student transfers to another school, it is their unsuccessful experience in the 9th grade in their first high school which has likely set them on their path to dropping out. Finally, the purpose of this analysis is not to identify individual schools, but to understand how low graduation-rate high schools are distributed within and across states and what their characteristics are.

CRITERIA FOR GEOGRAPHIC SPREAD AND CONCENTRATION TYPOLOGY

Big City Challenge:

- At least 60% of the students attending low grad rate high schools are in schools in the 1–2 districts with the most low grad rate high schools
- At least 50% of low grad rate high schools are found in the 1–2 districts
- Low graduation-rate high schools account for no more than 15% of all the state's high schools (NOTE: in our states it's less than 15%)

Statewide Spread:

- Low graduation rate high schools are spread across state and found in different locales—urban centers, small cities and towns, rural communities
- Low graduation rate high schools account for less than 25% of all high schools

Statewide Crisis:

- At least one-third of the state's high school students attend low graduation-rate high schools
- Low graduation-rate high schools represent at least one-third of the state's high schools

THE CHARTER QUESTION

Low graduation-rate charter high schools are included in the calculations for numbers and percentages of low graduation-rate high schools. However, when they are considered their own district or LEA, they are excluded from the analysis of percentage of districts with at least one low graduation-rate high school and also the distribution of high schools across districts.

STUDENT TEACHER RATIOS

Available data on student teacher ratios are not good indicators of class size, as they include all regular, special education and ELL teachers among others in a school building. Moreover, class size is also impacted by school schedules, the number of periods teachers teach in a day and the number of specialty or low enrollment courses taught in a school. What student teacher ratios do provide is an informative proxy of is the number of skilled adults in a building to the number of students attending it. Schools vary in both the size of their administrative and support staffs, but in the main teachers make up the bulk of adults in high school.

APPENDIX B: DATA TABLES

Table 1.

Averaged Freshman Graduation Rate and Percent of Graduates, Estimated First-Time 9th Graders, and Non-Graduates: 2005-06

State	Averaged Freshman Graduation Rate 2005-06[1]	Number of Graduates 2005-06[1]	Percent of All Graduates	Estimated First-Time 9th Graders 2002-03[1]	Percent of All Estimated First-Time 9th Graders	Estimated Number of Non-Graduates	Percent of All Estimated Non-Graduates	Percentage Point Difference between Percent of All Graduates and Percent of All Estimated Non-Graduates
Alabama	66.2	37,918	0.013	57,311	0.015	19,393	0.019	-0.006
Arizona	70.5	54,091	0.019	76,747	0.020	22,656	0.022	-0.003
California	69.9	343,515	0.122	491,149	0.129	147,634	0.146	-0.024
Florida	63.6	134,686	0.048	211,922	0.055	77,236	0.077	-0.029
Georgia	62.4	73,498	0.026	117,846	0.031	44,348	0.044	-0.018
Illinois	79.7	126,817	0.045	159,188	0.042	32,371	0.032	0.013
Michigan	73.6	102,582	0.037	139,441	0.037	36,859	0.037	0.000
Mississippi	63.5	23,848	0.008	37,530	0.010	13,682	0.014	-0.005
Nevada	55.8	16,455	0.006	29,490	0.008	13,035	0.013	-0.007
New Mexico	67.3	17,822	0.006	26,498	0.007	8,676	0.009	-0.002
New York	67.4	161,817	0.058	240,159	0.063	78,342	0.078	-0.020
North Carolina	71.8	76,710	0.027	106,836	0.028	30,126	0.030	-0.003
Ohio	79.4	117,356	0.042	147,815	0.039	30,459	0.030	0.012
Pennsylvania[2]	82.5	124,758	0.044	151,193	0.040	26,435	0.026	0.018
South Carolina[2]	60.1	33,439	0.012	55,661	0.015	22,222	0.022	-0.010
Tennessee	71.8	50,880	0.018	70,892	0.019	20,012	0.020	-0.002
Texas	72.5	240,485	0.086	331,916	0.087	91,431	0.091	-0.005
17 States Profiled	**70.8**	**1,736,677**	**0.618**	**2,451,594**	**0.642**	**714,917**	**0.709**	**-0.091**
33 States and DC Not Profiled	**78.5**	**1,073,302**	**0.382**	**1,367,333**	**0.358**	**294,031**	**0.291**	**0.091**
Total	**73.6**	**2,809,979**		**3,818,927**		**1,008,948**		

[1]Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "NCES Common Core of Data State Dropout and Completion Data File," School Year 2005–06, Version 1a; "State Non-fiscal Survey of Public Elementary/Secondary Education," 2001–02, Version 1c; 2002–03, Version 1b; 2003–04, Version 1b.

[2]Pennsylvania and South Carolina did not report completion data in 2005–06. Data is presented from 2004–05.

Table 2.

Average Freshman Graduation Rate In 17 States, 1997–2006

State	1997–98	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06[1]
Alabama	0.64	0.61	0.64	0.64	0.62	0.65	0.65	0.66	0.66
Arizona	0.66	0.63	0.64	0.75	0.75	0.76	0.67	0.85	0.71
California	0.71	0.72	0.73	0.73	0.74	0.75	0.75	0.75	0.70
Florida	0.62	0.61	0.61	0.61	0.63	0.67	0.66	0.65	0.64
Georgia	0.58	0.57	0.60	0.59	0.61	0.61	0.61	0.62	0.62
Illinois	0.81	0.79	0.78	0.76	0.77	0.76	0.80	0.80	0.80
Michigan	0.78	0.77	0.78	0.79	0.77	0.77	0.75	0.75	0.74
Mississippi	0.62	0.61	0.61	0.62	0.63	0.65	0.65	0.65	0.64
Nevada	0.71	0.71	0.70	0.70	0.72	0.72	0.57	0.56	0.56
New Mexico	0.63	0.65	0.66	0.66	0.67	0.63	0.67	0.65	0.67
New York	0.67	0.66	0.65	0.65	0.64	0.64	--	0.69	0.67
North Carolina	0.67	0.66	0.66	0.67	0.68	0.70	0.71	0.73	0.72
Ohio	0.77	0.75	0.76	0.77	0.78	0.79	0.82	0.81	0.79
Pennsylvania[2]	0.81	0.80	0.80	0.80	0.82	0.83	0.83	0.83	0.83
South Carolina[2]	0.59	0.59	0.59	0.57	0.58	0.60	0.61	0.60	0.60
Tennessee	0.60	0.60	0.61	0.60	0.61	0.64	0.67	0.70	0.72
Texas	0.69	0.69	0.71	0.71	0.74	0.75	0.77	0.74	0.73

[1]Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "NCES Common Core of Data State Dropout and Completion Data File," School Year 2005–06, Version 1a; "State Nonfiscal Survey of Public Elementary/Secondary Education," 2001–02, Version 1c; 2002–03, Version 1b; 2003–04, Version 1b.

[2]Pennsylvania and South Carolina did not report completion data in 2005–06. Data is presented from 2004–05.

Table 3.

Summary Table of Selected Characteristics For 17 States, By Typology: 2005–06

State	Big City Challenge States			
	Number of Low Graduation-Rate High Schools[1]	**Percent of all High Schools that Are Low Graduation-Rate High Schools**[1]	**Percent of all School Districts With A Low Graduation-Rate High School**[2]	**Percent of All High School Students in Low Graduation-Rate High Schools**[3]
Illinois	63	10.4%	3.7%	14.2%
New York	114	13.7%	6.8%	22.8%
Pennsylvania	53	8.5%	3.2%	10.2%
Tennessee	36	12.1%	7.6%	13.5%
	Statewide Spread			
Alabama	59	16.3%	26.2%	15.8%
Arizona	77	23.3%	29.2%	17.7%
California	148	14.6%	14.3%	17.2%
Michigan	103	16.0%	10.7%	18.9%
Mississippi	54	22.2%	28.5%	20.4%
North Carolina	79	21.8%	39.1%	18.6%
Ohio	94	13.9%	4.6%	13.5%
Texas	238	19.4%	15.5%	27.5%
	Statewide Crisis			
Florida	185	41.0%	69.0%	43.0%
Georgia	127	37.0%	42.0%	35.1%
Nevada	31	45.6%	37.5%	61.8%
New Mexico	37	33.9%	25.0%	35.0%
South Carolina	97	51.1%	65.5%	47.7%

[1]Includes low graduation-rate charter high schools.

[2]Excludes low graduation-rate charter high schools that are their own local education agency (LEA).

[3]Includes students attending low graduation-rate charter high schools.

Table 4.

Location of Low Graduation-Rate High Schools, By Community Type*: 2005–06

	City		Suburbs		Town		Rural	
State	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Alabama	17	28.8	6	10.2	3	5.5	33	55.9
Arizona	23	29.9	19	24.7	13	16.9	22	28.6
California	93	62.8	41	27.7	3	2	11	7.4
Florida	56	30.3	89	48.1	10	5.4	30	16.2
Georgia	32	25.2	36	28.3	22	17.3	37	29.1
Illinois	47	74.6	11	17.5	0	0	5	7.9
Michigan	50	48.5	30	29.1	3	2.9	20	19.4
Mississippi	8	14.8	5	9.3	9	16.7	32	59.3
Nevada	15	48.4	9	29	3	9.7	4	12.9
New Mexico	15	40.5	5	13.5	6	16.2	11	29.7
New York	98	86.0	10	8.8	3	2.6	3	2.6
North Carolina	17	21.5	8	10.1	13	16.5	41	51.9
Ohio	72	76.6	12	12.8	3	3.2	7	7.4
Pennsylvania	40	75.5	9	17	0	0	4	7.5
South Carolina	12	12.4	22	22.7	19	19.6	44	45.4
Tennessee	15	69.4	3	8.3	1	2.8	7	19.4
Texas	122	51.3	39	16.4	20	8.4	57	23.9
17 States	**742**	**46.5**	**354**	**22.2**	**131**	**8.2**	**368**	**23.1**

*Note: Includes low graduation-rate charter high schools.

Table 5.

Number of School Districts By Number of Low Graduation-Rate High Schools: 2005-06

State	Total Number of School Districts with a Low Graduation-Rate High School[1]	Number of Single High School Districts With a Low Graduation-Rate High School[1]	Number of School Districts with *One* Low Graduation-Rate High School[1]	Number of School Districts with *Two to Three* Low Graduation-Rate High Schools	Number of School Districts with *Four to Seven* Low Graduation-Rate High Schools	Number of School Districts with *Eight or More* Low Graduation-Rate High Schools
Alabama	34	10	13	8	2	1
Arizona	33	11	9	9	4	0
California	63	16	29	9	8	1
Florida	49	8	16	11	7	7
Georgia	73	44	10	10	9	0
Illinois	17	9	2	4	1	1
Michigan	54	42	5	5	1	1
Mississippi	43	26	11	5	1	0
Nevada	6	2	2	0	0	2
New Mexico	17	10	4	1	1	1
New York	45	15	5	14	10	1
North Carolina	45	9	24	9	2	1
Ohio	28	8	9	4	4	3
Pennsylvania	16	6	6	2	1	1
South Carolina	55	28	7	16	3	1
Tennessee	9	1	4	1	1	2
Texas	145	99	19	20	5	2
17 State Total	**732**	**344**	**175**	**128**	**60**	**25**

Note: [1]Excludes low graduation-rate charter high schools that are their own LEA.

Table 5a.

Number of Counties, School Districts, and High Schools by Selected Characteristics: 2005–06

State	Total Number of Counties with a High School	Total Number of School Districts with a High School[1]	Total Number of School Districts with a Low Graduation-Rate High School[2]	Total Number of Single High School Districts[1]	Total Number of Single High School Districts with a Low Graduation-Rate High School	Total Number of Charter High Schools	Total Number of Low Graduation-Rate Charter High Schools	Total Number of Charter High Schools that are their own Local Education Agency (LEA)	Total Number of Low Graduation-Rate Charter High Schools that are their own Local Education Agency (LEA)	Total Number of Districts with a Low Graduation-Rate High School that Also Has a Charter School
Alabama	67	130	34	63	10	0	0	0	0	0
Arizona	15	113	33	73	11	100	24	84	17	22
California	57	440	63	257	16	126	22	0	0	30
Florida	67	71	49	18	8	22	10	1	0	10
Georgia	153	174	73	127	44	8	1	2	1	6
Illinois	100	461	17	418	9	10	3	0	0	3
Michigan	82	507	54	467	42	49	17	49	17	17
Mississippi	81	152	43	105	26	0	0	0	0	0
Nevada	16	16	6	9	2	5	3	0	0	2
New Mexico	32	68	17	57	10	14	11	0	0	3
New York	62	666	45	615	15	2	1	2	1	1
North Carolina	100	115	45	47	9	15	9	15	9	9
Ohio	88	608	28	571	8	43	10	43	10	10
Pennsylvania	67	500	16	466	6	35	7	35	7	7
South Carolina	46	84	55	49	28	2	0	0	0	2
Tennessee	95	119	9	65	1	0	0	0	0	0
Texas	248	936	145	858	99	19	8	19	8	8

[1]Excludes charter high schools that are their own LEA.

[2] Excludes low graduation-rate charter high schools that are their own LEA.

Note: A high school is defined as a regular or vocational school with a grade span of at least 10–12 and 100 or more students.

Table 6.

Race and Ethnicity of Student Population in Low Graduation-Rate High Schools, By State: 2005–06

State	Total Number of Students	Total Number of Students in Low Graduation-Rate High Schools	Total Enrollment– American Indian/ Alaska Native– American Indian/ Alaska Native	Total Number in Low Graduation-Rate High Schools– American Indian/ Alaska Native	Total Enrollment– Asian/Pacific Islander	Total Number in Low Graduation-Rate High Schools– Asian/Pacific Islander
Alabama	256,277	40,596	2,643	324	2,217	334
Arizona	309,617	54,922	23,774	9,083	7,999	751
California	1,767,312	303,911	14,893	1,766	223,135	30,513
Florida	763,574	328,506	2,156	889	18,559	7,522
Georgia	441,527	154,961	630	208	12,191	3,801
Illinois	602,899	85,643	1,464	121	23,558	1725
Michigan	523,410	98,798	5,055	717	11,476	1,788
Mississippi	166,689	33,942	280	30	1,108	245
Nevada	100,910	62,312	1,604	793	7,648	4,865
New Mexico	86,621	30,277	10,729	4,124	1,209	387
New York	844,094	192,537	3,656	714	56,864	19,478
North Carolina	403,176	75,165	5,265	3,676	8,384	1,451
Ohio	590,599	79,908	804	124	7,241	1,123
Pennsylvania	592,246	60,164	817	63	13,209	1,244
South Carolina	195,062	93,112	510	201	2,532	802
Tennessee	287,448	38,901	488	45	3,859	644
Texas	1,168,807	321,342	3,992	699	36,716	7,058
17 States	**9,100,268**	**2,054,997**	**78,760**	**23,577**	**437,905**	**83,731**

Total Enrollment– Black, Non-Hispanic	**Total Number in Low Graduation-Rate High Schools–**Black, Non-Hispanic	**Total Enrollment–** Hispanic	**Total Number in Low Graduation-Rate High Schools–Hi**spanic	**Total Enrollment–** White	**Total Number in Low Graduation-Rate High Schools–** White
83,224	25,706	5,028	651	162,934	13,549
15,825	2,743	104,543	25,960	157,476	16,385
139,050	40,049	738,588	195,931	620,410	33,637
172,957	100,533	167,232	82,944	402,670	136,618
173,381	78,738	26,136	11,637	222,167	58,566
115,186	45,224	88,953	25,549	367,757	12,119
94,437	58,737	17,499	5,916	393,357	31,302
79,334	21,021	1,630	348	84,337	12,298
10,348	8,136	28,134	21,642	53,177	26,876
2,131	858	43,005	18,362	29,547	6,546
144,287	74,777	129,917	72,758	509,370	24,810
124,924	38,629	23,010	5,289	241,593	26,120
91,996	42,625	11,112	3,660	470,287	31,002
83,779	35,664	31,493	12,634	462,948	10,559
78,763	49,790	5,144	2,381	107,601	39,731
70,016	25,352	7,516	2,097	205,838	10,763
173,228	67,693	464,865	180,337	490,006	65,555
1,652,866	**716,275**	**1,893,805**	**668,096**	**4,981,475**	**556,436**

Table 7.

State Employment Rates for High School Graduates and Dropouts For 16–19 Year Olds Not Enrolled in School or in the Military, By Race and Ethnicity: 2005-06

	Employment Rate High School Diploma– ALL	**Employment Rate Dropout–** ALL	**Employment Rate High School Diploma–** White	**Employment Rate Dropout–** White	**Employment Rate High School Diploma–** Black	**Employment Rate Dropout–** Black	**Employment Rate High School Diploma–** Hispanic	**Employment Rate Dropout–** Hispanic
Alabama	56.9	38.2	66.1	45.8	45.5	28.9	48.6	55.0
Arizona	56.7	35.1	61.3	43.9	51.1	25.9	58.0	40.9
California	61.9	41.2	64.7	43.8	47.5	21.6	56.3	43.8
Florida	64.2	45.5	67.8	49.5	48.3	21.0	62.7	53.8
Georgia	58.4	41.9	64.1	49.2	48.1	29.1	65.5	57.7
Illinois	71.1	41.2	74.5	44.0	44.1	14.3	66.9	45.0
Michigan	69.1	43.4	71.0	46.1	52.2	15.2	67.5	53.9
Mississippi	54.3	34.2	61.4	44.2	42.1	22.7	70.3	72.4
Nevada	65.9	54.4	64.0	52.4	38.5	24.2	72.5	56.6
New Mexico	58.4	32.6	59.0	34.3	43.8	38.7	59.7	30.1
New York	65.8	39.0	67.8	43.4	45.5	12.5	57.3	33.9
North Carolina	65.5	45.8	70.7	52.3	53.8	29.7	55.8	61.3
Ohio	72.2	45.2	73.4	47.3	46.3	19.4	64.9	45.8
Pennsylvania	70.2	45.2	72.0	47.2	46.9	19.0	56.9	33.4
South Carolina	59.4	39.5	67.7	44.5	50.0	28.5	75.8	68.3
Tennessee	67.8	45.6	69.2	46.2	51.6	29.4	70.3	76.7
Texas	60.3	38.1	61.8	39.1	43.7	22.4	56.8	42.1
17 State Average	**63.4**	**41.5**	**66.8**	**45.5**	**47.0**	**23.7**	**62.7**	**51.2**

Table 8.

Private School Enrollment Across 17 States, By Race and Ethnicity: 2005–06

State	Number of Low Graduation-Rate High Schools[1]	Percent of Students (Preschool through Grade 12) who are Enrolled in Private School					
		All Students	White	Black	American Indian/ Alaska Native	Asian	Hispanic
Alabama	59	13.7	17.8	5.9	9.2	19.9	10.7
Arizona	77	9	10.7	6.4	4.8	13.8	5.2
California	148	12.2	15.2	10.7	6.7	14.7	6.2
Florida	185	15.3	18.6	6.7	12.	18.6	12.2
Georgia	127	11.9	16.1	5.7	49.7	11.3	6.8
Illinois	63	15.7	18.	10.1	13.3	16.1	11
Michigan	103	12.7	13.9	7.9	8.2	16.1	9.5
Mississippi	54	12.7	20.3	3.9	39.9	21.1	10.5
Nevada	31	8	9.1	4.7	5.7	9.2	4.2
New Mexico	37	10.1	12.4	8.9	6.7	15.7	7.2
New York	114	17.1	20.1	12.4	9.6	13.8	11..4
North Carolina	79	11.5	14.9	4.4	5.7	10.2	6.2
Ohio	94	16	17.4	8.5	10.9	20.2	14.7
Pennsylvania	53	18.7	20.1	11.9	13.5	20.4	11.9
South Carolina	97	12.4	17.9	4.1	6.5	15.3	9.7
Tennessee	36	12.6	14.9	5	12.2	18.2	10.1
Texas	238	9.9	11.8	6.3	7	12.8	5.1
All 17 States	**1595**	**12.8**	**15.8**	**7.3**	**10.7**	**15.7**	**9.0**

[1]Includes low graduation-rate charter high schools.

Source: *Kids Count*

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ENDNOTES

[1] Based on the Averaged Freshman Graduation Rate 1,008,948 students did not graduate on-time in 2005–2006. For additional information, see Appendix B. Table 1. Averaged Freshman Graduation Rate and Percent of Graduates, Estimated First Time 9th Graders and Non-Graduates.

[2] These low graduation-rate high schools, those losing 40% or more of their students, are identified by using a measure called Promoting Power, which compares the number of students enrolled in 9th grade to the number enrolled in 12th grade three years later. High schools that have 60% or fewer 12 graders than 9th graders enrolled three years earlier are classified as high schools with weak promoting power (low graduation-rate high schools). These are high schools that have a great likelihood of having graduation rates of 65% or less. For additional information, see Appendix A. Report Methodology, *Low Graduation-Rate High Schools*.

[3] The ARRA establishes an historic $5 billion "Race to the Top" Fund for states, which sets the improvement of low-performing schools as one of four priority areas that states must address. Also set aside is $650 million as an "Invest in What Works and Innovation Fund" for which districts and nonprofit partners can compete directly, again with improvement of low-performing schools as a key priority. Furthermore, both the Administration and Congress have signaled their intent to make high school improvement—including the transformation or replacement of the 2,000 high schools that are losing the most students—more central in upcoming authorizing legislation and appropriations. For the FY2010 budget, $50 million has been requested for a high school graduation initiative, and $1.5 billion for school improvement, 40 percent of which is to be spent on middle and high schools.

[4] See Appendix A. Report Methodology, *Low Graduation-Rate High Schools* for a description of how we identified low graduation-rate high schools.

[5] This report is not intended to suggest that these are the only factors that should be taken into consideration in determining appropriate school transformation or replacement strategies. There are a number of other important variables that currently can only be accessed locally—for example, the academic and attendance histories of entering 9th graders, the experience and efficacy of the staff, and the actual resources available in the school building.

[6] For more information see Appendix A. Methodology, *Specific Criteria for Concentration/Spread Typology*.

[7] To learn more about New York City's Department of Education, Office of Multiple Pathways to Graduation, see http://schools.nyc.gov/ChoicesEnrollment/AlternativesHS/default.htm. For more information about Philadelphia, see Philadelphia Youth Network at http://www.pyninc.org/. Information about Portland is available at http://www.thinkschools.org/mobilizing-the-community/connected-by-25/

[8] Sometimes the most heavily affected districts are synonymous with the city as a whole but sometimes not.

[9] See, http://www.philly.com/philly/hp/news_update/36739419.html.

[10] Alabama, which is the exception, has the largest number of schools with high schools with promotion power ratios just over 60 percent. See Appendix A. Report Methodology, *Low Graduation-Rate High Schools*.

[11] In Nevada, where 84 percent of the land is under federal use, high schools are not so much in every corner of the state but in every corner where most of the population lives. As a result, Nevada also resembles the Big City Challenge category in that 92 percent of students in low graduation-rate high schools are found in the two metropolitan districts. In New Mexico also 42 percent of the land is under federal use.

[12] For more information on historical trends in the South Carolina economy, see http://www.ipspr.sc.edu/ejournal/ejmay08/The%20Fiscal%20Situation%20in%202008.pdf. For data on South Carolina unemployment rates see http://www.bls.gov/news.release/laus.nr0.htm.

[13] Data of Children under the age of 18 who live in families with incomes below 250% percent the poverty threshold in 2006, as defined by the federal government, are cited from the Kids Count web site. Kids Count Web site. 2006. http://datacenter.kidscount.org

The data is originally from the Population Reference Bureau, analysis of data from the U.S. Census Bureau, Census 2000 Supplementary Survey, 2001 Supplementary Survey, 2002 through 2007 American Community Survey. See http://datacenter.kidscount.org/data/acrossstates/Rankings.aspx?loct=2&by=a&order=a&ind=48&dtm=332&tf=17

[14] When teacher planning periods and the fact that some courses, such as AP, foreign language, and credit-recovery classes, have smaller sizes are factored in, this can lead to class sizes of 30 to 35 and even 40-plus students.

[15] In four states, Arizona, Georgia, North Carolina, and South Carolina, low graduation rates are, on average, smaller than high schools in the state with higher graduation rates.

[16] Nevada, Florida, and Ohio report somewhat lower poverty rates, at 32 percent, 58 percent, and 60 percent, respectively, but it is unknown how much this may be the result of differential effort and success in collecting free and reduced price lunch forms.

[17] Since many high schools are not able to collect free and reduced price lunch forms from all their students, reported levels of low-income students likely underestimate the actually low-income student population.

[18] Unemployment data from December 2007 through January 2009 was collected from the U.S. Bureau of Labor Statistics released monthly. These can be found at http://www.bls.gov/schedule/archives/laus_nr.htm

[19] See Bureau of Economic Analysis, *Gross Domestic Product by State (GDP by State) Interactive Map*. http://www.bea.gov/regional/gdpmap/GDPMap.aspx. *Retrieved February 26, 2009*.

[20] In three of the states, rapid population growth was further compounded by limited availability of land: 45 percent of California, 42 percent of New Mexico, and a startling 84 percent of Nevada land is under federal control.

[21] Data presented is based on the combination of various 2006 data tables from the U.S. Census Bureau website including: Table 1: Estimates of the Population by Selected Age Groups for the United States and States and for Puerto Rico: July 1, 2006 (SC-EST2006-01); Table 4: Estimates of the Population by Race and Hispanic or Latino Origin for the United States and States: July 1, 2006 (SC-EST2006-04); and archives for each race and ethnic group by age at the following link http://www.census.gov/popest/archives/2000s/vintage_2006/

[22] Research for this paper showed no clear and consistent data trend across the states between the labor-market participation rate of high school non-graduates and the percentage of high schools in a county with low graduation rates. However, a labor-market pull did appear to be in play in some single high school counties with low graduation rates located in a number of Southern states, including Florida, Georgia, Mississippi, North Carolina, and South Carolina.

[23] The employment data include Hispanic youth who may never have attended high school in the United States. Research by Andy Sum at the Center for Labor Market Studies at Northeastern University has shown that immigrants without high school diplomas who have not attended U.S. schools tend to have considerably higher employment rates than those that do attend U.S. high schools and then drop out. We do not know to what extent the employed Hispanics without high school credentials are recent immigrants. See http://www.eric.ed.gov/ERICWebPortal/custom/portlets/recordDetails/detailmini.jsp?_nfpb=true&_&ERICExtSearch_SearchValue_0=ED475681&ERICExtSearch_SearchType_0=no&accno=ED475681

[24] For more information on Project U-Turn see http://www.projectuturn.net/

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