

November 26, 2012

Dear Chief State School Officer:

I am writing to congratulate you on an important achievement in the effort to ensure that all students graduate from high school college- and career-ready. As you know, in October 2008, the U.S. Department of Education (Department) issued regulations setting forth new requirements for calculating high school graduation rates. These regulations, which implement critical provisions of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the No Child Left Behind Act of 2001 (NCLB), require States and local educational agencies (LEAs) to report graduation rates using a uniform, four-year adjusted cohort graduation rate while also permitting them to calculate and report one or more extended-year adjusted cohort rates. A key goal of these regulations was to provide, for the first time, an accurate measure of graduation rate that would in turn provide parents, educators, and community members with better information on the progress of their local schools while allowing for useful and meaningful comparisons of graduation rates across States and school districts. The regulations also help hold States and LEAs accountable for improving graduation rates in their schools.

Nearly four years later, and thanks to a tremendous amount of hard work by you and your staff as well as your colleagues across the country, I am pleased to announce the availability of preliminary State-by-State graduation rate data for the 2010–2011 school year, which are for the cohort entering 9th grade for the first time in 2007–2008 and meet the requirements of the 2008 regulations. These State-reported data were collected through the Department's *EDFacts* system and are enclosed with this letter. These new rates are more standardized and comparable than previously available rates, and thus represent a significant improvement in our efforts to understand and respond to challenges in increasing high school graduation rates across the nation.

A regular high school diploma is a gateway credential for college and careers in the 21<sup>st</sup> century and helps in ensuring that students are prepared to obtain the postsecondary education and training required for successful participation in our competitive global economy. Raising high school graduation rates for all students, and all subgroups of students, is essential to reaching the President's goal of ensuring that, by 2020, the United States will once again have the highest proportion in the world of adults who are college graduates. In this context, better, more accurate graduation rate data should propel us to redouble our efforts to target attention and resources where they are most needed and can significantly affect student progress. We already are seeing in States and school districts across the country a new emphasis on high school graduation and, in particular, a long-overdue focus on the roughly 1,500 "dropout factories" that are responsible for up to one-half of the one million students who drop out of high school each year. I know you share my determination to help all students graduate from high school college- and career-ready, and I look forward to working with you to ensure that these new graduation rate data are used to help identify challenges and develop strategies and interventions that will reduce the dropout rate and increase graduation rates across every school and district in the nation.

## **ESEA Flexibility and Graduation Rates**

I also want to take this opportunity to clarify the impact of ESEA flexibility on the graduation rate requirements set forth in the 2008 regulations. As you are aware, I have approved comprehensive waivers under “ESEA flexibility” for 34 States and the District of Columbia, granting flexibility from certain provisions of the ESEA in exchange for rigorous and comprehensive State-developed plans designed to improve educational outcomes for all students, close achievement gaps, increase equity, and improve the quality of instruction. Although a State approved for ESEA flexibility is no longer required to make adequate yearly progress determinations if it requested the waiver of that requirement, I want to emphasize that the Department has not waived any of the graduation rate requirements of 34 C.F.R. § 200.19(b).

Each State educational agency (SEA) approved for ESEA flexibility, and its LEAs, must continue to calculate graduation rates using a four-year adjusted cohort rate as defined in 34 C.F.R. § 200.19(b)(1), and the SEA must set a single graduation rate goal that represents the rate the SEA expects all high schools in the State to meet as well as annual graduation rate targets ensuring continuous and substantial progress toward that goal—and a number of SEAs increased that goal under ESEA flexibility. I am enclosing with this letter the current graduation rate goal and targets for each SEA and will make this information available to the public in one easily accessible location so that it can be used to inform the efforts of SEAs, LEAs, and schools to increase graduation rates for all students and all subgroups. The SEA and its LEAs must report on State and local report cards, respectively, the four-year adjusted cohort rate, in the aggregate and also disaggregated by the subgroups in ESEA section 1111(b)(2)(C)(v)(II), as well as by any “combined subgroup” that an SEA has included in its approved ESEA flexibility request. An SEA must also report performance against its graduation rate goal and targets for all students and all subgroups.

Further, each SEA approved for ESEA flexibility must incorporate, to a significant degree, the four-year adjusted cohort graduation rate into its State-developed system of differentiated recognition, accountability, and support. In addition, each SEA that has received ESEA flexibility must identify all Title I schools with graduation rates below 60 percent over a number of years, must implement rigorous interventions in those schools, and must also use graduation rate targets, including for subgroups, to drive incentives, interventions, and supports in all other Title I schools.

Given these requirements, the four-year adjusted cohort graduation rate, as defined in 34 C.F.R. § 200.19(b)(1), will play a key role in the new State-developed systems of differentiated recognition, accountability, and support approved under ESEA flexibility, which also may include other measures of student achievement and other educational outcomes. We believe that the State-designed accountability systems implemented under ESEA flexibility will result in more effective and meaningful accountability for all schools and students, including all subgroups of students, and will lead to more effective interventions in schools with low graduation rates. The Department is committed to working with each SEA to ensure full and effective implementation of ESEA flexibility by providing technical assistance and monitoring implementation progress.

Again, congratulations on your success in implementing the 2008 graduation rate regulations and providing an accurate, comparable graduation rate measure that can help guide more effective policy and practice at the Federal, State, and local levels. I look forward to continued progress in our common effort to increase graduation rates and ensure that all students graduate from high school college- and career-ready.

Sincerely,

/s/

Arne Duncan

Enclosures