REPORT BY THE

AUDITOR GENERAL

OF CALIFORNIA

CALIFORNIA'S DATA ON HIGH SCHOOL DROPOUTS ARE INACCURATE

P-641

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Thomas W. Hayes
Auditor General

October 15, 1987 P-641

Honorable Art Agnos, Chairman
Members, Joint Legislative
Audit Committee
State Capitol, Room 3151
Sacramento, California 95814

Dear Mr. Chairman and Members:

The Office of the Auditor General presents its report concerning the accuracy of the State Department of Education's (SDE) 1985-86 high school dropout data. The number of high school dropouts reported in the SDE's California Basic Educational Data System (CBEDS) is inaccurate. We found errors in the data submitted for the 15 high schools in our sample. The data ranges from understatements of 88 percent to overstatements of 94 percent. Overall, the data in our sample districts were overstated by 39 percent. The high schools we visited had different interpretations of the SDE definition of a high school dropout. The SDE did not define what constitutes a 10th, 11th, or 12th grade student. Also, SDE did not clearly define the 45-day requirement for consecutive school day absences. Finally, some high schools are including students as high-school dropouts even though these students never enrolled at the school.

To ensure accurate high school dropout data, SDE should provide the high schools with clarification on the requirement regarding 45 consecutive school day absences that is contained in the high school dropout definition. Also, the SDE should develop a definition of what constitutes a 10th, 11th, and 12th grade student. Additionally, the SDE should instruct the high schools not to report incoming 10th graders as high school dropouts when they fail to enroll in the 10th grade. Finally, the SDE should review and confirm the accuracy of high school dropout data submitted by the high schools.

We conducted this audit to comply with Item 6100-001-001 of the "Supplemental Report of the 1986 Budget Act."

Respectfully submitted,

for THOMAS W. HAYES
Auditor General

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SUMMARY

RESULTS IN BRIEF

The number of high school dropouts reported in the California Basic Educational Data System (CBEDS) of the State Department of Education (SDE) is inaccurate. We found errors in the data submitted by the 15 high schools in our sample. The errors range from an understatement of 88 percent to an overstatement of 94 percent. Overall, however, the data in our sample were overstated by 39 percent. The data were inaccurate because the SDE's definition of a high school dropout was not clear. Consequently, the high schools did not use the same criteria to determine their number of dropouts. During our audit, we noted the following specific conditions:

- Within its definition of a high school dropout, the SDE did not define what constitutes a 10th, 11th, or 12th grade student;

- Within its definition of a high school dropout, the SDE did not clearly define its requirement that a student must be absent from school for 45 consecutive school days to be classified as a high school dropout; and

- Some high schools included in their dropout data students who had transferred from other schools and were expected to enroll in the tenth grade but who never did.

BACKGROUND

The CBEDS gathers data on the characteristics of staff and students, on enrollment, and on hiring practices in county offices of education, school districts, and regional occupational centers and programs. The SDE is responsible for the administration and management of the CBEDS. The SDE collected data on the number of high school dropouts in school year 1985-86 in response to the

legislative analyst's Supplemental Report of the 1986 Budget Act, which required the SDE to report the data by November 15, 1987. According to SDE officials, although the SDE will collect dropout data for the 1987-88 school year, the SDE does not currently use this data to determine its funding for any of its programs.

PRINCIPAL FINDINGS

The Number of High School Dropouts Reported in the California Basic Educational Data System Is Inaccurate

For the 1985-86 school year, the CBEDS developed a definition of a high school dropout for the high schools to use in submitting their data. However, the definition was unclear, and, consequently, the 15 high schools that we reviewed had different interpretations of what constituted a high school dropout so that the schools inaccurately reported their number of dropouts. The errors range from an understatement of 88 percent to an overstatement of 94 percent. Overall, the data were overstated by 39 percent. If this inaccurate data were used to determine where funding should be disbursed for programs such as dropout-prevention and recovery programs, the results could be an inappropriate disbursement of funds.

CORRECTIVE ACTION

On August 18, 1987, we requested a clarification from the SDE of the CBEDS definition of a high school dropout. The SDE responded on August 27, 1987, that a student should not be considered a dropout if the student returns to an educational institution after 45 consecutive days of absence. Further, the SDE sent a memorandum dated September 24, 1987, to the county and district superintendents of schools notifying them of the SDE's clarification to the 45-day absence requirement.

RECOMMENDATIONS

To improve the accuracy of the CBEDS data related to high school dropouts, the SDE should take the following actions:

- Develop a definition of what constitutes a 10th, 11th, and 12th grade student to ensure that when the high schools report their number of high school dropouts to the SDE, they all use the same criteria to determine their students' grade levels;

- Instruct the high schools not to include in their dropout data those students who were expected to enroll in the 10th grade but who did not; and

- Periodically review and confirm the accuracy of high school dropout data that are submitted by the high schools.

AGENCY COMMENTS

The SDE agrees that it should periodically review dropout data submitted by school districts to the extent that resources permit. However, the SDE is reluctant to prescribe the grade-level definition for the high schools to use because such definitions are traditionally left to the local school boards.

INTRODUCTION

The California Basic Educational Data System (CBEDS) gathers data on staff and student characteristics such as age, sex, and ethnicity, data on student enrollment, and data on hiring practices in school districts and regional occupational centers and programs. The State Department of Education (SDE) is responsible for the administration and management of the CBEDS. The purpose of the CBEDS is to provide information for a variety of state and federal reports and for the SDE's program management and planning. The CBEDS is designed to allow data to be combined in many ways to serve various purposes and to reduce the number of times the SDE has to collect information.

The sources of data for the CBEDS are county offices of education, school districts, and regional occupational centers and programs. In the fall, data collection forms are distributed to CBEDS coordinators for the school districts, who are required to distribute the forms to school principals before Information Day, which is a day in October when the data are submitted to National Computer Systems, the processing contractor for the SDE. The forms are returned to the contractor through the CBEDS coordinators.

Officials of the CBEDS stated that the 1985-86 school year was the first year that the CBEDS collected data on high school dropouts. The SDE collected the high school dropout data in response to

Item 6100-001-001 of the legislative analyst's Supplemental Report of the 1986 Budget Act, which required the SDE to report by November 15, 1987, on the numbers and characteristics of students who stop attending school before graduating from high school. According to SDE officials, although the SDE will also collect dropout data in 1987-88, the SDE does not currently use this data to determine the funding for any of its programs.

The deputy superintendent of the Curriculum and Instructional Leadership Branch of the SDE sent a memorandum dated December 6, 1985, to the county and district superintendents of schools regarding the collecting of dropout data for 1985-86. In this memorandum, he stated that the data would be collected on Information Day, October 15, 1986, as a part of the annual CBEDS process. Further, he stated that for the purposes of this data collection, a dropout is any student who has been enrolled in grades 10, 11, or 12 but who left school before graduation or the completion of a formal education or without a legal equivalent, and who did not enter, within 45 school days, another public or private educational institution or school program as documented by a written request for a transcript from that institution.

In another memorandum dated March 24, 1986, to the county and district superintendents, the deputy superintendent of the Curriculum and Instructional Leadership Branch of the SDE stated that, because of numerous questions that had arisen about the interpretation of certain parts of his original definition on high school dropouts, he was

including an expanded definition of a high school dropout. According to this expanded definition, schools must report students as dropouts if the students are enrolled in grades 10, 11, or 12; they left school for 45 consecutive school days; they have not re-enrolled in the school; they have not received a high school diploma or its equivalent; and they have not enrolled in another public or private educational institution or school program.

In addition to these memorandums, the SDE issued a manual, entitled "Administrative Manual for CBEDS Coordinators and School Principals," dated October 1986, that instructed the high schools to report their dropout data according to the students' sex, ethnicity, and grade level. The manual's instructions included the same expanded definition of a high school dropout that was outlined in the memorandum dated March 24, 1986. Also, the manual stated that for year-round schools, the period for recording dropouts was from July 1, 1985, through June 30, 1986. For all other schools, this period was from the last school day of 1985 through the last school day of 1986. Finally, the manual states that students over the age of 18 who leave school are to be subject to the same dropout criteria as students under 18 years of age--they are to be counted as dropouts unless they enroll in programs leading to a high school diploma or its equivalent. These programs can be found in institutions such as opportunity schools, continuation schools, and juvenile court schools.

SCOPE AND METHODOLOGY

Item 6100-001-001 of the legislative analyst's Supplemental Report of the 1986 Budget Act requested that the Office of the Auditor General assess the reliability of the CBEDS data in accurately measuring the numbers and characteristics of dropouts by conducting audits of a stratified, random sample of school districts. We limited our review to a judgmental sample of 13 school districts. Our review of the 13 school districts included the 5 largest school districts in the State: Los Angeles Unified School District, San Diego City Unified School District, Long Beach Unified School District, San Francisco Unified School District, and Fresno Unified School District.

We visited one high school per district for 12 of the school districts, and, for the remaining school district, we visited two continuation high schools as well as one regular high school. We selected schools that reflect differences in a number of features: schools with different combinations of ethnic groups, schools from both rural and urban areas, schools from different geographical areas, and schools with different population densities. (The appendix shows the number of high school dropouts reported by the SDE compared with the number reported by the Office of the Auditor General for the sample of 15 high schools.) We reviewed the SDE's dropout data for the 1985-86 school year at the following 15 high schools within the following 13 school districts:

School District	High School
Calexico Unified	Calexico
Chico Unified	Chico Senior
Folsom-Cordova Unified	Cordova Senior
Fresno Unified	Roosevelt
Grant Joint Union High	Grant Union
Huntington Beach Union High	Fountain Valley
Long Beach Unified	Millikan Senior
Los Angeles Unified	Newmark (continuation high school)
	San Antonio (continuation high school)
	San Fernando Senior
San Bernardino City Unified	San Andreas
San Diego City Unified	Morse Senior
San Francisco Unified	Balboa
Sequoia Union High	Woodside
Sweetwater Union High	Sweetwater Senior

To determine the process for reporting high school dropouts for 1985-86 and how the definition of a high school dropout was to be interpreted, we interviewed officials from the CBEDS branch of the SDE. Additionally, on August 18, 1987, we requested a clarification by the SDE of the CBEDS definition of a high school dropout. Specifically, we wanted to know if a student is still a dropout if a school determines that the student returned to an educational institution after 45 consecutive days of absence. We also wanted clarification of the criteria that determines whether a student is in the 10th grade. The department responded on August 27, 1987, that a student should not be considered a dropout if the student returns to an educational institution after 45 consecutive days of absence; furthermore, the department stated that the determination of grade placement is the responsibility of each local board of education. (Every school district is under the control of a local board of education or a board

of school trustees.) The SDE agreed to the methodology that we used for reconstructing the high school dropout data for 1985-86 for the high schools in our sample.

To verify the accuracy of the high school dropout data for 1985-86, we obtained the dropout data for that year that each of the 15 high schools reported to the SDE. For each high school, we obtained a list of the 10th, 11th, and 12th grade students who left the school during the 1985-86 school year, and we reviewed the students' transcripts. From this group of students, we identified the high school dropouts. Further, we compared our data for high school dropouts with the SDE's dropout data. Finally, we discussed the reasons for the differences between our data and the SDE's with officials from either the high schools or the school districts.

We presented the results of the audit to representatives from the SDE and the 13 school districts mentioned in the report. We took the concerns of these officials into consideration in the audit report.

AUDIT RESULTS

THE NUMBER OF HIGH SCHOOL DROPOUTS REPORTED IN THE CALIFORNIA BASIC EDUCATIONAL DATA SYSTEM IS INACCURATE

In the legislative analyst's Supplemental Report of the 1986 Budget Act, the Legislature required the State Department of Education (SDE) to report by November 15, 1987, on the numbers and characteristics of students who stop attending school before graduating from high school. The report was to include data collected through the California Basic Educational Data System (CBEDS). The SDE developed a definition of a high school dropout for the high schools to use when they reported their number of high school dropouts for 1985-86. However, because the definition provided to the high schools was not clear, the high schools reported inaccurate data. The errors range from an understatement of 88 percent to an overstatement of 94 percent. The data were overstated for all the high schools in our sample by 39 percent. If this inaccurate data were used to determine where funding should be disbursed for programs such as dropout-prevention and recovery programs, the result could be an inappropriate disbursement of funds.

The High Schools Are Underreporting and Overreporting the Number of 1985-86 High School Dropouts

Six high schools in our sample underreported their number of dropouts for the 1985-86 school year. For example, Newmark High School, a continuation high school within the Los Angeles Unified School District, understated its data by 88 percent. Los Angeles Unified School District reported that Newmark High School had 6 dropouts while we determined that the school had 52 high school dropouts. Further, Cordova Senior High School, within the Folsom-Cordova Unified School District, understated its data by 22 percent. Cordova Senior High School reported that it had 32 high school dropouts while we determined that the school had 41 high school dropouts. Finally, Calexico High School, within the Calexico Unified School District, understated its data by 24 percent. Calexico High School reported that it had 42 high school dropouts while we determined that the school had 55 high school dropouts.

Also, nine high schools in our sample overreported their number of dropouts for the 1985-86 school year. For example, San Fernando Senior High School, within the Los Angeles Unified School District, overstated its number of high school dropouts by 80 percent. Los Angeles Unified School District reported that San Fernando Senior High School had 917 dropouts while we determined that the school had 510 high school dropouts. In addition, Grant Union High School, within the Grant Joint Union High School District, overstated its data by

75 percent. Grant Union High School reported that it had 238 high school dropouts while we determined that the school had 136 high school dropouts. Finally, Morse Senior High School, within the San Diego City Unified School District, overstated its data by 63 percent. San Diego City Unified School District reported that Morse Senior High School had 319 high school dropouts while we determined that the school had 196 high school dropouts.

The SDE does not currently use the high school dropout data for 1985-86 to determine the funding for any of its programs. However, if this inaccurate data were to be used to disburse funding for any future programs, for example, for the dropout-prevention and recovery programs established by Chapter 1431, Statutes of 1985, the result could be an inappropriate disbursement of funds.

The SDE's Definition of a High School Dropout Is Not Clear

The SDE's manual for CBEDS coordinators and school principals defines a high school dropout as a person who was enrolled in grades 10, 11, and 12; who left school for 45 consecutive school days; who did not re-enroll in the school; who did not receive a high school diploma or its equivalent; and who did not enroll in another public or private educational institution or school program.

The high schools that we visited had different interpretations of the SDE's definition of a high school dropout. The SDE did not

define what constitutes a 10th, 11th, or 12th grade student. Also, the SDE did not clearly define the requirement for 45 consecutive school days of absence. Finally, some high schools are including students as high school dropouts even though these students never enrolled at the schools. As a result of these conditions, the high schools reported inaccurate high school dropout data for 1985-86.

The Grade-Level Requirement

In its definition of a high school dropout, the SDE did not define what constitutes a 10th, 11th, or 12th grade student. Consequently, the high schools did not use the same criteria to determine the grade levels of their students. For example, officials at 11 high schools in our sample stated that they placed students in grade levels according to the number of credits their students earned while officials at another 4 high schools in our sample stated that they placed students in grade levels according to the ages of their students. For example, Woodside High School, within the Sequoia Union High School District, determines students' grade levels according to the number of credits the students have earned. However, Cordova Senior High School, within the Folsom-Cordova Unified School District, determines students' grade levels according to the age of the students. Therefore, a 19-year-old student who attended Woodside High School and earned only 37.5 units would be considered a 9th grade high school dropout because of the number of credits earned and would not be included in the high school dropout data for 1985-86. However, if this

student had attended Cordova Senior High School, the student would be considered a 12th grader because of the student's age and would be included in the high school dropout data for 1985-86. The SDE has stated that the determination of grade levels is the responsibility of each local board of education. (Every school district is under the control of a local board of education or a board of school trustees.)

The 45-Day Absence Requirement

The 15 high schools in our sample also incorrectly interpreted the requirement that students must be absent from school for 45 consecutive school days before they can be classified as high school dropouts. According to the SDE's criteria, students would be considered high school dropouts for 1985-86 if they left school between the 45th school day before the end of the 1984-85 school year and the 45th school day before the end of the 1985-86 school year. According to the SDE's criteria, these students would be dropouts for 1985-86 because their 46th consecutive day of absence would occur in the 1985-86 school year.

However, the registrar from Calexico High School, within the Calexico Unified School District, stated that she identified 1985-86 high school dropouts as those dropouts that left school between the first school day of the 1985-86 school year and the last school day of the 1985-86 school year. As a result, Calexico High School included two potential high school dropouts for 1986-87 in the high school

dropout total for 1985-86 even though the students' 46th consecutive day of absence would have fallen within the 1986-87 school year. Further, we identified nine students that left Calexico High School during the last 45 days of the 1984-85 school year who were not included in the school's data for 1985-86. These students are high school dropouts for 1985-86 because their 46th consecutive day of absence occurred during the 1985-86 school year.

In another case, San Diego City Unified School District correctly identified dropouts from Morse Senior High School as students who were absent from school for at least 45 consecutive school days between the last 45 school days of the 1984-85 school year and the last 45 school days of the 1985-86 school year. However, San Diego City Unified School District included 116 students from Morse Senior High School as 1985-86 high school dropouts who were absent for 45 consecutive school days but whose transcripts indicated that they were enrolled in another educational institution as of Information Day, which occurred on October 15, 1986.

Unenrolled Students

Finally, because the CBEDS dropout definition did not address the students who completed 9th grade but failed to attend 10th grade at their local high school, some high schools included students as high school dropouts even though these students never enrolled at the schools. Two of the high schools we visited included in their dropout

data 10th graders who had been expected to enroll at the schools but who eventually did not. For example, San Diego City Unified School District overstated the dropout total for Morse Senior High School by 27 students who never enrolled at the School. According to the educational researcher who was responsible for reporting the dropout data for the San Diego City Unified School District, these students were expected to transfer to the school from a junior high school that sends students to Morse Senior High School. According to the educational researcher, these students were included as high school dropouts for 1985-86 because the students were to be 10th graders attending Morse Senior High School and, therefore, should be included as high school dropouts for that period. However, although these students could have been dropouts, they would not have been Morse Senior High School dropouts since they were never enrolled in the 10th grade. Further, we traced the 27 students to the junior high school that they last attended, and, for 13 of these students, we were able to review their junior high school transcripts. Our review showed that the 13 students had their transcripts requested by an educational institution during the 1985-86 school year.

Similarly, Los Angeles Unified School District overstated its dropout data for San Fernando Senior High School by 237 students who never enrolled at this school. The district included them as high school dropouts for 1985-86 because they were expected to enroll at the school during the 1985-86 school year. These students could have been dropouts, but we do not believe that they were dropouts from

San Fernando Senior High School since they were never enrolled in this school's 10th grade. Further, we traced a judgmental sample of 36 of the 237 students to the junior high schools that they last attended and reviewed their junior high school transcripts. Our review showed that 31 of these students had their transcripts requested by an educational institution during the 1985-86 school year.

Corrective Action

On August 18, 1987, we requested a clarification from the SDE of the CBEDS definition of a high school dropout. The SDE responded on August 27, 1987, that a student should not be considered a dropout if the student returns to an educational institution after 45 consecutive days of absence. Further, the SDE sent a memorandum dated September 24, 1987, to the county and district superintendents of schools notifying them of the SDE's clarification to the 45-day absence requirement.

CONCLUSION

Although the California Basic Educational Data System of the State Department of Education developed a definition of a high school dropout for the high schools to use in submitting their data on high school dropouts for 1985-86, the definition was not clear. As a result, the 15 high schools we reviewed reported inaccurate high school dropout data. The errors

range from an understatement of 88 percent to an overstatement of 94 percent. The data were overstated for all the high schools in our sample by 39 percent.

RECOMMENDATIONS

To improve the accuracy of the high school dropout data of the California Basic Educational Data System, the State Department of Education should take the following actions:

- Develop a definition of what constitutes a 10th, 11th, and 12th grade student. This definition should be included in the high school dropout definition to ensure that when the high schools report their high school dropouts to the SDE, they all use the same criteria to determine their students' grade levels;

- Instruct the high schools not to include in their dropout data those students who were expected to enroll in the 10th grade but who did not; and

- Periodically review and confirm the accuracy of high school dropout data that are submitted by the high schools.

We conducted this review under the authority vested in the Auditor General by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,

THOMAS W. HAYES
Auditor General

Date: October 13, 1987

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APPENDIX

NUMBER OF HIGH SCHOOL DROPOUTS REPORTED BY THE STATE DEPARTMENT OF EDUCATION COMPARED WITH NUMBER REPORTED BY THE OFFICE OF THE AUDITOR GENERAL SAMPLE OF 15 HIGH SCHOOLS SCHOOL YEAR 1985-86

School District	High School	Number Reported by the SDE	Number Reported by the OAG	Number Difference	Percentage Difference
Calexico Unified	Calexico	42	55	13	-24%
Chico Unified	Chico Senior	36	24	12	+50%
Folsom-Cordova Unified	Cordova Senior	32	41	9	-22%
Fresno Unified	Roosevelt	244	202	42	+21%
Grant Joint Union High	Grant Union	238	136	102	+75%
Huntington Beach Union High	Fountain Valley	43	51	8	-16%
Long Beach Unified	Millikan Senior	244	238	6	+3%
Los Angeles Unified	Newmark*	6	52	46	-88%
	San Antonio*	20	23	3	-13%
	San Fernando Senior	917	510	407	+80%
San Bernardino Unified	San Andreas	66	34	32	+94%
San Diego City Unified	Morse Senior	319	196	123	+63%
San Francisco Unified	Balboa	241	126	115	+91%
Sequoia Union High	Woodside	73	64	9	+14%
Sweetwater Union High	Sweetwater Senior	135	157	22	-14%
Total		2,656	1,909	747	+39%

*This high school is a continuation high school.

CALIFORNIA STATE DEPARTMENT OF EDUCATION
721 Capitol Mall; P.O. Box 944272
Sacramento, CA 94244-2720

Bill Honig
Superintendent
of Public Instruction

October 7, 1987

Thomas W. Hayes, Auditor General
Office of the Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

RE: P-641

Dear Mr. Hayes:

Department of Education staff have reviewed the draft audit report entitled "California's Data on High School Dropouts Are Inaccurate." While we appreciate this opportunity to provide comments, we do feel the overall tone of the report is more negative than is warranted by the facts. The negative tone tends to divert attention from the conclusions. Our aim is the same as yours, to collect the highest quality dropout information possible. We therefore respectfully request that you review this report in light of these concerns. (1) *

The dropout data for 1985-86 reported on CBEDS represents the first time these data were collected for California students. This collection was voluntarily initiated by the Department in order to provide relevant data about this segment of the student population which is of concern in educational reform. As with any first-time effort of this magnitude, involving new processes and student tracking procedures for schools, problems arose which were unforseen either by the Department or by the schools.

The Department made great efforts to develop clear instructions as to the criteria to be used in determining which students were to be reported as dropouts. Indeed, the criteria used were formulated with the cooperation of many school and district personnel. These criteria were also contained in two Assembly bills (AB 3287 of 1984 and AB 2454 of 1985) and one Senate bill (SB 65 of 1985), and have therefore survived extensive legislative review. The instructions were provided in correspondence to the districts, included again in the CBEDS materials, further discussed in regional workshops, and given in response to individual telephone inquiries. We had no indication of such apparently widespread misunderstandings as you encountered. However, when your staff reported their concern that schools had not uniformly interpreted nor applied the criteria, the Department informed school districts of your findings. As noted in the audit report, we clarified the instructions on dropout reporting prior to the 1987 CBEDS data collection.

*The Auditor General's comments on specific points contained in the SDE's response appear on page 23.

It should also be noted that although the Department has taken action to further instruct the schools on defining and reporting dropouts as specified in E.C. 54721(e), additional study will be needed to determine if these actions will effectively improve the accuracy of the reported data. The ability and capacity of the schools to do extensive follow up on students is one essential ingredient in the successful resolution of the problem of over-reporting.

Schools in large urban districts were substantially over-represented by the sampling procedures employed in this audit. While this may not alter the audit finding of an over-reporting of dropouts on CBEDS, it does call into question the magnitude of over-reporting that might be found if a more representative sample were used. For example, while the five large urban districts in the sample account for only 21 percent of the total student population in the state, schools from these districts accounted for 77 percent of the sample of students reported as dropouts and for 92 percent of the over-reporting found in the audit. This suggests that while errors exist in the data districts reported on dropouts, the statewide magnitude of over-reporting may be less than the percentage reported for your audit sample. We would have more confidence in a projected statewide error rate if the sample had been randomly selected.(2)

The Department devotes significant resources to both data collection and data reduction. The procedures employed by the Department, the instruction provided to schools and districts, and the types of information collected all undergo continual review, both by Department and local school personnel for the purpose of increasing the relevance and accuracy of data on education in California. However, the diversity of the state and the limited resources available to the Department and the local educational agencies make it difficult to change reporting requirements without disrupting generally efficient local educational data systems. These systems are essential for reporting to the Department and in providing necessary information for local decision making. For these reasons, the Department will respond to the periodic review and the grade definition recommendations as follows.

First, the recommendation to periodically review the accuracy of submitted dropout data will be implemented to the extent resources permit. The Department will continue the data verification procedures established this spring. A listing of the reported dropout data for each school will again be returned to district superintendents for correction or certification.

Second, the Department has studied the consequences of providing a statewide definition of what constitutes a 10th, 11th, or 12th grade student. As this is a policy issue which impacts powers traditionally reserved to local school boards, serious consideration must be given to the advisability of implementing this recommendation. Your recommendation purports to relate only to the reporting of dropout data. However, providing such a definition may require districts to keep two sets of records or significantly alter promotion, retention, and other locally developed educational policies and concerns which were not the focus of this audit. At the state level, dropout data reported using a "units accumulated" criteria would create a separate data base that would not be comparable to data reported for other purposes using the age criteria. Finally, it is not clear from the audit report that providing a grade level definition would alter the counting or reporting of dropouts to any significant degree. In light of the foregoing, if you have recommendations as to how to accommodate the problems created by the grade level definition, we would be happy to meet with you to discuss them. (3)

Sincerely,

James R. Smith
Deputy Superintendent
Curriculum and Insructional
Leadship Branch

JRS:c

AUDITOR GENERAL'S COMMENTS ON THE STATE DEPARTMENT OF EDUCATION'S RESPONSE

(1) We reviewed the wording of the report, and we believe that the tone is appropriate for the facts and conclusions contained in the report.

(2) The purpose of the audit was not to develop a statistical error rate for the CBEDS dropout data. Rather, the purpose of the audit was to determine whether the CBEDS dropout data were accurate and, if inaccurate, to ascertain the reasons for the inaccuracies and to develop recommendations for correcting the data. Furthermore, since over 60 percent of the State's pupils are enrolled in fewer than 10 percent of the school districts, we weighted our sample in favor of the large school districts to reflect this enrollment pattern.

(3) On page 15 of our report, we recommend that the SDE develop a definition of what constitutes a 10th, 11th, and 12th grade student and include this definition in its high school dropout definition for the high schools to use. If the SDE implements this recommendation, we do not believe that the school districts would need to maintain two sets of records. Currently, school districts in our sample review pupils' transcripts to identify dropouts. Since the transcripts contain both age and "units accumulated," the districts can easily apply either criteria during the transcript review. Furthermore, we disagree that the SDE must keep a separate data base using the "units accumulated" basis of defining grade levels. As we point out on page 10 of the report, some school districts report the dropout data to the SDE using the "units accumulated" criteria. The SDE currently compiles and reports these data without using a separate data base. Furthermore, as we discuss on page 15 of the report, it is essential for the SDE to prescribe a single definition of grade levels to ensure the consistency and accuracy of statewide dropout data.

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
State Controller
Legislative Analyst
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
Capitol Press Corps