

FACT SHEET
S.2462: An Act to Improve Dropout Prevention and Recovery
Filed by Senator Edward M. Augustus Jr.

BACKGROUND ON S.2462:

- This legislation reinforces the state's commitment to the National Governors' Association "Graduation Counts Compact," which seeks to improve collection, analysis, and dissemination of graduation and dropout data to create a nationwide common, accurate graduation rate.
- The legislation also promotes collaboration between the education and workforce development systems, and reflects the idea that joint efforts by Workforce Investment Boards, through their Youth Councils, Pathways to Success (P21) Teams, school districts and other entities are necessary to provide coordinated dropout prevention services and implement recovery strategies.
- This legislation sets the goal of *reducing the statewide dropout rate by 50%* by the year 2012.
- According to the Department of Education's February 1, 2007 release of statewide graduation rate data, approximately 80% of students entering high school in 2002 graduated in 4 years. This rate falls to 62% in the Commonwealth's urban areas.

THE SOCIAL AND FISCAL CONSEQUENCES OF THE DROPOUT CRISIS IN MASSACHUSETTS:

- 11,145 students drop out of Massachusetts schools each year. Each year, these dropouts cost the public over \$108 million.
- Dropouts are less likely to find employment, both as young adults and over the course of their lives. Only 55.2% of Massachusetts dropouts between the ages of 16 and 64 were working in 2005, compared with 73.4% of high school graduates.
- On average, dropouts earn less annually than other subgroups. In fact, Massachusetts dropouts earn almost \$10,000 less per year than high school graduates and \$34,000 less than Bachelors degree holders. This is due to three factors: they are less likely to obtain employment, and when employed, they work fewer hours per year and earn lower hourly wages.
- The lifetime impact on earnings is dramatic. According to 2005 data, the average Massachusetts dropout earned \$456,000 less in a lifetime than the average high school graduate and \$1.5 million less than the average Bachelors degree holder. In addition, dropouts spent an average of 21 years in low-income status (or lower), while high school graduates and Bachelors degree holders spent averages of 11 and 5 years, respectively.
- Also, due to substantial labor market changes over the last 30 years, the mean lifetime earnings (in real dollars) of Massachusetts high school dropouts declined by 30% between 1979 and 2005.
- Dropouts make up the majority of jail and prison populations. A 2005 Massachusetts Department of Corrections report found that 70% of jail or prison inmates lacked a high school diploma or GED, though statewide, dropouts represent 12% of the non-elderly population.
- Over half of all Massachusetts dropouts have publicly funded health care through Medicaid or Medicare, at a cost of \$8,508 for each dropout insured.

- The marriage rate among dropouts has declined almost 25% over 25 years, more than any other group. 77% of 2005 births to female dropouts were out of wedlock, compared with 47% to high school graduates and 6% to Bachelors degree holders.

Sources: 1) Young High School Dropouts in Boston: A Profile of Their Demographic and Socioeconomic Characteristics and Their Labor Market Experiences and Problems; 2) An Assessment of the Labor Market, Income Health, Social, Civic and Fiscal Consequences of Dropping Out of High School; 3) The Fiscal Economic Consequences of Dropping Out of High School. These are three parts of a study of the dropout crisis and its consequences. This study was conducted by Northeastern University's Center for Labor Market Studies for the Youth Transitions Task Force, January 2006 - March 2007.

STATEWIDE DROPOUT DATA:

Information about the Class of 2006 cohort (*released February 1st*):

- 80% of the 74,380 freshman who were part of the Class of 2006 graduated from high school within four years; this rate falls to 62.3% in urban areas
- What happened to the remaining 20%:
 - 11.7% dropped out
 - 6.4% are still in school
 - 1% completed high school, but did not receive a Competency Determination (which is required for students to receive a high school diploma)
 - 0.8% obtained their GED
 - 0.2% were expelled

SUMMARY OF S.290:

- Specifically, S.462 establishes a **Graduation and Dropout Commission** to study dropout prevention and recovery programs and strategies implemented throughout the Commonwealth. The Commission is directed to make recommendations regarding raising the compulsory attendance age, funding necessary to implement dropout prevention and recovery programs statewide, developing a reimbursement mechanism for districts sending students to alternative education programs and expanding the definition of “Structured Learning Time” to include internships and work-study programs.
- This legislation also provides **funds to the Department of Education** to hire additional analysts dedicated to collection and analysis of dropout and graduation data.
- S.2462 also requires each district with a dropout rate greater than 5% to develop a **district-wide action plan** designed to reduce dropout rates and effectively track students. The DOE will provide these districts with technical assistance.
- Finally, S.2462 creates a “**Dropout Prevention and Recovery Grant Program,**” to accomplish three goals:
 - (a) implement in-district “early indicator systems” using strong indicators of dropping out to identify students unlikely to graduate on time,
 - (b) create capacity within regions for outreach to dropouts and referrals to local school districts and alternative education programs,
 - (c) provides resources to programs statewide that offer “alternative routes” to a diploma, meeting the needs of those returning to education.