

Understanding Adjusted Cohort Graduation Rates



New Jersey introduced the adjusted cohort graduation rate calculation in 2011 to align with federal requirements. All states are required to use adjusted cohort graduation rate methodology so that rates can be compared across states (see [ESSA graduation rate guidance](#)). New Jersey made changes to the rules used to calculate the adjusted cohort graduation rate beginning in 2021 for federal reporting and accountability purposes based on guidance from the United States Department of Education (USED) and to align with ESSA requirements.

Districts annually submit graduation data in NJ SMART SID Management by August 31.

What is an adjusted cohort?

A **cohort** is a group of students who enter 9th grade during the same school year.

In New Jersey, all first-time 9th graders are assigned to a **cohort**. During high school, the cohort is adjusted each year to add verified transfers in and subtract verified transfers out.

The **adjusted cohort** is the group of students who remain in the cohort after these adjustments are made. Any students who drop out during high school and any students who are still enrolled remain in the adjusted cohort for graduation rate calculations.

How can a student receive a diploma in New Jersey?

In New Jersey, a student receives a **state-endorsed diploma** if the student meets both the state's [course requirements](#) and [graduation assessment requirements](#), as well as any local district requirements, such as local attendance requirements.

Under New Jersey law, students with disabilities whose Individualized Education Programs (IEPs) include modifications or exemptions to graduation assessment, course, or local attendance requirements can still earn a **state-endorsed diploma**.

Additionally, students in New Jersey can earn a **state-issued diploma** by passing a high school equivalency test, but these students are not required to meet the graduation assessment, course, and local attendance requirements.

Which students count as graduates in the graduation rate calculation?

For federal reporting and accountability purposes, ESSA only allows students who receive a diploma that is fully aligned with the state's standards, meaning they have met the state's graduation assessment, course, and local attendance requirements as graduates in the calculation of the adjusted cohort graduation rate.

This means that students with disabilities who earn a state-endorsed diploma but did not meet some or all graduation requirements because of modifications or exemptions in their IEPs cannot be counted as graduates in the federal version of the adjusted cohort graduation rate calculation.

All students who receive a state-endorsed diploma, regardless of exemptions in their IEPs, will still be considered as graduates for state reporting purposes and districts should continue to report these students as graduated in NJ SMART.

Is this a change from prior years?

Prior to 2021, all students earning state-endorsed diplomas were counted as graduates in the calculation of the adjusted cohort graduation rate. New Jersey was required to make changes beginning in 2021 as a result of a performance review by USED.

Beginning in 2021, students with disabilities receiving a state-endorsed diploma who did not meet either the state course requirements and/or local attendance requirements for graduation because of a modification or exemption in their IEP will be excluded from the graduate count in the federal version of the adjusted cohort graduation rate calculation. New fields were added to NJ SMART in 2021 to identify whether a student did not meet the state course or local attendance requirements because of modifications or exemptions in their IEP.

Beginning in 2022, students with disabilities receiving a state-endorsed diploma who did not meet the graduation assessment requirements, but instead met alternate requirements specified in their IEPs, will also be excluded from the federal version of the graduate count. The existing NJ SMART ELA and Math graduation pathway indicators will be used to identify students who did not meet the graduation assessment requirements.

What is the adjusted cohort graduation rate?

The **adjusted cohort graduation rate** measures how many of the students who entered ninth grade end up graduating. New Jersey measures and reports on four-year, five-year, and six-year adjusted cohort graduation rates. The number of students identified as graduates in the calculation depends on whether calculating the federal or state version of the adjusted cohort graduation rate (see Page 3).

The **four-year adjusted cohort graduation rate** measures the percentage of students in the adjusted cohort who graduate by the end of four years. This includes students who graduate in less than four years.

$$\text{4-Year Graduation Rate} = \frac{\text{4-year graduates}}{\text{Adjusted cohort at the end of 4 years}}$$

The **five-year adjusted cohort graduation rate** measures the percentage of students in the adjusted cohort who graduate by the end of five years. This includes students who graduate in four years or less.

$$\text{5-Year Graduation Rate} = \frac{\text{4-year + 5-year graduates}}{\text{Adjusted cohort at the end of 5 years}}$$

Similarly, the **six-year adjusted cohort graduation rate** measures the percentage of students in the adjusted cohort who graduate by the end of six years. This includes students who graduate in five years or less.

$$\text{6-Year Graduation Rate} = \frac{\text{4-year + 5-year + 6-year graduates}}{\text{Adjusted cohort at the end of 6 years}}$$

Students who drop out and students who remain enrolled without receiving a state-endorsed diploma (including students with disabilities who remain enrolled until the age of 21) will count in the denominator, but not in the numerator.

Federal versus state calculations of adjusted cohort graduation rate

Beginning with 2021, the NJDOE will report both a state graduation rate and a federal graduation rate:

- The **state graduation rate** will include all students earning a state-endorsed diploma as graduates (the numerator), which will align with graduation rates reported prior to 2021.
- The **federal graduation rate** will be aligned with ESSA requirements and will only include students earning a state-endorsed diploma who have met all graduation assessment, course, and local attendance requirements as graduates (the numerator). The federal graduation rate will be used for federal reporting and ESSA school accountability.

Example: Four-year adjusted cohort graduation rate calculation

School A has 100 first-time 9th graders in 2017-18. These students are assigned to cohort 2021 because they are expected to graduate in four years at the end of the 2020-21 school year.

Starting in 2017-18, the initial 2021 cohort is **100** students. Between 2017-18 and 2020-21:

- 5 students **transfer in**. They are **added** to the cohort.
- 3 students **transfer out**. They are **removed** from the cohort.
- 4 students **drop out**. They **remain** in the cohort.
- 95 students **graduate** by the end of the 2020-21 school year.
 - 2 of the 95 graduates are students with disabilities who did not meet course requirements because of modifications or exemptions in their IEP.

$$\text{4-Year Adjusted Cohort} = 100 \text{ (initial cohort)} + 5 \text{ (transfers in)} - 3 \text{ (transfers out)} = 102$$

$$\text{4-Year Graduation Rate (State)} = \frac{95 \text{ (4-year graduates based on state requirements)}}{102 \text{ (4-year adjusted cohort)}} = 93.1\%$$

$$\text{4-Year Graduation Rate (Federal)} = \frac{93 \text{ (4-year graduates based on federal requirements)}}{102 \text{ (4-year adjusted cohort)}} = 91.2\%$$

93.1% of students in cohort 2021 graduated within four years, this is the **state-version of the four-year adjusted cohort graduation rate**.

91.2% of students in cohort 2021 graduation within four year and met all graduation assessment, course, and local graduation requirements, this is the **federal version of the four-year adjusted cohort graduation rate**.

The difference between the state and federal versions of the 4-year graduation rate calculation is that the 2 students with disabilities who did not meet course requirements because of modifications or exemptions in their IEP are not included in the count of 4-year year graduates (the numerator) in the federal version. The adjusted cohort (the denominator) remains the same in both calculations.

Example: Five-year adjusted cohort graduation rate calculation

Continuing the example on the previous page, School A has an adjusted cohort of 102 at the start of 2021-22. During 2021-22:

- 2 more students **transfer in**. They are **added** to the cohort.
- 1 more student **transfers out**. He is **removed** from the cohort.
- 2 more students **drop out**. They **remain** in the cohort.
- 3 more students **graduate** by the end of the 2021-22 school year.
 - 1 of the 3 additional graduates is a student with disabilities who met alternate graduation assessments requirements specified in their IEP.

$$\text{5-Year Adjusted Cohort} = 102 \text{ (4-year adjusted cohort)} + 2 \text{ (transfers in)} - 1 \text{ (transfer out)} = 103$$

$$\text{5-Year Graduation Rate (State)} = \frac{95 + 3 \text{ (4- and 5-year graduates based on state requirements)}}{103 \text{ (5-year adjusted cohort)}} = 95.1\%$$

$$\text{5-Year Graduation Rate (Federal)} = \frac{93 + 2 \text{ (4- and 5-year graduates based on federal requirements)}}{103 \text{ (5-year adjusted cohort)}} = 92.2\%$$

95.1% of students in cohort 2021 graduated within five years, this is the **state-version of the five-year adjusted cohort graduation rate**.

92.2% of students in cohort 2021 graduated within five years and met all graduation assessment, course, and local graduation requirements, this is the **federal version of the five-year adjusted cohort graduation rate**. The change to exclude students who do not meet the graduation assessment requirements will start with 2022 graduation calculations.

Six-year adjusted cohort graduation rates will be calculated similarly to five-year adjusted cohort graduation rates but will also include adjustments to the cohort in year six and include any students who graduate by the end of six years.

Note: Five-year and six-year graduation rates are typically higher than four-year graduation rates, but it's possible for them to be lower depending on how the cohort changes during year five or six.

In the example above, if five students transferred in instead of two students:

$$\text{5-year adjusted cohort} = 102 \text{ (4-year adjusted cohort)} + 5 \text{ (transfers in)} - 1 \text{ (transfer out)} = 106$$

$$\text{5-year adjusted cohort graduation rate (State Version)} = 98 / 106 = 92.5\%$$

In this case, the 5-year graduation rate is lower than the 4-year rate of 93.1%

Where can I find more information?

For more details, visit the [Introduction to the Adjusted Cohort Graduation Rate Calculation in New Jersey](#) and the [Graduation FAQs](#). There is also a [Fact Sheet](#) available that explains the changes to the calculation of the Adjusted Cohort Graduation rate starting in 2021.