

# 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](#)).

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 that enter 9<sup>th</sup> grade during the same school year. In New Jersey, all first-time 9<sup>th</sup> graders are assigned to **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 that remain in the cohort after these adjustments are made. Any students that drop out during high school and any students that are still enrolled remain in the adjusted cohort for graduation rate calculations.

## Which students count as graduates?

A student is counted as a graduate in a given school year if they earn a state-endorsed (“regular”) diploma by August 31. A state-endorsed diploma is awarded to students that meet both [course requirements](#) and [graduation assessment requirements](#).

Students who earn a state-issued diploma by passing a high school equivalency test are not counted as graduates for the purposes of graduation rate calculations, per federal guidance.

## What is the adjusted cohort graduation rate?

The **adjusted cohort graduation rate** measures how many of the students that entered ninth grade end up graduating. New Jersey measures and reports on 4-year and 5-year adjusted cohort graduation rates.

The **4-year adjusted cohort graduation rate** measures the percentage of the adjusted cohort that graduate by the end of 4 years.

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

The **5-year adjusted cohort graduation rate** measures the percentage of the adjusted cohort that graduate by the end of 5 years.

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

Students that drop out and students that remain enrolled (including students with disabilities that remain enrolled until the age of 21) will count in the denominator, but not in the numerator.

## Example: 4-year adjusted cohort graduation rate calculation

School A has 100 first-time 9<sup>th</sup> graders in 2015-16. These students are assigned to cohort 2019 because they are expected to graduate in four years at the end of the 2018-19 school year.

Starting in 2015-16, the initial 2019 cohort is **100** students. Between 2015-16 and 2018-19:

- 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 2018-19 school year.

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

$$\text{4-year Graduation Rate} = \frac{95 \text{ (4-year graduates)}}{102 \text{ (4-year adjusted cohort)}} = 93.1\%$$

93.1% of students in cohort 2019 graduated within four years, this is the **four-year adjusted cohort graduation rate**.

## Example: 5-year adjusted cohort graduation rate calculation

Continuing the example above, School A has an adjusted cohort of 102 at the start of 2019-20. During 2019-20:

- 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 2019-20 school year.

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

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

95.1% of students in cohort 2019 graduated within four years, this is the **five-year adjusted cohort graduation rate**.

**Note:** 5-year graduation rates are typically higher than 4-year graduation rates, but it's possible for them to be lower depending on how the cohort changes during year 5.

If in the example above, 5 students transfer in instead of 2 students:

$$\text{5-year adjusted cohort} = 102 + 5 - 1 = 106$$

$$\text{5-year adjusted cohort graduation rate} = 95 / 106 = 92.5\% \text{ (lower than the 4-year rate)}$$

## 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](#).

