
Education Committee

HB 1418

Brief Description: Establishing a statewide dropout reengagement system.

Sponsors: Representatives Kagi, Priest, Sullivan, Walsh, Pettigrew, Roberts, Dickerson, Quall, Seaquist, Sells, Appleton, Hunt, Haler, Pedersen, Orwall, Ormsby, Hasegawa, Conway, Kenney, Maxwell, Santos, Probst, Driscoll, Goodman and Nelson.

Brief Summary of Bill

- Creates a statewide dropout reengagement system for youth aged 16 to 21 who have dropped out of school or are not expected to graduate by age 21.
- Requires the Educational Service Districts (ESDs) to manage model contracts and interlocal agreements between school districts and program providers who may be community and technical colleges or community-based organizations.
- Requires school districts to either enter the model agreement with the ESD, make similar programs available in the district to eligible students, or both.
- Directs the Office of the Superintendent of Public Instruction to adopt rules and develop model contracts and interlocal agreements to be used in the system.
- Specifies minimum program components and allows state per-student funding to be allocated directly to the ESD.

Hearing Date: 2/6/09

Staff: Barbara McLain (786-7383)

Background:

Students are eligible to receive education in a public school until the age of 21 or completion of a high school diploma, whichever is sooner. School districts have broad authority to contract with colleges, community-based organizations, or other education providers to provide educational services. School districts that use Basic Education dollars for these services must meet certain criteria established by rules that are intended to assure that the contracted services meet the

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purpose of Basic Education program requirements. For example, contractors must assure that high school students are working toward course credits that satisfy high school graduation requirements. Minimum seat-time must be maintained to meet the definition of full-time equivalent (FTE) student.

A number of school districts have created programs for older youth who have dropped out of school and are so far behind in accumulating credits that graduation before the age of 21 is unlikely. Some districts offer their own programs through an alternative high school; others contract with community and technical colleges or community-based organizations. Programs tend to offer basic academic skills instruction, GED preparation, high school credit recovery, and introductory college and workforce preparation opportunities. The programs also assist students in addressing personal challenges that are barriers to their education. These programs are offered at the option of an individual school district. In some cases, one school district has acted as a contracting and fiscal agent on behalf of multiple districts in the region, and students from other districts enroll in the nonresident district using the state's "Choice" laws.

In recent years, however, a number of school districts have terminated their contracted dropout reengagement programs. Reasons cited include lack of clarity in state laws and rules governing these contracts. At least one school district has been the subject of audit findings for noncompliance with rules governing expenditure of Basic Education dollars. The Office of the Superintendent of Public Instruction (OSPI) has made several special adaptations to the rules, including on an emergency basis, in an attempt to provide clarity. School districts that have enrolled nonresident students also express concerns about assuming liability for these students, especially if the students are eligible for special education. There are no standardized contracts or agreements.

When high school students enroll in the Running Start program, colleges receive a payment of Basic Education dollars from the school district that is calculated at a uniform statewide average rate per FTE student, including enhancements for vocational courses. For the 2008-09 school year, this is approximately \$4,900. The school district keeps 7 percent of the allocation for administrative purposes. Every enrolled FTE student generates a payment to the school district from the Student Achievement Fund, which amounts to \$458 per FTE in 2008-09.

One of the recommendations from the Building Bridges Dropout Prevention, Intervention, and Retrieval Workgroup in its 2008 report to the Legislature was to establish a statewide dropout retrieval system with a single, comprehensive regulatory framework to govern retrieval programs. The recommendation included establishing authority for regional partnerships and designation of a lead agency in the region to contract for services and programs.

Summary of Bill:

A statewide dropout reengagement system is created to provide education and services to older youth who have dropped out of school or are not expected to graduate from high school by the age of 21. Under the system, Educational Service Districts (ESDs) act as brokers and managers of model interlocal agreements and contracts between school districts and dropout reengagement program providers. Program providers may be community and technical colleges or community-based organizations. School districts are required to either enter the model agreements with the

local ESD, make similar programs available to students, or both. Current authority of school districts to contract for program services is not affected.

Students eligible for dropout reengagement programs are those aged 16 to 21 who are so credit deficient that completion of a high school diploma before age 21 is not reasonable, or are recommended by social service or juvenile justice system case managers. Students must enroll in their resident school district.

Dropout reengagement programs must offer:

- academic instruction, including GED preparation, academic skills, and college and work readiness preparation, that generates high school credit for a school district diploma or a diploma issued by a college and has the goal of academic and work readiness skills for employment or postsecondary education;
- instruction by certified teachers or college instructors whose credentials are established by the college;
- case management, counseling, and resource and referral services to reduce educational barriers for at-risk youth; and
- opportunity for qualified students to enroll in college courses tuition-free if the program provider is a college.

Program providers must offer these program components and comply with the accountability requirements of the model contract, as well as cooperate with the resident school district or the ESD in cases where special education services are needed.

Under the system, the ESDs have the following responsibilities:

- identify and contract with program providers in the region, create partnerships, and identify other sources of funding that could be leveraged for the program;
- serve as liaison between school districts and program providers;
- monitor program performance and compliance with contract terms;
- manage enrollment and student data reporting and financial billing to the state on behalf of school districts; and
- work to assure students can earn high school credit through the programs.

An ESD can create a separate agreement with a school district to provide special education services for students in the programs, but must manage these agreements separately from the dropout reengagement system agreements to avoid a conflict of interest.

School districts who enter the interlocal agreement for the dropout reengagement system must:

- enroll and refer eligible resident students who the district determines would benefit from the program or counsel students to enroll in other district programs;
- provide special education services based on a student's individualized education program in cooperation with the program provider or under separate contract with the ESD; and
- provide student data to the ESD as necessary for the ESD to manage the program on the district's behalf.

The OSPI, in consultation with stakeholders, creates statewide model contracts and interlocal agreements to be used in the dropout reengagement system. Common performance and accountability measures must be included. The OSPI adopts rules for the program that clarify

student eligibility, the basis for FTE student enrollment, and minimum instructional staffing ratios for programs offered by community-based organizations. These are not required to be the same standards and ratios as for basic education education programs offered in the school district. The OSPI also develops nonregulatory guidance for school districts that choose to offer similar programs rather than enter an agreement with the ESD.

The OSPI allocates the per-FTE student basic education funding, plus the Student Achievement Fund allocation, to the ESD directly for each FTE student enrolled in a dropout reengagement program. The basic education funding is calculated on a statewide average rate and includes vocational program enhancements. The ESD retains 5 percent of the allocation for administration, and the school district receives 2 percent of the allocation. The remainder goes to program providers through the model contract for program operation. For all other funding, including the state special education excess cost allocation, students enrolled in the dropout reengagement program are considered regularly enrolled students of the resident district, but they do not count against a district's basic education staffing ratio compliance.

Appropriation: None.

Fiscal Note: Requested on 1/26/2009.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.