

# HOUSE BILL REPORT

## E2SHB 1546

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### As Amended by the Senate

**Title:** An act relating to dual credit opportunities provided by Washington state's public institutions of higher education.

**Brief Description:** Concerning dual credit opportunities provided by Washington state's public institutions of higher education.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Reykdal, Pollet, Springer, Bergquist, S. Hunt, Lytton, Tarleton, Wylie and McBride; by request of Office of Financial Management).

#### **Brief History:**

##### **Committee Activity:**

Education: 2/5/15, 2/17/15 [DPS];

Appropriations: 2/24/15, 2/27/15 [DP2S(w/o sub ED)].

##### **Floor Activity:**

Passed House: 3/10/15, 53-45.

Senate Amended.

Passed Senate: 4/15/15, 32-16.

#### **Brief Summary of Engrossed Second Substitute Bill**

- Adds 10th graders to the list of eligible students for College in the High School (CHS).
- Creates subsidies and per credit fee limits for CHS programs, subject to appropriation.
- Makes clear delineations between CHS programs and Running Start (RS) eliminating the use of RS for courses offered in the high school.
- Adds Guaranteed Education Tuition credits as an option to pay for CHS and RS.
- Requires that 8th and 9th graders be notified of dual credit opportunities.

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#### HOUSE COMMITTEE ON EDUCATION

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Santos, Chair; Ortiz-Self, Vice Chair; Reykdal, Vice Chair; Magendanz, Ranking Minority Member; Bergquist, Gregory, S. Hunt, Kilduff, Lytton, Orwall, Pollet and Springer.

**Minority Report:** Do not pass. Signed by 6 members: Representatives Caldier, Griffey, Hargrove, Hayes, Klippert and McCaslin.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives Muri, Assistant Ranking Minority Member; Stambaugh, Assistant Ranking Minority Member; Fagan.

**Staff:** Robin Hammond (786-7291) and Cece Clynch (786-7195).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Education. Signed by 21 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle, Cody, Dunshee, Hansen, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Magendanz, Pettigrew, Sawyer, Senn, Springer, Stokesbary, Sullivan, Tharinger and Walkinshaw.

**Minority Report:** Do not pass. Signed by 11 members: Representatives Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Condotta, Dent, Haler, G. Hunt, Schmick, Taylor and Van Werven.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Fagan.

**Staff:** Jessica Harrell (786-7349).

### **Background:**

The 2011 Launch Year Act requires all public high schools in Washington to work toward increasing the number of dual credit courses offered to high school students. Dual credit programs allow high school students to earn post-secondary course credit while also earning credit toward high school graduation. From 2011 to 2013, the number of dual credit courses increased 19 percent and the number of students taking dual credit courses increased 4 percent. In the 2012–13 school year, 173,867 high school students were enrolled in dual credit courses. Dual credit programs include Tech Prep, Advanced Placement, College in the High School (CHS), Running Start, and Running Start for the Trades.

### College in the High School Programs.

The CHS programs provide college level courses in high schools for qualified students in grades 11 and 12. The CHS programs are defined in contract between a high school and an institution of higher education. The contracts must, among other things, define eligibility criteria and specify whether the student or the high school pays for tuition fees. The CHS teacher employed by the participating institution of higher education is required to determine the number of credits and whether the course satisfies general or degree requirements when

no comparable course is offered at the institution of higher education. The school district superintendent is required to determine the number of credits for a course when no comparable course is offered by the school district.

#### Running Start Programs.

Running Start (RS) students enroll in courses or programs offered by participating institutions of higher education. Students take Running Start courses on the campus of the institution of higher education and online. Some institutions and school districts also offer RS courses in the high school. The high school students do not pay tuition for RS classes but may be charged fees. The institution of higher education must provide fee waivers for low-income students, including those who qualify for free or reduced-price lunch.

#### Guaranteed Education Tuition Credits.

Washington State's prepaid college tuition program, named the Guaranteed Education Tuition program, is governed by federal Internal Revenue Service rules and Washington law. Parents contribute after-tax money and their money grows tax-free, and all withdrawals are tax-free when used for tuition, room and board, and other qualified higher education expenses. The state guarantees that the value of the account will keep pace with the cost of resident undergraduate tuition and state-mandated fees at the most expensive public university in Washington.

#### Notifying Students about Dual Credit Opportunities.

There are several ways students are given general information regarding dual credit opportunities, including:

- the Office of the Superintendent of Public Instruction must notify schools with children in grades nine through 12 of dual credit opportunities if the cost is minimal;
- schools must notify students in grades nine through 12 of all local dual credit opportunities;
- school districts participating in college in the high school must provide general information to students in grades 10 through 12 about the program; and
- school districts must provide general information to students in grades 10 through 12 about Running Start.

### **Summary of Engrossed Second Substitute Bill:**

#### College in the High School.

Eligibility for the College in the High School (CHS) program is extended to students in grade 10. The Student Achievement Council is added to the list of entities that jointly develop and adopt rules governing the CHS program. The rules must be updated so that CHS courses meet the standards for transferable college credit and satisfy general education or degree requirements. To be considered a program course, a comparable course must be offered to matriculated students of the participating institution of higher education. The number of high school credits must be determined prior to enrollment in a course. Neither the CHS teacher employed by the participating institution of higher learning nor the school district superintendent are required to determine the number of credits for undesignated courses.

Subject to appropriation, a minimum per credit subsidy of \$65 is created for CHS students who have been eligible for free or reduced-price lunch in the last five years. The maximum

per credit fee may not exceed the per credit subsidy, and the subsidy is limited to 10-credits per year. In order to participate, districts must annually apply to the Office of the Superintendent of Public Instruction (OSPI) and report the projected numbers of participating students and credit hours. The Superintendent of Public Instruction may prioritize district applications and determine priority factors, which must include the number of dual credit opportunities available to low income students.

#### Running Start Programs.

Starting September 1, 2015, a RS course may not consist solely of high school students at a high school and must be open to matriculated students at the institution of higher learning.

#### Guaranteed Education Tuition Credits.

Students may use Graduation Education Tuition credits to pay for CHS and RS fees.

#### Notifying Students about Dual Credit Opportunities.

Students in the eighth grade must be given information regarding dual credit opportunities in the following ways:

- the OSPI must notify schools with children in grades eight through 12 of dual credit opportunities if the cost is minimal; and
- schools must notify students in grades eight through 12 of all local dual credit opportunities.

Students in the eighth and ninth grade must also be given information regarding dual credit opportunities in the following ways:

- school districts participating in CHS programs must provide general information to students in grades eight through 12 about the program; and
- school districts must provide general information to students in grades eight through 12 about RS.

#### Null and Void Clauses.

If the CHS per credit subsidies are not funded by June 30, 2015, then the following are null and void:

- the intent section,
- the CHS per credit subsidies, and
- the delineation between CHS and RS that prohibits RS courses from being offered in the high school.

If the CHS per credit subsidies are funded by June 30, 2015, then the intent section, the CHS subsidies, and the delineation between CHS and RS that prohibits RS courses from being offered in the high school will take effect.

#### **EFFECT OF SENATE AMENDMENT(S):**

##### The Senate amendment:

- allows 10th grade students to participate in College in the High School (CHS), as does the House bill, but provides that allocations and subsidies are only available for 11th and 12th grade students;

- changes provisions regarding subsidies for CHS and, instead makes provision for allocations and subsidies. Provides, subject to the availability of funds, that funding may be allocated for CHS, and prioritizes the use of such allocations to: (1) in 2015-16 only, those schools with a Running Start in the High School program in 2014-15; (2) students whose residence or high school is located more than 20 miles from a Running Start (RS) program; and (3) high schools eligible for the small school funding enhancement. Further provides, subject to the availability of funds, and only after the foregoing are funded, for subsidies to students deemed eligible for free or reduced price lunch. Caps the annual number of allocated credits per student at 10, and the annual number of subsidized credits per student at 5. Specifies that the minimum allocation and subsidy is \$65 per quarter credit, and provides that if specific funding is provided for allocations and subsidies, the maximum per credit fee charged to any enrolled student may not exceed the amount of the allocation or subsidy per credit amount. Tasks the OSPI and other entities with reviewing and recommending funding levels for the program every four years beginning in 2017;
- defines CHS, for purposes of this funding, as a dual credit program located on a high school campus or in a high school environment in which a high school student is able to earn dual credit. Does not include changes to the definition of a CHS "program course" which provided that a comparable course must be offered for college credit to matriculated students at the institution and the course must satisfy a general education requirement or a degree requirement;
- modifies the language regarding RS course sections and programs. Both the House bill and the Senate amendment require that RS course sections and programs "must also be open for registration to matriculated students at the participating institution of higher education", but the House bill provides that these "may not be a course consisting solely of high school students offered at a high school campus", whereas the Senate amendment provides that, effective September 1, 2015, these "may not be offered at high schools consisting solely of high school students";
- retains provisions defining "dual credit fees" and allowing use of Guaranteed Education Credits (GET) for CHS and RS;
- tasks the Student Achievement Council, in collaboration with the State Board for Community and Technical Colleges, the OSPI, and the public baccalaureate institutions with making recommendations to the Legislature, by September 15, 2016, for streamlining and improving dual credit programs, with particular emphasis on increasing participation of students who are low income and/or currently underrepresented in the RS, AP, IB, and Cambridge International programs;
- provides that funds awarded under the Academic Acceleration Incentive Program, established by the Legislature in 2013 for the purpose of expanding dual credit, may also be used for textbook fees and transportation of RS students; and
- does not include a null and void clause, which the House bill did, that provided that the delineation between CHS and RS that prohibits RS courses from being offered in the high school would be null and void absent CHS per credit subsidies.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on April 8, 2015.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed, except for sections 1 through 3 and sections 9 and 10.

If specific funding for the purposes of section 2 of the bill is provided for in the omnibus appropriations act by June 30, 2015, sections 1, 2, and 3 take effect 90 days after the adjournment of the session in which the bill is passed, and sections 9 and 10 are null and void.

If specific funding for the purposes of section 2 of the bill is not provided for in the omnibus appropriations act by June 30, 2015, sections 9 and 10 take effect 90 days after the adjournment of the session in which the bill is passed, and sections 1 through 3 are null and void.

**Staff Summary of Public Testimony (Education):**

(In support) Students must have access to all dual credit options, including access to eligible Career and Technical Education courses. Dual credit is accepted at all institutions of higher education in Washington, and can shorten the time to achieve a degree. Presently, some students must retake courses at the college level for it to qualify for general education credits.

The cost to students of College in the High School (CHS) programs varies by district, from \$1,200 to \$0. The fees for CHS programs create equity and access issues. Students who can afford to pay for CHS credit, get credit, while those students who cannot pay for CHS credit take the same courses and do not receive credit. Cost should not be a factor; a student should be able to choose the program that is right for them. This proposal is a step forward. The subsidies should not be a reimbursement model, because this impacts low-income student access.

The Running Start (RS) in the high school programs are different from the original intent. The rules must be clear for both RS and CHS programs. This bill does not prohibit any program, but it does change the funding. There are further proposals to go beyond subsidizing low income students, but the Governor's budget did not allow this.

(With concerns) This legislation may restrict access to dual credit opportunities, and would impact many current students and courses. Students' access to college should not be restricted

(Opposed) Data is clear that students who use RS in the high school graduate from high school and complete a degree. This has not happened by chance, it was because of RS in the high school. The bill will eviscerate existing RS in the high school programs, which is a honed model that is expanding to other districts and serves many rural students. The RS in the high school model is good because students do not have to travel or pay the cost of books, which is a great deal for students, parents, and school districts. The proposed legislation would restrict dual credit opportunities, limit students to 10 credits, fail to fund all underserved students, and is only designed for districts that the Office of the Superintendent of Public Instruction chooses. Please do not eliminate RS in the high school, which provides access to 2,100 participating juniors and seniors. The RS programs in the high school and CHS programs are very different.

Institutions of higher education are neither gaming the system, nor making money from RS in the high school. They pay overhead, pay for teachers, and could take more money than they receive from the district. The only way they can do dual credit is to have a program in the high schools. Students should not have to travel 100 miles or miss out on band or sport practice. If RS in the high school is illegal the Legislature should make it legal and fund it.

**Staff Summary of Public Testimony (Appropriations):**

(In support) Under this legislation the playing field is leveled by making sure that the current system is fair and limits the state's cost exposure. It provides that, if a student in grade 10, 11, or 12 is low income, the state will pay the student's way for the dual credit class. Additionally, if a student does well in school and meets the state's high standards with a high score on the state assessment, the state will also help with that student's dual credit costs in high school.

(In support with amendment(s)) The bill prioritizes expansion of dual credit to students in grade 10, low-income students, and provides more access statewide to dual credit opportunities for all students. The subsidies should be broadened to cover more middle-income students. Running Start (RS) in the high school is basically College in the High School (CHS)—the difference is how it is funded, who pays, and the total cost. The state is paying more for RS in the high school than the state would pay through this bill, or through any other CHS program. The state is paying more for the same class, teacher, credit, and transcripts. This bill provides clarity because RS and CHS are very different models, with very different cost structures and funding models. The bill would provide a more even playing field for students across the state.

(In support with concerns) The bill provides a necessary distinction between CHS and RS. The state may be paying for the same student more than once. The CHS courses should be taught by high school faculty and RS students should be taught by higher education faculty and enrolled at an institution of higher education. The distinction between RS and CHS should not be delayed until 2017—RS in the high school should be phased out this biennium. The RS eligibility language needs to be clarified—it is unclear whether low-income students must be eligible for free or reduced price lunch for a five-year period or once within five years. Language should be added to clarify how RS course subsidies would be administered and distributed to students.

(With concerns) In the 2013-14 school year, more than 20,000 students participated in RS at Community and Technical Colleges. Nearly 4,000 students participated in CHS programs provided in partnership with Community and Technical Colleges, which is a 12 percent increase. Institutions should not receive RS money for providing CHS. The bill should be clear that RS courses are on college campuses, and that CHS courses are in the high school. The two year phase out period for RS in the high school is concerning, as it will cost approximately \$2.6 million this biennium.

(Opposed) Everyone wants qualified instructors teaching qualified students who receive qualifying credits. The RS in the high school program is wildly successful and levels the playing field for high school students taking RS courses in the high school. This bill

inadvertently causes harm. If this bill passes in its current form, there is a segment of students who will no longer get help paying for dual credits. Merit and means-based eligibility for subsidies is a good approach. Maybe rural students could also be given subsidies. The bill eliminates RS in the high school, which provides courses to 150 high schools across the state including many rural students. The Revised Code of Washington states that the Legislature should promote access to dual credit, including creative funding models. The savings from the bill is \$4 million a year from completely eliminating RS in the high school. The need to clarify statute should not trump the needs of students to participate in dual credit opportunities. This bill will restrict dual credit options for students. Under the bill, low-income students will have less access to dual credit because they are limited to 10 credits per year, and the school district must be selected by Office of the Superintendent of Public Instruction if the subsidy program is not fully funded. This bill will create three classes of students: low-income subsidized students; students who pay CHS tuition; and students without subsidies who cannot pay for CHS credits.

**Persons Testifying (Education):** (In support) Representative Reykdal, prime sponsor; Nova Gattman, Workforce Board; Jene Jones, League of Education Voters; Scott Copeland, State Board of Community and Technical Colleges; Maddy Thompson, Washington Student Achievement Council; and Paula Moore, Office of Financial Management.

(With concerns) Charlie Brown, Tacoma Public Schools.

(Opposed) Antonio Sanchez and, Tracy Polett, Central Washington University; and Alica Kinne-Clawson, Eastern Washington University.

**Persons Testifying (Appropriations):** (In support) Representative Reykdal, prime sponsor.

(In support with amendment(s)) Maddy Thompson, Washington Student Achievement Council; and Genesee Adkins and Tim Stetter, University of Washington.

(In support with concerns) Paula Moore, Office of Financial Management.

(With concerns) Marty Brown, State Board for Community and Technical Colleges.

(Opposed) David Buri, Eastern Washington University; and Steve DuPont, Central Washington University.

**Persons Signed In To Testify But Not Testifying (Education):** None

**Persons Signed In To Testify But Not Testifying (Appropriations):** None.