

SENATE BILL REPORT

SB 5758

As Reported by Senate Committee On:
Early Learning & K-12 Education, February 16, 2017

Title: An act relating to increasing college and career readiness and graduation rates in public schools.

Brief Description: Increasing college and career readiness and graduation rates in public schools.

Sponsors: Senators Rivers, Rolfes, Keiser, Frockt and Wellman.

Brief History:

Committee Activity: Early Learning & K-12 Education: 2/16/17, 2/16/17 [DPS-WM, w/oRec].

Brief Summary of Substitute Bill

- Requires the Legislature to allocate an additional \$400 per annual average full-time equivalent student enrolled in middle and high schools; this amount must be adjusted annually for inflation.
- Directs school districts that qualify for the additional funding to establish or expand each of the following three programs: (1) Career and Technical Education (CTE) in middle and high schools, and skill centers; (2) college-level courses in high schools; and (3) dropout prevention strategies in high schools.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: That Substitute Senate Bill No. 5758 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Zeiger, Chair; Fain, Vice Chair; Rolfes, Ranking Minority Member; Rivers and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senator Mullet.

Staff: Susan Mielke (786-7422)

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.

Background: Career and Technical Education (CTE). CTE consists of class offerings, including career exploration and preparatory services, and, depending on the district's CTE courses, participation in one or more of the eight recognized student leadership organizations. Students have access to CTE in middle and high school programs and skill center programs, all of which are approved by the Office of the Superintendent of Public Instruction (OSPI). CTE classes are taught by an instructor who has a current CTE certification and whose certification matches the instructional area.

Middle and high school CTE funding is provided based on the number of enrolled full-time equivalent students participating in OSPI-approved CTE courses that are taught by CTE-endorsed instructors. Funding enhancements to these programs are provided through a lower class size than general education classes, and an enhanced per-student rate for materials, supplies, and operating costs.

College-Level Programs in High Schools. Dual credit programs allow students to take college-level courses while still in high school. Students may become eligible for the awarding of college credit based on scores obtained in the year-end examinations or through taking college-level classes either in their high school or at colleges and universities. The following dual credit programs are taught in the high schools.

Advanced Placement (AP). Students in grades 9, 10, 11 or 12 may enroll in high school courses taught by high school teachers, using college-level curricula approved by the College Board. Students pay a \$91 fee to take an optional, final, standardized exam. The fee may be higher if the high school adds administrative costs to the fee. Fee waivers, subsidized through a combination of state and federal funds, have historically been available for low-income students—the reduced rate is \$15—but federal funds may no longer be available as a result of the restructuring of federal grants under the federal Every Student Succeeds Act (ESSA). Once a student is enrolled, the AP course is indicated on the high school transcript. It does not appear on the college transcript until and unless the college awards credit, based on the exam score. Generally, a score of 3 or higher will generate an award of college credit. According to the Washington Student Achievement Council's (WSAC) Dual Credit Report, in the 2014-15 school year 62,936 students in 180 districts participated in AP programs.

International Baccalaureate (IB). Students in grades 9, 10, 11, or 12 may enroll in IB Standard Level and Higher Level courses taught at the high school, by high school teachers. High schools pay a fee to participate as an authorized school, which is \$11,370 for 2017, and there may be a cost for teacher preparation. Students pay a registration fee, which is \$168 for 2017, and a \$116 fee to take each course exam. Fee waivers, subsidized through a combination of state and federal funds, have historically been available for low-income students—the reduced rate is \$15 for registration and \$15 for exams—but federal funds may no longer be available as a result of the restructuring of federal grants under the federal ESSA. Students may take a single course, or multiple courses to earn an IB diploma. A student completing the IB Diploma program is considered to have met the requirements for high school graduation. Once a student is enrolled, the IB course is shown on the high school transcript. It does not appear on the college transcript until and unless the college awards credit, based on the exam score. Colleges in Washington State generally award college credit for Higher Level exams, but not Standard Level exams. According to WSAC's

2016 Dual Credit Report, in the 2014-15 school year 8799 students in 15 districts participated in an IB program.

University of Cambridge International Examinations. Students in grades 9, 10, 11, and 12 grade may enroll in high school courses, taught at the high school, by high school teachers. Schools can choose from 55 subjects to offer in any combination. Schools pay an application fee, which is \$2,660 for 2017, and an annual program fee, which is \$8,862 for 2017. Students pay a fee for each final subject exam. Fee waivers, subsidized through a combination of state and federal funds, have historically been available for low-income students—\$15 for exams— but federal funds may no longer be available as a result of the restructuring of federal grants under the federal ESSA. Once a student is enrolled, the Cambridge course is listed on the high school transcript. It does not appear on the college transcript until and unless the college awards credit, based on the exam score. According to WSAC's 2016 Dual Credit Report, in the 2014-15 school year 722 students in two districts participated in this program.

College in the High School (CHS). Students in grades 10, 11, and 12 may enroll in college courses taught at a high school, by high school teachers who are qualified to teach the specific college course, using college curriculum, college textbooks, and with oversight by college faculty and staff. High schools retain the full basic education funding for a full-time student. Students pay fees, unless district subsidies or state subsidies are applied. The cost of course materials, including textbooks, is negotiated in a contract between the school district and the institution of higher education. Once a student has enrolled, the course is listed on both the high school and college transcripts. According to WSAC's 2016 Dual Credit Report, in 2014-15 19,098 students from 119 districts participated in the CHS program.

Technical High Schools Direct Funded Enrollment Programs. Students from various school districts attend high school and college courses simultaneously at a technical high school on a technical college campus. Enrollment in the technical high school is pursuant to an interlocal agreement with a school district and receive the full basic education funding for each full-time student. There are three technical high schools on the campuses of technical colleges that participate in this program: Lake Washington Technical Academy at Lake Washington Institute of Technology, Northwest Career and Technical High School at Clover Park Technical College, and Technical High School at Bates Technical College.

Dropout Prevention. OSPI reports that the four-year dropout rate for the class of 2016 was 11.7 percent, or 9474 students. Recent legislative efforts to address dropout prevention include the following:

- House Bill 2449 (2016), which added processes, such as community truancy boards, to lessen instances of student truancy;
- House Bill 1541 (2016), which among other things, tasked the Center for the Improvement of Student Learning with creating the Washington Integrated Student Supports Protocol to coordinate academic and non-academic supports, and prohibits districts from suspending the provision of educational services as a form of disciplinary action;
- House Bill 1599 (2011), which established the Pay for Actual Student Success program and dedicated funding for four programs to decrease dropouts: Building

Bridges, Jobs for Washington Graduates, Opportunity Scholarships, and College Success Foundation; and

- Engrossed Second Substitute House Bill 1418 (2010), which established a dropout reengagement system for youth ages 16-21, who have dropped out of school or are not expected to graduate from high school by the age of 21.

Summary of Bill (First Substitute): Beginning in 2017-19 biennium, the Legislature must allocate an additional \$400 per annual average full-time equivalent student enrolled in middle and high schools. This amount must be adjusted annually for inflation.

Beginning in 2019-20 school year, school districts that receive the additional per student funding must establish or expand each of the following three programs:

- CTE in middle and high schools, and skill centers;
- college-level courses in high schools; and
- dropout prevention strategies in high schools.

Additionally, school districts must use the funding to provide all students in middle schools the opportunity to access CTE courses and analyze and report to OSPI specified information. Other authorized expenditures for each of the three programs are specified. School districts are encouraged to work with other entities, use evidence-based criteria to make decisions, and pursue opportunities for additional fund from other sources.

If a school district can demonstrate that the district already provides equitable access in one or more of the three programs, then the district does not have to expend the funds in those programs. The funds may not be used for purposes or requirements in effect before the effective date of this act, except when used to replace federal or time-bound grant funding lost between June 2013 and June 2017. Indirect cost charges by the school districts may not exceed five of the district's allocation.

OSPI must adopt rules addressing school district eligibility for receipt of the additional per student funding, including the requirement for school districts to submit a two-year plan for the use of the funds. The rules must also include approval criteria and other specified elements.

If a school district applies but does not receive funding, then OSPI must prepare a corrective action plan for the district. OSPI may use some of the funds the district could have received to assist the school district with the implementation of the corrective action plan. If a school district qualifies for the funding for the year immediately following an unsuccessful application for funding, then OSPI must distribute to the district an amount equaling the amount the district would have received in the prior year if it had qualified for funding, less any amounts used by OSPI to prepare the corrective action plan. If a school district does not apply or does not qualify for funding in either the first or second year of the biennium, then OSPI must provide the funding on a prorated basis to those school districts that do qualify.

The State Board of Education must adopt rules for school district appeals of decisions of OSPI not to provide funding to a school district.

If deemed necessary, OSPI must ensure appropriate use of the funds and facilitate continuous improvement of the use of the funds. Beginning in the 2019-20 school year, OSPI may retain a maximum of 1.5 percent of the allocated funds for administrative costs. This amount is reduced to 1.25 percent in the 2020-21 school year.

By December 1, 2021, and December 1st of each odd-numbered year thereafter, the Joint Legislative Audit and Review Committee must review specified data and report to OSPI, the Governor, and the Legislature on the performance of school districts that receive the additional per student funding.

The State Auditor's Office must conduct financial and program audits of the uses and effectiveness of these funds provided to school districts.

EFFECT OF CHANGES MADE BY EARLY LEARNING & K-12 EDUCATION COMMITTEE (First Substitute): The requirement for the State Auditor to conduct performance audits on the use of the funds provided under the bill is removed.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Last year, Oregon passed an initiative because those citizens recognized the importance of these three programs: CTE, dual-credit programs, and dropout prevention. This bill is based on that initiative. CTE, dropout prevention, and dual credit are all great strategies to increase graduation and reduce dropout rates for all our students across the state. It is important for students to have an education that includes learning about what they want to do after they get out of school so that they really have options and are career and college ready. The Committee has passed out other CTE bills in a bipartisan manner and this bill builds upon, not diminishes, those other CTE bills. By putting all three programs in one bill, it shows that all three are valuable for students to access and these different pathways should work together and not compete for the funding. The bill compliments what research says is effective. It provides a more comprehensive service delivery-type framework that includes academic and non-academic programming supported by research-based performance measures.

OTHER: The bill requires performance audits in perpetuity and this is the largest cost of the fiscal note. We recommend that you maintain the requirement for the State Auditor to conduct financial and program audits but you strike the requirement for the performance audits. The Office will still be happy to do performance audits anytime you would like.

Persons Testifying: PRO: Senator Ann Rivers, Prime Sponsor; Dave Powell, Stand for Children; George Aszklar, OSPI/CTE Director; Tim Knue, Washington Association for Career and Technical Education; Jeff Bunch; Darcelina Soloria.

OTHER: Scott Nelson, State Auditor's Office.

Persons Signed In To Testify But Not Testifying: No one.