Washington Office of Superintendent of
PUBLIC INSTRUCTION

REPORT TO THE LEGISLATURE

Dual Credit Fee Subsidy Pilot

2023

Authorizing Legislation: ESSB 5693(522)(40)

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EXECUTIVE SUMMARY

The Dual Credit Fee Subsidy Pilot program was established in 2022 and supported by a $500,000 proviso included in Senate Bill (SB) 5693. The proviso required the Office of Superintendent of Public Instruction (OSPI) to collaborate with the State Board of Community and Technical Colleges (SBCTC) to subsidize out-of-pocket costs for students participating in College in the High School (CHS) and/or Running Start at three community and technical colleges.

Skagit Valley College (SVC), South Puget Sound Community College (SPSCC), and Yakima Valley College (YVC) were selected to participate in the pilot. Funding was allocated to each college based on the number of students enrolled in CHS and Running Start and the proportion of those students who qualified for free and/or reduced-price lunch (FRPL).

While YVC expects to use all funds allocated to the college, both SVC and SPSCC have indicated that they do not anticipate using the majority of the funding available to them. The colleges have suggested that the availability of other funding sources such as Elementary and Secondary School Emergency Relief (ESSER), other grants, and district contributions, as well as the lack of staff capacity and existing practices to reduce or waive student costs, have impeded their ability to effectively use the funding. In general, the funding available seems to exceed the amount of unmet need, as the colleges already have a variety of programs in place to waive or subsidize out-of-pocket costs.

Within this one-year pilot, the colleges had a relatively short timeline to determine how to use the funds, market their availability, or formalize procedures for distributing the funding. Consequently, only YVC has proposed making direct payments to students for their out-of-pocket costs. To date, the strategies under consideration have been primarily concerned with supporting existing college practices and programs (e.g., book loan and voucher programs, fee waivers) and recovering costs that have already been expended on them.

OSPI will include a report of total expenditures and student outcomes, and a more thorough assessment of this pilot with final recommendations, within the August report to the legislature.

INTRODUCTION

Multiple reports and studies have highlighted the disparities in dual credit participation between students from low-income families and those classified as middle- or high-income. In the 2020–21 school year, as reported in OSPI's Dual Credit Program Enrollment Update, the participation gap was 14.5% across all dual credit programs, and the disparity was greater when Career and Technical Education (CTE) Dual Credit was excluded from consideration. The 2023 Education Research and Data Center (ERDC) report "Update on Dual Credit Programs" demonstrated that, with CTE Dual Credit data excluded, 73% of students from middle- and high-income families in the 2017 cohort participated in dual credit while only 46% of students from low-income families did.

College in the High School (CHS) and Running Start fees have been a frequently cited barrier to access for all students, but those from low-income households are more significantly impacted. At a maximum rate of $69.95 per credit, just one CHS course can cost almost $350. While state-funded fee subsidies are available, they are not sufficient to cover the costs for all low-income students, and eligible students only receive them if the school or district applies and is approved for the funding. In 2022, OSPI received over $7 million in CHS subsidy requests for just $3.2 million in available funding.

Unlike CHS, there is no formal subsidy or grant program available for Running Start fees. Although Running Start students do not pay tuition, they are responsible for textbooks, transportation, and fees that can amount to 10% of total tuition costs. Institutions of higher education are already required to waive fees for students eligible for free or reduced-price lunch (FRPL), but both legislators and program staff have indicated that FRPL eligibility is not inclusive enough to support all students with unmet needs. This practice also does not alleviate the financial burdens associated with textbook and transportation costs.

Consequently, the Dual Credit Fee Subsidy Pilot was introduced through a proviso in the 2022 legislative budget. It earmarked $500,000 to be distributed to three community or technical colleges at a rate of $1,000 per FRPL-eligible, full-time equivalent (FTE) Running Start or CHS student. Funding received by the colleges was intended to subsidize out-of-pocket costs to eligible students for:

- Any student-voted fees, technology fees, course fees, laboratory fees, or other fees required for enrollment, up to 17 credits per quarter, which were not waived by the institution of higher education under RCW 28A.600.310.
- Textbooks and other course materials required by the institution of higher education.
- Previously waived college fees or transportation costs for FRPL-eligible students and are enrolled in CHS or Running Start courses, only after using funding to cover the bulleted expenses above.

PROGRAM OVERVIEW

Community College Participation Selection

OSPI partnered with the State Board of Community and Technical Colleges (SBCTC) in August 2022 to identify three community or technical colleges to pilot the Dual Credit Fee Subsidy program. Skagit Valley College (SVC), South Puget Sound Community College (SPSCC), and Yakima Valley College (YVC) were selected to participate based upon the following criteria:

- Location diversity: One community college must be located east of the crest of the Cascade Mountains, and another must be located in a county with a population between 115,000–150,000. County population was verified by using the MRSC Washington County Profiles webpage.
- Demonstration of strong and established dual credit partnerships with interested local high schools.
- Commitment to increasing access and participation in Running Start and CHS programs among students who have been historically underrepresented and qualify as low-income.
- Evaluation of current Running Start and CHS enrollment, including the percentage of students that qualify for free and reduced-price lunch (FRPL).
- Past performance in collaborative OSPI/SBCTC pilot programs, familiarity with OSPI's iGrants application process, and experience with OSPI reimbursement and reporting practices.

Implementation

OSPI and SBCTC outlined student eligibility, the specific out-of-pocket costs the pilot intended to subsidize, and the means by which available funds were to be prioritized. Using data provided by the colleges and SBCTC, OSPI developed a formula to account for each college's total Running Start and CHS enrollment, and the proportion of low-income students in those programs. This data was used to determine the total amount of funding available to each college.

With SBCTC's support, OSPI allocated $143,602 to YVC, $216,250 to SPSCC, and $140,148 to SVC for distribution through a reimbursement process.

Figure 1: Dual Credit Fee Subsidy Pilot Distribution Chart

College	RS Total	RS Low-Income	% Low-Income RS	CHS Total	Total Enrolled	% of All (3,600)	Award on Enrollment (% X $500K)	Award on Low-Income (LI x $735.29*)	Avg. Enrollment/Low-Income Award
Yakima	790	241	30.50%	0	790	22%	$110,000	$177,205	$143,602
SPSCC	1,369	255	18.60%	409	1,778	49%	$245,000	$187,499	$216,250
Skagit	649	184	28.40%	383	1,032	29%	$145,000	$135,296	$140,148
		680			3,600		$500,000	$500,000	$500,000

*$500,000/680 Low-Income Students = $735.29/Low-Income Student

Participating colleges were informed of the availability, amount, and purpose of pilot of funding on October 11, 2022. A follow-up Zoom call occurred in December 2022 to answer questions about the application and discuss strategies for expending the funds.

PRELIMINARY RESULTS

Current Status

Each college has been aware of the amount of funding available to them since October 11, 2022, and recognize that re-payment for the waived fees—up to $1,000 per eligible full-time equivalent (FTE)—will be made on a reimbursement basis and can retroactively cover prior expenses.

OSPI and SBCTC have discussed the allowable uses of pilot funding and worked with the colleges to brainstorm how they could use it. At various points since then, however, all three colleges have indicated they have more than they need to cover out-of-pocket expenses for eligible students. Following recent feedback indicating a willingness to return and/or redistribute their funding, OSPI met with the colleges to discuss their progress and plans for the end of the fiscal year. At that meeting, each college provided the following update on its current plan and prospects for utilizing the available funds.

South Puget Sound Community College

SPSCC is primarily using their funding to cover fees (not tuition) for eligible students who exceed the 1.2 average annual full-time equivalent (AAFTE) limitation by one or two credits. Historically, SPSCC has waived tuition costs and fees for Running Start students who exceed the AAFTE limit, so they are planning to use the funding to support these efforts and have the business rules in place to implement and report on this practice. The college had initially intended to expand their book voucher and loan program with pilot funding, but recently learned they had a United Way grant to cover that expense. Consequently, they are looking at opportunities to utilize the pilot funding to cover expenses the United Way program cannot, such as equipment and materials costs. Although SPSCC was allocated $216,250, they only anticipate spending $30,000–$50,000 and declined the opportunity to accept more funding.

Skagit Valley College

SVC has not established a plan for utilizing the pilot funding, as ESSER funding and school district support have addressed most of their dual credit needs. They were developing a plan to further subsidize CHS costs, but staff turnover and capacity impacted their ability to pursue these plans. They expressed a need for summer support due to the continuation of summer quarter Running Start, but recognized the pilot funding must be expended by June 30, 2023. SVC was intrigued by the other colleges' plans for the funding and will consult with their business office to explore their options.

Yakima Valley College

YVC plans to make direct payment to students for eligible expenses such as books, materials, and transportation. They are working with their Financial Aid office to finalize the process and paperwork. They believe this process will account for approximately 75% of their funds. The remaining 25% will be used to reimburse course and lab fees. While they will likely expend the full award, YVC also declined additional funding.

RECOMMENDATIONS & CONCLUSIONS

Both OSPI and SBCTC support all efforts to remove course fees and other out-of-pocket expenses for students in dual credit programs and appreciate the legislature's investment in this pilot program to subsidize out-of-pocket costs to eligible CHS and Running Start students. While the second report due in August will include final recommendations, current anecdotal feedback is sufficient to draw the following preliminary conclusions:

- **Two-Year Timeline:** OSPI, SBCTC, and the selected colleges need more time to implement and administer an effective pilot program. As the pilot was intended to provide direct support to students, a longer timeline needed to be provided to account for student outreach and the development of materials, applications, and payment processes. Presently, one college is still working on those elements and two have determined that direct reimbursement to students is not realistic with the time available. A two-year pilot would have allowed more time for implementation, the opportunity to utilize the funding more effectively, and the ability to evaluate and change practices as challenges arose.
- **Receiving Agency:** Providing funding to OSPI as a passthrough agency for college payments is inefficient, as the K–12 system is not designed to provide direct payments to institutions of higher education, much less to students. SBCTC is better equipped to ensure the funding can be directed expediently to the colleges and used for the appropriate purposes through existing payment and reporting practices.
- **Flexibility of Funding:** Colleges have variable fee structures, different methods and thresholds for waiving them, and existing programs for reducing costs for textbooks and materials. Consequently, there is not a one-size-fits-all solution for addressing these additional out-of-pocket costs, and none of the pilot colleges seemed to need $1,000 per eligible FTE. A more flexible approach to funding institutional needs (e.g., textbook loan programs, open educational resources, instructional and classroom support, technology upgrades, etc.) could indirectly eliminate costs to students. For colleges to eliminate fees (rather than subsidize them), they need funding and the autonomy to invest it in programs and services currently supported with student fees, which differ from college to college.

ACKNOWLEDGEMENTS

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LEGAL NOTICE

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