SUBSTITUTE HOUSE BILL 1546

State of Washington 64th Legislature 2015 Regular Session

By House Education (originally sponsored by Representatives Reykdal, Pollet, Springer, Bergquist, S. Hunt, Lytton, Tarleton, Wylie, and McBride; by request of Office of Financial Management)

- AN ACT Relating to dual credit opportunities provided by Washington state's public institutions of higher education; amending RCW 28A.600.290, 28A.600.310, 28A.600.320, and 28A.300.118; and reenacting and amending RCW 28B.95.020 and 28B.95.030.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 NEW SECTION. Sec. 1. The legislature intends to provide 7 students with more dual credit opportunities and financial aid to low-income students to increase their participation in dual credit 8 9 opportunities. It further intends to provide seniors with meaningful senior year, to provide incentives to participate in the 10 11 smarter balanced practice and training assessments, and to clarify 12 both running start and college in the high school.
- 13 **Sec. 2.** RCW 28A.600.290 and 2012 c 229 s 801 are each amended to 14 read as follows:
- (1) The superintendent of public instruction, the state board for community and technical colleges, the student achievement council, and the public baccalaureate institutions shall jointly develop and each adopt rules governing the college in the high school program. The association of Washington school principals shall be consulted during the rules development. ((The rules shall be written to

p. 1 SHB 1546

encourage the maximum use of the program and may not narrow or limit
the enrollment options.)) Rules for the program shall be updated by
December 1, 2015. The update shall address course requirements so
that courses offered through the college in the high school program
meet the standards for transferable college credit for the purposes
of meeting general education requirements or degree requirements at
institutions of higher education.

- (2) College in the high school programs shall each be governed by a local contract between the district and the institution of higher education, in compliance with the ((guidelines)) rules adopted ((by the superintendent of public instruction, the state board for community and technical colleges, and the public baccalaureate institutions)) under subsection (1) of this section.
- (3) The college in the high school program must include the provisions in this subsection.
- (a) The high school and institution of higher education together shall define the criteria for student eligibility. The institution of higher education may charge tuition fees ((to participating)) per enrolled student((s)) on a per credit basis as provided in subsection (5) of this section. If specific funding is provided in the omnibus appropriations act for per credit subsidies under subsection (5)(b) of this section, the maximum per credit fee charged to any enrolled student may not exceed the amount of the per credit subsidy.
- (b) School districts shall report no student for more than one full-time equivalent including college in the high school courses.
- (c) The funds received by the institution of higher education may not be deemed tuition or operating fees and may be retained by the institution of higher education.
- (d) Enrollment information on persons registered under this section must be maintained by the institution of higher education separately from other enrollment information and may not be included in official enrollment reports, nor may such persons be considered in any enrollment statistics that would affect higher education budgetary determinations.
- (e) A school district must grant high school credit to a student enrolled in a program course if the student successfully completes the course. ((If no comparable course is offered by the school district, the school district superintendent shall determine how many credits to award for the course.)) The determination of the number of high school credits shall be made in writing before the student

p. 2 SHB 1546

enrolls in the course. The credits shall be applied toward graduation requirements and subject area requirements. Evidence of successful completion of each program course shall be included in the student's secondary school records and transcript.

- (f) ((An)) The participating institution of higher education must grant college credit to a student enrolled in a program course if the student successfully completes the course. The college credit shall be applied toward general education requirements or ((major)) degree requirements. ((If no comparable course is offered by the college, the institution of higher education at which the teacher of the program course is employed shall determine how many credits to award for the course and whether the course fulfills general education or major requirements.)) Evidence of successful completion of each program course must be included in the student's college transcript.
- (g) <u>Tenth</u>, <u>e</u>leventh, and twelfth grade students or students who have not yet received a high school diploma or its equivalent and are eligible to be in the <u>tenth</u>, eleventh, or twelfth grades may participate in the college in the high school program.
- (h) Participating school districts must provide general information about the college in the high school program to all students in grades ((ten, eleven, and)) eight through twelve and to the parents and guardians of those students.
- (i) Full-time and part-time faculty at institutions of higher education, including adjunct faculty, are eligible to teach program courses.
- 26 (4) The definitions in this subsection apply throughout this 27 section.
 - (a) "Institution of higher education" has the meaning in RCW 28B.10.016 and also includes a public tribal college located in Washington and accredited by the Northwest commission on colleges and universities or another accrediting association recognized by the United States department of education.
 - (b) "Program course" means a college course offered in a high school under the college in the high school program by an institution of higher education. To be considered a "program course" 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 degree requirement.

p. 3 SHB 1546

- 1 (c) "Eligible students," for purposes of a per credit subsidy,
 2 are those students who are enrolled by the first day of the program
 3 course and who:
 - (i) Have been deemed eligible for free or reduced-price lunches in the last five years; or

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- 6 <u>(ii) Achieve a three or four score on an assessment developed</u>
 7 <u>with the multistate consortium under chapter 28A.655 RCW, regardless</u>
 8 of income.
- 9 <u>(5)(a) A district or a student may pay the tuition fees charged</u> 10 under subsection (3) of this section.
 - (b)(i) Subject to appropriation, a per credit subsidy shall be provided for eligible students in participating districts. The per credit subsidy must be a minimum of sixty-five dollars per quarter credit in the 2015-16 school year, after which the per credit subsidy must be adjusted annually for inflation. The maximum annual number of subsidized credits shall be specified in the omnibus appropriations act, which must not exceed ten credits.
 - (ii) Districts wishing to participate in the subsidy program must annually apply to the office of the superintendent of public instruction by July 1st of each year and report the preliminary estimate of eligible students to receive the subsidy and the total number of projected credit hours.
 - (iii) The office of the superintendent of public instruction shall notify districts by September 1st of each school year if the district's students will receive the subsidy. If more districts apply than funding is available, the office of the superintendent of public instruction shall prioritize the district applications. The superintendent shall develop factors to determine priority including, but not limited to, the number dual credit opportunities available for low-income students in the districts.
- 31 <u>(iv) Districts shall remit any subsidies on behalf of the</u>
 32 <u>students to the participating institution of higher education and</u>
 33 <u>those students shall not be required to pay for the subsidized</u>
 34 credits.
- 35 <u>(c) Districts are encouraged to pay the costs for students not</u> 36 eligible for the per credit subsidy.
- 37 (d) Students may pay college in the high school fees with 38 advanced college tuition payment program tuition units at a rate set 39 by the advanced college tuition payment program governing body under 40 chapter 28B.95 RCW.

p. 4 SHB 1546

1 **Sec. 3.** RCW 28A.600.310 and 2012 c 229 s 702 are each amended to read as follows:

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(1)(a) Eleventh and twelfth grade students or students who have not yet received the credits required for the award of a high school diploma and are eligible to be in the eleventh or twelfth grades may apply to a participating institution of higher education to enroll in courses or programs offered by the institution of higher education. A student receiving home-based instruction enrolling in a public high school for the sole purpose of participating in courses or programs offered by institutions of higher education shall not be counted by the school district in any required state or federal accountability reporting if the student's parents or guardians filed a declaration of intent to provide home-based instruction and the student received home-based instruction during the school year before the school year in which the student intends to participate in courses or programs offered by the institution of higher education. Students receiving home-based instruction under chapter 28A.200 RCW and attending private schools approved under chapter 28A.195 RCW shall not be required to meet the student learning goals, obtain a certificate of academic achievement or a certificate of individual achievement to graduate from high school, or to master the essential academic learning requirements. However, students are eligible to enroll in courses or programs in participating universities only if the board of directors of the student's school district has decided to participate in the program. Participating institutions of higher education, in consultation with school districts, may establish admission standards for these students. If the institution of higher education accepts a secondary school pupil for enrollment under this section, the institution of higher education shall send written notice to the pupil and the pupil's school district within ten days of acceptance. The notice shall indicate the course and hours of enrollment for that pupil.

(b) Beginning September 1, 2017, all course sections and programs offered through running start must be open for registration to matriculated students at the participating institution of higher education and may not be offered at high schools consisting solely of high school students. Until September 1, 2017, participating institutions of higher education shall phase out all course sections and programs offered at high schools consisting solely of high school students. Participating institutions of higher education shall not

p. 5 SHB 1546

- 1 <u>create new course sections or programs offered at high schools</u>
 2 <u>consisting solely of high school students.</u>
- 3 (2)(a) In lieu of tuition and fees, as defined in RCW 28B.15.020 and 28B.15.041:

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- (i) Running start students shall pay to the community or technical college all other mandatory fees as established by each community or technical college and, in addition, the state board for community and technical colleges may authorize a fee of up to ten percent of tuition and fees as defined in RCW 28B.15.020 and 28B.15.041; and
- (ii) All other institutions of higher education operating a running start program may charge running start students a fee of up to ten percent of tuition and fees as defined in RCW 28B.15.020 and 28B.15.041 in addition to technology fees.
- 15 (b) The fees charged under this subsection (2) shall be prorated 16 based on credit load.
 - (c) Students may pay fees under this subsection with advanced college tuition payment program tuition units at a rate set by the advanced college tuition payment program governing body under chapter 28B.95 RCW.
 - (3)(a) The institutions of higher education must make available fee waivers for low-income running start students or students who achieve a three or four score on an assessment developed with the multistate consortium under chapter 28A.655 RCW. Each institution must establish a written policy for the determination of (($\frac{1}{1}$ come)) eliqible students before offering the fee waiver. A student shall be considered (($\frac{1}{1}$ come and)) eliqible for a fee waiver upon proof that the student is currently qualified to receive free or reduced-price lunch. Acceptable documentation of (($\frac{1}{1}$ come)) eliqible status (($\frac{1}{1}$ comparison of $\frac{1}{1}$ comparison of $\frac{1}{1}$ comparison of $\frac{1}{1}$ considered to $\frac{1}{$
- 31 (i) Documentation that a student has been deemed eligible for 32 free or reduced-price lunches in the last five years((τ));
- (ii) Documentation of a score of three or four on an assessment developed with the multistate consortium under chapter 28A.655 RCW;
 or
- 36 (iii) Other criteria established in the institution's policy.
- 37 (b) Institutions of higher education, in collaboration with 38 relevant student associations, shall aim to have students who can 39 benefit from fee waivers take advantage of these waivers. 40 Institutions shall make every effort to communicate to students and

p. 6 SHB 1546

their families the benefits of the waivers and provide assistance to 1 students and their families on how to apply. Information about 2 waivers shall, to the greatest extent possible, be incorporated into 3 financial aid counseling, admission information, and individual 4 billing statements. Institutions also shall, to the greatest extent 5 6 possible, use all means of communication, including but not limited to web sites, online catalogues, admission and registration forms, 7 mass email messaging, social media, and outside marketing to ensure 8 that information about waivers is visible, compelling, and reaches 9 10 the maximum number of students and families that can benefit.

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- (4) The pupil's school district shall transmit to the institution of higher education an amount per each full-time equivalent college student at statewide uniform rates for vocational and nonvocational students. The superintendent of public instruction shall separately calculate and allocate moneys appropriated for basic education under RCW 28A.150.260 to school districts for purposes of making such payments and for granting school districts seven percent thereof to offset program related costs. The calculations and allocations shall be based upon the estimated statewide annual average per full-time equivalent high school student allocations under RCW 28A.150.260, excluding small high school enhancements, and applicable rules adopted under chapter 34.05 RCW. The superintendent of public instruction, participating institutions of higher education, and the state board for community and technical colleges shall consult on the calculation and distribution of the funds. The funds received by the institution of higher education from the school district shall not be deemed tuition or operating fees and may be retained by the institution of higher education. A student enrolled under this subsection shall be counted for the purpose of meeting enrollment targets in accordance with terms and conditions specified in the omnibus appropriations act.
- (5) ((The state board for community and technical colleges, in collaboration with the other institutions of higher education that participate in the running start program and the office of the superintendent of public instruction, shall identify, assess, and report on alternatives for providing ongoing and adequate financial support for the program. Such alternatives shall include but are not limited to student tuition, increased support from local school districts, and reallocation of existing state financial support among the community and technical college system to account for

p. 7 SHB 1546

- 1 differential running start enrollment levels and impacts. The state board for community and technical colleges shall report the 2 3 assessment of alternatives to the governor and to the appropriate fiscal and policy committees of the legislature by September 1, 4 2010)) (a) Subject to appropriation, a per course or credit subsidy 5 6 shall be provided for eligible students in participating districts, 7 which may be used for books and materials. The subsidy must be a minimum of one hundred dollars per course or a minimum of twenty 8 dollars per credit in the 2015-16 school year, after which the 9 subsidy must be adjusted annually for inflation. The maximum annual 10 number of courses or credits must be specified in the omnibus 11 12 appropriations act, which must not exceed five courses or twenty-five 13 credits.
- 14 <u>(b) "Eligible students," for purposes of a per credit subsidy,</u>
 15 are those students who:
- 16 <u>(i) Have been deemed eligible for free or reduced-price lunches</u> 17 <u>in the last five years; or</u>
- 18 <u>(ii) Achieve a three or four score on an assessment developed</u>
 19 <u>with the multistate consortium under chapter 28A.655 RCW, regardless</u>
 20 <u>of income.</u>

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- (c) Districts must annually report the preliminary estimate of the number of eligible students and the number of courses or credits to the office of the superintendent of public instruction by July 1st of each year.
 - (d) The office of the superintendent of public instruction shall notify districts by September 1st of each school year if the district's students will receive the subsidy. If districts report more eligible students than funding is available, the office of the superintendent of public instruction shall prioritize the distribution of the subsidy. The superintendent shall develop factors to determine priority including, but not limited to, the number of dual credit opportunities available for low-income students in the districts.
- (e) Districts shall remit any subsidies on behalf of the students
 to the participating institution of higher education. The subsidy
 shall be provided as a credit to the student to be used for books and
 materials.
- 38 **Sec. 4.** RCW 28B.95.020 and 2012 c 229 s 606 are each reenacted 39 and amended to read as follows:

p. 8 SHB 1546

The definitions in this section apply throughout this chapter, unless the context clearly requires otherwise.

- (1) "Academic year" means the regular nine-month, three-quarter, or two-semester period annually occurring between August 1st and July 31st.
- (2) "Account" means the Washington advanced college tuition payment program account established for the deposit of all money received by the office from eligible purchasers and interest earnings on investments of funds in the account, as well as for all expenditures on behalf of eligible beneficiaries for the redemption of tuition units and for the development of any authorized college savings program pursuant to RCW 28B.95.150.
- (3) "Committee on advanced tuition payment" or "committee" means a committee of the following members: The state treasurer, the director of the office of financial management, the director of the office, or their designees, and two members to be appointed by the governor, one representing program participants and one private business representative with marketing, public relations, or financial expertise.
- (4) "Contractual obligation" means a legally binding contract of the state with the purchaser and the beneficiary establishing that purchases of tuition units will be worth the same number of tuition units at the time of redemption as they were worth at the time of the purchase.
- (5) "Dual credit fees" means any fees charged to a student for participation in college in the high school under RCW 28A.600.290, or running start under RCW 28A.600.310.
- (6) "Eligible beneficiary" means the person for whom the tuition unit will be redeemed for attendance at an institution of higher education, participation in college in the high school under RCW 28A.600.290, or participation in running start, under RCW 28A.600.310. The beneficiary is that person named by the purchaser at the time that a tuition unit contract is accepted by the governing body. Qualified organizations, as allowed under section 529 of the federal internal revenue code, purchasing tuition unit contracts as future scholarships need not designate a beneficiary at the time of purchase.
- ((+6+)) (7) "Eligible purchaser" means an individual or organization that has entered into a tuition unit contract with the governing body for the purchase of tuition units for an eligible

p. 9 SHB 1546

beneficiary. The state of Washington may be an eligible purchaser for purposes of purchasing tuition units to be held for granting Washington college bound scholarships.

- ((+7)) (8) "Full-time tuition charges" means resident tuition charges at a state institution of higher education for enrollments between ten credits and eighteen credit hours per academic term.
- $((\frac{(8)}{(9)}))$ "Governing body" means the committee empowered by the legislature to administer the Washington advanced college tuition payment program.
- $((\frac{(9)}{)})$ (10) "Institution of higher education" means an institution that offers education beyond the secondary level and is recognized by the internal revenue service under chapter 529 of the internal revenue code.
- (((10))) (11) "Investment board" means the state investment board 15 as defined in chapter 43.33A RCW.
- $((\frac{11}{1}))$ <u>(12)</u> "Office" means the office of student financial assistance as defined in chapter 28B.76 RCW.
- $((\frac{12}{12}))$ <u>(13)</u> "State institution of higher education" means 19 institutions of higher education as defined in RCW 28B.10.016.
 - (((13))) (14) "Tuition and fees" means undergraduate tuition and services and activities fees as defined in RCW 28B.15.020 and 28B.15.041 rounded to the nearest whole dollar. For purposes of this chapter, services and activities fees do not include fees charged for the payment of bonds heretofore or hereafter issued for, or other indebtedness incurred to pay, all or part of the cost of acquiring, constructing, or installing any lands, buildings, or facilities.
 - (((14))) (15) "Tuition unit contract" means a contract between an eligible purchaser and the governing body, or a successor agency appointed for administration of this chapter, for the purchase of tuition units for a specified beneficiary that may be redeemed at a later date for an equal number of tuition units.
 - (((15))) (16) "Unit purchase price" means the minimum cost to purchase one tuition unit for an eligible beneficiary. Generally, the minimum purchase price is one percent of the undergraduate tuition and fees for the current year, rounded to the nearest whole dollar, adjusted for the costs of administration and adjusted to ensure the actuarial soundness of the account. The analysis for price setting shall also include, but not be limited to consideration of past and projected patterns of tuition increases, program liability, past and

p. 10 SHB 1546

- projected investment returns, and the need for a prudent 1 2 stabilization reserve.
- Sec. 5. RCW 28B.95.030 and 2011 1st sp.s. c 12 s 2 and 2011 1st 3 sp.s. c 11 s 170 are each reenacted and amended to read as follows: 4

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- (1) The Washington advanced college tuition payment program shall be administered by the committee on advanced tuition payment which shall be chaired by the director of the office. The committee shall be supported by staff of the office.
- (2)(a) The Washington advanced college tuition payment program shall consist of the sale of tuition units, which may be redeemed by the beneficiary at a future date for an equal number of tuition units regardless of any increase in the price of tuition, that may have occurred in the interval.
- (b) Each purchase shall be worth a specific number of or fraction of tuition units at each state institution of higher education as determined by the governing body.
- (c) The number of tuition units necessary to pay for a full year's, full-time undergraduate tuition and fee charges at a state institution of higher education shall be set by the governing body at the time a purchaser enters into a tuition unit contract.
- (d) The governing body may limit the number of tuition units purchased by any one purchaser or on behalf of any one beneficiary, however, no limit may be imposed that is less than that necessary to achieve four years of full-time, undergraduate tuition charges at a state institution of higher education. The governing body also may, at its discretion, limit the number of participants, if needed, to ensure the actuarial soundness and integrity of the program.
- (e) While the Washington advanced college tuition payment program is designed to help all citizens of the state of Washington, the governing body may determine residency requirements for eligible purchasers and eligible beneficiaries to ensure the actuarial soundness and integrity of the program.
- (3)(a) No tuition unit may be redeemed until two years after the purchase of the unit.
- (b) Units may be redeemed for enrollment at any institution of higher education that is recognized by the internal revenue service under chapter 529 of the internal revenue code. <u>Units may also be</u> 37 redeemed to pay for dual credit fees.

SHB 1546 p. 11

((\(\frac{(b)}{D}\))) (c) Units redeemed at a nonstate institution of higher education or for graduate enrollment shall be redeemed at the rate for state public institutions in effect at the time of redemption.

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- (4) The governing body shall determine the conditions under which the tuition benefit may be transferred to another family member. In permitting such transfers, the governing body may not allow the tuition benefit to be bought, sold, bartered, or otherwise exchanged for goods and services by either the beneficiary or the purchaser.
- (5) The governing body shall administer the Washington advanced college tuition payment program in a manner reasonably designed to be actuarially sound, such that the assets of the trust will be sufficient to defray the obligations of the trust including the costs of administration. The governing body may, at its discretion, discount the minimum purchase price for certain kinds of purchases such as those from families with young children, as long as the actuarial soundness of the account is not jeopardized.
- 17 (6) The governing body shall annually determine current value of 18 a tuition unit.
 - (7) The governing body shall promote, advertise, and publicize the Washington advanced college tuition payment program.
- 21 (8) In addition to any other powers conferred by this chapter, 22 the governing body may:
- 23 (a) Impose reasonable limits on the number of tuition units or 24 units that may be used in any one year;
 - (b) Determine and set any time limits, if necessary, for the use of benefits under this chapter;
 - (c) Impose and collect administrative fees and charges in connection with any transaction under this chapter;
- 29 (d) Appoint and use advisory committees and the state actuary as 30 needed to provide program direction and guidance;
- 31 (e) Formulate and adopt all other policies and rules necessary 32 for the efficient administration of the program;
- 33 (f) Consider the addition of an advanced payment program for room 34 and board contracts and also consider a college savings program;
- 35 (g) Purchase insurance from insurers licensed to do business in 36 the state, to provide for coverage against any loss in connection 37 with the account's property, assets, or activities or to further 38 insure the value of the tuition units;

p. 12 SHB 1546

(h) Make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise and discharge of its powers and duties under this chapter;

- (i) Contract for the provision for all or part of the services necessary for the management and operation of the program with other state or nonstate entities authorized to do business in the state;
- (j) Contract for other services or for goods needed by the governing body in the conduct of its business under this chapter;
- 9 (k) Contract with financial consultants, actuaries, auditors, and 10 other consultants as necessary to carry out its responsibilities 11 under this chapter;
- 12 (1) Solicit and accept cash donations and grants from any person, 13 governmental agency, private business, or organization; and
- 14 (m) Perform all acts necessary and proper to carry out the duties 15 and responsibilities of this program under this chapter.
- **Sec. 6.** RCW 28A.600.320 and 2009 c 524 s 4 are each amended to read as follows:

A school district shall provide general information about the program to all pupils in grades ((ten, eleven, and)) eight through twelve and the parents and guardians of those pupils, including information about the opportunity to enroll in the program through online courses available at community and technical colleges and other state institutions of higher education and including the college high school diploma options under RCW 28B.50.535. To assist the district in planning, a pupil shall inform the district of the pupil's intent to enroll in courses at an institution of higher education for credit. Students are responsible for applying for admission to the institution of higher education.

- **Sec. 7.** RCW 28A.300.118 and 2000 c 126 s 1 are each amended to 30 read as follows:
 - (1) Beginning with the 2000-01 school year, the superintendent of public instruction shall notify senior high schools and any other public school that includes <u>eighth or ninth grades</u> of the names and contact information of public and private entities offering programs leading to college credit, including information about online advanced placement classes, if the superintendent has knowledge of such entities and if the cost of reporting these entities is minimal.

p. 13 SHB 1546

(2) Beginning with the 2000-01 school year, each senior high school and any other public school that includes ninth grade shall publish annually and deliver to each parent with children enrolled in ninth through twelfth grades, information concerning the entrance requirements and the availability of programs in the local area that lead to college credit, including classes such as advanced placement, running start, tech-prep, skill centers, college in the high school, and international baccalaureate programs. The information may be included with other information the school regularly mails to parents. In addition, each senior high school and any other public school that includes ninth grade shall enclose information of the names and contact information of other public or private entities offering such programs, including online advanced placement programs, to its ninth through twelfth grade students if the school has knowledge of such entities.

(3) Beginning with the 2015-16 school year, each middle school and any other public school that includes eighth grade shall publish annually and deliver to each parent with children enrolled in eighth through twelfth grades, information concerning the entrance requirements and the availability of programs in the local area that lead to college credit as required in subsection (2) of this section.

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p. 14 SHB 1546