



Increasing Equitable Access to Dual Credit and Reducing Barriers to Credential Attainment *2025–27 Operating Budget Decision Package*

RECOMMENDATION SUMMARY

Preparing students for post-secondary pathways lies at the heart of the Office of Superintendent of Public Instruction's (OSPI) mission. Dual credit courses give students the opportunity to earn high school and college credits simultaneously which provides them with a jumpstart on determining and investing in their career pathways and future success. While dual credit represents a significant opportunity for students, students do not have equitable access to these opportunities due to the required out-of-pocket costs for participation. OSPI requests funding to support a comprehensive approach to providing all Washington students with equitable access to dual credit, making credential attainment more affordable for students and families.

FISCAL DETAIL

Operating Expenditures	FY 2026	FY 2027	FY 2028	FY 2029
Fund 001-1 (program 010)	\$50,000	\$0.00	\$0.00	\$0.00
Fund 001-1 (program 021)	\$4,576,000	\$19,699,000	\$25,013,000	\$26,276,000
Fund 17F (program 068)	\$23,000	\$99,000	\$126,000	\$132,000
Fund 001-1 (program 05X)	\$3,225,000	\$3,322,000	\$3,422,000	\$3,525,000
Total Expenditures	\$7,874,000	\$23,120,000	\$28,561,000	\$29,933,000
Biennial Totals	\$30,994,000		\$58,494,000	
Staffing	FY 2026	FY 2027	FY 2028	FY 2029
FTEs	0.0	0.0	0.0	0.0
Average Annual	0.0		0.0	
Object of Expenditure	FY 2026	FY 2027	FY 2028	FY 2029
Obj. C	\$50,000	\$0.00	\$0.00	\$0.00
Obj. N	\$7,824,000	\$23,120,000	\$28,561,000	\$29,933,000
Revenue	FY 2026	FY 2027	FY 2028	FY 2029
Fund 001-2	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenue	\$0.00	\$0.00	\$0.00	\$0.00
Biennial Totals	\$0.00		\$0.00	

PACKAGE DESCRIPTION

Dual credit provides students with the potential to earn high school and college credit at the same time through successful completion of college-level coursework and/or by passing a corresponding exam. Exam-based options include Advanced Placement (AP), Cambridge International (CI), and International Baccalaureate (IB) programs, while course-based dual credit options include Career and Technical Education (CTE) dual credit, College in the High School (CiHS), and Running Start programs. Eligibility requirements to enroll in and the availability of each program varies by school and by district. Specific enrollment processes and transcription steps may be required for exam scores or course completion to result in college credit.

What is the problem, opportunity, or priority you are addressing with the request?

The Legislature has made significant investments in expanding student access to dual credit through both funding and policy changes. Unfortunately, barriers and gaps in access to these programs persist. As an example, according to data spanning 2015 through 2022, only 67% of American Indian/Alaska Native (AI/AN) students identified as low-income enrolled in dual credit opportunities, compared with 85% of their non-low-income AI/AN peers.¹ This gap in participation between students identified as low-income and students identified as non-low-income holds consistent across students when grouped by race and ethnic identities. There exists a significant opportunity to invest in better access to dual credit options for the over one million K–12 students in Washington, using strategies that advance equity across student groups and better prepare all students for post-secondary pathways.

Out-of-Pocket Running Start Costs

Student success in Running Start programs is consistently high, and previous state investments are already paying off. Currently, 95% of Running Start students earn both college and high school credits through the program with that number showing little variance year-to-year, by class, or standing.² However, low-income students are still significantly less likely to participate in Running Start, and the participation gap widens when considering factors such as student race and ethnicity. The biggest persistent barrier to participation is the out-of-pocket costs for students and families. Even though students are not charged directly for courses in which they enroll, courses still require payment of fees, purchasing books, and other course-related costs that can end up totaling between \$400 to \$800 per student per quarter based on college fee estimates³. While institutions of higher education are required to provide fee waivers to low-income students under RCW 28A.600.310, and many offer book loan programs, these options require students and families to submit additional paperwork and disclose their financial status, which can often be viewed as a barrier in and of itself as not all families are comfortable doing

¹ Education Research and Data Center. (September, 2024). Dual Credit Dashboard. <https://erdc.wa.gov/data-dashboards/dual-credit-dashboard>.

² Ibid

³ Office of Superintendent of Public Instruction. (August, 2022). *Running Start Frequently Asked Questions*. <https://ospi.k12.wa.us/sites/default/files/2023-08/rs-faqs-august-2022.pdf>.

so. There are also many students and families on the cusp of qualifying for free and reduced-price lunch (FRPL) for whom the un-waived fees, cost of textbooks, and transportation to and from dual credit classes remain a significant barrier to enrollment. OSPI believes that cost should not be a factor for students at any income level when considering enrollment in dual credit courses, offerings as part of basic education in Washington state.

Summer Running Start

Another challenge is the local costs and logistics of administering summer Running Start when high school buildings are closed, and when support is limited throughout both the K–12 and community and technical college systems. In the 2021–22 school year, the Running Start program experienced its first enrollment decline in over a decade, due in large part to pandemic-related school and college building closures. The impact of these interruptions on students' advanced course-taking and their willingness to forego a traditional high school experience in favor of Running Start contributed to lower enrollment. At community and technical colleges, enrollment declined 14% from fall 2020 to fall 2021 before rebounding modestly in 2022 and nearly returning to pre-pandemic levels in 2023.

Amid that recovery, the Legislature passed House Bill 1316: *Expanding access to dual credit programs* in 2023, raising the combined maximum enrollment in Running Start per individual student to 1.40 full-time equivalent (FTE) and opening the summer college term to Running Start students. The Legislature's investment in summer Running Start was timely, but it did not include support for local implementation to account for a new class of students – rising juniors, or those who had completed their sophomore year and would be entering their junior year in the coming fall. This new class of students generated a need for additional school counselor support and program administration for the summer term, and high schools and colleges had to find other funds to carry out the required administrative processes like course registration and reporting during the summer months. At the same time, because K–12 apportionment and school funding models operate on a traditional September–June school year, the added summer quarter only generates two-thirds of the funding that colleges receive for operating a dual credit program during the regular school year. This problem was partially addressed with a summer rate enhancement in 2024; however, funding for the summer term is still 20% less than what the colleges would otherwise receive. The summer enhancement also does not include the portion that normally goes to school districts to cover the administration of Running Start during the summer months.

Career and Technical Education (CTE) Dual Credit Consortium and Transcription Fees

CTE dual credit is the largest and most equitable dual credit program in the state in terms of student participation. However, it is the least resourced of the dual credit programs and, as evidenced in a report by the Research Triangle Institute (RTI),⁴ there is significant variance in how these programs are administered at the local level.

⁴ Staklis, S., Zinth, J., et. all. (June, 2022). *Washington CTE Dual Credit Project Final Report*. Research Triangle Institute. <https://www.sbctc.edu/resources/documents/colleges-staff/programs-services/workforce-education/cte-dual-credit/cte-dual-credit-project-final-report.pdf>.

Although more students enroll in and complete CTE Dual Credit courses than any other type, and completion rates are high and relatively consistent with other dual credit programs, it has the lowest rate of transcript acceptance by institutions of higher education (IHE) when it comes to translation into postsecondary credits. This gap is driven by several factors. As the state does not currently provide dedicated funding for CTE Dual Credit programming to high schools or colleges, students are often left to pay transcription fees and schools themselves often shoulder start-up or administrative costs charged by colleges or dual credit consortia. These fees cover the IHE's expenses when entering into formal agreements with school districts, and transcribing credit earned through CTE coursework that is aligned with professional and technical programs within community and technical colleges (CTCs).

In addition to college or consortium fees, school districts also absorb the costs associated with providing teacher release time or paying stipends for course alignment with IHEs, purchasing instructional materials, purchasing and/or maintaining industry-standard equipment, and providing opportunities for educators to take part in needed professional development and/or attain industry certification. As there has been no dedicated funding for CTE Dual Credit since the elimination of Tech Prep in Perkins IV, school districts are offering CTE Dual Credit at an overall financial loss.

Credentials for Workforce Development

Industry recognized credentials (IRCs) are employer-valued, transferable credentials, representing and affirming students' professional training and preparation which then leads to a hiring advantage when entering the workforce. However, IRCs currently come at a cost to families or the CTE budgets in most school districts. These costs vary, with costs as high as \$450 for a Certified Dental Assistant credential for example. The costs associated with attaining IRCs constitute a real barrier for many students who are otherwise capable of and would be interested in attaining them.

Tools, Uniforms, and Specialized Equipment Costs

In addition to the out-of-pocket fees outlined above, students in professional and technical programs encounter the added barrier of needing to acquire the tools, uniforms, and specialized equipment required for their programs, often at their own expense. These costs continue to be a barrier to student access to these opportunities, particularly as the costs vary greatly by course or program.

What is your proposal?

Eliminating out-of-pocket Running Start fees, supporting summer Running Start, and making dual credit more affordable by removing other fees underscores OSPI's and the state's commitment to equitable access to dual credit for all students. Making postsecondary credit attainment more affordable and therefore more widely accessible to students and families will increase participating students' confidence in their ability to succeed in postsecondary education, driving higher enrollment in IHEs and other postsecondary programs, and allowing participating students to attain postsecondary degrees and/or professional certifications much sooner after completing high school.

Eliminating Out-of-Pocket Costs for Students Accessing Basic Education through Running Start

To eliminate out-of-pocket fees, OSPI proposes applying a multiplier of 6% (1.06) to the current Running Start rate in the prototypical school funding model. This new rate would include tuition, fees, and book costs so students are not financially penalized for accessing their basic education through college coursework while also ensuring CTCs have the funding needed to run these programs. Our proposal phases in the increased state allocation to provide time for policy implementation.

The increase in the state allocation for Running Start is an investment in efficiency as costs associated with the program will all be captured in the single allocation, ensuring costs directly follow the number of students served through Running Start. As an added benefit, this adjustment will eliminate the need for colleges to operate separate fee waiver programs for qualifying Running Start students.

Currently the fees described above are not detailed in law. OSPI would request legislation to modify RCW 28A.600.310 to specify what fees shall be covered for Running Start students.

Fully Funding Summer Running Start

To support local implementation of summer Running Start, this proposal increases the current Running Start rate to 150% (1.5) for the summer quarter through an enrollment-driven increase to the prototypical school funding model. This funding strategy replaces an existing budget proviso that funds the current enhancement of 130% (1.3), which is insufficient to cover the costs of future enrollment growth, which complicates enrollment and reimbursement practices, and which is set to expire at the end of fiscal year 2025.

This new funding will increase support for the added costs incurred by IHEs and school districts, both of which experience increased administrative workloads leading up to and during summer quarter to support the submission of required summer documentation and enrollment reporting, and to provide support for high school students enrolled in summer Running Start.

Supporting the Cost of Industry-Recognized Credentials

To support students earning IRCs relevant to future employment, this proposal funds the cost of both CTCs and high school skill centers providing access to these credentials. This funding will eliminate a potential barrier for student participation in dual credit and attainment of IRCs, which itself can become a barrier to access opportunities when entering the workforce. Common examples of IRCs include credentials like a Commercial Driver's License (CDL), Certified Nursing Assistant (CNA), Home Care Aid (HCA), cosmetology licenses, and other specialized credentials required for employment in specific industries. This proposal expands on the Legislature's recent investment of \$375,000 to subsidize healthcare-based IRCs required for employment.

In addition, OSPI and SBCTC will collaborate to establish a qualified credentials list that reflects only those IRCs required for employment.

Eliminating Career and Technical Education (CTE) Dual Credit Consortium and Transcription Fees

This proposal uses state funding to subsidize dual credit consortium and transcription fees that most colleges and consortia charge either to the school district or directly to enrolled students and their families. The funding gathered by charging these fees covers real costs incurred by IHEs when entering into formal agreements with school districts, and when transcribing credit earned through student completion of CTE coursework. By covering these fees, the state can remove barriers for students and families while also providing needed support to the school districts and CTCs administering these programs.

Subsidizing the Costs to Students for Tools, Uniforms, and Materials

OSPI requests state funding to cover the costs of tools, uniforms, and specialized materials required for participation in and completion of professional, technical, and CTE programs. Funding will be restricted to high-demand programs that confer IRCs necessary for employment in their respective industries. Additional reporting requirements consistent with Skill Center programs will also be funded through this request.

How is your proposal impacting equity in the state?

1. This proposal is intended to address the most evident and significant barrier to dual credit participation and credential attainment: cost. It is a first step of many to reducing the equity gaps among students identified as low-income and students of color clearly demonstrated throughout state and national reports. Additionally, eliminating costs of dual credit and the attainment of industry-recognized credentials will benefit all students and the communities and industries in which they live and work. Multiple reports and publications have demonstrated that there are overwhelmingly positive correlations between participation in dual credit and transfers to postsecondary institutions and attainment of postsecondary credentials. The Bill & Melinda Gates Foundation's Early College High School Initiative found:
 - 90% of early college students receive a high school diploma compared to 78% of students nationally.
 - 30% of early college students earn an associate degree or certificate with their high school diploma compared to very few nationally.
 - 94% of early college students earn transferable college credits in high school, compared to 10% of students nationally.
 - 86% of early college graduates who enroll in college after high school graduation persist to their second year, compared to 72% of college students nationally.
2. At the forefront of every program, policy, and decision, OSPI actively focuses on ensuring all students have access to the instruction and support they need to succeed in our schools. OSPI regularly engages with a wide array of partners and stakeholders to continuously connect with students, families, and community representatives as partners in decision-making.
3. See above.
4. See above.

What are you purchasing and how does it solve the problem?

Eliminating Out-of-Pocket Costs for Students Accessing Basic Education through Running Start

To eliminate out-of-pocket fees for students and their families, OSPI proposes applying a multiplier of 6% (1.06) to the existing Running Start rate, beginning in fiscal year 2027. This enhanced rate will provide the additional funding needed to cover the total cost of books and instructional fees assessed by dual credit programs across the state, keeping IHEs financially whole when offering these essential programs. IHEs that have established book loan programs, often using private funds, will be able to shift these resources to other students, providing more access to dual credit for students whose families need, but do not qualify for, financial support.

Historically, most funding allocated to dual credit programs has gone toward subsidies that support students' immediate access to a dual credit program rather than local or statewide program development, expansion, and improvement. The development, administration, and maintenance of grant programs associated with the cost-reduction efforts funded by these strategies requires additional investment to cover staffing costs at OSPI. This process of subsidizing student costs through agency allocations and grants is inefficient and administratively burdensome for both the state and for school districts. The means of distributing these funds is also inequitable, as it relies on school and district capacity to engage in grant writing and reporting. Often, the schools and districts in greatest need of dual credit funding have the fewest staff available to apply for these grants.

Funding this proposal will: reduce costs to student and families, providing more equitable access to dual credit programs; give district-level staff greater capacity to provide direct support to dual credit programs, practitioners, students, and families; and allow the state to better direct available grant funds toward supporting sustainable practices and program development, further increasing student access to dual credit programs.

Fully Funding Summer Running Start

To support local implementation of summer Running Start, this proposal establishes an enhanced summer Running Start rate of 150% (1.5) in the prototypical school funding model. This added funding will support IHEs and high schools as they manage the increased administrative workloads associated with meeting state requirements when operating these programs and assisting and supporting students during the summer quarter.

Supporting the Cost of Industry-Recognized Credentials

To support students earning IRCs, this proposal will cover the cost of providing students with credentials that are required for employment in specific, high-demand fields. Like the current budget proviso that supports health care-based credentials, this funding will be granted to programs that offer qualifying credentials. Removing these credentialing costs will eliminate another barrier to students accessing dual credit programs and opportunities when entering the workforce.

Eliminating CTE Dual Credit Consortium and Transcription Fees

By covering the cost of dual credit consortia and transcription fees, this proposal eliminates

another cost that falls on school districts, students, and families. These fees are typically \$50 per student per year.

Subsidizing the Costs to Students for Tools, Uniforms, and Materials

To eliminate the out-of-pocket cost for students enrolled in high-demand professional technical programs, OSPI seeks funding to cover the cost of tools, uniforms, and specialized materials required for professional technical programs at skill centers and high schools.

What alternatives did you explore and why was this option chosen?

Alternatives to eliminating fees include reducing or subsidizing them only for students experiencing income instability and poverty. While this strategy would help to minimize the gap in access for these students, any fees associated with dual credit are a prohibitive expense for many students and families. Reducing but not eliminating these fees will not encourage fully equitable participation across student groups.

Covering costs for some students may have downstream impacts for others as it may lessen the incentive to IHEs lower them for all where that may be possible or could result in IHEs raising costs elsewhere to subsidize needed funding lost by lowering these fees. It is worth considering that when fees are waived or even subsidized for select groups, it can affect program quality and the level of support available to other students enrolled in the program. If the state eliminates costs to students but does not replace that funding which is critical to IHE budgeting, dual credit programs will not be adequately supported.

What resources does the agency already have that are dedicated to this purpose?

OSPI does not have funding to cover the costs outlined in this proposal without additional resources. The 2024 Legislature appropriated \$375,000 in the most recent Operating Budget to subsidize healthcare-based IRCs required for employment, but these dollars will not cover costs associated with other IRCs. Additionally, OSPI receives \$4,894,000 each year to administer programs and grants aimed at increasing equitable student access to dual credit programs. These initiatives include subsidizing or eliminating student costs for dual credit courses or exams. OSPI does not have the resources to accomplish the objectives in this proposal within existing funding and, as addressed above, proviso funding is an inefficient and inequitable means of subsidizing student costs. With the increased enrollment-driven funding outlined in this proposal, OSPI will be able to more effectively utilize current, ongoing resources to support local and statewide program implementation, expansion, and marketing, alongside professional development efforts.

ASSUMPTIONS AND CALCULATIONS

Expansion, reduction, elimination or alteration of a current program or service:

Based on assumed Caseload Forecast Council student enrollment, district funding for Running Start through the prototypical school funding model is anticipated to be approximately \$620

million in the 2025–27 biennium (\$302 million in fiscal year 2026 and \$318 million in fiscal year 2027).

Detailed assumptions and calculations:

Running Start

OSPI used the maintenance level funding baseline for these calculations: student enrollment as approved by the Caseload Forecast Council and 5% inflation increase is assumed for future years.

For the standard school year, applying a multiplier of 6% increase to the assumed maintenance level Running Start rate, OSPI estimates the school year increase to be \$19.3 million in 2026–27, or \$15 million in fiscal year 2027. OSPI estimates the summer Running Start rate inflation to be 150% in the 2025–26 school year (fiscal year 2026), which would cost \$4.6 million and \$4.8 million in the 2026–27 school year (fiscal year 2027). Due to the timing of the summer quarter, the school year and fiscal year costs are expected to be the same for summer Running Start.

Additionally, OSPI requests an additional \$50,000 in one-time funding for additional maintenance contractor costs to program the additional tier into the apportionment system for the prototypical school funding model and apportionment funding reports.

Supporting Costs of IRCs

OSPI assumes an average cost of credentialing of \$200 for purposes of this support. Of the 2,133 enrolled in vocational courses, not all include an IRC required for employment; OSPI assumed that half of students are enrolled in programs with certifications for the purpose of calculation. The total calculation is $(2,133 \times 200 / 2)$ for a total of \$213K in fiscal year 2026. OSPI assumes 3% inflation in future fiscal years.

For high school/skill center programs, 24,804 students earned certifications in high school programs (2022–23 school year); however, not all represent certifications required for employment. Primarily certifications are in human services, healthcare, information technology, and transportation. Using the same average for calculation and a portion of enrolled students in high-demand, certification-based programs: The Legislature appropriated \$375,000 to subsidize healthcare-based IRCs required for employment in the last state Operating Budget; and the number projected reflects the healthcare allocation and expands to other high-demand areas. OSPI assumes one-eighth of total certificates required $\times 200$ for a total of \$620K in fiscal year 2026. OSPI assumes 3% inflation in future fiscal years.

Eliminating CTE Dual Credit Fees

OSPI assumes an impact of \$50 per student per year consortium and transcription fee for 33,904 concentrators that earned dual credit for an estimated \$1.7 million in fiscal year 2026. OSPI assumes 3% inflation in future years.

Barrier Reduction Funds

Running Start Vocational Barrier Reduction

OSPI assumes an enrollment of 2,478 for students served in Vocational Running Start programs. This is an enrollment growth of 7.8% from the 2023–24 school year. Barrier Reduction Funds are restricted to professional technical courses for costs of tools, uniforms, or IRC costs that are restricted to credentials necessary for employment. OSPI assumes an estimated fiscal year 2026 cost of \$310K to establish a cap of \$125/annual average full-time equivalent student (AAFTE). OSPI assumes 3% inflation in future years.

Skill Center Barrier Reduction

Fiscal year 2025 was funded at \$436,000 across all AAFTE. OSPI requests an additional \$387K ongoing for a total of \$823,000 per fiscal year. This is for an assumption of approximately \$125 per AAFTE for an assumed 6,585 AAFTE. This enrollment is a 7.8% growth assumed from the 2023–24 school year. OSPI assumes 3% inflation in future fiscal years.

Workforce assumptions:

No impact.

Historical funding:

Fiscal Year 2026

- Total Funds = \$306.9 million
- Near General Fund = \$306.9 million
- Other Funds = \$0

Fiscal Year 2027

- Total Funds = \$322.9 million
- Near General Fund = \$322.9 million
- Other Funds = \$0

STRATEGIC AND PERFORMANCE OUTCOMES

Strategic framework:

This proposal supports OSPI's Strategic Goal #2: Rigorous, Learner-Centered Options in Every Community. Dual credit/concurrent enrollment efforts support learner-centered options as students are accessing basic education opportunities on a college campus or accessing college credit that will decrease the time to credential and further support the state's credential attainment goals. Reducing financial barriers to dual credit and the attainment of IRCs is also directly tied to the Results Washington priorities of providing world class education and ensuring a prosperous economy driven by the college and career-ready students.

Performance outcomes:

By eliminating or reducing dual credit and IRC costs to students, OSPI anticipates an increase in student participation in dual credit programs, leading to a greater number of students earning IRCs, college credit, and associate degrees while still enrolled in high school. These changes will

drive a reduction in time to credential attainment and higher credential and degree completion for students continuing their college education beyond high school.

Improved Equity in Access to Postsecondary Pathways

Removing financial barriers will provide more equitable access to dual credit programs, particularly for students from underserved communities. This will ensure that students of all racial, ethnic, and socioeconomic backgrounds have equal opportunities to earn college credits in high school, better preparing them for postsecondary success.

Higher Dual Credit Completion Rates

With out-of-pocket fees eliminated, more students will enroll in and successfully complete dual credit programs, leading to more students earning both high school and college credits and increasing the number of students who leave high school with a head start on their postsecondary education.

Improved Postsecondary Success Rates

Expanding access to dual credit opportunities will help more students build the skills and confidence needed to successfully transition into postsecondary education and the workforce. Studies show that dual credit participation correlates with higher college enrollment and college graduation rates, meaning more students will be better equipped to succeed in college and receive their degrees.

Increased Industry-Recognized Credential (IRC) Attainment

Subsidizing the costs of IRCs will remove financial barriers for students, allowing more students to earn these valuable credentials while still in high school. This increased access will provide more students with a competitive edge when entering the workforce or when seeking further education and training, particularly in high-demand industries like healthcare, technology, and construction.

Improved Career and Technical Education (CTE) Program Sustainability

By covering transcription and consortium fees at the state level, this proposal removes the financial burden on students and their families, creating more sustainable CTE programs. This investment will ensure continued student access to CTE programs, providing students with more opportunities to gain valuable skills aligned with industry needs, and better ensure that the college credits these students earn are successfully transcribed and accessible for transfer into a postsecondary workforce or college program.

Enhanced Workforce Development

By subsidizing the costs of tools, uniforms, and other specialized materials required for professional technical programs, students will be better equipped to participate in and complete programs in high-demand fields and earn the credentials necessary for employment in those fields. Removal of these cost barriers will lead to more students graduating high school with the skills and certifications needed to enter the workforce directly or continue their education and training in a postsecondary program.

OTHER COLLATERAL CONNECTIONS

Intergovernmental:

None.

Stakeholder impacts:

None.

Legal or administrative mandates:

None.

Changes from current law:

OSPI will propose legislation amending RCW 28A.600.310 to specify what Running Start fees shall be covered for students.

State workforce impacts:

None.

State facilities impacts:

None.

Puget Sound recovery:

N/A

Governor's salmon strategy:

N/A