

Dual Enrollment Funding Proposal
February, 2015

Background

In 2013, the legislature passed the Flexible Pathways initiative, which included a provision to expand the statewide dual enrollment program, entitling all eligible Vermont publicly funded high school juniors and seniors to two free college courses.

Dual enrollment program is a crucial tool to helping Vermont high school students aspire to continue their education past high school, which is a priority for a state that continues to see high graduation rates but mediocre higher education continuation rates, especially among low-income and first generation students.

The funding for this program continued to be covered 100% by state funds through the Next Generation fund until 2015, when the funding was to be split 50/50: half with general fund dollars through the Next Generation Fund and half from local school budgets.

As we close in on the implementation date for this change, two things have become very clear – the funding shift as currently in law presents administrative and equity challenges that we should address to be sure the program is run as efficiently as possible while targeting the students who can most benefit from this opportunity.

Recommendation

The Governor's FY16 budget proposes that the local 50% share of the dual enrollment program be paid directly out of the education fund as one total cost, rather than have schools pick up the cost out of their local budgets for their students who are taking advantage of this opportunity.

The projected cost of dual enrollment this year is \$1.2 million - \$600,000 of that is covered out of the General Fund with Next Generation Funds, and \$600,000 would be spread across the state as a local cost out of the education fund. This \$600,000 would come out of the "Flexible Pathways" allocation under the education fund, so would not create new financial pressure for the education fund this year.

Here is why:

- Under current law, the education fund will already begin picking up this 50% share of dual enrollment in 2015, this proposal would shift that from local budgets to a direct payment from the education fund.
- This change will make it more efficient and save administrative costs, while also ensuring that all students have equal access to this opportunity.
- Administrative costs:
 - Without this change, this coming year every student who participates in dual enrollment will generate a bill for half of the cost of their course from the general fund and half of the cost from a local budget.
 - This will mean thousands of bills to be processed, which will be a significant strain for local districts, the Agency of Education, the administrator of the dual enrollment program, as well as for other partners involved with the administration of the program.

- For the general fund portion, we are able to tally up all the students who took advantage of the opportunity and generate one bill for the Next Generation Funds, and this change would allow the same streamlined process for the local 50% cost share from the education fund.
- **Equity:**
 - The dual enrollment program was set up as an entitlement for any Vermont publicly funded Junior or Senior to take up to two free courses.
 - In anticipation of the cost share for dual enrollment beginning in 2015, we have seen some schools either discourage students from taking advantage of this opportunity or simply not advertising the opportunity so fewer students will take the college courses.
 - This sets up a very inequitable process, as all students are not getting equal opportunity to hear about and participate in this valuable opportunity.
 - Because schools are implementing this inconsistently based on the local budgeting atmosphere from town to town, not all students are getting equal access to this entitlement, and efforts to target this opportunity to low-income and first-generation students are greatly hampered.
 - Almost 30% of this year's dual enrollment students are Free and Reduced lunch recipients. We want to build on this success and increase this trend.
 - In 2009, Georgia changed their funding approach, reducing funding to high schools with dually enrolled students and experienced a 25% drop in participationⁱ. This proposed funding change could ensure that Vermont does not see a drop in participation for this successful program.

ⁱ Page 13: <http://ccrc.tc.columbia.edu/media/k2/attachments/dual-enrollment-college-completion-TN-peer-states.pdf>