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## Education Committee

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### HB 2631

**Brief Description:** Creating a dropout prevention recognition program.

**Sponsors:** Representatives Probst, Quall, Pettigrew, Orwall, Kenney, Carlyle, Hunt, Jacks, Conway, Simpson, Kagi, Seaquist, White, Miloscia and Ormsby.

#### Brief Summary of Bill

- Creates the Dropout Prevention Recognition Program (Program) effective July 1, 2013, which provides an annual award of \$10,500 for each student prevented from dropping out of high school.
- Directs the Office of the Superintendent of Public Instruction (OSPI) to develop a measure of dropout prevention for the Program and submit the methodology to the Education Committees by December 31, 2011.
- Provides that awards are divided evenly between the high school and the school district and must be used for specified dropout prevention activities.
- Requires an annual appropriation equal to one percent of that year's state appropriation for basic education beginning July 1, 2013, to be deposited into a Dropout Prevention Recognition Program account and used only for making awards.

**Hearing Date:** 1/15/10

**Staff:** Barbara McLain (786-7383).

#### Background:

According to an analysis prepared by the Washington State Institute of Public Policy (WSIPP), there is strong evidence that a person who graduates from high school has about a 20 percent lower chance of getting convicted of a crime during his or her adult years, compared to someone who does not graduate from high school. In addition, a person who graduates from high school can be expected to earn, over his or her working lifetime, a present value of over \$300,000 more than someone who does not graduate from high school. A 2007 report entitled *The Costs and*

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*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.*

*Benefits of an Excellent Education for All of America's Children* found that the benefit to taxpayers of a prevented dropout, over the adult working lifetime of the individual, has a present value of approximately \$236,000 in 2009 dollars. This represents a savings of public expense of approximately \$10,500 per year for that individual.

There are a number of ways to represent high school dropout and graduation rates. According to the Office of the Superintendent of Public Instruction, in the 2007-08 school year:

- An average of 5.6 percent of students in each of grades 9 through 12 drop out each year. Annual drop-out rates are higher for 12th grade students (9 percent) than for 9th grade students (3.7 percent).
- For the class of 2008, 72 percent of students graduated with a high school diploma within four years of entering high school.
- If students who took longer than four years to earn a diploma are included, the extended graduation rate for the class of 2008 was 77 percent.
- There are significant differences in dropout and graduation rates across groups of students and across school districts.

According to the WSIPP, overall graduation rates in Washington and as a nation-wide average have largely hit a plateau since the mid-1960s, hovering at or near 70 percent.

For the 2010 fiscal year, the state appropriation for the primary program of basic education (General Apportionment) is approximately \$5.1 billion.

### **Summary of Bill:**

Effective July 1, 2013, the Dropout Prevention Recognition Program (Program) is created to provide an annual financial award for high schools that demonstrate reduction in high school dropouts from one school year to the next, based on a measure of dropout prevention that has been statistically adjusted for student demographics and made reliable over time.

**Measure of Dropout Prevention.** The Office of the Superintendent of Public Instruction (OSPI), in consultation with the State Board of Education (SBE), must calculate an annual extended graduation rate for each high school, to be adjusted for student transfers and student demographics. The OSPI then calculates the change in the adjusted extended graduation rate for each school year and translates that change into a number of students that are presumed to have been prevented from dropping out. The methodology for this calculation is submitted to the Education Committees for review by December 31, 2011.

**Award.** Annually beginning in the 2013-14 school year, for each student prevented from dropping out, a high school is eligible for an award of \$10,500, to be annually adjusted for inflation. Fifty percent of the award goes to the high school and fifty percent goes to the school district where the high school is located. The OSPI can withhold funds if the superintendent finds a school or district has willfully manipulated its graduation rates.

**Use of Award.** Award funds must be used on any of the following activities and can be offered directly by the school or district or under contract with education agencies or community-based organizations:

- graduation coaches;
- opportunity internship activities;
- dropout re-engagement programs;
- extended school day, extended school year, and tutoring programs for at-risk students;
- outreach and counseling targeted to at-risk students or those who have already dropped out of school;
- in-school suspension programs;
- parent engagement activities focused on dropout prevention and re-engagement;
- pre-apprenticeship programs;
- mentoring programs;
- development and use of dropout early warning data systems;
- counseling, resource and referral services, and intervention programs; and
- early learning programs for pre-kindergarten students.

Graduation coaches are certificated staff assigned to identify and provide specified early intervention services to students who have dropped out or are at risk of dropping out of school or not graduating on time.

By July 31, 2012, the OSPI calculates for each high school what its award payment would have been in the 2012-13 school year if the program had been in effect and notifies all high schools that the program will begin in 2013-14. Thereafter, the OSPI regularly informs schools about the program and makes every effort to keep dropout prevention and reduction of the dropout rate a top priority for school directors, administrators, and teachers.

**Funding.** Beginning July 1, 2013, funds must be appropriated from the state general fund each fiscal year in an amount equal to 1 percent of the state appropriation to support basic education for that fiscal year. These funds are deposited into a Dropout Prevention Recognition Account (Account) and used only for making awards under the Program. If insufficient funds are available in the Account to provide a full award for each eligible high school and school district, the OSPI prorates the awards and notifies the Governor and Legislature of the amount of the shortfall.

**Appropriation:** None.

**Fiscal Note:** Requested on January 11, 2010.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.