

#### REPORT TO THE LEGISLATURE

# **Dual Credit Exam Costs**

2022

Authorizing Legislation: <u>ESSB 5693, Sec. 522(1)</u> (2022 Supplemental Operating Budget)

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## **EXECUTIVE SUMMARY**

Dual credit courses give high school students the potential to earn both college and high school credit, either through completion of a college-level course or through performance on an exam. Studies have shown that students who complete dual credit courses are more likely to graduate on time, enroll in postsecondary institutions, persist at the postsecondary level, or transition into a career. Dual credit courses, including those culminating in an examination, may count towards graduation as indicated in Revised Code of Washington (RCW) 28A.230.090.

Multiple state and national reports have demonstrated that the cost of dual credit courses, books and materials, and exam fees is a significant barrier to participation, and in school year 2020–21, students from low-income families participated in dual credit at a 14.5% lower rate than students from middle- and high-income families. Consequently, the 2022 Supplemental Operating Budget (Senate Bill 5693, Sec. 522[1]) directed the Office of Superintendent of Public Instruction (OSPI) to report to relevant committees of the Legislature on the options for entering into statewide agreements with companies providing dual credit exams to reduce costs to all students and eliminate them for students from low-income families.

While one such agreement is currently in place with the College Board for Advanced Placement (AP) exams, both the International Baccalaureate Organization (IBO) and Cambridge International (CI) responded to OSPI's request to reduce fees by indicating that their rates are not negotiable. In both cases, these organizations invoice and receive payment from the districts or schools directly. They expressed reservations about the complexities of administering a statewide program. CI, for instance, cited stringent international privacy and data sharing limitations that they believed would impede the development of a statewide direct-billing arrangement.

Both international organizations were appreciative of the state's interest in lowering costs to students and acknowledged the value of OSPI's existing subsidy programs supporting equitable access for eligible students. Though they remain firm on maintaining current exam fees and believe that a statewide billing arrangement would be difficult to undertake, they were open to further conversations about streamlining the subsidization programs.

#### INTRODUCTION

In the 2022 Supplemental Operating Budget, the Legislature directed the Office of Superintendent of Public Instruction (OSPI) to report on the options for entering into statewide agreements with companies providing dual credit exams to reduce costs to all students and eliminate them for students from low-income families. To accomplish this report, OSPI communicated directly with the organizations responsible for the administration of the exambased dual credit programs: the College Board for Advanced Placement, the International Baccalaureate Organization (IBO), and Cambridge International (CI).

While an agreement to reduce costs for students from low-income families is currently in place with the College Board for AP examinations, both IBO and CI responded to OSPI's request to reduce fees by indicating that their rates are not negotiable. In addition, neither organization has a direct billing arrangement with any state similar to the one Washington has with the College Board. Furthermore, IBO did note that most states subsidize costs for qualifying students at the local level, adding that North Carolina is the only state that covers all IB exam fees for all students.

This report provides an overview of the current costs of administering these exam-based dual credit options.

#### **EXAM FEE SUBSIDY PROGRAM OVERVIEW**

To increase equitable access to high-quality dual credit programs for ready and interested students, OSPI commits approximately \$1 million to subsidizing Advanced Placement (AP), International Baccalaureate (IB), and Cambridge International (CI) exam fees. As demonstrated by OSPI's 2019 report to the Legislature, *Covering the Costs of Dual Credit for Students and Families*, and OSPI's 2023–25 budget priorities, the State Superintendent is committed to eliminating student costs and poised to make systemic changes to the dual credit system that will increase opportunities for students across the state. Included below is an overview of each program's exam types and associated costs.

Figure 1: 2022–23 Exam Fee Rates

Program	Standard Rate	Advanced (Seminar/ Capstone)	Subsidized Standard (Reduced for Low-Income)	Subsidized Advanced (Reduced for Low-Income)	
Advanced Placement (AP)	\$96*	\$144*	\$53	\$101	
Cambridge International (CI)	\$110 (AS) \$178 (A)	Global Perspectives AS: \$193 Global Perspectives A: \$243	NA	NA	
International Baccalaureate (IB)	\$119	NA	NA	NA	

<sup>\*</sup>Includes \$9/exam rebate retained by schools for administration costs.

**Source:** 2022–23 billing and course fee agreements between OSPI and the College Board, International Baccalaureate, and Cambridge International.

OSPI has a direct-billing agreement with the College Board to reduce exam fees for students from low-income families. The balance is funded through the Legislature's regular allocation to OSPI for dual credit programming. Exams taken by students from low-income families are reduced to \$53 for standard exams (45% discount) and \$101 for capstone exams (30% discount). See Figure 2 for details.

**Figure 2: Subsidized Advanced Placement Exam Costs** 

Year	Standard Exams	Capstone Exams	<b>Total Cost to State</b>
2022	10,251	291	\$572,694
2021	8,259	324	\$470,451
2020	11,290	278	\$626,448

**Source:** Annual direct-billing invoice from the College Board.

In 2022, the 10,542 subsidized standard and capstone examinations represented only 15% of all AP examinations administered statewide (71,037).

Unlike the College Board, neither IBO nor CI offer reduced rates for eligible students. For IB and CI programs, examination fee subsidies are awarded to schools or districts through a grant-based process. Typically administered in the spring, the exam fee subsidy grant is available to all schools offering IB and CI exams. Grant applications account for the expected number of test-takers from families who qualify as low-income and the number of exams the students are eligible to take to ensure that the funding awarded is enough to eliminate out-of-pocket costs.

Schools can overestimate the number of exams they will administer in the spring, as shown in Figure 3. The total reimbursement amount awarded to each district may be less than the estimated need, resulting in a total subsidy allocation that is not always fully expended.

Figure 3: Subsidized International Baccalaureate and Cambridge International Exam Costs

Year	Year Awarded	
2022	\$244,953	\$142,605
2021	\$167,009	\$164,903
2020	\$302,581	\$237,034

**Source:** Total annual exam fee reimbursements sent to districts through grants.

#### **Total Exam Costs**

As demonstrated in Figure 4, students' families across Washington pay between \$7 million and \$8 million total in dual credit exam fees annually. The roughly \$1 million distributed annually through OSPI-allocated subsidies for low-income students' exam fees accounts for less than 15% of the total amount paid by students and their families for exam-based dual credit exams statewide. This 15% is markedly lower than the statewide data that shows 43% of high school students qualified as low-income in 2022–23.

Figure 4: Total Dual Credit Exam Costs for All Students, 2019–2022

Organization	2019–20 Exam Fees	2019–20 Exams	2020–21 Exam Fees	2020–21 Exams	2021–22 Exam Fees	2021–22 Exams
Advanced Placement	\$7,056,903	74,463	\$6,039,905	63,877	\$6,827,265	71,037
Cambridge International	\$174,626	1,478	\$149,989	1,248	\$169,435	1,355
International Baccalaureate	\$983,178	8,262	\$856,086	7,194	\$848,470	7,130
All Dual Credit Exams	\$8,214,707	84,203	\$7,045,980	72,319	\$7,845,170	79,522

**Source:** Data provided through annual subsidy agreement with the College Board, the International Baccalaureate Organization, and Cambridge International.

It should be noted that students who enroll in these dual credit courses do not always take the corresponding exams, often due to the fees. Therefore, Figure 4 demonstrates only how many exams were taken and at what cost but does not account for how many students were enrolled in corresponding courses and might have taken the exams if not for the financial barrier. As OSPI continues to support school districts in increasing equitable access to dual credit exambased courses, there will be increased need for the subsidy funds provided through the dual credit proviso to meet the growing need for low-income exam fee subsidization.

#### **CONCLUSION & NEXT STEPS**

OSPI and its partners are appreciative of the Legislature's investment in dual credit, and exambased programs in particular. In 2022, 290 schools received state subsidies for AP, IB, and CI fees, and 12,588 examinations were administered with these funds.

Recognizing that additional funds are necessary to meet the growing need for dual credit exam fee subsidization, and to fully cover costs for all families, OSPI will continue to investigate options for incentivizing the organizations to lower costs statewide. Both CI and IBO were curious about the arrangement currently in place with the College Board, so there may be room for further discussion. Additionally, North Carolina's approach to covering exam costs for students is promising and worth investigating further. OSPI will continue to leverage state funding to subsidize student costs, reevaluate the process by which exam subsidies are administered to minimize underspending, and advocate for additional support in making cost reduction strategies available to all students.

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