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State's High School Acceleration Programs Are Funded Through a Variety of Sources

at a glance

Florida's acceleration programs for high school students include Advanced Placement (AP), International Baccalaureate (IB), Advanced International Certificate of Education, Dual Enrollment, and College-Level Examination Program. These programs, with the exception of the College Level Examination Program, are supported through the state school funding formula. In addition, the state provides incentive funding to high schools based on student performance on AP, IB, and Advanced International Certificate of Education exams. Like 10 other states, Florida provides funding for Dual Enrollment students to both their school district and the postsecondary institution where the students are enrolled in the course.

Florida's incentive funding levels for AP and IB courses exceed the cost of providing these college-level courses at postsecondary institutions. Florida provides a higher level of incentive funding for these programs than do other states. Unlike Florida, most other states also limit paying AP and IB examination fees to only low-income students.

While acceleration programs have relatively high costs, they provide many non-monetary benefits, including enriching students' high school experience, challenging them to perform at college level, and helping to bridge the transition from high school to college.

Scope

As directed by the Legislature, OPPAGA examined Florida's acceleration programs, which include Advanced Placement (AP), International Baccalaureate (IB), Dual Enrollment, and the

College-Level Examination Program (CLEP). This is the last of four reports in this series, and addresses three questions.

- What are the costs and benefits of providing acceleration programs in high schools?
- How do other states fund these programs?
- What options could the Legislature consider for incentive funding for the acceleration programs?

Other reports in this series examine Florida high school students participation and success in acceleration programs and Florida's public postsecondary institutions' practices in awarding students with college credit for these programs.¹

Background

Florida has established several programs to enable high school students to take accelerated courses in order to broaden their curricular options, increase their depth of study in particular subject areas, and reduce the time it takes to obtain a college degree.² Students who pass these courses and exams are eligible to earn college credit that may be used toward degree requirements. Accelerated programs can benefit both students and the state.

¹ The other reports in this series include *Acceleration Programs Provide Benefits But the Costs Are Relatively Expensive*, Report No. 06-24; *Most Acceleration Students Perform Well, But Outcomes Vary by Program Type*, Report No. 06-25; *Most Students Receive College Credit for Accelerated Courses; Programs Reduce University Class Time*, Report No. 06-26;.

² Chapter 1007.27(1), *F.S.*

They provide students the opportunity for broader curricular offerings or more in-depth study. The programs also can reduce the costs of higher education and free classroom space for other students.

There are three categories of acceleration programs.

Accelerated high school courses. These courses provide advanced-level instruction and require students to take an exam at the end of the course to determine whether the student has mastered the material and is eligible to receive college credit. They include Advanced Placement, International Baccalaureate, and Advanced International Certificate of Education courses.

- Advanced placement (AP) courses are offered by many high schools to prepare students to pass national subject matter exams. AP courses are designed to offer college-level instruction and are generally equivalent to college courses.^{3,4} Students who earn requisite test scores on AP exams at the end of the year are eligible to receive college credit (students may also take these exams without enrolling in the courses). In Fiscal Year 2004-05, a total of 86,279 Florida high school students were enrolled in AP courses.
- International Baccalaureate (IB) courses are an intensive two-year curriculum offered by some Florida high schools to allow students to pursue an IB diploma in addition to their high school diploma or to enroll in more challenging courses. The curriculum is designed to enable students to meet various international university entrance standards. Students participate in the IB program at authorized schools and earn high school credits based on related coursework. Students who earn the requisite score on an IB course examination at the end of the school year are eligible to receive college credit (students may also opt to take AP exams in addition to IB exams.) In Fiscal Year 2004-05, a total of 8,258 Florida high school students were enrolled in IB courses.

- The Advanced International Certificate of Education (AICE) program was recognized as a state-funded accelerated program by the 2002 Legislature. The program provides accelerated courses to academically able students in grades 11 and 12 and the coursework is based on an internationally developed curriculum. Students who earn the requisite score on an AICE course examination at the end of the school year are eligible to receive college credit. In Fiscal Year 2004-05, a total of 635 Florida high school students were enrolled in AICE courses.

Dual Enrollment. In this program, school districts partner with colleges and universities to allow high school students to simultaneously take and earn credit for high school and college courses. School districts and postsecondary institutions jointly agree to the dual enrollment courses offered to students within a school district. In order to participate in dual enrollment courses, students must maintain a 3.0 unweighted grade point average for college credit courses or a 2.0 for career and technical certificate courses.⁵ In addition, students must also pass the common placement test to be eligible for a dual enrollment course and must then pass the course to earn college credit. While course offerings vary by district, statutes require that dual enrollment courses must apply to a student's high school graduation credits. In Fiscal Year 2004-05, a total of 37,657 Florida high school students took dual enrollment courses.

College-Level Examination Program (CLEP). Unlike the other acceleration programs, the CLEP is administered by community colleges and universities and is not offered in high schools. This program enables knowledgeable students to take a college-level exam to demonstrate mastery of selected subject areas. Students who pass the exam earn credit hours without having to enroll in the course. In Fiscal Year 2004-05, a total of 9,656 students took 11,477 CLEP tests at Florida test centers.⁶

³ Advanced placement courses are offered in 19 subject areas, including calculus, American history, biology, economics, and several languages.

⁴ Advanced Placement course curricula are developed by the AP Development Committee (by subject field) composed of both university faculty and experienced high school AP teachers.

⁵ Section 1007.271, *F.S.*

⁶ CLEP test takers include out-of-state students and students attending private institutions.

Program funding

Funding for the AP, IB, AICE, and dual enrollment programs is provided to school districts through the Florida Education Finance Program. Students who enroll in these programs are included in their school districts' full-time equivalent (FTE) student count and the districts receive allocations based on their FTE enrollment. Students who participate in dual enrollment programs with Florida's community colleges and universities are also included in the community college or universities' FTE count for funding purposes; these students are not required to pay college tuition for the courses. There is no state funding for the CLEP program, as students pay a fee of \$70 to take these examinations.⁷

In addition, to encourage districts and schools to provide successful AP, IB, and AICE courses, the Legislature provides incentive funding based on students achieving a minimum score on these exams. Districts may use these incentive funds to pay for the AP, IB, and AICE exam fees. The AP exam fee is \$82 nationwide, while the fee per AICE exam is approximately \$43. The IB exam fee varies based on a number of factors. AP, IB, and AICE incentive funds also are used to pay teacher bonuses. Teachers are awarded a \$50 bonus for

each student that passes these exams, and a one-time \$500 bonus is awarded to teachers in "D" and "F" graded schools that have at least one student pass an exam. The maximum annual bonus per teacher is \$2,000. In addition, for AP incentive funds, districts must allocate at least 80% of incentive funds to the high school that generates them.

The Legislature appropriated \$73.5 million in incentive funding for the AP, IB, and AICE acceleration programs for Fiscal Year 2005-06, representing an increase of \$5.8 million from the previous fiscal year. As illustrated in Exhibit 1, incentive funding for the acceleration programs has increased by \$32.7 million since Fiscal Year 2001-02.

Incentive funding for the acceleration programs is intended to increase availability and participation in these programs. As illustrated in Exhibit 2, student participation in these programs also has increased substantially over the past five years.

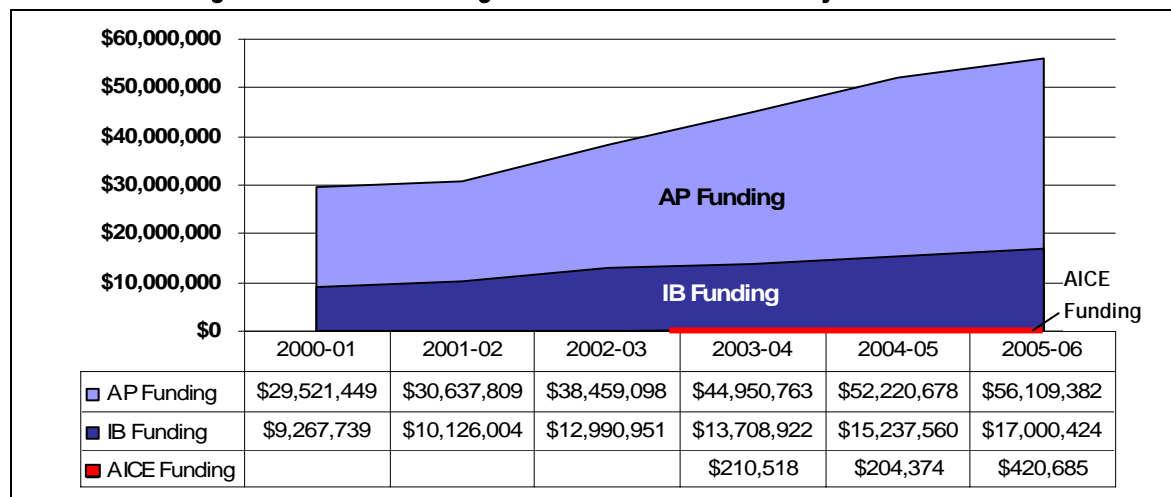
In addition, the Department of Education allocated \$2.3 million in Fiscal Year 2005-06 from a partnership grant with the College Board for AP teacher training, AP summer institutes, Pre-AP training, curriculum development, and AP Virtual School exam preparation.⁸

⁷ This fee includes a \$55 examination fee and a \$15 administration fee paid to the community college or university.

⁸ Funds from this grant also were appropriated by the 2005 Legislature to support SAT test preparation, teacher professional development, statewide professional conferences, and College Board public service announcements.

Exhibit 1

Acceleration Program Incentive Funding Has Increased Substantially Over the Past Five Years



Note: AP, IB, and AICE incentive funding totals for 2005-06 are the best estimate the Department of Education could provide at the time of publication. The final FEFP calculation will not be complete until later this year.

Source: Florida Department of Education FEFP calculation.

Exhibit 2

Student Participation in the AP, IB, and AICE Programs Has Increased Over the Past Four Years

| Fiscal Year | Advanced Placement | | International Baccalaureate | | Advanced International Certificate of Education | |
|-------------|------------------------|----------|-----------------------------|----------|---|----------|
| | Number of Participants | Increase | Number of Participants | Increase | Number of Participants | Increase |
| 2000-01 | 47,406 | | 6,439 | | -- | |
| 2001-02 | 56,624 | 19% | 6,771 | 5% | -- | |
| 2002-03 | 67,446 | 19% | 7,084 | 5% | -- ¹ | |
| 2003-04 | 74,315 | 10% | 7,376 | 4% | 255 | |
| 2004-05 | 86,279 | 16% | 8,258 | 12% | 635 | 149% |

¹ AICE courses were not listed in the Course Code Directory prior to 2003-04; therefore, the courses were not offered until the 2003-04 school year.

Source: OPPAGA analysis of enrollment in acceleration mechanisms, Florida Department of Education.

Questions and Answers—

What are the costs and benefits of acceleration programs?

Acceleration programs are relatively expensive to provide at high schools, and the state's costs of generating college credit hours through these programs exceeds the cost of providing comparable courses at postsecondary institutions. Nonetheless, there are many non-monetary benefits associated with acceleration programs, including enriching students' high school experience and better preparing them to succeed at the college level.

State costs are relatively high for acceleration programs. Schools receive the same state FTE funding allocation for accelerated courses as all other high school courses. During 2005-06, the average full-time equivalent state funding for each full-year high school course was \$694.⁹ In addition, the state provides incentive funds to school districts based on student performance on AP, IB and AICE exams. During 2005-06, the state paid an average of \$904 in incentive funding for each AP exam passed, \$894 for each IB exam passed and \$862 for each AICE exam passed. In addition, the state paid \$1,119 for each IB diploma earned and \$1,082 for each AICE diploma earned.¹⁰

⁹ One FTE funds 12 high school courses annually, 6 per semester.

¹⁰ While the school district may receive incentive funding for multiple IB or AICE exams per student, it only receives the additional IB/AICE diploma funding once per student.

One of the goals of acceleration programs is to reduce the time students need to graduate with a baccalaureate degree and thus reduce the cost to the state. However, during 2002-03, the amount of incentive funding paid to school districts for AP and IB exam performance exceeded the state cost per credit hour for courses taken at a state postsecondary institution.¹¹ Exhibit 3 provides a comparison of these costs.

The incentive funding paid for each credit hour earned by passing an AP exam cost nearly twice what it would have cost for students to earn the same credits by passing the course at a Florida public community college or university. In 2002-03 the state paid an average of \$855 in incentive funding for each AP exam passed by high school students.¹² This equated to \$242 per credit hour, based on the recommended credit guidelines for AP exam scores developed by the

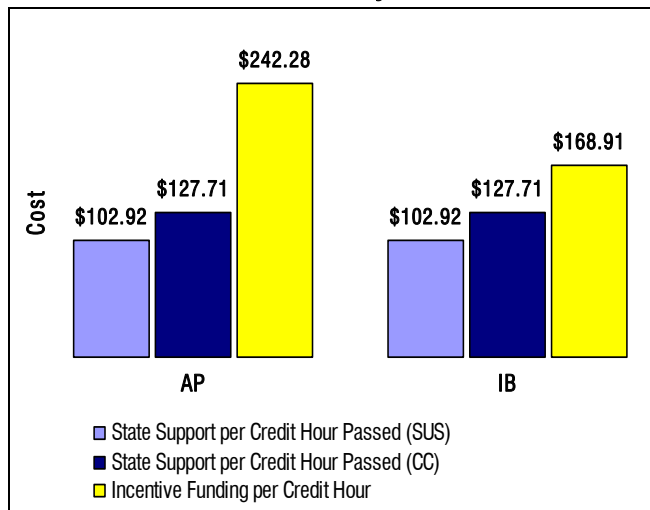
¹¹ For this cost comparison we adjusted the state support per credit hour to identify funding per successful outcome, as incentive funding is awarded only for students who pass AP, IB, and AICE exams. Based on FDOE's expenditure report on public postsecondary institutions, the state cost per credit hour attempted at state universities was \$85.53 in 2002-03, and was \$101.53 at community colleges. It essentially reflects the amount spent per credit hour by state universities and community colleges. Approximately 83% of university students and 80% of community college students earn credit for the coursework that they attempt. Thus the state support per successful credit hour was \$102.92 for state university students and \$127.71 for community college students. The incentive funding is based on the average amount of AP and IB credit awarded to 2001-02 high school graduates by Florida universities and community colleges the year following graduation. These students were awarded an average of 3.53 credits per AP exam and 6.08 credits per IB exam. As the AICE program was not established until Fiscal Year 2003-04, we did not include it in this analysis.

¹² The incentive funding generated by graduating seniors' performance on AP exams during 2001-02 was paid to the school districts in 2002-03.

Articulation Coordinating Committee. When compared to the state support per credit hour passed at Florida's universities (\$102.92) and community colleges (\$127.71), the incentive funding was \$139 higher per credit at a Florida public university and \$114 higher at a community college.¹³

Exhibit 3

The State Paid More Per Credit Hour in Incentive Funding for AP and IB Credit in 2002-03 Than for Credit Earned in Postsecondary Classrooms



Source: OPPAGA analysis of 2002-03 FLDOE expenditures per credit hour by source and 2001-02 FLDOE data on AP and IB incentive funding.

The state's incentive funding for credits earned by students passing IB exams also exceeded the cost per credit hour passed at universities and community colleges. During 2002-03, the average incentive funding for each IB exam passed was \$1,026.¹⁴ This translated to \$169 per credit hour based on the credit hours received at Florida's public postsecondary institutions in 2002-03. When compared to the state cost per credit hour passed at Florida's universities (\$102.92) and community colleges (\$127.71), the incentive

funding cost \$66 more in per credit at a Florida public university and \$41 more in incentive funding per credit at a community college.

Dual enrollment is funded in a different manner and districts do not receive incentive funding for this program. The state provides FTE funding to high schools for students enrolled in dual enrollment courses and, at the same time, funds postsecondary institutions per student enrolled. The funding is the same as if the student took two courses; one at the school district and one at the community college. As a result, in 2005-06, the state contributed \$347 to the school district and \$304 to the community college for each student participating in a dual enrollment class. Total funding for these students thus equated to \$651 per semester for the dual enrollment course. This funding is provided regardless of whether the student passes and earns credit for the course.¹⁵

The CLEP program is fully funded by students, potentially resulting in savings to both the student and the state. Students pay a \$55 exam fee and an administrative fee (typically \$15). In 2002-03, students who passed CLEP tests and were awarded three credits that were used to meet graduation requirements saved \$60 in community college or \$120 in university tuition costs, while the state saved \$383 if the student would have otherwise taken the three-hour course at the community college level and \$309 if the student had taken the class at the university level.¹⁶

Acceleration programs have many non-monetary benefits. While relatively costly, acceleration programs provide numerous benefits. Students that successfully complete advanced courses often receive more favorable consideration in the college admission process and, once in college, are more likely to graduate with academic honors, earn higher GPAs, graduate within four years, and be accepted into a doctoral program. U.S. Department of Education research shows that the students most likely to finish college were those who took the most difficult courses in high

¹³ This cost per credit hour is estimated based on the average cost per credit hour only for courses passed by 2001-02 Florida public university and community college graduates. This cost is a conservative estimate, as it does not include students who earned AP credit but did not enroll in a Florida postsecondary institution, transfer students, students that attended college out-of-state, and students attending a private Florida postsecondary institution.

¹⁴ The incentive funding generated by graduating seniors' performance on IB exams during 2001-02 was paid to the school districts in 2002-03.

¹⁵ School districts receive funding through the Florida Education Finance Program (FEFP) for 900 hours of instruction, equivalent to 1.0 FTE. If students take dual enrollment courses beyond the 900 hours districts do not receive FEFP funding for those dual enrollment courses.

¹⁶ These state expenditures are based on actual university and community college expenditures for the 2002-03 school year.

school.¹⁷ Students who earn college credits through the acceleration programs while in high school also help free classroom space in colleges, as these students can reduce the number of courses they must take when they enter college.

Teachers, high schools, and colleges and universities also benefit from the acceleration programs. Teachers who develop and implement acceleration programs gain increased opportunities for professional development and benefit from teaching challenging subjects to high-performing, motivated students. High schools offering advanced coursework enhance the quality and reputation of their college preparatory programs. Colleges and universities can rely on these advanced high school courses to identify and recruit students who have already demonstrated their ability to meet the demands of challenging, college-level courses.¹⁸

While these many benefits are difficult to quantify, they at least in part balance the higher state cost of the programs.

How do other states fund the AP, IB, and Dual Enrollment acceleration programs?

Similar to Florida, other states fund accelerated high school courses through their funding formulas. In addition to providing this basic funding, some states also provide incentive funds for acceleration mechanism programs or defray the cost of students' acceleration exams. However, few other states provide incentive funding for AP or IB programs and the incentive funding provided by these states is lower than that paid by Florida. Few states other than Florida subsidize exam fees for students who are not low-income and/or provide incentive funding for AP and IB exam performance. In addition, only nine states fund dual enrollment programs similar to Florida.

Federal grants are available to assist low-income AP and IB students with exam fees, but Florida is not currently receiving these funds. The federal government offers two grant programs to assist states in funding AP and IB programs. The Advanced Placement Test Fee Program is intended to enable states to cover part or all of the cost of test

fees for low-income students enrolled in an AP or IB course and planning to take these exams. These funds are limited to state educational agencies and cannot be accessed by individual school districts. Forty-three states use these funds in conjunction with exam fee waivers offered by the College Board and individual school districts to provide the AP and IB exams free or at a reduced cost to low-income students. However, Florida, like five other states, is not eligible to receive these funds because it funds exams for all students, and the federal grant specifies that the funds can only supplement rather than supplant existing exam fee funding.¹⁹ In order for Florida to be eligible to receive this grant the state would need to demonstrate an economic need and discontinue current state AP funding.

The federal government also offers the Advanced Placement Incentive Program, which is available to states, local educational agencies, or national nonprofit educational entities to expand low-income students' access to AP programs. These three-year competitive grants can be used for teacher training, pre-AP course development, books and supplies, participation in online AP courses, and student AP preparation. However, the monies cannot be used to cover or subsidize the cost of AP exams for students. Since 2003, 14 states, including Florida, have received this grant.²⁰ Florida's grant expired in September 2005, and the state applied for but did not receive renewed funding. The grant program is highly competitive with only 14 of 181 applications awarded funding in 2005. However, four Florida school districts (Broward, Hillsborough, Orange, and Pinellas) are currently receiving funding through this program.

Few other states subsidize exam fees for all students and/or provide incentive funding for AP and IB exam performance. Unlike Florida, most states do not pay AP and IB exam fees for all students but pay these fees only for low-income students. (See Appendix A.)

¹⁷ Advanced Placement and International Baccalaureate Examination Results in Texas: 2003-2004.

¹⁸ *Ibid.*

¹⁹ One state—Rhode Island—does not receive the AP Test Fee Grant and does not fund AP exams with any state funds. Five of the 43 states receiving the federal grant do provide limited support to reduce the cost of AP exams to students. As these funds supplement the federal grant, they are eligible to receive the funding.

²⁰ Though the grant is for a three-year period, due to hurricanes in 2004, Florida requested and received an extension.

Florida school districts pay a fee of \$82 for each AP exam, a fee that is set nationally, with the College Board receiving \$74 of this amount and schools receiving \$8 for their exam administrative costs. As shown in Exhibit 4, only Florida, Arkansas, and South Carolina pay the total AP exam cost for all students who enroll in an AP course. Six additional states cover a portion of AP exam fees for non-low-income students. Appendix A provides a state-by-state comparison of exam funding for AP and IB programs.

Exhibit 4 Few States Pay Exam Costs for Students Who Are Not Low-Income

| States Covering All Exam Costs | State/District Pays | Student Pays | Funding Limitations |
|--------------------------------------|---------------------|--------------|--|
| Florida | \$74 | \$0 | Section 1007.27, <i>F.S.</i> , waives exam fees for all students if they take an AP course. |
| Arkansas | \$74 | \$0 | State pays all exam costs only for students who enroll in AP courses. |
| South Carolina | \$74 | \$0 | State pays exams fees only for students enrolled in AP courses. |
| States Partially Covering Exam Costs | | | |
| Minnesota | \$ 8 | Varies | Varies depending on district. |
| California | \$69 | \$5 | State reduces exam cost for all students. |
| Texas | \$30 | \$44 | State pays up to \$30 per test depending on appropriations. |
| Georgia | \$74 | \$0 | State pays for one exam per student per year. |
| Indiana | \$74 | \$0 | State pays the full cost of math and science exams only. |
| Oklahoma | \$25 | Varies | State pays \$25 only for students who take more than one exam; districts may choose to also subsidize exams. |

Source: OPPAGA analysis of state AP and IB policies.

Forty states, including Florida, pay AP exam costs for low-income students. The College Board provides a \$22 fee reduction and schools are expected to forgo the \$8 administrative fee for low-

income students, for a total AP exam cost of \$52 for students from low-income families. Florida pays the reduced fee of \$52 for these students.²¹ In 2005, a total of 5,416 low-income students took 8,373 AP exams at Florida high schools.

While most states cover the full cost of AP exams for low-income students, nine states require these students to pay a portion of the exam cost. As shown in Exhibit 5, low-income students in these states are required to contribute from \$5 to \$16 to take an AP exam.

Exhibit 5 Nine States Require Low-Income Students to Contribute to the AP Exam Fee

| | State/Federal Pay | Student Pays |
|---------------|---------------------|--------------|
| Vermont | \$36 | \$16 |
| Maryland | Varies ¹ | 11 |
| Massachusetts | 42 | 10 |
| Nevada | 42 | 10 |
| California | 47 | 5 |
| Hawaii | 47 | 5 |
| New Mexico | 47 | 5 |
| Washington | 47 | 5 |
| Texas | 47 | 5 |

¹ Maryland school districts support exam fees for low-income students and support varies by district.

Source: OPPAGA analysis of state AP and IB policies.

Only a few states subsidize IB exam costs. Florida and Arkansas are the only states to pay the full cost for any student to take these exams, while four additional states partially subsidize IB exams under certain conditions (see Exhibit 6). However, it should be noted that the IB program is not widely available nationwide. Six states do not offer IB programs, while 30 offer the program in less than 10 schools statewide.

²¹ Low-income students are determined by the state educational agency or local educational agency. These students are between 5 and 19 years old and are eligible for free/reduced lunch, come from families receiving social security benefits or eligible for Medicaid, or a combination of these factors. The College Board provides a \$22 fee reduction and schools are expected to forgo the \$8 administrative fee for low-income students, for a total AP exam cost of \$52 for students from low-income families.

Exhibit 6**Only Florida and Arkansas Pay IB Exam Costs for All Students; Four Other States Subsidize IB Exam Costs**

| States Covering All Exam Costs | State/District Pays | Student Pays | Limitations on State Support |
|--------------------------------------|---------------------|--------------|---|
| Florida | All costs | \$0 | None. Section 1007.27, <i>F.S.</i> , exempts students from paying IB exam fees. |
| Arkansas | All Exam Costs | \$0 | None. State pays all exam costs. ¹ |
| States Partially Covering Exam Costs | | | |
| Texas | \$30 | Varies | The state uses IB incentive funding to help defray the costs of IB exams. |
| South Carolina | \$74 | Varies | The state pays the same amount for IB exams as for AP exams. For 2005-06 it will pay \$74 per exam. Since IB costs vary by student and subject the district or student would pay the remainder. |
| Minnesota | \$25 | Varies | The state pays \$25 for the first exam and \$10 for each additional exam. |
| Oklahoma | \$25 | Varies | Oklahoma will pay \$25 for students who take more than one exam. Districts may choose to subsidize exams further. |

¹ While approved in Arkansas statute, the Legislature has yet to appropriate funding for the IB program.

Source: OPPAGA analysis of state AP and IB policies.

Florida provides substantially higher incentive funding for AP and IB performance than does other states. Florida provided \$52 million in incentive funding to schools for students' performance on AP exams in Fiscal Year 2004-05, and is one of only five states that provided such incentive funds. As shown in Exhibit 7, the other four states that provided AP incentive funding in 2004 (Utah, Texas, Oklahoma, and Arkansas) paid a flat rate of \$100 or less on a per-student or per-test basis. Florida provided funding at the rate of 0.24 FTE or approximately \$885 in Fiscal Year 2004-05 for each test passed, substantially higher than the level paid by these states.

Florida is one of four states that provides IB incentive funds to schools. As with the AP incentive funds, Florida's incentive level (0.24 FTE or approximately \$876 for each IB exam passed with a 4 or higher, plus 0.3 FTE or \$1,094 for each student earning an IB diploma.²² In contrast, the other states offer incentives ranging from \$50 to \$100 per successful exam. (See Exhibit 8.)

²² The 0.24 FTE and 0.3 FTE cannot be added to give a per-exam incentive cost, as the calculations are based on different populations; the 0.24 FTE is applied per exam and the 0.3 FTE is applied per diploma-earning student.

Exhibit 7**Five States Provide AP Incentive Funding; No Other States Provide the Level of Funding Florida Does**

| State | State Incentive Policies | Fiscal Year 2004-05 Incentive Funding | Incentive Amount Per Exam/Student |
|----------|---|---------------------------------------|-----------------------------------|
| Florida | 0.24 FTE for each exam passed with a score of 3 or above. In 2004-05, this equaled approximately \$885 per exam. | \$52 million | \$885/exam |
| Utah | Funds designated for the AP program are divided by the total number of AP exams passed with a grade of 3 or higher; each participating district receives these funds based on the number of exams passed by their students. | \$1.46 million | \$98/exam |
| Texas | Appropriation is prioritized for (1) low-income test fees, (2) non-low income test fees, (3) teacher training, and (4) school awards, which were set at \$77 per student passing exams in 2004-05. | \$13 million ¹ | \$77/student |
| Oklahoma | Schools receive \$100 per exam passed with a score of 3 or above. | \$3.1 million ² | \$100/exam |
| Arkansas | Available funds are used for school subsidies which were set at \$25 per exam passed for 2004-05 based on state appropriations. The state could award up to \$50 per AP exam with a score of 3 or better. | \$150,300 ³ | \$25/exam |

¹ Texas appropriated \$13.5 million in FY 2004-05 for the AP and IB programs combined. Based on student population eligibility, 95%, or approximately \$13 million was for the AP program.

² Oklahoma appropriated \$3.1 million for the AP and IB programs combined. The Oklahoma Department of Education estimated that only \$50,000 went to the IB program based on district requests.

³ Arkansas uses a separate fund to cover exam costs to students. In 2004-05 this appropriation was \$1.5 million.

Source : OPPAGA analysis of state AP and IB policies.

Exhibit 8**Florida Is One of Four States Providing IB Incentive Funding and Provides the Highest Incentive Levels**

| State | Incentive Funding Program | Incentive Funding for 2004-05 | Incentive Per Exam/Student |
|----------|---|-------------------------------|-----------------------------------|
| Florida | 0.24 FTE for each student who scores a 4 or higher on an IB Exam and an additional 0.3 FTE for students who earn an IB diploma. | \$15 million | \$876 Exam \$1,094 per diploma |
| Texas | Once test fees and teacher training costs are paid, schools may receive up to \$100 for each student earning exam score of 4 or higher; awards were set at \$77 per student in 2004-05. | \$500,000 ¹ | \$77 student |
| Arkansas | Approximately \$50 per exam scoring a 4 or higher. | New Program | \$50/exam ² |
| Oklahoma | \$100 for each score of 4 or above on an IB exam. | \$50,000 ³ | \$100/exam |

¹ Texas appropriated \$13.5 million in FY 2004-05 for the AP and IB programs combined. Based on student population eligibility, 5%, or approximately \$500,000 of the funds, went to the IB program.

² While approved in Arkansas statute, the Legislature has not appropriated any funds for the IB program for 2005-06.

³ Oklahoma appropriated \$3.1 million for the AP and IB programs combined. The Oklahoma Department of Education estimated that \$50,000 went to the IB program based on district requests.

Source: OPPAGA analysis of state AP and IB policies.

Florida is 1 of 11 states that funds both high schools and postsecondary institutions for dual enrollment. Like 10 other states, Florida funds dual enrollment by providing FTE funding to both the high school and the applicable postsecondary institution for each enrolled student (see Exhibit 9). Four additional states provide only partial funding to high schools and postsecondary institutions, while Texas and Washington provide funding only to postsecondary institutions for these courses.

Exhibit 9**Ten States Fund Dual Enrollment Like Florida; Most Do Not Have State Funding Policy**

| Funding Policy | States |
|---|--|
| Fund full FTE at high school and postsecondary | Arizona, California, Colorado, Florida ² , Illinois, Maryland, Minnesota, Missouri, New Mexico, Virginia, and Wyoming |
| Fund partial FTE at high school and postsecondary | Georgia, Michigan, North Carolina, and Ohio |
| Fund postsecondary only ¹ | Texas and Washington |

¹ Texas and Washington do not receive high school funding for the time a student is enrolled in a college course.

² Florida school districts do not receive state funding for students who take their dual enrollment courses beyond the 900 hours funded by the Florida Education Finance Program.

Note: Remaining states either do not have a state funding policy or the policy is unclear. Only 40 states have formal dual enrollment policies.

Source: U.S. Department of Education, Office of Vocational and Adult Education, 2005

What options could the Legislature consider for acceleration program funding?

The Legislature may wish to consider several options for funding acceleration programs.²³ Some of these options could lower the level of appropriations for these programs, but also could result in reduced availability and/or student participation in these programs.

Continue to provide IB and AP incentive funding based on eligibility for college credit. The Legislature could continue to provide funding when students pass AP and IB exams. Currently, schools receive the same incentive payment (0.24 FTE for each AP and IB exam passed) for all students who earn a score of 3 or higher on AP exams and 4 or higher on IB exams. This would continue to reward districts for their student's performance on exams. Aligning funding with performance provides an incentive for districts to prepare students to perform at levels high enough to earn college credit.

²³ *Most Acceleration Students Perform Well, But Outcomes Vary by Program Type*, Report No. 06-25.

Modify AP and IB incentive funding. The Legislature could alter Florida's incentive funding formula and/or basis for calculating incentive funding. Rather than the current practice of basing incentive funding on successful AP and IB exams, these funds could be based on

- a flat amount paid per student passing exams or per exam passed, and
- actual costs of providing comparable courses at postsecondary institutions.

Base incentive funding on a flat rate. The Legislature could consider a flat incentive funding approach for AP and IB exams. Both Texas and Oklahoma base incentive funding on a flat rate instead of a percentage of the FTE funding. The Texas model provides \$77 in incentive funds per student taking AP and IB exams whereas Oklahoma bases incentive funding (\$100) on per-exam passed. The Florida Legislature could similarly fund incentives on a flat per-student or per-exam basis. This option could be cost-neutral if incentives were set at the current funding level; lower per-student incentive payments could produce substantial savings. For example, basing incentives at the \$77 per-student level authorized by Texas in 2004-05 would have generated \$3.1 million in funding in Fiscal Year 2005-06, compared to actual Florida incentive funding appropriations of \$56 million. However, substantially reducing the current incentive funding level could result in school districts discontinuing their AP and IB programs.

Link incentive funding to postsecondary costs. In this option, rather than establishing incentives on a percentage of student FTE levels (0.24 FTE for each AP and IB exam passed), the Legislature could link incentive levels to the actual per credit cost of providing comparable courses at community colleges or public universities. This would require an annual recalculation of incentive amounts as the college tuition levels change. This option would more closely link funding to program costs, but could serve as a disincentive to districts to offer acceleration programs if the funding were substantially lower than current levels.

Modify AP and IB exam funding. Finally, the Legislature could modify its current policy of paying AP and IB exam fees for all students regardless of income level. Most other states limit payment to only low-income students. For instance, in 2004-05, AP exam fees for low-income students would have amounted to \$435,396. However, requiring some students to pay these costs could create a disincentive to take these classes, although national data suggests that it has a limited effect on participation rates.

Agency Response

In accordance with the provisions of s. 11.51(5), *Florida Statutes*, a draft of our report was submitted to the Commissioner of Education to review and respond. The Commissioner's written response is reproduced herein in Appendix B.

OPPAGA supports the Florida Legislature by providing evaluative research and objective analyses to promote government accountability and the efficient and effective use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475). Cover photo by Mark Foley.

Florida Monitor: www.oppaga.state.fl.us

Project supervised by Jane Fletcher (850/487-9255)

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Gary R. VanLandingham, OPPAGA Director

Appendix A

Comparison of Other States' Advanced Placement Funding

The Advanced Placement program is available to high school students in all 50 states. While the College Board charges \$82 per exam, schools may keep \$8 as an administrative fee. The College Board reduces the cost for low-income students to \$52. Forty-three states receive federal funds to subsidize exams to low income students, with grant awards ranging from \$1,000 (North Carolina, Washington) to \$751,000 (Texas). Thirteen states provide state funding to support the AP program, with nine (including Florida) using state funding to defray exam costs to students who do not come from low income families (the remaining four states support the AP program by funding professional development, curriculum, and increased program access). In some states, individual school districts may opt to pay a portion of student exam fees. Several states have recently amended their policies to governing AP program funding.

| State | Funding for Low-Income Students | | Non-Low-Income Students | | Funding Support (Federal, State) | Amount of Federal Funding Fiscal Year 2004-05 ¹ | Comments and Current Issues |
|-------------|---------------------------------|---------|-------------------------|--------------|----------------------------------|--|---|
| | Support | Student | Support | Student Pays | | | |
| Alabama | \$52 | \$ 0 | \$ 0 | \$74 | Federal | \$ 34,350 | |
| Alaska | 52 | 0 | 0 | 74 | Federal | -- ² | |
| Arizona | 52 | 0 | 0 | 74 | Federal | 101,925 | |
| Arkansas | 52 | 0 | 74 | 0 | State | 0 | Arkansas pays for all AP exams for students enrolled in AP courses. The 2005 Legislature authorized its Department of Education to determine incentive funding and fee subsidy levels, which are \$50 per successful exam in 2005-06. |
| California | 47 | 5 | 69 | 5 | Federal, State | 425,500 | |
| Colorado | 52 | 0 | 0 | 74 | Federal | 143,310 | |
| Connecticut | 52 | 0 | 0 | 74 | Federal | 100,008 | |
| Delaware | 52 | 0 | 0 | 74 | Federal | 23,972 | Districts may support some exam fees. |
| Florida | 52 | 0 | 74 | 0 | State | 0 | Florida pays for all exams for all students if they are enrolled in the AP course, as well as .24 FTE for each exam passed with a score of 3 or above. |
| Georgia | 52 | 0 | 74 | 0 | State | 0 | Georgia pays for one AP exam per student per year. |
| Hawaii | 47 | 5 | 0 | 74 | Federal | 33,442 | |
| Idaho | 52 | 0 | 0 | 74 | Federal | 42,250 | |
| Illinois | 52 | 0 | 0 | 74 | Federal | 517,868 | Illinois passed new legislation in regard to AP teacher training and new instructional programs for students. |
| Indiana | 52 | 0 | 74 | 0 | Federal, State | 20,800 | Indiana pays for AP exams in the math and science subject areas only. |
| Iowa | 52 | 0 | 0 | 74 | Federal | 7,520 | All federal grant, no state support. Some districts or foundations may help to defer costs to students at the local level. |
| Kansas | 52 | 0 | 0 | 74 | Federal | 30,000 | |
| Kentucky | 52 | 0 | 0 | 74 | Federal | 195,086 | Appropriates subgrants to individual districts for professional development, curriculum, teacher training. Last year in the amount of \$70,000. |
| Louisiana | \$52 | \$ 0 | \$ 0 | \$74 | Federal | 51,000 | |

| State | Funding for Low-Income Students | | Non-Low-Income Students | | Funding Support (Federal, State) | Amount of Federal Funding Fiscal Year 2004-05 ¹ | Comments and Current Issues |
|----------------|---------------------------------|---------|-------------------------|--------------|----------------------------------|--|--|
| | Support | Student | Support | Student Pays | | | |
| Maine | 52 | 0 | 0 | 74 | Federal | 55,000 | |
| Maryland | Varies | 11 | 0 | Varies | Federal | \$ 109,110 | Districts pay partial costs, state does not pay anything. |
| Massachusetts | 42 | 10 | 0 | 74 | Federal | 133,076 | |
| Michigan | 52 | 0 | 0 | 74 | Federal | 245,000 | |
| Minnesota | 52 | 0 | 8 | Varies | State | - | Districts may pay partial costs. State pays \$8 per exam for all students. The state pays all exam fees for low income students. |
| Mississippi | 52 | 0 | 0 | 74 | Federal | 104,500 | |
| Missouri | 52 | 0 | 0 | 74 | Federal | 17,490 | Missouri lost all state funding during the 2004-05 legislative session. |
| Montana | 52 | 0 | 0 | 74 | Federal | 14,500 | An education lawsuit resulted in the state having to define and fund a 'quality education'. The definition of 'quality education' includes gifted programs and the gifted program includes AP. The state is in the process of developing a funding formula to implement the 'quality education' definition but the formula is not due until December 2005. |
| Nebraska | 52 | 0 | 0 | 74 | Federal | 5,000 | All federal grants no state support - some districts may pay a portion of exam costs for non-low-income students - state provides 'High Ability Learner Program' appropriation and schools compete and apply for this \$ - the \$ can be used for teacher training, curriculum development, and materials but must be for high-learners - 2005-06 appropriation is \$2.3 million - districts must report annually how these monies are spent |
| Nevada | 42 | 10 | 0 | 74 | Federal | 63,220 | |
| New Hampshire | 52 | 0 | 0 | 74 | Federal | 19,080 | All federal grant, no state support - some districts may pay a portion of exam costs for non-low-income students |
| New Jersey | 52 | 0 | 0 | 52 | Federal | 1,320 | All federal grant, no state support - some districts may pay a portion of exam costs for non-low-income students - for low-income students, the College Board waives the \$22 fee and the school waives the \$8 leaving the \$52 balance the student must pay - state receives both federal grants (fee waiver and professional development) |
| New Mexico | 47 | 5 | 0 | 74 | Federal, State | 98,800 | Federal grant and state match are used for low-income students; the federal grant pays \$22 and the state pays \$25 |
| New York | 52 | 0 | 0 | 74 | Federal | \$749,573 | All federal grants, no state support - some districts may pay a portion of exam costs for non-low-income students |
| North Carolina | 52 | 0 | 0 | 74 | Federal | 1,000 | All federal grants no state support - some districts may pay a portion of exam costs for non-low-income students |
| North Dakota | 52 | 0 | 0 | 74 | Federal | - ² | |
| Ohio | 52 | 0 | 0 | 74 | Federal | 132,800 | |
| Oklahoma | \$52 | \$ 0 | \$25 | \$49 | Federal, State | 233,280 | \$100/per exam score of 3 or above. State Legislature appropriates lump sum to DOE, they wait for test results and provide \$100/exam passed to the schools. For students who take multiple exams, the state pays a |

| State | Funding for Low-Income Students | | Non-Low-Income Students | | Funding Support (Federal, State) | Amount of Federal Funding Fiscal Year 2004-05 ¹ | Comments and Current Issues |
|----------------|---------------------------------|---------|-------------------------|--------------|----------------------------------|--|---|
| | Support | Student | Support | Student Pays | | | |
| | | | | | | | share of their fees. |
| Oregon | 52 | 0 | 0 | 74 | Federal | \$ 30,000 | |
| Pennsylvania | 52 | Varies | 0 | 74 | Federal | 2,000 | Districts must apply to the state for federal test fee grant. |
| Rhode Island | - | 52 | 0 | 74 | None | - | |
| South Carolina | 52 | 0 | 74 | 0 | State | - | South Carolina pays for all students to take exams. |
| South Dakota | 52 | 0 | 0 | 74 | Federal, State | ² | All federal grants no state support for exam fees - state does provide monies for developing on-line AP courses to expand availability. Respondent did not know appropriated amount. |
| Tennessee | 52 | 0 | 0 | 74 | Federal | 49,608 | Legislature recently passed House Joint Resolution 132 asking the Governor to earmark state funding for AP in 2004-05. |
| Texas | 47 | 5 | 30 | 44 | Federal, State | 751,000 | Texas statute authorizes up to \$100/student who passes exam with a score of 3 or above. In 2004-05 the state appropriated \$77/student who scored a 3 or better. |
| Utah | 52 | 0 | 0 | 74 | Federal, State | 64,183 | Funds are distributed on the basis of the following: the total funds designated for the Advanced Placement Program are divided by the total number of Advanced Placement exams passed with a grade of 3 or higher by students in the public schools of Utah. This results in a fixed amount of dollars per exam passed. Each participating school district receives that amount for each exam successfully passed by one of its students. |
| Vermont | 36 | 16 | 0 | 74 | Federal | 15,000 | |
| Virginia | 52 | 0 | 0 | 74 | Federal | 160,000 | |
| Washington | 47 | 5 | 0 | 74 | Federal | 1,000 | |
| West Virginia | 52 | 0 | 0 | 74 | Federal, State | 39,220 | The state appropriated \$1.3 million to the Center for Professional Development (CPD) to be used for professional development across the state. The CPD uses between \$150,000 - \$160,000 of this appropriation for AP professional development. The state does not appropriate specifically to the AP program. |
| Wisconsin | 52 | 0 | 0 | 74 | State | - | State appropriated \$180,000 for districts to apply for to use to pay for student exams - districts can apply and use the funds to pay for both low-income and non-low-income students - some districts receive federal funds but federal funds are not applied for or obtained on a statewide basis |
| Wyoming | 52 | 0 | 0 | 74 | Federal | ² | All federal support, no state support for exam fees - some districts may pay all or a portion of exam costs for non-low-income students but no state funding. |

Note: The College Board AP exam fee is \$82. There is an \$8 administrative fee built in to the \$82. The \$8 is not included in this exhibit, but may be included depending on the school. We did not include the District of Columbia in this analysis.

¹ This amount is only for the AP Test Fee Reimbursement Grant.

² Alaska, North Dakota, South Dakota, and Wyoming all received federal funding from Idaho's allocation. USDOE was unable to identify the individual award amounts at the time of publication.

Source: OPPAGA analysis of state AP policies.

Appendix B

FLORIDA DEPARTMENT OF EDUCATION



STATE BOARD OF EDUCATION

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Commissioner of Education



March 13, 2006

Mr. Gary R. VanLandingham
Director
Office of Program Policy Analysis
And Government Accountability
111 West Madison Street, Room 312
Tallahassee, Florida 32399-1475

Dear Mr. VanLandingham:

Please find attached the response to the preliminary and tentative audit findings and recommendations concerning:

1. *State's High School Acceleration Programs Are Funded Through a Variety of Sources.*
2. *Most Students Received College Credit For Accelerated Courses; Programs Reduce University Class Time*
3. *Most Acceleration Students Perform Well, But Outcomes Vary by Program Type*
4. *Acceleration Programs Provide Benefits But the Costs Are Relative Expensive*

If you have any questions, please contact Inspector General John M. Franco at 850-245-0403 or email john.franco@fldoe.org.

Sincerely,

A handwritten signature in black ink, appearing to read "John L. Winn".

John L. Winn
Commissioner

JLW/jmf/br

Attachment

**Florida Department of Education
Office of Program Policy Analysis and Government Accountability
Preliminary and Tentative Audit Findings and Recommendations
March 10, 2006**

Accelerated Mechanisms (Four Draft Reports)

- 1. State's High School Acceleration Programs Are Funded Through a Variety of Sources*
- 2. Most Students Receive College Credit For Accelerated Courses; Programs Reduce University Class Time*
- 3. Most Acceleration Students Perform Well, But Outcomes Vary by Program Type*
- 4. Acceleration Programs Provide Benefits But the Costs Are Relatively Expensive*

The Department of Education is committed to providing Dual Enrollment opportunities for students and recognizing credit earned through a wide variety of acceleration programs available to Florida's high school students. In general, we agree with the findings and recommendations presented in the four draft reports. We hope that these will be used to further the important discussions already taking place across the state. However, we do want to take the opportunity to clarify some information that was presented in the draft reports and to forward a proposal regarding incentive funding based on students earning postsecondary credit in all acceleration programs.

AP is not a College-Level Course

In each draft report, a brief description of the AP program indicates that "AP courses are designed to offer college-level instruction and are generally equivalent to college courses." However, that is not the case. The high schools offering AP courses are not accredited for offering college-level courses or granting college degrees. Additionally, high school instructors teaching AP courses are not required to meet the SACS accreditation standard for college faculty (i.e., master's plus 18 hours in the content area). Therefore, it should be specified that "AP courses are advanced high school instruction that may lead to college credit if the student earns the requisite score on a corresponding AP exam."

Incentive Funding Should be Based on All Students Earning Postsecondary Credit

We concur with the recommendation in the draft report *Acceleration Programs Provide Benefits But the Costs Are Relatively Expensive*, which suggests that the Legislature could alter Florida's incentive funding for acceleration programs.

Rather than the current practice of basing incentive funding on successful AP and IB exams, we suggest that there is a need to provide incentives to school districts for college credits earned by high school students in all acceleration programs, including Dual Enrollment. Using current incentive funding levels, a cost figure per accelerated credit hour earned should be determined for all school districts. A performance incentive program should be created to fund school districts based on the number of college credit hours earned by public high school students. This means that AP, IB, AICE, and Dual Enrollment would all be funded in the FEFP (which is current practice) and school districts would receive specific performance incentive funds based on all students who receive college credit through any accelerated program. This is not current practice because no incentive funds exist for Dual Enrollment even though OPPAGA data indicates that these students attend Florida public postsecondary institutions at higher rates than AP and IB students.