

HOUSE BILL REPORT

HB 1709

As Reported By House Committee On:

Education
Appropriations

Title: An act relating to mandates on school districts.

Brief Description: Changing provisions relating to school mandates.

Sponsors: Representatives McMorris, Chandler, Mastin and Smith.

Brief History:

Committee Activity:

Education: 2/20/97, 2/24/97, 3/4/97 [DPS];

Appropriations: 3/7/97, 3/8/97 [DP2S(w/o sub ED)].

HOUSE COMMITTEE ON EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Johnson, Chairman; Hickel, Vice Chairman; Keiser, Ranking Minority Member; Linville, Assistant Ranking Minority Member; Quall; Smith; Sterk; Sump and Talcott.

Minority Report: Do not pass. Signed by 2 members: Representatives Cole, Ranking Minority Member; and Veloria.

Staff: Joe Hauth (786-7111).

Background: *Basic education compliance:* The Legislature must provide basic education for all kindergarten through grade 12 students, and fund it through a stable revenue source. The Basic Education Act of 1977, as amended, includes the following requirements:

- Student learning goals;
- Program hours for basic courses of instruction;
- A minimum school year of 180 days;
- Staff/student ratios;
- Teacher/student contact hours; and
- An allocation formula for distributing state funds to school districts.

School districts must report basic education compliance to the State Board of Education (SBE) and the Superintendent of Public Instruction (SPI), including reports needed for administering basic education programs, estimating general fund appropriation requests, providing local effort assistance, and supplemental activities.

Paperwork reduction: The SPI must make every effort to reduce paperwork in administering basic education programs, and in providing local effort assistance.

Staff assistance from school districts: The SBE and the SPI occasionally ask a school district employee to serve on a committee, or to assist in other activities. There are several administrative requirements associated with paying for the staff assistance, and in finding a substitute to cover the employee's absence.

School art: The SPI and the SBE must allocate 0.5 percent of state school construction funds to the Washington State Arts Commission for acquiring works of art for placement on public lands, in consultation with school districts.

Medicaid reimbursement: Washington receives federal Medicaid funds to reimburse school districts for costs incurred in providing medical services to special education students. School districts pay for medical services with state funds. The state then bills Medicaid for covered services. After administrative and billing fees are paid, the SPI pays 80 percent of the reimbursement to the state general fund. The SPI pays the remaining 20 percent of the reimbursement to school districts, if school districts apply the money toward special education students. As of June 30, 1996, Medicaid had reimbursed the state \$18 million through billings submitted by 238 school districts.

School district audits: The state auditor must audit school districts periodically. The auditor reviews first class districts (districts with more than 2,000 students) annually, and second class districts (districts with less than 2,000 students) every two or three years. The school district pays for the audit.

AIDS training: School district employees must be trained in the prevention, transmission, and treatment of AIDS. The SPI has developed AIDS training materials for use by school districts.

School Directors' Association: The Washington State School Directors' Association is a self-governed, self-funded school board association. The Legislature established the school directors' association as a state agency in 1947. The association's purpose is to assist school directors in effectively governing their schools to improve student learning. School directors are automatically members of the association. The association provides information to members, has a governmental relations program to communicate school directors' views to state education policymakers, and convenes committee meetings and other meetings to address member needs.

Summary of Substitute Bill: *Paperwork reduction:* If the SPI requires the assistance of school district employees, then it must reduce the amount of paperwork required in using the employee's services, and in finding a substitute employee. The SPI must report to the Legislature by December 1, 1997, on specific actions that have been taken in 1997 to meet paperwork reduction requirements.

School art: School boards may select local works of art in lieu of artwork selected for the school district by the Washington State Arts Commission.

Medicaid reimbursement: School districts may participate voluntarily in the Medicaid reimbursement program. Failure to apply for reimbursement shall not result in loss of block grant moneys or special education funding below 1996-97 levels.

School district audits: The state auditor must audit schools every three years unless a more frequent audit is needed as a grant condition, or if the state auditor has evidence that more frequent auditing is needed.

AIDS training: The SPI and the Department of Health may not require school employees to undertake AIDS training, except as required under the Washington Industrial Safety and Health Act. The SPI must make AIDS information and training materials available to school districts.

Substitute Bill Compared to Original Bill: Current provisions regarding basic education compliance and reporting requirements are restored. School districts may select local works of art in lieu of artwork selected by the Washington State Arts Commission under the school construction art fund program. School districts may voluntarily participate in the Medicaid reimbursement program, instead of being mandated to participate by the SPI. If a school district does not participate in the Medicaid reimbursement program, the SPI may not reduce block grants moneys or special education funding to the school district below 1996-97 levels. The SPI and the Department of Health may not require school employees to undertake AIDS training, except as required under the Washington Industrial Safety and Health Act. Current provisions regarding the school directors' association are restored.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 6, 1997.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed. However, Section 2 of this act takes effect September 1, 2000, unless a law is enacted stating that a school accountability and academic assessment system is not in place.

Testimony For: The Legislature should not impose new mandates on school districts; instead, the Legislature should provide more local flexibility to school districts. The bill provides a combination of various ideas to reduce mandates. The bill is drawn to specific issues, rather than granting school districts broad waiver authority.

Paperwork reduction: Paperwork is too burdensome and should be reduced, especially for small school districts, even if just one reporting requirement is eliminated.

School art: School art should be provided at the local level. School construction funds should go to school construction, not the arts.

Medicaid reimbursement: Medicaid reimbursement is not worth the administrative expense that is incurred by school districts.

School district audits: Audit costs are going up; audits should not be required annually.

AIDS training: AIDS training is a decision best left to the local school districts.

School Directors' Association: Voluntary membership in the school directors' association is controversial but local school districts should decide whether to be association members. Membership in other associations is voluntary; membership in the school directors' association should also be voluntary. The dues are mandatory, and there is no incentive for customer service.

Testimony Against: *AIDS training:* Eliminating mandatory AIDS training will prevent effective training against the disease. Adolescents are at high risk and Washington has a model HIV program. Schools often provide information that supplements what parents say at home. The effectiveness of the awareness program will be gutted if AIDS training is not mandatory in the schools.

School art: The arts project funding should not be repealed. The arts benefit children, and repealing the school art construction fund will have a negative effect on artists. School districts may waive the arts appropriation, and current statutes are grounded in a philosophy of local control. Arts increase scholastic abilities. Underserved students benefit from artist in residency programs. Students benefit from art in schools that is not found in other parts of the community. The arts keep us alive in the midst of winter.

School Directors' Association: As more decisions are made at the local level, it is ever more important that local boards are competent and that school districts be members in the school directors' association. Mandatory membership will maintain

stability of school districts. The school directors' association has benefitted board members.

Testified: Representative McMorris, prime sponsor; Representative Chandler, sponsor; Steven Johnson and Dr. Martin McCoombs, Northwest Aids Foundation (con); Virginia DeForest, American Association of University Women (con); Dr. Mitch Denning, Harrington School District Superintendent (pro); Dan Wood, Hoquiam School Board member (pro on WSSDA provision); Representative Skinner (con on arts provision); John Olbrantz, Rose Mary Selinger, and Karen Gose, Washington State Arts Commission (con on arts provision); David Moseley, Washington State School Directors' Association (con on WSSDA provision); Larry Swift, Washington State School Directors' Association (pro on arts provision); Barbara Mertens, Washington Association of School Administrators (pro but opposed to WSSDA provision); Terry Densley, Wilbur School Board (pro but opposed to WSSDA provision); and Lloyd Gardner, citizen (pro).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Education. Signed by 31 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Benson; Carlson; Chopp; Cody; Cooke; Crouse; Dyer; Grant; Keiser; Kenney; Kessler; Lambert; Linville; Lisk; Mastin; McMorris; Parlette; Poulsen; Regala; D. Schmidt; Sehlin; Sheahan; Talcott and Tokuda.

Staff: Jack Daray (786-7178).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Education: School districts' requirement to seek Medicaid reimbursement for special education services is not made optional; districts with less than 2,000 pupil enrollment are permitted to retain 50 percent of any reimbursement rather than 20 percent as in current statute. The authority of the Office of Superintendent of Public Instruction and the Department of Health to require AIDS training is maintained. The Arts Commission will include school districts in the selection of art for capital projects rather than presenting a finalized selection to districts.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 6, 1997.

Effective Date Ninety days after adjournment of session in which bill is passed. However, section 2 of this act takes effect September 1, 2000, unless a law is enacted stating that a school accountability and academic assessment system is not in place. Section 7 is null and void unless funded in the budget.

Testimony For: The concept can be supported if modified to avoid duplication of efforts by involving school districts in the initial stages of the Arts Commission art project selection process.

Testimony Against: None.

Testified: Karen Gose, Washington State Arts Commission (pro with concerns).