

SENATE BILL REPORT

2SHB 1871

As of March 30, 2007

Title: An act relating to education system benchmarks and monitoring.

Brief Description: Regarding education system benchmarks and monitoring.

Sponsors: House Committee on Appropriations (originally sponsored by Representative Santos).

Brief History: Passed House: 3/28/07, 68-29.

Committee Activity: Early Learning & K-12 Education: 3/29/07.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Staff: Eric Bratton (786-7438)

Background: In 2005, the Legislature created a steering committee (Washington Learns), comprised of legislators, the Governor, and others, and three sector advisory committees on which legislators and others served. The steering and advisory committees were directed to conduct a comprehensive study of early learning, K-12, and higher education; to develop recommendations on how the state can best provide stable funding for early learning, public schools, and public colleges and universities; and to develop recommendations on specified policy issues. The steering committee submitted an interim and a final report with recommendations to the Legislature.

As part of addressing quality and accountability, Washington Learns recommended the development of a financial health monitoring system for the K-12 public schools. In its final recommendations, Washington Learns found that the current budget review system focuses on the current school year, and does not provide a long-term, prospective look at school districts' budget health.

The Office of the Superintendent of Public Instruction (OSPI) is responsible for ensuring school districts follow proper budgetary procedures. Each school district develops and adopts its own budget prior to the beginning of each school year. The budget process is governed by state law and regulations, and on instructions provided by the OSPI. If the OSPI determines after a review of a district's budget that the district failed to comply with any procedure or rule established by statute or by the OSPI, the district will be given 30 days to submit a revised budget correcting the error. The OSPI may withhold state allocations from any district that fails to comply with any binding restrictions issued by the OSPI.

Washington Learns also recommended the creation of a P-20 Council to track progress toward long-term goals and improve student transitions through the education system. To provide

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support for that effort, the recommendation included the development of an education data center, which would compile and analyze student data from the various educational agencies.

Summary of Second Substitute Bill: Financial Health Ratings System for School Districts:

The Office of Financial Management (OFM), with input and collaboration from the Legislative Evaluation and Accountability Program Committee (LEAP) and the OSPI, is directed to identify a limited set of system measures for a public financial reporting system based on recommended measures developed by the Government Finance Officers Association. The OFM must also consider education finance studies conducted by the Joint Legislative Audit and Review Committee (JLARC). The OFM will develop a financial health outlook rating system consisting of three categories. Based on a school district's system measures, the district will be placed in one of the three financial health outlook categories. The system measures and rating system must be presented to the Governor and the Legislature by November 1, 2007. The LEAP is directed to make recommendations to the Legislature for modifications, if necessary. The financial health ratings system must be implemented during the 2008-09 school year unless the Legislature changes the system measures or ratings system during the 2008 legislative session.

Each school district's financial health outlook category will be published annually, and updated as needed. Those districts in the lowest category will receive technical assistance through regional financial specialists contracted through Educational Service Districts (ESDs). The OFM, with input from the LEAP and the OSPI must also review the school district budget process, and develop recommendations for oversight and potential intervention for districts in the lowest category. Such recommendations must receive legislative approval before being implemented.

The system measures and the financial health outlook rating system must be presented to the Governor, the LEAP, and the education and fiscal committees of the Legislature by November 15, 2007.

Education Data Center: The Education Data Center must be established within the OFM, and, jointly with LEAP, will conduct collaborative analyses of education issues across the P-20 system. The education data center will provide the data and analyses to support the P-20 Council, as well as assist other state education agencies in establishing benchmarks and determining progress relative to those benchmarks. To accomplish this, the OFM may work with the LEAP in conducting analysis and provide data electronically to the LEAP to the extent permitted by federal and state confidentiality requirements. The Education Data Center will work with the various state education agencies and institutions to develop data sharing and research agreements.

The Education Data Center will collaborate with LEAP and the education and fiscal committees of the Legislature to identify the data to be collected and analyzed. It will also phase-in the implementation of a comprehensive data system with school-level data consistent with recommendations from JLARC.

The OSPI will develop format and reporting instructions for school districts to facilitate data analysis of student achievement using disaggregated data. By the beginning of the 2008-09 school year, school districts must collect and electronically submit to the OSPI the following: (1) for each class in each school, the certification number of the teacher and the

student identifier of each enrolled student; and (2) for each high school math class in secondary schools, a course code based on a national coding classification. The OSPI must develop standards for school data systems that focus on validation and verification of data. The OSPI will convene a workgroup to develop a plan for coding secondary courses.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Extra support for school districts in the fiscal area is really needed. The current system measures are inadequate. Standardizing data and having it in a usable disaggregated form will be able to produce some great information for this body as it makes policy decisions. This bill implements some of the important Washington Learns recommendations. We believe responsibility for the financial health and monitoring system should remain with the OSPI. Technical assistance needs to be provided across the state.

CON: The financial health and monitoring component of the bill is duplicative of monitoring procedures already in place. If the Legislature wants to establish a system of monitoring, then that system should be brought to you. Let OFM, OSPI, and the people that actually work in the school districts devise a plan and have them bring to the Legislature. Then the Legislature would know what is needed to help the situation. The Legislature needs to look at how much data is already being requested of the school districts and see how it is being used.

Persons Testifying: PRO: Bill Keim, Educational Service District 113; Bob Cooper, Washington Association of Colleges for Teacher Education; Judy Hartmann, Governor Greigore's Policy Office; Kyra Kester, OSPI.

CON: Mitch Denning, Alliance of Education Associations; Barbara Mertens, Washington Association of School Administrators.