

# HOUSE BILL REPORT

## HB 2492

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**As Reported by House Committee On:**  
Education Appropriations & Oversight

**Title:** An act relating to requiring the state board of education to provide fiscal impact statements before making rule changes.

**Brief Description:** Requiring the state board of education to provide fiscal impact statements before making rule changes.

**Sponsors:** Representatives Haigh, Dammeier, Maxwell, Dahlquist, Liias, Finn and Santos.

**Brief History:**

**Committee Activity:**

Education Appropriations & Oversight: 1/24/12, 2/2/12 [DPS].

**Brief Summary of Substitute Bill**

- Requires the State Board of Education (SBE) to provide a school district fiscal impact statement for rule changes.
- Requires the SBE to hold a presentation and public hearing on rule changes and their respective school district fiscal impact statements.
- Directs the Office of Superintendent of Public Instruction to prepare the fiscal impact statements and solicit estimates from a representative sample of school districts.
- Exempts certain rules from the requirements.

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### HOUSE COMMITTEE ON EDUCATION APPROPRIATIONS & OVERSIGHT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Haigh, Chair; Probst, Vice Chair; Anderson, Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Fagan, Assistant Ranking Minority Member; Dahlquist, Hansen, Hargrove, Hope, Maxwell, Nealey, Orwall, Pollet, Reykdal, Santos, Seaquist, Sells and Short.

**Staff:** Jessica Harrell (786-7349).

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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.*

**Background:**

The State Board of Education (SBE) was first established by the Territorial Legislature in 1877. The SBE consists of 16 members: five elected by school board members, seven appointed by the Governor, one elected by private schools, the Superintendent of Public Instruction, and two nonvoting students. The SBE's statutory purpose is to provide advocacy and strategic oversight of public education, implement a standards-based accountability framework, provide leadership, and promote achievement of the Basic Education goals. Goals are adopted by the SBE by rule. The SBE is responsible for setting performance standards for statewide assessments and the accountability system; setting high school graduation requirements; monitoring compliance with Basic Education requirements; and approving private schools.

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**Summary of Substitute Bill:**

When publishing a notice of a rule-making hearing under the Administrative Procedures Act, the SBE is required to provide a school district fiscal impact statement along with proposed rules. Additionally, the SBE is required to have a presentation and public hearing on the impact statement along with the rule. A copy of the impact statement must be forwarded to the legislative education committees.

The Office of Superintendent of Public Instruction (OSPI) must prepare the fiscal impact statements and solicit estimates from a representative sample of school districts. Certain rules are excluded from the fiscal impact statement requirements. The exempted rules are: emergency rules; rules that adopt by reference or without material change other state or federal laws and rules; rules that deal with procedures or practices of the SBE and are not related to any external parties; technical corrections; and rules where the content is explicitly dictated by the Legislature.

**Substitute Bill Compared to Original Bill:**

The substitute bill clarifies that the OSPI is required to prepare the fiscal impact statements and solicit estimates for school districts, and that the SBE is required to provide the school district fiscal impact statement when publishing notice of a rule-making hearing. Specific types of rules are exempted.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) This bill is simple and would be reasonably easy to implement. The rules adopted by the SBE have a fiscal impact on school districts. Adding this requirement aligns the rule-making process, as it relates to the SBE, with the requirements of other agencies. This bill will enable districts to provide perspective on the impact rules have on them.

(Opposed) This bill is not necessarily simple and creates questions about the relationship between the Legislature and the agencies that carry out statutes on behalf of the Legislature. This bill is driven by the recent actions of the SBE regarding high school graduation rates, for which the fiscal impact estimate was controversial. There are more substantial issues at hand that would likely address the problems this bill is trying to solve. There are alternatives that might better address the problem that this bill unsuccessfully attempts to solve.

**Persons Testifying:** (In support) Representative Haigh, prime sponsor; Marie Sullivan, Washington State School Director Association; Art Jarvis, Tacoma Public Schools; and Mitch Demming, Alliance of Education Association.

(Opposed) Ben Rarick, State Board of Education.

**Persons Signed In To Testify But Not Testifying:** None.