

# HOUSE BILL REPORT

## HB 2538

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### As Reported by House Committee On:

Education  
Ways & Means

**Title:** An act relating to reducing certain requirements affecting school districts.

**Brief Description:** Reducing certain requirements affecting school districts.

**Sponsors:** Representatives Santos and Maxwell; by request of Governor Gregoire.

### Brief History:

#### Committee Activity:

Education: 1/26/12, 1/31/12 [DPS];

Ways & Means: 2/4/12, 2/6/12 [DP2S(w/o sub ED)].

#### Brief Summary of Second Substitute Bill

- Limits the frequency of fiscal and performance audits on school districts when no findings of impropriety were found for the three-year period immediately preceding the audit period.
- Revises notification dates for nonrenewal of school employee contracts to the later of May 15 or 30 days after enactment of the appropriations act.

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### HOUSE COMMITTEE ON EDUCATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Santos, Chair; Lytton, Vice Chair; Billig, Finn, Haigh, Hunt, Ladenburg, Liias, Maxwell, McCoy and Probst.

**Staff:** Cece Clynch (786-7195).

### Background:

State Graduation Requirements.

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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.*

In order to graduate, the state requires students to earn 20 credits in specified course areas, pass statewide assessments or approved alternatives, complete a Culminating Project (Project), and prepare a High School and Beyond Plan (Plan).

*High School and Beyond Plan.* The Plan is a formal process designed to help students think about their future and select course work that will best prepare them for their post high school goals. Students create their Plans in cooperation with parents or guardians and school staff. Ideally, students write their Plans in eighth or ninth grade and then continue to revise them throughout high school to accommodate changing interests or goals. Whether a student has met the requirements for a Plan is a decision made at the local level by the school district.

*Culminating Project.* The Project is an experiential, hands-on project that allows students flexibility to demonstrate: essential skills through reading, writing, speaking, production, and performance; skills of analysis, logic, and creativity; and the integration of experience and knowledge to form reasoned judgments and solve problems. According to the State Board of Education (SBE), districts should clearly identify the Project outcomes and develop and publish assessment criteria to support those outcomes.

*Statewide Assessments.* Starting with the class of 2008, students are required to meet the state standard on the high school assessments in reading, writing, and mathematics to receive a Certificate of Academic Achievement (CAA). Students in special education who are not appropriately assessed using the state assessment can earn a Certificate of Individual Achievement (CIA).

Either the CAA or the CIA were to be required for graduation starting with the class of 2008, but the 2007 Legislature enacted a temporary exception for students who do not meet the state standard in mathematics. Until 2013 these students can still graduate as long as they meet the standard on the reading and writing assessments and take additional mathematics courses.

The classes of 2013 and 2014 must meet the state standard in at least one of the math end-of-course exams (EOC) and the class of 2015 must meet the standard on both math EOCs to earn a CAA or CIA. Starting with the class of 2015, students will have to also meet the state standard on the Biology EOC for graduation.

Students who score at least a three on the following selected Advanced Placement (AP) exams may use the score as an objective alternative assessment for demonstrating that a student has met or exceeded state standards for the CAA:

- Calculus or statistics may be used for mathematics.
- English language and composition may be used for writing.
- English literature and composition, macroeconomics, microeconomics, psychology, United States history, world history, United States government and politics, or comparative government and politics may be used for reading.
- Biology, physics, chemistry, or environmental science may be used for science.

School districts may establish other local graduation requirements. High school diplomas are issued by school districts to students who meet state and local graduation requirements.

## Classroom Based Assessments and Other Strategies.

Not all subjects are covered by statewide assessments. School districts are required to have in place, in elementary, middle, and high schools, assessments or other strategies chosen by the district to assure that students have an opportunity to learn the essential academic learning requirements in social studies, the arts, and health and fitness. The Office of the Superintendent of Public Instruction (OSPI) may not require districts to use a classroom-based assessment in these subjects and must clearly communicate to districts that they have an option to use other strategies chosen by the district for purposes of assessment. Districts must annually submit an implementation verification report to the OSPI.

With respect to civics, districts must require students to complete classroom based assessments in the following grades:

- fourth or fifth grade, beginning with the 2010-11 school year;
- seventh or eighth grade, beginning with the 2008-09 school year; and
- eleventh or twelfth grade, beginning with the 2008-09 school year.

## Dual Credit and Other Programs.

*Running Start.* Running Start students have the opportunity to study on a college campus while acquiring credits that count toward both high school and college graduation. If the student passes the college course, he or she receives the same amount of credit as any other college student taking the course.

*Navigation 101.* Navigation 101 is a life skills and planning curriculum for students in grades six through 12 that helps students make plans for life beyond high school.

*Advancement Via Individual Determination (AVID).* The AVID is a college-readiness system designed to increase the number of students who enroll in four-year colleges. Although the AVID serves all students, it focuses on students in the academic middle. At the high school and middle level, the AVID students are enrolled in their school's toughest classes, such as AP, and receive support in an academic elective class, called AVID, taught within the school day by a trained AVID teacher. In the accelerated elective class, the AVID students receive support through a rigorous curriculum and ongoing, structured tutorials. The AVID elective teachers support the AVID students by providing academic training, managing their tutorials, working with faculty and parents, and helping students develop long-range academic and personal plans.

*Career and Technical Education Programs (Program).* There are a variety of Programs available. Skills Centers (Centers) are part of the K-12 system, operating as an extension for the high schools within a local region by providing high school students with job preparation skills. The primary purpose of the Centers is to give students the academic and work skills to successfully enter the job market or advanced education/training. The Centers provide job training in programs that would be too expensive to offer at every high school. Instructors use competency-based, individualized instruction to help each student learn occupational, academic, and technical skills at a high level.

Tech Prep is a cooperative effort between K-12 schools, community and technical colleges, and the business community to develop applied integrated, academic and technical programs. These professional technical courses are taught on high school campuses by high school instructors. The instructors work with local colleges to assure the courses are taught at the college-level and articulate to the college program. Through Tech Prep articulation agreements, colleges award credit to students who successfully complete college-equivalent courses and programs with a "B" or better while still in high school.

*International Baccalaureate (IB).* The IB program is designed as an academically challenging series of courses, student work, and examinations which are usually offered over a two-year period. Students must complete courses in six subjects: primary language, secondary language, individuals and societies, science, mathematics, and either the arts or a second course in one of the other subjects. Students must also complete a Theory of Knowledge course, produce an extended essay, participate in a Creativity, Action, and Service activity, and complete internally and externally-scored assessment tasks. To earn an IB Diploma, students must also pass an EOC in each of their six courses.

*Advanced Placement.* The AP program allows students to take college-level courses while staying on their high school campuses. Students complete courses taught by high school teachers and take standardized examinations at the end of the course. Students may score from zero to five points. Minimum scores to qualify for college credit vary by college and by subject area.

*Cambridge Advanced International Certificate of Education.* High schools may seek approval from the University of Cambridge International Examinations, part of the University of Cambridge (Cambridge), as a Cambridge International Center to offer a program of study for the Cambridge Advanced International Certificate of Education (AICE). The AICE program involves the selection of subjects from three interdisciplinary curriculum areas: math and science; languages; and arts and humanities. The Cambridge courses emphasize higher order thinking skills, oral skills, writing skills, problem-solving skills, and teamwork and investigative skills.

At the end of ninth and tenth grade, students in the Cambridge program are able to take content area exams en route to earning a certificate at the end of tenth grade. At the end of the student's senior year, he or she can take the Cambridge AICE exams. Many colleges and universities award students advanced standing and academic credit for having passed the Cambridge AICE examinations.

#### School District Audits.

State law requires the Office of the State Auditor (Auditor) to examine the affairs of all local governments at least once in every three years, and examine the health and welfare benefit plans and self-insurance programs of local governments at least every two years. The Auditor must establish an audit schedule.

During the 2009-2011 fiscal biennium, the Auditor is directed to conduct audits no more often than once every two years of local governments with annual General Fund revenues of \$10 million or less and no findings of impropriety for the three-year period immediately

preceding the audit period. The Auditor is not prohibited from conducting audits: to address suspected fraud or irregular conduct; at the request of the local government governing body; or as required by federal laws or regulations.

The Auditor conducts a variety of types of audits:

*Accountability Audits.* The Accountability Audits focus on areas of the highest risk for noncompliance, misappropriation or misuse of public resources. They evaluate the local government's compliance with state laws, regulations, and its own policies and procedures governing financial operations. Whether an accountability audit is conducted on one, two, or three year cycles depends upon:

- the size of the government or school district as measured by its revenues or enrollment;
- the significance of risks such as a pattern of past audit issues, significant management or operational changes, or concerns expressed by citizens or policy makers; and
- requests from the government for more frequent audits.

*Audit Assessments.* The Audit Assessments are a cost-effective approach for auditing small local governments. An assessment involves analyzing information to determine if there are indications of significant irregularities or misappropriations. If risks are identified, the Auditor may conduct an on-site audit. These assessments are performed on a one, two, or three year cycle, depending on the size of the local government.

School districts with more than 8,000 full time equivalency (FTE) enrollment receive an annual accountability audit. Districts with fewer than 8,000 FTE receive a biennial or triennial accountability audit. Districts with less than 100 FTE, or without a high school, are eligible for an audit assessment if there are no indicators of high risk. Such assessments are conducted annually. Districts receive a financial audit according to their accountability cycle unless a federal audit is required.

*Federal Compliance Audits.* The Federal Compliance Audits assess state and local governments' management of federal programs and compliance with federal requirements. Financial statement audits are conducted when audits are a requirement of receiving federal funds or issuing bonds. Districts that expend more than \$500,000 in federal funds in any year must have a federal audit. All federal audits must include a financial audit. In 2011, 210 of the 295 school districts were required to have a federal audit.

*Performance Audits.* Citizens gave the Auditor authority to conduct performance audits in November 2005 with the passage of Initiative 900. Performance audits have a broader focus on the organization's effectiveness and efficiency than more traditional financial audits. To date, the Auditor has conducted 30 performance audits and reviews of more than 80 state and local governments, programs and services.

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### **Summary of Substitute Bill:**

#### High School and Beyond Plan and Culminating Project.

Students completing one of the following are not required to complete a Plan or a Project:

- Running Start program, and leaving high school with an associate degree;
- high school Navigation 101, AVID, or similar program focused on career planning and skill development in preparation for a targeted career;
- career and technical education program resulting in a skill certificate;
- one year of college-level coursework;
- IB certificate program; or
- at least four courses in any of the following programs, or at least four courses among the following programs: AP; engineering or biological sciences; IB; or the Cambridge AICE with college credit equivalency exams.

#### Statewide and Classroom Based Assessments.

The statewide academic assessment system no longer includes writing in any grade. Students will not be required to meet state standard on the statewide writing assessment in order to graduate. References to the statewide writing assessment are removed from several statutes, including requirements that school districts include such data in their Learning Assistant Program (LAP) plans and that the SBE adopt and revise performance improvement goals in writing.

By the end of the 2015-16 school year, school districts must have in place classroom based assessments or other strategies chosen by the district, to assure that students have an opportunity to learn the essential academic learning requirements in writing. In this same school year, school districts are required to submit implementation verification to the OSPI.

The dates by which districts must have in place other classroom-based assessments are moved out to 2015-16. Corresponding dates for districts to submit implementation verification with respect to classroom-based assessments are also moved to 2015-16.

#### School District Audits.

Beginning with the 2012-13 school year, the Auditor is prohibited from conducting fiscal and performance audits on school districts more often than once every three years when there have been no findings of impropriety for the three-year period immediately preceding the audit period. The Auditor is not, however, prohibited from conducting audits:

- to address suspected fraud or irregular conduct;
- at the request of the local school district board of directors;
- if there has been a change in the superintendent or the chief financial officer in the year immediately preceding the audit; and
- as required by federal laws or regulations.

#### **Substitute Bill Compared to Original Bill:**

The following changes are made:

- Provisions from the underlying bill relative to the LAP are not included. School districts must submit a variety of information for purposes of the LAP funding, including accelerated learning plans for each student. This requirement was removed

in the underlying bill and replaced with a requirement that the districts' plans include information on various processes.

- Students who complete the specified dual credit and other programs are exempt from the requirement for a Plan as well as the Project whereas the original bill pertained only to the Project.
- An additional exception was added with respect to when the Auditor may conduct school district audits more frequently than once every three years. Another exception is made if there has been a change in the superintendent or the chief financial officer in the year immediately preceding the audit. The change with respect to the frequency of audits goes into effect on July 1, 2012, rather than in the 2012-13 school year.
- The statewide academic assessment system no longer includes writing. Students will not be required to meet state standard on the statewide writing assessment in order to graduate. References to the statewide writing assessment are removed from several statutes, including requirements that school districts include such data in their LAP plans and that the SBE adopt and revise performance improvement goals in writing.
- By the end of the 2015-16 school year, school districts must have in place classroom based assessments or other strategies chosen by the district, to assure that students have an opportunity to learn the essential academic learning requirements in writing. In this same school year, school districts are required to submit implementation verification to the OSPI.
- The dates by which districts must have in place other classroom-based assessments are moved out to 2015-16. Corresponding dates for districts to submit implementation verification with respect to classroom-based assessments are also moved to 2015-16.

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**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on January 31, 2012.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed, except for section 10, relating to classroom based assessments, which takes effect July 1, 2012.

**Staff Summary of Public Testimony:**

(In support) This bill will assist and provide some relief to school districts, allowing them to focus on the students. The issues addressed in this bill were brought by school districts to the Governor. With respect to the LAP, and the elimination of the requirement for individual student learning plans, it should be recognized that students do not start and stop with a single plan. Throughout the school year there is a need to regroup and re-plan. The Project

should be left at the district level. Do not eliminate it, but leave it at the district level. The audit piece of this bill is supported by the districts. Some elements of House Bill 2543 should be rolled into this bill as well.

(In support with concerns) The Project piece of this bill should not be included. Rather, it should be left at the school district level to determine if the requirement is met.

(With concerns) The provisions of this bill with respect to fiscal audits cause concern. The provisions concerning performance audits are fully supported. Financial audits are one of the things listed on school districts' lists of unfunded mandates because the districts must pay for the audits. Audits are valuable, as is the support provided by the Auditor to school districts year-long, but since the Auditor receives public funding, school districts feel that they should not have to pay for the audits. Even with this bill, over 200 school districts must still have yearly audits because they are required to be audited due to federal requirements.

(Opposed) None.

**Persons Testifying:** (In support) Representative Santos, prime sponsor; Judy Hartmann, Office of the Governor; and Marie Sullivan, Washington State School Directors' Association.

(In support with concerns) Tim Knue, Washington Association for Career and Technical Education.

(With concerns) Mitch Denning, Alliance of Education Associations; and Nancy Moffatt, Washington Association of School Business Officials.

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

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## HOUSE COMMITTEE ON WAYS & MEANS

**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 27 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle, Chandler, Cody, Dickerson, Haigh, Haler, Hinkle, Hudgins, Hunt, Kagi, Kenney, Ormsby, Parker, Pettigrew, Ross, Schmick, Seaquist, Springer, Sullivan and Wilcox.

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

### **Summary of Recommendation of Committee On Ways & Means Compared to Recommendation of Committee On Education:**

The Ways and Means Committee recommended the removal of all references to reducing K-12 writing assessment requirements. Additionally, language is added providing that school districts and educational service districts have until the later of May 15 or 30 days after the appropriations act is passed by the Legislature to send contract nonrenewal notices to certificated employees.



**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Second Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed, except for sections 2 through 6, relating to contract nonrenewal notifications, which contain an emergency clause and take effect immediately.

**Staff Summary of Public Testimony:**

(In support) There are state mandates that are unfunded, for which the burden of payment falls to the local districts. The districts have spoken out to the Legislature to have these mandates either funded or eliminated, but the Legislature has not responded. This legislation would be a good step toward providing savings to districts so that they can direct their dollars back to the classroom. Removing the requirement to continue writing assessments will not necessarily equate to the end of the writing assessment. Districts will likely continue to assess writing.

(In support with concerns) The return on investment from the writing assessments is too great to eliminate and it is too burdensome to keep track of all the possible exemptions included in this legislation.

(Opposed) The writing requirement is an important tool that has paid for itself. Pass rates have increased substantially since first implemented. Furthermore, the current writing assessments are the only form in which extended answers are required and are the only tool by which writing is assessed now that AP exams and others have eliminated the extended answer portion of their exams. The writing assessment prevents good students from falling through the cracks and provides a tool to help the Office of Superintendent of Public Instruction confirm that current teaching methods are effective and identify areas of concern.

This bill moves the state away from a standards based reform system. One alternative to consider eliminating, in place of the writing exams, is the High School and Beyond Plan.

**Persons Testifying:** (In support) Representative Santos, prime sponsor; Judy Hartman, Governor's Policy Office; Lucinda Young, Washington Education Association; and Marie Sullivan, Washington State School Directors Association.

(In support with concerns) Tim Knue, Washington Association for Career and Technical Colleges.

(Opposed) Ann Luce, Partnership for Learning; George Scarola, League of Education Voters; Ramona Hattendorf, Washington State Parent Teacher Association; and Ben Rarick, State Board of Education.

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