
SENATE BILL 5842

State of Washington 60th Legislature 2007 Regular Session

By Senators Oemig, McAuliffe, Zarelli, Tom, Weinstein, Kauffman, Rockefeller, Hobbs and Kohl-Welles

Read first time 02/02/2007. Referred to Committee on Early Learning & K-12 Education.

1 AN ACT Relating to education system benchmarks and monitoring;
2 adding a new section to chapter 28A.300 RCW; adding new sections to
3 chapter 43.41 RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.300
6 RCW to read as follows:

7 FINANCIAL HEALTH AND MONITORING--BUDGET REVIEW AND APPROVAL
8 PROCESS. (1) The legislature finds that the existing school district
9 budget review system focuses on current school year budget
10 implementation and preparation of the ensuing school year budget and
11 does not provide a systematic look of longer-range budget issues,
12 including any indication of impending financial problems in school
13 districts and the financial impact of long-term contractual agreements.
14 Parents, students, taxpayers, school employees, and school
15 administrators need a financial monitoring system that considers long-
16 term budgeting issues and commitments, and provides early warning of
17 school district financial health concerns. Once financial concerns and
18 issues are identified, districts should receive early, practical
19 assistance.

1 (2) The office of the superintendent of public instruction and the
2 office of financial management shall jointly develop and implement a
3 school district financial health and monitoring system.

4 (3) The office of the superintendent of public instruction and the
5 office of financial management shall identify up to six system measures
6 that shall be established for a public financial reporting system,
7 including related data collection content and processes. In addition,
8 the office of the superintendent of public instruction and the office
9 of financial management shall jointly develop a financial health
10 outlook rating system that places school districts in one of three
11 financial health categories based on their ratings on the financial
12 measures.

13 (4) The office of the superintendent of public instruction and the
14 office of financial management shall present proposed system measures
15 and a financial health outlook rating system to the governor by
16 November 1, 2007. Subject to agreement between the governor and the
17 superintendent of public instruction on the measures and the rating
18 system, the financial health and monitoring system shall be implemented
19 during the 2008-09 school year.

20 (5) The financial health outlook rating category of each school
21 district shall be published annually. In addition, updates shall be
22 published throughout the year if subsequent data to the school
23 district's financial reporting measures cause a change in the
24 district's financial health categorization.

25 (6) The office of the superintendent of public instruction, with
26 regional financial specialists contracted through educational service
27 districts, shall provide progressive levels of technical assistance to
28 school districts in the lowest two categories on the financial health
29 outlook rating system.

30 (7) The office of the superintendent of public instruction and the
31 office of financial management shall jointly review the current school
32 district budget submittal and approval process and develop
33 recommendations for changes to the budget approval and financial
34 oversight system. The recommendations shall include a system of
35 progressive state assistance and potential interventions and oversight
36 in school districts identified in the lowest two categories on the
37 financial health outlook rating system.

1 (8) The superintendent of public instruction shall submit a report
2 summarizing the review and reporting recommendations in subsection (7)
3 of this section to the governor and the education and fiscal committees
4 of the legislature by November 15, 2007.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.41 RCW
6 to read as follows:

7 EDUCATION DATA CENTER. (1) The education data center shall be
8 established in the office of financial management. The education data
9 center shall conduct collaborative analyses of education issues across
10 the P-20 system, which system includes the department of early
11 learning, the superintendent of public instruction, the professional
12 educator standards board, the state board of education, the state board
13 for community and technical colleges, the workforce training and
14 education coordinating board, the higher education coordinating board,
15 public baccalaureate institutions of higher education, and the
16 employment security department in their collaborative analysis of early
17 learning, K-12, and higher education programs. The education data
18 center shall be considered an education research agency under
19 applicable federal and state statutes for purposes of receiving and
20 processing student record data for research purposes.

21 (2) The education data center shall:

22 (a) Coordinate with other state education agencies to compile
23 education data and complete P-20 research projects;

24 (b) Track enrollment and outcomes through the public centralized
25 higher education enrollment system;

26 (c) Assist other state educational agencies' collaborative efforts
27 to establish benchmarks for Washington compared to the global challenge
28 states as defined in section 3 of this act;

29 (d) Assist other state educational agencies' collaborative efforts
30 to develop a long-range enrollment plan for higher education including
31 estimates to meet demographic and workforce needs; and

32 (e) Provide research support that focuses on student transitions
33 within and among the early learning, K-12, and higher education sectors
34 in the P-20 system.

35 (3) The department of early learning, superintendent of public
36 instruction, professional educator standards board, state board of
37 education, state board for community and technical colleges, workforce

1 training and education coordinating board, higher education
2 coordinating board, public baccalaureate institutions, and employment
3 security department shall work with the education data center to
4 develop data sharing and research agreements, consistent with
5 applicable security and confidentiality requirements, to facilitate the
6 work of the center. The education data center shall make data from
7 collaborative analyses available to the education agencies and
8 institutions that contribute data to the education data center to the
9 extent allowed by federal and state security and confidentiality
10 requirements applicable to the data of each contributing agency or
11 institution.

12 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.41 RCW
13 to read as follows:

14 GLOBAL CHALLENGE STATES. The global challenge states are the top
15 performing states on the new economy index published by the progressive
16 policy institute as of the effective date of this section. The new
17 economy index ranks states on indicators of their potential to compete
18 in the new economy. At least once every five years, the office of
19 financial management shall determine if changes to the list of global
20 challenge states are appropriate. The office of financial management
21 shall report its findings to the governor and the legislature.

22 NEW SECTION. **Sec. 4.** Captions used in this act are not any part
23 of the law.

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