

HOUSE BILL REPORT

E2SHB 1036

As Passed House:
March 8, 1995

Title: An act relating to a performance audit of the office of the superintendent of public instruction.

Brief Description: Requiring a performance audit of the office of the superintendent of public instruction.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Backlund, Brumsickle, Sherstad, Carlson, Dyer, Kremen, Horn, Schoesler, Buck, Johnson, Thompson, Radcliff, Hickel, Elliot, Pennington, Carrell, Robertson, Foreman, Van Luven, Koster, D. Schmidt, Mulliken, Fuhrman, Campbell, L. Thomas, Huff, Mielke, Talcott, Silver, McMahan and Casada).

Brief History:

Committee Activity:

Education: 1/10/95, 1/12/95, 1/19/95 [DPS];

Appropriations: 2/13/95, 2/16/95 [DP2S(w/o sub ED)].

Floor Activity:

Passed House: 3/8/95, 86-11.

HOUSE COMMITTEE ON EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Brumsickle, Chair; Elliot, Vice Chair; Johnson, Vice Chair; Cole, Ranking Minority Member; Clements; Dickerson; G. Fisher; Fuhrman; McMahan; Pelesky; Quall; Radcliff; Smith; Talcott; B. Thomas; Thompson and Veloria.

Staff: Robert Butts (786-7111).

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 18 members: Representatives Silver, Chairman; Clements, Vice Chairman; Huff, Vice Chairman; Pelesky, Vice Chairman; Beeksma; Brumsickle; Carlson; Chappell; Cooke; Crouse; G. Fisher; Foreman; Hargrove; Hickel; Lisk; Sehlin; Sheahan and Talcott.

Minority Report: Do not pass. Signed by 8 members: Representatives Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Basich; Jacobsen; Poulsen; Rust; Thibaudeau and Wolfe.

Staff: Jack Daray (786-7178).

Background: The Office of the Superintendent of Public Instruction (OSPI) is responsible for administering and monitoring a large number of statewide K-12 education programs. Major responsibilities include:

-- Distributing and administering state and federal education funds. In the current biennium, OSPI will administer approximately \$630 million of federal funds, and \$7.8 billion of state funds. These funds are for general apportionment, categorical programs (e.g. special education, food service, transportation), school construction assistance, and special programs (e.g. Student Learning Improvement grants).

-- Gathering and reporting school information. The agency maintains extensive financial data on school district revenues and expenditures, and annually prepares numerous reports for school district information and for legislative and federal reporting requirements.

-- Providing technical assistance. OSPI provides financial and instructional assistance to Educational Service Districts, school districts, school personnel, and parents.

The agency currently has approximately 265 FTE staff. Of these, 165 are state funded (62 percent) and 100 are federally funded (38 percent). In 1970-71, the agency had 181 state-funded staff.

OSPI's 1993-95 biennial general fund agency budget is approximately \$22 million.

Summary of Bill: The state auditor is directed to conduct a comprehensive performance audit of the Office of the Superintendent of Public Instruction.

The audit must include:

- (a) An evaluation of OSPI's efficiency in operating its programs and fulfilling its legal duties;
- (b) Identification of potential programs and services that may be eliminated or transferred to the private sector;
- (c) Recommendations for the elimination or reduction in funding to various agencies, programs, or services;
- (d) Analysis of gaps and overlaps in programs, and recommendations for correcting the gaps or overlaps;

- (e) Which activities are a result of legal mandates, which are a result of legislative and client requests, and which activities do not serve a useful purpose; and
- (f) What savings could be achieved by eliminating the programs that serve no useful purpose.

The state auditor is to provide necessary staff, and shall involve private sector professional and technical experts in conducting the audit.

The state auditor is directed to solicit suggestions for purposes of the audit from legislators, educators, and others. The statutory restriction on conducting performance verifications by the state auditor does not apply to the act.

The state auditor shall report its findings to the Legislature by November 15, 1995.

The act will be null and void if funding is not provided in the budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Bill: The bill contains an emergency clause and takes effect immediately. However, the bill is null and void if not funded in the budget.

Testimony For: (Education) The Office of the Superintendent of Public Instruction welcomes the attention of the Legislature. The office strives to keep administrative costs low, and our success in keeping these costs low is demonstrated in national comparisons with other state education agencies. We do need to redirect the state's limited resources to the classroom.

(Appropriations) State resources need to be spent as efficiently as possible so that there is maximum support for the classroom. A performance audit of the Office of the Superintendent of Public Instruction will insure that administration costs are held to a minimum at the state level.

Testimony Against: (Education) The bill does not go far enough. Program audits that analyze the effectiveness of programs also are needed, as is the development of performance measures.

(Appropriations) None.

Testified: (Education) Representative Bill Backlund, prime sponsor; Judith Billings, Superintendent of Public Instruction (pro); Carter Burns, citizen (pro); Dwayne Slate, Washington State School Directors' Association (concerns); Judy Hartmann,

Washington Education Association (pro, with suggested amendments); Lynn Harsh, Evergreen Foundation (concerns); and Jean Ameluxen, Superintendent of Public Instruction (pro).

(Appropriations) Representative Bill Backlund, prime sponsor.