

HOUSE BILL REPORT

HB 1036

As Reported By House Committee On:

Education
Appropriations

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: 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)].

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).

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 Substitute Bill: The State Auditor is directed to conduct a performance audit of the OSPI.

The audit is to evaluate:

- (a) Whether OSPI is conducting the duties and tasks required by state law economically and efficiently;
- (b) The causes of any inefficiencies or uneconomical practices; and
- (c) What efficiencies could be made in the delivery of services and programs, and what savings would be incurred.

The auditor is to solicit suggestions from legislators, the Governor, educators, parents, and others. Personnel at OSPI are to cooperate with the auditor in completing the audit.

Existing statutory restrictions on conducting performance verifications by the state auditor do not apply to this audit.

The auditor is to report his findings to the Legislature by November 15, 1995.

Substitute Bill Compared to Original Bill: A provision was added that directed the auditor to solicit suggestions from interested parties, the due date for the audit was moved from January 1996 to November 15, 1995, and an appropriation of \$174,000 was added.

Appropriation: The substitute bill appropriates the sum of \$174,000 from the general fund to the state auditor.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: 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.

Testimony Against: 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.

Testified: 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).

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).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Education: Added null and void language reference by bill number; appropriation eliminated.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: 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: None.

Testified: Representative Bill Backlund, prime sponsor.