
SUBSTITUTE HOUSE BILL 1989

State of Washington

57th Legislature

2001 Regular Session

By House Committee on Education (originally sponsored by Representatives Anderson, Rockefeller, Quall, Cox, Fromhold, Miloscia, Pflug, Talcott, Santos and Keiser)

Read first time 02/26/2001. Referred to Committee on .

1 AN ACT Relating to legislative review of school district financial
2 management practices; adding a new section to chapter 44.28 RCW; and
3 adding a new chapter to Title 28A RCW.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that use of best
6 financial management practices by school districts leads to efficient
7 and effective use of state and district resources, improves district
8 performance and accountability, and helps build public confidence in
9 district operations. Therefore, the legislature intends to design and
10 implement an evaluation system to determine if school districts are
11 employing best financial management practices.

12 NEW SECTION. **Sec. 2.** (1) The joint legislative audit and review
13 committee, with the assistance of the state auditor, shall design a
14 system that can be used to evaluate whether a school district is
15 employing best financial management practices. The system must include
16 the identification of criteria that can be used to evaluate financial
17 management practices in specific functional areas. The specific
18 functional areas in the system must include at least the following:

- 1 (a) Management structure;
- 2 (b) Performance accountability;
- 3 (c) Delivery of educational services, including instructional
- 4 materials;
- 5 (d) Administrative and educational technology;
- 6 (e) Personnel systems and benefits management;
- 7 (f) Facilities construction, including use of state and district
- 8 construction funds;
- 9 (g) Facilities maintenance;
- 10 (h) Student transportation;
- 11 (i) Food service operations;
- 12 (j) Cost control systems, including asset management, risk
- 13 management, financial management, purchasing, internal auditing, and
- 14 financial auditing;
- 15 (k) Safety and security; and
- 16 (l) Community involvement.
- 17 (2) In designing the evaluation system, the committee shall consult
- 18 with the appropriate committees of the legislature, the state auditor,
- 19 the office of financial management, the office of the superintendent of
- 20 public instruction, the state board of education, educational service
- 21 districts, and other appropriate community and educational
- 22 organizations.

23 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act constitute a

24 new chapter in Title 28A RCW.

25 NEW SECTION. **Sec. 4.** A new section is added to chapter 44.28 RCW

26 to read as follows:

27 The joint committee, with the assistance of the state auditor,

28 shall design a system that can be used to evaluate whether a school

29 district is employing best financial management practices and shall

30 conduct reviews of school district financial management practices as

31 provided in chapter 28A.--- RCW (sections 1 and 2 of this act).

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