

# SENATE BILL REPORT

## E2SSB 5441

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As Passed Senate, March 3, 2005

**Title:** An act relating to studying early learning, K-12, and higher education.

**Brief Description:** Requiring an education and higher education finance study.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Weinstein, McAuliffe, Prentice, Kohl-Welles, Eide, Berkey, Poulsen, Keiser, Brown, Fraser, Shin, Haugen, Schmidt, Kline, Rockefeller, Spanel and Rasmussen; by request of Governor Gregoire).

**Brief History:**

**Committee Activity:** Early Learning, K-12 & Higher Education: 1/24/05, 1/31/05 [DPS-WM, DNP], 1/31/05.

Ways & Means: 2/21/05, 2/24/05 [DP2S, DNP, w/oRec].

Passed Senate: 3/3/05, 31-18.

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### SENATE COMMITTEE ON EARLY LEARNING, K-12 & HIGHER EDUCATION

**Majority Report:** That Substitute Senate Bill No. 5441 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators McAuliffe, Chair; Berkey, Carrell, Delvin, Eide, Kohl-Welles, Pridemore, Rasmussen, Rockefeller, Schmidt, Shin and Weinstein.

**Minority Report:** Do not pass.

Signed by Senators Mulliken and Schoesler.

**Staff:** Brian Jeffries (786-7422)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 5441 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Fraser, Vice Chair; Fairley, Kohl-Welles, Pridemore, Rasmussen, Regala, Rockefeller and Thibaudeau.

**Minority Report:** Do not pass.

Signed by Senator Schoesler.

**Minority Report:** That it be referred without recommendation. Signed by Senators Brandland and Parlette.

**Staff:** Bryon Moore (786-7726)

**Background:** Numerous studies, mostly at the national level, have explored the cost benefits of providing high-quality early learning opportunities for young children.

There have been numerous studies, particularly since the 1970's, on various aspects of the K-12 funding system, including issues pertaining to the finance structure of K-12 education, teacher compensation, remedial instruction, special education, transportation, and student enrollment. Most recently, the House of Representatives organized, during the 2004 interim, a House K-12 Finance Workgroup that studied the finance structure for the state's public schools.

There have been numerous studies exploring the various funding aspects of higher education in the state, including studies on access issues, dual enrollment, and high-demand enrollment. The Higher Education Coordinating Board (HECB) is required under state law to report to the Legislature standardized data on education-related expenditures by the state's universities and colleges that include the costs of instruction, costs to provide degrees in specific fields, costs for pre-college remedial instruction, and state support for students. The HECB is required to conduct this higher education cost study every four academic years.

**Summary of Bill:** The comprehensive education study steering committee is created. Members of the steering committee include: the Governor, who will chair the steering committee; the Director of the Office of Financial Management; two members from the House of Representatives with one appointed by each major caucus; two members from the Senate with one appointed by each major caucus; four citizens appointed by the Governor; and the chairs of each of the three advisory committees, one each on early learning, K-12 education, and higher education. The chair of the advisory committee on K-12 will be the Superintendent of Public Instruction. The chair of the advisory committee on early learning will be appointed by the Governor from a list of names submitted by groups representing early learning. The chair of the advisory committee on higher education will be selected by the Governor from a list of three or more names submitted by the State Board for Community and Technical Colleges, the Higher Education Coordinating Board, and the Council of Presidents. The steering committee will appoint the members of the advisory committee on early learning, the advisory committee on K-12, and the advisory committee on higher education.

The steering committee will: direct and coordinate the studies, giving consideration to recently completed, related finance studies; develop recommendations based on the work of the studies; and develop recommendations about how the state can best provide stable funding for student learning for young children, students in the public schools, and students in the public colleges and universities. The steering committee may enter into contracts as needed to support the work of the study.

A comprehensive study of early learning must include: defining the populations being served, those that could be served, and program access; determining the state's role in supporting quality early learning opportunities; determining the state's role in training persons providing services; and providing for smooth student transitions to K-12 programs.

The comprehensive K-12 study must address: the constitutional and legal requirements of the current finance system and the impact of the goals of the current education reform on the system; the strengths and weaknesses of the current finance formulas and how those formulas affect school district operations and performance; potential changes to the current finance

system; a review of the funding systems in at least five other states; local and regional funding challenges by individual school districts; and specific issues facing schools in the areas of accountability, governance, student and educator support; district spending practices; and reporting on remediation in mathematics, science, and language arts.

A comprehensive study of higher education must include: options for creating a new funding system; the number and distribution of enrollments at two and four-year institutions of higher education needed to meet demographic and work force training needs; methods for determining the cost of instruction in various program areas, the appropriate share of the cost of instruction that should be funded through tuition, general fund-state subsidies, and financial aid; providing for smooth transitions from high school to college, including dual credit options and adequate preparation for college-level coursework; identifying strategies and costs for increasing access to baccalaureate degrees; identifying incentives to optimize research by public colleges and universities that has to the potential of affecting economic and social conditions for state citizens; options for using existing capacity in independent colleges and universities; a review of higher education governance as it relates to fiscal policy for higher education; and options for coordinating capital and operating appropriations.

The steering committee is required to provide interim reports to the appropriate policy and fiscal committees of the Legislature by November 15, 2005 and June 16, 2006. The final report and recommendations of the steering committee must be submitted by November 15, 2006.

This bill will expire July 1, 2007.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** Yes.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** While there have been numerous studies of early learning, K-12 and higher education finance systems since the 1970's, expectations placed on students and the educational system have changed dramatically over those years. One dramatic change occurred when the state, through education reform, moved from a seat-time to a performance-based accountability system for the public schools. While education reform has had a significant and beneficial impact on our K-12 schools, the finance structure has not adapted with education reform. In the early 1990's, the Governor's Council on Education Reform and Funding (GCERF) recommended changes to our state's academic standards as well as our state's finance structure for funding schools, the standards have been implemented but not the finance structure. Our students and schools have made great strides since the implementation of our current education reform. The state's public K-12 schools are some of the highest performing in the nation, while being funded at the lowest levels when compared to what other states spend on public schools. The completion rates in our state's community and technical colleges are some of the best in the nation, while we are quite low in baccalaureate degree production when compared to the rest of the nation. Studies have shown that there is a positive return on investment when young children receive state-supported, high-quality early learning opportunities.

The state needs a new funding model that aligns its expectations for all students, pre-school through K-12 and higher education, with adequate resources that meet the demands placed on students and the system. The state needs to provide stable funding so that all young children are prepared to successfully enter and succeed in kindergarten, achieve state academic standards, and participate in higher education if they so choose.

There were concerns expressed about the lack of a specified date of completion of the study.

**Testimony Against:** None.

**Who Testified:** PRO: Senator Brian Weinstein, prime sponsor; Governor Christine Gregoire; Terry Bergeson, State Superintendent of Public Instruction; Lisa MacFarlane, League of Education Voters; Miebeth Bustillo-Booth, Randy Parr, Washington Education Association; Rainer Houser, Association of Washington School Principals; Earl Hale, Mary Alice Grobbins, State Board for Community and Technical Colleges; Terry Teale, Council of Presidents; Jim Huckabay, Council of Faculty Representatives; Elizabeth Bonbright Thompson, Washington State Child Care Resource and Referral Network; Janet Frieling, School's Out Washington; Agda Burchard, Washington Association for the Education of Young Children; Ellen Saunders, Workforce Training and Education Coordinating Board; Greg Scheiderer, Independent Colleges of Washington; Laurie Lippold, Children's Home Society of Washington; Nancy Atwood, Washington Chapter of AEA; Barbara Ann Galler, citizen; Marty Brown, Office of Governor; Megan Atkinson, Office of Superintendent of Public Instruction; Barbara Mertens, Washington Association of School Administrators; Jean Strother, Mary Kenfield, Washington Parent Teacher Association; Catherine Ahl, North Kitsap School Board.

**House Amendment(s):** Language is added to the K-12 study requiring that the effectiveness of English language learner instruction and potential changes to the current salary system, be tied to professional development and student performance. The higher education study is expanded to include methods for developing common articulation of lower division coursework among institutions of higher education.

Passed House: 76-20.