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HOUSE BILL 1871

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State of Washington                      60th Legislature                      2007 Regular Session

By Representative Santos

Read first time 01/30/2007. Referred to Committee on 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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