
SUBSTITUTE HOUSE BILL 1871

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Education (originally sponsored by Representative Santos)

READ FIRST TIME 2/28/07.

1 AN ACT Relating to education system benchmarks and monitoring;
2 adding a new section to chapter 28A.505 RCW; adding a new section to
3 chapter 44.48 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.505
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. Parents, students, taxpayers, school employees, school
14 administrators, and state policymakers need a financial monitoring
15 system that considers long-term budgeting issues and commitments, and
16 provides early warning of school district financial health concerns.
17 Once financial concerns and issues are identified, districts should
18 receive early, practical assistance.

1 (2) The legislative evaluation and accountability program committee
2 and the office of financial management shall jointly develop and
3 implement a school district financial health and monitoring system.

4 (3) The committee and the office shall identify a limited set of
5 system measures that shall be established for a public financial
6 reporting system, including related data collection content and
7 processes. In identifying the measures, the committee and the office
8 shall rely on measures developed and recommended by the government
9 finance officers association pertaining to public schools. In
10 addition, the committee and the office shall jointly develop a
11 financial health outlook rating system that places school districts in
12 one of three financial health categories based on their ratings on the
13 financial measures.

14 (4) The legislative evaluation and accountability program committee
15 and the office of financial management shall present proposed system
16 measures and a financial health outlook rating system to the governor
17 and the legislature by November 1, 2007. Unless the legislature takes
18 action during the 2008 legislative session to change the measures and
19 the rating system, the financial health and monitoring system shall be
20 implemented by the legislative evaluation and accountability program
21 committee during the 2008-09 school year.

22 (5) The financial health outlook rating category of each school
23 district shall be published annually. In addition, updates shall be
24 published throughout the year if subsequent data to the school
25 district's financial reporting measures cause a change in the
26 district's financial health categorization.

27 (6) Regional financial specialists employed by educational service
28 districts shall provide progressive levels of technical assistance to
29 school districts in the lowest two categories on the financial health
30 outlook rating system.

31 (7) The legislative evaluation and accountability program committee
32 and the office of financial management shall jointly review the current
33 school district budget submittal and approval process and develop
34 recommendations for changes to the budget approval and financial
35 oversight system. The recommendations shall include a system of
36 progressive state assistance and potential interventions and oversight
37 in school districts identified in the lowest two categories on the

1 financial health outlook rating system, which may be implemented only
2 with approval from the legislature through the omnibus appropriations
3 act or by statute.

4 (8) The legislative evaluation and accountability program committee
5 and the office of financial management shall submit a report
6 summarizing the review and reporting recommendations in subsection (7)
7 of this section to the governor, the superintendent of public
8 instruction, and the education and fiscal committees of the legislature
9 by November 15, 2007.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 44.48 RCW
11 to read as follows:

12 EDUCATION DATA CENTER. (1) An education data center shall be
13 established in the legislative evaluation and accountability program
14 committee. The education data center shall conduct collaborative
15 analyses of early learning, K-12, and higher education programs and
16 education issues across the P-20 system, which includes the department
17 of early learning, the superintendent of public instruction, the
18 professional educator standards board, the state board of education,
19 the state board for community and technical colleges, the workforce
20 training and education coordinating board, the higher education
21 coordinating board, public four-year institutions of higher education,
22 and the employment security department. The legislative evaluation and
23 accountability program committee may work collaboratively with the
24 office of financial management in conducting the analyses under this
25 section. The education data center shall be considered an authorized
26 representative of the state educational agencies in this section under
27 applicable federal and state statutes for purposes of receiving and
28 processing student record data for research purposes.

- 29 (2) The education data center shall:
- 30 (a) Coordinate with other state education agencies to collect,
31 compile, and analyze education data, including data on student
32 demographics that is disaggregated by distinct ethnic categories within
33 racial subgroups, and complete P-20 research projects;
 - 34 (b) Track enrollment and outcomes through the public centralized
35 higher education enrollment system;
 - 36 (c) Assist other state educational agencies' collaborative efforts

1 to develop a long-range enrollment plan for higher education including
2 estimates to meet demographic and workforce needs; and

3 (d) Provide research that focuses on student transitions within and
4 among the early learning, K-12, and higher education sectors in the P-
5 20 system.

6 (3) The superintendent of public instruction shall develop a
7 reporting format and instructions for school districts to collect and
8 submit data on student demographics that is disaggregated by distinct
9 ethnic categories within racial subgroups so that analyses may be
10 conducted on student achievement using the disaggregated data.

11 (4) The department of early learning, superintendent of public
12 instruction, professional educator standards board, state board of
13 education, state board for community and technical colleges, workforce
14 training and education coordinating board, higher education
15 coordinating board, public four-year institutions of higher education,
16 and employment security department shall work with the education data
17 center to develop data sharing and research agreements, consistent with
18 applicable security and confidentiality requirements, to facilitate the
19 work of the center. The education data center shall make data from
20 collaborative analyses available to the education agencies and
21 institutions that contribute data to the education data center to the
22 extent allowed by federal and state security and confidentiality
23 requirements applicable to the data of each contributing agency or
24 institution.

25 NEW SECTION. **Sec. 3.** Captions used in this act are not any part
26 of the law.

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