
SECOND SUBSTITUTE HOUSE BILL 1871

State of Washington 60th Legislature 2007 Regular Session

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

READ FIRST TIME 03/28/07.

1 AN ACT Relating to education system benchmarks and monitoring;
2 adding new sections to chapter 43.41 RCW; adding a new section to
3 chapter 28A.320 RCW; adding a new section to chapter 28A.300 RCW; and
4 creating new sections.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.41 RCW
7 to read as follows:

8 FINANCIAL HEALTH AND MONITORING--BUDGET REVIEW AND APPROVAL
9 PROCESS. (1) The legislature finds that the existing school district
10 budget review system focuses on current school year budget
11 implementation and preparation of the ensuing school year budget and
12 does not provide a systematic look of longer-range budget issues,
13 including any indication of impending financial problems in school
14 districts. Parents, students, taxpayers, school employees, school
15 administrators, and state policymakers need a financial monitoring
16 system that considers long-term budgeting issues and commitments, and
17 provides early warning of school district financial health concerns.
18 Once financial concerns and issues are identified, districts should
19 receive early, practical assistance.

1 (2) The office of financial management shall develop and implement
2 a school district financial health and monitoring system, with input
3 and collaboration from the legislative evaluation and accountability
4 program committee and the office of the superintendent of public
5 instruction.

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

17 (4) The office of financial management shall present proposed
18 system measures and a financial health outlook rating system to the
19 governor and the legislature by November 1, 2007. The legislative
20 evaluation and accountability program committee shall make
21 recommendations to the legislature for modifications to the measures
22 and systems, if necessary. Unless the legislature takes action during
23 the 2008 legislative session to change the measures and the rating
24 system, the financial health and monitoring system shall be implemented
25 during the 2008-09 school year.

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

31 (6) Regional financial specialists employed by educational service
32 districts shall provide progressive levels of technical assistance to
33 school districts in the lowest category on the financial health outlook
34 rating system.

35 (7) The office of financial management shall review the current
36 school district budget submittal and approval process and develop
37 recommendations for changes to the budget approval and financial
38 oversight system, with input and collaboration from the legislative

1 evaluation and accountability program committee and the office of the
2 superintendent of public instruction. The recommendations shall
3 include a system of progressive state technical assistance and
4 oversight in school districts identified in the lowest category on the
5 financial health outlook rating system, which may be implemented only
6 with approval from the legislature through the omnibus appropriations
7 act or by statute.

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

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.41 RCW
14 to read as follows:

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

35 (2) The education data center shall:
36 (a) Coordinate with other state education agencies to collect,

1 compile, and analyze education data, including data on student
2 demographics that is disaggregated by distinct ethnic categories within
3 racial subgroups, and complete P-20 research projects;

4 (b) Collaborate with the legislative evaluation and accountability
5 program committee and the education and fiscal committees of the
6 legislature in identifying the data to be collected, compiled, and
7 analyzed to ensure that legislative interests are served;

8 (c) Track enrollment and outcomes through the public centralized
9 higher education enrollment system;

10 (d) Assist other state educational agencies' collaborative efforts
11 to develop a long-range enrollment plan for higher education including
12 estimates to meet demographic and workforce needs;

13 (e) Provide research that focuses on student transitions within and
14 among the early learning, K-12, and higher education sectors in the P-
15 20 system; and

16 (f) Phase-in implementation of a comprehensive data system with
17 school-level financial, student, teacher, and community variables
18 consistent with recommendations of the joint legislative audit and
19 review committee.

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

25 (4) The department of early learning, superintendent of public
26 instruction, professional educator standards board, state board of
27 education, state board for community and technical colleges, workforce
28 training and education coordinating board, higher education
29 coordinating board, public four-year institutions of higher education,
30 and employment security department shall work with the education data
31 center to develop data sharing and research agreements, consistent with
32 applicable security and confidentiality requirements, to facilitate the
33 work of the center. Private, nonprofit institutions of higher
34 education that provide programs of education beyond the high school
35 level leading at least to the baccalaureate degree and are accredited
36 by the Northwest association of schools and colleges or their peer
37 accreditation bodies may also develop data-sharing and research
38 agreements with the education data center, consistent with applicable

1 security and confidentiality requirements. The education data center
2 shall make data from collaborative analyses available to the education
3 agencies and institutions that contribute data to the education data
4 center to the extent allowed by federal and state security and
5 confidentiality requirements applicable to the data of each
6 contributing agency or institution.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.320
8 RCW to read as follows:

9 Each school district shall collect and electronically submit to the
10 office of the superintendent of public instruction, in a format and
11 according to a schedule prescribed by the office, the following minimum
12 data elements no later than the beginning of the 2008-09 school year
13 and thereafter:

14 (1) For each class or course offered in each school:

15 (a) The certification number or other unique identifier associated
16 with the teacher's certificate for each teacher assigned to teach the
17 class or course, including reassignments that may occur during the
18 school year; and

19 (b) The statewide student identifier for each student enrolled in
20 or being provided services through the class or course; and

21 (2) For each high school-level mathematics class or course offered
22 in each secondary school, a course code based on the classification of
23 secondary school courses by the national center for education
24 statistics, which shall also be recorded on the transcript of each
25 secondary student enrolled in the class or course.

26 NEW SECTION. **Sec. 4.** A new section is added to chapter 28A.300
27 RCW to read as follows:

28 The office of the superintendent of public instruction shall
29 develop standards for school data systems that focus on validation and
30 verification of data entered into the systems to ensure accuracy and
31 compatibility of data. The standards shall address but are not limited
32 to the following topics:

33 (1) Date validation;

34 (2) Code validation, which includes gender, race or ethnicity, and
35 other code elements;

36 (3) Decimal and integer validation; and

1 (4) Required field validation as defined by state and federal
2 requirements.

3 NEW SECTION. **Sec. 5.** The office of the superintendent of public
4 instruction shall convene a work group composed of representatives of
5 school districts of varying sizes and geographic locations, educational
6 service districts, the Washington school information processing
7 cooperative, and at least one additional school information system
8 vendor. The work group shall develop an implementation plan for
9 consistent coding of secondary courses in subjects other than
10 mathematics that is based on the national classification system. The
11 work group shall present the plan to the fiscal committees of the
12 legislature by September 1, 2008.

13 NEW SECTION. **Sec. 6.** Captions used in this act are not any part
14 of the law.

--- END ---