

**SB 5842-S - DIGEST**

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Finds that the existing school district budget review system focuses on current school year budget implementation and preparation of the ensuing school year budget and does not provide a systematic look of longer-range budget issues, including any indication of impending financial problems in school districts and the financial impact of long-term contractual agreements. Parents, students, taxpayers, school employees, and school administrators need a financial monitoring system that considers long-term budgeting issues and commitments, and provides early warning of school district financial health concerns. Once financial concerns and issues are identified, districts should receive early, practical assistance.

Requires the office of the superintendent of public instruction and the office of financial management, with the involvement of school district boards of directors and administrators, to identify up to six system measures that shall be established for a public financial reporting system, including related data collection content and processes. In developing the six system measures, the office of the superintendent of public instruction and the office of financial management shall consider the following: (1) How much the financial health of a school district is dependent on local levy funds to cover the cost of basic education; and

(2) How a school district's financial health is related to insufficient funding of state requirements.

Directs the office of the superintendent of public instruction and the office of financial management to present proposed system measures and a financial health outlook rating system to the governor by November 1, 2007. Subject to agreement between the governor and the superintendent of public instruction on the measures and the rating system, the financial health and monitoring system shall be implemented during the 2008-09 school year.

Provides that, when the data center has collected and verified the data, the office of financial management and the superintendent of public instruction shall jointly conduct a review of teacher pay systems in the global challenge states. The office of financial management and the superintendent of public instruction shall develop a methodology for comparing teacher salaries among the global challenge states. If practical, the office of financial management shall report to the governor and the legislature on the findings from this review and the initial set of teacher salary comparisons among the global challenge states by January 10, 2008.

Establishes the education data center in the office of financial management. The education data center shall conduct collaborative analyses of education issues across the P-20 system, which system includes the department of early learning, the superintendent of public instruction, the professional educator standards board, the state board of education, the state board for community and technical colleges, the workforce training and education coordinating board, the higher education coordinating board, public baccalaureate institutions of higher education, and the employment security department in their collaborative analysis of early learning, K-12, and higher education programs.

Requires the superintendent of public instruction to submit a report summarizing the review and reporting recommendations in this act to the governor and the education and fiscal committees of the legislature by November 15, 2007.