

State of  
Washington  
House of  
Representatives

OFFICE OF PROGRAM RESEARCH



TO: Members, House Education Committee

FROM: Barbara McLain, Research Analyst  
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DATE: May 20, 2009

SUBJECT: **ESHB 2261 (Basic Education): WHAT HAPPENS NEXT?**

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*This is the first of a series of white papers intended to provide additional information about the context and ongoing implementation of ESHB 2261 (Basic Education). Gaining a more in-depth understanding of the legislation and closely monitoring its implementation was a stated priority for the Education Committee for the 2009 Interim.*

### Introduction

On Tuesday, May 19, Governor Gregoire signed ESHB 2261 into law.<sup>1</sup> The sections of the bill that redefine the Program of Basic Education and establish a framework for a new funding formula take effect September 1, 2011. The sections establishing a new funding formula for pupil transportation take effect September 1, 2013.

Given these delayed effective dates, a logical question is: *What's next? What happens between now and the next legislative session?*

The bill establishes processes, expectations, and timelines for working groups and state agencies to do additional work on designated issues. There are a number of reports due back to the Legislature for further decision-making before the 2010 legislative session. The purpose of this memo is to summarize briefly the near-term activities and products required by ESHB 2261.

### I. Funding Formulas

**Issues to be Addressed.** ESHB 2261 establishes a framework for a new funding formula (prototypical school funding model) to allocate state dollars to school districts to support Basic Education (including LAP, Bilingual, Highly Capable, and Special Education), beginning in the 2011-12 school year. Some of the elements of the funding formula are specified in the law, but there are many policy and technical details that must be worked out before the formula can be operational. In addition, the bill does not contain any numeric values for factors such as class

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<sup>1</sup> Two sections were vetoed: Section 115 declared legislative intent to establish a Program of Early Learning for at-risk children as part of Basic Education and directed a working group to develop a proposal for the program. In her veto message, the Governor expressed concern that a Basic Education early learning program would be available only to at-risk children. Section 709 established a safety net process for the Highly Capable Program for demonstrated needs for funding for this program beyond amounts provided in the funding formula. The bill states that access to accelerated learning through the Highly Capable Program does not constitute an individual entitlement for any particular student.

size, number of staff, supplemental instructional time, and per-student allocations to support maintenance, supplies, and operating costs. It is possible to convert current-level spending into the new formula, but that process also presents some technical challenges.

Furthermore, ESHB 2261 states that increases in program requirements and any increases in funding should occur concurrently, according to an implementation schedule to be adopted by the Legislature. The only additional information provided about the schedule is that it is to be fully implemented by 2018.

**Process for Next Steps.** OFM, with assistance from OSPI, is directed to convene a technical Working Group made up of school financial managers, representatives of various education groups, and other individuals with expertise in education finance. The work of the group is monitored by both the Legislature as a whole and the Quality Education Council (QEC - see below). At the discretion of OFM and OSPI, advisory subgroups on specific topics can be convened to assure broad participation from diverse interested parties.

This section of the bill takes effect immediately so that the group can be convened and begin its work.

**Expected Product & Timeline.** The Funding Formulas Working Group has three specific tasks:

1. Develop the *details of the new funding formulas*;
2. Recommend an *implementation schedule* for phasing-in increased program requirements concurrently with increases in funding; and
3. Examine *possible sources of revenue* to support increased funding and present options for the Legislature and the QEC to consider.

Recommendations from the Working Group are due to the Legislature on December 1, 2009.

## II. Quality Education Council

**Issues to be Addressed.** The QEC has both a short-term role in monitoring immediate implementation of ESHB 2261 and a long-term role in overseeing ongoing implementation of an evolving definition of Basic Education and the funding necessary to support it. Unlike the technical working groups, the QEC is made up of state-level policymakers: legislators, representatives of the major state education agencies (OSPI, SBE, PESB, and DEL), and the Governor's Office. In addition to receiving reports from working groups, the QEC can request periodic updates from the agencies involved in implementing different aspects of the bill.

**Process for Next Steps.** Legally, the QEC comes into being on July 26, 2009. Action to convene the group will depend on the membership. The legislative members must be appointed; the Chair is selected by and from among the members. The QEC is staffed by OSPI and OFM, with additional support provided as necessary from the other agencies represented on the group, including the House and Senate.

**Expected Product & Timeline.** In the short-term, the QEC must submit a report to the Governor and Legislature by January 1, 2010, addressing the following issues:

1. Recommendations for resolving issues or *decisions requiring legislative action* in the 2010 session, including funding necessary to continue implementation of ESHB 2261;

2. Consideration of a statewide *beginning teacher mentoring and support system*;
3. Recommendations for a *Program of Early Learning* for at-risk children;
4. Recommended *schedule for phasing-in changes* to the Program of Basic Education and implementation of the new funding formulas;<sup>2</sup> and
5. Recommended *schedule for phasing-in the new pupil transportation funding formula*, beginning no later than September 1, 2013.

### III. State Board of Education: Accountability.

**Issues to be Addressed.** When it was reconstituted in 2006, the State Board of Education was tasked with establishing a school and district accountability system (a task previously assigned to the A+ Commission, which was abolished). Since that time, the SBE has been working on a comprehensive proposal, including objective means to identify schools and districts needing additional assistance and deserving recognition; processes for OSPI to provide increasing levels of voluntary assistance depending on need; and criteria and a process for more intensive and possibly involuntary assistance for persistently struggling schools and districts. In January 2009, the SBE adopted a resolution outlining the main elements of its work and committing to continue refining the details as part of the Basic Education reforms.

ESHB 2261 validates much of the SBE's work by listing in statute the major elements of its proposed accountability system, but without full authorization for implementation until the details have been presented to the Legislature. The bill also contains intent language about the need for a system where accountability for performance is "shared" between school districts and the state.

**Process for Next Steps.** The SBE will continue its current work, with some additional statutory authority and legislative direction.

**Expected Product & Timeline.** By December 1, 2009, the SBE must submit to the Education Committees of the Legislature a proposal, implementation timeline, and recommended legislation and resources necessary to implement the following:

1. A comprehensive *system of voluntary support and assistance* that takes into account the capacity limitations of the K-12 education system.<sup>3</sup> Changes with fiscal impact on districts take effect only if formally authorized by the Legislature; and
2. A more *formalized comprehensive system targeted to challenged schools and districts*. This proposal also takes into account the capacity limitations of the education system and takes effect only if formally authorized by the Legislature. The proposal includes:
  - a. An academic performance audit process using peer review teams;
  - b. Local school board-developed corrective action plans, to be approved by the SBE and then binding on the district to implement; and
  - c. Monitoring of district progress by OSPI.

Other tasks assigned by ESHB 2261 do not have a due date, but are part of the SBE's workplan:

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<sup>2</sup> This is presumably the same schedule that the Funding Formulas Working Group is assigned to work on.

<sup>3</sup> ESHB 2261 has recurring references to the "capacity" of the K-12 system, which is defined as available capital facilities; staff in appropriate numbers and qualifications to support necessary instructional programs; the capacity of higher education to prepare these staff; and the availability of data and data systems to allocate resources.

1. Develop an *accountability index* to identify schools and districts for recognition and support. (At its May 2009 meeting, the SBE approved a provisional accountability index and recommended one form of recognition for high-performing schools);
2. In coordination with OSPI, seek *federal approval* of the state's accountability system for use in lieu of the current federal system. (The workplan calls for initiating discussions with the US DOE later this year); and
3. In coordination with the OFM Education Data Center and the Funding Formulas Working Group, determine the feasibility of *using the prototypical school funding model as a reporting tool*. (The workplan anticipates including this in the December 1 report).

#### IV. Professional Educator Standards Board: Performance-Based Certification

**Issues to be Addressed.** The Professional Educator Standards Board establishes educator certification standards and assessments and approves educator preparation programs. In 2007, the PESB was directed to develop and implement a uniform, externally-administered assessment for professional certification (the second level of certification that occurs approximately five years into a teacher's career).

The PESB has also been working on a more uniform assessment of student teachers' teaching performance (or pedagogy) for preparation programs to use for residency certification. The PESB has long advocated for a more continuous, articulated system of educator preparation, certification, and ongoing professional development that is also aligned with the state compensation system, which is consistent with the direction provided by ESHB 2261.

**Process for Next Steps.** The PESB continues its current work and is provided with additional legislative direction and timelines for other certification issues.

**Expected Product and Timeline.** By January 1, 2010, the PESB must:

1. Adopt a set of *articulated teacher knowledge, skill, and performance standards* for effective teaching that are calibrated for each level of certification along a career continuum, and to the extent possible incorporate standards for cultural competency;<sup>4</sup>
2. Adopt a *definition of master teacher* that includes NBPTS certification; and
3. Submit to the Governor and Legislature:
  - a. An *update* on the external assessment for professional certification;
  - b. A proposal for a uniform and reliable *classroom-based means of assessing teacher effectiveness* that uses multiple measures of teaching performance as a culminating measure for student teaching;
  - c. A recommendation on the *length of time residency certificates should be valid* before professional certification; and
  - d. Descriptions of the *additional authority and resources* necessary to implement the various assessments.

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<sup>4</sup> The 2009 Achievement Gap bill, 2SSB 5973, directs the PESB to work with the Achievement Gap Oversight & Accountability Committee to examine standards for cultural competency and present an analysis of them to the Education Committees. There is no timeline for this presentation.

## V. K-12 Education Data Improvement System and Data Governance

**Issues to be Addressed.** ESHB 2261 establishes a comprehensive and detailed vision of a K-12 education data improvement system for financial, student, and educator data, including specific data elements and capacity to be included in the system. The bill also expands the oversight role of the OFM Education Data and Research Center with regard to K-12 data and data systems. However, much of the language of the bill describes the desired features of the data system rather than mandates its implementation.

**Process for Next Steps.** OSPI must establish a K-12 Data Governance Group composed of representatives of various specified organizations and agencies. The Group has both short-term responsibilities to take the next steps in designing a K-12 education data system based on the descriptions in ESHB 2261, and long-term responsibilities for data governance that include establishing a data dictionary, standards for data reporting and school data systems, operating rules for data collection, and other issues specified in the bill. The Group is supposed to focus on the financial and cost data necessary to support the new funding formulas, as well as on the capacity to link data across various systems.

**Expected Product and Timeline.** OSPI must prepare reports that include the following information:

1. Identification of the critical research and policy questions needing to be addressed by the data system;
2. A comprehensive needs requirement document detailing the specific information and technical capacity that school districts and the state will need to create the data system described in ESHB 2261;
3. A gap analysis that compares the data and capacity of current systems and the desired system; and
4. Progress of the Data Governance Group's work.

A preliminary report is due to the Legislature by November 15, 2009, and a final report with a proposed phase-in plan and preliminary cost estimates to implement the system is due September 1, 2010.