

ARKANSAS EDUCATION ASSOCIATION PRESENTATION TO THE JOINT ADEQUACY EVALUATION OVERSIGHT SUBCOMMITTEE

The Arkansas Education Association is pleased to provide the following testimony covering some of the issues addressed to date by the Joint Adequacy Evaluation Oversight Subcommittee. The Association will provide additional testimony at a later date dealing with issues not yet fully addressed by the subcommittee. The Association also would like to take this opportunity to commend the co-chairs and members of the subcommittee, as well as the staff of the Bureau of Legislative Research and the Arkansas Department of Education, for their diligence in pursuing the important work of the subcommittee.

TEACHER QUALITY, RECRUITMENT AND RETENTION

To date, the subcommittee has received an extensive amount of information on these important topics. After reviewing this information, the Association would like to make the following points.

Teacher quality is arguably the most important component of educational adequacy. The July 2007 report on Teacher Attrition in Arkansas provides information which should be very helpful to the General Assembly as it considers necessary resources for maintaining educational adequacy in Arkansas. The AEA believes that the report clearly shows that:

- teachers with graduate degrees are more likely to remain in teaching and therefore, the state should provide financial and other incentives to encourage more teachers to seek graduate degrees, and
- teacher salary and benefits need to be raised to make them more competitive.

In addition, the state must:

- ensure that school administrators are trained to provide the kind of instructional and discipline support that teachers need, as well as make sure that kind of leadership is being provided by our current school administrators, and
- determine whether the new teacher and new administrator programs need additional resources, support and direction.

The state also needs to determine if sufficient data is available to adequately determine whether the state's various programs are successful in recruiting and retaining teachers who are successful in the classroom. The state then needs to evaluate that data to make that determination and follow through on providing the necessary resources for those programs that are successful.

Based upon the overwhelming evidence that National Board Certification leads to better teaching, the state needs to provide additional resources and incentives to encourage more teachers to apply for and complete National Board Certification.

Relevant, high quality professional development is an essential ingredient in providing quality education for all children. AEA believes that the state must address some serious problems with the existing professional development in many schools. There needs to be more meaningful teacher involvement in planning, presenting and evaluating professional development, greater access to online professional development, adequate notice of required professional development, and clear rules on professional development make-up.

In 2006, the Educational Adequacy Subcommittee chose to refer for additional study, the concept of establishing a teacher support system. The research presented to the subcommittee to date shows that this is an issue that needs to be addressed.

FUND BALANCES

The state has obtained the necessary information on school district fund balances. However, that information is of little value if it is simply filed somewhere at the Arkansas Department of Education and forgotten. The AEA believes that the state must make balance information more readily accessible by putting the information online.

In addition, the state must use the information to determine what policy decisions need to be made to ensure that districts are not growing fund balances at the expense of improving student achievement.

EVALUATION RESEARCH

The state needs to follow through on recommendations made in the October 2007 Evaluation Research report. The report recommends that the state evaluate existing curriculum audits to confirm their effects on student achievement and graduation rates and add program evaluation to auditing procedures to assess program effectiveness.

CLOSING THE ACHIEVEMENT GAP AND CLASS SIZE

While we can be proud of the fact that there has been significant improvement in student achievement in Arkansas, there remains the serious problem of the achievement gap. Dr. Jay Barth and Dr. Keith Nitta pointed out in the recently released report, *What is Arkansas Doing to Close the Achievement Gap*, that major gaps remain among students of different racial and socioeconomic groups, as demonstrated by Arkansas' NAEP test scores over the past twelve years.

AEA believes that the state has an obligation to ensure that Arkansas' public schools are making the needed efforts and are provided the resources necessary to close the achievement gap. At the same time, the evidence is clear that schools alone cannot

completely resolve this problem. Dr. Richard Rothstein in his book, *Class and Schools: Using Social, Economic and Educational Reform to Close the Black-White Achievement Gap*, identifies five categories that influence the achievement of poor and minority students: (1) language development, (2) literacy development, (3) self-confidence, (4) health, and (5) housing. The state must also address the circumstances that create disadvantages for low-income and minority students.

There is ample evidence that the achievement gap was being closed in the 1970s and early 80s when federal funds were targeted for low-income and minority students, when students were attending increasingly integrated schools, and significant federal programs existed to reduce poverty and inequality in the nation.

Dr. Gary Orfield, Director of the Civil Rights Project at the University of California – Los Angeles, has pointed out that we have become a nation that accepts separate and unequal schools as if nothing can be done about it. Orfield argues that doing educational reform while ignoring the fundamental divisions in our society is profoundly counterproductive. He says that we will likely fail if we don't have a plan for racial and ethnic equity everywhere and integration where possible.

AEA supports the recommendations of the Jay Barth/Keith Nitta study that the state:

- reintroduce state funding for health clinics for under-served students or promote their development through the Coordinated School Health Initiative,
- aggressively implement recommendations to provide high quality after-school and summer programs in the schools, and
- reduce class size in grades K through 3.

Dr. Lawrence Picus and Dr. Allen Odden, in their *Evidence-Based Approach to School Finance Adequacy in Arkansas*, recommended that the state implement a class size of one to fifteen for grades K-3. They based this recommendation on the overwhelming research that shows small classes of fifteen in kindergarten through grades three have significant, positive impacts on student achievement in mathematics and reading, and that the impact is even greater for students from low-income and minority backgrounds.

According to Picus and Odden, research in the late 1980s and early 1990s provided new evidence of the impact of class size on achievement. The “gold” standard of educational (or any other impact) research is randomized experiments, which provide scientific evidence on the impact of a certain treatment (Mosteller, 1995). Thus, the primary evidence on the impact of small classes today is the Tennessee STAR study, which was a large scale, randomized experiment on class sizes of fifteen for kindergarten through grade three (Achilles, 1999; Finn, 2002; Grissmer, 1999; Krueger, 2002). The results showed that students in the small classes achieved at a significantly higher level than those in regular class sizes.

Unfortunately, the state chose not to follow this recommendation. Certainly such a change could not be effectively implemented overnight, because of its implications for

facilities, teacher supply and other issues. However, the AEA believes that Arkansas would be in a significantly better position with regard to student achievement and the achievement gap if we had made a commitment in 2003 and 2004 to implement this recommendation over a period of time. The Association believes that now is the time for the state to make that commitment.

EDUCATIONAL EXCELLENCE TRUST FUNDS

The Arkansas Education Association recognizes that some school superintendents and members of the Arkansas General Assembly perceive that this fund's expenditure requirements are contributing significantly to teacher salary disparities and "causing unfunded mandates to local school districts". The Association has received and reviewed the information concerning Cabot, Conway, Fayetteville, North Little Rock, and Rogers school districts. At present the Association remains unconvinced that the Educational Excellence Trust Fund has caused significant problems for school districts, but the Association is willing to discuss this matter further with the aforementioned school officials, concerned members of the Arkansas General Assembly, officials at the Arkansas Department of Education, Bureau of Legislative Research staff, and any other concerned individuals or groups.

The Arkansas Education Association presented written testimony on this same issue on February 21, 2006. A copy of that testimony is attached for your information.

TEACHER SALARIES AND HEALTH INSURANCE

The Association recognizes the extraordinary improvements in Arkansas teacher salaries that have been made in the past few years, and the Association recognizes that the Arkansas General Assembly and Governors have played a critical role in this improvement. The Association believes that the average salaries in states that are members of the Southern Region Education Board as well as the surrounding states are moving targets. Additionally, the Association has concerns that the ever rising cost of health insurance will erode teacher salaries. This will make Arkansas less able to compete for new teachers and retain experienced ones. We are continuing to gather information on the health insurance contributions made on behalf of school employees in the other benchmark states, and the Association would like the opportunity to present this information to the Adequacy Committee at a meeting in the near future.

April 9, 2008

Memorandum

To: Senator Jim Argue, Chair, Senate Interim Committee on Education
Representative Joyce Elliott, House Interim Committee on Education

From: Dan Marzoni, President, Arkansas Education Association
Rich Nagel, Executive Director, Arkansas Education Association

Re: **Requested Testimony On the Educational Excellence Trust Fund**

Date: February 21, 2006

Towards the end of the February 7th Senate and House Interim Committee meeting, you asked the Arkansas Education Association to provide written testimony concerning the Educational Excellence Trust Fund. We are happy to provide you with additional information.

As you may know, the Educational Excellence Trust Fund was established in 1991 by the Arkansas General Assembly and signed into law as Act 10 by Governor Clinton. The primary purpose of the act was to improve the salary schedules for teachers, and it raised them significantly. Just before the passage of Act 10 of 1991, Arkansas ranked 50th out of the 50 states and the District of Columbia in average teacher salaries for the 1990-91 school year. One year later, the average Arkansas teacher's salary ranked 42nd out of the 50 states and the District of Columbia. The average teacher salary in Arkansas rose by more than \$3,400 or 14.6%. It is the largest raise ever provided to the teachers of the state.

Governor Tucker wanted to equalize the distribution of the Trust Funds and Governor Huckabee wanted the Trust Fund increases available for bonus payments and raises under the "Educator Compensation Act of 2001". The legislature agreed to both sets of these proposals.

We have reviewed Acts 2121 and 2165 of the 2005 Regular Session of the Arkansas General Assembly. Act 2121 of the 2005 Regular Session (SB 383 by Senator Broadway) made several technical changes to outdated provisions of the Trust Fund and restored some of the Act's original intent. In sections relevant to the issues at hand, this Act removed the use of increases in the Trust Fund for salary bonuses and "The Educator Compensation Act of 2001". In addition, it restored the provision that Trust Fund increases must be used for salary increases, including social security and retirement payments, for current certified personnel positions and "for no other purpose".

Like Act 2121, Act 2165 of the 2005 Regular Session (SB 1179 by Senator J. Jeffress) made changes in the Trust Fund consistent with its original intent to improve salary schedules for teachers. It restored the provision that Trust Fund increases could not be used for increments.

The Arkansas Education Association encourages the House and Senate Committees on Education to consider several important points in evaluating the impact of the recent changes in the Educational Excellence Trust Fund on school districts and teacher salaries.

First, the Educational Excellence Trust Fund was established to improve teacher salary schedules, and it should continue to do so.

Next, the salary increases required by the Trust Fund in 2005-2006 were very modest. In the Rogers School District, the \$449 dollar salary schedule increase is less than 1% to the average teacher there. The Educational Excellence Trust Fund per pupil amounts to only 7% of the \$5,400, and the increase in it is no more than 0.5 % of the per pupil allocation or \$29 for 2005-2006. If it contributes to salary disparities, its contribution is minimal.

Finally, the Arkansas Education Association supports the retention and improvement of the Educational Excellence Trust Fund. It is a very efficient vehicle for raising teacher salaries. Every dollar placed into the Trust Fund must be spent on the salaries and may be spent on retirement and social security matching amounts. By contrast, the current system of raising salaries by way of the minimum salary schedule is not efficient. If an increase of \$50 M were placed into the Educational Excellence Trust Fund, it would raise the average salary for certified personnel in the state by \$1,050, plus pay for the retirement and social security matching. Nothing would be left on the table for discretionary spending. If an increase of \$50 M were placed into foundation funding along with a 1.85% increase in the minimum salary schedule for teachers, the *required* amount to be paid would raise the average salary for certified personnel in the state by about \$14. Nearly \$44 M would be left for discretionary spending.

We thank you for the opportunity to provide this information. If you have any further questions, please let us know.

Five Year History of Health Care Premiums and Employee Costs

Year	Total Premium- Employee	Required Local Contribution	State Contr. - Act 1842	Employee Cost	Percent of total paid by employee
2004-05	\$279.00	\$131.00		\$156.78	56.19%
2005-06	\$312.76	\$131.00	\$52.76	\$129.00	41.25%
2006-07	\$352.79	\$131.00	\$77.53	\$144.26	40.89%
2007-08	\$365.45	\$131.00	\$82.43	\$152.02	41.60%
2008-09	\$387.01	\$131.00	\$75.66	\$180.36	46.60%

Year	Total Premium- Employee/Children	Required Local Contribution	State Contr. - Act 1842	Employee Cost	Percent of total paid by employee
2004-05	\$490.52	\$131.00		\$367.02	74.82%
2005-06	\$542.24	\$131.00	\$ 71.86	\$329.38	60.74%
2006-07	\$604.13	\$131.00	\$105.59	\$367.54	60.84%
2007-08	\$635.25	\$131.00	\$112.27	\$391.98	62.00%
2008-09	\$668.63	\$131.00	\$103.05	\$434.58	65.00%

Arkansas School Employee Rates Compared To Kaiser Family Foundation (KFF) Report 2007 National Averages

Plans - 2007	Cost of Employee Plan	Cost Paid Annually by Employee	Percent Paid by Employee	Cost Paid Annually by Employer	Percent Paid by Employer
Arkansas School Employee Only	\$365.45 mo.	\$152.02 mo.	41.60%	\$213.43 mo	58.40%
KFF National Avg.- Employee Only	\$376.17 mo.	\$58.67 mo.	16.00%	\$317.50 mo	84.00%
Arkansas Ed. Employee- Family Plan	\$ 983.87 mo.	\$701.10 mo.	71.26%	\$282.67 mo	28.73%
KFF National Avg.-Family	\$1,015.25 mo	\$275.33 mo.	27.00%	\$739.92 mo	73.00%