

MEETING SUMMARY
JOINT MEETING
OF THE
HOUSE AND SENATE INTERIM COMMITTEES ON EDUCATION

ADEQUACY

Monday, June 15, 2015
1:30 P.M.
Committee Room A, MAC Building
Little Rock, Arkansas

Senator Jane English, the Chair of the Senate Interim Committee on Education, called the meeting to order at 1:30 p.m.

MEMBERS OF THE SENATE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Senator Jane English, Chair; Senator Uvalde Lindsey, Vice Chair; Senator Eddie Cheatham; Senator Alan Clark; Senator Blake Johnson; and Senator Bobby Pierce.

MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative Bruce Cozart, Chair; Representative Sheilla Lampkin, Vice Chair; Representative Charles L. Armstrong; Representative Scott Baltz; Representative Gary Deffenbaugh; Representative Jon Eubanks; Representative Bill Gossage; Representative Michael John Gray; Representative Grant Hodges; Representative Greg Leding; Representative Mark Lowery; Representative Mark McElroy; Representative Reginald Murdock; Representative James Ratliff; and Representative John Walker.

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Joyce Elliott; Senator Missy Irvin; Senator Terry Rice; Representative R. Trevor Drown; Representative Kenneth Ferguson; Representative David Fielding; Representative Kim Hammer; Representative Fredrick Love; Representative Stephen Meeks; Representative James Sorvillo; Representative Brent Talley; and Representative Marshall Wright.

Remarks by the Chairs

Senator English and Representative Cozart presented Senate and House citations, respectively, to **Ms. Sarah Collins**, Staff Attorney, Bureau of Legislative Research (BLR), upon her resignation from the BLR for pursuits outside of the state. They thanked her for her excellent service to the State of Arkansas.

Overview of the Adequacy Study Process

Historical Development and Legal Aspects and Definition

Mr. Isaac Linam, Staff Attorney, Bureau of Legislative Research, was recognized. Mr. Linam presented a legal overview of Adequacy, starting with the *Lake View* court case and its outcome. He stated that following the *Lake View* decision that held the educational system unconstitutional, the state stepped in and enacted a series of measures to remedy the constitutional problems. He discussed the state's actions which satisfied the constitutional obligations of the state. He reviewed the four (4) essential components for continued constitutional compliance identified by the court: 1) Act 57 Adequacy review; 2) funding education first; 3) the comprehensive system for accounting and accountability for providing state oversight of school district expenditures; and 4) the General Assembly's express showing that "constitutional compliance is an ongoing task requiring constant study, review, and adjustment." Mr. Linam continued with a discussion of the definition of educational adequacy.

Issues Included in the Discussion:

- growth/declining enrollment funding cited as a necessity to meet constitutionality,
- revisiting growth/declining enrollment funding in light of increasing implementation of School Choice, teacher salaries and Adequacy,
- consideration of issues of equal protection under the 14th Amendment by the state court,
- projection of federal funding,
- ongoing task of constitutional compliance,
- definition of educational adequacy as a dynamic, not a static, concept,
- difference between funding and supplanting federal funds and the state's obligations,
- funding levels for teacher salaries provided in the Matrix vs. what is provided by the school district,
- equitability in teacher salaries in different parts of the state and expectations from teachers for student achievement,
- salaries for superintendents,
- sufficiency of funding in the Matrix,
- decentralization of the educational system in Arkansas,
- detailing best practices for amounts of reserves in school districts, and
- working within the ruling of the Supreme Court.

Handout:

Adequacy: Legal Overview, Bureau Brief

The Adequacy Study Process

Ms. Nell Smith, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Ms. Smith described the process that will be used for the next eighteen (18) months to complete the Adequacy Study. She discussed the Adequacy Study statute which guides the process, and mentioned that a copy of the full statute, Arkansas Code §10-3-2101 et seq., is in members' packets. She reviewed a document, *Adequacy Study Statutory Responsibilities*, also in members' packets. Utilizing a PowerPoint presentation, Ms. Smith said the Adequacy Study is a year-and-a-half long process with many reports and presentations. She said the BLR staff will present a series of reports on topics specified in the statute, and other groups may be invited to provide testimony. She noted that in 2013-2014, the Adequacy Study included sixty-five (65) presenters, twenty-five (25) meetings, and dozens of reports. She stated the study will culminate in a final report, The Adequacy Report, which includes members' recommendations, as well as supporting evidence and rationale for decisions. Ms. Smith discussed the roles of the Committees and that of other organizations, the study components, and various reports. She explained the requirements for recommendations and the final report, the responsibilities of the Committees prior to the Fiscal Session, and links to current and past Adequacy Study materials.

Handouts:

Adequacy Meeting Schedule
Adequacy Study Process, PowerPoint
Adequacy Study Statutory Responsibilities
Statute Purpose and Findings

Matrix Structure Review

Mr. Richard Wilson, Assistant Director, Research Services, Bureau of Legislative Research, was recognized. Mr. Wilson gave a brief review of the Matrix. He explained that the structure, which appears above the orange line, has been used from the recalibration of 2007, the first effective year being 2008. He said there had really been no change in structure from 2008 to 2015. He said one slight change made by the Committees in November, 2014, is on the Librarian/Media Specialist line item from 0.825 for 2015 to 0.85 for FY16. He said that this is what changes the total on the bottom up to 35.69 for FY16. Mr. Wilson went on to review School-Level Salaries,

School-Level Resources, Carry-Forward, Foundation Per Pupil Expenditures, and, finally, Categorical Program Funding.

Handouts:

Foundation Funding and the Matrix, Bureau Brief
Matrix FY15FY17

Issues Included in the Discussion:

- advocacy groups and inclusion in the survey process,
- charter schools and the survey process,
- proposed dollar increase in the Matrix funding for FY16,
- basis for facilities partnership monies,
- resource allocation report to reflect school districts' spending, and
- effect of proficiency testing on the dollar amount received to meet Adequacy.

Senator Cozart discussed proposed dates for future meetings.

Next Scheduled Meeting:

Monday, July 13, 2015, Joint Education meeting at 1:30 p.m. in Committee Room A, MAC Building, Little Rock.
There will not be a meeting on Adequacy issues in July.

Adjournment:

The meeting adjourned at 3:05 p.m.

Approved: 07/13/15