

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

**ADEQUACY**

**Tuesday August 23, 2016**

**9:00 A.M.**

**Room 171, State Capitol**  
**Little Rock, Arkansas**

Representative Bruce Cozart, the Chair of the House Interim Committee on Education, called the meeting to order at 9:00 a.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 Jim Hendren; Senator Blake Johnson; and Senator Eddie Joe Williams.

**MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE:** Representative Bruce Cozart, Chair; Representative Charles L. Armstrong; Representative Scott Baltz; Representative Nate Bell; Representative Charlotte Vining Douglas; Representative Jon Eubanks; Representative Bill Gossage; Representative Michael John Gray; Representative Mark Lowery; Representative Mark McElroy; Representative Reginald Murdock; Representative James Ratliff; and Representative John W. Walker.

**OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE:** Senator Jonathan Dismang; Senator Joyce Elliott; Senator Jon Woods; Representative Charles Blake; Representative David L. Branscum; Representative Charlie Collins; Representative Jim Dotson; Representative R. Trevor Drown; Representative Kenneth B. Ferguson; Representative Vivian Flowers; Representative Mary P. “Prissy” Hickerson; Representative David Hillman; Representative Douglas House; Representative Joe Jett; Representative Fredrick J. Love; Representative Julie Mayberry; Representative David Meeks; Representative Mathew Pitsch; Representative James Sorvillo; and Representative Dan Sullivan.

Remarks by the Chairs

With regard to “Potential Recommendations” in the title of Item F on the agenda, Representative Cozart said recommendations for Adequacy issues would not be made today.

Update on the Activities of the Legislative Task Force on the Best Practices for Special Education

**Presenter:**

**Senator Uvalde Lindsey**, Chair, Legislative Task Force on the Best Practices for Special Education, was recognized. Senator Lindsey stated the mission of the Task Force had been to explore best practices in special education and to communicate findings to Arkansas educators and policymakers. He said the Task Force spent thirteen (13) months studying what the state should do to provide a better education for its special needs kids. He said the preliminary report was submitted on February 1, 2016, and the final report is dated September 1, 2016. He remarked that the Legislative Task Force on Best Practices for Special Education was the creation of Representative Sheilla Lampkin, a retired special education teacher, who sponsored the Task Force’s enabling legislation, served as one of its valuable members, and championed its work. He stated the report is dedicated to her memory. He noted the report is more than 100 pages long, including appendices; and contains thirty (30) recommendations. Senator Lindsey discussed the process of the Task Force coming together and addressing

special education, and summarized the dynamics of the environment and working relationships within the Task Force. He discussed content and findings of the report in three (3) basic areas:

- 1) paying attention to things that make good sense, including issues of paperwork reduction and teacher certification,
- 2) changing the policy and the direction of how education is delivered and focusing on what is really important, including improving communication, improving professional development, earlier identification of kids who need special education, and mandating that all schools implement evidence-based intervention, and
- 3) reviewing the funding and expenditure model.

Senator Lindsey stated he would like to see members consider additional funding for special education and for those things essential to providing special needs services over the next two or three biennia.

Issues Included in the Discussion:

- funding to take care of *all* defined needs, per the *Lake View* ruling and requirements of the court order,
- addressing challenges of governance,
- leadership as the key to delivery of service,
- efficiency of state-of-the-art regional centers for delivery of special needs services, and
- differences in ability to deliver services.

Handouts:

2016 Final Report, Legislative Task Force on the Best Practices for Special Education, DRAFT (*emailed*)  
Special Education Catastrophic Occurrences Funding, Bureau Brief

Discussion of Issues Related to the Academic Distress Designation

Presenter:

**Ms. Nell Smith**, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. In the introduction to her presentation, Ms. Smith stated that academic distress is the state's designation for a school district or individual school that has failed to meet required levels of academic achievement over several years; it is one of three (3) distress programs used to help, or potentially sanction, struggling schools and school districts. She noted the other two distress programs are fiscal and facilities, addressed in previous reports. Ms. Smith said academic distress is a central component of the state's responsibility for the education that schools provide. She said school districts operate within the context of local control until they demonstrate a certain level of failure and then the state exerts its responsibility through the academic distress and other distress programs. Ms. Smith clarified the use of labeling systems that schools receive, and said the academic distress label and its consequences are established by state statute and regulation, not any federal requirement. Ms. Smith walked members through the detailed research report, and discussed Designation Criteria, Consequences for Districts/Schools in Academic Distress, ADE's (Arkansas Department of Education's) Intervention in Schools in Academic Distress, Schools & Districts in Academic Distress, Survey of Districts with Schools in Academic Distress, and School Turnaround Policies in Other States.

Contributors to the Discussion:

**Ms. Annette Barnes**, Assistant Commissioner, Public School Accountability, Arkansas Department of Education

**Ms. Lori Freno**, General Counsel, Legal Services, Arkansas Department of Education

**Mr. Elbert Harvey**, Coordinator of School Improvement/Standards Assurance, Public School Accountability, Arkansas Department of Education

**Mr. Johnny Key**, Commissioner, Arkansas Department of Education

Issues Included in the Discussion:

- definition of *help* used for determining how the ADE “helps” school districts overcome labels given them,
- definition of *strong leadership* and the level at which it starts,
- core definition of *help*,
- labeling school districts in distress puts them under a disadvantage,
- authority to remove leadership if that is the designated course of action,
- origin of the term, *academic distress*, its intent, and impact of the court’s intervention in the *Lake View* case,
- automatically designating a school district in academic distress as a school of innovation,
- strengthening the pre-academic distress concept,
- ADE and promulgating rules for an ALE (Alternative Learning Environment) to be exempt from a designation of academic distress,
- effectiveness of a school improvement specialist from within a school district vs. one that is from outside,
- examples of success within the academic distress program,
- examples of success of children on free and reduced lunch performing above the 49.5% threshold for achievement after a designation of academic distress,
- reporting annually on the status of school choice transfers due to academic distress,
- existence of problems in the current academic distress criteria when 100% of the schools in the state classified as being in academic distress for one year have a majority of African American students,
- origin and justification for the 49.5% standard and future considerations,
- success in improving proficiency in school districts with high free and reduced lunch percentages, and
- state efforts for the turnaround of schools as one part of the equation, and addressing the *other* part of the equation.

Handout:

Academic Distress, Research Report

Discussion of Price Estimates

Presenter:

**Mr. Richard Wilson**, Assistant Director, Research Services, Bureau of Legislative Research, was recognized. Mr. Wilson discussed Estimates provided by Global Insight and Moody’s Analytics. He gave a brief historical perspective of these primary providers of economic data. He said the Bureau of Legislative Research (BLR) has subscriptions with both providers, which are the source for numbers in the BLR handout. He said the numbers are updated monthly; and all numbers are all expressed in terms of annual percentage change. He informed members that Amendment 70 of the state constitution provides that our constitutional officers are entitled to certain COLAs; and the language in that Amendment directs the use of what is known as CPIU, Consumer Price Index – All Urban, as the measure. He said that is the precedent set by the Committees back in 2004-2005; the difference being that these Committees have always requested estimates that are associated with the period in question. He stated these are estimates by Moody’s and Global Insight that are associated with the biennium of 2018-2019. Mr. Wilson also provided the Core CPI, the Food Component, and the Energy Component for information. He said the Core CPI is a measure relied on by the Federal Reserve which takes out the Food and the Energy Component to have a more stable number to review. Mr. Wilson said estimates from 2015-2016 to 2018-2019 on the handout show very low inflationary numbers because of the Energy Component. He said those estimates would be increasing over the next few years because of the expected rebounding of energy prices. He said, other than that, the numbers are fairly stable, fairly moderate inflationary numbers.

Issues Included in the Discussion:

- ◆ inclusion of Energy Component in the CPI,
- ◆ impact of energy prices as a percentage of the total education budget,
- ◆ COLA numbers used in Adequacy,
- ◆ effect on the projection of an increase in revenue to the state, and

- ◆ effect on increases in social security and their benefits.

Handout:

Estimates Provided by Global Insight and Moody's Analytics

Presentation of Preliminary Draft of Adequacy Report and Discussion of Adequacy Issues and Potential Recommendations

Presenter:

**Ms. Nell Smith**, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Ms. Smith reviewed the statutory language pertinent to the Adequacy Report. She presented a draft of the Report and reminded the members that the challenge of crafting the final recommendations for the report remained. She stated the Adequacy Report will be edited over the next month in preparation for filing with the President Pro Tempore of the Senate and the Speaker of the House of Representatives by November 1.

Handouts:

10-3-2104 Report  
Adequacy Report, DRAFT  
Adequacy Study Statutory Responsibilities

Next Scheduled Meetings:

Monday, September 12, 2016 at 9:00 a.m. in Room 138, State Capitol, Little Rock (*Work Session*)  
Monday, September 12, 2016 at 1:30 p.m. in Room 171, State Capitol, Little Rock  
Tuesday, September 13, 2016 at 9:00 a.m. in Room 171, State Capitol, Little Rock

Adjournment:

The meeting adjourned at 11:17 a.m.

*Approved: 09/12/16*