2018 ADEQUACY TESTIMONY

Provided by the EDUCATION-RELATED ADVOCACY ORGANIZATIONS

Filed Pursuant to the Request of the House and Senate Interim Committees on Education

February 20, 2018
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Complete copies of all submitted testimonies are available on the web page:

http://www.arkleg.state.ar.us/education/K12/Pages/AdequacyReportDetails.aspx?catId=2018
Poverty is one of the biggest challenges Arkansas schools face. Sixty-one percent of Arkansas public school students live at an income level low enough to qualify for free and reduced-price school lunches. The state has done a great deal to help mitigate these problems since the Lake View Supreme Court case was decided; however, it is clear that much work remains to be done. Only 37 percent of all third-graders are reading on grade level, and achievement gaps remain far from closed: While 42 percent of white third graders could read proficiently in 2017, only 29 percent of Hispanic third graders and 22 percent of African-American third graders could do so.

There are also significant disparities within and between districts in terms of teacher quality, recruitment, and retention; school facilities; and other critical elements of adequacy and equity. We are also at risk of backtracking on some of the progress made since Lake View. Standards are being eroded, and now 35 percent of districts and schools have been granted a total of nearly 3,000 exemptions and waivers from many of the most important standards of school quality, driven in part by tight school budgets.

Arkansas Advocates for Children and Families recommends that our state address the following priorities to ensure that all children reach their full potential and to move Arkansas from adequacy to excellence:

1. Provide a full cost-of-living increase for all teachers annually, and ensure equity by increasing teacher pay in areas with the greatest need.
2. Provide adequate, equitable funding to ensure that all public school facilities exceed the minimum definition of “warm, safe, and dry.”
3. Narrow the allowable uses of National School Lunch (NSL) funding to evidence-based programs that improve the achievement and well-being of low-income students.
4. Expand funding for quality afterschool and summer programs.
5. Increase funding for special education teachers in the matrix, and fully fund catastrophic special education services based on schools’ needs.
1. It is time to revisit the Adequacy process and answer the crucial question, “What does an adequate education in 2018 and beyond look like?” In the final Lakeview mandate released by the Supreme Court in 2007, the Court concluded, “constitutional compliance in the field of education is an ongoing task requiring constant study, review, and adjustment.”

2. It is crucial that funding be added to the Matrix components that currently are funded less than actual school expenditures. For example, the most recent BLR report on Resource Allocations shows districts spending $826.11 per student on Maintenance & Operations. The Matrix provides only $651.80. By fully funding this line item, districts will not have to divert money from other Matrix items, such as teacher salaries, for Maintenance & Operations.

3. AAEA opposes any efforts to divert public funds to private schools through vouchers or “scholarships” without the same oversight and accountability mandated for public schools. Research shows that voucher programs across the country are not successful in improving student achievement, do not improve equity, and actually increase discrimination. “Education savings accounts,” another form of vouchers, are discriminatory in that public school parents are not eligible to participate.

4. Teaching talent matters when it comes to improving student achievement. Teacher salaries need to be raised to address the current teacher shortage by attracting the best and brightest to the profession. Any increases in the per-student foundation funding amount should be accompanied by the same percentage increase in the mandated teacher salary schedule.

5. The Facilities Partnership Program should be adequately funded. Investing in school facilities meets the needs of students and schools and is an economic investment that supports Arkansas construction trades. According to information from OEP and DFA, the portion of the state budget that goes to public education is steadily declining, from 49% in 2002-2003 to 42% in 2016-2017. Maintaining a stable level of support from general state revenue would provide for facility funding as well as for other investments in education, such as teacher salaries.

6. Continue funding high cost transportation with yearly increases to reflect actual expenditures.

7. Increase categorical funds for FY 20-21 to match any increase in the mandated teacher salary schedule. Salaries are a significant portion of categorical fund expenditures.

8. Modify the EBD Board to include more representation from public school employees. Input from school practitioners will promote collaboration and lead to informed, more efficient policy decisions that would benefit both the insurance system and school employees.

9. Providing adequate bandwidth in all communities is essential so students are not limited in their learning to the school building or the school day. “Learning anywhere, anytime.”

10. It is essential that Arkansas expand and adequately fund CTE programs in schools and area career centers to ensure all students in all areas of the state have an opportunity to explore alternative educational paths; an economic investment that will help fill current high-paying job openings in the state.
Executive Summary

It is time for Arkansas to make the connection between Economic Development and Public Education. Without it, our state will continue to meander between below-par and mediocrity and our quality of life will not improve. An educated population, feeds economic growth and business development. Arkansas can be the place people and companies choose to invest, live and raise a family.

States with a more educated workforce tend to have stronger economies overall and quality schools help equip communities to compete in today’s global marketplace. Students need both hard skills to one day enter the workforce and a deeper love of learning that leads to new ideas, products, businesses and richer lives. Reaching that goal depends on relentless support for early childhood education2 and public K-12 schools.

1. Fund the Matrix to meet the needs of school expenditures. In the 2017 and 2018 biennium, despite the recommendations from the Bureau of Legislative Researches (BLR) to implement a 2.5% increase in funds to stay even, Adequacy was only 1.01%. This was essentially a cut in resource allocation and has forced school districts to make decisions in a scarcity climate.

2. School Facilities Funding need urgent attention beyond “Warm, safe and dry.” School facilities in parts of Arkansas have been drastically neglected as a result of the local tax base lacking the ability to make the investment. The Partnership Program needs investment.

3. Educator Recruitment & Retention has a direct impact on Arkansas’ Achievement Gap.

4. Implement National School Lunch (NSL) funding changes that narrows the eligibility criteria.

5. Teacher Salary Funding and Minimum Teacher Compensation: In order to ensure that Arkansas teachers receive the adequate salaries contained in the Matrix, the minimum teacher compensation schedules must be amended
6. Public Funds without Accountability

7. Invest in Career and Technical (CTE) Learning in Arkansas to train students in advanced technology opportunities if the legislature commits the resources and investment.
APSRC Written Testimony Regarding 2018 Adequacy Report
January 26, 2018

Executive Summary

The Arkansas Public School Resource Center is a service-oriented, non-profit membership organization that provides support, technical assistance, and training to benefit public schools in Arkansas. APSRC asks that the Senate and House Education Committees pay particular attention to five key factors affecting adequacy and equity:

- **Reading Proficiency** – Reading is a critical tool of education, and Arkansas students are showing disappointingly low levels of readiness. Improving reading instruction should be a key emphasis of the adequacy determination process.

- **Quality Teachers** – Too many Arkansas public schools are unable to adequately recruit and retain qualified teachers. Ensuring that schools have the resources and flexibility necessary to find and keep qualified teachers is paramount to adequacy.

- **Career-Technical Education** – For too long, career-technical education has been treated as an afterthought, but in reality it is a critical component of both education adequacy and economic development.

- **Digital Learning** – The revolutionary changes being wrought by digital learning justify adjustment of the funding matrix and adequacy process to account for new efficiencies and new needs created by digital learning.

- **Property Tax Appeals** – Small and rural public school districts are experiencing cash flow issues as a result of flaws in the process and standards for handling property tax assessment appeals. The Legislature should review options to remedy this situation and provide greater stability for districts.

APSRC also asks that the Committees consider regulatory/policy changes and funding opportunities to improve the adequacy and equity of school facilities. Specifically:

- The Arkansas Public School Facility Partnership Program should be reformed to utilize a state-wide systematic approach, rather than the existing focus on individual school district plans, with a goal of increasing efficiency and synergy.

- Additional funding must be provided for the Open-Enrollment Public Charter School Facilities Funding Aid Program to ensure that public charter school students benefit from facilities funding comparable to that received by students in traditional school districts.
Arkansas Rural Education Association (AREA)
JOINT LEGISLATIVE ADEQUACY COMMITTEE

Knowing many Professional Educational entities have been invited to submit testimony, Arkansas Rural Education Association's testimony, to not be redundant, will be brief and to the point.

ISSUES AND CONCERNS AFFECTING ADEQUACY

The following items, essential for school operation, require Districts, especially smaller and/or rural Districts, to expend additional funds outside the matrix, resulting in underfunding necessary resources. Districts tax themselves (local money) beyond the 25 mill URT, also at great disparity regarding the value of a mill, but this testimony is regarding Adequacy, which is limited to the disbursement of Foundation Funds generated by the URT:

- **COMPETITIVE TEACHER SALARIES.** It is a constant struggle to acquire and retain high quality teachers when larger districts with a larger tax base can offer higher salaries. This can occur even though the tax per individual property owner may be less. It is difficult to attract and retain enough of the best teachers who, as data and research show, are necessary to meet Adequacy in rural and/or high poverty areas.

- **FACILITY DISPARITY.** Growing Districts have obvious facility needs, however, each new student generates additional funds and property values in growing districts continue to rise making each existing mill more valuable which generates additional funds for those Districts. Districts which are not growing or losing enrollment, continue to have facility needs required to meet Adequacy, by needing to replace life cycle systems or buildings. The ability of small and/or rural districts to generate enough funds to repair or replace outdated facilities is approaching the critical stage. These districts may have to tax themselves two,
three, or four times as much as a district with higher assessment to raise the same amount of money.

- **SIPHONING OF STATE DOLLARS WITH LITTLE OR NO ACCOUNTABILITY.** State education dollars going toward any student’s education should carry the same accountability as public schools. Dollars diverted from public education without the same scrutiny and accountability to taxpayers affects Adequacy and the state’s Constitutional mandate.

- **OTHER CONTINUING ISSUES.** Categorical funding continues to address many issues associated with educating high cost students and need to keep pace with educational costs. These funds allow Districts to target individual learning requirements and need to be flexible enough to address and ever-changing and evolving list of needs which must be met to provide an adequate and equitable education. High cost transportation continues to be an issue for some districts. Some movement to address this problem has been implemented, however, there continue to be Districts who must spend money targeted for Adequacy on transportation to get students to and from school. Catastrophic special education funding is not meeting the need. The number of high cost special needs students continues to grow and the funding is woefully inadequate. Expenditures for regular students can easily exceed $10,000, it is not uncommon for a District to spend two to ten times that amount for special needs students. Teacher shortage in some academic areas and in some geographical areas is of great concern. Today’s teachers shoulder much greater responsibility and accountability than ever before. The good news is, they welcome these challenges and most are up to the task. Arkansas is blessed with many great teachers, there is just not enough of them. The teacher pipeline must be filled and teachers must be viewed in a positive light to attract the best and brightest to the field. The Teacher Retirement Program as well as health insurance are two excellent recruiting tools. Enhancing those variables provide Districts tangible items to attract quality persons to the profession.

Dale Query

Executive Director, Arkansas Rural Education Association

870-421-4064
Arkansas School Boards Association (ASBA)
The Arkansas School Boards Association requests your consideration of the following items and recommendations which are discussed in more detail in our written testimony:

**Facilities and the Partnership Program** – The Partnership Program has been and continues to be of great value to the public schools and local communities in Arkansas.  
**Recommendation:** Provide for a full review and update of the Partnership Program itself and a full review of the actual public school facilities and their condition across the state. Develop a reliable funding plan for the state to continue its contribution to providing adequate public facilities for the public school children in the State.

**Special Education Teacher Staffing** - The May 31, 2016 Resource Allocation Report shows that public schools provided approximately 2.97 Special Education teachers per 500 students while the Funding Matrix only provides funding for 2.9 Special Education teachers per 500 students.  
**Recommendation:** Increase the Special Education teacher line in the Matrix to at least 3.0 Special Education teachers per 500 students.

**Special Education Catastrophic Occurrences Funding** – Federal regulations, rising costs and lack of increased funding in this area has led districts to have to use other funds to cover mandated costs for these students.  
**Recommendation:** The General Assembly has recognized need and committed some additional funds over the biennium. Continue to commit increased funding until need is fully met.

**Class Size** – Some studies show that a smaller class size significantly increases student performance, especially in the lower grades. That increase in performance is magnified for lower income and minority students which could be helpful in reducing the achievement gap.  
**Recommendation:** Carefully review results of ISP 2017-106 when it is completed and fund additional teachers to reduce class size in the lower grades if deemed effective to do so.

**Teacher Staffing** – We believe a conflict may exist between the number of staff allotted in the matrix and the number of staff required by the Standards for Accreditation.  
**Recommendation:** Initiate a study of actual school staffing to determine the relationship between the number of teachers funded through the matrix and the number of staff positions required to meet the Standards for Accreditation.

**Cost of Living Adjustment (COLA)** – The General Assembly has approved Foundation Funding for the past two biennium that did not keep up with the CPI annual rate of inflation. At that same time, legislation has been passed placing an additional cost on districts, including an increase in the minimum teacher salary schedule.  
**Recommendation:** The General Assembly should provide an annual increase in Foundation Funding that, at a minimum, matches the annual CPI inflation rate.
Forward
Arkansas
(ForwARd)

G
ForwARd Arkansas Adequacy Testimony

ForwARd Arkansas is a partnership of the Arkansas State Board of Education, Walton Family Foundation and Winthrop Rockefeller Foundation that is committed to helping every Arkansas student graduate prepared for success in college and the workplace. ForwARd seeks to better connect all facets of learning across all ages and throughout communities so that each child in Arkansas can benefit from adequate, equitable, and innovative educational experiences.

To that end we share these notes regarding the Arkansas General Assembly’s requirement to study the entire scope of education in Arkansas and to determine what constitutes adequate school funding.

It has been ten years since the Lakeview case ended in 2007. The iPhone was released that same year. The world has changed. The Standards for Accreditation of Arkansas Public Schools and School Districts have not changed, and neither has the adequacy formula, which is based primarily on those Standards. The need for change is apparent from the development of methods for schools to work around some restrictions contained in the current Standards. The rise of charter schools and the effects of Act 1240 of 2015 underscore this point.

ForwARd believes that innovation in education should be the norm, not the exception. Arkansas celebrates innovative schools. We should make it easier for all schools to adopt new practices like project-based learning or personalized learning, if they have documented positive outcomes. If Arkansas is to move ahead in education rankings across states, produce a competitive workforce, and grow our economy, innovation must be afforded a prominent place in our Standards for Accreditation and in our school funding formula. New efforts such as the Governor’s computer science initiative are stymied when schools cannot find funding to implement them effectively or find themselves in the position of having to move funds, creating a shortfall elsewhere. We recommend that a process be established to revamp the state’s method of assessing adequacy, including to provide for a stimulus for innovation, and to advise the Arkansas Departments of Education’s revision of standards.

This is most essential in our underperforming schools. The Bureau of Legislative Research publishes an equity report each biennium describing how the funding provided by the state meets the test of equity. Other reports establish the amount of funding needed for adequacy. The determination of equity and of adequacy relies on the provision of additional funding to meet the needs of low-income students, English Language Learners, and students in need of alternative education. While the amount of funding has been viewed as adequate and equitable, the state has undoubtedly fallen short in its responsibility to ensure funding is used as was outlined throughout the Lakeview proceedings, particularly as it regards our low-income children. And the state continues to fall short in holding schools accountable on this front. There will always be some students who perform better than others; when an entire subgroup of low-income students perform at lower levels consistently over time, however, and schools filled predominantly with these students underperform their peers year after year—as is the case in our state—it becomes increasingly difficult to pass the tests of educational adequacy and equity.
There must be greater insistence by the state that the funding provided to meet the special needs of these students accomplishes its purpose. The state is responsible for seeing to it that funds designed to provide equity and adequacy are not subverted to merely keeping a district afloat. We see a need for the Arkansas Department of Education to lead a working group to determine how to ensure that school funding actually results in a substantially equal and adequate education for all students, regardless of zip code.

ForwARd was built to serve our common interests by connecting leaders, aligning policies, promoting data and research, and engaging residents and communities that will drive this next generation of learning. ForwARd welcomes the opportunity to work with you as a catalyst, convener and partner to update this critical study.

http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2016/2017-02-01/2016_Adequacy-Report_Volume-I_2017-02-01%20HOUSE%20Revision.pdf and
Winthrop Rockefeller Foundation (WRF)
EXECUTIVE SUMMARY

Strategic investments in education today are key to the long-term future of Arkansas. The Winthrop Rockefeller Foundation continues to use its resources to identify and lift up best practices. Ultimately, it will require state investment to scale these best practices and make certain that all of our state’s students are successful. But first, it requires a commitment to expect more from our state’s public education system. We can and we should:

- **Invest in our state’s shared vision for public education.** We urge the Education Committee to continue using the recommendations of the ForwARd Arkansas vision as a blueprint to prioritize public investment towards the goal of educational excellence in Arkansas. We believe the successful implementation of the ForwARd vision will transform the state’s public education system to be one of the best in the nation. As a result, Arkansas’s economy would thrive as the state competes globally as a creative and industrial hub.

- **Invest early to ensure all students are prepared for early school success.** We believe that investment in high-quality summer and after school learning and pre-kindergarten programs are critical to helping aspiring Arkansas readers reach the critical milestone of third grade reading proficiency. We urge the Committee to provide continued leadership in directing additional NSLA resources to evidence-based programs and supports that move the needle on early literacy.

- **Address barriers that prevent opportunity for all students.** The Foundation believes that all Arkansans should have access to the resources they need to be successful in pursuing educational attainment, regardless of their age, level of ability, gender, race, or geographic location. To ensure our state is continuing to meet its commitment to an adequate public education, the Foundation believes we need further research and analysis of our state’s school funding formula to ensure equity.
Invitation to Submit Written Testimony

Appendix
Memorandum

TO: Mr. Rich Huddleston, Executive Director, Arkansas Advocates for Children and Families
Dr. Richard Abernathy, Executive Director, Arkansas Association of Educational Administrators
Ms. Tracey-Ann Nelson, Executive Director, Arkansas Education Association
Mr. Scott Smith, Executive Director, Arkansas Public School Resource Center
Mr. Dale Query, Executive Director, Arkansas Rural Education Association
Dr. Tony Prothro, Executive Director, Arkansas School Boards Association
Dr. Michele Ballentine-Linich, Executive Director, Arkansas State Teachers Association
Ms. Susan Harriman, Executive Director, Forward Arkansas
Ms. Kathy Smith, Senior Program Officer, Arkansas Education Reform Initiative, Walton Family Foundation
Dr. Shereece West-Scantlebury, President and CEO, Winthrop Rockefeller Foundation

FROM: Senator Jane English, Chair, Senate Interim Committee on Education
Representative Bruce Cozart, Chair, House Interim Committee on Education

DATE: November 1, 2017

SUBJECT: Request for Submission of Written Testimony

As you are aware, the House Interim Committee on Education and the Senate Interim Committee on Education have been meeting on a monthly basis to comply with the provisions of Arkansas Code Annotated 10-3-2101 et seq, the Continuing Adequacy Evaluation Act of 2004. In order to facilitate the work of the Committees and ensure that all pertinent issues are addressed during our deliberations, we are writing to request that your organization submit written testimony to the Committees outlining your concerns about the state’s current system of funding for its public education system. As you prepare your submission, please ensure that: 1) any student-related data used is disaggregated by gender and ethnicity, and 2) a clear, concise, one-page Executive Summary is included.

It would be most helpful if you provide your testimony to the Committees by the close of business on Friday, January 26, 2018. Please send the information to Mr. Mark Hudson at the following address:

Mr. Mark Hudson, Legislative Analyst
c/o Bureau of Legislative Research
Fifth Floor, One Capitol Mall
Little Rock, Arkansas 72201
You can also email your information to Mr. Hudson by sending it to mark@blr.arkansas.gov. If you plan to email the information, please submit it in a .PDF format.

Thank you for your attention to this matter. Please do not hesitate to contact either of us or Mr. Hudson if you have any questions or if you need additional information. His telephone number is 501-537-9173.