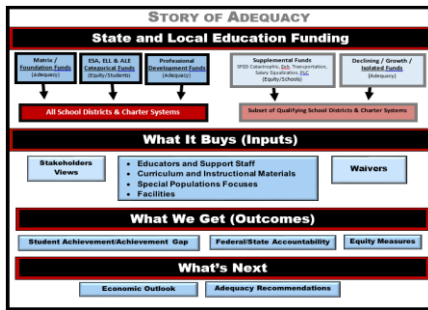


2022 Adequacy Study

FUNDING TO DISTRICTS AND CHARTER SYSTEMS/FEBRUARY 2022







2022 Funding Report

- Introduction / Literature Review
- Foundation Funding (Matrix)
- Items not in the Matrix
- Categorical Funds
- Supplemental Funding
- Other Local, State & Federal Funding



Today's Major Take-Aways

- Bulk of schools' funding provided through "foundation funding" (matrix).
- Issues with the matrix itself important to understand.
 - **500-member school** critical to efficiency and achievement
- Almost 40% of schools funding comes from sources other than foundation.
- Research and educators point to other resources that are important for providing an adequate education but aren't specified in the matrix.





Research: Funding Public Schools

Major Trends:

- **New operationalization finds increased funding correlates with improved achievement**
 - Smaller class sizes at lower grades
 - Funding struggling students at weight of .2
- **Weighting for smaller schools**
- **Inputs vs. Outputs Methodology**





Research: Funding Public Schools

- **After the 1970s, states and local governments became largely equal partners, with the federal government kicking in about 10%.**
- **Arkansas's 2020 mix: state (47%), local (40%) and federal (13%)**





Research Findings: Funding Public Schools

Adequacy Studies:

- What does it cost to provide adequate education
- 49 adequacy studies from 2003-19 in 31 states (APA)
- 47% sponsored by state entities
- 53% sponsored by outside organizations
- O&P (2017) found majority of study results for additional funding not implemented





Research Findings: Funding Public Schools

4 Main Ways to Study Adequacy:

- Evidence-Based (18)
- Professional Judgment (21)
- Successful Schools/Districts (17)
- Cost Function (8)





Research Findings: Funding Public Schools

States use 4 main funding mechanisms:

1. Student-based Foundation Funding
2. Resource-based Allocation
3. Hybrid
4. Guaranteed Tax-base Model

Charters usually funded in similar manner



How Other States Fund Public Schools

According to Education Commission of the States:

- 34 use Student-based Foundation Funding (down from 37)
- 9 use Resource-based Allocation
- 5 use a Hybrid of above
- 2 use a Guaranteed Tax-base



How Other States Fund Public Schools

Top NAEP States	¹⁰ Funding Mechanism	¹¹ 2018 Per Pupil Funding
Massachusetts	Hybrid	\$14,196
New Jersey	Student-based Foundation Formula	\$18,249
New Hampshire	Student-based Foundation Formula	\$16,291
Minnesota	Student-based Foundation Formula	\$15,190
Wyoming	Resource-based Allocation	\$21,348
Virginia	Hybrid	\$12,936
Vermont	Guaranteed Tax Base	\$17,028
Indiana	Student-based Foundation Formula	\$13,976
Connecticut	Student-based Foundation Formula	\$16,832
Utah	Student-based Foundation Formula	\$9,258

Source for Above Charts: Education Commission of the States: <https://reports.ecs.org/comparisons/k-12-funding-01-2021/> and National Center for Education Statistics: https://nces.ed.gov/ipeds/data/nces_data/tables/education_statistics/ES11-table-generator/. Amounts have been adjusted for cost-of-living differences using the Missouri Economic Research and Information Center's Cost of Living Data Series.



How Other States Fund Public Schools

Top SREB States	Funding Mechanism	Per Pupil Funding (overall)
Virginia	Resource-based Allocation	\$12,936
Florida	Student-based Foundation Formula	\$10,751
Maryland	Student-based Foundation Formula	\$13,622
North Carolina*	Resource-based Allocation Model	\$10,345
Kentucky	Student-based Foundation Formula	\$13,532
Georgia	Hybrid	\$13,319
Tennessee	Resource-based Allocation Model	\$11,797
Texas	Student-based Foundation Formula	\$12,825

*North Carolina's information was not updated in 2021; information is from 2017.

Source for Above Charts: Education Commission of the States: <https://reports.ecs.org/comparisons/k-12-funding-01-2021/> and National Center for Education Statistics: https://nces.ed.gov/ipeds/data/nces_data/tables/education_statistics/ES11-table-generator/. Amounts have been adjusted for cost-of-living differences using the Missouri Economic Research and Information Center's Cost of Living Data Series.



Stakeholder Feedback

“The economics work differently in the smaller districts and the legislature needs to realize this and make the appropriate adjustments to the matrix to account for schools smaller than 500.”
-Arkansas superintendent



State-level Funding



State-level Funds Devoted to Education

- Public School Fund Account (PSF)
- Educational Excellence Trust Fund (EETF)
- Educational Adequacy Fund (EAF)
- Department of Education Fund Account
- Educational Facilities Partnership Fund Account (EFPF)





State-level Funds Devoted to Education

•Public School Fund

- General state revenues
- Educational Excellence Trust Fund
- Educational Adequacy Fund



State-level Funds Devoted to Education

•Educational Excellence Trust Fund

- “Off-the-top” deduction from gross general revenues; amount distributed to EETF is 14.14% of prior year sales and use tax collections
- PSF receives 67.16% of the total funding available to the EETF
- Used by DESE to provide a portion of the State Foundation Funding Aid distributed to districts and are to be used for teacher salaries



State-level Funds Devoted to Education

•Educational Adequacy Fund

- A 7/8th cent sales tax increase
- The expansion of sales taxes to some services
- An increase in vending machine decal fees
- An increased minimum corporate franchise tax and tax rate, and
- A portion of the six-cent per gallon dyed diesel tax.



State-level Funds Devoted to Education

- The **Department of Education Fund Account** is primarily used for the operations of DESE.
- Primary sources:
 - State general revenue
 - Transfers from EAF and EETF
 - Educational Facilities Partnership Fund Account

State-level Funds Devoted to Education

•A net increase of \$45.6 M in FY21 over prior year

FY	Dept. of Education Public School Fund Account	Gen. Education Fund - Dept. of Education Fund Account	Educational Excellence Trust Fund (EETF)		Facilities Account	Educational Adequacy Fund	Total All Selected Funds
			Dept. of Ed/Public School Fund	Dept. of Education Fund			
2020	2,169,729,298	16,298,264	226,827,803	1,111,263	62,387,201	595,416,316	3,071,770,145
2021	2,178,778,730	16,346,413	234,068,325	1,146,735	63,059,675	623,996,221	3,117,396,099

Funding for Districts and Charters

Arkansas's Funding System

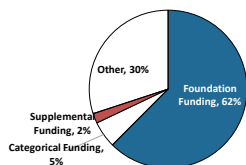
- A Combination of Funding Sources
 - Foundation (Matrix) – primary source
 - Categorical Funding
 - Supplemental Funds to Help Schools Meet Adequacy
- Other Funding (Local, State and Federal)

Adequacy
Recommendations



Arkansas's Funding System

All Funding





Foundation Funding Source - 2021

Foundation Funding Component	District Total	% of Total	Charter Total	% of Total
Uniform Rate of Tax (URT)	\$1,246,334,339	38.9%	\$0	0%
State Foundation Funding Aid	\$1,927,320,045	60.1%	\$141,706,492	100%
98% Adjustment	\$20,619,275	0.6%	\$0	0%
Miscellaneous	\$13,537,614	0.4%	\$0	0%
2021 Total	\$3,207,811,273	100%	\$141,706,492	100%

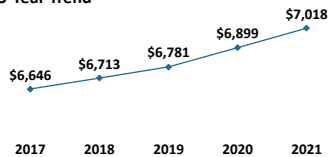


The Matrix

- Tool for calculating foundation funding
- Per-pupil funding (student-based foundation funding) based on PY ADM
- Not in Legislation

The Matrix

Per-Pupil Foundation Funding, 5-Year Trend



The \$6,646 in 2017 would be the equivalent of \$7,366.56 in 2021 when adjusted for inflation.

School-Level Staffing

IN THE MATRIX

School-Level Staffing

School-Level Staffing Matrix Items	FTEs	2021 Salary + Benefits	2021 Per Pupil Amt.
Classroom Teachers	24.94	\$68,470	\$3,416
Pupil Support	8.75	\$68,470	\$1,198
Principal	1.0	\$99,012	\$198
Secretary	1.0	\$40,855	\$82
Total	35.69		\$4,894

Classroom Teachers

Matrix Line	2021 Per Pupil Amount	2021 Funding Amount
Core Teachers: Kindergarten	\$274	\$130,474,241
Core Teachers: Grades 1-3	\$685	\$326,185,602
Core Teachers: Grades 4-12	\$1,890	\$900,272,263
Non-Core: PE, Art, and Music (PAM) Teachers	\$567	\$270,081,679
Total	\$3,416	\$1,627,013,785

Classroom Teacher-Student Ratios

	2021 Matrix Teacher-Student Ratios	Evidence-Based Model
Kindergarten	1:20	1:15
Grades 1-3	1:23	1:15
Grades 4-12	1:25	1:25
PE, Art, and Music (PAM) Teachers	4:500	5.2:450 elementary 3.6:450 middle school 8:600 high school

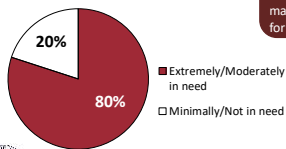
Past Studies and Research Findings

Past Arkansas studies and other national studies recommend a 1:15 ratio for Kindergarten-3rd grades.

Research consistently suggests a lower teacher-student ratio for Kindergarten-3rd grades.

Classroom Teachers

Majority of superintendents report more funding is needed for classroom teachers



"Small schools need more funding because we have to meet the same standards with the same number of students. Ex. If I had 23 K students I would have to add a teacher at 1 FTE and the majority of that teacher's salary is not accounted for in the matrix." —Arkansas Superintendent

"The inefficiency created when a school has 2-5 kids over the standards. It is the most inefficient way to operate based upon matrix funding, yet we are required to hire additional staff that the matrix does not cover." —Arkansas Superintendent

Classroom Teacher- Class Size and FTEs

Grade	DESE Classroom Size Rule	Assumed # of Students Total	Assumed # of Students Per Grade	Funded Classes	Unfunded Students	Matrix Funded Teacher FTEs
Kindergarten	20-22	40	40	2	0	2.0

Classroom Teacher- Class Size and FTEs

Grade	DESE Classroom Size Rule	Assumed # of Students Total	Assumed # of Students Per Grade	Funded Classes	Unfunded Students	Matrix Funded Teacher FTEs
Grade 1	23-25	115	38.33	1-2	15.33	5.0*
Grade 2	23-25		38.33	1-2	15.33	
Grade 3	23-25		38.33	1-2	15.33	

Classroom Teachers: Grades 1-3

FUNDED TEACHERS:



TEACHERS REQUIRED TO MEET CLASS SIZE RULES:



Classroom Teacher- Class Size and FTEs

Grade	DESE Classroom Size Rule	Assumed # of Students Total	Assumed # of Students Per Grade	Funded Classes	Unfunded Students	Matrix Funded Teacher FTEs
Grade 4	25-28	345	38.33	1	13.33	13.8
Grade 5	25-28		38.33	1	13.33	
Grade 6	25-28		38.33	1	13.33	
Grade 7	25-30		38.33	1	13.33	
Grade 8	25-30		38.33	1	13.33	
Grade 9	25-30		38.33	1	13.33	
Grade 10	25-30		38.33	1	13.33	
Grade 11	25-30		38.33	1	13.33	
Grade 12	25-30		38.33	1	13.33	



Classroom Teachers: Grades 4-12

FUNDED TEACHERS:



TEACHERS REQUIRED TO MEET CLASS SIZE RULES:





Total Core and Non-Core Teachers

	Matrix FTE: All grades	Evidence-Based Model FTE: 450-student prototypical elementary school	Evidence-Based Model FTE: 450-student prototypical middle school	Evidence-Based Model FTE: 600-student prototypical high school
Core: English Language Arts, Math, Social Studies and Science	20.8	26	18	24
Non-Core: PE, Art, Music and other electives	4.14 20% of Core	5.2 20% of Core	3.6 20% of Core	8 33 1/3 of Core
Total	24.94 FTE	31.2 FTE	21.6 FTE	32 FTE



Classroom Teachers

The number of teachers funded in the matrix aligns with evidenced-based model recommendations at the middle school level, but falls short for elementary and high school.





Stakeholder Feedback

"In general, as a small school district it difficult to following the matrix especially at the secondary level. We have standards to follow and specific courses we must teach and with our enrollment we will not fill the classes. Thus we have a low student teacher ratio with the burden of funding teachers."
 –Arkansas Superintendent

"Paying schools based on ADM instead of what is required according to standards is a big problem for small schools. Paying per teacher FTE would be more equitable."
 –Arkansas Superintendent

"Small schools suffer. We have 200 students in each building. Enrollment is low, but the role of work for that building doesn't decrease."
 –Arkansas Superintendent





Special Education Teachers

2021 / 2022/2023 Per Student Amount	2021 Total Amount
\$397 / \$406 / \$414	\$189,187,649





Special Education Teachers

2021 Matrix Teacher-Student Ratio	District Ratio (FTEs All Funds)	Charter Ratio (FTEs All Funds)	Evidence-Based Model
2.9:500	4.03:500	2.75:500	4.05:500



Special Education Teachers

Odden and Picus Evidence-Based Model – Staffing (Per 1,000 Students)	
Students with mild and moderate disabilities	5 SPED teachers and 1 teacher behaviorist
Students with severe and profound, and high cost-to-serve disabilities	Fund 100% of extra costs AND Limits coverage to 2% of students in district
Related services	1.1 staff member
Costs associated with developing and continually reviewing IEPs	1 psychologist
Total Special Education Staffing	8.1 positions



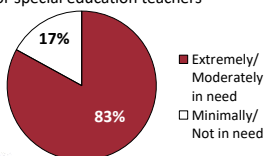
Special Education Teachers

Odden and Picus Evidence-Based Model	APA Recommendations
<ul style="list-style-type: none"> Census-Based Funding High Cost (100% Reimbursement with limit of 2% of district enrollment) 	<ul style="list-style-type: none"> Pull Special Education out of Matrix Weighted Funding System



Special Education Teachers

Majority of superintendents report more funding is needed for special education teachers



“Need more funding for sped students. We have had more and more students move in that are sped and now we are 20 percent sped population and its costing more and is no way equal...”



Instructional Facilitators

Matrix Line	2021 Per Pupil Amount	2021 Total Amount
Instructional Facilitators	\$342	\$163,092,801

Instructional Facilitators

2021 Matrix Teacher-Student Ratio	District Ratio (FTEs All Funds)	Charter Ratio (FTEs All Funds)	Evidence-Based Model*
2.5:500	2.4:500	1.7:500	2.25:450 elementary and middle schools 3:600 high schools

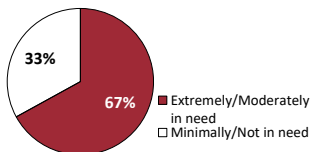
Past Studies and Research Findings

Nearly all improving schools provide resources to fund instructional coaches to not only design the instructional program, but to work with school-based data teams and provide the ongoing coaching and mentoring necessary for teachers to improve their practice at scale.

Recommended separating out the resources for assistant principal from the instructional facilitator line item for greater transparency and to allow for consideration of the resources provided separately.

Instructional Facilitators

Majority of superintendents report more funding is needed for instructional facilitators



“We need additional funding to pay specialized coaches to support classroom teachers in data analysis and instructional growth and decisions.”
—Arkansas Principal

Librarian/Media Specialist

Matrix Line	2021 Per Pupil Amount	2021 Total Amount
Librarian/Media Specialist	\$116	\$55,451,552

Librarian/Media Specialist

2021 Matrix Teacher-Student Ratio	District Ratio (FTEs All Funds)	Charter Ratio (FTEs All Funds)	Evidence-Based Model*
.85:500	.97:500	.04:500	1:450 elementary and middle schools 1:600 high school

Past Studies and Research Findings

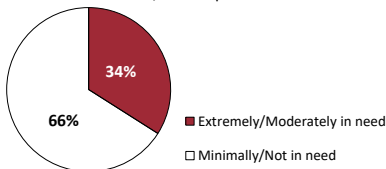
At least 1.0 FTE, which is consistent with research from the National Center for Education Statistics.

Funding is below recommendations of other state adequacy studies, and below state accreditation requirement.

Students with access to full-time licensed librarians perform better on state reading assessments.

Librarian/Media Specialist

Majority of superintendents do not report more funding is needed for librarians/media specialists



Guidance Counselors

Matrix Line	2021 Per Pupil Amount	2021 Total Amount
Guidance Counselors	\$152	\$72,413,204

Guidance Counselors

2021 Matrix Teacher-Student Ratio	District Ratio (FTEs All Funds)	Charter Ratio (FTEs All Funds)	Evidence-Based Model*
1.11:500	1.4:500	.7:500	1:450 grades K-5 1:250 grades 6-12

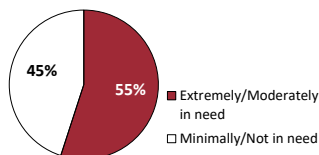
Past Studies and Research Findings

Funding is below resource recommendations for grades 6-12, but slightly above for elementary schools.

1:250 ratio = positive impact on student learning, achievement test scores, and graduation

Guidance Counselors

Majority of superintendents report more funding is needed for guidance counselors



"A high school my size needs more than one counselor if you want the student success plans, areas of study, and post-secondary planning to be effective. The school counselor also is needed to help with students navigating social dilemmas, social media, and family dynamics."
—Arkansas Principal

Nurses

Matrix Line	2021 Per Pupil Amount	2021 Total Amount
Nurses	\$92	\$43,708,871



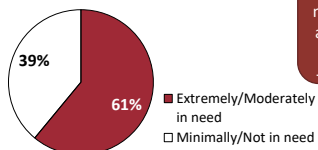
Nurses

2021 Matrix Teacher-Student Ratio	District Ratio (FTEs All Funds)	Charter Ratio (FTEs All Funds)	Evidence-Based Model*
.67:500	1.1:500	.6:500	1:750



Nurses

Majority of superintendents report more funding is needed for nurses



“... when you have medically fragile students, 0.67 FTE nurse for 500 students isn’t adequate to keep students safe.”
—Arkansas Superintendent



Other Pupil Support

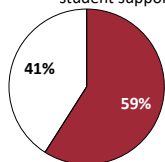
Matrix Line	2021 Per Pupil Amount	2021 Total Amount
Other Pupil Support	\$99	\$46,970,727

Other Pupil Support

2021 Matrix Teacher-Student Ratio	District Ratio (FTEs All Funds)	Charter Ratio (FTEs All Funds)	Evidence-Based Model*
.72:500	.92:500	.86:500	Discussed under additional funding needs section

Other Pupil Support

Majority of superintendents report more funding is needed for other student support



- Extremely/Moderately in need
- Minimally/Not in need

Give schools more people and resources to help deal with behavior problems so that teachers can get back to teaching rather than spending half of every teaching moment dealing with misbehaviors. —Arkansas Teacher

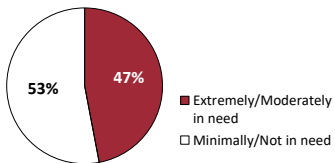
Principals

2021 / 2022/2023 Per Student Amount	2021 Total Amount	2021 Matrix Principal-Student Ratio	Evidence-Based Model
\$198 / \$203 / \$208	\$94,373,255	1:500	1:450 elementary and middle schools; 1 and 1 asst. principal high school



Principals

Majority of superintendents do not report more funding is needed for principals





Principals

- Research shows principals most associated with high student performance when focused on attracting and building talent vs. other chores.
- Found true in Successful Schools interviews

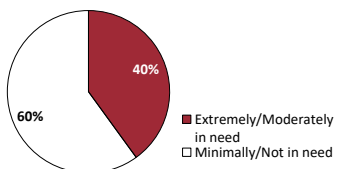


Secretary

2021 / 2022/2023 Per Student Amount	2021 Total Amount	2021 Matrix Secretary-Student Ratio	Evidence-Based Model
\$82 / \$82 / \$84	\$38,921,226	1:500	2:450 elementary and middle schools 3:600 high schools

Secretary

Majority of superintendents do not report more funding is needed for secretaries



School-Level Resources

IN THE MATRIX

School-Level Resources

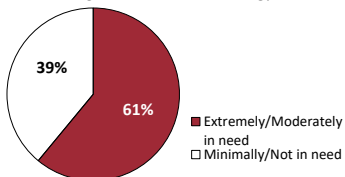
School-Level Resources Matrix Items	2021 Per Pupil Amount
Technology	\$250
Instructional Materials	\$188
Extra Duty Funds	\$66
Supervisory Aides	\$50
Substitutes	\$72
Total	\$626

Technology

2021 / 2022/2023 Per Student Amount	2021 Total Amount	Evidence-Based Model
\$250 / \$250 / \$250	\$119,098,000	\$250 but, if 1-1, \$400

Technology

Majority of superintendents report more funding is needed for technology



Technology

- Survey shows community broadband more of an issue than school broadband
- Research shows students need to be more comfortable working in digital formats as more testing online
- Access to broadband and devices big factor during Covid crisis



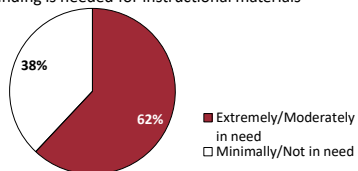
Instructional Materials

2021 / 2022/2023 Per Student Amount	2021 Total Amount	Evidence-Based Model
\$188 / \$193 / \$197	\$89,514,057	\$225: \$170 (instructional) \$30 (library) \$25 (interim assessments)



Instructional Materials

Majority of superintendents report more funding is needed for instructional materials



Instructional Materials

“Our school district has not adopted textbooks in years. Sadly, we used to be one of the premier school districts in Arkansas. We have health teachers who are googling in lieu of appropriate instructional materials including textbooks. No one knows where the money which is supposedly budgeted for instructional materials is being spent.” Arkansas Teacher

Extra Duty Funds

2021 / 2022/2023 Per Student Amount	2021 Total Amount
\$66 / \$68 / \$70	\$31,537,150

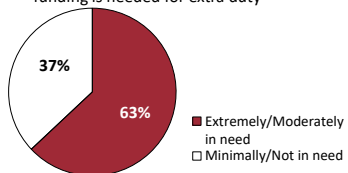
Extra Duty Funds

Research shows:

- No common model exists for allocating state support for student activities.
- Extracurricular activity benefits: better academic performance, reduced dropout, positive school perceptions, and high self-esteem.

Extra Duty Funds

Majority of superintendents report more funding is needed for extra duty



Supervisory Aides

2021 / 2022/2023 Per Student Amount	2021 Total Amount	Evidence-Based Model
\$50/ \$51/ \$53	\$23,819,600	1:225 for elementary and middle; 1:200 for high school

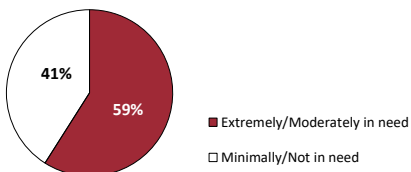
Supervisory Aides

Research shows:

- Needed for lunch duty, hallways, playground
- Should not be used as instructional aides as these aides not shown to benefit achievement

Supervisory Aides

Majority of superintendents report more funding is needed for other supervisory aides



Substitutes

2021 / 2022/2023 Per Student Amount	2021 Total Amount
\$72/ \$74/ \$75	\$34,204,946



Substitutes

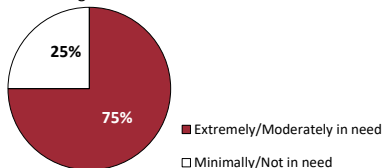
Research shows:

- Many states provide funding for about ten days for each teacher, similar to companies and government providing one sick day per month for employees.



Substitutes

Majority of superintendents report more funding is needed for substitutes



District-Level Resources

IN THE MATRIX

District-Level Resources

District-Level Resources Matrix Items	2021 Per Pupil Amount
Operations & Maintenance	\$706
Central Office	\$439
Transportation	\$321
Total	\$1,466

Operations & Maintenance

Matrix Line	2021 Per Pupil Amount	2021 Total Amount
Operations & Maintenance	\$706	\$336,189,834

Operations & Maintenance

Evidence-Based Model

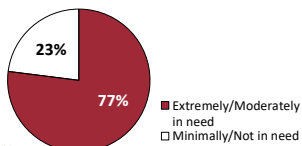
Different formulas for the positions listed below.

- 2.8 Custodians
- 1.0 Maintenance
- 0.82 Groundskeepers

Total: 4.62 M&O personnel salaries for a 500-student prototypical school + \$116.73 per pupil for materials and supplies

Operations & Maintenance

Majority of superintendents report more funding is needed for operations & maintenance



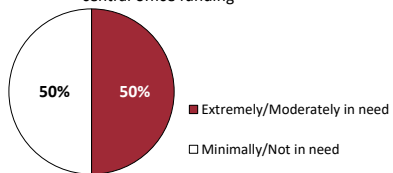
"Please keep in mind that we do not have buildings. We are virtual. We do not have school facilities, only a central office."
-Arkansas Superintendent

Central Office

2021 / 2022/2023 Per Student Amount	2021 Total Amount
\$439 / \$448 / \$457	\$209,040,810

Central Office

Superintendents are split on the need for additional central office funding



Transportation

Matrix Line	2021 Per Pupil Amount	2021 Total Amount
Transportation	\$321	\$153,017,110

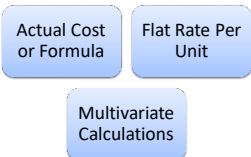
Transportation

Evidence-Based Model

The EB Model doesn't provide a specific dollar amount, but recommends providing aid on a categorical basis based on a defined formula.

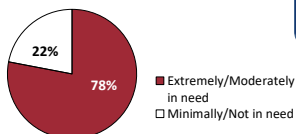
Research Findings

- For many, the school bus is the only means of transportation to and from school, making transportation vitally important for educational opportunity.
- Since 1980, the average cost per-student has increased by 73%.



Transportation

Majority of superintendents report more funding is needed for transportation

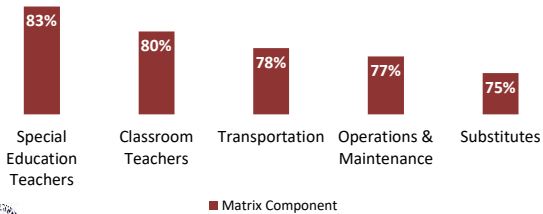


Transportation funding should not be based on per-pupil numbers. -Arkansas Superintendent

Additional Adequacy Funding Needs



Additional Adequacy Funding Needs





Additional Adequacy Funding Needs

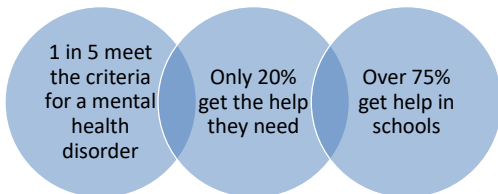
Resource Component Needs
Mental Health Services
School Safety/SROs
Dyslexia Support Services
Special Education Support
Preschool



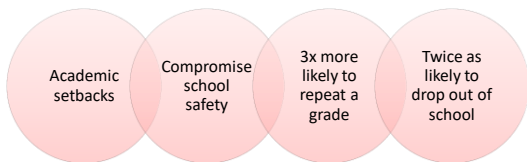
Mental Health



Mental Health Research



Unmet Mental Health Needs



Stakeholder Feedback

Family access to mental health professionals, who work beyond the scope of school counselors, is a critical need in this rural school- mental health affects students' behavior, achievement, and self-esteem, and it provides sorely needed resources for a large category of parents who are overwhelmed. -Arkansas Principal

"The number of students requiring behavioral or mental health services is growing astronomically. A guidance counselor is not equipped to provide the level of services that is currently needed by public schools. This area has been neglected in our state and the needs are immense" -Arkansas Superintendent

"We need mental health resources in our schools. We can't teach students who are wallowing in depression." -Arkansas Teacher

"We must find a way to identify mental health needs and be able to meet those for all students regardless of any other circumstances their families may have. This needs to be a free service to all individuals during school hours funded just like a counselor, but with no other duties attached." -Arkansas Superintendent



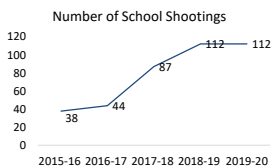
School Safety



School Safety Research

•During the 2019 school year, US public schools experienced an estimated 962,300 violent incidents and 476,100 non-violent incidents.

•Around 71% of public schools experienced at least one violent incident.



Stakeholder Feedback

"Our small school has invested around \$500,000 in school safety over the past two years. This was only possible because we reduced staff, cut in other areas, and had a couple of building projects. If we want our students to be safe, I feel we need dedicated funds that we receive. Small schools are running on tight budgets...but we shouldn't have to sacrifice the safety of our students."
—Arkansas Superintendent

"Why isn't security or SROs in the matrix since we are all placing high value on student safety and security?"
—Arkansas Superintendent

"Funding for the Governor's safety recommendations would help districts create safer learning environment. Schools also need funding for SRO's and our RAVE notification."
—Arkansas Superintendent

Dyslexia

- Screening required
- Dyslexia Interventionist required
- Unfunded mandate

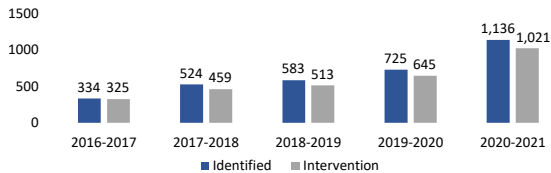


Dyslexia Research

Language-based learning disability or disorder. Most common of all neuro-cognitive disorders.	Children with dyslexia have an unusually difficult time learning how to read.	Estimate as many as 1 in 5 kids has dyslexia 80-90% of kids with learning disorders	Early intervention is critical.
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Dyslexia

Fort Smith School District



Stakeholder Feedback

"We need additional funds to provide dyslexia intervention and other needed intervention for students not performing at grade level." –Arkansas Superintendent

"Only make items mandatory if funding is supporting the requirement. An example is dyslexia law." –Arkansas Principal

"...For example, laws were passed about dyslexia and flagging students with markers for dyslexia, but when it comes down to it, we don't have the money/staff to formally assess them and if they qualify, we don't have the staff on hand for that intervention...so why the need to track students if at the end of the day they will never be properly serviced?" –Arkansas Teacher



Preschool



"Preschool resources and personnel are our communities biggest needs that are not in the matrix." –Arkansas Superintendent

"We need to provide Pre-K to all kids. The state does not fund Pre-K and we do not have the funds to do so. This would make a huge impact for student success." –Arkansas Principal



Preschool Research

Investments in high-quality preschool programs bolster student success.	Estimated return of \$17 for every \$1 invested in preschool.	Less likely to be retained or identified as special needs.	More likely to graduate and earn higher salaries.
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Additional Resources for Students

Core Instructional Program	Per Pupil Resources	Struggling Students
<ul style="list-style-type: none"> Core Tutors 	<ul style="list-style-type: none"> Career and Technical Education Gifted and Talented Education 	<ul style="list-style-type: none"> Tutors Pupil Support Staff Extended-Day Summer School ESL Programs

Research: Success Strategies

Effective Instructional Strategies and Programs	Effective School Features
<ul style="list-style-type: none"> Pre-K programs Full-day kindergarten Small class sizes Tutoring Extended learning time Effective social/emotional learning programs 	<ul style="list-style-type: none"> Effective leadership High-quality teacher workforce High-quality curricula and instructional practices High expectations for <u>all</u> students Strong school culture, with close relationships between staff, students, and families Ample opportunities to learn and relearn content (before/after school, summer school, etc.)

Stakeholder Feedback

"Arkansas needs to develop a quality vocational education program for the public schools. The state also needs to provide more basic instructional courses for students who have fallen behind their grade level achievement. It would also be a good idea to stop promoting elementary age students who cannot read and do math at their grade level. A good summer school program with actual teachers, small classes, and more individual instruction should be set up so that these students are not sent to high school not knowing how to read or do basic math." -Arkansas Teacher

"Funding needs to be available to have staff provide interventions for struggling learners for all schools." -Arkansas Principal

"Students and communities are hurting and we desperately need real support. Schools are expected to resolve all societal woes, but with little support outside a schooling system... Our communities and our children are hurting and schools need enhanced supports and parental/community accountability." -Arkansas Principal

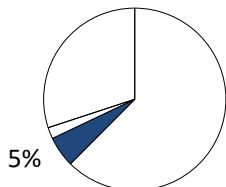


Categorical Funding



Categorical Funding

All Funding





Alternative Learning Environment

2021 / 2022/2023 Per ALE FTE Amount	2021 Total Amount	Evidence-Based Model
\$4,700 / \$4,794 / \$4,890	\$30,866,787 1:15 Teacher-FTE Student Ratio	1.0 FTE Asst. Principal 1:7 (preferred) 1:15 (maximum) Teacher-Student Ratio



Enhanced Student Achievement

2021 / 2022/2023 Per ESA Student Amount	2021 Total Amount	Research-Based Recommendation
<70%: \$526 / \$532 / \$538	\$236,505,233	Weight of 20% more than regular student funding
70%-90%: \$1,051 / \$1,063 / \$1,076		
>90%: \$1,576 / \$1,594 / \$1,613		



Enhanced Student Achievement

Translated to weights:

- \$526 = 7% more
- \$1,051 = 15% more
- \$1,576 = 22% more



Professional Development

- 1. Districts and Charters → Professional Development for Teachers and Staff
- 2. AETN → ArkansasIDEAS
- 3. Solution Tree → Professional Learning Communities

Professional Development

2021 / 2022/2023 Per Student Amount	2021 Total Amount	Evidence-Based Model
Total: \$36* / NA/ NA	Total: \$19,908,071 Districts: \$17,163,721 AETN: \$2,744,350	\$125 per student

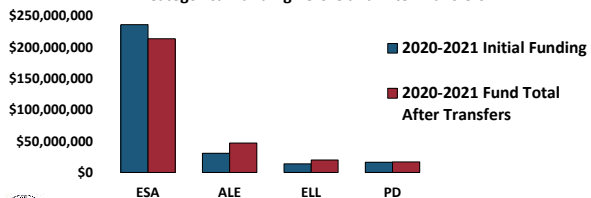
Statute requires that professional development funding equal to an amount of up to \$40.80 per student.

Professional Development

“More funding for Professional Development. What we currently receive is totally inadequate.”
- Arkansas Superintendent, 2021

Transfers

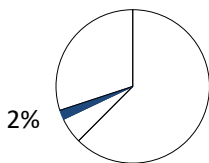
Categorical Funding Before and After Transfers



Supplemental Funding

Supplemental Funding

All Funding



Isolated and Special Needs Isolated

2021 Total Amount
\$10,895,977



Isolated and Special Needs Isolated

Districts with low enrollment or geographic challenges, such as rugged road systems and/or low-student density.

Isolated Funding Special Needs Isolated Funding Special Needs Isolated - Transportation

Special Needs Isolated - Small District



Isolated and Special Needs Isolated

- Isolated Funding**
- Long distances
 - Low student density of bus riders
 - High number of square miles
 - Low proportion of hard-surfaced roads
 - Geographic obstacles
 - ADM less than 350 students

2021: 14 Districts

Funding: Funding Amounts Set in Statute



Isolated and Special Needs Isolated

1.

Isolated Funding
\$7.9 million

\$2.2 million



14 Districts

Isolated Funding
\$5.6 million



Isolated and Special Needs Isolated

Special Needs Isolated Funding

- Consolidated or annexed due to Public Education Reorganization Act of 2003
- Consolidation or annexation with other district is not feasible
- Meets other isolated school/district requirements

2021: 26 Districts

Funding: 20%, 15%, 10%, or 5% of foundation funding rate



Isolated and Special Needs Isolated

Special Needs Isolated Funding – Small District

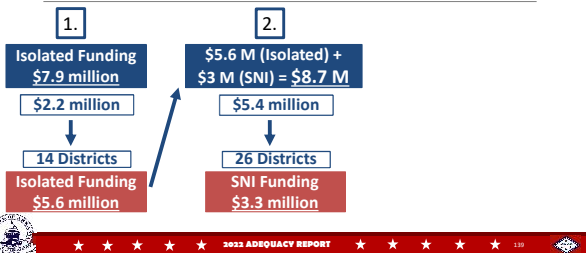
- 5% foundation funding rate category
- May not contain isolated schools
- ADM less than 500
- Low student density

2021: 14 Districts

Funding: 5% of foundation funding rate



Isolated and Special Needs Isolated



Isolated and Special Needs Isolated

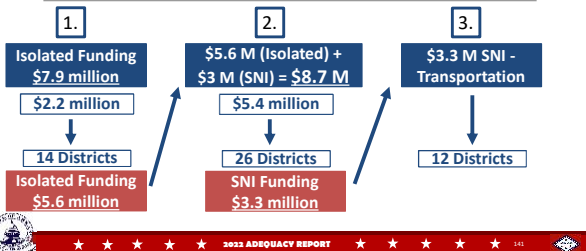
Special Needs Isolated - Transportation

- Districts qualifying for 20%, 15%, 10% categories of SNI funding

2021: 12 Districts

Funding: Equal, Flat Amounts Based on Available Funds

Isolated and Special Needs Isolated



Isolated and Special Needs Isolated

Other States' Isolated/Small District Funding	
Funding Mechanisms <ul style="list-style-type: none"> Weighted Resource-Allocation Inclusion in Transportation Funding 	Funding Criteria <ul style="list-style-type: none"> Travel Times Geographic Barriers Student Density Teacher Ratios Class Size Overall Student Enrollment

Student Growth

2021 Total Amount
\$29,536,568

Student Growth

Year	Districts that Received Student Growth Funding	Total Student Growth Funding: Districts	Charters that Received Student Growth Funding	Total Student Growth Funding: Charters
2017	101	\$28,562,548	8	\$5,420,593
2018	117	\$25,702,411	6	\$2,920,878
2019	110	\$20,644,366	7	\$3,422,676
2020	101	\$21,524,794	7	\$4,795,253
2021	103	\$11,656,740	11	\$17,879,828

Student Growth

	District Enrollment	Charter Enrollment	Combined Enrollment
2020	456,200	19,134	475,334
2021	446,707	22,844	469,551

Student Growth

- Other Approaches**
- Fund based on current year enrollment
 - Additional funding based on percentage of growth in the current year
 - Additional funding based on average of growth over a period of years

Declining Enrollment

2021 Total Amount
\$14,681,796

Declining Enrollment

2021 Districts Receiving Declining Enrollment Funding	2021 Total Declining Enrollment Funding: Districts	2021 Charters Receiving Declining Enrollment Funding	2021 Total Declining Enrollment Funding: Charters
110	\$14,305,210	3	\$326,337

Declining Enrollment

- Other Approaches**
- Hold harmless provisions
 - Small district subsidies
 - Minimum allotments for categorical funding
 - Declining enrollment funding based on different formula (average of student counts over multiple years, based on percentage of loss)

Enhanced Student Achievement Grants

2021 / 2022/2023 Total Amount
 \$5.3 million / \$5.3 million / \$5.3 million

Special Education High Cost Occurrences

2021 / 2022/2023 Total Amount
 \$13.02 million / \$13.5 million / \$14.99 million

Special Education High Cost Occurrences

Reimbursement Calculation - Old	Reimbursement Calculation - Current
<ul style="list-style-type: none"> Reimbursed 100% of first \$15,000/student Reimbursed 80% of \$15,000 - \$50,000/student Reimbursed 50% of \$50,000 - \$100,000/student Dependent on funding available 	<ul style="list-style-type: none"> District responsible for 100% of first \$15,000/student Reimbursed 100% of \$15,000 and \$65,000/student Reimbursed 80% of \$65,000 and \$100,000/student Dependent on funding available

Special Education High Cost Occurrences

	Total Eligible Claims	Max Reimbursement of Claims	Total Funding Provided	% of Calculated Funds Received	Unfunded Amount of Claims
2017	\$32.5 M	\$29.9 M	\$11 M	36.8%	\$21.5 M
2021	\$38.8 M	\$15.6 M	\$13.02 M	83.7%	\$25.7 M

Enhanced Transportation

2021 / 2022/2023 Total Amount
\$5 million / \$6 million / \$7.2 million

Additional Professional Development

3. Solution Tree → Professional Learning Communities

2021 / 2022/2023 Total Amount
\$12.5 million / \$14.5 million / \$16.5 million

Additional Professional Development

	2018	2019	2020	2021	Cumulative (2021)
Participating Districts and Schools	10	20	32	33	43
PLC Std. Enrollment as % of Statewide Std. Enrollment	1%	3%	4%	4%	6%
Total Solution Tree Funding	\$4 Million	\$8.5 Million	\$12.5 Million	\$12.5 Million	\$37.5 Million
Total PD Funding	\$20 Million	\$24 Million	\$28 Million	\$32 Million	\$120.5 Million

Teacher Salary Equalization

2021 /2022 /2023 Total Amount
\$0 / \$25 million / \$25 million

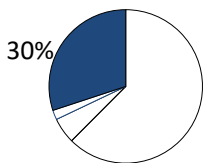


Other Local, State and Federal Funding



Other Funding

All Funding





Other State Funding

2020 Amount
\$257,781,719

Uses of Other State Funding

- Adult Education
- Gifted and Talented
- Special Education
- Health Services
- Educator/Leadership Training

Federal Funding

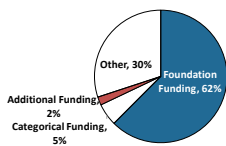
2020 Amount
\$594,388,632

Uses of Federal Funding

- Special Education
- Title I
- English Language Learners
- Career and Technical Education

Arkansas's Funding System

All Funding



Today's Major Take-Aways

- Bulk of schools' funding provided through "foundation funding" (matrix).
- Almost 40% of schools funding comes from sources other than foundation.
- Research and educators point to other resources that are important for providing an adequate education but aren't specified in the matrix.
- Issues with the matrix itself important to understand.
 - **500-member school** critical to efficiency and achievement



Survey Response

"For the first time in seventeen years in education, I feel like my school is receiving the money necessary to fully operate and meet legislative mandates. Unfortunately, the funds we are receiving must be tied to COVID-19 procedures and learning loss and will not last beyond the pandemic. I implore any legislator who reads this to please continue to fund our public schools they way they have been during this pandemic. We know better than ever how essential public education is to the well-being of our children. Let's give every child the very best education possible." –Arkansas Principal



TOMORROW

How does funding compare with actual spending patterns?



Questions or To Do's

FUNDING

