

MINUTES
JOINT MEETING
OF THE
HOUSE AND SENATE INTERIM COMMITTEES ON EDUCATION
ADEQUACY

Monday, October 8, 2012
10:00 A.M.
Room 171, State Capitol
Little Rock, Arkansas

Senator Jimmy Jeffress, the Chair of the Senate Interim Committee on Education, called the meeting to order at 10:00 a.m.

MEMBERS OF THE SENATE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Senator Jimmy Jeffress, Chair; Senator Mary Anne Salmon, Vice Chair; Senator Gilbert Baker; Senator Joyce Elliott; Senator Kim Hendren; and Senator Johnny Key.

MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative Johnnie Roebuck, Vice Chair; Representative Duncan Baird; Representative Les Carnine; Representative Ann Clemmer; Representative Robert Dale; Representative Jody Dickinson; Representative Jane English; Representative Debra Hobbs; Representative Karen Hopper; Representative Donna Hutchinson; Representative Tracy Steele; Representative Randy Stewart; Representative Tim Summers; and Representative Tommy Wren.

NON-VOTING MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative John Catlett; Representative Gary Deffenbaugh; Representative Andrea Lea; Representative Homer Lenderman; Representative Tiffany Rogers; and Representative Garry Smith.

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Jack Crumbly; Senator Stephanie Flowers; Senator Randy Laverty; Senator Eddie Joe Williams; Representative Tommy Lee Baker; Representative Efre Elliott; Representative Buddy Lovell; Representative Reginald Murdock; Representative Mike Patterson; and Representative Jeff Wardlaw.

Senator Jimmy Jeffress announced that the Committees would discuss Item B on the agenda.

Discussion of Economic Adjustments to the Funding Matrix

Mr. Richard Wilson, Assistant Director, Research Services, Bureau of Legislative Research, was recognized. Mr. Wilson, utilizing a handout that contained Moody's Analytics and Global Insight inflationary adjustments, discussed with the Committees the methodology for calculating the inflationary adjustments for the Adequacy Report. Mr. Wilson stated that funding for K-12 education can be altered in a number of ways: reviewing the components of the Matrix, changing its structure, or by reviewing inflationary adjustments for the Matrix as whole or for its components.

Mr. Wilson stated that both the Moody's and Global Insight inflationary projections were in agreement on most components, with the exception of energy. Mr. Wilson went on to discuss the historical process used by the Committees for inflationary adjustments to the Matrix, the potential financial impact of the

proposed adjustments the Committees have under consideration, and the historical accuracy of the inflationary adjustment process.

Ms. Cheryl Reinhart, Staff Attorney, Legal Division, Bureau of Legislative Research, and **Mr. Scott Richardson**, Assistant Attorney General, Office of the Attorney General, were recognized, and discussed the legal background and issues associated with the inflationary adjustment(s) to the Matrix.

In the discussion that followed, members of the Committees covered the following topics:

- impact of inflationary numbers on rural schools if low number is selected opposed to a higher number,
- impact of local districts' income on the Matrix,
- applying expert projections to the Matrix to provide adequate funding,
- dilution of purchasing power,
- budgetary priority of educational funding,
- definition of an adequate and equitable education, and provision for an equal educational opportunity for all students,
- judicial oversight of the General Assembly's action regarding the funding of public education,
- fiscal impact of the state's release from the Pulaski County Special School District Desegregation Settlement Agreement,
- inflationary adjustments during fiscal sessions, and
- mechanisms for ensuring that teachers, principals, and administrators are performing adequately.

Senator Jeffress thanked Mr. Wilson, Ms. Reinhart, and Mr. Richardson for their remarks.

Discussion of Process for Completing the Adequacy Report

Senator Jeffress advised the members that the draft report would be discussed at the Committees' next meeting. He encouraged them to review the draft report to ensure that they are prepared to participate in the discussion. He noted that final decisions on adequacy will be made during the 89th General Assembly.

The Honorable Johnny Key, State Senator, District 1, was recognized, and posed the following questions regarding any structured evaluation(s) of the programs offered under the National School Lunch Act (NSLA) Categorical Funding (*aka Poverty Funding*):

- Has the Arkansas Department of Education (ADE) done any research that shows what programs work and what concentration of poverty is the tipping point?
- Can ADE provide anything that is evidenced-based to inform the Committees of what changes need to be made?
- Can the Committees give ADE an official request for this information?

Senator Key, noting that the Committees do not need to be "prescriptive" from the standpoint of information that should be included in the Adequacy Report, made the following motion concerning NSLA funding for the 2012 Adequacy Report:

I move that the House and Senate Interim Committees on Education request from Arkansas Department of Education any data or studies on the effectiveness of programs funded with NSLA funding for possible inclusion in the 2012 Adequacy Report.

In the discussion that followed, members of the Committees covered the following topics:

- purpose of NSLA funding,
- efficacy of districts' programs,
- best methodology for evaluating the programs, and
- use of the expertise of Dr. Brent Benda, Senior Research Specialist, Research Staff, Bureau of Legislative Research, to explore evaluation methodologies.

Senator Jeffress stated the Committees have to submit the Adequacy Report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives, with a copy to Governor Mike Beebe, by November 1st. **Mr. Mark Hudson**, Senior Legislative Analyst, Bureau of Legislative Research, was recognized, and informed members that a draft of the Adequacy Report was statutorily required to be published fourteen (14) days prior to the November 1st deadline for public review.

The Honorable Joyce Elliott, State Senator, District 33, was recognized. Senator Elliott offered an amendment to Senator Key's motion as follows:

I move that the Arkansas Department of Education (ADE) be requested to work with Dr. Brent Benda, Senior Research Specialist, Research Staff, Bureau of Legislative Research, to explore the use of a methodology for evaluating the impact of various NSLA funded interventions and to furnish a report to the House and Senate Interim Committees on Education by November 30, 2012. This report should also include a chart showing the NSLA fund balances for school districts as of June 30, 2012.

Senator Jeffress accepted Senator Elliott's amended motion. Senator Mary Anne Salmon seconded the amended motion. The motion was adopted by a voice vote.

Other Business

The Honorable Debra Hobbs, State Representative, District 96, was recognized, and requested the following information:

- How much has the education line increased in dollar amounts since 2003 with the results in achievement?
- Will each school district be penalized the \$3,000 per employee if the teachers opt into the State Health Care Exchange Partnership?

The Honorable Tracy Steele, State Representative, District 39, was recognized. Representative Steele requested that the Arkansas Department of Education report to the Committees at a future meeting regarding the implementation of legislation requiring social workers in schools.

Senator Jeffress directed staff to assist Representative Hobbs and Representative Steele with their requests.

Senator Jeffress announced that the next joint meeting of the House and Senate Interim Committees on Education is scheduled for Monday, October 15, 2012, at 1:00 p.m. in Room 151 of the State Capitol.

There being no further business, the meeting adjourned at 11:47 a.m.

Approved: 12/10/12