EXHIBIT C5

MEETING SUMMARY

JOINT MEETING
OF THE
HOUSE AND SENATE INTERIM COMMITTEES ON EDUCATION

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

Representative Eddie Cheatham, the Chair of the House 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 Gene Jeffress; and Senator Johnny Key.

MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative Eddie Cheatham, Chair; Representative Johnnie Roebuck, Vice Chair; Representative Toni Bradford; Representative Les Carnine; Representative Ann Clemmer; Representative Jody Dickinson; Representative Jane English; Representative Debra Hobbs; Representative Bobby Pierce; Representative Randy Stewart; and Representative Tim Summers.

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

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Missy Irvin; Senator Jason Rapert; Senator Eddie Joe Williams; Representative Jonathan Barnett; Representative John Burris; Representative Jon Eubanks; Representative Lane Jean; Representative Bryan King; Representative Sheilla Lampkin; and Representative Uvalde Lindsey.

MEMBERS-ELECT OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator-Elect Alan Clark; Senator-Elect Jimmy Hickey, Jr.; Representative-Elect Charles Armstrong; Representative-Elect Charlotte Douglas; and Representative-Elect Mark Lowery.

Minutes:
Without objection, the minutes of October 1, 2012, October 8, 2012, and October 15, 2012, were approved as written.

Exhibits:
Exhibit C1 – 10/01/12 Minutes
Exhibit C2 – 10/08/12 Minutes
Exhibit C3 – 10/15/12 Minutes

Representative Cheatham recognized the members-elect, and requested that they stand and introduce themselves.

Reports from Members Who Attended Recent Meetings Concerning Public or Higher Education

Presenter & Synopsis:

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The Honorable Johnnie Roebuck, State Representative, District 20, was recognized. Representative Roebuck discussed the recent regional work group of the Southern Regional Education Board (SREB), *Straightening Pathways to Increase College Completion,* held in Baltimore, MD. She said the agenda had been jam-packed with good information, and noted that the documents distributed to members included data that could be used as a blueprint moving forward to the next session. She said that Arkansas had been well-represented at the meeting by Senator Jimmy Jeffress, Representative John Catlett, and Representative Sheilla Lampkin.

Contributors to the Discussion:
The Honorable Johnny Key, State Senator, District 1
The Honorable Sheilla Lampkin, State Representative, District 10
The Honorable John Catlett, State Representative, District 61

Handouts:
SREB 2012 Arkansas Progress Report
SREB Challenge to Lead 2020, Goals for Education

Presenter & Synopsis:
The Honorable Joyce Elliott, State Senator, District 33, was recognized. Senator Elliott discussed a recent meeting of the National Conference of State Legislatures (NCSL) held in Washington, DC. She said it was the first meeting at which she had assumed duties as co-chair of the Education Committee along with State Senator Luther Olsen of Wisconsin. She described workshops on two major issues: partnerships on jobs and teacher effectiveness. She described the pairing of all meeting participants with someone from the private sector to lobby on "The Hill" and talk with legislators. Senator Elliott met with U.S. Senator John Boozman (R-AR) and U.S. Senator Mark Pryor (D-AR). She additionally discussed the Marketplace Fairness Act and other topics covered in sessions.

Senator Elliott related that she had also attended the National Black Caucus of State Legislators (NBCSL) in Washington, DC, and described a plenary session which focused on the disproportionate effect on African American males when education fails.

The Honorable Jimmy Jeffress, State Senator, District 24, and Chair of the Senate Interim Committee on Education, was recognized. Senator Jeffress said he would be leaving the General Assembly in about three weeks, ending a sixteen-year career in the legislature. He commented on his great experience as a legislator and challenged everyone coming back on the joint House and Senate Education Committees to continue pushing forward to achieve a better educational system. He requested that the following legislators who are also subject to term limits be recognized: Senator Mary Anne Salmon, Representative Tim Summers, Representative Randy Stewart, Representative Johnnie Roebuck, Representative Toni Bradford, Representative Garry Smith, and Representative Tiffany Rogers.

Review of the Arkansas Supreme Court's Decision in *Kimbrell v. McCleskey*

Presenter & Synopsis:
Mr. Scott Richardson, Senior Assistant Attorney General, Office of the Attorney General, was recognized. Mr. Richardson provided background on the *Kimbrell v. McCleskey* case. He clarified that the case had to do with the Uniform Rate of Tax (URT) levied by Amendment 74, and with the fact that a few school districts began to collect more URT revenue in SY2010-11 than they were allotted under the foundation funding system. He said that when the Arkansas Department of Education (ADE) tried to recuperate what it anticipated would be an overpayment of foundation funding by the end of SY2010-11, the districts sued to say the Constitution does not compel that result in the statutes on which the ADE relied, and did not allow for the recoupment of these funds. The Supreme Court (Court) agreed with the school districts, and has provided that the Constitution does allow them to be funded beyond foundation funding based on their local property wealth. Mr. Richardson stated the

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opinion raises questions going forward about how this case interacts with prior opinions of the Court. The ADE is working on a petition for a rehearing in the case because of questions about the equal protection provisions of the Constitution and how that continues to interact with this legislature's authority in this area, and because of the need for additional clarifications.

Issues Included in the Discussion:

- petitioning the Court regarding the opinion,
- insight into the opinions of the justices,
- the recent phenomenon of going over the foundation funding amount,
- remedies suggested by the Court,
- the Court's reliance on the Constitution and on statutes already in place, particularly on Ark. Code Ann. 26-80-101 in the taxing code, for the ruling,
- Ark. Code Ann. 26-80-101 and revenue the URT produced for school districts compared to the foundation funding allocation made by the General Assembly,
- current number of school districts receiving URT collections in excess of foundation funding,
- 2004 amendment of the statute,
- the understanding, prior to the Court ruling, that the equal protection provisions of the Constitution provided a range within which school districts could not exceed foundation funding; substantially equal opportunities had to be provided to all students throughout the state,
- the Academic Facilities Wealth Index and the state helping those school districts that can't get local revenue up so as to have substantially equal facilities as those of other school districts, and
- projections that other school districts will have to return funds to the state.

Exhibit:
Exhibit E – *Kimbrell v. McCleskey* Opinion

Handout:
List of School Districts and Local Revenue Amounts

Review of the Arkansas Department of Education's Proposed Repeal of Arkansas Department of Education Rules Governing Waivers for Substitute Teachers Referred by the Administrative Rules and Regulations Subcommittee of the Arkansas Legislative Council

Presenter & Synopsis:
Mr. Mark White, Staff Attorney, Arkansas Department of Education, was recognized, and briefly reviewed additional changes to the proposed rules.

Issues Included in the Discussion:

- contention points from the discussion at the previous meeting, and
- provision for certification of substitute teachers.

Relevant Actions:
The Honorable Bobby Pierce, State Representative, District 19, was recognized, and made a motion that the proposed rule, *Repeal of Arkansas Department of Education Rules Governing Waivers for Substitute Teachers*, had been reviewed by the Committees, and would be sent back to the Administrative Rules and Regulations Subcommittee of the Arkansas Legislative Council. The motion was seconded by Representative John Catlett. *The motion was passed without objection.*

Exhibit:
Exhibit F – Repeal of ADE Rules Governing Waivers for Substitute Teachers

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Review of Issues Associated with Categorical Funding

Presenters & Synopses:
Mr. Richard Wilson, Assistant Director, Research Services, Bureau of Legislative Research, was recognized, and introduced the presentation. He suggested that National School Lunch Act (NSLA) Funding be a major topic of the next series of adequacy studies.

Dr. Brent Benda, Senior Research Specialist, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Accompanied by a PowerPoint presentation, Dr. Benda discussed the Bureau of Legislative (BLR) report, *The Relationship Between NSLA Funding and Expenditures, and Measures of Student Performance.* He noted that, when looking at the relationship between funding and student performance, the extraneous factors which come into play and influence achievement besides NSLA funding had been included. Dr. Benda walked the Committees through the report, concluding with alternative ways of interpreting the findings.

Contributors to the Discussion:
Ms. Nell Smith, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research
Ms. Cheryl Reinhart, Staff Attorney, Legal Division, Bureau of Legislative Research

Issues Included in the Discussion:
- correlation of data between the component on NSLA of Adequacy Study and the report,
- involvement of low-income parents in discussions,
- dilution of effect caused by funds being scattered,
- difference between overall education funding and policy changes since 2004-05, and those impacts as compared to strictly NSLA,
- positive changes within cohorts,
- allowing NSLA funds to be applied for like a grant,
- evaluation of school districts and accountability on use of funds,
- school districts required by statute to report use of NSLA funds,
- inconsistencies in school districts' coding for reporting,
- NSLA and Title 1,
- interpreting the data to figure out what is working, and
- distribution of per student funding to close the achievement gap.

PowerPoint Presentation:
The Relationship between NSLA Funding and Expenditures, and Measures of Student Performance

Handout:
The Relationship between NSLA Funding and Expenditures, and Measures of Student Performance *(hard copy of PowerPoint presentation)*

Review of the Implementation of Act 1228 of 2011, AN ACT TO PROVIDE FOR HUMAN SERVICES WORKERS IN THE SCHOOLS

Representative Cheatham requested that the ADE submit a written report on Act 1228 to each Committee member.

Exhibit:
Exhibit H – Act 1228 *(HB 2125)*

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Discussion of Interim Study Proposal (ISP) 2011-189 by Representative Roebuck, TO STRENGTHEN THE SCHOOL IMPROVEMENT PROCESS AFTER A SCHOLASTIC AUDIT IS PERFORMED

Presenters & Synopsis:
The Honorable Johnnie Roebuck, State Representative, District 20, was recognized to introduce an overview of the ISP. She encouraged school districts to use the scholastic audit to improve student achievement.

Ms. Nell Smith, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Ms. Smith began with a description of a scholastic audit, including struggling schools required to participate, producers, teams of evaluators, costs, and the standards on which schools are assessed. Ms. Smith also related the purpose for the ISP which was to explore concerns about the scholastic audit process. She described some of the findings and several solutions proposed by stakeholders.

Issues Included in the Discussion:
- ✓ daily compensation for audit team members,
- ✓ teachers' concerns about being located outside the classroom during an audit, and
- ✓ increasing the pool of auditors.

Exhibit:
Exhibit I – Interim Study Proposal (ISP) 2011 189

Handout:
Bureau Brief, Scholastic Audit, Interim Study Proposal 2011-189

Next Scheduled Meeting:
Representative Cheatham announced that this had been the final joint meeting of the House and Senate Interim Committees on Education. He thanked Representative Johnnie Roebuck, House Vice-Chair, Senator Jimmy Jeffress, Senate Chair, and Senator Mary Anne Salmon, Senate Vice-Chair.

Adjournment:
The meeting adjourned at 12:24 p.m.

Approved: 06/10/13