

MEETING SUMMARY

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

**Monday, June 10, 2013
10:00 A.M.**

**Room A, MAC Building
Little Rock, Arkansas**

Senator Johnny Key, 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 Johnny Key, Chair; Senator Eddie Cheatham; Senator Alan Clark; and Senator Jason Rapert.

MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative James McLean, Chair; Representative Ann Clemmer, Vice Chair; Representative Charles Armstrong; Representative Les Carnine; Representative John Catlett; Representative Bruce Cozart; Representative Robert Dale; Representative Jody Dickinson; Representative Charlotte Vining Douglas; Representative Jon Eubanks; Representative Debra Hobbs; Representative Sheilla Lampkin; Representative Homer Lenderman; Representative Mark Lowery; Representative James Ratliff; and Representative Brent Talley.

NON-VOTING MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative Randy Alexander; Representative Harold Copenhaver; Representative Jim Dotson; Representative Justin Harris; Representative Fredrick Love; Representative Stephen Meeks; and Representative Chris Richey.

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Linda Chesterfield; Senator Jonathan Dismang; Senator Jane English; Senator Missy Irvin; Senator Bryan King; Senator Eddie Joe Williams; Senator Jon Woods; Representative Jonathan Barnett; Representative Ken Bragg; Representative David Branscum; Representative Bill Gossage; Representative Kim Hammer; Representative Mary Hickerson; Representative John Hutchison; Representative David Kizzia; Representative Micah Neal; Representative Sue Scott; Representative Nate Steel; Representative John Vines; Representative Wes Wagner; Representative Butch Wilkins; and Representative Marshall Wright.

Minutes:

Without objection, the minutes of October 29, 2012, November 26, 2012, December 10, 2012, March 7, 2013, and March 28, 2013, were approved as written.

Exhibits:

- Exhibit C1 – 10/29/12 House Higher Education Subcommittee Minutes
- Exhibit C2 – 10/29/12 Joint Education Minutes
- Exhibit C3 – 11/26/12 Joint Education Minutes
- Exhibit C4 – 11/26/12 House Early Childhood Subcommittee Minutes
- Exhibit C5 – 12/10/12 Joint Education Minutes
- Exhibit C6 – 03/07/13 Joint Education Minutes – General Session
- Exhibit C7 – 03/28/13 Joint Education Minutes – General Session

Senator Key welcomed the new House Non-Voting Members to the meeting. He commented on the contents of a letter from the Arkansas Department of Education (ADE) concerning the Mineral Springs School District that had

been distributed to members for reference. He noted that Act 1412 of 2013 requires the ADE to notify the Committees when it is taking action of the type described in the letter.

Handout:

Notice Pursuant to Act 1412 of 2013 (Mineral Springs School District), ADE letter dated May 30, 2013

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

Presenter & Synopsis:

The Honorable Ann Clemmer, State Representative, District 23, and Vice Chair of the House Interim Committee on Education, was recognized. Representative Clemmer spoke about a meeting she had recently attended on college readiness. She shared notes from discussions on shifting the emphasis from earning four-year degrees toward career readiness and on giving a good definition to the meaning of career readiness. She said discussions also took place on assessing teachers and on models of effective teaching. She said pertinent handouts and links to websites would be forwarded to members.

Discussion of Interim Meeting Dates for the Committees

Senator Key commented on the preliminary 2013 and 2014 meeting schedule for the Education Committees. He stated that the Committees would have a very active agenda once into Adequacy. He said upcoming discussions would include the Common Core State Standards Initiative, the Arkansas Health Education Grant Program (ARHEG), and various Interim Study Proposals.

Exhibit:

Exhibit F – Schedule of Committee Meetings for 2013 and 2014, Memo dated June 10, 2013

Update on Scholarship Awards by the Arkansas Department of Higher Education (ADHE)

Presenter & Synopsis:

Mr. Shane Broadway, Interim Director, Arkansas Department of Higher Education, was recognized (*via call-in*). Mr. Broadway walked members through the ADHE documents included in their packets, and discussed the Arkansas Academic Challenge Scholarships—Applications by County, the Projected Costs and Awards of the Academic Challenge Scholarship Program for Academic Year 2013, and the Funding Trends 2000-2014 of the Higher Education Grants Fund. He concluded with budget projections for FY2014 and projected 2014 costs for award levels of ADHE financial aid programs. He noted that a description of each ADHE college financial assistance program was included in members' packets.

Contributor to the Discussion:

Mr. Harold Criswell, Interim Deputy Director, Arkansas Department of Higher Education

Issues Included in the Discussion:

- number of students who found out online that they qualified for more than one program, and the associated funding,
- slots awarded for grants which lack funding,
- use of “rainy day” funds,
- clarification of terminology: dental aid, dental loans, and optometry, and associated differences in administration,
- pipeline awards,

- category for military dependents,
- explanation of the shortfall,
- prioritizing the programs for funding,
- monitoring a student's senior-year curriculum, and
- need for counselors to follow-up on applications for scholarships.

Handouts:

ADHE Higher Education Grants Fund, Funding Trends 2000-2014
ADHE Higher Education Grants Fund, Revenues FY2006-FY2014
ADHE Financial Aid Programs, Projected FY2014 Budget
ADHE Higher Education Grant Fund, Projected 2014 Costs for Award Levels
ADHE Academic Challenge Scholarship Program, 2013 Update
ADHE Arkansas Academic Challenge Scholarships, Applications by County
ADHE College Financial Assistance Programs

Senator Key announced that there would be a deviation from the agenda, and the Committees would next take up Item I.

Preliminary Discussion of Act 107 of 2013, TO REQUIRE A STUDY OF THE READINESS AND CAPABILITIES OF PUBLIC SCHOOLS FOR PREVENTING AND RESPONDING TO ACTS OF VIOLENCE AGAINST STUDENTS AND SCHOOL PERSONNEL AT SCHOOL.

Presenter & Synopsis:

The Honorable Linda Chesterfield, State Senator, District 30, was recognized. Senator Chesterfield spoke about the rationale for putting Act 107 into place, and made comments on the increasing violence seen in public education. She noted that the incident at Sandy Hook Elementary School has had a strong impact on everyone, and has made us more aware of the necessity to provide safe havens in which our children can learn. She wants the study to look at what is being done to make classrooms safe havens for kids in each Arkansas school district from pre-K through grade 12. She said the study should provide information on practices that are already in place and look at best practices that have been adopted elsewhere, with the information compiled into a report ready in 2014.

Exhibit:

Exhibit I – Act 107 of 2013

Senator Key announced that there would be another deviation from the agenda, and the Committees would next take up matters concerning Interim Study Proposals (ISPs).

Consideration and Adoption of Interim Study Proposals (ISPs)

Senator Key noted the Interim Study Proposals (ISPs) being considered by the Committees were for the purpose of adoption only. He said the sponsor of each ISP was responsible for any follow-up. Senator Key requested that members take a moment to review all of the proposals before the Committees for adoption.

Without objection, the motion to adopt for study all nineteen (19) ISPs, was approved.

Exhibits:

Exhibit J1 – Interim Study Proposal 2013-001 by Senator D. Johnson, REQUESTING THE ARKANSAS LEGISLATIVE COUNCIL TO CONDUCT AN INTERIM STUDY TO DETERMINE EFFECTIVE

STRATEGIES TO ENSURE THAT ALL ARKANSAS STUDENTS ARE READING AT GRADE LEVEL BY THE END OF THE THIRD GRADE BY 2020.

- Exhibit J2 – Interim Study Proposal 2013-002 by Representative C. Armstrong, REQUESTING THE INTERIM HOUSE COMMITTEE ON EDUCATION TO CONDUCT A STUDY OF THE BEST PRACTICES FROM PUBLIC CHARTER SCHOOLS IN THE STATE AND IN THE NATION THAT MAY BE IMPLEMENTED IN ARKANSAS SCHOOL DISTRICTS TO IMPROVE THE EFFICIENCY OF THE STATE'S SYSTEM OF PUBLIC EDUCATION AND STUDENT ACHIEVEMENT LEVELS.
- Exhibit J3 – Interim Study Proposal 2013-032 by Representative C. Douglas, AN ACT TO REQUIRE A STUDY CONCERNING SCHOOL DISTRICT SUPERINTENDENT EVALUATIONS; AND FOR OTHER PURPOSES.
- Exhibit J4 – Interim Study Proposal 2013-038 by Representative C. Douglas, TO ALLOW AN INDIVIDUAL SCHOOL DISTRICT TO NEGOTIATE HEALTH INSURANCE COVERAGE; AND TO REQUIRE AN INSURANCE CARRIER TO PROVIDE THE LOWEST RATE AVAILABLE.
- Exhibit J5 – Interim Study Proposal 2013-039 by Representative C. Douglas, TO AMEND THE ARKANSAS CODE CONCERNING SICK LEAVE FOR PUBLIC SCHOOL TEACHERS AND OTHER SCHOOL EMPLOYEES.
- Exhibit J6 – Interim Study Proposal 2013-040 by Representative C. Douglas, TO PROVIDE STATE FUNDING AID FOR STUDENT TRANSPORTATION COSTS OF PUBLIC SCHOOL DISTRICTS; AND TO DECLARE AN EMERGENCY.
- Exhibit J7 – Interim Study Proposal 2013-045 by Representative Lea, TO AMEND TEACHER LICENSURE REQUIREMENTS FOR PUBLIC SCHOOL EARLY CHILDHOOD PROGRAMS.
- Exhibit J8 – Interim Study Proposal 2013-050 by Representative Kizzia, TO AMEND VARIOUS PROVISIONS OF TITLE 6 OF THE ARKANSAS CODE CONCERNING EARLY CHILDHOOD EDUCATION.
- Exhibit J9 – Interim Study Proposal 2013-070 by Representative Hammer, TO AMEND TITLE 6 OF THE ARKANSAS CODE CONCERNING THE USE OF NATIONAL SCHOOL LUNCH FUNDING FOR REMEDIATION IN PUBLIC SCHOOLS.
- Exhibit J10 – Interim Study Proposal 2013-077 by Representative Clemmer, TO AMEND THE ARKANSAS CODE CONCERNING PUBLIC SCHOOL CHOICE FOR STUDENTS WITH DISABILITIES.
- Exhibit J11 – Interim Study Proposal 2013-086 by Representative Dotson, TO AMEND THE MEMBERSHIP OF THE STATE BOARD OF EDUCATION AND REQUIRE THE ELECTION OF STATE BOARD OF EDUCATION MEMBERS.
- Exhibit J12 – Interim Study Proposal 2013-088 by Representative Bragg, TO PROVIDE ADDITIONAL OPPORTUNITIES TO OBTAIN A HIGH SCHOOL DIPLOMA; AND TO ESTABLISH AN ALTERNATIVE HIGH SCHOOL COMPLETION PROGRAM FOCUSED ON A CAREER PATH THROUGH VOCATIONAL-TECHNICAL TRAINING.
- Exhibit J13 – Interim Study Proposal 2013-093 by Representative Hobbs, TO IMPROVE EDUCATION IN THE STATE; TO HELP THE ARKANSAS WORKFORCE EXCEL; AND TO TRANSFER THE DEPARTMENT OF CAREER EDUCATION.
- Exhibit J14 – Interim Study Proposal 2013-104 by Representative Wright, TO CREATE AN EXEMPTION FROM THE FREEDOM OF INFORMATION ACT OF 1967; AND TO KEEP SCHOOLS SAFE AND SECURE.
- Exhibit J15 – Interim Study Proposal 2013-109 by Representative Sabin, TO ADVANCE THE UNDERSTANDING OF PERSONAL FINANCIAL MANAGEMENT AMONG PUBLIC SCHOOL STUDENTS; TO REQUIRE A COURSE IN PERSONAL FINANCE AS A REQUIREMENT OF GRADUATION FROM HIGH SCHOOL.
- Exhibit J16 – Interim Study Proposal 2013-114 by Senator Elliott, THE POSTSECONDARY EDUCATION AND ECONOMIC DEVELOPMENT ACT OF 2013.
- Exhibit J17 – Interim Study Proposal 2013-118 by Senator Key, TO LIMIT STUDENT ATHLETE TRAVEL DURING THE SCHOOL WEEK.
- Exhibit J18 – Interim Study Proposal 2013-139 by Senator Key, TO LIMIT STUDENT ATHLETE TRAVEL DURING THE SCHOOL WEEK.

Exhibit J19 – Interim Study Proposal 2013-140 by Representative Alexander, TO SUSPEND ADMINISTRATIVE REORGANIZATIONS OF SCHOOL DISTRICTS; TO REQUIRE A STUDY OF ADMINISTRATIVE REORGANIZATIONS AND STUDENT TRANSPORTATION IN SELECTED SCHOOL DISTRICTS; AND TO DECLARE AN EMERGENCY.

Senator Key announced that the Committees would next take up Item H on the agenda.

Update on Public School Employee Health Insurance Costs and Rates

Presenter & Synopsis:

Mr. Jason Lee, Director, Employee Benefits Division (EBD), Arkansas Department of Finance and Administration (DF&A), was recognized. Mr. Lee provided information on the process for establishing a plan design and setting new rates. He said the decisions for 2014, the new plan year, are made by the EBD Benefits Committee and the State and Public School Life and Health Insurance Board. He stated that what is being looked at for 2014 is based on the absolute known claims experience from 2012. He noted there is a catastrophic reserve fund set aside for unforeseen large claims so the rate structure can be maintained.

Issues Included in the Discussion:

- o limits on benefits,
- o rationale for eliminating limits,
- o provisions for a “letter of forgiveness;” involvement of hospitals and carriers,
- o possible reinsurance for purpose of offloading risk on a claim; the problems involved,
- o consideration of other policies for large claims,
- o number of employees in public school and state employee plans,
- o providing incentives for taking advantage of preventative care services,
- o differences in costs between public school and state employee plans,
- o whether mandatory enrollment would bring costs down,
- o illness burden dictating the cost,
- o impact of the private option on costs,
- o using “pooling” and passing savings on to teachers,
- o additional ways to bring down the cost of health insurance for public school employees,
- o average age of those enrolled,
- o combined loss ratio,
- o impact of auto enrollment in 2015,
- o public bidding for contracts to provide health insurance,
- o amount of funds intended to help with insurance costs received and not used by school districts,
- o recruiting a healthy population for enrollment in order to bring rates down,
- o amount of funds spent as a state for educating public school employees to make healthier choices, and
- o results of an audit of spouse/dependent enrollment implemented by EBD.

Handout:

EBD, *The Buzz*, Spring 2013, “Understanding How Rates Are Set”

Adjournment:

The meeting adjourned at 12:10 p.m.

Approved: 07/22/13