

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

**Tuesday, February 25, 2014**  
**Upon Adjournment of the Joint Budget Committee**  
**Room 171, State Capitol**  
**Little Rock, Arkansas**

Senator Johnny Key, the Chair of the Senate Interim Committee on Education, called the meeting to order at 10:14 a.m.

**MEMBERS OF THE SENATE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE:** Senator Johnny Key, Chair; Senator Eddie Cheatham; Senator Bruce Holland; Senator Uvalde Lindsey; and Senator Jason Rapert.

**MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE:** Representative Les Carnine; Representative John Catlett; Representative Sheilla Lampkin; and Representative Homer Lenderman.

**NON-VOTING MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE:** Representative Randy Alexander; and Representative David Fielding.

**OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE:** Senator Jane English.

Review of Funding Recommendations from the March 2013 Adequacy Report

Senator Key stated that the Committees were statutorily required to review the funding recommendations from the 2013 Adequacy Study to consider any changes that might be contemplated during the Fiscal Session. He specifically cited Arkansas Code Annotated 10-3-2104(d)(1)

*“Before a fiscal session, the House Committee on Education and the Senate Committee on Education shall meet, jointly or separately as needed, to review the funding recommendations contained in the most recent report filed under this section.”*

Senator Key stated that the Committees have not discussed any changes to the funding recommendations for the Fiscal Session, and that the Governor’s budget proposal for public education used the 2013 Adequacy Report funding recommendations. He opened up the floor for discussion by members. Noting that there were no questions, Senator Key opened up the discussion to any representative group. Noting that no party stepped forward to testify, he stated that without objection the recommendations would be considered reviewed for the Fiscal Session. Senator Key commented that these recommendations were passed in the 2013 General Session, and clarified that, during the past several months, the Committees have been working towards the next Adequacy Report that will be issued prior to the convening of the 2015 Regular Session. He directed the staff to convey to the President Pro Tempore and the Speaker of the House the action taken by the Committees, with a copy forwarded to the Governor’s Office.

Handout:

A.C.A. 10-3-2104

## Discussion of NSLA Funding Recommendations

Senator Key reviewed with the Committees the activities that had taken place over the past several months regarding the development of alternative distribution methodologies for NSLA Funding required by Act 1467 of 2013. Noting that no consensus had been reached on any changes that needed to be made, he opened the floor for discussion by members. Noting that there were no questions, Senator Key stated that the Committees are not prepared to make recommendations for change to the NSLA funding methodology at this time. He said the Committees will recommend that they continue to study the issue and develop recommendations on changes to the NSLA funding methodology as part of the current Adequacy Study. Senator Key opened up the floor for discussion by any representative group.

### Contributors to the Discussion:

**Ms. Jerri Derlikowski**, Director of Education Policy and Finance, Arkansas Advocates for Children and Families (AACF), was recognized. Ms. Derlikowski referred to page 5 of Act 1467 of 2013, lines 15-18

*“(b) The House Committee on Education and the Senate Committee on Education, in conjunction with the bureau and the Department of Education, shall conduct a study and make the following recommendations to the Eighty-ninth General Assembly for consideration during the 2014 Fiscal Session.”*

Ms. Derlikowski commented that the use of the word “*shall*” means that the Committees have to act in some way. She said that failing to act in any way calls into question compliance with this Act.

Senator Key requested that Ms. Sarah Ganahl come to the podium and address how the Committees should move forward.

**Ms. Sarah Ganahl**, Staff Attorney, Bureau of Legislative Research, was recognized. Ms. Ganahl stated that the action could be that there are no changes to the NSLA funding methodology at this time--that the Committees have met and studied the issue as required by Act 1467 of 2013 and recommend additional time to study the current NSLA funding methodology and any proposed changes before bringing forth recommendations to the NSLA funding methodology.

**Ms. Nell Smith**, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Ms. Smith clarified the purposes for which the funding had been recommended.

### Issues Included in the Discussion:

- historical development of NSLA Funding,
- recommended uses of NSLA Funding by Odden & Picus vs. statutorily authorized uses of NSLA Funding, and
- time frame for future action.

Senator Key said that the Committees will continue discussions on this issue, but are not yet ready to make recommendations to the NSLA funding methodology or uses of NSLA funding by school districts at this time. He noted that a lot of changes under discussion are not for fiscal, but rather for structural changes.

### Relevant Action:

Senator Key called for a motion to fulfill the Act that was referenced, that the Committees will not be recommending any changes to the NSLA funding methodology or uses of NSLA funding by school districts at this time, but recommends that they continue to work as a Committee to study the issue and develop recommendations concerning NSLA as a part of the 2015 Adequacy Study Report.

**The Honorable Bruce Holland**, State Senator, District 9, was recognized, and made the following motion:

*The House Interim Committee on Education and the Senate Interim Committee on Education (Education Committees), pursuant to the provisions of Section 6 of Act 1467 of 2013, have met several times with various stakeholder organizations and held one formal meeting to review issues related to NSLA (Poverty) Categorical Funding. Due to the complexity of the issues involved, the restrictive nature of the Fiscal Session, and the need to continue to review various policy alternatives, we are writing to report that the Education Committees will not be making any recommendations regarding modification to NSLA (Poverty) Categorical Funding for consideration during the current Fiscal Session. The Education Committees will continue their study of this topic and plan to include NSLA (Poverty) Categorical Funding recommendations in the 2014 Adequacy Report.*

**The Honorable Uvalde Lindsey**, State Senator, District 4, was recognized, and seconded the motion.

*Without objection, the motion was carried.* Senator Key directed the staff to convey to the President Pro Tempore and the Speaker of the House the action taken by the Committees, with a copy forwarded to the Governor's Office.

*Handout:*

Adequacy Recommendations

*Next Scheduled Meetings:*

Monday, March 10, 2014, at 1:30 p.m. in Room 171 of the State Capitol in Little Rock

Tuesday, March 11, at 9:00 a.m. in Room 171 of the State Capitol in Little Rock

In response to a question by **The Honorable David Fielding**, State Representative, District 5, Senator Key said another meeting would be scheduled in March that would include a discussion on grade inflation.

*Adjournment:*

The meeting adjourned at 10:30 a.m.

*Approved: 04/14/14*