

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

**Tuesday July 1, 2014**  
**9:00 A.M.**  
**Room 151, State Capitol**  
**Little Rock, Arkansas**

Senator Johnny Key, the Chair of the Senate Committee on Education, called the meeting to order at 9:00 a.m.

**MEMBERS OF THE SENATE COMMITTEE ON EDUCATION IN ATTENDANCE:** Senator Johnny Key, Chair; Senator Joyce Elliott, Vice Chair; Senator Eddie Cheatham; Senator Alan Clark; Senator Jim Hendren; Senator Bruce Holland; Senator Uvalde Lindsey; and Senator Jason Rapert.

**MEMBERS OF THE HOUSE COMMITTEE ON EDUCATION IN ATTENDANCE:** Representative James McLean, Chair; Representative Charles L. Armstrong; Representative Les Carnine; Representative John Catlett; Representative Bruce Cozart; Representative Robert Dale; Representative Gary Deffenbaugh; Representative Jody Dickinson; Representative Charlotte Vining Douglas; Representative Debra Hobbs; Representative Karen Hopper; Representative Sheilla Lampkin; Representative Homer Lenderman; Representative Mark Lowery; Representative James Ratliff; and Representative Brent Talley.

**OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE:** Senator Cecile Bledsoe; Senator John Cooper; Senator Jonathan Dismang; Senator Jane English; Senator Bill Sample; Representative Randy Alexander; Representative Robert Ballinger; Representative Nate Bell; Representative David Fielding; Representative Charlene Fite; Representative Jeremy Gillam; Representative Bill Gossage; Representative John Hutchison; Representative Mark McElroy; Representative John Payton; and Representative Tommy Thompson.

Senator Key recognized **Mr. Ron Harder**, Policy Service & Advocacy Director, Arkansas School Boards Association (ASBA). Mr. Harder introduced **Mr. Boyce Watkins**, incoming Director of Advocacy, who will provide direction for ASBA's legislative agenda. Mr. Watkins retired last year as Superintendent of the Atkins School District.

**Mr. Richard Wilson**, Assistant Director, Research Services, Bureau of Legislative Research, was recognized, and introduced **Dr. Ginny Blankenship**, Legislative Analyst, Policy Analysis and Research Section, Bureau of Legislative Research, a new staff member.

Senator Key commented that the Matrix (the foundation funding methodology), which has been in use for about ten years, needs to be reviewed. He stated that Mr. Wilson would make a presentation concerning a possible strategy for that review.

Update on Adequacy Meeting Schedule and Issues Under Consideration

*Presenter:*

**Mr. Richard Wilson**, Assistant Director, Research Services, Bureau of Legislative Research, was recognized. He said that, as of midnight last night, the Reserve Allotment Fund (RAF) received an additional \$79 million. He explained that as Revenue Stabilization Act (RSA) requirements are fulfilled, whatever is left over as surplus goes into the RAF for consideration by the Joint Budget Committee at its meeting in January 2015. Mr. Wilson next

discussed the remaining Adequacy components and meeting schedule. He said four months remain in the process which began in June 2013. He furnished a tentative timeline:

*July 15* – Resource Allocation Report

*August 12* – Transportation Report

*September 9 and October 14* – Meetings to discuss inflationary adjustments and to provide a draft of the final Adequacy Report for amendments and corrections

*November 1* – Statutory deadline for the Adequacy Report

Mr. Wilson stated that following conversations with Dr. Lawrence O. Picus, Picus Odden has submitted a proposal for the examination of the current methodology used to review the adequacy of the state's school funding system. At the request of Senator Key, Mr. Wilson briefly reviewed work previously done for the state by Picus Odden. Mr. Wilson said if the current proposal is approved by the General Assembly, Picus Odden would provide a "desk audit." He explained the "desk audit" would include a review of the old model with suggested modifications, and a review of all reports and comments submitted to the Committees by all parties from June 2013 to August 2014. He said Picus Odden would provide a comparison of the current Matrix to their updated evidence-based model, and would include a review of the evolution of categorical funds and the development of the Bureau of Legislative Research (BLR) transportation cost model as an alternative or supplement to the existing Average Daily Membership (ADM) funding approach for transportation. Mr. Wilson stated that Picus Odden will also develop an independent cost estimate to provide sufficient Broadband access for all schools in Arkansas. He said the bandwidth considerations will include requirements necessitated by the Common Core State Standards and a discussion of bandwidth provisions within the context of Adequacy. He said Picus Odden would, as a result, work with the BLR to recalculate and modify per student amounts within the Matrix line items to create the proper supplement for Broadband, if necessary. Mr. Wilson said the final product would be one report and one live presentation to the Committees to take place in the Capitol with a current target date of September 9. He stated a request will be made to approve the Picus Odden proposal as a sole-source contract because no other expert consulting firm can understand or critique our work any better or any faster. He said in part they will be reviewing their past work and reviewing our adjustments since then, confirming both and at the same time suggesting updates and modifications where appropriate and where applicable.

Issues Included in the Discussion:

- estimated cost for the proposal,
- approach to be taken for the bandwidth study and related adjustments to the Matrix,
- retrieving complete information on actual needs from school districts to furnish to the consultants,
- coming up with the cost of providing Broadband in a prototypical school to include in the Matrix,
- necessity of an independent, comprehensive view of issues to ensure adequacy,
- including agriculture, family consumer sciences, science labs, and other basic programs in funding,
- addressing transportation issues in school districts,
- cost for monthly expense of providing Broadband and bearing the cost of infrastructure,
- impact of teacher salary disparities, and developing a new approach to correct the situation,
- data on shortening time on school buses and related transportation issues,
- reasons for having meetings to study adequacy; three prongs to adequacy,
- elevation of technical training programs and education in considerations of adequacy along with digital learning, and
- using an evidence-based model to make any modifications.

Following an explanation from Mr. Wilson on the contract approval process, Senator Key requested a ratification from the Committees on whether this is the right approach to take.

Relevant Action:

**The Honorable Joyce Elliott**, State Senator, District 31, was recognized, and made a motion to ratify the approach.

Pursuant to the motion by Senator Elliott, and without objection, the motion was carried.

Next Scheduled Meetings:

Monday, July 14, 2014, at 10:00 a.m. in Room 171 of the State Capitol in Little Rock

Tuesday, July 15, 2014, at 9:00 a.m. in Room 171 of the State Capitol in Little Rock

Tuesday, July 15, 2014, at 1:30 p.m. in Room 171 of the State Capitol in Little Rock, *State and Public School Life and Health Insurance Program Legislative Task Force*

Tuesday, July 22, 2014, at 8:30 a.m. at the Wyndham Riverfront Hotel, North Little Rock, *with the House and Senate Interim Committees on Judiciary*

Adjournment:

The meeting adjourned at 10:00 a.m.

*Approved: 08/11/14*