



AAEA Adequacy Testimony

January 12, 2016

Arkansas Association of Educational Administrators

Good News About Arkansas Education (p.2)

2015 Quality Counts Report

- Substantial gains on the NAEP since 2003
- 8th grade math gains since 2003 are the 5th highest in the nation
- 4th grade math gains since 2003 are the 11th highest in the nation
- 4th grade reading gains since 2003 are the 16th highest in the nation



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Good News About Arkansas Education (p.2)

- 2000-2015 Performance Gap Decreased
- 4th grade math:
 - between black & white students decreased from 31 points to 19 points
 - for poverty students decreased from 23 to 16
- 8th grade math:
 - black/white gap decreased from 41 points to 27 points
 - poverty gap decreased from 25 to 23



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Breaking the Curve Report 2015 (p.2)

- The Urban Institute takes into account a state's student demographics and ranks performance accordingly. In this 2015 report, Arkansas's ranking on the 2013 NAEP, demographically adjusted, is 20th among the states.
- Also, Arkansas's ranking on the 2013 NAEP scores increased between 2003-2013, relative to what might have been expected on changes in student demographics, is 8th among the states!!



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Graduation Rates – National Center for Ed Statistics

State	Total	Hispanic	Black	White	NSL	SpEd
Arkansas	86.9	84.5	81.0	89.3	82.7	83.1
Florida	76.1	75.0	64.7	81.7	67.8	55.1
Louisiana	74.6	73.0	67.9	80.3	68.8	42.8
Miss.	77.6	79.7	71.5	84.0	70.9	28.1
Missouri	87.3	79.9	74.8	90.4	80.4	75.3
Oklahoma	82.7	77.6	75.7	84.8	78.2	77.2
Tenn	87.2	81.4	78.6	90.9	82.2	69.0
Texas	88.3	85.5	84.2	93.0	85.2	77.5



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Matrix Item – COLA (p.3)

- A COLA should be applied to foundation and categorical funds in order to just maintain current standards and requirements. The COLA does not cover any additional requirements placed upon schools.



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Matrix Item – COLA (p.3)

- A.C.A. 6-17-2203 requires the minimum hourly rate of school classified employees to increase each year based on CPI. Currently - \$8.32. Several Matrix items potentially affected by this law received NO increase for the biennium - School Secretary, Supervisory Aides, Operation/Maintenance, & Transportation.



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Matrix Item – COLA (p.3)

- Act 1087 of 2015 increased the minimum teacher salary schedule by 3% this year and it will increase another 3% next year.



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Transportation (p.3)

- Carry out the directions of several previous Legislative Adequacy Committees by developing a categorical high cost transportation funding. The legislature has not approved the previous recommendations.
- We continue to recommend freezing the current transportation funding in the matrix and apply future COLA transportation dollars to the high cost transportation categorical fund. Over time this will be very helpful to districts with high cost needs.



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Teacher Salaries (p.3)

- In 2010 state universities had 8,255 enrolled in educator preparation programs. That number has dropped to 5,258 in 2015.
- The average teacher salary in 2005-2006 ranked 8th among the SREB states. As updated by SREB in May 2015, Arkansas ranked 13th out of 16 SREB states.



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Teacher Salaries (p.3)

- In the future, we recommend the minimum state salary schedule should be increased by the same percentage as the foundation funds are increased.
- We also recommend the state increase all teacher salaries and decrease the disparity among salaries across the state.



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Health Insurance (p.4)

- We appreciate the legislators efforts on improving the health insurance program. We also ask the policy makers to continue monitoring this program as it is ever evolving.
- We continue to recommend equal representation on the State and Public School Health Insurance Board. Of the 14 board members, only 3 are public school employees, which represents approximately 21% of the board. However, school employees represent 60% of the member of the system. Fair representation is a must.



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Technology (Bandwidth (p.4)

- We would like to thank the legislative body for working on the bandwidth issue and applaud Speaker Jeremy Gillam on the proposed high speed bandwidth for the entire state.
- We agree with Mr. Speaker's comment of making Arkansas the "Tech Capitol of the South."
- Caution - Arkansas has led the nation in the past on broadband; however, we failed to continue planned growth and fell behind the nation.



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Categorical NSL Funds (p.4)

- As reported by BLR in September 2015, the Arkansas achievement gap is narrower than the U.S. gap in all four assessments reported by NAEP.
- According to the 2015 Nation's Report Card, the gap has closed in both reading and math, for both the black/white gap and the poverty/non-poverty populations.



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Categorical NSL Funds (p.4)

- The most significant progress in closing the achievement gap has been in the 4th grade math where performance gap scores between poverty and non-poverty students narrowed from 23 points to 16 points (NAEP scale scores, 2000-2015).



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Categorical NSL Funds (p.4)

- AAEA continues to recommend a review of allowable expenditures and the smoothing of the funding cliffs to determine any future policy decisions. The ForwARd Arkansas report also makes this “smoothing” recommendation.



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Categorical ELL Funding (p.5)

- ELL Categorical funds do not provide enough funding for that population of students as evident in BLR's October report. In 2014/15 districts spent \$15.9 million or \$425 per student to fund the ELL programs. Districts spent \$4 million more than what state provides for this program.
- AAEA recommends additional funding to serve this population of students. This was also a recommendation in the ForwARd Arkansas report.



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Categorical – PD Funds (p.5)

- Quality professional development for educators is essential to continue moving student achievement forward. The Desk Audit by Picus Odden & Associates recommended to increase the PD funding to \$100 per student based on their latest research. The current level is \$32.40.
- AAEA recommends legislators study the research on professional development for policy implications.



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Matrix – As An Expenditure Model (p.6)

- This is the number one funding concern of school administrators due to the disconnect between running a school district and developing policy.
- Legislators and Picus & Odden made assumptions concerning necessary staffing levels and other expenses in comparison to a hypothetical model of the 500-student school.



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Matrix – As An Expenditure Model (p.6)

- The real life funding model, when considered as an expenditure model, fails to conform to the actual needs found in real schools of all sizes throughout Arkansas.
- “One Size Does Not Fit All”



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Matrix – As An Expenditure Model (p.6)

- Policy makers need data to make quality decisions. However, practitioners need to be listened to in order to see how policy is being implemented.
- BLR runs the data for the reports policy makers receive. The data is as accurate as they can make it; however, it does not tell the full story. In fact, the “Resource Allocation of Foundation Funding Report” indicates that district expenditures are only an estimate and policymakers need to keep that in mind.



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Matrix – As An Expenditure Model (p.6)

- Data you receive for foundation fund expenditures are capped. Schools actually spend many additional dollars in the identified categories. Again, you need to see the entire picture before making decisions.



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Matrix – As An Expenditure Model (p.6)

- Actual AR School District: School with 367 students and 29 kindergarten students.
- Matrix provides funding for: .73 principal, 1.45 kindergarten teachers, and .62 media specialist
- The Standards for Accreditation requires: 1 principal, 2 kindergarten teachers, and 1 media specialist.
- “One Size Does Not Fit All”



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Matrix – Staffing (p.7)

- Since the initial matrix was established, districts have added additional staff to keep up with the new requirements. Examples: TESS, LEADS, Dyslexia, digital learning, facility planning/maintenance/preventive maintenance reporting, etc.
- Desk Audit from Picus Odden & Assoc indicates a substantial shift in current staffing recommendations based on the latest research.



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Matrix – Staffing (p.7)

- ForwARd Arkansas report recommended the creation of a school administration manager role to support school operations.
- AAEA continues to recommend the staffing component of the matrix be reviewed.



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Career & Technical Education (p.8)

- We applaud the direction and efforts of policymakers in the area of career and technical and workforce development.
- Historically, the obstacles for districts to meet the changing demands of business and industry are funding and barriers that prohibit needed change.



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Career & Technical Education (p.8)

- Career centers have not received additional funding in several years. This needs to change if we want to develop a progressive CTE program.
- AAEA recommends additional funding for career centers and a Legislative Task Force to review barriers.



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Outside the Matrix – Academic Facilities (p.8)

- The partnership program is an outstanding program approved by legislators and has certainly improved school facilities across the state.
- We would recommend that another statewide assessment of facility needs be conducted as the original study was conducted 10 years ago. This does not have to be as comprehensive a study as the original one since the Division has up-to-date records of all facilities built/remodeled with Partnership funding.



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Outside the Matrix – Academic Facilities (p.8)

- Poor districts may need additional help due to lack of ability in raising local millage high enough to support local building. BLR report indicated that the value of a mill varies across the state from a low of \$12,212 to a high of \$3,349,065. So, the tax burden from individual taxpayers will vary significantly across the state.



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Outside the Matrix – Academic Facilities (p.8)

- Poor districts with a low assessment and losing enrollment may never have an opportunity to participate in the partnership program due to “warm, safe, dry” being eliminated from future funding participation.
- Legislators may need to consider “power funding” mills after the local effort has met a certain threshold.



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Outside the Matrix – Academic Facilities (p.8)

- In 2014, AAEA recommended that Open Enrollment Charter Schools should be allowed to participate in the Partnership program.
- We continue to make this recommendation and think it is much more viable and accountable than the current open enrollment charter program of providing money with no prioritized assessment of need or state approved facility plan.



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Fund Balances (p.10)

- From 2008-2014 the average fund balances have ranged from 16.4% to 18.4% of expenditures. However, this continues to be a point of conversation because of outliers.
- There are no guidelines on what is an acceptable fund balance and there are certainly no legal guidelines.



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Fund Balances (p.10)

- Notes: Government Finance Officers Assn. “Best Practice” recommendation - no less than 2 months of unrestricted fund balance.
- AAEA recommends establishing a cap of 20% on the unrestricted funds of the legal balance unless otherwise approved by ADE.



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Pre-K Education (p.11)

- Research continues to confirm the importance of high-quality early childhood education as a strategy for improving the social, emotional, and intellectual development of children as well as increasing the likelihood of their future academic and economic success.



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Pre-K Education (p.11)

- However, since 2008, the % of Arkansas 3 and 4-year old children in pre-school has actually decreased and the “poverty-gap” of enrolled children has increased.
- AAEA recommends the expansion of quality Pre-K programs to serve the students around the state. The ForwARd Arkansas report also recommends greater funding for pre-K programs.



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Remediation (p.11)

- The fall of 2013 remediation rates fell to an all time low according to ADHE.
- We continue to use the ACT as the single source to determine remediation needs even as the research shows the ACT isn't the best predictor. The report by Dr. Neal Gibson and a 2014 study by the National Association of College Admission Counseling concluded that high school grades, not ACT/SAT scores, are the best predictor for college success.



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Remediation (p.11)

- AAEA continues to recommend that student GPA be added as a factor for determining remediation.



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Unfunded Mandates (p.12)

- The Arkansas Supreme Court recognized the impact of unfunded mandates on schools. We have a few recent unfunded mandates as examples as future policy decisions are being considered.
- Minimum Teacher Salary Increase
- Health Insurance Premium Assistance/FICA Savings Transfer to EBD
- Additional Staff Needed Due to New Requirements



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Questions

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