

MINUTES

JOINT ADEQUACY EVALUATION OVERSIGHT SUBCOMMITTEE

10:00 A.M.

Wednesday, March 10, 2010

Room 171, State Capitol

Little Rock, Arkansas

Representative Bill Abernathy, the House Co-Chair of the Joint Adequacy Evaluation Oversight Subcommittee, called the meeting to order at 10:00 a.m.

MEMBERS OF THE JOINT ADEQUACY EVALUATION OVERSIGHT SUBCOMMITTEE IN

ATTENDANCE: Senator Steve Bryles, Senate Co-Chair; Representative Bill Abernathy, House Co-Chair; Senator Jimmy Jeffress, Senate Vice-Chair; Representative Eddie Cheatham, House Vice-Chair; Senator Shane Broadway; Senator Joyce Elliott; Senator Gene Jeffress; Senator Johnny Key; Senator Mary Anne Salmon; Representative Monty Betts; Representative Toni Bradford; Representative Les Carnine; Representative David Rainey; and Representative R.D. Saunders.

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Michael Lamoureux; Senator Randy Laverty; Representative Tommy Lee Baker; Representative Nancy Blount; Representative John Burris; Representative Ann Clemmer; Representative David Cook; Representative Robert Dale; Representative Jody Dickinson; Representative Billy Gaskill; Representative Debra Hobbs; Representative Donna Hutchinson; Representative Allen Kerr; Representative Mark Martin; Representative Mike Patterson; Representative Johnnie Roebuck; and Representative Mary Slinkard.

Representative Abernathy announced that the Joint Adequacy Evaluation Oversight Subcommittee would be meeting frequently before June, 2010, to cover the many important educational issues that have to be studied in setting up for the next legislative session.

Without objection, the minutes of February 2, 2010, were approved as written.

Mr. Richard Wilson, Assistant Director, Research Services, Bureau of Legislative Research, was recognized. Mr. Wilson stated that all 74 school site visits scheduled for between October, 2009, and March 1, 2010, were completed as of March 1; and that all of the district adequacy surveys have been completed. The information is currently being compiled. Mr. Wilson handed out a schedule for meetings that was devised in the interest of more meetings and smaller reports. There are 13 reports to be given between now and the deadline by statute for the Subcommittee report which is September 1, 2010. Some of the reports are anticipated to be larger than others, but each will be as succinct and as direct as possible so that the Subcommittee gets a better understanding of the information that is being provided. Mr. Wilson then reviewed meeting dates and topics leading to the September 1 deadline.

Senator Elliott was recognized and proposed that the Subcommittee invite the THEA Foundation to make a presentation before the Subcommittee on April 27, the day devoted to educational organization testimony and comment. The staff was directed to invite the THEA Foundation to the Subcommittee's April 27th meeting.

Senator Jimmy Jeffress was recognized and recommended that a time limit be set for the length of presentations at upcoming meetings.

Representative Abernathy thanked Mr. Wilson for his update and asked the members to put the meeting dates on their calendars.

Update on American Recovery and Reinvestment Act (ARRA) Funding

Mr. Michael Brown, Legislative Analyst, Bureau of Legislative Research was recognized. Mr. Brown reported that as an outcome of the February meeting, the Bureau of Legislative Research looked at several items:

- 1) Referring to a handout, "Recovery Act Expenditures for Arkansas School Districts," Mr. Brown said that the expenditure data has been updated for the month of February, and, utilizing data from the Arkansas Public School Computer Network (APSCN), the expenses in the "All Other" category have been broken out on the second page to fulfill the Subcommittee's request for a higher level of transparency.
- 2) The Bureau has contacted the Office of Recovery to get a status update on the final 33% of the state fiscal stabilization funds. The application is pending with the U.S. Department of Education (USDOE), and the Bureau is currently waiting for the update. Mr. Brown thought the Arkansas Department of Education (ADE) might be able to present information on this issue.

Dr. Tom Kimbrell, Commissioner, Arkansas Department of Education, **Ms. Heather Gage**, Special Advisor to the Commissioner, Arkansas Department of Education, and **Mr. Bill Goff**, Assistant Commissioner, Fiscal and Administrative Services, Arkansas Department of Education, were recognized.

Dr. Kimbrell reported that the ADE has worked with the Governor's staff, who in turn has been working with the USDOE to get guidance on the disbursement of the remaining 33% of the funds. The Governor's Office is awaiting notification from the USDOE as to what percentage must be referred back to what has been demonstrated by the Arkansas Department of Higher Education (ADHE) and the Arkansas Department of Finance and Administration (DFA) as possible shortfalls. The ADE is still waiting to hear exactly what percentage, if any, of the remaining 33% of the funds will have to go to ADHE and what percentage will go back into the K-12 systems.

Representative Abernathy expressed concern for those school districts that thought they had the funds and had already obligated or committed a part of them, then discovered the funds weren't available.

Dr. Kimbrell responded that at visits to the cooperatives throughout the state, the conversation was that the school districts would get 67% under the first application, Phase I. They would need to apply for the remaining 33% in Phase II. The ADE told the school districts that they needed to be diligent in spending that money, but to do the projects as soon as possible. The districts were told that if the state got the money in Phase II, it would flow to the schools. They were not told to spend the 33% prior to the application approval.

A discussion followed regarding those school districts that have already spent all or part of the 33%. Ms. Gage reported that approximately \$3 million of the \$119 million (33%) has actually been spent. These are obligations that the districts have self-reported in above and beyond the 67%, about \$28 million. The obligations are not necessarily signed contracts, some are verbal commitments.

A question and answer session followed. The issues included:

- communications between the ADE and school district superintendents explaining Phases I and II of the fiscal stabilization funds,
- a superintendent's understanding of and accountability for special funds,
- the percentage of school districts that have actually or verbally obligated more than 67%,
- how school districts will pick up the tab for ongoing obligations when funding runs out, and
- clarification that the "Property" code, 67000, on the ARRA handout, covers a capital outlay of \$1,000 or more for expenses including school buses, equipment, property, and buildings.

Dr. Kimbrell responded to a request from Senator Jimmy Jeffress for an update on the Race to the Top funds. He said that since Arkansas was not one of the 16 finalists, the plan is for the ADE to do an analysis of the finalist states' plans, look at feedback from reviewers when released, and tweak the ADE's plan for resubmission in Phase II.

Representative Abernathy thanked Mr. Brown and the representatives from the ADE for their remarks.

Update on No Child Left Behind (NCLB) Status

Dr. Alice Barnes Rose, Assistant Commissioner, Learning Services, Arkansas Department of Education, was recognized. Dr. Rose gave an update on NCLB. She said the school improvement statuses have not changed since last reported. The ADE gets those statuses in the fall, and after the appeals process, they remain for that year until after this year's testing. Those schools that were in school improvement are still in school improvement.

Representative Abernathy thanked Dr. Rose for the update.

Discussion of Arkansas Comprehensive Testing, Assessment and Accountability Program (ACTAAP)

Dr. Gayle Potter, Associate Director, Curriculum, Assessment and Research, Arkansas Department of Education, was recognized. Dr. Potter gave an overview of ACTAAP 2009-2010. She provided a handout that showed all of the tests that will be given to students this year, including criterion-referenced tests, norm-referenced tests, and NAEP and other national tests. Utilizing a PowerPoint presentation and handout of the slides, Dr. Potter then discussed components of ACTAAP in detail.

Among the issues the members of the Subcommittee discussed with Dr. Potter during her presentation were:

- o double-blind scoring,
- o positioning testing closer to the end of the school year,
- o augmented testing,
- o "prep" time vs. "test" time in school districts,
- o identifying students earlier in the remediation process,
- o using at-risk funding for the assessment,
- o assisting students in a uniform and structured manner, and seeing differences,
- o percentage of test questions required by law to be released and not used again, and
- o individual and group remediation.

Representative Abernathy thanked Dr. Potter for her presentation.

Discussion of Issues Pertaining to Academic Facilities

Ms. Nell Smith, Senior Legislative Analyst, Bureau of Legislative Research, **Ms. Lori Bowen**, Senior Legislative Analyst, Bureau of Legislative Research, and **Mr. Doug Eaton**, Director, Division of Public School Academic Facilities and Transportation, were recognized.

Ms. Smith presented the report, "Review of Academic Facilities Programs and Funding," giving the Subcommittee an update on the four main funding programs: Immediate Repair, Transitional, Catastrophic, and Partnership. Ms. Smith explained that to insure that the Partnership Program does not remain endlessly obligated to projects that are not progressing, a sunset provision was established during the 2009 Regular Session. The Commission may now withdraw its funding commitment to all projects approved in 2006 that had not begun

construction by January 31, 2010. A total of 206 such projects were cancelled in 2010 because of the sunset provision. Projects can also be cancelled when districts decide not to move forward with planned construction. A total of 681 projects have been cancelled since the beginning of the Facilities Programs including 206 projects that hit the sunset provision. Ms. Smith continued the update with Other Facilities Programs, and Program Reserves. She also covered Districts Dealing with Failed Millages, and using the American Recovery and Reinvestment Act (ARRA) funds for projects.

A question and answer session followed. Topics included:

- meeting warm, safe, and dry standards,
- changes in the prioritization process,
- types of follow-up inspections that are done when projects are completed,
- ways for a patron to request a visit to a school,
- the necessity for information about completed projects to be shown on a state-wide map, and
- districts dealing with failed millages.

Representative Abernathy thanked Ms. Bowen, Ms. Smith and Mr. Eaton for their remarks.

Representative Abernathy announced that the initial meeting of the Joint Subcommittee on Grade Inflation will be at 10:00 a.m. on March 31, 2010, in Room 171 of the State Capitol. The next meeting of the Joint Adequacy Evaluation Oversight Subcommittee will be at 10:00 a.m. on April 6, 2010, in Room 171 of the State Capitol.

There being no further business, the meeting adjourned at 12:05 p.m.