

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

Monday, August 13, 2012
10:00 A.M.
Room 171, State Capitol
Little Rock, Arkansas

Senator Jimmy Jeffress, 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 Jimmy Jeffress, Chair; Senator Mary Anne Salmon, Vice Chair; Senator Joyce Elliott; Senator Kim Hendren; Senator Gene Jeffress; and Senator Johnny Key.

MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative Eddie Cheatham, Chair; Representative Johnnie Roebuck, Vice Chair; Representative Duncan Baird; Representative Les Carmine; Representative Ann Clemmer; Representative Robert Dale; Representative Jane English; Representative Debra Hobbs; Representative Karen Hopper; Representative Donna Hutchinson; Representative Bobby Pierce; Representative Tracy Steele; Representative Randy Stewart; and Representative Tommy Wren.

NON-VOTING MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative John Catlett; Representative Gary Deffenbaugh; Representative Jeremy Gillam; Representative Kelley Linck; and Representative Garry Smith.

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Linda Chesterfield; Senator Jonathan Dismang; Senator Randy Lavery; Senator Bill Pritchard; Representative Tommy Lee Baker; Representative Nate Bell; Representative John Burris; Representative Clark Hall; Representative Barry Hyde; Representative Sheilla Lampkin; Representative Fredrick Love; Representative Buddy Lovell; Representative Betty Overbey; Representative Mike Patterson; Representative James Ratliff; Representative Nate Steel; Representative Tommy Thompson; Representative Jeff Wardlaw; and Representative Marshall Wright.

Without objection, the minutes of May 7, 2012, May 8, 2012, May 9, 2012, and July 23, 2012, were approved as written.

Morning Session

Senator Jeffress announced that there would be a deviation from the agenda and Item D would be taken up in the afternoon session.

Senator Jeffress stated that as the Committees begin to finalize their work on the Adequacy Study, it would be good to review what the Arkansas Supreme Court had mandated when the State of Arkansas was released from the *Lake View* lawsuit. He requested that Mr. Richard Wilson give a short synopsis of the court's ruling and briefly comment on the importance of the Adequacy Study. Copies of the ruling were distributed to Committee members for review.

Mr. Richard Wilson, Assistant Director for Research Services, Bureau of Legislative Research, was recognized. Mr. Wilson, after reviewing the time frame and other historical information related to the Arkansas Supreme

Court's final opinion in the *Lake View* case, discussed the court's finding that the General Assembly has now taken the required steps to assure that the children of Arkansas are provided with an adequate and equitable education. Mr. Wilson read the following passage:

"In this court's view, Act 57 of the Second Extraordinary Session of 2003, requiring annual adequacy review by legislative committees, and Act 108 of the Second Extraordinary Session of 2003, establishing education as the State's first funding priority (*Mr. Wilson reminded the Committees that this is the doomsday provision*), are the cornerstones for assuring future compliance. Because we conclude that our system of public-school financing is now in constitutional compliance, we direct the clerk of this court to issue the mandate in this case forthwith."

Mr. Wilson concluded by saying that the Bureau of Legislative Research (BLR) has been able to provide the Committees with the necessary information and research that is in compliance with this order to the General Assembly, the President pro Tem of the Senate, and the Speaker of the House.

Senator Jeffress commented that for a significant period of time, the court held that Arkansas was operating an unconstitutional system of public education due to funding and other inequities, and put the education system under court control. He said that because the Committees undertook an adequacy study and went through the procedures of finding what constituted an adequate and equitable education, the court finally released the state from the lawsuit and ended court control of the education system.

Ms. Cheryl Reinhart, Staff Attorney, Bureau of Legislative Research, was recognized, and participated, as needed, in the brief discussion that ensued. Topics included:

- relationship of Act 57, Act 108, and a 350 student minimum enrollment requirement for school districts,
- clarification of the connection between the Adequacy Study and the 350 student minimum enrollment requirement, and
- history of the 500 and 350 student minimum enrollment policy regarding funding and efficiency.

Senator Jeffress thanked Mr. Wilson and Ms. Reinhart for their remarks.

Senator Jeffress announced that the Committees would now take up Item E on the agenda.

Discussion of Issues Related to School District Resource Allocation

Ms. Jerri Derlikowski, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Copies of the report, *The Resource Allocation of Foundation Funding for Arkansas School Districts, August 13, 2012*, and copies of the Matrix were distributed to members. Ms. Derlikowski said that foundation funding, categorical funding, and teacher salaries, covered in the *Lake View* ruling, are critical topics for discussion by the Committees. She thanked staff of the BLR and the Arkansas Department of Education (ADE) for their cooperation and help in putting this report together. Ms. Derlikowski reminded members that the level of foundation funding is determined by using a matrix to allocate resources to meet all accreditation standards and to provide schools with necessary funding. She stated the use of a matrix was not intended to reimburse schools for actual expenditures but rather to provide the General Assembly with a methodology for determining an adequate level of funding. She said that to collect data to complete this report, BLR staff surveyed all 239 school districts through Web surveys, and conducted on-site interviews at 74 randomly selected schools. Ms. Derlikowski explained that the report examines each line item on the Matrix, covering how the basis for its selection and how an amount of money was assigned. She stated that foundation fund expenditures are looked at in two ways: the Salary Matrix Fund and the Operating Matrix Fund. However, other district revenues, such as excess property tax revenue and fund balances, can be comingled with foundation funding in these categories. To estimate the expenditures from these funds that were made using foundation funding, the BLR divided the total

revenue in the Salary Matrix and Operating Matrix Funds for each district by their amount of foundation funding revenue for FY2011 (\$6,023 per student) to reach a percentage that was then applied to the total expenditures in each matrix line item for that district. Ms. Derlikowski noted that it's important to remember that in the report it's assumed that expenditures from the current year foundation funds can exceed the current year's foundation funds of \$6,023 per student. Some line items will be over this figure and others will be under, but the total won't exceed that number. Additional funds are from fund balances and excess property taxes.

Ms. Derlikowski started the review of the report on page 2 with the working definition of "educational adequacy" that is used by the Education Committees as a basis for identifying required resources:

- 1) The standards included in the state's curriculum frameworks, which define what all Arkansas students are to be taught, including specific grade level curriculum and a mandatory thirty-eight (38) Carnegie units defined by the Arkansas Standards of Accreditation to be taught at the high school level;
- 2) The standards included in the state's assessment system. The goal is to have all, or all but the most severely disabled, students perform at or above proficiency on these tests; and
- 3) Sufficient funding to provide adequate resources as identified by the General Assembly.

Ms. Derlikowski went on to discuss Definition, Expenditures, Staffing, Supporting Information, Surveys and Site Visits, as applicable, for each section of the report, covering:

- = Background, including Funding, and Per-Pupil Expenditures, Matrix Funding Levels 2005-2013, Appendix A: Explanation of Matrix Line Items, School Size and Grade Distribution, and School-level Staffing,
- = Arkansas's position in a Southern Regional Education Board (SREB) study on class size,
- = School-level Administration Personnel,
- = School-level Resources,
- = District-level Resources,
- = District Comparisons,
- = Achievement, and
- = Summary.

Ms. Cheryl Reinhart, Staff Attorney, Bureau of Legislative Research, and **Mr. Paul Atkins**, Senior Research Specialist, Policy Analysis and Research Section, Bureau of Legislative Research, were recognized, and participated, as needed, in the extensive discussion that followed. Topics included:

- o reviewing the effect of incorporating isolated school districts into larger school districts on the Matrix,
- o concern that the effect of districts spending less on teachers could result in attracting less qualified teachers,
- o meaning of Average Teacher Salary + Fringe Benefits in the chart on page 4,
- o average teacher salary with benefits,
- o statutory language that allows a school district to voluntarily consolidate if it finds a partner, in order to keep its campus open,
- o rejection of Lead Hill School District's merger petition by the School Board of Education,
- o creating a prototypical school to come up with a cost per pupil; the resulting cost disparity,
- o inequitable range of teacher salaries across the state,
- o necessity for having criteria on which to base a school district merger,
- o funding for school nurses in the Matrix; the debate on setting aside funding for school nurses,
- o clarification if situations exist in school districts similar to the one cited in §6-18-706(c)(2) [In districts having a high concentration of children with disabling conditions as determined by the State Board of Education, the ratio of school nurses to students should be one (1) to four hundred (400) in those schools so designated.],

- clarification if the Standards of Accreditation are what is being cited in the Supporting Information for counselors and nurses,
- whether site visits provided any indicators of error in under/over data for subgroups of staffing that backs up the Matrix,
- data available on schools providing students with calculators vs. those requiring students to buy calculators,
- spending on supervisory aides,
- federal funds and spending on aides for children with disabilities,
- whether funds for aides for children with disabilities are included in the formula,
- clarification of the cost of instructional materials per pupil,
- whether restrictions exist on what can be asked for from students regarding classroom supplies,
- necessity to also think about adequacy in terms of technology and access to tools that kids need to do well in school,
- whether consideration of utility cost increases has been addressed in the Matrix; rising cost vs. increased consumption,
- whether numbers have been updated for property insurance in context of the Adequacy Study since the calculation was made in 2007,
- requirements of school districts concerning property insurance and general liability insurance,
- placement of funding for ACT preparation classes in the Matrix; origin of categories; adapting school district coding to the matrix model,
- total contribution by State of Arkansas to funding for K-12; total cost, including state, federal, and local funds,
- bonded indebtedness and the debt service fund,
- issues, such as regional, demographic, or poverty, impacting catch-all categories,
- existence of legal requirements for funding of higher education,
- districts spending less than the amount provided through the Matrix for classroom teachers, regardless of the poverty level,
- the effect of district size on Central Office expenses,
- requirements of Standards of Accreditation for each line item,
- necessity of legislators having a dialogue regarding spending with leadership in local school districts; respecting local control of spending; assessing the effect on kids of spending decisions under local control, and
- data on districts with higher teacher salaries having higher teacher/pupil ratios than districts with lower teacher salaries.

Senator Jeffress thanked Ms. Derlikowski for the report.

The Committees recessed for lunch from 12:10 p.m. until 1:15 p.m.

Afternoon Session

Senator Jeffress called the afternoon session of the meeting to order at 1:15 p.m.

Senator Jeffress announced that in honor of October 2012 having been declared National Principals Month, the Co-Chairs would present **Dr. Richard Abernathy**, Executive Director, Arkansas Association of Educational Administrators (AAEA), with House and Senate citations in recognition of the essential role that principals play in the educational process.

The Honorable Eddie Cheatham, State Representative, District 9, and Chair, House Interim Committee on Education, was recognized, and presented a House citation to Dr. Abernathy.

Senator Jeffress presented a Senate citation to Dr. Abernathy, and requested that he apprise the AAEA's membership of their recognition. He asked that the Committees give a round of applause to principals across the State of Arkansas.

Dr. Richard Abernathy, Executive Director, Arkansas Association of Education Administrators, was recognized. Dr. Abernathy spoke briefly on the changing role of principals, and, on their behalf, thanked the Committees for the honor.

Senator Jeffress announced that Ms. Jerri Derlikowski would be retiring from Arkansas state government as of tomorrow, Tuesday, August 14. He requested that Mr. Richard Wilson introduce her replacement.

Mr. Richard Wilson, Assistant Director for Research Services, Bureau of Legislative Research, was recognized. Mr. Wilson said that Ms. Nell Smith has been chosen for the position and her first day as Administrator for the Research team will be Wednesday, August 15.

Ms. Nell Smith, Senior Research Specialist, Policy Analysis and Research Section, was recognized, and said she was happy to have been selected, and looked forward to working as Administrator, Policy Analysis and Research Section, Bureau of Legislative Research.

Senator Jeffress announced that the Committees would now take up Item D on the agenda.

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

The Honorable Johnnie Roebuck, State Representative, District 20, and Vice Chair, House Interim Committee on Education, was recognized. Representative Roebuck reported on a Southern Regional Education Board (SREB) meeting that legislators attended last June. She distributed a flash drive and a SREB report, *Arkansas, A Decade of Progress*, which summarizes data on the flash drive, to committee members. Representative Roebuck said that Arkansas had the largest delegation at the meeting, which included Senator Jimmy Jeffress, Senator Mary Anne Salmon, Senator Joyce Elliott, Senator Kim Hendren, Senator Johnnie Key, Representative Eddie Cheatham, Representative Les Carnine, Representative John Catlett, and Representative Sheilla Lampkin. She noted that Arkansas was complimented on work done in the last legislative session, particularly that accomplished on the teacher evaluation bill. She mentioned that Arkansas was recognized as a leader, both in SREB states and nationally, for the work done to increase Eight-Grade Math scores. She added that Arkansas was also complimented on its literacy program and the expansion of the program to fifty (50) schools this fall. Representative Roebuck stated that SREB is having another meeting in Atlanta on October 1 and 2, in which education commissioners and directors of higher education from SREB states are coming together to discuss college and career readiness. She said that Dr. Tom Kimbrell, Commissioner, ADE, and Mr. Shane Broadway, Interim Director, Arkansas Department of Higher Education (ADHE), have worked together on this issue, and, hopefully, would be attending the SREB meeting.

Senator Jeffress commented that Arkansas is a national leader in all areas because of everyone sharing in the work.

The Honorable Donna Hutchinson, State Representative, District 98, was recognized, and commented that she was proud of Arkansas's accomplishments in education while maintaining a balanced budget.

Senator Jeffress thanked Representative Roebuck for the update.

Senator Jeffress commented that the following report had been slated to be given last April. He said, however, that shortly before its presentation, it was discovered that some of the data was incorrect. He said the data has now been corrected.

Discussion of Issues Related to Teacher Salaries

Ms. Heather Tackett, Legislative Analyst, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Ms. Tackett said that the Teacher Salaries report had been prepared in order to meet the requirements of Act 57 of the Second Extraordinary Session of 2003, and consisted of responses to six (6) questions. She discussed:

1. How do Arkansas teacher salaries compare with surrounding states and states of the Southern Regional Education Board (SREB)?
2. How have the average teacher salaries changed in Arkansas compared to surrounding states and states in the SREB from 2009-10 to 2010-11?
3. How does the cost of living in Arkansas and surrounding states affect the value of Arkansas teacher salaries?
4. Has the disparity in teacher salaries within Arkansas increased or decreased in FY2010-11?
5. How do teacher salaries in Arkansas compare with the salaries in other professions with similar educational requirements within the state?
6. What instructional areas have the largest number of teachers teaching out of area in Arkansas?

Ms. Tackett explained that this report utilizes two data sources for comparing average teacher salaries: the National Education Association (NEA) and the Arkansas Department of Education (ADE). She said the first section of the report compares the average salary of the SREB states as well as the states that surround Arkansas utilizing the NEA data. Ms. Tackett employed charts and maps to illustrate the findings.

Mr. Richard Wilson, Assistant Director for Research Services, Bureau of Legislative Research, **Ms. Jerri Derlikowski**, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, **Dr. Tom Kimbrell**, Commissioner, Arkansas Department of Education, and **Dr. Karen Cushman**, Assistant Commissioner for Human Resources/Licensure, Arkansas Department of Education, were recognized, and participated, as needed, in the discussion that followed. Topics included:

- ✓ pre-K teachers,
- ✓ maximum length of time a school district can have a waiver on a teacher,
- ✓ methods of communicating information about waivers and shortages to colleges of education,
- ✓ endorsement vs. certification for middle school teachers,
- ✓ changes in rules for licensure of middle school teachers being examined,
- ✓ alternative licensure vs. certification,
- ✓ changing from a P-4 to a P-6 licensure requirement,
- ✓ teaching at the middle school level,
- ✓ teaching special education,
- ✓ add-ons vs. endorsement areas,
- ✓ waivers and ESL academies,
- ✓ possibility of bonuses for junior high school teachers like those given to teachers in economically depressed areas,
- ✓ rationale for certification for teaching adult education,
- ✓ conversations in isolation of other factors, specifically economic development; need to have a joint meeting between education and economic development,
- ✓ creating jobs and opportunities to attract people to economically distressed areas,
- ✓ reasons for three different average teacher salaries in report, and
- ✓ using different sets of data for calculations and comparisons.

Senator Jeffress thanked Ms. Tackett for the report.

Update on the Educational Activities of the Thea Foundation

Mr. Paul Leopoulos, Executive Director, the Thea Foundation, was recognized. Mr. Leopoulos gave a PowerPoint presentation, *Whole School Reform*. He reintroduced the whole school reform model and said it has come a long way since he last spoke before the Committees. He said that in practice A+ schools are committed to incorporating the creative process and giving all students a quality education. He discussed the A+ program and improvements at Hugh Goodwin Elementary in the El Dorado School District. A short video was shown on that school's success. He commented on research showing the success at Oklahoma A+ schools, and discussed the Arkansas A+ Schools Network which is committed to practicing creative training in every classroom. Mr. Leopoulos described the eight (8) A+ essentials: Arts, Curriculum, Experiential Learning, Multiple Intelligences, Enriched Assessment, Collaboration, Infrastructure, and Climate.

Topics in the discussion that followed the presentation included:

- existence of the A+ program in Arkansas's secondary schools,
- changing the mindset to implement creative programs,
- using National School Lunch Act (NSLA) funds to implement the A+ program,
- engaging boys in secondary schools to keep them in the school system,
- availability of statistics on how the A+ program is helping students in middle schools,
- conceptual relationship of the A+ program to the "Whole Language" program in which music and art was integrated into subject matter,
- teacher buy-in to program, engagement of principals,
- fitting the program into the vision of K-12 education,
- demographics of Hugh Goodwin Elementary,
- reasons for acceptance/rejection of program,
- necessity of whole school (all grades) to commit to program,
- ties with frameworks,
- building coalitions to implement the program, and
- working with colleges of education.

Senator Jeffress thanked Mr. Leopoulos for the presentation.

Discussion of the Recommendations from the "Arkansas 2032" Conference Hosted by the Clinton School of Public Service – University of Arkansas

Mr. James L. "Skip" Rutherford, Dean, Clinton School of Public Service, University of Arkansas and **Mr. Nate Looney**, Student, Clinton School of Public Service, University of Arkansas, and Organizer, "Arkansas 2032" Conference, were recognized. Mr. Rutherford and Mr. Looney spoke from a PowerPoint presentation. Mr. Rutherford explained that "Arkansas 2032" was a conference designed by the Clinton School of Public Service that brought student leaders from thirty-three (33) campuses across Arkansas together to critically assess the major challenges Arkansas will face over the next twenty years. He said the students identified the major topic areas around which the program was designed. The only thing added to the program that was not student-driven was based on the question, "How many of you plan to stay in Arkansas?" With only about 50% responding positively, he said a section called "Keeping Talent in Arkansas" was added. Mr. Rutherford commented that this was a fascinating conference, during which some fascinating and controversial recommendations were made.

Mr. Looney stated the caliber of student leadership at the conference was outstanding, and they came up with a total of thirty-one (31) recommendations. Mr. Looney discussed high points of these recommendations, including extending term limits, passing a half-cent sales tax increase dedicated to higher education, expanding the Natural State brand to promote a healthy lifestyle, and working with leaders across the state to deal with issues of race and ethnicity in Arkansas. Mr. Looney said he hoped this conference would be a catalyst for engaging young people in conversations on issues affecting Arkansas and other states.

A discussion followed the presentation. Topics included:

- ≈ providing insights into what it would take to encourage the 50% leaving the state to remain in the state,
- ≈ common themes in reasons given by students for leaving the state,
- ≈ reducing dependence on standardized testing scores for learning assessment; taking a holistic approach to education,
- ≈ ensuring participants in “Arkansas 2032” stay in contact with each other and continue the dialogue,
- ≈ funding for higher education and issues such as tuition cost and student debt, and
- ≈ encouraging more regional collaboration.

The Honorable Joyce Elliott, State Senator, District 33, was recognized. Senator Elliott referenced a presentation made by Mr. Marc Tucker, president and CEO, National Center on Education and the Economy, at a National Conference of State Legislatures (NCSL) conference she attended last week. She noted points made that other countries which are doing so well and running circles around the United States don't do all of this extensive testing. She said that, if we want to follow the evidence, none of the reforms that we keep making over and over matter. She remarked that the fact that students at “Arkansas 2032” are thinking about getting away from standardized testing is excellent and an opportunity for changing thoughts down the road.

Senator Jeffress thanked Mr. Rutherford and Mr. Looney for their presentation.

Senator Jeffress advised the Committees that Item I on the agenda, Discussion of Issues Related to the Reintegration Process for Students Discharged from Day Treatment Facilities and Returning to their Respective School Districts, would not be considered in today's meeting.

Senator Jeffress announced that the next joint meeting of the Senate Interim Committee on Education and the House Interim Committee on Education would be at 9:00 a.m. on Tuesday, August 14, 2012, in Room 171 of the State Capitol in Little Rock.

There being no further business, the meeting adjourned at 3:54 p.m.

Approved: 09/10/12