

MEETING SUMMARY

JOINT MEETING
OF THE
HOUSE AND SENATE INTERIM COMMITTEES ON EDUCATION

Tuesday, June 11, 2013

9:00 A.M.

Room A, MAC Building
Little Rock, Arkansas

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

MEMBERS OF THE SENATE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Senator Johnny Key, Chair; Senator Eddie Cheatham; and Senator Alan Clark.

MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative James McLean, Chair; Representative Ann Clemmer, Vice Chair; Representative Charles Armstrong; Representative Mark Biviano; Representative Les Carnine; 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.

NON-VOTING MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative Randy Alexander; Representative Harold Copenhaver; Representative Jim Dotson; Representative Justin Harris; Representative Stephen Meeks; and Representative Chris Richey.

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Paul Bookout; Senator Jonathan Dismang; Senator Jane English; Senator Jon Woods; Representative Jonathan Barnett; Representative Bill Gossage; Representative John Hutchison; Representative Mark McElroy; Representative Micah Neal; Representative Sue Scott; Representative Nate Steel; Representative Wes Wagner; and Representative Butch Wilkins.

The Honorable Homer Lenderman, State Representative, District 53, was recognized. Representative Lenderman briefly described ISP 2013-158, and made a motion for the Committees to adopt it for interim study.

Without objection, the motion to adopt the ISP was approved.

Handout:

Interim Study Proposal 2013-158 by Representative Lenderman, AN ACT CONCERNING SCHOOL SECURITY AND SCHOOL CRISIS RESPONSE TRAINING; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Dr. Tom Kimbrell, Commissioner, Arkansas Department of Education, was recognized. Dr. Kimbrell stated that the Arkansas Department of Education (ADE) is charged over the next year to convene a committee to look at the infrastructure options and availability of bandwidth to significantly facilitate and meet the objectives detailed in Act 1280 of 2013. He offered the services of the ADE to lead the effort in conjunction with the Department of Information Services (DIS) and other service providers, and to provide the required report. Dr. Kimbrell said the ADE has a capable staff and has already collected data based upon some tools provided through the consortium with the Partnership for Assessment of Readiness for College and Careers (PARCC).

Senator Key said that since it already has compiled significant data, the ADE would be designated to take the lead in working on the study and providing the report.

Without objection, the motion to have the ADE lead the study was approved.

Handout:

Act 1280 of 2013

Overview of the Adequacy Study Process

Presenters & Synopses:

1. *Historical Development*

2. *Legal Aspects and Definition*

Ms. Sarah Ganahl, Staff Attorney, Bureau of Legislative Research, was recognized. Ms. Ganahl briefly discussed the legal and historical process that brought about the Adequacy Study. She condensed the fifteen-year litigation known as *Lake View* into three areas that would be most useful for the Committees to understand. She described: 1) constitutional deficiencies that led to the system being found unconstitutional, 2) the work done by the General Assembly and the state to bring the system into constitutional alignment, and 3) the four key components that the court noted were needed to keep the system constitutional.

3. *The Adequacy Study Process*

Ms. Nell Smith, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Ms. Smith outlined the process for conducting the Study that has been followed in the past. She said the main guide has been the statute that established the Adequacy Study, which was created by Act 57 of the Second Extraordinary Session of 2003. As originally enacted, the statute called for a very broad evaluation without a lot of specifics. She said that with Act 1204 of 2007, the legislature got more specific about how the broad study requirements would be accomplished, and added the review of new laws or rules approved in the biennium in Act 725 of 2011. Ms. Smith noted that collectively these Acts make up Arkansas Code Section 10-3-2101. She said that the Adequacy Study is a year-and-a-half long series of meetings, reports, and presentations. The process ends with a final report that summarizes all of the information examined and provides a set of recommendations developed from that information. Ms. Smith walked the Committees through a PowerPoint presentation that detailed the Study Components: district-level survey, school-level survey, school site visits, resource allocation analysis, reports presented by the Bureau of Legislative Research (BLR), and presentations from the ADE and others. Ms. Smith also discussed a draft Adequacy Study Schedule, and furnished the Committees with links to past Adequacy Study materials.

4. *Matrix Structure Review*

Mr. Richard Wilson, Assistant Director, Research Services, Bureau of Legislative Research, was recognized. Mr. Wilson explained that, in addition to funding from other sources, school districts receive foundation funding from the state each year on a per-student basis. Mr. Wilson said that foundation money is one component of a total of what is known as *state unrestricted*. He said that, in addition, *state restricted* and *federal restricted* monies provided a total expenditure of \$9,300 per pupil in FY2012. The Matrix does not provide all the money, but it is where foundation funding starts. He said the state does not specify what the districts may or may not purchase with the funding that is received. He reviewed the Matrix, or specific formula, which is used by the state to arrive at the per-student funding amount. He explained that the Matrix calculates per-student funding based on the cost of personnel and other resources for operating a prototypical school of 500 students, and detailed its three parts: school-level salaries, school-level resources, and district-level resources. Mr. Wilson also reviewed the Categorical Program Funding. He noted that it is the responsibility of the Committees to adjust the Matrix for structural or inflationary changes.

Contributor to the Discussion:

Mr. Scott Richardson, Senior Assistant Attorney General, Office of the Attorney General

Issues Included in the Discussion:

- clarification of unrestricted funds,
- distribution of National School Lunch Act (NSLA) funds,
- allowance in the Matrix for additional personnel in larger school districts,
- state curriculum frameworks requirement,
- percentage of funding going to salaries in the Matrix,
- percentage of funding going to facilities in the Matrix,
- update on *Kimbrell vs. McCleskey*,
- taking “economies of scale” into account in the formula,
- getting the opinions of teachers,
- diminishing the disparities among school districts in the Matrix,
- clarification of the role of “isolated funding,”
- constancy of kindergarten level and the Matrix numbers,
- summary of all sources of funding,
- funding for distance learning or virtual academies,
- presentation of the next efficiency component, and
- funding for charter schools.

PowerPoint Presentation:

Adequacy Study Process, June 2013

Handouts:

Adequacy Matrix
Adequacy Schedule
Adequacy Statute, Purpose and Findings
Adequacy Study Process, June 2013
Adequacy Study Schedule, Draft
Bureau Brief, Foundation Funding and the Matrix
Bureau Brief, Legal Adequacy Overview

Senator Key thanked the speakers for the presentation.

Other Business:

Senator Key announced that **Mr. Rich Nagel** will retire as Executive Director of the Arkansas Education Association (AEA) after thirteen years of service. Senator Key presented him with a Senate Citation and Representative James McLean, the Chair of the House Interim Committee on Education, presented him with a House Citation in appreciation of his service and his assistance and partnership with the legislative Committees. Senator Key joined the members of the House and Senate Interim Committees on Education and all the members of the Arkansas General Assembly in congratulating Mr. Nagel on his retirement and commending him for his tireless efforts to improve education.

Mr. Rich Nagel, Executive Director, Arkansas Education Association, was recognized, and thanked the Committees for the honor.

Adjournment:

The meeting adjourned at 10:20 a.m.

Approved: 07/22/13