

MEETING SUMMARY

JOINT MEETING
OF THE
HOUSE AND SENATE INTERIM COMMITTEES ON EDUCATION

ADEQUACY

Tuesday, November 5, 2013

9:00 A.M.

Room 171, State Capitol
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 Joyce Elliott, Vice Chair; and Senator Uvalde Lindsey.

MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative James McLean, Chair; Representative Ann Clemmer, Vice Chair; Representative Charles Armstrong; Representative Les Carnine; Representative Bruce Cozart; Representative Robert Dale; 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 Stephen Meeks; Representative Reginald Murdock; and Representative Chris Richey.

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Jane English; Senator David Wyatt; Representative Bob Ballinger; Representative Scott Baltz; Representative Deborah Ferguson; Representative John Hutchison; Representative Joe Jett; Representative Mark McElroy; Representative Betty Overbey; Representative Sue Scott; Representative Frederick Smith; Representative John Walker; Representative Butch Wilkins; Representative Henry "Hank" Wilkins IV; and Representative Tommy Wren.

Discussion of Issues Related to Fiscal Distress

Ms. Nell Smith, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Ms. Smith referred to highlighted items on a handout of Adequacy Study responsibilities that would be covered in today's meeting: Fiscal Distress and Special Education. She said the Arkansas Department of Education (ADE) would be answering questions provided by the Bureau of Legislative Research (BLR) in its presentation. She reviewed Exhibit C, a Bureau Brief on Fiscal Distress.

Presenter & Synopsis:

Mr. Mike Hernandez, Assistant Commissioner, Fiscal and Administrative Services, Arkansas Department of Education, was recognized. Mr. Hernandez stated the ADE is currently working with nine (9) school districts classified as being in fiscal distress. He said the ADE also does a lot of preventative work with districts outside of those in fiscal distress. Mr. Hernandez commented that one of the primary reasons school districts are classified as being in fiscal distress is declining fund balances. He said the two top reasons for this situation are loss of student enrollment, or loss of enrollment coupled with a loss in assessment, and not making necessary

adjustments. He said the ADE starts over with the plan and process if a school district goes into fiscal distress for a second time.

Contributors to the Discussion:

Ms. Hazel Burnett, Coordinator, Fiscal Distress Services Unit, Fiscal and Administrative Services, Arkansas Department of Education

Dr. Tom Kimbrell, Commissioner, Arkansas Department of Education

Issues Included in the Discussion:

- o looking at the “critical mass” required to have a fiscally sound school district,
- o rethinking the process for working with districts placed in fiscal distress,
- o statutory impediments to successfully working with districts,
- o a district in fiscal distress incurring debt,
- o assisting districts with early intervention,
- o indicators pointing to declining balances,
- o minimum balance concept and carryover,
- o providing assistance to districts that are “trending down,”
- o addressing the issue of continuing declining enrollment in districts,
- o addressing the issue of having unnecessary personnel at the administrative level,
- o providing options to better deliver educational opportunities to students,
- o effectively supporting economic development and delivering education to the Delta and other similarly situated areas,
- o current situation in the Pulaski County Special School District (PCSSD),
- o keeping school districts under local control,
- o the difficulty of having county-wide school districts in the state,
- o participation in the Arkansas Leadership Academy program by principals and superintendents of schools in fiscal distress and those in priority and focus schools,
- o facilities issues in the PCSSD while the district is in fiscal distress,
- o facilities plans and necessary adjustments in the event plans for a Jacksonville School District should move forward,
- o number of students in the state, and
- o frequency of schools that receive declining enrollment funding not making staff adjustments.

Exhibit:

Exhibit C – Fiscal Distress, Bureau Brief

Handouts:

Adequacy Study Statutory Responsibilities

Questions on Special Education and Fiscal Distress, Memo

Discussion of Issues Related to Special Education

Presenters & Synopses:

Ms. Nell Smith, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Ms Smith called members’ attention to Exhibit D, a Bureau Brief on Special Education. She next walked members through the Special Education Report 14-001-29, discussing the number of special education students, types of disabilities, student placement, and student assessments and results. She talked about National Assessment of Educational Progress (NAEP) scale scores and other measures of student achievement. Lastly, Ms. Smith detailed state and federal funding.

In the next part of the presentation, Ms. Martha Kay Asti and other contributors responded to questions provided by the BLR. (See Questions on Special Education on the attached memorandum, dated November 5, 2013.)

Ms. Martha Kay Asti, Associate Director, Special Education, Division of Learning Services, Arkansas Department of Education, was recognized. With regard to Question 1, Ms. Asti stated the ADE tried to prepare school districts for sequestration. She said, as a result of the loss of funds due to sequestration, the ADE applied the same formula for allocation of funds and some districts were affected financially a little more than others. She said she was not aware of any specific instances in which a large number of personnel had to be laid off. She mentioned she would be interested in seeing the results of a survey that Ms. Smith said would be going out to school districts asking specifically how they had been impacted.

With regard to Question 4, Ms. Asti said she had visited with Dr. Tracy Tucker, Director of Curriculum and Instruction, Division of Learning Services, ADE, in regard to providing an update on the implementation requirements of Act 1294 of 2013, and shared the following information. She commented that the ADE continues to work with a small group of educators on updating the Dyslexia Resource Guide, and is looking to an expert, Dr. Richard Wagner, to provide guidance. She said the ADE is beginning to work with its legal department to draft rules and regulations, and that ADE specialists are looking at screeners to be used in the areas included in the law other than, or alongside, DIBELS (Dynamic Indicators of Basic Early Literacy Skills). She said the ADE is currently discussing hiring a dyslexia specialist and securing funding for that position.

Contributors to the Discussion:

Ms. Sarah Ganahl, Staff Attorney, Bureau of Legislative Research, was recognized. Ms. Ganahl said she would review the Lake View opinion for its content on special education, as requested by Senator Uvalde Lindsey.

Mr. John Hoy, Assistant Commissioner, Division of Academic Accountability, Arkansas Department of Education, was recognized. In response to Question 2, Mr. Hoy addressed the accountability issue with regard to special education.

Dr. Karen Walters, Assistant Commissioner, Division of Human Resources, Arkansas Department of Education, was recognized. With regard to Question 3, Dr. Walters explained the changes introduced into the teacher licensure rules, the issues the rules were intended to address, and the impact on availability of special education teachers.

Issues Included in the Discussion:

- ≡ availability of data on whether districts with highest proficiency, inside or outside the Matrix, are hiring more special education teachers,
- ≡ whether state funding has anything to do with differences in disabilities,
- ≡ a grant system to fund special education meeting the test of equity under Lake View,
- ≡ measuring the numbers of special needs students,
- ≡ clarification of Medicaid reimbursement chart,
- ≡ testing of special needs students,
- ≡ identifying hurdles in current state statutes needing attention by the General Assembly with respect to providing an equal and adequate education for special education students,
- ≡ accounting for federal Title 6B funding that the state received in 2012-2013,
- ≡ spending carryover federal and state funds for special education,
- ≡ assisting special education students with testing,
- ≡ providing accommodations for special education students with regard to Partnership for Assessment of Readiness for College and Careers (PARCC) assessments,
- ≡ disproportionate number of African American males represented in the special education population,
- ≡ early intervention allowing a higher percentage of special education students to move into mainstream education,

- ≡ addressing paperwork reduction in special education,
- ≡ specific accommodations in the test administration manual that allow for modifications to testing for special education students,
- ≡ effect of reduction of professional development hours from sixty to thirty-six on special education needs,
- ≡ diagnosis of Attention Deficit Hyperactivity Disorder (ADHD) and the category in which it is included,
- ≡ tracking of ADHD, and
- ≡ helping teachers understand the culture of poverty to avoid misdiagnosing special education problems.

Exhibit:

Exhibit D – Special Education, Bureau Brief

Handout:

Special Education Report 14-001-29

Dr. Tom Kimbrell, Commissioner, Arkansas Department of Education, was recognized. At the request of Representative Stephen Meeks, Dr. Kimbrell updated information on estimates from ADE for the implementation of PARCC, and on copyright releases. Dr. Kimbrell said the final report will be out in December.

Senator Key noted that Dr. Kimbrell will speak on the No Child Left Behind (NCLB) waiver and challenges faced as a state at the December meeting. He recognized State Board of Education member, Ms. Diane Zook.

Next Scheduled Meetings:

Wednesday, November 20, 2013, at 9:00 a.m. in the Brewer-Hegeman Conference Center in Conway in conjunction with the conference, *PARTNERING FOR PROGRESS: The Role of Early Remediation in Preparing College-Ready Arkansas Students*

Monday, December 16, 2013 at 10:00 a.m. and Tuesday, December 17, 2013, at 9:00 a.m. in Room 171 of the State Capitol in Little Rock

Senator Key reminded members that there would be a meeting of the State and Public School Life and Health Insurance Program Legislative Task Force on Tuesday, December 17, 2013, at 1:30 p.m. in Room 171 of the State Capitol in Little Rock.

Adjournment:

The meeting adjourned at 11:21 a.m.



Bureau Brief



Memorandum

TO : Members of the House and Senate Committees on Education

FROM: Nell Smith, Bureau of Legislative Research

DATE : November 5, 2013

SUBJECT : Questions on Special Education and Fiscal Distress

The Bureau of Legislative Research developed the following questions for the Arkansas Department of Education to address in its presentations on special education and fiscal distress.

Special Education

1. Arkansas schools' IDEA Part B federal funding allocations decreased by \$2.7 million (from about \$99.3 million in 2013 to about \$96.6 million in 2014) due to the sequester. Describe the impact of the cuts on the special education services public schools provide.
2. The state's Elementary and Secondary Education Act (ESEA) Flexibility Plan changed the way special education students' scores are counted for accountability purposes. Under the previous method, if a school had fewer than 40 special education students, their scores were not counted as a separate subpopulation, and the school was not penalized for low achievement levels in that group. Schools that did have at least 40 special education students were held accountable for meeting performance levels in that subgroup. Describe how the changes introduced in the ESEA Flexibility Plan affect the way that special education students' test scores factor into school accountability.
3. In 2010-11, nearly 37% of the waivers granted to teachers teaching out of their subject area went to teachers teaching special education. Explain the changes introduced for teacher licensure rules that were intended to address this issue and describe the changes' impact on the availability of special education teachers.
4. Act 1294 of 2013 requires school districts to screen all students in kindergarten through 2nd grade for dyslexia and other reading problems. The legislation also requires districts to use their Response to Intervention teams to address the needs of students who have markers for dyslexia and to provide dyslexia therapy for students whose evaluation indicates they need it. Please provide an update on the implementation of this legislation.

Fiscal Distress

1. What are some of the most common reasons districts are placed in fiscal distress? Are there district characteristics that make some more likely to end up in fiscal distress?
2. A number of districts have been placed in fiscal distress more than once. Does ADE take a different approach with districts on a second or third designation compared with the districts that are in fiscal distress for the first time?