



## Research Report

# State Categorical Funding Review Professional Development (PD)

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**THE HOUSE INTERIM COMMITTEE ON EDUCATION  
AND THE SENATE INTERIM COMMITTEE ON EDUCATION**



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## INTRODUCTION

Arkansas statute §10-3-2102 requires the House and Senate Committees on Education to evaluate the cost of providing an adequate education. Arkansas's K-12 education funding formula, referred to as the matrix, is used to determine the per-pupil level of foundation funding disbursed to each school district. In addition to foundation funding, districts may receive four types of categorical funding. Categorical funding is different from other types of education funding because it can only be used for activities related to the intended programs. Three of the four categorical funds are intended for student populations with greater educational needs. These special needs groups include students in poverty, students who are not proficient in the English language, and students who need the additional assistance of an alternative learning environment. The fourth type of categorical funding supports professional development training for teachers.

Professional Development (PD) is a program of continuing education activities for teachers, administrators, and some classified staff aimed at improving teaching skills and increasing knowledge. The statutorily established purpose of professional development is to “improve teaching and learning in order to facilitate individual, school-wide improvements designed to ensure that all students demonstrate proficiency on state academic standards. The state provides funding to help districts pay for professional development programs, such as the cost of bringing in a speaker or paying the travel costs and registration fees for conferences. Professional development was established as one of the four categorical programs so that the funding could be restricted for those uses.

This document provides information on the history of the funding, the program requirements, the distribution of the money, and districts' PD expenditures.

## BACKGROUND

Prior to 2003, the Arkansas State Board of Education rules required all certified staff to complete 30 hours (5 days) of professional development as part of their 185-day contract. Under pressure from the Lakeview lawsuit in 2003, the state commissioned Picus and Associates (Picus) to complete an adequacy study that would be used to revamp the state's education finance system. In their final 2003 report, Picus suggested that “improving teacher effectiveness through high quality professional development is arguably as important as all of the other resource strategies identified; better instruction is the key aspect of the education system that will improve student learning.” The report outlined four strategies to deploy a successful professional development program<sup>1</sup>:

- A. **Time during the summer for intensive training institutes.** The report noted this could be implemented by adding five additional days to the teacher contract for an estimated cost of \$45 million dollars.
- B. **On-site coaching for all teachers.** To help them incorporate practices into their repertoire and the classroom.
- C. **Collaborative work with teachers in their school during planning and preparation periods.** To improve the curriculum and instructional program by reinforcing the strategic and instrumental need for planning and prep time.
- D. **Funds for Training.** To provide training during the summer and during the school year.

The Legislature responded to these recommendations by adding five days to teachers' contracts. Act 59 of the 2<sup>nd</sup> Extraordinary Session of 2003 extended the basic contract for teachers from 185 days to 190 days, to include a total of 10 days of professional development.

<sup>1</sup> *An Evidence Based Approach to School Finance Adequacy in Arkansas*. Lawrence O. Picus and Associates. Final Report—September 2003. Page V, 37.

To pay for these additional days, about \$101 per student was added to the funding allocated for teacher salaries. The foundation funding rate established by Act 59 included funding for 2.5 instructional facilitators to help with the on-site coaching O&P recommended. Act 462 of 2003 called for teachers' to have planning periods (200 minutes each week) in increments of no less than 40 minutes to allow for more collaborative work with other teachers. And Act 59 provided \$50 per student, or \$25,000 for a prototypical school of 500 students, to pay to bring in trainers, pay for travel associated with intensive summer institutes and other miscellaneous PD costs.

There were significant changes to the professional development program in 2013. In an effort to buoy the public school employee insurance plan, Act 2 of the 1<sup>st</sup> Extraordinary Session of 2013, reduced the PD funding rate by 40%, from \$54.00 to \$32.40 per student. This change was expected to free up \$10.1 million, with the intention of appropriating an additional \$10 million in General Revenue in 2015 for public school employee health insurance. This funding change was made with the expectation that the State Board of Education would reduce the required number of professional development hours from 60 to 36.

ADE is currently in the process of revising the Rules Governing Professional Development to account for the decrease in PD funding. Under the draft rules, educators will be required to obtain just 36 hours of PD to maintain their license in 2014-15. However, because the state law requiring 10 days of professional development for a basic teacher contract was not changed, districts are still required to provide 10 days of PD. In effect, the laws and rules still require districts to provide 60 hours of PD to comply with the basic teacher contract, and teachers will be required to dedicate 10 days of their contracted days to PD. However, individual educators need just 36 of those hours for licensure.

## PROGRAM REQUIREMENTS

Under state law, districts are required to develop a professional development plan that spells out the PD activities for the district. Teachers, administrators and classified employees must be involved in the design, implementation and evaluation of the PD offerings. Additionally, every educator is required to develop a professional learning plan that identifies PD the educator will obtain during the year based on identified needs.

Some of the required PD hours must cover specific topics. Teachers are required to receive PD in the following areas:

- Two hours on parental involvement
- Two hours on Arkansas history (only for teachers who teach Arkansas history)
- Two hours of teen suicide
- Two hours on child maltreatment

Until recently, teachers had been required to receive PD in these specific areas on an annual basis. However, Act 969 of 2013 established a schedule in which each topic is required once every four years, with each topic scheduled in a different year and continued on a rotating annual basis. The act also eliminated a requirement that administrators and guidance counselors in schools that serve high school students receive professional development on the availability of and application process for college scholarships. Other legislation passed in 2013, Act 1294, requires all teachers to have received PD in dyslexia awareness by 2014-15.

In addition to the PD required for all licensed teachers, administrators also are required to receive PD in the following areas:

- Data disaggregation
- Instructional leadership
- Fiscal management

Professional development can be earned in more ways than just workshops and training sessions. ADE rules specify that PD credit can be granted for mentoring sessions, study groups, online training, college coursework and other types of activities. Additionally, teachers may receive up to 12 hours of PD for the time spent at the beginning of the school year planning curriculum and developing instructional materials. The rules identify three types of activities that are specifically excluded from receiving PD credit: setting up a bulletin board; clerical work associated with required documents, such as an Individual Education Program for special education students; and administrative faculty meetings.

## DISTRICT AND SCHOOL SURVEY QUESTIONS

As part of the 2014 adequacy study, the Bureau of Legislative Research (BLR) conducted surveys of all 238 school district superintendents and a randomly selected, representative sample of 74 school principals. The section of the report provides the questions and responses that are related to professional development. (The questions and responses related to the Teacher Evaluation and Support System begin on page 10.) Responses to other survey questions will be presented in related reports later in the adequacy study process.

The district-level survey was conducted using an online questionnaire. The survey was distributed to the districts beginning October 28, 2013, and the last district responded January 21, 2014. The school survey was conducted through interviews with principals conducted during site visits to the selected schools by BLR staff. The school visits were made beginning October 31, 2013 with the final visit on January 29, 2014.

The district survey allowed the BLR to collect specific, quantitative data from all districts, while the school survey asked open-ended qualitative questions. To elicit the most candid responses, district and school staff were assured their answers would not be individually identified, therefore responses are provided only in aggregate.

### **District Survey Question: Approximately what percentage of teacher professional development typically is determined by each factor?**

One district did not respond to this question and two other districts responses were eliminated because they did not add to 100%. The table below shows the average of the percentages districts gave for each factor. Districts said nearly half of their PD is determined by state requirements. District requirements and administrators determine another quarter of the professional development teachers receive.

	Average % Cited by Districts
State Requirements	45%
District Requirements	14%
Administrators' Decision-making	12%
Faculty Decision-making	9%
Individual Teacher	9%
Formative and Summative Teacher Evaluation	11%
Other (Specify.)	1%

Among the districts that responded that some portion of their PD is determined by "Other," one said they use a K-12 and administrator team to determine PD needs. Another said PD is driven by teacher needs as determined by student achievement data. A third district indicated that PD is determined by literacy and math coaches. Several districts that indicated "Other," did not specify what other factor drives PD.

**District Survey Question: For 2012-13, what percentage of a typical teacher’s professional development is provided by each source?**

Two districts did not respond to this question and one other district’s responses were eliminated because they did not add to 100%. The table below shows the average of the percentages districts gave for each factor.

On average, districts receive about a third of their PD through their regional education service cooperative. District staff and instructional facilitators provide another quarter of districts’ PD, followed by state or regional workshops that account for 10% of districts’ PD.

	Average % Cited by Districts
National workshops or conferences	3%
State/regional workshops or conferences	10%
Educational cooperatives	33%
Outside (district) speakers	6%
District- or school-facilitated, using Arkansas IDEAs (AETN)	6%
Individual use of Arkansas IDEAs (AETN)	4%
Instructional facilitators/academic coaches	13%
Other teachers	6%
District personnel other than teachers	16%
College courses	2%
Other	1%

Among the districts that responded that some portion of their PD is provided by “Other,” districts noted the following sources:

- School facilitated
- Field expert consultants
- Job embedded PD
- Individual or team curriculum planning
- Arkansas Public School Resource Center
- ADE and external providers required through ESEA Flexibility

Several districts that indicated “Other,” did not specify how their PD is provided. One district that indicated 100% of their PD is provided by “Other” indicated that PD is not tracked in these categories and therefore did not attempt to group PD in this way.

**District Survey Question: How would you rate professional development in terms of improving classroom teaching?**

Districts clearly see PD as an important part of improving teaching. More than 75% of the districts said they consider PD as either essential or very useful.

	Districts	% of Districts
Essential	120	50%
Very useful	63	26%
Useful	44	18%
Somewhat useful	8	3%
Not very useful	3	1%

**District Survey Question: Generally, do principals in your district design professional development plans that meet all of the following criteria?**

- Are written
- Are individualized for each teacher
- Extend beyond one year

	Districts	% of Districts
Yes	146	61%
No	63	26%
In some cases (specify)	29	12%

This question was aimed at determining the extent to which districts are planning PD according to best practices. Recent evidence indicates that the most effective PD for teachers entails a detailed written plan formulated by the teacher and evaluator together. The plan should involve learning over a period of time that is based on the individual needs of the teacher, rather than the school calendar year.

More than 60% of districts said their PD plans included all three features. Several of the districts that responded "In some cases" said that their plans meet the first and second criteria, but they do not extend beyond one year. Several other districts said the PD plans that meet all of the criteria are those for teachers who are on teacher growth plans or improvement plans.

**District Survey Question: Please use the space below to provide any additional information pertaining to the questions on this survey or to offer any comments or suggestions you wish to convey to the Education Committees.**

Seven districts elected to discuss professional development in response to this question.

- I understand the teachers are still required to obtain 60 hours of professional development, but we are only going to be funded for 36 hours. I would like for the other four days to be student interaction days and not professional development days.
- We need our professional development funding back and even more added. AETN/AR IDEAS needs to be funded differently or done away with and districts need to get that funding back as well.
- Implementation of Common Core requires a significant commitment to professional development over multiple years. Once districts receive PARCC assessment results, there must be a renewed commitment to professional development to help teachers use the results to improve student learning.
- Professional development and NSLA funding are essential for continued improvement in teacher quality and services and resources for student learning.
- It is very important that teachers be provided appropriate professional development to ensure implementation of Common Core in classrooms. All decisions made should be about putting students first.
- I know that professional development is an extremely hot topic these days. I strongly encourage the legislature to continue to require 10 days of professional development for teachers annually. This is strongly needed to provide support to teachers in the implementation of new programs and new standards. Reducing the number would have a negative effect on student achievement. In many cases, district personnel (including instructional facilitators and curriculum directors) can adequately provide much of the professional development that is needed.

- It's very exciting to know that the vision of the Educational Committee Members is to target ways to recruit and retain the best teachers possible for all our students across the state. It is without doubt, high quality teachers with research proven staff development placed in front of our students daily is the major component in raising our students achievement scores.

**School Survey Question: What state or federal laws or ADE rules should be changed or eliminated?**

Professional Development was among the most commonly discussed topics in response to this question. Eight principals noted changes needed for PD laws or rules. All of the school site visits were conducted after the 1<sup>st</sup> Extraordinary Session of 2013 when funding for PD was reduced, so several principals said the cut in PD hours will have a negative impact. Others expressed concern about the cut in funding without a commensurate reduction in the number of required hours. One principal said 60 hours of PD was too much. Another principal noted a need for more intense PD in elementary math and another wanted the requirement for Arkansas history PD to be eliminated. Responses to this question that are related to other topics will be addressed in reports coming later in the adequacy study process.

## PD FUNDING

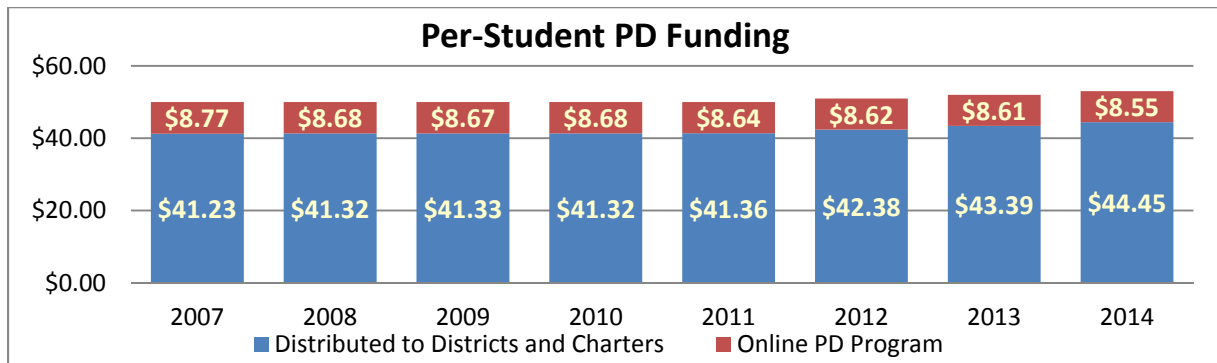
For nearly a decade, the state has provided professional development funding to help districts pay for workshops and other training opportunities for their staff. Most of the professional development funding is distributed to school districts on a per-student basis. However, \$4 million of the total PD funding is set aside each year to develop and maintain a statewide professional development program for educators.

In 2005, the Legislature passed Act 2318 of 2005, creating the Arkansas Online Professional Development Initiative (§6-17-707). Section 29 of Act 2131 of 2005 authorized ADE to use up to \$4 million of the total appropriation for professional development to "develop and implement statewide professional development support systems for teachers that will benefit student achievement." The idea for the program was to pool resources and create one online system that individual school districts and co-ops could not afford individually, but that would be free to districts to use. The agency set up the online system by awarding grants to the Arkansas Educational Television Network (AETN) and other organizations to establish and maintain the portal for online courses, known as ArkansasIDEAS. The program develops some course content and subscribes to course content developed by outside vendors. While AETN typically receives the majority of the program funds, other organizations, such as educational cooperatives, higher education institutions and the Arkansas Association of Educational Administrators have received funding in the past.

The allocation of \$4 million for statewide professional development resulted in the reduction of the \$50 per ADM rate paid to school districts by more than \$8 per ADM. Though the districts were losing some of the PD funding, legislators hoped the statewide program would offer an efficient online course delivery system that would be free to educators. The special language provision allowing ADE to spend \$4 million of the PD funds has been included in each public school fund appropriation bill through the current fiscal year.

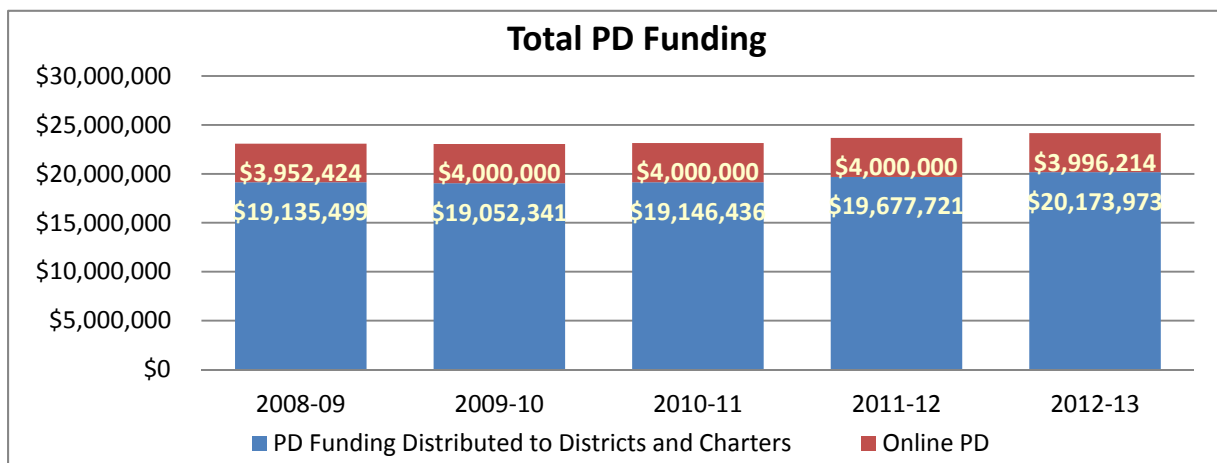
The following chart shows the total amount of PD funding distributed per student each year for the last eight years. It shows the amount distributed to districts and open enrollment charter schools and the amount set aside for the statewide online PD program.





Source: The per-student amount distributed to districts and charter schools comes from the Arkansas Department of Education's State Aid Notice for each year. The remaining amount was calculated as the PD funding rate, minus the amount distributed to districts and charter schools.

The following chart shows the total funding provided for professional development. Like the previous chart, the figures are broken into the amount provided to districts and charter schools and the amount allocated to the online PD program. In 2012-13, 83.5% of the PD funding was distributed to districts and charter schools, while 16.5% was allocated to the online PD program. That year there were approximately 56,500 licensed teachers and administrators across the state, and about 33,300 of them were employed by Arkansas public schools.



Source: Department of Education Grants Summarized by the Division of Legislative Audit

ADE officials noted that when FY15 PD funding is reduced to \$32.40 per student, AETN is expected to continue receiving about \$3.5 million, a slight reduction from the \$3.75 million the organization received in 2012-13. This could mean that the bulk of PD funding cuts will be shouldered by the districts and charter schools. However, ADE noted that the FY15 budgets have not been finalized.

## ARKANSAS IDEAS

At the end of the 2012-13 school year, the ArkansasIDEAS portal offered educators 665 courses, for a total of nearly 1,600 credit hours. At the end of FY13, 46,697 educators had registered with ArkansasIDEAS. This figure represents the total number of educators who have registered since the program's creation, including those who left the profession, moved out of state or registered once and never used the portal again. That number also does not represent every educator who has used the portal. Some districts, according to AETN, use the portal to help lead face-to-face PD sessions. In those cases, the PD leader could be registered to use the portal, but the participants

might not. As previously noted, districts reported that on average they rely on AETN for about 10% of their staff's professional development. On average, 4% of districts' PD is provided to individual educators using AETN, while 6% of PD is delivered in a group setting facilitated by AETN course content.

In 2012-13, more than 151,000 credit hours were earned through the AETN portal. The portal offered training and resources on the Common Core State Standards, and it provided the coursework that teachers were required to complete before being evaluated under the Teacher Evaluation and Support System. In 2012-13, 11,670 educators, or about 20% of the state's licensed educators (56,500), completed at least one ArkansasIDEAS course.

## PD EXPENDITURES

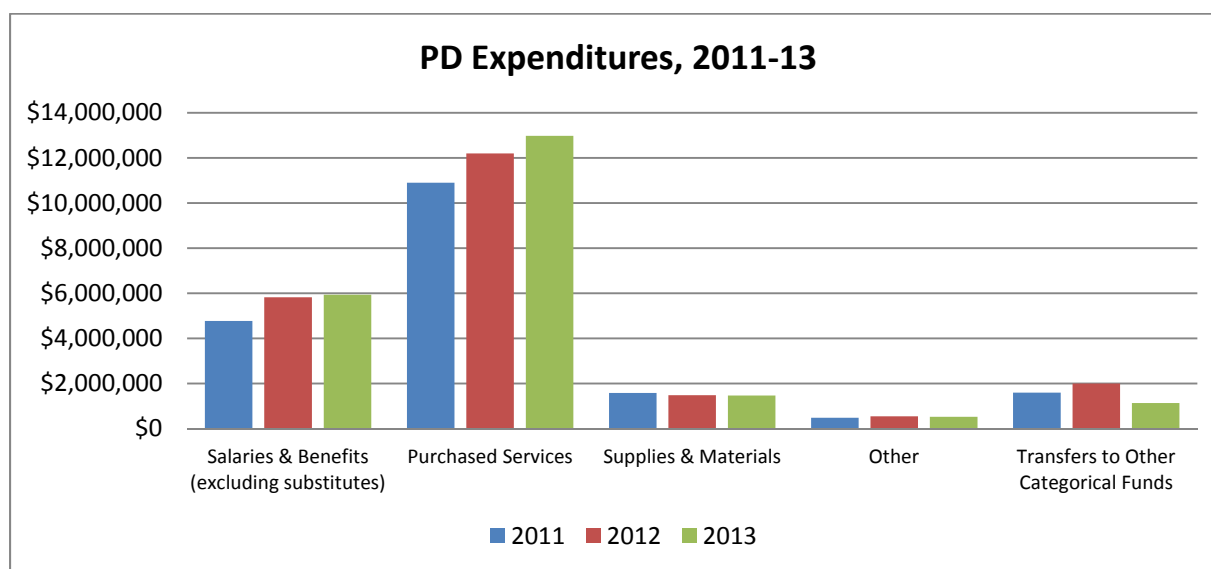
The table below shows the total amount of funding provided to school districts and their PD expenditures (not including charter schools). The expenditures do not include any PD funding districts transferred to other categorical funds. The table also calculates the PD funding and expenditures as a per-student amount. This data show that collectively districts are spending slightly more on PD than they are receiving.

	Total PD Funding	Total PD Expenditures*	Per-Student PD Funding	Per-Student PD Expenditures
2010-11	\$18,914,362	\$17,740,858	\$41.36	\$38.79
2011-12	\$19,381,428	\$20,055,357	\$42.38	\$43.85
2012-13	\$19,838,099	\$20,824,961	\$43.39	\$45.55

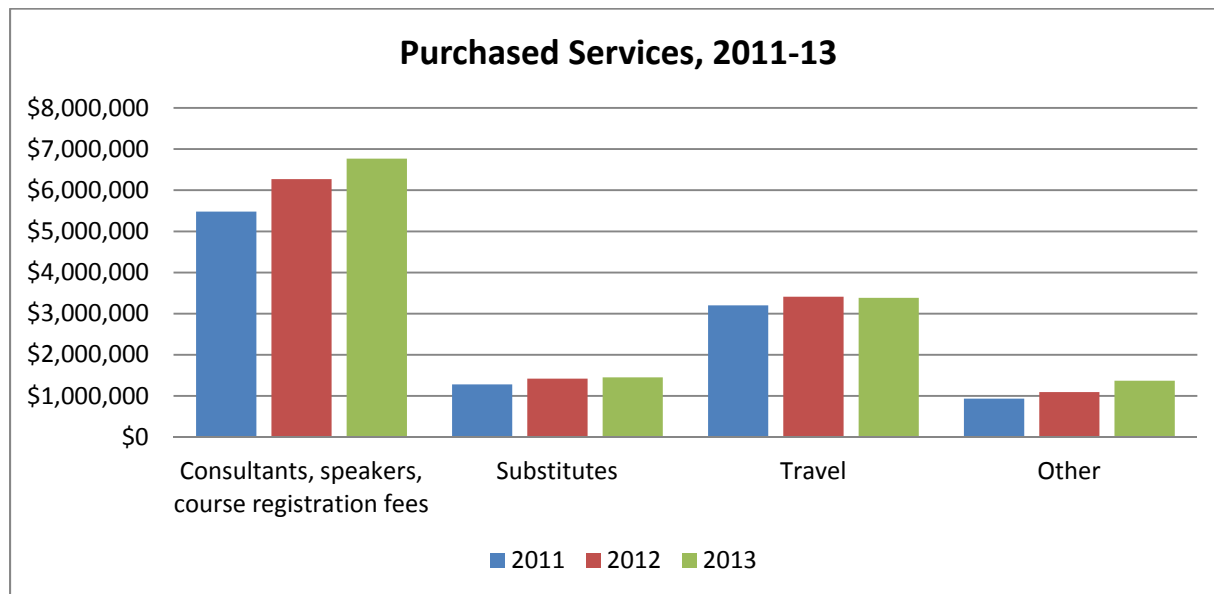
\*Note: PD Expenditures exclude transfers made from PD to other categorical funds.

In 2012-13, 126 districts spent less than the statewide average per-student PD expenditure and 113 spent more. Per student expenditures ranged from \$10.29 (Cleveland County School District) to \$164.50 (Marked Tree School District).

The chart below shows how districts are spending their PD funding, with the majority being spent on purchased services. These types of expenditures could include hiring a speaker to lead a workshop or a school improvement consultant to mentor staff. Purchased services can also include substitutes hired to fill in for a teacher who is participating in a day of training.



The following chart provides additional detail about the purchased services expenditures shown in the chart above. About half of all purchased services expenditures is spent on consultants, speakers, course registration fees and other similar services. A quarter of these expenditures are spent on travel costs. Substitutes (both those hired through an outside company and those hired directly by the districts) account for more than 10% of the purchased services expenditures.



## PD FUND BALANCES

Districts are allowed to carry over funding from one year to the next. Any PD funding they do not spend during the year becomes a fund balance at the end of the year. At the end of 2012-13, 199 districts had PD fund balances collectively totaling \$3.4 million.

	Total PD Fund Balance	Districts with PD Fund Balance	Districts without a PD Fund Balance
2011	\$4,521,702	200	39
2012	\$3,489,721	191	48
2013	\$3,433,027	199	40

\*Includes one district with a balance of less than \$1

The majority of districts' PD fund balances are relatively small, with just 15 districts having a fund balance over \$50,000.

Ending Fund Balance	Number of Districts		
	2010-11	2011-12	2012-13
\$0	39	48	40
\$.01-1,000	33	35	37
\$1,001-\$10,000	66	71	86
\$10,001-\$50,000	84	66	61
More than \$50,000	17	19	15

## TEACHER EVALUATION AND SUPPORT SYSTEM

Act 1209 of 2011 created a statewide teacher evaluation system, known as the Teacher Evaluation and Support System (TESS). TESS is being phased in beginning with piloting the system in 11 schools in 2013 and in all schools in the current school year. Full implementation of the system will begin next year.

Year	Implementation Activity
2011-12	March 2011: Act 1209 approved; July 2012: Rules approved by State Board of Education
2012-13	11 Schools piloted TESS
2013-14	All districts are piloting TESS
2014-15	Full implementation
2017-18	School performance report cards will include the total number of teachers employed and the total number identified as proficient or above under TESS

The evaluation measures teachers in four domains:

1. Planning and preparation
2. Classroom environment
3. Instruction
4. Professional responsibilities

The evaluation rates a teacher's performance as being distinguished, proficient, basic or unsatisfactory. The full evaluation includes a formal classroom observation (an announced visit by an evaluator that lasts at least 75% of the class period) and an informal classroom observation (a shorter visit that may be unannounced), as well as pre- and post-observation conferences. TESS also calls for the teacher to provide "artifacts," or pieces of evidence representing the teacher's performance in each of the areas measured. Artifacts can include lesson plans, samples of student work and assessments. When TESS originally passed, the legislation called for half of the artifacts to be students' scores on external assessments, such as the Benchmark test scores. However, Act 709 of 2013 changed that requirement so that test scores must still be considered, but they now make up an unspecified amount of a teacher's artifacts.

TESS requires the evaluator to provide a written evaluation that determines the teacher's rating (distinguished, proficient, basic, or unsatisfactory), and it calls for the teacher to provide feedback on the evaluation process. If a teacher receives an "unsatisfactory" rating in any one full domain or has a rating of "unsatisfactory" or "basic" in a majority of the measurements, the district must place the teacher in "intensive support status." The evaluator then develops goals and tasks the teacher must complete and provides any necessary support for the teacher to complete the established tasks and achieve the set goals. The evaluator sets the timeframe for the intensive support status, but that timeframe must not extend beyond two semesters (unless the teacher is making significant progress). At the end of the time period, the evaluator must determine whether the teacher has completed the tasks and met the goals. If the teacher is not successful, the evaluator must notify the superintendent. The statute requires the superintendent to review and approve the documentation and recommend termination or nonrenewal of the teacher's contract.

The evaluation must be conducted annually for some teachers and every three years for others. Those who must be evaluated annually are new teachers, those who are in a probationary status and those who successfully completed an intensive support status in the previous year. All other teachers must be evaluated at least once every three years.

In addition to a teacher evaluation system, the state also has been developing an evaluation system for principals, known as the Leader Excellence and Development System (LEADS). Act 709 of 2013 officially authorized ADE to develop and implement a evaluation system for school administrators. The law also authorizes the State Board of Education to promulgate rules for the

principal evaluation system. The State Board has promulgated rules that are set to take effect July 1, 2014. In 2011-12 and 2012-13, ten districts piloted the LEADS system and all districts are currently piloting the program. All districts must fully implement the LEADS system beginning in 2014-15.

States were required to develop and implement teacher and principal evaluation systems to receive approval for a waiver from some requirements of the Elementary and Secondary Education Act. In Arkansas, the teacher and principal evaluation systems were initiated before the federal government offered states flexibility waivers, easing federal approval of the state's ESEA Flexibility Plan.

## TESS AND PROFESSIONAL DEVELOPMENT

As part of the evaluation process, teachers and their evaluator must develop an individual professional learning plan that links a teacher's planned PD activities to the teacher's needs identified through TESS. State statute requires half of the PD hours required by law to be directly related to the teacher's subject area, instructional strategies that can be applied to the teacher's subject area, or the teacher's identified needs.

**District Survey Question: To what extent do teacher evaluations determine an individual teacher's professional development (PD) activities (exclude all mandatory PD)?**

	Districts	% of Districts
It is the basis for PD	13	5%
It is a major factor	80	34%
It is one among other decisive factors	137	58%
It is not a decisive factor	7	3%
No response	1	.4%

The vast majority of districts indicated that teacher evaluations are an important determinant of PD activities. About 92% indicated that they are either a major factor or one of several decisive factors.

**School Survey Question: Describe your experience so far in implementing the TESS evaluation system.**

Of the 47 schools that provided a general comment on TESS, 45 offered a mostly positive assessment. Many said they liked the evaluation rubric and believe the system will lead to improvements in teaching and student learning. While several principals said there was some hesitation among staff at first, they noted that teachers seemed pleased now. Some said the system has started some very useful conversations. Two principals said the system was ridiculous and that principals do not need TESS how to tell them how to evaluate teachers.

Principals also commented about specific elements of TESS and its implementation. By far the most common response given was that TESS is either time-consuming or requires too much paperwork or both. Thirty-nine of the 74 principals made one or both of these comments. Seven principals noted that they wished they'd had an assistant principal or other staff member to help with the workload. Some of these principals said the system's workload is particularly difficult for small schools that don't have an assistant principal.

Eight principals said they like the system's objectivity and the systematic way it allows them to impartially evaluate teachers. However, one principal said the evaluations appeared subjective.

Thirteen principals said they worried about the stress and anxiety the new system had caused their faculty. Teachers, they said, were worried about teaching correctly under the rubric and they worried about being nonrenewed as a result of the evaluation process. Some noted that teachers were overwhelmed by the TESS training and the system. Four principals noted that

their teachers complained about the requirement that they collect artifacts and worried about gathering appropriate artifacts for the evaluation.

Eighteen principals commented on the TESS training. Some noted some technical difficulties using the ArkansasIDEAS online training system, while others indicated the training was too demanding or too difficult to understand. Some felt the training was beneficial and provided a good process. A handful of principals said the communication regarding the system implementation left them a little confused and seemed disorganized at times.

Some principals addressed TESS in response to a different survey question. When asked what state or federal laws principals thought needed to be changed (see page 6 for the full question), three principals said TESS. Two said the system required too much documentation, and one said the state needs to “ease up on TESS.”

## CONCLUSION

Professional Development (PD) is a program of continuing education activities for teachers, administrators, and some classified staff aimed at improving teaching skills and increasing knowledge. The state provides funding to help districts pay for professional development programs, such as the cost of bringing in a speaker or paying the travel costs and registration fees for conferences. Professional development was established as one of the state’s four categorical programs to ensure districts spend the funding only on professional development. Act 59 of the 2<sup>nd</sup> Extraordinary Session of 2003 provided \$50 per student, or \$25,000 for a prototypical school of 500 students, to pay to bring in trainers, pay for travel associated with intensive summer institutes and other miscellaneous PD costs. The funding has been increased in subsequent years to \$53 per student in 2012-13.

About \$4 million of the total annual professional development funding, or about 16.5%, is used to support a statewide online professional development program for teachers. The program provides online course content and is available to districts and charter schools free of charge. The allocation of \$4 million for the program results in the reduction of the per-student rate paid to school districts by about \$8.50 per ADM.

In 2013, the state provided \$24.2 million for professional development. About \$4 million of that funding was dedicated to the online professional development program. The remaining \$20.2 million was distributed to charter schools and school districts. Public school districts (not including charter schools) collectively received about \$19.8 million. Districts are allowed to transfer money between categorical funds, and in 2012-13, they transferred nearly \$2 million of their NSL funding to their PD funds. Using the transferred NSL funding and the \$19.8 million in PD categorical funding, districts spent \$20.9 million. Collectively districts spent more on PD than they received, but they used NSL funding to make up the difference.

Legislation introduced in 2013 will bring significant changes for professional development funding program in 2015. Act 2 of the 1<sup>st</sup> Extraordinary Session of 2013, reduced the per-student funding rate for PD by 40%, from \$54.00 to \$32.40. This change was expected to free up \$10.1 million to be used instead for public school employee health insurance in 2015. As a result of this statutory change, ADE is currently in the process of reducing the number of PD hours that educators need to obtain for licensure from 60 hours to 36. However, school districts will still be required to provide 10 days (60 hours) of PD because the statutorily defined basic teacher contract requires 10 days for PD. The result is a reduction in the number of hours funded without a commensurate reduction in the number of hours school districts are required to provide. This may cause districts to rely on cost-free PD activities to supplement the 36 hours that are funded.

ADE officials noted that when funding is reduced, AETN is expected to continue receiving about \$3.5 million, a slight reduction from the \$3.75 million the organization received in 2012-13. This may mean that the bulk of PD funding cuts will be shouldered by the districts and charter schools. However, ADE noted that the FY15 budgets have not been finalized.