

**MEETING SUMMARY**  
**JOINT MEETING**  
**OF THE**  
**HOUSE AND SENATE INTERIM COMMITTEES ON EDUCATION**

**ADEQUACY**

**Tuesday, February 9, 2016**  
**9:00 A.M.**  
**Committee Room A, MAC Building**  
**Little Rock, Arkansas**

Representative Bruce Cozart, the Chair of the House 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 Jane English, Chair; Senator Uvalde Lindsey, Vice Chair; Senator Eddie Cheatham; Senator Alan Clark; Senator Blake Johnson; Senator Bobby J. Pierce; and Senator Eddie Joe Williams.

**MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE:** Representative Bruce Cozart, Chair; Representative Sheilla Lampkin, Vice Chair; Representative Charles L. Armstrong; Representative Scott Baltz; Representative Gary Deffenbaugh; Representative Charlotte Vining Douglas; Representative Jon Eubanks; Representative Jeremy Gillam; Representative Bill Gossage; Representative Michael John Gray; Representative Greg Leding; Representative Mark Lowery; Representative Mark McElroy; Representative Reginald Murdock; Representative James Ratliff; and Representative John W. Walker.

**OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE:** Senator Joyce Elliott; Senator Scott Flippo; Senator Bruce Maloch; Senator Terry Rice; Senator Larry Teague; Representative David L. Branscum; Representative Jim Dotson; Representative Dan M. Douglas; Representative Kenneth B. Ferguson; Representative Mary P. “Prissy” Hickerson; Representative David Hillman; Representative Monte Hodges; Representative Lane Jean; Representative Joe Jett; Representative Kelley Linck; Representative George McGill; Representative Stephen Meeks; Representative Micah S. Neal; Representative Betty Overbey; Representative Laurie Rushing; Representative Sue Scott; Representative Dan Sullivan; Representative Brent Talley; Representative Dwight Tosh; Representative Jeff Wardlaw; and Representative Marshall Wright.

Review of Division of Legislative Audit Report, “Department of Education Grants Summarized by the Division of Legislative Audit for the Year Ended June 30, 2015”

**Presenter:**

**Mr. David W. Webb**, Audit Supervisor, Division of Legislative Audit, was recognized. Mr. Webb stated that each year the Division of Legislative Audit prepares a summary of all the grants that are distributed by the Arkansas Department of Education (ADE). He said for the year ended June 30, 2015, \$3.3 billion in grants, funded from both state and federal sources, were distributed to school districts, education cooperatives, charter schools, and other entities. He said during fiscal year 2015, \$2.7 billion was provided from the public school fund, \$517 million was provided from federal funds, and \$71 million was distributed from other state and miscellaneous sources. Overall, he continued, the ADE distributed about \$57 million more in FY2015 than they did in FY2014. He noted that both specific program amounts and the total of grants provided to each recipient, especially school districts and charter schools, can be found in this report. He explained that Attachment 1, on pages 3 through 13, summarizes all of the grants that were distributed to each school district and charter school, along with a comparison to the total that was received in the prior year. He commented that the remaining attachments display the amounts that were provided to each recipient from each grant; and provide details that will tie back to the totals that are presented on the summary. Mr. Webb stated there are nearly sixty (60)

programs that are administered through the public school fund; and details of these distributions are included on Attachments 2 through 4. He said Attachments 5, 6, and 7 provide details for the distributions from other state, federal, and miscellaneous sources. He said that there are narratives in the back of the report, and these paragraphs will describe each of the grant programs that are administered by the ADE. Mr. Webb noted that when this report was prepared, audit procedures were not performed at the recipient level. He stated the goal of this report is to provide information about how much was given to the school districts from the ADE.

Issue Included in the Discussion:

- description of funds from which grants are administered, and how any carryover is disbursed.

Handouts:

Department of Education Grants Summarized by the Division of Legislative Audit, Year Ended June 30, 2014  
Department of Education Grants Summarized by Arkansas Legislative Audit, Year Ended June 30, 2015

Discussion of Issues Related to Student Achievement Statistics

Presenter:

**Dr. Ginny Blankenship**, Legislative Analyst, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Dr. Blankenship presented an overview of the *Student Achievement* portion of the statutorily required Adequacy Study for this biennium. She said the report focuses on progress made by Arkansas's public schools over the last several years, as measured by student test scores, graduation rates, and other education statistics. She commented that, while Arkansas's students have made significant improvements in some areas, they continue to score below the national average on some national assessments, and achievement gaps between student subgroups still remain. Utilizing data presented in charts, Dr. Blankenship discussed various measures of student achievement, including Historical Arkansas Benchmark Data, 2014-15 PARCC Data, State Comparisons, Achievement Gaps, and Academic Improvement Plans (AIPS); ACT Aspire; Benchmark & End-of-Course Exams in Science & Biology; National Assessment of Educational Progress (NAEP), including Reading and Math; Advanced Placement (AP); ACT; High School Graduation Rates; and Higher Education Attainment.

Issues Included in the Discussion:

- ≈ disaggregation of data with reference to performance of students in charter schools as compared to those in public schools in all respects,
- ≈ material improvements, if any, since the *Lake View* case, based on the data,
- ≈ comparing the PARCC test to the Benchmark test,
- ≈ testing by the paper PARCC vs. the computer PARCC,
- ≈ test scores achieved by students in schools that promote workforce training vs. schools that encourage earning college credits in upper grades,
- ≈ breakdown by race of those in poverty vs. those not in poverty on the PARCC exam, and
- ≈ academic performance of students in districts where there is a large turnover of teachers and staff.

Handouts:

Student Achievement, Research Report

## Discussion of Issues Related to Educational Equity

### Presenter:

**Dr. Brent Benda**, Senior Research Specialist, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Dr. Benda credited his collaborators in this report, Mr. Isaac Linam, Mr. Paul Atkins, and Ms. Nell Smith.

**Ms. Nell Smith**, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Ms. Smith explained the four (4) variables that were examined for the report: two (2) revenue variables and two (2) expenditure variables.

Dr. Benda walked the Committees through *Equity of Revenues and Expenditures in Arkansas School Districts*. He said this report provides information on the state's educational equity, using standard statistical measures accepted by the Arkansas Supreme Court. Utilizing a PowerPoint presentation, Dr. Benda discussed data and results of the three (3) approaches that have been established to measure equity: 1) horizontal equity, 2) fiscal neutrality, and 3) vertical equity. With regard to horizontal equity statistics, he discussed: Example of Restricted Range; Chart 1. Example of Coefficient of Variation; Chart 2. Example of Lorenz (or Gini) Curve; Chart 3. Lorenz Curve for % Foundation Funds & Property Taxes per Student; Gini Coefficient Formula & McLoone Index; Example of McLoone Scatter Plot; Table 1. Foundation Funding and Property Taxes per Student; and Table 2. Foundation and Other Adequacy Funding per Student. With regard to fiscal neutrality statistics, he discussed: Table 3. Property Wealth: Foundation Funding & Property Taxes per Student; Table 4. Property Wealth: Foundation & Adequacy-related Funding per Student; Table 5. Property Wealth: Foundation Funding & Property Taxes per Student [8 High Uniform Rate of Tax (URT) Districts Excluded]; and Table 6. Property Wealth: Foundation & Adequacy-related Funding per Student [8 High URT Districts Excluded]. With regard to vertical equity statistics, he discussed: Chart 4. Expenditures from Select State Funding by ADM Deciles; Chart 5. Expenditures from Select State Funding by % non-White Deciles; Chart 6. Expenditures from Select State Funding by % Free & Reduced-Price Lunch Deciles; and Chart 7. Expenditures from Select State Funding by Per-Student Property Wealth Deciles. In his summary, Dr. Benda said that Arkansas has maintained funding equity over the last three years.

### Issues Included in the Discussion:

- ≡ accounting for needs analysis in the report,
- ≡ whether *all* lines of funding from the Legislative Audit Report were included in the equity analysis,
- ≡ whether inclusion of private philanthropy attached to charter schools was included,
- ≡ whether all districts are assumed equal going into a study,
- ≡ utilization of the equity data, and
- ≡ whether the 2015 column of Table 1 on page 7 reflects the change in Matrix funding made in 2014.

### PowerPoint Presentation:

Equity of Revenues and Expenditures in Arkansas School Districts

### Handouts:

Adequacy Study Statutory Responsibilities  
Equity of Revenues and Expenditures in Arkansas School Districts

## Continued Discussion of Issues Related to Student Transportation

### Presenter:

**Mr. Richard Wilson**, Assistant Director, Research Services, Bureau of Legislative Research, was recognized. Mr. Wilson stated that when transportation was last discussed, Senator Alan Clark requested an illustration of what a five-year and an 8-year phase-in to move money from the Matrix to, perhaps, a categorical funding model might look like. Mr. Wilson reviewed two (2) sheets of numbers explaining the phase-in and phase-out of funds.

Issues Included in the Discussion:

- ∴ whether there is enough in the Matrix to satisfy the needs of school districts,
- ∴ concern for taking care of the front end,
- ∴ districts with the highest transportation costs, in many, but not all cases, tend to be rural and poor, and
- ∴ effect of transporting students on cost of transportation and on academic achievement.

Handout:

Comparison of Transportation Options (2 sheets)

Next Scheduled Meetings:

Friday, February 12, 2016, at 10:30 a.m. at National Park College, 101 College Drive, Hot Springs, AR,  
*Desegregation Litigation Oversight Subcommittee*

Thursday, February 18, 2016, at 10:00 a.m. in Room 171, State Capitol, Little Rock, *State and Public School Life  
and Health Insurance Program Legislative Task Force*

Monday, March 14, 2016, at 10:00 a.m. in Room 138, State Capitol, Little Rock, *Education Caucus*

Monday, March 14, 2016, at 1:30 p.m. in Committee Room A, MAC Building, Little Rock, *Joint Education*

Tuesday, March 15, 2016, at 9:00 a.m. in Committee Room A, MAC Building, Little Rock, *Joint  
Education/Adequacy*

Adjournment:

The meeting adjourned at 10:50 a.m.

*Approved: 03/14/16*