

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

ADEQUACY

Tuesday, June 11, 2019
9:00 A.M.
Room A, MAC
Little Rock, Arkansas

Representative Bruce Cozart, the Chair of the House Committee on Education, called the meeting to order at 9:00 a.m.

MEMBERS OF THE SENATE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: *Senators:* Jane English, Chair; Mark Johnson; and James Sturch.

MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: *Representatives:* Bruce Cozart, Chair; Reginald Murdock, Vice Chair; Rick Beck; LeAnne Burch; Gary Deffenbaugh; Jana Della Rosa; Jim Dotson; Jon S. Eubanks; Mickey Gates; Mark Lowery; Stephen Meeks; Nelda Speaks; Dan Sullivan; and DeAnn Vaught.

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: *Senators:* Bob Ballinger; Jonathan Dismang; Trent Garner; Kim Hammer; Missy Irvin; and Larry Teague. *Representatives:* Stan Berry; Kenneth B. Ferguson; Justin Gonzales; Steve Hollowell; Fredrick Love; Tippi McCullough; Aaron Pilkington; Brandt Smith; and Carlton Wing.

Minutes:

Without objection, the minutes of the November 19, 2018 and May 1, 2019 meetings were approved as written.

Exhibits:

Exhibit C1 – 11/19/2018 Minutes

Exhibit C2 – 05/01/2019 Minutes

Representative Cozart announced the meeting would briefly recess this morning for members to attend a memorial for former Senator Linda Collins-Smith at the Capitol. He stated the meeting would resume following the service.

Representative Cozart recognized a delegation from the Democratic Republic of the Congo. He said it was an honor to have them at the meeting.

Adequacy: A Legal Overview

Presenter:

Ms. Taylor Loyd, Staff Attorney, Bureau of Legislative Research, was recognized. Ms. Loyd stated the presentation would review public education funding to date and the ongoing role of the Committees pertinent to public education funding in the state. Utilizing a PowerPoint presentation (*Handout 1*), Ms. Loyd's discussion included Constitutional Duties, the Lake View case, the Origins of "Adequacy," Existing Constitutional Deficiencies, General Assembly – Actions, and Maintaining Constitutional Compliance. Ms. Loyd also discussed the *Continuing Adequacy Evaluation Act of 2004 (Handout 2)*, presenting an overview of adequacy, the three

main components of the Adequacy Study, and relevance of the Matrix. She commented about adequacy as a fluid and dynamic concept.

Contributor to the Discussion:

Ms. Nell Smith, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research

Issues Included in the Discussion:

- adequacy/equity dynamic,
- a funding versus a spending Matrix,
- origin of the use of 500 students for a prototypical school district on which to base funding; adjusting that number,
- moving from a funding to a spending model in the Matrix without violating any Constitutional issues,
- whether there would be latitude for use of components of the funding model in the spending model,
- redistribution of funds in facilities funding through legislation, and its impact on adequacy,
- making changes in the Matrix during this funding cycle,
- making funding decisions based on assessed need, and
- placing restrictions/allowing shifting with regard to foundation funding.

PowerPoint Presentation:

Adequacy: A Legal Overview

Handouts:

Handout 1 – Adequacy: A Legal Overview

Handout 2 – Continuing Adequacy Evaluation Act of 2004

Representative Cozart called for a short recess at 9:55 a.m.

Representative Cozart called the meeting back to order at 10:35 a.m.

Representative Cozart stated all adequacy materials used in meetings would go into a personal binder for each member. He said the binder would be updated for use at each adequacy meeting. He requested members to leave the binders on the desk.

Overview of the Arkansas Public School Funding System

Presenter:

Ms. Nell Smith, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Utilizing a PowerPoint presentation (*Handout 5*), Ms. Smith gave members a broad overview of the education finance system in Arkansas. She discussed The Big Investment, By the Numbers, Per Pupil Spending, AR District/Charter Revenue, Types of State Funding, Revenue Components of Foundation Funding, Components of Foundation Funding, The Matrix, Components of the Matrix, Student Achievement (*% On Grade Level on State Assessments: 8th Grade Math & Literacy/English Language Arts*), NAEP% Proficient or Advanced, Student Achievement (*2017 NAEP % Proficient or Advanced*), and Achievement Gap.

Issues Included in the Discussion:

- sources of funding,
- applying the same standards to a district that is being significantly funded through just URT should the Matrix be made a spending formula as well as a funding formula,
- median number of students in a school district,

- extracurricular activities in the Matrix,
- school districts keeping excess funds,
- national ranking of Arkansas in per pupil funding,
- number of high URT districts in the state, and
- analysis of spending from all sources.

PowerPoint Presentation:

Overview of the Arkansas Education Finance System

Handouts:

Handout 3 – Adequacy: Legal Overview, Adequacy Highlights

Handout 4 – Arkansas Public School Funding Overview

Handout 5 – Overview of the Arkansas Education Finance System

Handout 6 - Matrix

Discussion of Request For Proposal (RFP) to Conduct the Adequacy Study

Representative Cozart gave members a few moments to review the RFP before asking questions.

Issues Included in the Discussion:

- ⇒ changes made in desired outcome of study in current RFP,
- ⇒ comparing best practices with other states in the study,
- ⇒ whether the Committees are bound to consultant's recommendations,
- ⇒ concern over timeline for study completion,
- ⇒ changing components of the Matrix,
- ⇒ concern over not implementing the consultant's funding recommendations in the next biennium,
- ⇒ concern over the hiring of a consultant,
- ⇒ taking questions about the process from non-members of the Committees,
- ⇒ bringing in subject matter consultants if the RFP doesn't go forward,
- ⇒ concern over paying a consultant to discuss adequacy, and
- ⇒ whether Committees should hear additional proposals from consultants.

Relevant Action:

Senator James Sturch was recognized, and made a motion to authorize the Bureau to begin the new procurement process and to allow the Chairs to approve the final form of the RFP.

Representative Cozart confirmed with the Committees that voting would be done separately by the House and Senate. The Senate Committee, with three members present, voted two to one in favor of the motion. The House Committee voted against the motion.

Pursuant to the motion by Senator Sturch, the motion failed on a voice vote.

Representative Cozart stated there would not be an RFP.

Handout:

Handout 7 – RFP Education Adequacy Consulting Services

Next Scheduled Meetings:

Monday, August 19, 2019, at 1:30 p.m. in Room A, MAC, Little Rock

Tuesday, August 20, 2019, at 9:00 a.m. in Room A, MAC, Little Rock

Adjournment:

The meeting adjourned at 11:45 a.m.