



Bureau of Legislative Research
Policy Analysis & Research Section



Adequacy Study Process

August 20, 2019



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The Big Investment

Arkansas students and our state's future, of course, but also...

41% of Arkansas General Revenue is dedicated to K-12 education.



Half of school district revenue comes from the state (40% generated locally, 10% federal).

Foundation funding alone (state and local share) provides \$3 billion to schools.

Image Source:
<http://www.arkleg.state.ar.us/bureau/fiscal/Publications/A.%20PowerPoints,%20Fund%20Types,%20Important%20Dates/2016%20Financing%20State%20Programs.pdf>

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What is educational adequacy?

- There is **NO** single correct answer.
- It is a **judgment** based on **evidence**.
- The BLR & others provide information—the evidence—through the adequacy study to help form that judgment.
- **YOU** determine what an adequate education is.
- **General Assembly** typically adopts recommendations.

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What's included in adequacy?

What's included in an adequate education?

You decide.

What's included in the adequacy study?

Statute sets the minimum requirements.

You decide the rest.

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Basis for Adequacy Decisions

- **Funding decisions must be based on evidence.**
- **Amounts must be based on districts' NEEDS, not the amount of available funding.**

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You determine the components of an adequate education.



Anything you determine necessary for an adequate education must be funded.

Image Source: <http://davidmmasters.com/blog/with-great-power-comes-great-responsibility/>

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Adequacy and the Budget

- **State statute requires K-12 education to be funded first.**
- **Ed Committees' funding recommendations serve as basis of the governor's budget for education.**

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Types of Recommendations

Funding changes

Examples:

- Increase/decrease funding levels
- Change what is being funded
- Change funding restrictions (e.g., limits on uses, expenditure requirements)
- Change distribution methods

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Types of Recommendations *continued*

Substantive education policies

— It's not just about money!

Examples:

- Change required staffing levels
- Add/delete curriculum requirements
- Change accountability structure
- Increase/decrease districts' flexibility in complying with state standards

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Types of Recommendations *continued*

Issues affecting this study

Examples:

- Add/delete what's statutorily required to be studied
- Introduce new data elements districts are required to report

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Adequacy Study Statute

- 2003: established broad study requirements
- 2007: provided specific steps for accomplishing requirements
- 2011: added the review of new laws or rules approved in the biennium
- Two study requirements removed in 2017 and 2019

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Adequacy Study Process

- No single report is The Adequacy Study.
- Study is a year and a half long process, culminating in recommendations and a final report.
- The 2017-18 study included 18 meetings and dozens of reports.

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Roles

Committee

- Direct study
- Define adequacy
- Identify problems and choose solutions
- Make policy & funding recommendations

BLR

- Inform about statutory responsibilities
- Provide information and answer questions
- Advise on legal ramifications

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Other Organizations' Roles

- **ADE**
- **Districts and Educators**
- **Advocacy Organizations and Others**
- **Consultant?**

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Study Components

- Analysis of expenditure/student achievement data, national data, etc.
- Surveys of educators
- School site visits
- Testimony from education advocacy associations
- Public comment

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BLR Reports

Provide you with information intended to:

1. Help you make your recommendation

OR

2. Formulate additional questions that lead to your recommendation

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BLR Reports DO NOT Include:

- Opinion
- Judgments about which issues are “problems”
- Recommendations
- Determination of what’s adequate

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Timeline

- Now entering 2020 school year.
- Funding levels already set for 2020 and 2021 school years.
- Your recommendations will be for 2022 and 2023.
- Study examines data from 2018 and 2019 (and earlier).

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PROPOSED MEETING SCHEDULE

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Recommendations & Final Report

- Final report and recommendations due **Nov. 1, 2020**.
- Draft report due at least 14 days before final report.



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Fiscal Session Responsibilities

Before Fiscal Session:

- Review funding recommendations in 2018 Adequacy Report.
- Review other issues that could affect adequate education.
- Amend, if necessary, 2018 recommendations by March 1, 2020.

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Adequacy Links

Link to Past Adequacy Study Materials

<http://www.arkleg.state.ar.us/education/K12/Pages/AdequacyReports.aspx>

Link to Current Adequacy Study

<http://www.arkleg.state.ar.us/education/K12/Pages/AdequacyReportDetails.aspx?catId=2020>

(To navigate from General Assembly website: Click on BLR tab at top; click on BLR Education Research on right side; click on K-12; click on Adequacy Reports on left side; click on 2020)

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