



AUGENBLICK,
PALAICH AND
ASSOCIATES

HANDOUT D1



Presentation of Draft Report

Justin Silverstein and Amanda Brown, APA

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and the House Committee on Education
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Today's Presentation

- Recap of study areas and research activities
- Overview of report structure
- Study areas and key takeaways for each chapter
- Recap of recommendations
- Review of next steps

Recap of Study Areas: Section 3.0.A

Section 3.0.A							
	Fiscal and Performance Data Analysis	Case Studies	Literature/ Document Review	Educator Panels/ Stakeholder Engagement	District Survey	Additional Quantitative Work	Additional Qualitative Work
1. Recommended Methods for Routinely Reviewing Adequacy			X				
2. Concentrations of Poverty	X		X		X		X
3. Identification of Gaps and Programs to Address	X	X				X	X
4. Correlation Between Performance and Funding	X	X					
5. Review of Adequacy Studies			X				
6. Review of Resources in Matrix	X	X		X	X	X	
7. College/Career Readiness			X	X			X

Recap of Study Areas: Section 3.0.B

Section 3.0.B							
	Fiscal and Performance Data Analysis	Case Studies	Literature/ Document Review	Educator Panels/ Stakeholder Engagement	District Survey	Additional Quantitative Work	Additional Qualitative Work
1. Current School Size Policies					X	X	
2. School Size Best Practices			X		X		X
3. Impacts of School/District Size			X		X	X	
4. Recommendations on Ideal Size of Schools			X				
5. Public Input on School Size Standards				X	X		X
6. Addressing Small District Size and Remoteness	X		X				
7. Class Size Requirements, Student/Teacher Ratios and Salary Variations	X		X				
8. Identification and Operation Criteria for Isolated Schools and/or Districts			X				

Recap of Study Areas: Section 3.0.C

Section 3.0.C							
	Fiscal and Performance Data Analysis	Case Studies	Literature/ Document Review	Educator Panels/ Stakeholder Engagement	District Survey	Additional Quantitative Work	Additional Qualitative Work
1. Evaluation of Economically Disadvantaged Student Proxy							
a. Community Eligibility Provision Evaluation			X			X	
b. Impact on State Aid Formulas						X	
c. Alternative Proxies			X			X	
2. Impacts on Equity						X	
3. Impacts of Enrollment Changes			X			X	
4. Attracting and Retaining Administrative and Educational Staff			X	X		X	
5. Attracting and Retaining Nurses			X	X		X	
6. Resources for Student Mental Health Issues			X	X			
7. Capital Needs			X		X	X	

Recap of Study Areas: Section 3.0.C

Section 3.0.C (continued)							
	Fiscal and Performance Data Analysis	Case Studies	Literature/ Document Review	Educator Panels/ Stakeholder Engagement	District Survey	Additional Quantitative Work	Additional Qualitative Work
8. Best use of Poverty Funds	X	X	X	X	X		
9. Case Studies of Successful Schools		X					
10. Impact of Vouchers	X		X			X	
11. Impact of Waivers			X			X	
12. Examination of Uniform Tax Rate			X			X	
13. Funding for Concentrations of Poverty	X		X				
14. Professional Development and Extra Duty Time		X	X		X		
15. Comparison of Prior Study Recommendations and Legislation			X				
16. Educator Panels				X			

Recap of Research Activities

- The following key research activities were implemented to address the 31 required study areas:
 - Literature/Data Reviews
 - LEA Survey
 - Fiscal and Performance Data Analysis
 - Case Studies
 - Educator Panels/Stakeholder Engagement
 - Additional Quantitative and Qualitative Work

Literature/Document Review

- First research step in most RFP areas
- Each literature/document review examined the academic and policy research available on the topic
- Policy reviews examined all 50 states, with special attention paid to comparison group(s) of states as identified by the Committees
 - SREB states + Massachusetts

LEA Survey

- In areas where data was not already available, the study team surveyed LEAs directly through a single survey on current LEA resource use and practices:
 - Sent to every district superintendent and charter system director
 - Gathered information in multiple study areas including:
 - Policies around school and district size, including public input practices
 - Best uses of poverty funds
 - Capital needs
 - Professional development, collaboration and extra duty time practices
 - Educational opportunities and career and technical education (CTE) offerings

Fiscal and Performance Data Analysis

- Implemented a series of statistical analyses using various methodologies to:
 - Identify growth and achievement among student groups
 - Analyze the impact of concentrations of poverty on student outcomes, including differences between proxies
 - Estimate the relationship between spending and performance
 - Evaluate the impact of class sizes
- Analyzed LEA expenditure data

Case Studies

- The study team conducted case studies of 15 successful schools from across the state
 - Ranked schools that outperformed expectations for each region and grade span, then selected the highest-ranking elementary school, middle school, and high school that met the criteria from each region
 - A school was then eligible to be selected if it had a letter grade of A or B, or if the school had a C grade and had improved its letter grade from 2018 to 2019
 - Schools also had to have a higher-than-average low-income student percentage (above 63 percent) or a higher-than-average English learner (EL) student percentage (above 8 percent)

Case Studies: Interview Question Areas

- Using a case study interview protocol developed based upon characteristics of effective schools found in research, interviews gathered data on:
 - Staffing and non-personnel resource use
 - Curriculum, interventions and strategies
 - Professional development and instructional time
 - Use of data and decision making
 - School culture

Stakeholder Engagement

- Gathered feedback from stakeholders in the state through two avenues:
 - Targeted panel discussions with educators around the state
 - An online stakeholder survey that was open to all educators and the broader community
- Both avenues were intended to gather feedback in study areas, including:
 - College and career readiness
 - Supporting low-income students
 - Staff attraction and retention
 - Perspectives on the education funding system in the state, including funding matrix resources

Stakeholder Engagement: Educator Panels

- The study team convened over 20 educator panels in September, including:
 - 10 district and charter system administrator panels, 2 per region (Central, Northwest, Northeast, Southwest, Southeast)
 - 2 statewide CFO/business manager panels
 - 4 statewide school administrator panels
 - 6 statewide teacher panels
- 125 participants, of whom 85 were district/charter system administrators and CFOs/business managers
 - Getting school-level participation was difficult given the challenges school administrators and teachers are facing this school year
- Participants were from all regions in the state

Stakeholder Engagement: Online Survey

- The online survey was open for two weeks in September to both educators and the public, including parents, students, business leaders and community members
 - Two survey versions: a detailed educator survey and a more streamlined community survey
- A total of 3,025 individuals participated in the stakeholder survey
 - Roughly split equally between educators and community members
 - Respondents from over 170 different districts/charter systems

Additional Qualitative and Quantitative Work

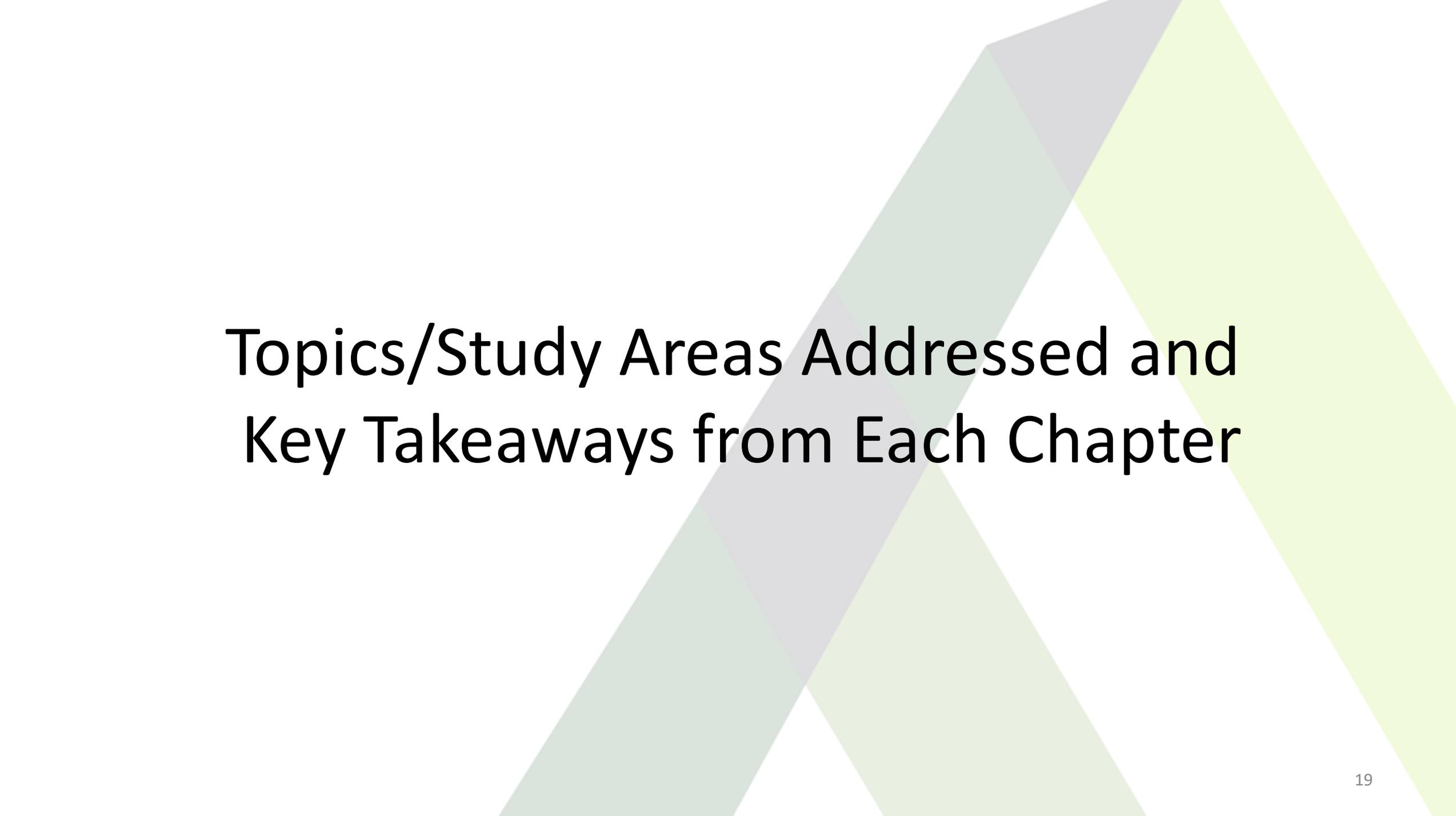
- Additional qualitative and quantitative work includes, but is not limited to:
 - Data analysis, such as examining the equity of the current finance system, the impact of enrollment changes, vouchers and waivers, and differences in education opportunities and teacher workforce across the state
 - Interviews with Arkansas Department of Education Staff and Education Cooperatives staff as needed
 - Geographic Information System (GIS) mapping

Overview of Draft Report Structure

Chapter	Topics/Study Topic Areas Addressed
1. Introduction	Study team, study areas, and methods
2. Background	Overview of court decisions and state funding system, stakeholder perspectives of funding system and areas of concern/feedback
3. Analysis of Equity and Uniform Tax Rate	Equity Analysis, Impact of Uniform Tax Rate
4. Indicators of Student Performance	Identification of Gaps, Concentrations of Poverty, Correlation Between Performance and Funding, Class Size
5. Addressing Poverty and Achievement Gaps: Funding Approaches	Economically Disadvantaged Student Proxies, Funding for Concentrations of Poverty, Uses of Poverty Funds
6. Addressing Poverty and Achievement Gaps: Strategies	Case Studies, Addressing Concentrations of Poverty, Identification of Programs to Address Gaps
7. College and Career Readiness	College and Career Readiness Definition

Overview of Draft Report Structure, Continued

Chapter	Topics/Study Areas Addressed
8. Class, School, and District Size	School Size Best Practices, Current School Size Policies, Public Input on School Size Standards, Class Size Requirements, Student/Teacher Ratios, Impacts of School/District Size, Addressing Small District Size and Remoteness, Identification and Operation Criteria for Isolated Schools and/or Districts, Recommendations on Ideal Size of Schools
9. Attracting and Retaining Staff	Attracting and Retaining Administrative and Educational Staff, Attracting and Retaining Nurses, Workforce and Salary Variations
10. Other Topic Areas	Professional Development and Extra Duty Time, Student Mental Health, Waivers, Enrollment Changes, Vouchers, Capital Needs
11. Review of the Arkansas Resource Matrix and Approaches for Routinely Reviewing Adequacy	Prior Arkansas Adequacy Studies, Adequacy Studies in Other States, Review of Resources in the Matrix, Methods for Routinely Reviewing Adequacy
12. Recommendations	Recommendations across study areas



Topics/Study Areas Addressed and Key Takeaways from Each Chapter

Chapter 2. Background

- **Topics/Study Areas Addressed:**
 - Provides an overview of court decisions and state funding system, stakeholder perspectives of funding system and areas of concern/feedback
- **Key Takeaways:**
 - The Lake View decision led to the general assembly taking nine action steps to satisfy its constitutional obligation, including adopting the funding matrix

Ch. 2. Background, Continued

- **Key Takeaways (Continued):**
 - The state routinely reviews its funding system with three adequacy studies conducted by an outside firm since the early 2000s and adequacy review by the Bureau of Legislative Research (BLR) of all funding system components every two years
 - A majority of educators felt the funding system responds to the different needs of students; however, they felt it did not ensure similar educational opportunities for all students, respond to the different needs of districts, and equitably distribute funding to school districts

Ch. 2. Background, Continued

- **Key Takeaways (Continued):**
 - A majority of community members felt the funding system responds to the different needs of students, ensures similar educational opportunities for all students, and responds to the different needs of districts
 - Areas of concern for educators were educator salaries, class sizes and student mental health
 - Areas of concern for community members were school safety, student mental health and resources for specific student groups (low-income, English Learners, special education, gifted)

Chapter 3. Analyses of the Uniform Rate of Tax and School Finance Equity

- **Topics/Study Areas Addressed:**
 - Equity Analysis, Impact of Uniform Tax Rate
- **Key Takeaways:**
 - Arkansas’s school funding system is reasonably equitable based on the results of this analysis and the BLR’s 2017 analysis of horizontal equity and fiscal neutrality
 - An area of concern is the disparity among higher and lower property wealth districts in both accessing additional M&O mills and the amount per student raised, with higher property wealth districts more likely both to levy additional M&O mills and to raise more revenue per student

Ch. 3. Analyses of the Uniform Rate of Tax and School Finance Equity

- **Key Takeaways (Continued):**

- This analysis did not find any issues of concern with the current URT used with the foundation funding formula
 - At the current 25 mills the URT results in a moderate local share of foundation funding and lower property taxes for property owners than if the URT rate was higher
- The property wealth of districts does not seem to be correlated to the level of district personnel resources, program offerings, or student outcomes
 - However, other areas of the study discussed in Chapter 4 show that there are relationships between other student and/or district characteristics and these resources and outcomes

Chapter 4. Indicators of Student Performance

- **Topics/Study Areas Addressed:**
 - Identification of Gaps, Concentrations of Poverty, Correlation Between Performance and Funding, Class Size
- **Key Takeaways:**
 - The majority of students in the Arkansas public school system are classified as low-income, with disproportionately higher rates of low-income students in (1) Black and Hispanic/Latinx groups, (2) the categories of migrant, homeless, English learner (EL), and special education, and (3) in rural areas

Ch. 4. Indicators of Student Performance

- **Key Takeaways (Continued):**
 - There were observable achievement gaps for low-income, EL, special education and underrepresented minority (URM) students; not only did these discrepancies persist from one year to the next, but also that proficiency gaps widened over time
 - The study team's analyses indicated that poverty is linked to lower academic performance. Further, attending a school with a high concentration of poverty was less detrimental to student's academic proficiency than that student individually being identified as a low-income student

Ch. 4. Indicators of Student Performance

- **Key Takeaways (Continued):**

- While funding varied based on student demographics,
 - These differences did not amount to more than \$800 in additional per-student funding,
 - None of the groups analyzed received more than 9% more in per-student funding than any other group, and
 - Racial/ethnic groups that comparatively received more per-student funds were disproportionately low-income

Chapter 5. Addressing Poverty and Achievement Gaps: Funding Approaches

- **Topics/Study Areas Addressed:**
 - Economically Disadvantaged Student Proxies, Funding for Concentrations of Poverty, Uses of Poverty Funds
- **Key Takeaways:**
 - The majority of states provide funding to at-risk students utilizing a single weight/dollar amount, multiple weights/dollar amounts, categorical grants, and resource-based allocations
 - The implementation of the Community Eligibility Provision (CEP) has impacted the accuracy of the FRL counts used to run many of the at-risk funding systems

Ch. 5. Addressing Poverty and Achievement Gaps: Funding Approaches

- **Key Takeaways (Continued):**

- There are a few alternative approaches that could be used for counting students eligible for the Enhanced Student Achievement (ESA) categorical funding, but all create changes from the current distribution
- Districts currently spend ESA funding most heavily on curriculum specialists, coaches, and instructional facilitators, transfers to other categoricals, and other activities approved by Arkansas Department of Education
 - Arkansas LEAs generally use ESA funding in line with the areas they find most effective

Chapter 5. Addressing Poverty and Achievement Gaps: Strategies

- **Topics/Study Areas Addressed:**
 - Case Studies, Addressing Concentrations of Poverty, Identification of Programs to Address Gaps
- **Key Takeaways:**
 - Arkansas case study schools that are successfully serving their low-income and EL students demonstrate many of the characteristics of effective schools found in research, including strong leaders, staff, school culture, and targeted, data-driven interventions
 - Research has consistently shown that student poverty levels are correlated with academic achievement and outcomes, and can have impacts on communities, schools, and students

Ch. 5. Addressing Poverty and Achievement Gaps: Strategies

- **Key Takeaways (Continued):**

- There is no single “silver bullet” approach that works in for all communities, schools, and students. Schools with effective leadership, capable instructional staff, and sufficient resources are best able to identify and successfully implement effective instructional strategies and programs
- Effective instructional strategies and programs include prekindergarten programs; full-day kindergarten; small class sizes; tutoring; extended learning time; and effective social-emotional learning programs
- Community-based school models and wrap-around services are effective strategies for addressing community wide poverty impacts (concentrations of poverty)

Chapter 7. College and Career Readiness

- **Topics/Study Areas Addressed:**
 - College and Career Readiness Definition
- **Key Takeaways:**
 - National research identifies a wide variety of college- and career-readiness (CCR) indicators and predictors of postsecondary success, including related assessment outcomes, behaviors, grades, coursework, and skills
 - Arkansas has a robust set of data available to measure and monitor college and career readiness in many of the same areas identified by the research

Ch. 7. College and Career Readiness

- **Key Takeaways (Continued):**
 - Many states have adopted actionable definitions including components of core academic knowledge, behavior skills and dispositions, learning capabilities, and career planning and preparation
 - The study team recommends a college and career readiness definition that focuses on career readiness, recognizing that college is but one avenue to get to a career. The recommended definition is based upon key components of actionable definitions from other states and best practice research and is supported by stakeholder feedback

Chapter 8. District, School and Class Size

- **Topics/Study Areas Addressed:**
 - School Size Best Practices, Current School Size Policies, Public Input on School Size Standards, Class Size Requirements, Student/Teacher Ratios, Impacts of School/District Size, Addressing Small District Size and Remoteness, Identification and Operation Criteria for Isolated Schools and/or Districts, Recommendations on Ideal Size of Schools
- **Key Takeaways:**
 - The variation in size of districts and the high concentration of smaller schools makes it important that the state examines the differences in opportunities that smaller schools and districts face
 - Research is mixed regarding the ideal size of schools and districts, and few states have set policies for school size

Ch. 8. District, School and Class Size

- **Key Takeaways (Continued):**

- Districts face differing economies of scale for personnel based on their size, such as for classroom teachers and district staff
- In Arkansas, there is less correlation between per-student costs and district size than one might expect, but this is likely due to tradeoffs that smaller districts are making, including having lower salaries to allow for the higher levels of staffing needed and utilizing the services of Education Service Cooperatives (ESCs)

Ch. 8. District, School and Class Size

- **Key Takeaways (Continued):**

- Overall, smaller settings also appear to be able to provide a strong curriculum, but it is more weighted towards career and technical education (CTE) than more traditional college preparation courses, such as Advanced Placement (AP) and foreign language
- It is important to ensure that the funding system is accounting for the cost differences that districts face due to size, something that many states do through a district size adjustment. A similar adjustment could be considered in Arkansas to provide the resources needed for the state's smallest settings

Chapter 9. Attraction and Retention of Staff

- **Topics/Study Areas Addressed:**

- Attracting and Retaining Administrative and Educational Staff, Attracting and Retaining Nurses, Workforce and Salary Variations

- **Key Takeaways:**

- The nation faces a teacher shortage. Arkansas has in place the types of programs states use to try to attract and retain teachers
- Educators indicated in both the educator panels and online survey that salaries are a large factor in teacher recruitment and retention

Ch. 9. Attraction and Retention of Staff

- **Key Takeaways (Continued):**

- The data shows disparities in the teacher workforce when looking at district need and size. Districts with higher rates of free and reduced-price lunch (FRL) students and smaller districts employ teachers with fewer years of experience and lower percentages of master's degrees
- There is less research on attraction and retention for administrators, though districts face high costs when replacing a principal. States are creating approaches to support and grow administrators, including direct support for new administrators and evaluation systems used to identify skills gaps
- Nurses can provide savings to schools by reducing the workloads of other staff, but many schools are without full-time nurses

Chapter 10. Other Requested Studies

- **Topics/Study Areas Addressed:**
 - Professional Development and Extra Duty Time, Student Mental Health, Waivers, Enrollment Changes, Vouchers, Capital Needs
- **Key Takeaways:**
 - Research has identified a set of characteristics of effective **professional development** (PD), and the intended purposes of Arkansas’s PD funding approach are well aligned with the research
 - Teachers have designated PD days, coaching, time for planning and collaboration within the school day and have limited extra duties outside of instruction
 - Districts historically spend more on PD and extra duty compensation than they receive

Ch.10. Other Requested Studies, Continued

- **Key Takeaways (Continued):**

- In the area of **student mental health**, Arkansas LEAs currently staff at lower (better) ratios than comparison states, but still fall short of professional association recommendations
 - Arkansas LEAs utilize a variety of strategies to serve student mental health needs, including district- or system-employed therapists, outside agencies, and ESCs
 - The funding matrix doesn't currently provide for any specific mental health positions beyond the resources provided for counselor/nurse

Ch.10. Other Requested Studies, Continued

- **Key Takeaways (Continued):**

- Nearly all districts have **waivers** for flexible schedules, followed by waivers related to teacher licensure, attendance and librarian/media specialist

- Waivers appear to have minimal to little impact on expenditures and student outcomes, once student and district demographics and prior expenditure and performance levels are controlled for

- Current approaches in Arkansas to address district **enrollment changes** (student growth and decline) fit within the accepted methods seen across the country

- The study team does not see a reason to suggest changes to the current approaches

Ch.10. Other Requested Studies, Continued

- **Key Takeaways (Continued):**

- National research shows the impact of **vouchers** on student achievement is mixed, and less research has been conducted on the funding impact of waivers nationally
 - The comparison states vary in their use of voucher and tax credit scholarship programs
 - Programs are generally targeted to specific student groups and have variable impacts on state revenue and funding for traditional K-12 education based on the structure of the program
- The Arkansas **capital funding** program is similar to those used throughout the country and in the comparison states
 - The system's design to increase capacity in lower property wealth districts seems to be working, as less wealthy districts report utilizing the program more frequently for major renovation, while wealthier districts report relying on local bonding capacity

Chapter 11. Review of Resources in Matrix and Methods for Routinely Reviewing Adequacy

- **Topics/Study Areas Addressed:**
 - Prior Arkansas Adequacy Studies, Adequacy Studies in Other States, Review of Resources in the Matrix, Methods for Routinely Reviewing Adequacy
- **Key Takeaways:**
- There are a number of matrix areas where the evidence regarding resource levels from various study sources is the most consistent including:
 - K-3 student ratios, non-core teacher staffing at the secondary level, secretary, library/media specialist, and instructional materials
- There are also three resource areas not currently addressed in the matrix that the evidence suggests should be considered:
 - Assistant principal, student mental health, and school safety and security

Ch.11. Review of Resources in Matrix and Methods for Routinely Reviewing Adequacy

- **Key Takeaways (Continued):**

- The state is meeting its Lake View obligations by having “constant study, review, and adjustment” to the funding system, with constant study and review being addressed through three adequacy studies conducted by an outside firm and the adequacy work of BLR
- While there have been a number of adjustments made to the matrix since implementation, the main staffing parameters of the matrix have changed little over time

Chapter 12. Recommendations

- **Topics/Study Areas Addressed:** Recommendations across Study Areas
- **Recommendations:**
 - Adopt a hybrid approach to reviewing adequacy
 - Address discrepancies in teacher quality between schools
 - Develop a legislative task force to investigate and address the out-of-school factors that inhibit performance for high need students
 - Adopt the recommended Career Readiness definition

Ch.12. Recommendations, Continued

- **Recommendations (Continued):**
 - Reconsider current matrix resource levels in the areas where the body of evidence is most consistent
 - Revise ESA funding formula to focus resources at lower concentration levels, smooth funding cliffs, and to use a weighted adjustment tied to the foundation amount
 - Consider removing special education funding from the funding matrix and provide funding based on actual special education students served

Next Steps

- Study team will:
 - Incorporate any needed changes to draft report
 - Add executive summary and appendices
- Meeting will be held on Dec. 14th to adopt report



Questions?