

Starting Slate

2022 ADEQUACY STUDY

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Prepared for the Interim Senate Committee on Education
and the Interim House Committee on Education



2022 ADEQUACY REPORT



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How Far Have We Come Since Lake View?

Arkansas’s biennial adequacy study stems from the Arkansas Supreme Court’s 2002 order that declared the state’s school funding system unconstitutional, known today simply as the Lake View decision. In it, the Supreme Court justices agreed with the lower court’s assessment that the “State has a remarkably serious problem with student performance.”

Pulaski County Circuit Court Judge Collins Kilgore wrote the lower court’s assessment, and he based the conclusions on a range of educational and economic statistics. So how are we doing two decades after that blunt assessment was made? The Bureau of Legislative Research (BLR) has attempted to identify the likeliest sources of data that were cited in the 2001 Kilgore decision, then determine the state’s progress based on the most recent comparable data.

The first decade or so after the “Lake View reforms” were instituted, many of the indicators Kilgore cited saw improvement. Progress on most, however, has stalled or, in some cases, declined since around 2013. When current data is compared with other states, Arkansas often ranks among the lower performing states.¹

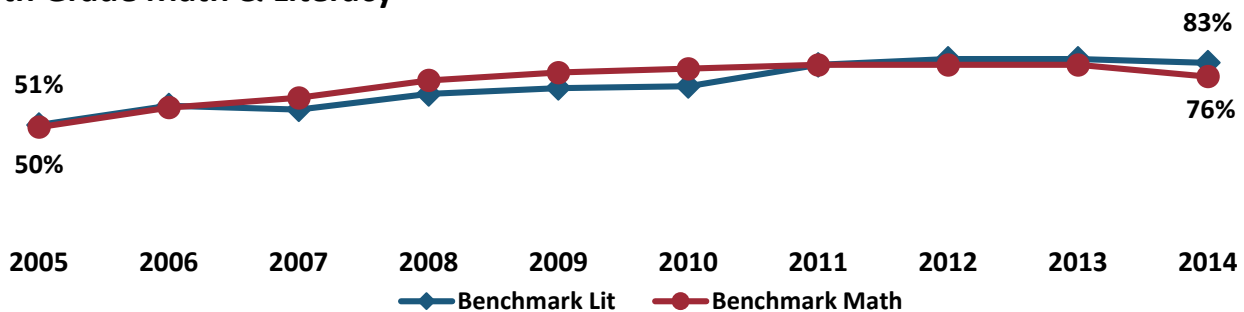
State Assessment Scores

2001 KILGORE DECISION: “The first set of scores on the ACTAAP test showed that only 44% of the fourth graders were proficient in reading and only 34% of the students were proficient in math.”

NOW: The most recent set of scores on the state’s current standardized test, the ACT Aspire, shows that 40.4% of 4th graders were “ready” or “exceeding” in reading (indicating proficiency with grade-level standards) in 2021, and 43.1% were “ready” or “exceeding” in math.

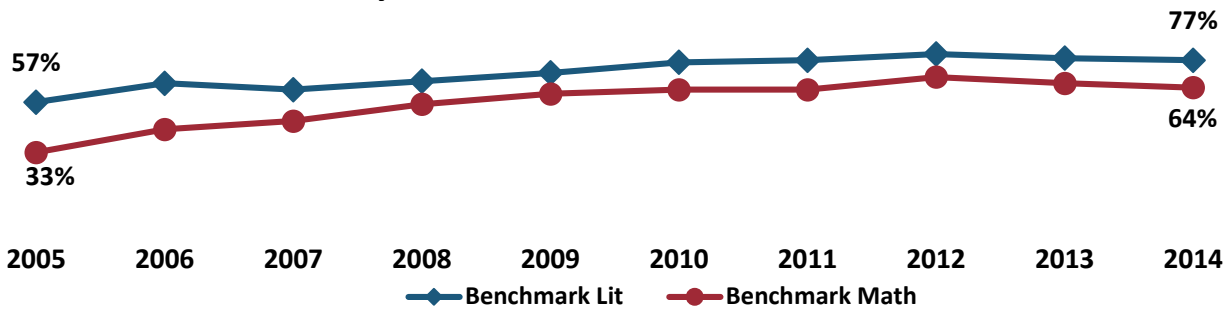
The statewide assessment has changed multiple times in the last 20 years, so direct comparisons are difficult. However, the decade from 2005 to 2014 shows progress being made on both the 4th and 8th grade Benchmark assessments in literacy and math.

2005-2014 Progress: % Proficient or Advanced on State Assessments 4th Grade Math & Literacy



¹ For the methodology for the comparisons of states’ data, please see the 2022 Adequacy Study Methodology and Definitions report.

2005-2014 Progress: % Proficient or Advanced on State Assessments 8th Grade Math & Literacy

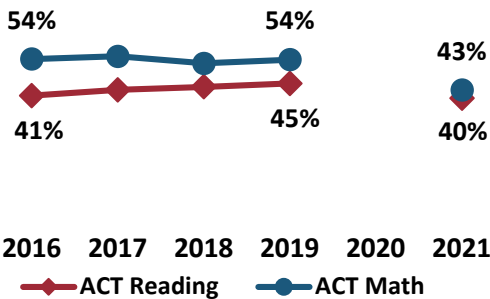


In 2015, the state switched to a common exam taken by students across a number of states, the Partnership for Assessment of Readiness for College and Careers (PARCC). The results showed Arkansas students performing at lower levels:

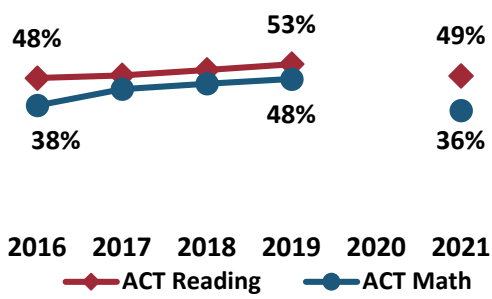
- 34% proficient or advanced in 4th grade English Language Arts
- 24% proficient or advanced in 4th grade math
- 32% proficient or advanced in 8th grade English Language Arts
- 17% proficient or advanced in 8th grade math

Then, in 2016 the state changed its state assessment again, this time to the ACT Aspire, which uses the terminology “Ready” and “Exceeding”. Except for 4th grade math, which has remained relatively flat, some progress has occurred on the other three tests. Because of COVID-19, no tests were administered in 2020. For the same reason, test scores across the country tended to decline in 2021.

% Ready or Exceeding 4th Grade Math & Reading



% Ready or Exceeding 8th Grade Math & Reading



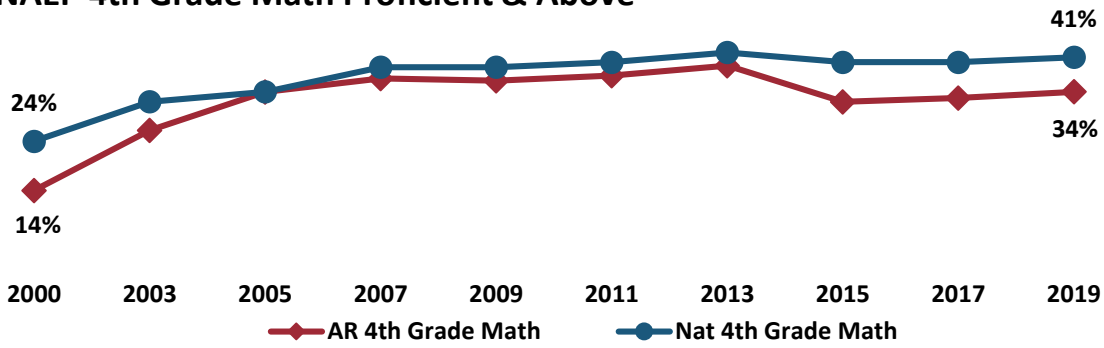
Source: Arkansas Division of Elementary and Secondary Education

National Assessment of Educational Progress (NAEP) Scores

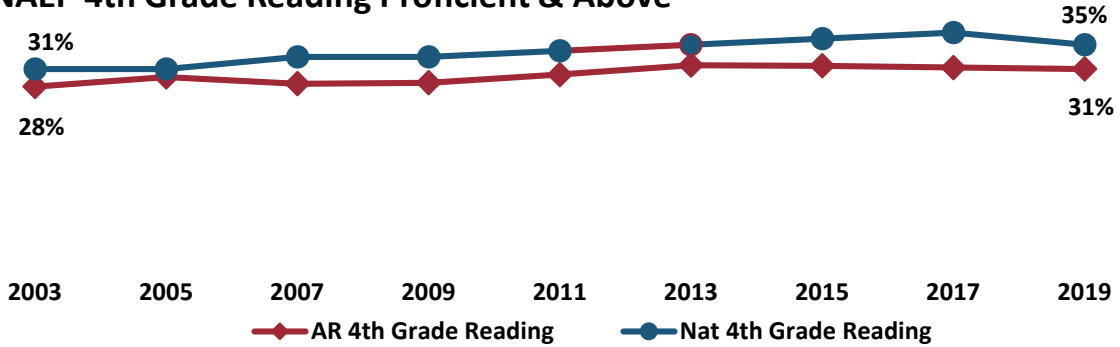
2001 KILGORE DECISION: “Arkansas’ fourth and eighth grade students do not rank at or above the national average for proficiency in math, reading, science or writing as measured by the Southern Regional Education Board’s State Analysis of the National Assessment of Education Progress (NAEP) test scores.”

NOW: Arkansas’s 4th and 8th grade students have made some progress on the NAEP assessments since the 2001 Kilgore decision. However, the most recent scores in both math and reading fall below the peak that was set in previous years for each test. What’s more, Arkansas students still trail behind the national average in those subjects.

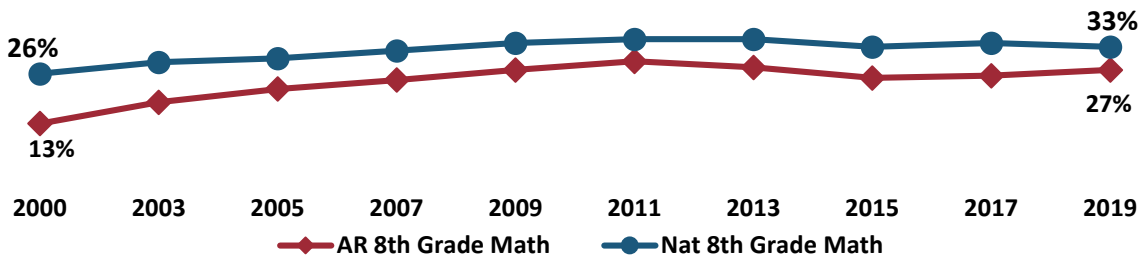
NAEP 4th Grade Math Proficient & Above



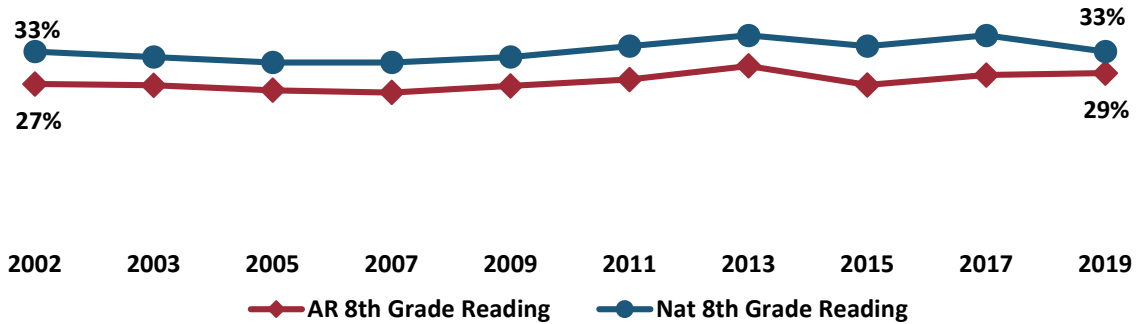
NAEP 4th Grade Reading Proficient & Above



NAEP 8th Grade Math Proficient & Above

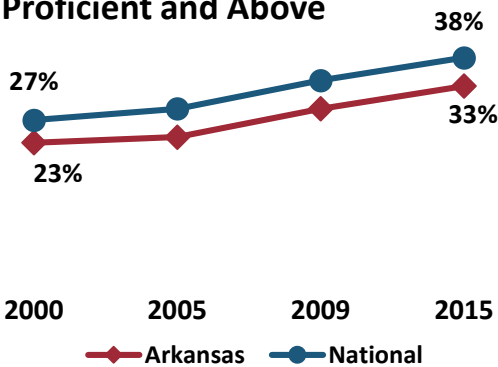


NAEP 8th Grade Reading Proficient & Above

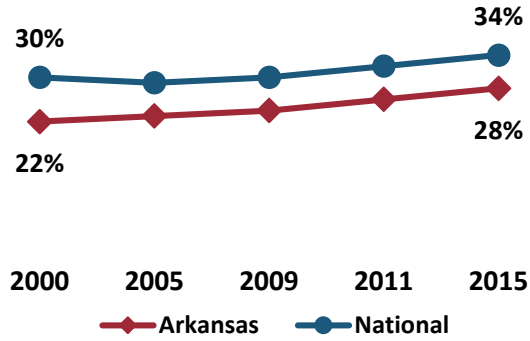


Science scores have increased for students both in Arkansas and nationally since the year 2000. Arkansas students' average scores, however, still fall below the national average.

NAEP 4th Grade Science Proficient and Above



NAEP 8th Grade Science Proficient and Above



Note: The last science NAEP exams were administered in 2019 but only national scores are available as of December 2021.

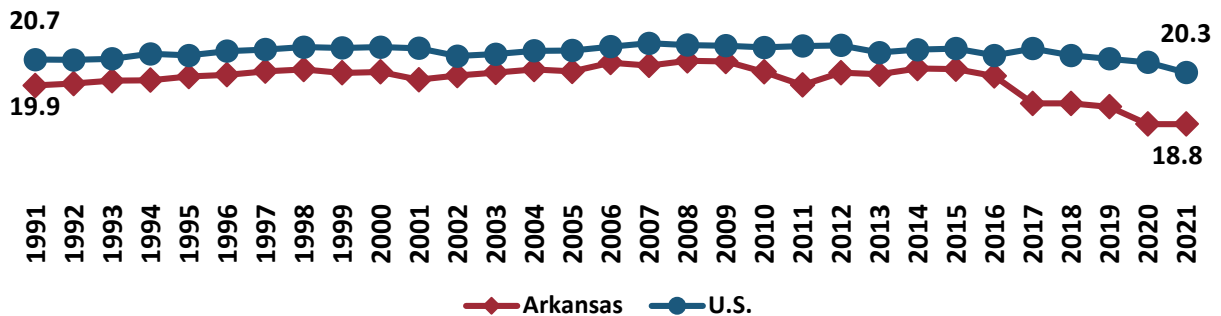
Average ACT Composite Scores

2001 KILGORE DECISION: "Arkansas students scored several tenths below the national average on the ACT from 1990 to 1999."

NOW: Arkansas students are even further behind the national average, scoring 1.5 points below the national average in 2021.

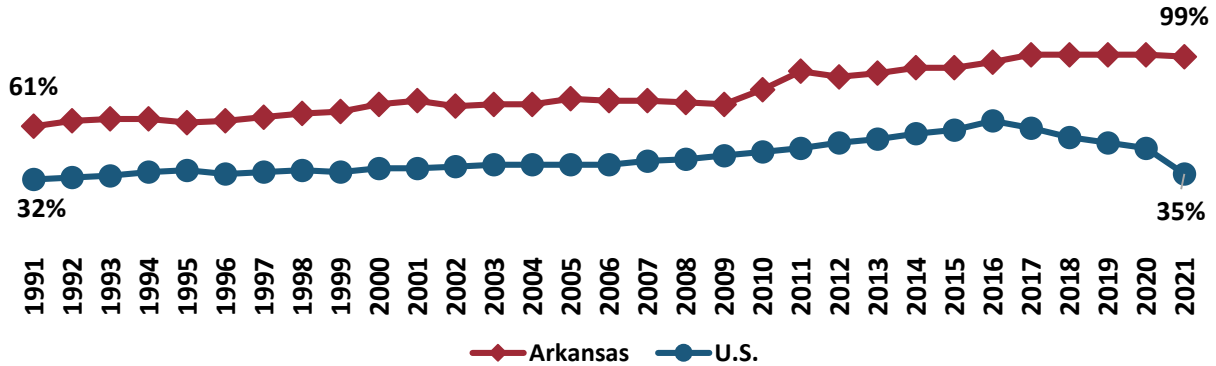
Since 2001, the average composite ACT score for the U.S. has remained relatively flat, reaching its highest point – 20.6 – in 2008. Arkansas's scores peaked about that same time (20.6 in 2006, 2008 and 2009). Since then Arkansas's average composite scores have declined overall, although the rate of participated increased until it reached 100% in 2017. COVID-19 impacted participations rate both in Arkansas and the nation. Scores have declined as well.

ACT Scores



Source: ACT, Inc., and the Arkansas Division of Elementary and Secondary Education

ACT Participation Rate



Source: ACT, Inc.

COMPARISON STATES - ACT COMPOSITE SCORE AND ACT PARTICIPATION RATE

NAEP State	ACT Composite Score	ACT Participate Rate
Massachusetts	27.6	7%
New Jersey	25.1	12%
New Hampshire	26.6	4%
Minnesota	21.6	60%
Wyoming	19.8	91%
Virginia	25.5	9%
Vermont	24.7	4%
Indiana	23.1	14%
Connecticut	27.2	9%
Utah	20.6	86%

SREB State	ACT Composite Score	ACT Participate Rate
Virginia	25.5	9%
Florida	20.4	34%
Maryland	25.5	8%
No. Carolina	18.9	92%
Kentucky	19.2	100%
Georgia	22.6	24%
Tennessee	19.1	100%
Texas	20.1	23%

Contiguous	ACT Composite Score	ACT Participate Rate
Missouri	20.6	63%
Tennessee	19.1	100%
Texas	20.1	23%
Oklahoma	19.7	58%
Arkansas	18.8	99%
Mississippi	18.1	100%
Louisiana	18.4	98%

Source: act.org/content/dam/act/unsecured/documents/2021/2021-Average-ACT-Scores-by-State.pdf

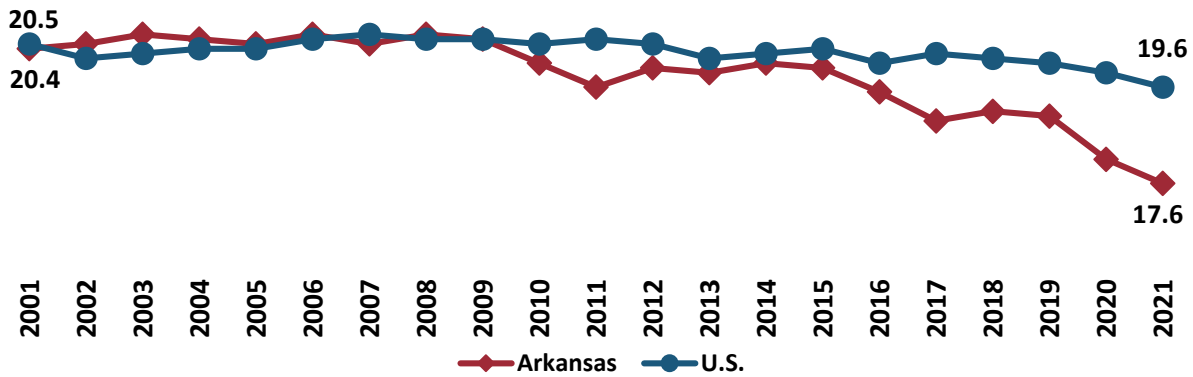
Average ACT Scores in English

2001 KILGORE DECISION: “On the ACT test in English, Arkansas students exceed the national average.”

NOW: The average ACT English score for Arkansas dropped from 20.4 in 2001 to 18.4 in 2020 and then to 17.6 in 2021, the latter decrease likely due to loss of learning because of COVID-19. Arkansas’s score has been below the national average for the last 12 administrations of the exam.

From 2002 to 2006, Arkansas students slightly outperformed the national average on the ACT test in English. Arkansas students remained close to the national average until 2010 when it dropped about one point over the course of two years. In 2012, the state began to close the gap with the national average until 2017, when Arkansas’s average score dropped again. The decreases in the average ACT English score may be due, in part, to more students taking the exam, as seen on the previous chart.

Arkansas Now Below National Average ACT English Score



Source: ACT, Inc., and the Arkansas Division of Elementary and Secondary Education.

COMPARISON STATES – PERCENTAGE MEETING ENGLISH READINESS BENCHMARK*

NAEP States	Percent
Massachusetts	92%
New Jersey	83%
New Hampshire	89%
Minnesota	61%
Wyoming	53%
Virginia	86%
Vermont	83%
Indiana	74%
Connecticut	92%
Utah	59%

SREB States	Percent
Virginia	86%
Florida	59%
Maryland	86%
North Carolina	43%
Kentucky	51%
Georgia	72%
Tennessee	52%
Texas	52%

Contiguous States	Percent
Missouri	59%
Tennessee	52%
Texas	52%
Oklahoma	55%
Arkansas	51%
Mississippi	43%
Louisiana	48%

*The ACT College Readiness Benchmark Score is 18

Source: <https://www.act.org/content/act/en/products-and-services/the-act-postsecondary-professionals/scores.html>

College Going Rates

2001 KILGORE DECISION: “For the period 1996 through 1998, the percentage of Arkansas high school graduates attending college is approximately 53%.”

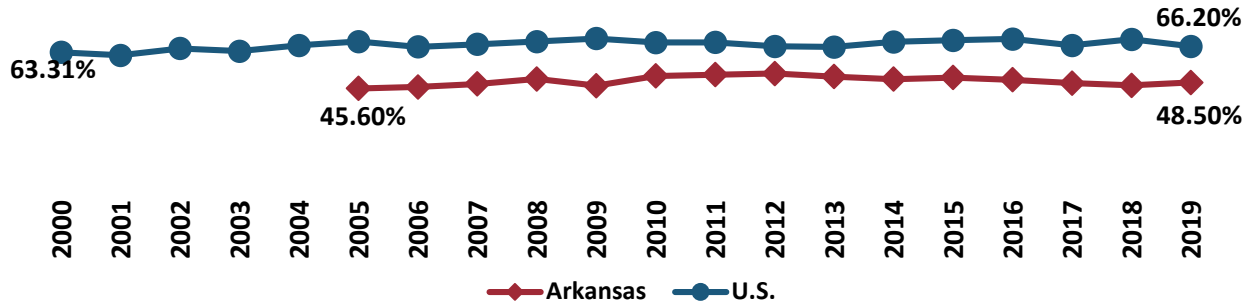
NOW: The most recent data still show that not quite half of Arkansas’s graduating students go on to postsecondary education while two-thirds of the nation’s graduates do.

The college-going rate cited in the Kilgore decision resulted from a different methodology than the one currently used. Beginning in the 2010 school year, the new methodology is a calculation for Arkansas public high school graduates only and does not include graduates from private schools.² According to the Arkansas Department of Higher Education’s 2019 Comprehensive Higher Education Annual Report, Arkansas’s college-going rate reached a high of 52.9% in 2012 but was **48.5%** in 2019,

² Arkansas Department of Higher Education. *Comprehensive Arkansas Higher Education Annual Report*. 2020. Retrieved from: https://static.ark.org/eeuploads/adhe/6-CollegeGoingRate-ANNUAL_2.pdf

more than four percentage points lower. The national college-going rate peaked at 69.8% in 2016 and fell to 66.2% in 2019.

Arkansas's College Going Rate Still Lags Behind the Nation's



Source: *Digest of Education Statistics: 2019*. National Center for Education Statistics, Recent high school completers and their enrollment in 2-year and 4-year colleges, by sex: 1960 through 2019 (Table 302.10); ADHE, Comprehensive Arkansas Higher Education Annual Reports, 2005-2019.

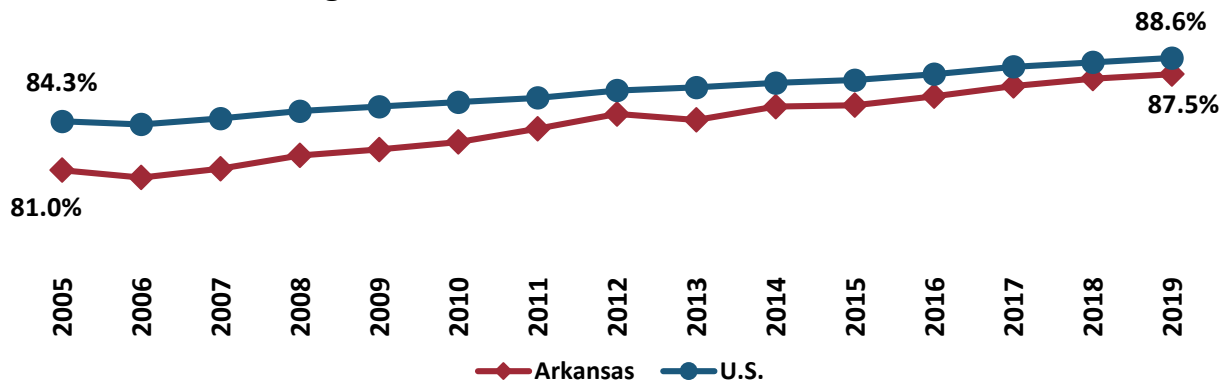
Adults Who Graduated From High School

2001 KILGORE DECISION: “Arkansas ranks lower than the national average for percentage of adults ages 25 years and older who have graduated from high school.”

NOW: While Arkansas still ranks below the national average, it has increased the percentage of adults who have graduated from high school and narrowed the gap.

The 2000 U.S. Census found that Arkansas ranked 46th among the 50 states and the District of Columbia with 75.3% percent of adults 25 and older who graduated from high school (tied with Alabama), compared to the national average of 80.4%. According to the latest data from the U.S. Census Bureau’s American Community Survey, in 2019 Arkansas ranked 42nd among the states and the District of Columbia.

State & National High School Graduation Rates Grow



Source: U.S. Census Bureau, American Community Survey: 1 –Year Estimate, Various Years.

COMPARISON STATES – PERCENTAGE WITH HIGH SCHOOL DEGREES

NAEP States	Percent
Massachusetts	91.3%
New Jersey	90.3%
New Hampshire	93.3%
Minnesota	93.6%
Wyoming	94.5%
Virginia	90.0%
Vermont	93.1%
Indiana	89.6%
Connecticut	90.7%
Utah	93.0%

SREB States	Percent
Virginia	90.0%
Florida	88.4%
Maryland	90.4%
North Carolina	88.6%
Kentucky	87.2%
Georgia	87.9%
Tennessee	88.0%
Texas	84.6%

Contiguous	Percent
Missouri	90.7%
Tennessee	88.0%
Texas	84.6%
Oklahoma	88.4%
Arkansas	87.5%
Mississippi	85.3%
Louisiana	86.0%

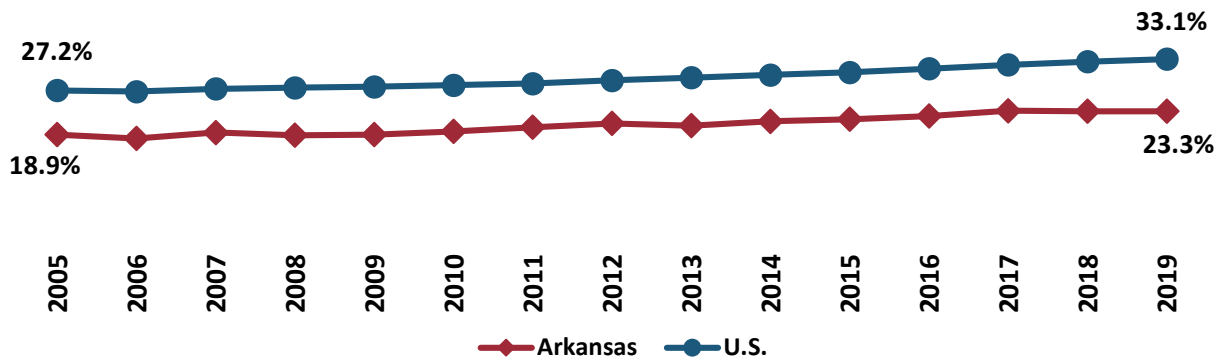
Source: U.S. Census Bureau, American Community Survey: 1 –Year Estimate, 2019.

Adults With a Bachelor’s Degree or Higher

2001 KILGORE DECISION: “Arkansas ranks 49th in the nation in percentage of the population age 25 years or older with a bachelor’s degree or higher.”

NOW: Arkansas still ranks 49th out of the 50 states and the District of Columbia for the percentage of adults 25 and older with bachelor’s degrees. The percentage fell from 23.4% in 2017 to 23.3% in 2018, where it remained in 2019.

% of Adults with Bachelor's Degrees Falls; Rises Nationally



Source: U.S. Census Bureau, American Community Survey: 1 –Year Estimate, Various Years.

COMPARISON STATES – PERCENTAGE WITH BACHELOR’S DEGREES

NAEP States	Percent
Massachusetts	45.0%
New Jersey	41.2%
New Hampshire	37.6%
Minnesota	37.3%
Wyoming	29.1%
Virginia	39.6%
Vermont	38.7%
Indiana	26.9%
Connecticut	39.8%
Utah	34.8%

SREB States	Percent
Virginia	39.6%
Florida	30.7%
Maryland	40.9%
North Carolina	32.3%
Kentucky	25.1%
Georgia	32.5%
Tennessee	28.7%
Texas	30.8%

Contiguous	Percent
Missouri	30.2%
Tennessee	28.7%
Texas	30.8%
Oklahoma	26.2%
Arkansas	23.3%
Mississippi	22.3%
Louisiana	25.0%

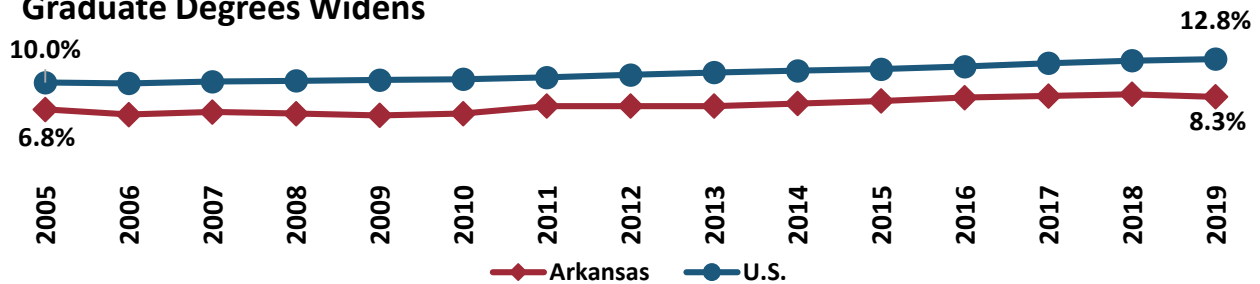
Source: U.S. Census Bureau, American Community Survey: 1 –Year Estimate, 2019.

Adults with Graduate Degrees

2001 KILGORE DECISION: “Arkansas ties for last place in the nation in percentage of adults with graduate degrees.”

NOW: After reaching a rank of 47th in 2017, Arkansas again ranks last – 51st– among the 50 states and the District of Columbia in the percentage of adults with graduate degrees.

Gap Between State's and Nation's Percentages of Graduate Degrees Widens



Source: U.S. Census Bureau, American Community Survey: 1 –Year Estimate, Various Years.

COMPARISON STATES – WITH GRADUATE DEGREES

NAEP States	Percent
Massachusetts	20.3%
New Jersey	16.1%
New Hampshire	14.7%
Minnesota	12.7%
Wyoming	10.4%
Virginia	17.2%
Vermont	16.0%
Indiana	9.7%
Connecticut	17.8%
Utah	11.3%

SREB States	Percent
Virginia	17.2%
Florida	11.4%
Maryland	19.1%
North Carolina	11.8%
Kentucky	10.3%
Georgia	12.6%
Tennessee	10.7%
Texas	10.8%

Contiguous	Percent
Missouri	11.8%
Tennessee	10.7%
Texas	10.8%
Oklahoma	9.1%
Arkansas	8.3%
Mississippi	8.6%
Louisiana	8.9%

Source: U.S. Census Bureau, American Community Survey: 1 –Year Estimate, 2019.

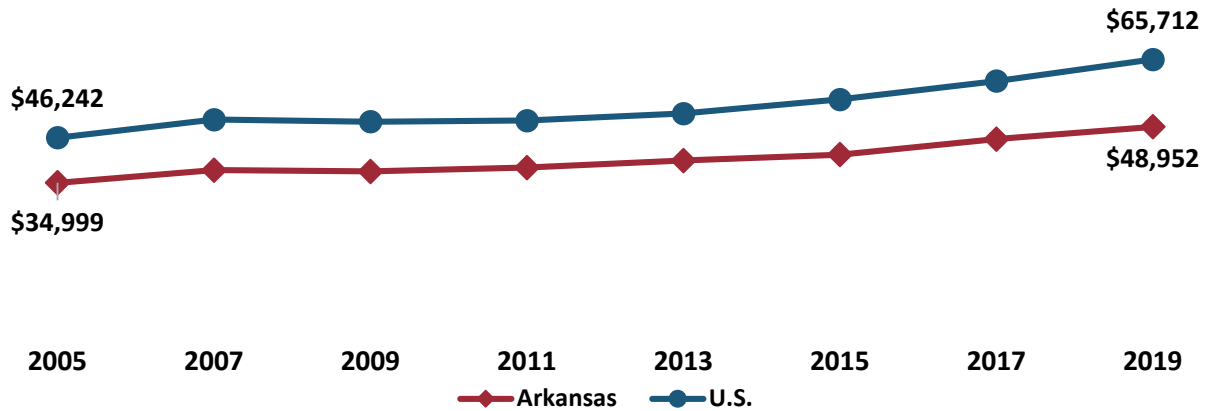
Median Household Income

2001 KILGORE DECISION: “Arkansas ranks 49th among the states for median household income.”

NOW: Although the median household income has risen by nearly \$17,000 since 2000, Arkansas still ranks 49th among states and the District of Columbia on this measure.

According to the 2000 U.S. Census, Arkansas ranked 49th among the states and the District of Columbia for median household incomes, at \$32,182, compared to the national average of \$41,994.³ According to the latest data from the U.S. Census Bureau (the American Community Survey, a different survey source from the 2000 Census data), in 2019, Arkansas still ranked **49th**, at \$48,952, compared to the national average of \$65,712.

Arkansas Median Household Income Below National Level



Source: U.S. Census Bureau, American Community Survey: 1-Year Estimate, Various Years.

COMPARISON STATES – HOUSEHOLD MEDIAN INCOME

NAEP States	Median Income
Massachusetts	\$85,843
New Jersey	\$85,751
New Hampshire	\$77,933
Minnesota	\$74,593
Wyoming	65,003
Virginia	\$76,456
Vermont	\$63,001
Indiana	\$57,603
Connecticut	\$78,833
Utah	\$75,780

SREB States	Median Income
Virginia	\$76,456
Florida	\$59,227
Maryland	\$86,738
North Carolina	\$57,341
Kentucky	\$52,295
Georgia	\$61,980
Tennessee	\$56,071
Texas	\$64,034

Contiguous	Median Income
Missouri	\$57,409
Tennessee	\$56,071
Texas	\$64,034
Oklahoma	\$54,449
Arkansas	\$48,952
Mississippi	\$45,792
Louisiana	\$51,073

Source: U.S. Census Bureau, American Community Survey: 1 –Year Estimate, 2019.

³ U.S. Census Bureau, Profile of Selected Economic Characteristics: 2000, Census 2000 Summary File 3, DP-3

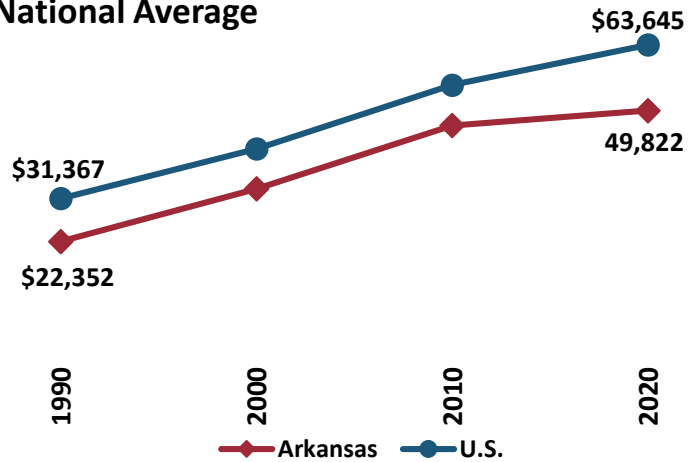
Teacher Pay

2001 KILGORE DECISION:

“Arkansas generally ranks between 48th and 50th in teacher pay.”

NOW: Arkansas’s average annual teacher salary increased by more than \$16,000 since 2000, but its ranking in average annual teacher salaries in 2020 was 48th, after improving to 46th in 2019. What’s more, when controlling for inflation, the salary in 2020 was actually 1.8% less than the \$33,386 reported in 2000, according to the National Center for Education Statistics.

Arkansas Teacher Salaries Below National Average



Source: 2020 Digest of Education Statistics, Table 211.60

COMPARISON STATES – 2020 AVG. TEACHER SALARY, AND % CHANGE 2000-2020 IN CONSTANT DOLLARS

NAEP States	Avg. Salary	% Chg.
Massachusetts	\$83,622	18.2%
New Jersey	\$76,376	-3.4%
New Hampshire	\$60,003	4.7%
Minnesota	\$58,663	-3.0%
Wyoming	\$59,014	13.8%
Virginia	\$53,933	-8.4%
Vermont	\$61,108	6.5%
Indiana	\$51,508	-19.0%
Connecticut	\$78,247	-0.5%
Utah	\$52,819	-0.5%

SREB States	Avg. Salary	% Chg.
Virginia	\$53,933	-8.4%
Florida	\$48,800	-12.5%
Maryland	\$73,444	9.7%
No. Carolina	\$54,682	-8.7%
Kentucky	\$53,907	-2.5%
Georgia	\$60,578	-2.8%
Tennessee	\$51,862	-6.0%
Texas	\$57,091	0.0%

Contiguous	Avg. Salary	% Chg.
Missouri	\$50,817	-6.2%
Tennessee	\$51,862	-6.0%
Texas	\$57,091	0.0%
Oklahoma	\$54,038	13.6%
Arkansas	\$49,822	-1.8%
Mississippi	\$45,192	-6.6%
Louisiana	\$50,217	-0.2%

Per-Pupil Expenditures

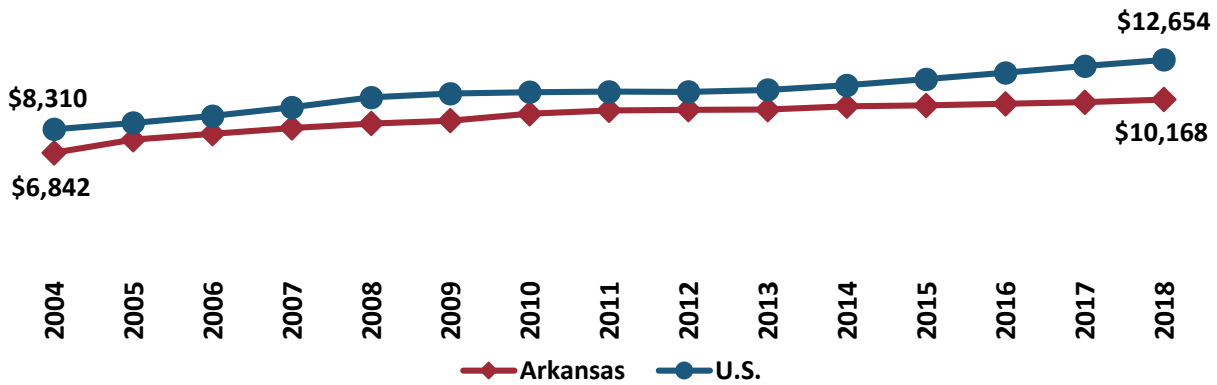
2001 KILGORE DECISION: “Arkansas ranked 48th in the nation in 1998 on spending per student.”

NOW: Arkansas’ now ranks 38th in the nation on spending per student.

According to the 2000 *Digest of Education Statistics*, Arkansas actually ranked 47th among the 50 states and the District of Columbia on spending per student in FY 1998. Arkansas spent \$4,708, compared to the national average of \$6,189. Arkansas ranked 38th among the 50 states and the District of Columbia in FY 2018 on spending per student, at \$10,168, compared to the national average of \$12,654. However, when controlling for inflation, per pupil spending in Arkansas peaked in the 2011 school year (\$11,048 in constant 2020 dollars.)⁴

⁴ 2020 Digest of Education Statistics found at https://nces.ed.gov/programs/digest/d20/tables/dt20_236.65.asp

Gap Grows Between State & U.S. Per Pupil Expenditures



Source: NCES Digest of Education Statistics, Table 236.75.

COMPARISON STATES – 2018 PER PUPIL EXPENDITURE

NAEP States	Per Pupil
Massachusetts	\$18,328
New Jersey	\$20,316
New Hampshire	\$16,588
Minnesota	\$12,910
Wyoming	\$16,134
Virginia	\$12,224
Vermont	\$20,149
Indiana	\$10,033
Connecticut	\$20,147
Utah	\$7,576

SREB States	Per Pupil
Virginia	\$12,224
Florida	\$9,663
Maryland	\$15,155
North Carolina	\$9,277
Kentucky	\$11,081
Georgia	\$10,760
Tennessee	\$9,599
Texas	\$9,670

Contiguous	Per Pupil
Missouri	\$11,034
Tennessee	\$9,599
Texas	\$9,670
Oklahoma	\$8,174
Arkansas	\$10,168
Mississippi	\$8,909
Louisiana	\$11,636

Education Week's "Quality Counts" Rankings in Adequacy & Equity

2001 KILGORE DECISION: "In a survey published in 'Education Week', Arkansas received an F on the adequacy indicator and a C on the equitable division indicator."

NOW: Arkansas improved from an F to a C- on the adequacy indicator from 1998 to 2004 (the last year that Education Week gave adequacy grades). Arkansas improved from a C- to a B on the equity indicator during the same time frame. Following a methodology change, Arkansas's rating in equity was an A- in 2008 and again in 2021, but its rating in finance fell from a C- in 2008 to an F in 2021.

Education Week's "Quality Counts" methodology has changed over the years. Its reports originally gave letter grades on various indicators between 1998 and 2004. Then it began giving both letter grades and their percentage-equivalent from 2004-2014. Education Week stopped giving grades for adequacy in its 2005 report. Beginning in 2008, Education Week also changed the way it analyzes school finances. It created a school finance analysis indicator that looks at spending and equity. While not directly comparable, the spending indicator, which looks at adjusted per-pupil expenditures, students funded at or above the national average, spending index, and the percent of total taxable resources spent on education, is similar to the adequacy indicator. Education Week continued using its equity indicator but created an additional component called "restricted range," which looks at the gap between the highest and lowest spending districts.

ARKANSAS'S RANKINGS IN EDUCATION WEEK

Year	Adequacy Rating	Equity Rating	Spending Rating	Overall School Finance Analysis Rating
1998	F	C-		
1999	B-	C-		
2000	C+	C		
2001	C+	B-		
2002	C	C+		
2003	C	B-		
2004	C-	B		
2005		C+		
2006		B-		
2007				
2008		A-	C-	C
2009		A-	D-	C
2010		A-	F	C
2011		B+	F	C
2012		B+	F	C
2013		B+	F	C
2014		B+	D-	C
2015		B+	F	C-
2016		B+	F	C-
2017		B	F	C-
2018		B+	F	C-
2019		B+	F	C-
2020		B+	F	C
2021		A-	F	C

Source: *Education Week*, "Quality Counts", 1998-2021.

Note: No rating in school finance was given in 2007. The methodology for calculating the equity scores changed in 2008.

COMPARISON STATES - EQUITY RATING; SPENDING RATING; AND OVERALL SCHOOL FINANCE ANALYSIS

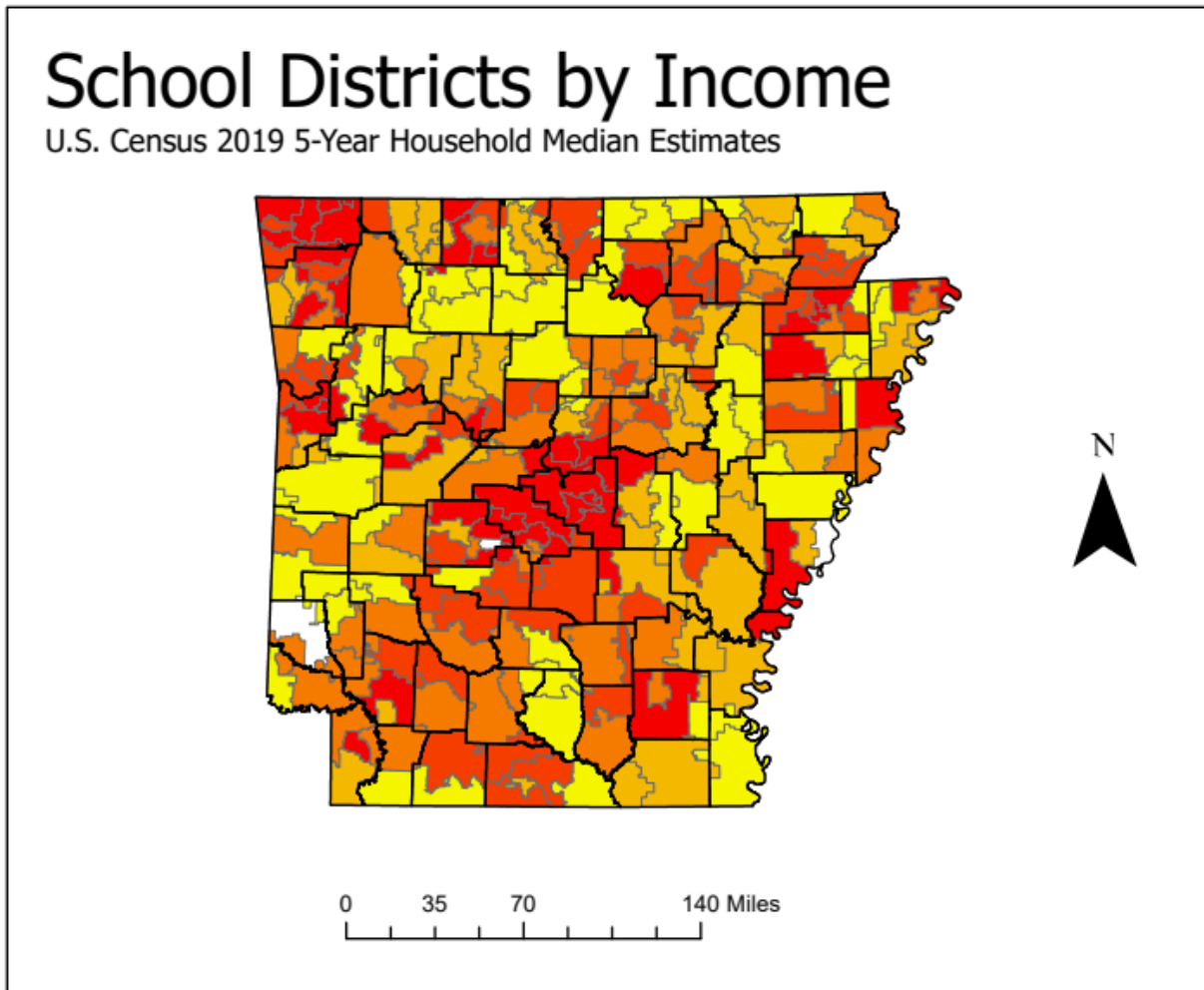
NAEP States, 2021	Equity Rating	Spending Rating	Overall School Finance Analysis Rating
Massachusetts	B+	B	B
New Jersey	B+	A	A-
New Hampshire	B-	B	B
Minnesota	A	D	C+
Wyoming	B+	A-	B+
Virginia	A-	D+	C+
Vermont	B	B+	B
Indiana	A-	F	C-
Connecticut	B	B+	B+
Utah	A-	F	D

SREB States, 2021	Equity Rating	Spending Rating	Overall School Finance Analysis Rating
Virginia	A-	D+	C+
Florida	A	F	D+
Maryland	A	B	B+
No. Carolina	A-	F	D+
Kentucky	A	D-	C+
Georgia	A-	F	C
Tennessee	A	F	D+
Texas	A-	F	D+

Contiguous States, 2021	Equity Rating	Spending Rating	Overall School Finance Analysis Rating
Missouri	B+	F	C-
Tennessee	A	F	D+
Texas	A-	F	D+
Oklahoma	A-	F	D
Arkansas	A-	F	C
Mississippi	A-	F	D+
Louisiana	B-	F	C-

State Level Information

	2000	2010	2020
Population	2,673,400	2,921,606	3,011,524
Rank of States and DC	33rd	32nd	33rd
% White alone	80%	78%	70%
% Black alone	16%	16%	15%
% Other (including 2 or more races)	4%	6%	14%



COUNTY_BOUNDARY

235-SD_2019-20

Custom

0.000000 - 18926.000000

18926.000001 - 21388.000000

21388.000001 - 24018.000000

24018.000001 - 28794.000000

28794.000001 - 80833.000000

Note: Census household median income data missing for three districts.