

AREA ADEQUACY TESTIMONY

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Adequate funding for Arkansas Education has been interpreted by the Arkansas Supreme Court as determining educational needs and then funding those needs appropriately. The matrix was developed as a guide for a prototypical school of 500 students. That ideal school, of course, does not exist as each school, district, and community have unique circumstances. These individualized variables make spending flexibility essential for locally elected School Boards and the administrators they hire to direct resources toward meeting local needs. AREA membership and leadership recognize the difficult task facing the Adequacy Committee. Just looking at the disparity in two categories, teacher salaries and facilities, it becomes very apparent that student growth equals money for salaries and facilities while loss of students equates to declining resources via Foundation Funding, assessment, and local economic activity. Demographic change has been and will always be a factor for Adequacy. Understanding that Equity does not necessarily mean equal, AREA supports your efforts to provide Adequate funding to meet the needs of all Arkansas students whether they live in a growing wealthy district or live in those districts and communities struggling for financial, social and economic survival.

The Arkansas Rural Education Association (AREA) is appreciative of the opportunity to provide Adequacy testimony. We are both excited and anxious regarding the outcomes and results of the work and recommendations of the Adequacy Committee. We know each member expects and is committed to quality education and that all members desire to provide and enhance the educational opportunities for all Arkansas students. You have been and will continue to be made aware of the opportunities, challenges and problems facing education in Arkansas. You have the unique combination of ability and opportunity to address and devise solutions for those known issues and provide wisdom, flexibility and guidance to address future issues. We look forward to working with you in this endeavor and welcome any opportunity to provide data or practitioner expertise.

Following are what AREA considers Critical issues for Arkansas Rural School Districts:

1. The ability of a District to address and meet the many needs and requirements of Adequacy and Equity is different depending on localized circumstances no matter the funding source. Geographic location, local economy, demographics and demographic changes, as well as meeting local needs are a few variables in this formula. Each community is different and flexibility for allotting resources is paramount for allowing a district the ability to address individualized local needs. To that end, the Matrix was created as a funding model specifically for the purpose of flexibility, and it should be viewed and applied in that context.
2. AREA endorses increased teacher salaries, and is supportive of efforts for future increases. However, given the current circumstance of mandated salary increases, we have serious concerns for the financial survival of many Districts. We understand Districts have

choices regarding personnel, and staffing reductions may be required. To this point, we are also concerned about the reduction of student services and the impact on the quality of education in these districts, keeping in mind our Advocacy is "What's Best for Kids". We certainly do not want to go backwards regarding quality education. The impact of Mandated Teacher Salaries on many Districts, operating as lean as possible to meet standards, will have significant budgets deficits, requiring some Districts to ask for millage increases to comply. AREA views this eventuality as a Constitutional obligation of the Legislature to fund their mandates, and not to pass that responsibility on to local tax payers.

3. AREA supports the premise of everybody having the ability to earn a sustainable wage, however, the impact of the voter approved Minimum Wage on School Districts is very significant. Districts, unlike retailers, do not have the ability to pass along cost increases to customers. School Districts traditionally hire motivated, highly trained or trainable persons for classified positions and, in the past have had the ability to pay more than minimum wage to attract the most capable people. Intervention of the Legislature via Adequacy funding to address this circumstance and provide opportunity for a District's ability to maintain this posture is paramount.

4. AREA supports Educational Standards, Accountability and course requirements necessary to maintain accreditation. Full classrooms translate to financial efficiency and free up resources for higher salaries or other educational programs. Smaller Districts however, due to no fault of their own, find themselves in situations which make efficiency impossible. Meeting standards and maintaining accreditation is nonnegotiable. In order to meet mandated state standards financial efficiency must be sacrificed. Class size for elementary is an example. Standards require a maximum of 20 in a kindergarten classroom. If a district exceeds that number by a few students, they must hire another teacher. So if you have 60 kindergartners registered and four more show up, you must hire another teacher and your class size goes from 20 per class to 16 per class. The same scenario exists for all K-6 classrooms. Grades 7, 8 and 9 through 12 also have class size and course offering requirements. It is easy to see how a few of these situations each year can wreck havoc on a District's budget. Rather than backing off Standards, AREA proposes funding the standards for those Districts.

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