

**MEETING SUMMARY**

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

**ADEQUACY**

**Tuesday, February 11, 2020  
9:00 A.M.  
Room A, MAC  
Little Rock, Arkansas**

Senator Jane English, the Chair of the Senate Interim 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; Joyce Elliott, Vice Chair; Linda Chesterfield, Lance Eads, Mark Johnson, and James Sturch

**MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE:** *Representatives:* Bruce Cozart, Chair; Reginald Murdock, Vice Chair; Fred Allen, Rick Beck, LeAnne Burch, Frances Cavanaugh, Jana Della Rosa, Jim Dotson, Jon S. Eubanks, Brian Evans, Denise Garner, and DeAnn Vaught

**OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE:** *Senators:* Jonathan Dismang, Scott Flippo, Trent Garner, Kim Hammer, Greg Leding, and Larry Teague. *Representatives:* Sonia Eubanks Barker, Harlan Breaux, Cindy Crawford, Les Eaves, Kenneth B. Ferguson, Charlene Fite, Justin Gonzales, Lane Jean, Jack Ladyman, Fredrick J. Love, Tippi McCollough, Austin McCollum, Aaron Pilkington, Johnny Rye, Jamie Scott, Brandt Smith, Stu Smith, James Sorvillo, and Dwight Tosh

Representative Cozart recognized a group of visitors from Leadership Hot Springs.

Review and Discussion of the Adequacy Recommendations Contained in the 2018 Adequacy Report Pursuant to Arkansas Code Annotated § 10-3-2104 (d) (1)

***Presenter:***

**Ms. Nell Smith**, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Following a review of adequacy study requirements, Ms. Smith discussed a letter, dated November 1, 2018 (*Handout C1*), with recommended changes concerning educational adequacy for FY20 and FY21. She covered Definition of Adequacy, Special Education, Teacher Salaries Partnership Program, and Adequacy Study, as well as items in Categorical Funding and Foundation Funding. Ms. Smith said, after the November 1, 2018 report was published, the chairs provided an addendum to the final report that indicated a need to provide funding to cover an increase in the teacher retirement system. She said an increase to the employer contribution rate was being implemented over four years starting in FY20. In order to adjust for the additional cost, she said the chairs opted to provide an addendum explaining an addition of \$16 per student for FY20 to the total foundation funding rate and \$33 per student for FY21, which brought the total per-student foundation funding for FY20 to \$6,899, a 1.74% increase over the previous year, and for FY21 to \$7,018, a 1.72% increase.

***Issues Included in the Discussion:***

- list of school districts that have received NSL grants,
- how equity is being operationalized in the funding model, and
- which items when operationalized are a reflection of equity rather than equality.

Exhibit:

Exhibit C - 10-3-2104 Report

Handouts:

Handout C1 – 2018 Adequacy Report Recommendations  
Statutory Responsibilities Adequacy Study Tracking Sheet

Discussion of Issues Related to Waivers of Statutory and Regulatory Requirements

Presenter:

**Ms. Julie Holt**, Legislative Analyst, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Ms. Holt stated that, while this is not a topic required under the adequacy study statute, it is a topic that the Committees have requested. She said that more than 1,000 public schools in Arkansas are operating under more than 10,000 waivers from the state's laws and rules. She said those schools are located in 229 of the state's 235 school districts. Utilizing a PowerPoint presentation (*Handout D3*), Ms. Holt's comprehensive coverage included what is going on in other states; the growth of waivers; growth patterns; Act 815 of 2019; waiver pathways; analysis of equity and adequacy; subsets of waivers; snapshot vs. meaningful relationships; and impact of waivers on equity.

Issues Included in the Discussion:

- ✓ ways waivers are counted,
- ✓ waivers most frequently requested by schools,
- ✓ additional helpful tools for analysis,
- ✓ the number of high-poverty schools,
- ✓ limitations on continuation of waivers following expiration,
- ✓ conclusions drawn on whether waivers have had a positive/negative effect on equity,
- ✓ those laws for which a waiver cannot be obtained,
- ✓ "just-in-case-I-need-it" waivers,
- ✓ waivers and curriculum,
- ✓ requesting removal from a waiver,
- ✓ request for a list of the 1,000 public schools and the waivers each requested; reasons for denying waivers,
- ✓ list of all 10,000 waivers,
- ✓ list of the 235 school districts and the number of waivers that each district has,
- ✓ anticipating blocks of waivers to come when a charter school is in operation,
- ✓ waivers for Gifted and Talented (GT) programs, and
- ✓ primary groups to which waivers are distributed.

PowerPoint Presentation:

Waivers from Arkansas Education Laws

Handouts:

Handout D1 – Waivers from Arkansas Education Laws, Highlights  
Handout D2 – Waivers from Arkansas Education Laws, Report  
Handout D3 – Waivers from Arkansas Education Laws, PowerPoint

## Discussion of Issues Related to Declining Enrollment and Student Growth Funding

### Presenters:

**Ms. Adrienne Beck**, and **Ms. Elizabeth Bynum**, Policy Analysis and Research Section, Bureau of Legislative Research, were recognized. Ms. Beck stated that student growth and declining enrollment funding are both required topics to be reviewed as part of the Adequacy Study. She said these funding sources are designed to help districts cope with incremental increases or decreases in student population. She noted that today's presentation would cover how these funding types are distributed and how districts and open-enrollment public charter schools spend the money they receive. Utilizing charts, tables, and maps in the report (*Handout E2*), Ms. Beck discussed Statewide Changes in Enrollment; and Student Growth Funding, including Student Growth Calculation, Historical Student Growth Funding, and Student Growth Expenditures. Ms. Bynum continued with Declining Enrollment Funding, including Declining Enrollment Calculation, Historical Declining Enrollment Funding, and Declining Growth Expenditures. She concluded with issues of Interaction between Student Growth and Declining Funding and Interaction between Declining and Special Needs Isolated Funding.

### Issues Included in the Discussion:

- restrictions on student growth funding, declining enrollment funding, and special needs isolated funding,
- informing how policy is created by knowing the cause of the declining enrollment problem and where these students are going,
- operating within the guidelines of adequacy, equity, and efficiency; yet, throwing efficiency out the door by creating less efficiency every time a new school district is created, and
- clarification of the calculation for declining enrollment funding.

### Handouts:

Handout E1 – Declining Enrollment and Student Growth Funding, Highlights

Handout E2 – Declining Enrollment and Student Growth Funding and Expenditures, Report

### Next Scheduled Meeting:

Monday, March 9, 2020, at 1:30 p.m. in MAC, Room A, Little Rock (*Adequacy*)

### Adjournment:

The meeting adjourned at 10:55 a.m.