

MINUTES

JOINT ADEQUACY EVALUATION OVERSIGHT SUBCOMMITTEE

1:30 P.M.

Wednesday, October 28, 2009

Room 171, State Capitol

Little Rock, Arkansas

Representative Bill Abernathy, the House Co-Chair of the Joint Adequacy Evaluation Oversight Subcommittee, called the meeting to order at 1:30 p.m.

**MEMBERS OF THE JOINT ADEQUACY EVALUATION OVERSIGHT**

**SUBCOMMITTEE IN ATTENDANCE:** Senator Steve Bryles, Senate Co-Chair; Representative Bill Abernathy, House Co-Chair; Senator Jimmy Jeffress, Senate Vice-Chair; Representative Eddie Cheatham, House Vice-Chair; Senator Joyce Elliott; Senator Gene Jeffress; Senator Johnny Key; Senator Mary Anne Salmon; Representative Monty Betts; Representative Toni Bradford; Representative Les Carnine; Representative David Rainey; Representative R.D. Saunders; and Representative Charolette Wagner.

**OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE:** Senator Bill Pritchard; Senator Larry Teague; Senator Ed Wilkinson; Representative Nancy Blount; Representative Steve Breedlove; Representative Jerry Brown; Representative Richard Carroll; Representative Ann Clemmer; Representative David Cook; Representative Monty Davenport; Representative Jody Dickinson; Representative Jane English; Representative Billy Gaskill; Representative Debra Hobbs; Representative Karen Hopper; Representative Donna Hutchinson; Representative Ray Kidd; Representative Uvalde Lindsey; Representative Buddy Lovell; Representative Mark Martin; Representative Allen Maxwell; Representative Walls McCrary; Representative Barbara Nix; Representative George Overbey; Representative Mike Patterson; Representative Mark Perry; Representative Gregg Reep; Representative Johnnie Roebuck; Representative Tiffany Rogers; Representative Mary Slinkard; Representative Tim Summers; Representative Linda Tyler; Representative Darrin Williams; and Representative Jon Woods.

Remarks by the Co-Chairs

Representative Abernathy expressed his appreciation for everybody being at the meeting as the matrix, the way that school districts are funded to provide an adequate education opportunity for students, would be explained and discussed today. A handout spreadsheet of the matrix was provided to the Subcommittee.

Review of the Components of the Funding Matrix

**Mr. Richard Wilson**, Assistant Director, Research Services, Bureau of Legislative Research, was recognized.

Mr. Wilson said that a lot was brought to us through consultants and that certain numbers have been adopted as gospel. Some functional changes have been made; but the recalibration of FY08 provided the main one. FY07 through the current year has been provided in the matrix so the differences can be seen. Mr. Wilson said that, to assist in answering questions, representatives from the fiscal section and legal section, as well as his research team were present.

The funding matrix is comprised of "Matrix Calculations," "Staffing Ratios," "School-Level Salaries," "School-Level Resources," "Carry-Forward" to "Foundation Per Pupil Expenditures," and "Matrix Foundation Per Student." The final section of the matrix is "Categorical Program Funding."

Mr. Wilson started his review by looking at the current year, FY10. He said that the prototypical school size is 500 in the Matrix Calculations. The consulting team of Odden and Picus provided research reflecting that with a school district of 500 that had one school, the breakdown of students in that school could be seen. He next explained the Staffing Ratios section and continued with how you apply and price and convert those staffing ratios to dollars distributed per pupil. He added that what the Subcommittee has to do is figure out how many dollars it takes per pupil given those staffing ratios to get to our school level salaries and our resources and also include the functions of the central office and all those services.

An extensive discussion of the funding matrix followed. Among the topics covered relevant to sections of the matrix were:

- Categorical Funding
- Shifting funding from Instructional Materials to Teacher Salaries due to recalibration
- Matrix as a funding model to determine the bottom line, not a spending mandate for school districts
- Teacher salaries
- Student/teacher ratios
- Carry-Forward: "O&M," "Central Office," and "Transportation"
- How Odden and Picus initially derived the amounts of money to develop the matrix and how monetary values were assigned

Representative Abernathy asked that the Subcommittee think about enhancing transportation costs for those schools that are spending much more than they're getting. That help plays off into adequacy issues of providing opportunities for students.

The discussion continued with a question from **Representative Hutchinson** regarding the limits on using matrix funding, particularly for athletics.

**Ms. Cheryl Reinhart**, Staff Attorney, Joint Senate and House Interim Committees on Education, Bureau of Legislative Research, was recognized. Ms. Reinhart will research the use of matrix funding for athletics. Otherwise, the money that comes through the matrix for

adequacy does not have limitations on it. Categorical spending has limitations on it for the NSLA students. Ms. Reinhart will also research a second part of Representative Hutchinson's question having to do with paying coaches a bonus from private money (such as booster clubs).

**Mr. Scott Richardson**, Assistant Attorney General, Office of the Attorney General, was recognized.

Mr. Richardson responded to a question from **Senator Elliott**. Senator Elliott wanted to know, if there is shifting among categories in the funding matrix, how would we know that somebody is having an issue with something, such as transportation; and how can we know the source category from which funding has been shifted.

Mr. Richardson said that the funds given to the school districts are not segregated out according to the matrix. Mr. Richardson said that he's not sure of the reporting requirements for the APSCN system; but said an answer might be found there; and there's always the option of going to a school district and asking how they're spending their money. We insure that school districts receive the total amounts that the matrix allows them; but there may not be a way to trace individual monies to individual areas in the matrix and see the difference in spending.

**Representative Summers** was recognized. He wanted to know if we had done any study about cost relating to technology replacing textbooks.

Mr. Wilson responded that a study had been done two years ago. There were a series of questions in the site visits that discussed, "What are you doing in your libraries?" Most of the answers received were adding electronic materials, electronic instruments--hardware and software--in the classrooms and the computer labs. Now, with ARRA money, the federal stimulus package, these are being "beefed" up.

Mr. Wilson answered additional questions on the following topics in the matrix:

- The categories, "Increase per ADM" and "Enhanced Funding per Student"
- Enrollment figures for items in "Categorical Program Funding"
- A school district's actual expenditures compared to the matrix
- Results and evidence of the application of this theory delivered in April-June 2010
- Funding for a superintendent's function on the matrix
- Funding for technology replenishment and replacement from other sources

Representative Abernathy announced that the next meeting of the Subcommittee will be at 1:30 p.m. on November 24, 2009, in Room 171 of the State Capitol.

There being no further business, the meeting adjourned at 2:30 p.m.