

**MINUTES****JOINT ADEQUACY EVALUATION OVERSIGHT SUBCOMMITTEE****10:00 A.M.****Tuesday, May 4, 2010  
Room 171, State Capitol  
Little Rock, Arkansas**

Senator Jimmy Jeffress, the Senate Vice-Chair of the Joint Adequacy Evaluation Oversight Subcommittee, called the meeting to order at 10:00 a.m.

**MEMBERS OF THE JOINT ADEQUACY EVALUATION OVERSIGHT SUBCOMMITTEE IN**

**ATTENDANCE:** Representative Bill Abernathy, House Co-Chair; Senator Jimmy Jeffress, Senate Vice-Chair; Representative Eddie Cheatham, House Vice-Chair; Senator Shane Broadway; Senator Joyce Elliott; Senator Kim Hendren; Senator Gene Jeffress; Senator Johnny Key; Representative Monty Betts; Representative Toni Bradford; Representative Les Carnine; Representative R.D. Saunders; and Representative Charolette Wagner.

**OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE:** Senator Steve Faris; Senator David Wyatt; Representative Tommy Lee Baker; Representative John Burris; Representative Eddie Cooper; Representative Robert Dale; Representative Jody Dickinson; Representative David Dunn; Representative Curren Everett; Representative Billy Gaskill; Representative Rick Green; Representative Debra Hobbs; Representative Donna Hutchinson; Representative Ray Kidd; Representative Bryan King; Representative Andrea Lea; Representative Uvalde Lindsey; Representative Buddy Lovell; Representative Mark Martin; Representative Robert Moore; Representative Mike Patterson; Representative Tracy Pennartz; Representative Johnnie Roebuck; Representative Randy Stewart; Representative Tim Summers; Representative Kathy Webb; Representative Butch Wilkins; and Representative Jon Woods.

*Without objection, the minutes of April 27, 2010, were approved as written.*

**Discussion of 2010 Arkansas School District Equity Analysis Report**

**Mr. Michael Brown**, Legislative Analyst, Bureau of Legislative Research, was recognized. Mr. Brown introduced the report, "2010 Arkansas School District Equity Analysis Report," by saying that one of the components of the educational adequacy study is to analyze how equitably funds are being sent out to the school districts. He said the report covers two broad areas: 1) how equitably schools are financed from the state's perspective, and 2) how districts are expending funds across the different categories. Utilizing a PowerPoint presentation, Mr. Brown discussed the equity of the State's K-12 education funding as measured by a Horizontal Equity analysis, which uses a variety of statistical measures, and an analysis of Fiscal Neutrality measures, which is used in school finance to determine the degree to which state funding is related to the property wealth of a school district. The two main interrelated measures of fiscal neutrality used in the report are the Wealth Neutrality Index and Wealth Elasticity. Mr. Brown went on to discuss his analysis of the equity of education expenditures per pupil among state school districts for fiscal years 2007, 2008, and 2009. Using a series of charts, he presented the Subcommittee with information on:

- ⇒ Total Expenditures per ADM by Property Wealth Deciles
- ⇒ Total Expenditures per ADM by Percent of NSLA Student Deciles
- ⇒ Total Expenditures per ADM by Percent of Non-White Student Deciles
- ⇒ Total Expenditures per ADM by District Size Deciles

Mr. Brown concluded the presentation with the following findings drawn from his review of the data:

- There is a high level of equality in the distribution of state education funding regardless of the equity measure used.
- When looking at foundation funding combined with other sources of local funding, districts with higher property wealth are, in general, receiving more funding than districts with lower property values. However, when categorical funding is added into the analysis, the categorical funds equalize the state-level funding across districts with varying property values.
- When comparing school district expenditures per pupil to the property wealth of the district, the analysis concludes that district spending per pupil is not strongly related to property wealth.
- School districts with a higher percentage of poverty (NSLA students) are spending more per pupil than a district with a lower percentage of poverty students consistent with the use of categorical NSLA funding.
- A school district's expenditures per pupil are weakly related to the percentage of minority students within a district, indicating that a district with more minority students will spend slightly more per student than a district with a lower minority population.
- When comparing smaller school districts to larger school districts, smaller school districts spend only slightly more per pupil than larger districts.

At the conclusion of Mr. Brown's presentation, a general discussion ensued. Among the topics discussed were:

- The need for a categorical that would address the issue of teacher salaries in school districts with high poverty
- Responsibility of addressing the ethical and professional problem of discrepancies in teacher salaries
- The need for the Arkansas Economic Development Commission to share with legislators how it is helping to respond to issues of quality of life and economic development in depressed school districts
- The effect of declining enrollment on teacher salaries in distressed school districts
- The reason desegregation funding was taken out of the front end of the report
- Priorities in allocation of funds, especially with regard to equality in teacher salaries (Representative Abernathy was recognized, and gave the percentages of the total budget spent by school districts on teacher salaries: 58.48% by larger districts, and 57.14% by smaller districts.)
- Equality vs. adequacy in providing an adequate education for all students in the state
- Percentage breakdown and distribution of federal funds
- Exploring categoricals for patterns and trends

Senator Jeffress thanked Mr. Brown for his report.

#### Discussion of Issues Related to Educational Technology

**Ms. Jerri Derlikowski**, Administrator, Policy Analysis and Research Services, Bureau of Legislative Research, was recognized. Ms. Derlikowski advised the Subcommittee that the reports presented to date are part of the series of statutorily required reports for the Adequacy study. These reports are designed to provide the Subcommittee with a complete picture of the state's K-12 funding system. She went on to discuss the reports that the Subcommittee will receive at future meetings, including:

- ◆ In-depth reports on Operations and Maintenance, Transportation, and Special Education
- ◆ Reports on each of the categorical funding items
- ◆ Staffing
- ◆ Case studies of academic improvement programs

Ms. Derlikowski went on to discuss the educational technology expenditures report, "Educational Technology Funding for Arkansas Districts and Schools." She reviewed the four main sections: Adequacy, State Requirements, Selected District and School Technology Uses, and National Developments. Among the report's conclusions were:

**Adequacy:** In 2009, districts spent \$39.7 million statewide on technology from foundation funding, compared to \$26.8 million in 2007. This equates to approximately \$86.59 per student in 2008-09, compared with \$201 funded in the matrix. Low performing districts, districts with less than 500 students, and districts with a high percentage of students in poverty spend significantly less of their foundation funding for technology than other districts. Technology expenditures from all sources of funding were \$75.742 million or \$165.10 per pupil, nearly double the amount of foundation funding expenditures which were \$39.725 million or \$86.59. Non-foundation funding for technology includes other state-funded technology programs such as distance learning and portions of NSLA categorical funding. A few districts have a dedicated mill for technology. Federal sources and support include Title I, Title IID, and the E-Rate Program. In FY2010 the American Recovery and Reinvestment Act (ARRA) funding is being used extensively for educational technology.

**State Requirements:** The Arkansas Department of Education (ADE) technology-related requirements influence the need for technology funding in the schools. There are limited technology requirements in the Standards for Accreditation and in the curriculum frameworks. The state's Facilities Manual requires certain technology infrastructure as part of school construction. ADE develops a state technology plan that structures how districts provide technology in schools. Individual school districts are also required to develop technology plans. These plans provide E-Rate documentation, also.

**Selected District and School Technology Uses:** New technology that was observed in this biennium's site visits included digital microscopes, simulations, surround sound, wireless equipment, and text readers. Many schools reported having enough interactive whiteboards, document cameras, etc. Most of these schools noted that stimulus funding in the current fiscal year was the source of the increased equipment. Ten of the 74 schools reported that they didn't have any technology needs. One technology-based program observed throughout the state was the Environmental and Spatial Technology Initiative (EAST) program. The EAST program is offered in 179 K-12 public schools in the state. An increasing use of Web 2.0 applications was noted.

Site visits pointed out variation for schools in the use of information systems efficiently for individualizing student instruction. They ranged from sharing formative assessment data in teaching teams or Professional Learning Communities (PLCs) to school-wide data reports or profiles for every student including an array of student testing records. The need for teacher professional development in technology was expressed by several schools visited. Like other types of professional development, principals and teachers indicated a need for embedded training for an extended period of time to ensure that skills newly learned outside the classroom setting were properly re-enforced as teachers put them into practice back in the classroom.

Data from the district survey concerning distance learning shows that 1,079 sections of district learning were provided to 9,688 students. According to the survey, distance learning is not used by 49 districts. Those not offering distance learning include some of the larger districts in the state as well as some of the smallest.

Technology is increasingly serving as the primary vehicle for supporting parent involvement which many researchers indicate is a critical resource for reducing the achievement gap. In the site visits, schools reported several online tools for communicating with parents. All districts have websites where notices to parents can be posted along with district information required by law to be posted. Schools report communicating with parents by email when information is specific to certain students. Software packages such as Edline, Parent Link, and Grade Quick are being used to varying degrees to post grades and homework assignments.

In our site visit interviews, many schools indicated a need for building or school-level technology support. The greatly increased use of technology in the classroom made real-time support essential.

A significant component of educational technology infrastructure that will need to be restructured as technology permeates the educational environment is bandwidth for the schools. All districts have at least one T-1 (1.54 Mbps) line provided through the Arkansas Public School Computer Network (APSCN). ADE also provides a line for Compressed Interactive Video (CIV) for distance learning. The State Educational Technology Directors Association (SETDA) established recommendations in 2008 for external bandwidth of 10 Mbps per 1,000 students [Arkansas is typically 3 Mbps per district at this time].

**National Developments:** Several areas of national education policy have the potential for impacting the direction of Arkansas educational practice and the resulting state funding. New strategies for all areas of education, including technology, will be necessitated by federal funding programs that reward innovation in states and school districts.

The "Blueprint for Reform: The Reauthorization of the Elementary and Secondary Education Act" proposes an increased emphasis on technology as an educational resource. The Blueprint also calls for stronger instruction in literacy and in science, technology, engineering, and mathematics (STEM), aligned with improved standards that build toward college- and career-readiness.

The draft "National Educational Technology Plan 2010" released March 10, 2010 urges an increased and more imaginative use of educational technology. The plan calls for leveraging "the power of technology to provide personalized learning instead of a one-size-fits-all curriculum".

The National Broadband Plan contains recommendations to help improve online learning opportunities, both inside and outside the classroom; recommends ways to gather and provide information that fosters innovation; and recommends changes to the E-rate program.

In the session that followed Ms. Derlikowski's presentation, the members of the Subcommittee discussed the following topics:

- ✧ Available data on the number of computers in schools
- ✧ Sources of technology grants
- ✧ Standards for the equipment used; equipment procurement; training for technicians
- ✧ Programs supplying laptops to students
- ✧ Long-range planning for changes in technology
- ✧ Cost reporting for Distance Learning; affect on teacher salaries; quality of level of instruction
- ✧ Teacher dissatisfaction with insufficient quality professional development; hours of technology training required in professional development; content of technology training
- ✧ Whether the difference between the lowest and highest performing school districts correlates to the salary range of teachers in those school districts (Table 1)
- ✧ The expenditure for technology by schools eligible for the E-Rate program
- ✧ Plans for reporting to the General Assembly about the impact of the fifteen (15) educational service cooperatives in the state
- ✧ Accountability requirements in the Amendment to Act 35 that included educational service cooperatives
- ✧ Suggestion to rank data by cooperatives instead of by district number

Ms. Derlikowski was recognized and thanked the Department of Education for their cooperation and assistance.

Senator Jeffress thanked Ms. Derlikowski for her report. He went on to compliment the Research staff for their outstanding work.

Representative Abernathy announced that the House and Senate Interim Committees on Education would be meeting at 1:30 p.m. on May 11, 2010, in Room 171 of the State Capitol to discuss K-12 budget issues. He also announced that the Education Technology Work Group would be meeting at 1:30 p.m. in Room 138 of the State Capitol.

There being no further business, the meeting adjourned at 11:59 a.m.