

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

ADEQUACY

Tuesday, July 15, 2014

9:00 A.M.

**Room 171, State Capitol
 Little Rock, Arkansas**

Senator Johnny Key, 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: Senator Johnny Key, Chair; Senator Joyce Elliott, Vice Chair; Senator Eddie Cheatham; Senator Alan Clark; Senator Jim Hendren; Senator Bruce Holland; and Senator Uvalde Lindsey.

MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative Ann Clemmer, Vice Chair; Representative Charles L. Armstrong; Representative John Catlett; Representative Bruce Cozart; Representative Robert Dale; Representative Jody Dickinson; Representative Charlotte Vining Douglas; Representative Jon Eubanks; Representative Debra Hobbs; Representative Karen Hopper; Representative Sheilla Lampkin; Representative Homer Lenderman; Representative Mark Lowery; and Representative James Ratliff.

NON-VOTING MEMBERS OF THE HOUSE INTERIM COMMITTEE ON EDUCATION IN ATTENDANCE: Representative Randy Alexander; Representative Jim Dotson; Representative Stephen Meeks; and Representative Jeff Wardlaw.

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Cecile Bledsoe; Senator Jonathan Dismang; Senator Jane English; Senator Bryan King; Senator Larry Teague; Representative Denny Altes; Representative John Baine; Representative Scott Baltz; Representative David Branscum; Representative Dan Douglas; Representative Charlene Fite; Representative Jeremy Gillam; Representative John Hutchison; Representative Andrea Lea; Representative Mark McElroy; Representative David Meeks; Representative Micah Neal; Representative Betty Overbey; Representative John Payton; Representative Sue Scott; Representative Mary Slinkard; and Representative Tommy Thompson.

9:00 a.m. Session

Discussion of Issues Related to School District Resource Allocation

Presenter:

Ms. Nell Smith, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Ms. Smith referred to highlighted items on a handout of Adequacy Study statutory responsibilities, and said the presentation today would cover the Bureau of Legislative Research (BLR) report, *The Resource Allocation of Foundation Funding for Arkansas School Districts and Open-Enrollment Charter Schools*. She stated the purpose of this report is to review the way school districts spend the foundation funding they receive. She referred to a pie chart on page 4 of the report that shows how schools in Arkansas are funded. She said the total funding for school districts is \$4.95 billion, with about 58% of that amount coming from foundation funding. Ms. Smith gave a quick overview of how the foundation funding amount is calculated, then reviewed the Matrix line by line to show how school districts' spending patterns match the intent of the Matrix. She stopped

periodically for questions as she walked the Committees through the report. Her discussion during the first session included, but was not limited to: School-Level Staffing and School-Level Administration Personnel.

Issues Included in the Discussion:

- clarification of state ranking as outlined in charts on pages 9 and 10,
- number of principals in poverty schools,
- baseline for offering civics and American government,
- paying teachers less in poverty districts,
- National School Lunch Act (NSLA) funding,
- per-student amount of foundation funding used to pay for teacher salaries,
- defining Adequacy,
- spending differences for charter schools vs. traditional schools,
- necessity of balancing the local autonomy of school districts with state obligations to ensure an adequate education for all students,
- clarification on numbers and roles of school nurses; how schools categorize nurses,
- assistant principals,
- recruitment, remuneration, and retention of special education teachers in high poverty school districts,
- Medicaid funding for student support services,
- role of instructional facilitators and tracking their impact,
- setting the average salary of a librarian or a media specialist,
- arriving at the base salary for the funding of nurses,
- number of special education students enrolled in Arkansas as compared to other states,
- calculations used to determine the number of librarians needed to be in compliance with Adequacy,
- adjusting numbers in the Matrix or to the funding of the Matrix for SY2015-16, and
- funding for other school staffing.

Recess:

Senator Key announced that the Committees would recess for lunch until 11:15 a.m.

11:15 a.m. Session

Senator Key called the meeting back to order at 11:15 a.m.

Presenter:

Mr. Richard Wilson, Assistant Director, Research Services, Bureau of Legislative Research, was recognized. Mr. Wilson stated that today's report compares the Matrix to how districts actually spend the foundation funding they receive. He said the good news is that there's a higher correlation than expected. He noted that in the conclusion to the report it says that while foundation funding is a major source of funding for school districts, it makes up only about 58% of districts' total funding. He commented that this is the fifth report since recalibration, and noted a new tool was used for completing the report that helps provide additional ways to look at data and collect extra information. Mr. Wilson added that the contract with Picus Odden and Associates has been signed, and that this report will be utilized in the formulation of their analysis. Mr. Wilson next discussed the remaining schedule for reports:

<i>August 12</i>	three final reports: Time on the Bus, Isolated Funding, and Transportation Cost Model
<i>September 9</i>	Picus Odden and Associates desk audit presentation
<i>October</i>	finalize Adequacy Report for November 1
<i>November 1</i>	final Adequacy Report due

Senator Key said the draft Adequacy Report will be sent out in September, allowing time to review and act on the Report before its submission on November 1. He stated the Adequacy Report will be a critical component of the Governor's balanced budget proposal.

Contributor to the Discussion:

Mr. Mike Mertens, Assistant Executive Director, Arkansas Association of Educational Administrators

Issues Included in the Discussion:

- concern about the learning curve of this year's brand new, first-year Arkansas superintendents,
- reasons for large amount of new superintendents, and
- getting responses for the Time on the Bus report with assistance of legislators.

Presenter:

Ms. Nell Smith, Administrator, Policy Analysis and Research Section, Bureau of Legislative Research, was recognized. Ms. Smith continued her review of the Resource Allocation, discussing the following topics: School-Level Resources, District-Level Resources, District Comparisons, Total Per-Pupil Expenditures, and Fund Balances.

Contributor to the Discussion:

Mr. Tony Wood, Commissioner, Arkansas Department of Education

Issues Included in the Discussion:

- * state by state comparisons for technology and extra duty,
- * paying for substitute teachers through sub-contracted substitute placement companies,
- * stocking libraries with electronic books,
- * availability of \$500 for purchase of instructional materials getting to teachers,
- * benefits for long-term substitutes,
- * comparison of sick and personal days for public school employees, other state agencies, and private sector,
- * including a classroom teacher or representative in a local school's budgeting process,
- * availability of statistics on use of libraries,
- * correlation between the poverty level of students and use of e-books,
- * school districts' classification (coding) of Broadband expenditures,
- * breaking down extra duty,
- * dispersal of funds coming in from extra duty,
- * salary range of athletic directors,
- * mechanism included in the Matrix for funding of non-teaching personnel to do non-classroom duty,
- * providing adequate planning time for those expected to deliver an adequate education to students,
- * instructional aides having a positive impact if they have the proper training and supervision, but the "if" remains at the discretion of the districts,
- * funding for high school agricultural programs and high school chemistry class labs,
- * hearing the voices of high-poverty district personnel regarding policies that improve student achievement,
- * comparison of expenditures for purchased vs. other types of services,
- * salary range for superintendents, and rankings by school district,
- * correlation between the poverty-level and small schools,
- * closing the gap between large schools and small schools,
- * comparisons on spending per pupil with SREB (Southern Regional Education Board) states,
- * clarification of unrestricted fund balances,
- * declining fund balances and fiscal distress,
- * growth in the number of administrative personnel in school districts, and

- * whether funds spent by small districts on central office administration are in line with staffing recommended by the Matrix.

Handouts:

Adequacy Study Statutory Responsibilities

Matrix 2015

The Resource Allocation of Foundation Funding for Arkansas School Districts and Open-Enrollment Charter Schools, Report

Next Scheduled Meetings:

Tuesday, July 15, 2014, at 1:30 p.m. in Room 149 of the State Capitol, Little Rock, *State and Public School Life and Health Insurance Program Legislative Task Force*

Tuesday, July 22, 2014, at 8:30 a.m. at the Wyndham Riverfront Hotel, North Little Rock, *meeting with the House and Senate Interim Committees on Judiciary*

Adjournment:

The meeting adjourned at 1:17 p.m.

DRAFT