

Adequacy Study Issues

Definition of Adequacy (Adequacy Report Draft, page 4)

Should the following language continue to serve as the definition of educational adequacy:

- (1) The standards included in the state's curriculum frameworks, which define what all Arkansas students are to be taught, including specific grade level curriculum and a mandatory thirty-eight (38) Carnegie units defined by the Arkansas Standards of Accreditation to be taught at the high school level;
- (2) The standards included in the state's testing system. The goal is to have all, or all but the most severely disabled, students perform at or above proficiency on these tests; and
- (3) Sufficient funding to provide adequate resources as identified by the General Assembly.

ACTAAP (Adequacy Report Draft, page 20)

1. There is some concern regarding the cost of administering the new PARCC assessments as well as concerns about the broadband and technology the tests will require, especially in Arkansas's rural and poor school districts.

Curriculum Frameworks/Common Core (Adequacy Report Draft, pages 26 & 27)

1. Critics of the Common Core state standards have argued the standards would take away local control over education and enable the federal government to coerce states into compliance. They also decried the influence of special interest groups in developing the standards. They worry that CCSS would limit teachers' autonomy in the classroom and place even more emphasis on high-stakes testing.

Fiscal Distress (Adequacy Report Draft, page 30)

1. Some members expressed concern that a declining fund balance is used as a criteria for placing districts in fiscal distress. The worry is that this criteria may inadvertently cause some districts' to decide against spending down fund balances for fear of being placed in fiscal distress.

Academic Distress (Adequacy Report Draft, page 28)

1. ADE amended its rules for academic distress eligibility, which qualified some districts for the designation for the first time in years. Additionally, the new rules allow the State Board of Education to place schools—not just whole districts—in academic distress. The Education Committees may consider measuring the impact of this new level of state monitoring in future studies.

ACSIP (Adequacy Report Draft, page 24)

1. For many districts, the ACSIP has become more of a compliance document than a tool for real improvement in students' education. The BLR's survey of school districts found that 14% of districts said the ACSIP was "not very useful," the lowest rating given on the survey. Another 60% said the ACSIP was "somewhat useful" or "useful" and 26% said it was "very useful" or "essential." A number of school principals interviewed complained that the ACSIP development and approval process is too time consuming. Upon the recommendation of the subcommittee formed to examine this issue, ADE is piloting a new system for school improvement planning called Indistar. The plan calls for selected districts to pilot the new system for the 2014-15 school year, with all districts using it for the 2015-16 school year.

State's Standing Under No Child Left Behind (Adequacy Report Draft, page 23)

1. State statute (§ 6-15-2011) requires providers of supplemental educational services to submit an annual report to ADE detailing the race/gender of students receiving their services and the improvement in student achievement for each student served. However, the state's ESEA Flexibility Plan no longer requires schools to spend a portion of their Title I funding on SES services. As a result, districts have dramatically reduced the amount of SES they purchase. Perhaps because of this, it appears that SES providers are no longer submitting the required reports. Should state statute continue to require reporting by SES providers?

Special Education Funding (Adequacy Report Draft, page 33)

1. The state provides Catastrophic Occurrences funding for school districts that incur unusually high expenses for individual special education students. This program has been capped at \$11 million since 2009. During that same period an increasing number of students have qualified for the funding. Total district requests for the funding exceeded the available \$11 million by about \$1.78 million in 2012 and by \$2.96 million in 2013.

Teacher Salaries (Adequacy Report Draft, page 36)

1. The disparity among districts' beginning teacher salaries is increasing. The state's minimum teacher salary, \$29,244, hasn't changed since the 2008-09 school year. Arkansas now has the 12th lowest minimum teacher salary of the 16 SREB states, down from 2006-07 when the state ranked 7th.
2. State law prohibits teachers from teaching, for more than 30 days, a grade level or subject matter for which they are not certified. However, school districts that have a difficult time filling needed teachers may apply to the State Board of Education for a waiver. In 2012-13, 1,475 teachers were granted waivers. The teaching area with the most waivers was special education. The lack of certified special education teachers may result from the fact becoming a special education teacher requires additional coursework, but the job offers no additional compensation. ADE has amended the licensure requirements to alleviate this concern.
3. Some districts inaccurately report the total number of FTE teachers in their district. This causes a number of errors when calculating each district's average teacher salary. An incorrect FTE number can make a district appear that it has a higher or lower average salary than it actually has. This reporting problem makes accurately determining the disparity between districts' average teacher salaries problematic because districts with inaccurate FTE counts typically show up on the high or low end of the average salary range, making the actual disparity appear more dramatic than it really may be.

Partnership Program (Adequacy Report Draft, page 40)

1. Districts' requests for Partnership Program funding typically exceed the new General Revenue the program receives each year. Until now, the Program has been sustained by carryover funding from the original \$456 million the General Assembly provided in 2007. That funding has been depleted, and the Arkansas Division of Public School Academic Facilities and Transportation estimates there could be a \$65 million funding shortfall for the 2015-17 funding cycle. The problem has been exacerbated by the fact that about \$16.3

million that previously supported the Partnership Program has been redirected to the Public School Employees Health Insurance Plan.

2. There has been some concern expressed about the disparities in the condition of school facilities from one district to another. One group testified that disparities occur because wealthy school districts can afford to build beyond the level deemed adequate by the Partnership Program rules. These districts use local property wealth to provide better facilities when poorer districts have trouble just raising the local share for the basic facilities funded by the Partnership Program.
3. Open-enrollment charter schools are not eligible for Partnership Program funds. Charter school advocates have argued that the state should establish a facilities funding assistance program to ensure these public schools are able to provide an adequate and equitable education.

Student Growth Funding (Adequacy Report Draft, page 73)

1. Some Education Committee members questioned the policy of providing growing districts with additional funding. They suggested that growing districts are typically wealthier due to the increase in funding that comes with larger student populations and a growing community. Providing these districts with additional funding may exacerbate disparities between growing districts and small districts that are rapidly losing students.
2. Because student growth funding and declining enrollment funding are based on ADM in different years (student growth is calculated on current year ADM, while declining enrollment is based on prior year), it's possible for districts to qualify for both growth and declining funding in the same year. State statute prohibits them from actually receiving both types of funding; they receive the higher of the two funding amounts. However, if districts can qualify for both funding types at the same time or can go back and forth between programs based on adding a few students one year and losing some the next, the programs may not be assisting the districts that are truly declining or growing. The programs could be altered to provide funding to districts that have a certain percentage of growth/decline or those that have sustained growth/decline for a certain number of years.

Declining Enrollment Funding (Adequacy Report Draft, page 73)

1. Since 2006 when the General Assembly created declining enrollment funding, some have questioned whether school districts' actually need the additional funding because foundation funding is based on the previous year's ADM. Districts that are losing students are actually receiving payment for a larger number of students (the previous school year's count) than they are responsible for educating (the current year's count). This built-in buffer, some argue, makes providing additional funding to compensate for declining enrollment unnecessary.
2. Districts that have received declining enrollment funding are not necessarily using the funding to transition to a smaller operation. Forty districts received declining enrollment funding each year between 2011 and 2013. The average expenditures and average number of FTEs for those 40 districts was virtually unchanged during those three years.

Isolated Funding (Adequacy Report Draft, page 74)

1. The combined amount of isolated funding and special needs isolated funding has remained at about \$10.9 million for the last seven years. However, the total number of districts that qualify for either isolated or special needs isolated has been declining since 2011.
2. Eligibility for isolated funding or special needs isolated funding is based more on historical status than on objective criteria assessing districts' present condition (e.g., student density, road conditions, etc.). Districts qualify for greater levels of special needs isolated funding based on specified criteria, but there is no clear pattern to the criteria to indicate increasing need.

National School Lunch Funding (Adequacy Report Draft, page 57 and 71)

1. Some legislators have raised questions about which students NSL funding is intended to serve. Some have argued that because the funding is based on the number and concentration of low income students, the funding was intended to target low-income students. Others believe the funding is intended to serve students who are not testing on grade level, and that the funding uses eligibility for a free or reduced-price lunch as merely a proxy for targeting struggling learners. Still others believe the funding is intended to raise the achievement of all students, not just poor students or struggling learners. Determining which students the Legislature intends to target is essential for guiding policy changes to the administration of the program.
2. Some legislators have expressed concern that the allowable uses of NSL funding may be too broad—that districts may be allowed to spend NSL funding on too many types of programs. Many school officials, on the other hand have argued that the existing restrictions are too limiting and they should have more flexibility in spending those dollars. Additionally, it appears that districts are relying on NSL dollars to pay for items the Legislature intended to fund with foundation funding (e.g., instructional facilitators and nurses). This practice provides districts with greater spending flexibility, but it leaves less funding for additional services for targeted students (e.g., tutoring).
3. NSL funding is currently distributed in one of three amounts—\$517, \$1,033 and \$1,549 per eligible student—based on the district's poverty concentration. This distribution method can create large increases or decreases in funding as districts' poverty levels move above or below the funding levels' cut points. The state has a provision, known as NSL Transitional adjustment, that allows districts to ease into a different funding level over three years. However, some members have expressed concern over the NSL funding "cliffs" and called for a smoother method of distributing these funds.
4. Many districts transferred significant amounts of NSL funding to support ALE, ELL and PD programs. In 2012-13, districts collectively transferred \$16.4 million of their NSL funding to ALE, about \$3.8 million to ELL, and about \$1.96 to PD. NSL funding may be intended to support low-income students including those who are also in ELL and ALE programs, but the transfer of such large amounts of NSL funding may indicate that ELL, ALE and PD program needs aren't being met sufficiently with the level of funding provided.

5. Picus Odden and Associates recommended funding two additional employees for every 125 at-risk students. The consultants did not specify a salary level for these staff to calculate a dollar amount per student. However, if the teacher compensation level of \$60,566 is used, the recommended amount would be \$969.06 per NSL/ELL student. The consultants also recommended providing funding to support extended-day and summer school programs. For these two programs, they suggested funding a total of two teacher positions for every 120 at-risk students. Based on a teacher compensation package of \$60,566, this recommendation would cost \$1,009.43 per at-risk student. Together these recommendations would considerably increase the existing NSL funding levels.
6. State statute requires three different reports on the use of NSL funding (§ 6-15-2701; §6-20-2305(b)(4)(C)(xii)(E)(ii); and §6-15-1601). ADE is required to complete two of those reports, while the Commission on Closing the Achievement Gap is required to complete the third. These reports are in addition to the review of NSL expenditures called for by the adequacy study statute (§10-3-2102).

Professional Development (Adequacy Report Draft, page 65 and 72)

1. Act 2 of the 1st Extraordinary Session of 2013, reduced the PD funding rate by 40%, from \$54.00 per student to \$32.40. The savings were then redirected to the Public School Employees Health Insurance. ADE revised its rules to account for the decrease in PD funding. Now, educators will be required to obtain just 36 hours of PD to maintain their license. However, districts are still required to provide 10 days of PD to comply with the basic contract specified in statute.
2. Picus Odden and Associates recommended providing districts with \$100 per student for professional development, which represents an increase of \$48 per student over FY2013 (the year analyzed for the 2014 adequacy study) and an increase of \$67.60 per student over the FY2015 funding level when PD funding dropped to \$32.40.

English Language Learners (Adequacy Report Draft, page 63 and 71)

1. ELL funding was originally based on providing 60% of a teacher for every 100 ELL students based on the average teacher salary in the matrix. In 2012-13, the funding amount of \$305 per ELL student supported a teacher salary of \$50,833 (base salary of \$40,378), which is below the teacher compensation package in the matrix, \$60,566 (\$48,356 base salary). Despite the lower funding, districts were able to provide an average base salary of \$51,945 for ELL teachers in 2012-13. Additionally, districts are spending considerably more on ELL funding than they are receiving. In 2012-13, districts received \$305 per student and spent \$428. Much of the additional money came from transfers of NSL funding to ELL programs.
2. Picus Odden and Associates recommended funding one teacher for every 100 ELL students. The consultants did not specify a salary level for these staff to calculate a dollar amount per student. However, if the teacher compensation level of \$60,566 is used, the recommended amount would be \$605.66 per ELL student. This would increase the ELL funding level by roughly \$300 per student.

Alternative Learning Environment (Adequacy Report Draft, page 62 and 71)

1. ALE funding was originally based on the amount of funding needed to support one additional teacher for every 12 ALE FTE students. The funding amount used the average teacher salary to calculate the per-student funding amount. The ALE funding for the 2012-13 school year of \$4,228 provides a total compensation package of \$50,736 for every 12 ALE students. When health insurance, retirement and other benefits are separated out, ALE funding appears to support a base teacher salary of \$40,298, well below the average teacher salary of \$48,356 in the matrix. That said, in 2012-13, districts actually paid teachers an average of \$48,527 using ALE funding.
2. State statute required ADE to promulgate rules that establish “measures of effectiveness for alternative learning environments.” The statute also requires ADE to evaluate each ALE program to ensure it’s effective under the measurements established by the department. The evaluation is to be part of the accreditation review. There does not appear to be a formal evaluation process in place for ALE programs, although ADE does gather certain performance statistics from each ALE program.
3. State statute requires all districts to “provide one (1) or more alternative learning environments for all students who meet the minimum criteria established by the Department of Education.” However a number of districts report having no ALE students year after year, and therefore provide no ALE services. Some of the reasons districts gave for not having a program include:
 - District has no qualifying students.
 - District believes putting students in ALE is not in the best interest of the students.
 - District places the few ALE eligible students in an in-school suspension room.
 - District has an agreement with a neighboring district to provide services if needed.
4. Picus Odden and Associates recommended funding one assistant principal position and three teacher positions for every seven FTE ALE students. The consultants also recommended providing funding to support school-level resources, such as instructional materials and technology, as well as funding for central office and O&M costs. Picus Odden and Associates did not translate their recommendation into a per-student funding amount.

Foundation Funding

Classroom Teachers (Adequacy Report Draft, page 46 and 67)

1. Picus Odden and Associates recommended reducing the teacher to student ratio in the state accreditation standard for K-3 students from 1:20 to 1:15, which would increase the number of teachers needed. The consultants recommended increasing the total number of classroom teachers funded by the matrix by 4.82 FTEs per 500 students.

Special Education Teachers (Adequacy Report Draft, page 48 and 67)

1. Picus Odden and Associates recommended increasing the number of special education teachers by .4 FTEs per 500 students and adding an additional 3.3 special education aides. In 2012-13, districts spent \$24.76 million from foundation funding on instructional aides for

special education students. The current matrix does not provide funding for instructional aides, but many districts spend foundation funding for this purpose.

Instructional Facilitators/Assistant Principal (Adequacy Report Draft, page 48 and 68)

1. Many districts use NSL funding to pay for instructional facilitators, rather than using the unrestricted foundation funding that the state provided for this purpose.
2. Picus Odden and Associates recommended increasing the number of instructional facilitators and assistant principals by .26 people per 500 students. (Picus Odden and Associates groups their assistant principal recommendations with their recommendations for principals. See page 42 of the Picus Odden and Associates report.)

Library Media Specialist (Adequacy Report Draft, page 49 and 68)

1. The current matrix funds .825 librarians for every 500 students. If the methodology that originally determined this staffing level is applied to the current number of schools, districts would actually need .85 librarians. Picus Odden and Associates recommended increasing the number of library media specialists to 1.03 FTEs per 500 students.

Counselors/Nurses/Other Pupil Support (Adequacy Report Draft, page 49 and 68)

Counselor

1. Picus Odden and Associates recommended increasing the number of counselors to from 1.11 FTEs per 500 students to 1.6. The American School Counselor Association recommends a staffing level of two counselors per 500 students.

Nurse

1. State law requires one school nurse per 750 students (.67 per 500 students), if funding is available. The matrix provides funding for a .67 FTE nurse for every 500 students, but some school districts may not have the required number of nurses. ADE has maintained that funding for nurses has not been provided, and therefore the agency has not enforced the nurse-to-student ratio. Data presented during the adequacy study showed that, collectively, districts are funding just .44 FTE nurses from foundation funds, though some nurses are employed using other types of funding.
2. Picus Odden and Associates recommended increasing the number of nurses by .03 FTEs per 500 students. The National Association of School Nurses recommends a nurse-to-student ratio of 1:750 in a school with all well students, 1:225 in a school that requires daily nursing services, and 1:125 in a school with complex health care needs.

Other Pupil Support

1. Picus Odden and Associates did not make any recommendations regarding funding for other pupil support for foundation funding. However, they did recommend funding one pupil support position for every 125 at-risk students through state categorical funding. Like the nurse line item, other pupil support is one area in which districts tend to rely on other funding sources, saving their unrestricted foundation funding for other needs.

Principal (Adequacy Report Draft, page 50 and 68)

1. Picus Odden and Associates recommended increasing the number of principals by .03 FTEs per 500 students.

Secretary (Adequacy Report Draft, page 50 and 68)

1. Districts spent about \$38 more per student on school clerical staff than the matrix provided.
2. Picus Odden and Associates recommended increasing the number of secretaries by 1.31 FTEs per 500 students.

Technology (Adequacy Report Draft, page 51 and 69)

1. Some districts say they lack sufficient bandwidth, which causes schools to place restrictions on the use of some websites, creates problems on teacher training days, and inhibits teachers' incorporation of technology in the classroom. Many schools do not currently have adequate bandwidth to handle the PARCC assessments. Additionally Act 1050 of 2011 prohibits school districts from accessing bandwidth from any government provider except DIS. That means school districts cannot receive services through the Arkansas Research and Education Optical Network (ARE-ON), the state's only publicly owned fiber optic network.
2. Districts spent only about a third of the technology dollars they received through foundation funding for technology-related expenses. This was primarily due to the fact that they have many other sources of funds they can use to make technology purchases. Additionally, the state provides some technology-related services to districts (e.g., distance learning, APSCN connectivity, etc.), which prevent districts from having to make certain purchases themselves. However, districts may face increasing expenses as the need for more broadband increases. Picus Odden and Associates recommended increasing the per-student funding level for this line item to \$250 per student.

Instructional Materials (Adequacy Report Draft, page 51 and 69)

1. Districts spent less foundation funding than was provided for instructional materials, relying on other funding sources to make a significant portion of their instructional materials purchases. However, Picus Odden and Associates recommended increasing the per-student funding level for instructional materials to \$220 per student.

Extra Duty Funds (Adequacy Report Draft, page 52 and 69)

1. Picus Odden and Associates recommended increasing the funding level for extra duty funding and student activities to \$215.16 per student. This recommendation includes funding for both the people involved in student activities (athletic coaches, supervisors for extracurricular activities, etc.), as well as the material items needed for such activities (equipment, etc.). The current matrix does not provide funding for material items. However, the BLR's Resource Allocation report noted that districts used about \$21.3 million of their foundation funds on materials for athletics and \$2.7 million on materials for other student activities.

Supervisory Aides (Adequacy Report Draft, page 52 and 69)

1. Districts spent only about 20% of the foundation funding intended for supervisory aides. Districts typically exhaust teachers' 60 minutes for supervisory duties—the maximum time allowed under state law—before spending additional funds for this service.
2. Picus Odden and Associates recommended increasing funding for supervisory aides by increasing the number in the matrix from one to two per 500 students. The \$54.70 currently in the matrix for supervisory aides is based on one supervisory aide for every 500 students.

Substitutes (Adequacy Report Draft, page 52 and 69)

1. Districts are increasingly contracting with temporary employment companies for substitute teachers rather than hiring them directly. This hiring method can be more costly. In 2012-13, districts spent just over the matrix amount provided for substitutes.
2. Picus Odden and Associates recommended increasing the funding for substitutes to \$195 per student to support 10 days of substitute pay per teacher at a compensation level equal to that in the matrix for teachers.

Operations and Maintenance (Adequacy Report Draft, page 53 and 70)

1. In 2012-13, districts spent nearly \$150 per student more on O&M than the matrix provides.
2. Picus Odden and Associates recommendation for O&M is not easily compared with the current matrix amount. The consultants recommended funding to support 4.62 O&M employees per 500 students, plus another \$116.73 per student for additional supplies and materials. Because the consultants did not include a recommended salary for the O&M employees, it's difficult to translate their recommendation into a per-student dollar amount.

Central Office (Adequacy Report Draft, page 53 and 70)

1. Picus Odden and Associates provided a recommended range of funding levels for central office needs based on the consultants estimates of necessary staffing levels in other states. As a result, the consultants recommended increasing the per-student funding level for central office to \$488 to \$644.

Transportation (Adequacy Report Draft, page 54 and 70)

1. Although the total amount of transportation funding districts receive is close to districts' actual expenditures statewide, spending varies widely from one district to the next. One district spent about \$124 per student on transportation (from all funding sources), while another spent about \$1,059 per student. Picus Odden and Associates recommended providing funding for transportation as a categorical program based on multiple factors. The consultants did not recommend a particular funding amount.

Gifted and Talented (Adequacy Report Draft, page 70)

1. State statute requires districts to spend 15% of the foundation funding they receive for 5% of their ADM (6-20-2208(c)(6)). However, the state does not provide any funding specifically for school district gifted and talented programs. (There is funding called "Gifted and Talented" but it supports the Governor's School program and gifted and talented specialists housed in each educational service cooperative. There is also funding for Advanced Placement exams that is sometimes referred to as gifted and talented funding.) Picus Odden and Associates recommended providing \$25 per regular student.