

MEETING SUMMARY

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

ADEQUACY

Monday, June 8, 2020

1:30 P.M.

Room A, MAC

Little Rock, Arkansas

Representative Cozart, the Chair of the House 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 Elliot, Vice Chair; Eddie Cheatham, 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; Rick Beck, Jana Della Rosa, Jon Eubanks, Brian Evans, Denise Garner, Grant Hodges, Mark Lowery, Richard McGrew, Stephen Meeks, Nelda Speaks, Joy Springer, Dan Sullivan, and DeAnn Vaught

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Kim Hammer;

Representatives Tippi McCullough, Jaime Scott, Stu Smith, Danny Watson, and Carlton Wing

Without objection, the motion to adopt the minutes from the May 18 and May 19, 2020, meetings was carried.

Discussion of Adequacy Study Update [*Exhibit D*]

Presenters:

Mr. Justin Silverstein, Co-CEO, Augenblick, Palaich, and Associates (APA) Consulting, provided an update to the work APA is doing to supplement Bureau of Legislative Research (BLR). Mr. Silverstein also outlined what topics will be covered in the next presentation. Those areas of focus include current school size policy and best practices, ideal school size, public input on those standards, as well as the impact of districts on school size. **Ms. Amanda Brown**, Senior Associate, APA Consulting, summarized the fields chosen to supplement existing data collected by the state. The purpose of this study was to survey teachers and administrators from all Arkansas school districts regarding their school size and staffing policies, capital needs, use of poverty funds, professional development and how they handle extra duty time, what educational and extracurricular opportunities they offer, and what is most impactful of the support from Education Cooperatives.

Discussion of Impact of Waivers in Act 1240 Schools [*Exhibit E*]

Presenters:

Ms. Amanda Brown provided an overview of changes in demographics, performance, and expenditures from 2015-2016, the year before waivers were allowed, to 2018-2019 in both schools with waivers and schools without. As a result, charter schools have been excluded as they have been allowed waivers for multiple decades and the aim of this analysis is to determine changes over time since their introduction and the immediate effect on the schools. The study was focused on select waiver areas that were suspected to be the most impactful on instruction and student

outcomes or resource use and expenditures. Ms. Brown mentions that the significant change in expenditures per pupil for resource waivers did account for annual increases in funding but the data could be reflecting schools that were already spending at higher levels. Other considerations like schools being in higher cost communities or a school's comfort level with applying for grants may also be factors beyond the existence of a waiver. The sample size of this study was 929 schools throughout the state and the data is representative of the State's data, excluding charters, correctional schools, schools for the deaf and blind, and others who were missing key data.

Ms. Michaela Tonking, Associate, APA Consulting, presented the results of regression analysis to determine if there are any statistically significant outcomes of this study. In the tables, NS+ refers to a difference slightly above 0 while NS- refers to results slightly below 0. Both are not significant but might indicate possible correlations in either direction. Overall, attendance waivers were found to be associated with slightly better outcomes in achievement, while library media waivers and licensure waivers have a trend showing there might be a correlation to decline in Literacy achievement. This could be attributed to the school no longer having licensed staff to fill positions. Mr. Silverstein reminded the committee that in order to have a licensure waiver, the school must at least have one teacher with a licensure waiver, but these studies were not broken down into how many additional teachers held those waivers. Therefore, it is difficult to conclude that having more higher certified teachers compared to more non-certified has no impact on achievement. She goes on to reiterate that the outcomes of these studies are not to prove causation, but to identify correlations only, with recognition of outside factors and variables beyond those tested here.

Discussion of Impact of Vouchers [*Exhibit F*]

Presenters:

Ms. Jennifer Piscatelli, Associate, APA Consulting presented research about tax credit scholarships and voucher programs, looking at states with programs most similar to Arkansas'. The key difference between voucher and tax credit programs is tax credit utilizes privately donated funds, while vouchers use state tax dollars. Both programs are designed for particular student groups, usually disadvantaged. Voucher amounts vary widely by state and the programs themselves also have different eligibility requirements and funding sources. These studies compared students in the voucher program to those not in the program. The impact of vouchers on student achievement and on funding yielded mixed results, depending on the particular program. **Mr. Justin Silverstein** stated that Arkansas does not currently have a tax credit program. According to data from surrounding and comparison states, these are funded by individuals and corporations and the donations must be made to the program directly rather than reserved for individual schools or students. Additionally, they compared students who took that voucher to private schools to those who maintained its use in public schools. A question was raised if there was data on how much a school supplemented costs per student above funding and if the satisfaction rate had an influence in the determining effectiveness of a program. Another request was made to find out the average amount of money taken in benefits from the Succeed Scholar Program, as well as a specific inquiry into the Arkansas 529 plan in the context of this study. Overall, there is little information indicating their impact on student success.

Discussion of Analyses of the Uniform Rate of Taxation (URT) and School Finance Equity [*Exhibit G*]

Presenters:

Dr. Mark Fermanich, Senior Associate, APA Consulting, was recognized to discuss data found over a course of non-traditional studies to supplement BLR's report. He provided a comprehensive overview of how uniform rates of taxation affect school spending. All data comes from MySchool database based on the mills each district reported. The studies were primarily interested in finding horizontal equity and fiscal neutrality amongst school districts. Horizontal equity refers to the equitable treatment of the average student, excluding special needs for the student. The less variation indicates a more equitable system. Fiscal neutrality refers to the relationship between local wealth and resources available per student. In general, for fiscal neutrality, a lower correlation between the variables indicates more equity. In consideration that 60% of resources in Arkansas are provided by the State, there's greater

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likelihood for systems to be fiscally neutral. Dr. Fermanich provided for reference that districts in Quintile 1 have about \$186,000 of assess value per pupil in the district and Quintile 5 represents having \$55,000 or less assess value.

He explained that looking at salaries can determine a district's ability to retain or attract quality educators. Additionally, having teachers with MAs and higher average years of experience could be indicators of the teacher quality in a district. The study team then focused on program resources, particularly the availability of Advanced Placement or computer science courses and after-school, before-school, or summer programs. An inquiry was made regarding relationships between programs offered and the role of transportation or other impediments in these studies. Additionally, there was an inquiry into changes in program offerings with consideration to some districts that were already planning to move to four-day academic weeks in 2021 and in the aftermath of the pandemic's effects, that number may be even larger.

In order to better recognize visible shifts and distinctions, the committee requested an overall summary of which values have strong correlations and the context of the factors that may affect the strength of the correlations to accompany the data charts presented. The committee requested that APA provide more context for data changes. For instance, a large percentage increase in students taking computer courses could be accounted for by Governor Hutchinson pushing for more courses and offering incentives within that field. Ms. Piscatelli mentioned that there are upcoming district surveys and she is taking notes on these requests to implement them in future questions.

Discussion of Impact of Enrollment Changes [*Exhibit H*]

Presenters:

Mr. Justin Silverstein presented how Arkansas approaches funding for growth and declining enrollment compared to other states. He mentioned that as districts both gain and lose students comes a question of the availability of resources. Depending on the amount of per pupil funding, determining what resources and services can be allocated might be compared to what's available to share and disburse effectively without increasing supply or cutting other programs or staff. Nationally, 17 states have provision to provide funding for growing enrollment districts and 22 have provisions for declining enrollment. There are various ways to consider declining enrollment with methods of growth funding with pros and cons for each. For example, when considering if current-year funding might provide a more adequate outlook of how to fund districts, Mr. Silverstein answered that using current year funds makes predictability difficult for some districts and many states that use current-year counts don't have growth provisions. Using previous years allows better transparency for budget estimations and resource management, which benefits districts that experience declining enrollment, especially in rural districts where the numbers of student greatly impacts the amount of total funding. Both rapid growth and rapid decline can put financial stress on district budgets. APA presented alternative funding methods, including using a three year average and percentage per year, for Arkansas schools based on funding outcomes and results from surrounding and SREB states.

Next Scheduled Meetings:

Monday, July 6, 2020, at 1:30 p.m. in MAC Room A, and Tuesday, July 7, 2020, at 9:00 a.m. in MAC Room A

Adjournment:

The meeting adjourned at 4:28 p.m.