

Written Testimony Addressing the Adequacy of Public Education in Arkansas

**A Report for the Interim House and Senate Education
Committees**

Submitted by the Arkansas School Boards Association



October 11, 2019

Arkansas School Boards Association's Adequacy Testimony
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The Arkansas School Boards Association (ASBA) appreciates the opportunity to submit this testimony to the House and Senate Interim Education Committees. We realize the magnitude of the responsibility held by those committees and the recommendations that you must eventually make to the General Assembly regarding adequacy and equity for the 478,318 students in public education in Arkansas.

Children graduating from Arkansas's public high schools should receive educational experiences that provide them every opportunity for future success. Our state's educational system must always strive to stay aligned with our societal needs; that takes constant review and adjustment as noted by the Special Masters in their testimony submitted to the Arkansas Supreme Court in the Lakeview case. As those adjustments are made, the funding needs of education in Arkansas must be reviewed and recalibrated in order to continue to maintain the adequacy and equity constitutional requirements as determined by the Supreme Court.

ASBA applauds the General Assembly for its efforts in the area of career education. Members of the Education Committees, along with other legislators, have worked diligently to support a change in education culture so that students can be directed towards a viable and rewarding career path, which may or may not include college, rather than being solely directed toward a four year higher education degree. The education community has embraced this movement and is moving forward with innovative programs providing more and better options for students. Act 910 of 2019, the Transformation and Efficiencies Act, that combines the former Arkansas Department of Education, the Department of Career Education, and the Department of Higher Education into one overarching department will hopefully enhance the quality and amount of opportunities for students in Arkansas. Enhanced communication and collaboration between the former Departments of Education and Career Education should result in greater and better options for Arkansas's students. We believe, with your continued efforts and a supportive collaboration between appropriate local, State, and Federal resources, that we will see a continuation of change that will lead to more career options, higher paying jobs, and lower unemployment for the citizens of this state.

We believe that the members of the Education Committees, along with the rest of the General Assembly, are strongly committed to the improvement of education in Arkansas. With that in mind, please consider these observations and recommendations regarding the adequacy of the public education system in Arkansas.

Adequacy Study

Our state's educational system must always strive to stay aligned with the needs of our society, which takes constant review and adjustment, as noted by the Special Masters in their testimony submitted to the Arkansas Supreme Court in the Lakeview case. As necessary adjustments are made, the funding needs of education in Arkansas must be recalibrated in order to continue to

maintain the Arkansas Constitutional requirements of adequacy and equity set forth by the Arkansas Supreme Court in Lakeview.

The last time an independent consultant was contracted to do an on the ground review of educational adequacy in Arkansas was in 2007, by Picus and Odden. The most recent independent review of educational adequacy in Arkansas was only a desk audit, by Picus and Odden, in 2014. We believe that the past independent studies provided valuable research based options for the legislature to consider when determining what is required to provide an adequate and equitable education. Furthermore, we believe that periodic independent reviews provide the legislature with additional new evidence based ideas for the legislature's consideration and therefore we appreciate the Committees' willingness to consider the pursuit of a new independent study.

Pre-Kindergarten Programs

According to the U.S. Department of Education, research demonstrates that the years prior to kindergarten are the most significant in shaping a child's foundation for success in school and in life. Without sufficient early learning experiences upon which to build a strong foundation, the achievement gaps -- too often experienced by children with high needs, such as those who are from low-income families, English Language Learners, or have developmental delays or disabilities -- may start long before children reach kindergarten. In addition, high-quality preschool programs can help ensure that children have the foundation they need to meet early learning and development standards and experience success throughout elementary, secondary school, and beyond.

The state has made great gains in early education. We applaud the General Assembly for its leadership in this area and strongly encourage it to increase funding to expand this program to all students who are currently eligible and eventually to make it available to every child.

Class Size

The General Assembly used the existing state standards regarding class size when creating the formula for the prototypical school; however, in their evidence based approach, Picus and Odden referenced studies that support the positive effects of small class size, especially in the lower grades. The original 2003 Picus and Odden study contained the following evidence based recommendation, which was echoed in both their 2007 recalibration study and most recently in their 2014 Desk Audit:

- Grades K-3 15:1
- Grades 4-12 25:1

In the interest of optimizing student performance both short and long term, it is important to consider the impact of class size on student performance outcomes. In their 2014 Desk Audit, Picus and Odden referenced data derived from the Tennessee STAR study, which used a randomized controlled experiment of class sizes of approximately fifteen (15) compared to a control group of classes with approximately twenty-four (24) students in kindergarten through grade three. The study revealed that students from the smaller classes performed at a significantly higher level than those in the larger class sizes. Subsequent research showed that

positive impacts of the smaller class sizes in the Tennessee study persisted into later years, even beyond high school.

Furthermore, the study found that the higher level of performance of the students in the smaller class size was magnified (actually doubled) for low income and minority students. That fact could be significant in our state's effort to reduce the achievement gap. Although the Arkansas Supreme Court approved the current class size distribution in the matrix, ASBA believes that reducing class sizes in the early grades would be worth a much closer look, perhaps even a focused pilot program in a few chronically under-performing schools.

Teacher Staffing

ASBA once again urges the General Assembly to initiate a study of actual school staffing to determine the relationship between the number of teachers funded through the matrix and the number of staff positions required to meet the Standards for Accreditation. The complexities of teacher licensure, coupled with the challenges of developing class schedules, strongly suggest that the study should be guided by education professionals who have expertise in this area.

ASBA believes a conflict may exist between the number of staff allotted in the matrix and the number of staff required by the Standards for Accreditation. Before looking at the prototypical school actually contained in the matrix, we begin by considering, for ease of apportioning numbers, a K-4 elementary school of 500 students. With five grades in the school, each grade would have 100 students. The Standards for Accreditation permit:

- Kindergarten classes no larger than 20 students (or 22 with one half-time instructional aide). Our model school would require five kindergarten teachers.
- Grades 1-3 classes averaging no more than 23 students per classroom. Our model school would require five classrooms per grade for a total of 15 teachers.
- Fourth grade classes averaging no more than 25 students per classroom. Our model school would require a total of 4 teachers.

In sum, a district would have to hire 24 teachers to meet the requirements of the Standards for Accreditation. The matrix allocates 20.8 core teachers for every 500 students. This means a school district with a total enrollment of 1300 (100 per grade) would be underfunded by 3.2 teachers for their 500 student K-4 elementary school in order to be in compliance with the Standards for Accreditation's requirements.

The shortage of core staff positions in the matrix is compounded by an insufficient allotment of PAM teachers. Our understanding is that, in the original derivation of the matrix, PAM stood for physical education, art, and music. Apparently, the PAM definition changed to also include "all non-core classroom teachers" in the 2008 re-calibration (page 43 Volume 1, Report on Legislative Hearings for the 2008 Interim Study on Educational Adequacy, 12/30/2008). This change was significant. From a scheduling perspective, the PAM teachers were originally intended to enable elementary teachers to have their daily planning periods. Expanding PAM teachers to include all non-core classroom teachers makes the current matrix staffing and funding situation untenable.

Special Education Teacher Staffing

The Funding Matrix provides funding for 2.9 Special Education teachers for 500 students; however, according to the April 24, 2018 Resource Allocation Report, public schools provided approximately 2.98 Special Education teachers per 500 students and were paying the Special Education teachers an average salary within a thousand dollars of the salary provided for in the Matrix. While Picus and Odden recommended 3.3 Special Education teachers per 500 students, ASBA recommends that the Special Education teacher line in the Matrix be increased to at least 3.0 Special Education teachers per 500 students for two reasons: First, this would recognize that public schools are on average hiring more Special Education teachers than what is being provided for in the Matrix; and second, this would allow public schools to increase the salary of their Special Education teachers, which would potentially help in recruitment in this high need field.

Special Education High Cost Occurrences Funding

While the Federal government strictly regulates the requirements for special education, the cost to administer special education programs is not adequately funded at the federal level; this leaves states and local school districts shouldering a large part of that financial responsibility. ASBA recognizes and appreciates the effort the Arkansas General Assembly has made to reduce the additional cost public schools have been having to commit in order to ensure that high cost students receive the educational support they deserve. During the 2017-2019 biennium the legislature added just over \$4 million in funding to the Special Education High Cost Occurrences fund; this increase in funding allowed public schools to continue to provide quality services for high cost students and return some local funds to be utilized for their general student population.

Based on a presentation before the House and Senate Education Committees, by the Division of Secondary and Elementary Education on September 9, 2019, it was explained that the Division was in the process of amending the Rules governing the Reimbursement Formula for high cost students; the proposed changes could have a substantial impact on currently high cost districts. We ask that the Committees review the impact of these new rules to gauge their effectiveness and add additional funds for High Cost Special Education students if necessary.

Enhanced Student Achievement Funding (Formerly NSL)

Per the Rules governing the distribution of student special needs funding, school districts receive ESA funds to be used for evidence-based programs or purposes for students at risk in order to improve instruction and increase academic achievement of those students; this does not prohibit use of funds in performing schools to continue doing those strategies that are sustaining or enhancing that performance.

The allowable uses for ESA funds have been increased over past legislative sessions to cover additional legislated programs and/or expenses. Districts depend on utilizing this funding for many allowable expenditures. Some examples of how these funds are used to support programs are: professional development, Professional Learning Communities, purchase of curriculums, after school tutoring, summer school, Arkansas RISE initiative, etc. These funds are also used to support salaries: literacy and math facilitators, school nurses, social workers, school resource officers (SRO's), and curriculum coordinators, etc. Under Act 1082 of 2019, the eligible expenditures of ESA funds are scheduled to sunset on June 30, 2022. We understand that many legislators were concerned with some of the programs that were being provided by the use of these funds; however, we fear that the complete elimination of the eligible uses of these funds could have devastating impacts upon districts who are using these funds to supplement shortfalls in matrix line item funding. Therefore, we would ask that the legislature review the current eligible expenditures along with the matrix to ensure districts are receiving necessary foundation funding for essential programs while continuing to allow ESA funds to be used for those evidence based programs (Pre-K, before and after school programs, summer school, targeted support, etc.) that have demonstrated effectiveness in assisting to close the gap for those students that the funds were originally intended to support.

Teacher Salaries

We appreciate the importance the 92nd General Assembly placed on increasing teacher salaries through the passage of the Teacher Salary Enhancement Act (Act 170 of 2019), which ensures minimum teacher salaries will increase to \$36,000 by the 2022-2023 school year. The passage of Act 170 to increase the minimum teacher salaries along with the creation of the Educator Compensation Reform Program by the passage of Act 877 of 2019, which resulted in the appropriation of \$60 million to assist districts whose salary schedule was below the \$36,000 minimum final salary, is an excellent step in improving the lives of many teachers across the state. Should the \$60 Million appropriated not cover the total additional cost incurred by districts to meet the required minimum final teacher salary, we hope the general assembly will appropriate additional funding to assist districts in covering the necessary costs. Additionally, we are hopeful the teacher salary line item in the matrix will be increased moving forward after FY2023 to ensure districts are able to maintain the new minimum teacher salary and to keep up with inflation.

Again, we appreciate the increase in the minimum teacher salary but realize there is more work to be done in this area in order for our state to compete with other states for the highest quality teachers, for successful recruitment and retention. Consideration of an increase to teacher salaries should be a priority item during each educational adequacy review.

We ask that the General Assembly does not forget the support staff (a.k.a. classified employees), which are necessary for school districts to properly function, when considerations are made for increases in compensation for school employees. A key example of how support staff salaries are impacting district recruitment is that there are currently shortages of bus drivers throughout many parts of the state.

Cost of Living Adjustment (COLA)

We recognize and appreciate the increases in Foundation Funding approved by the General Assembly during this past 2019 legislative session, which provided a 1.74% increase for FY 20, and a 1.72% increase for FY 21.

We believe that at least enough new funding should be added to Matrix funding annually to ensure that inflationary increases in operations and any mandated salary increases will be covered between State and local funds.

Facilities and the Partnership Program

The Lakeview case determined that it is the state's obligation to ensure all students in Arkansas have access to appropriate academic facilities regardless of local wealth. That program has made a tremendous difference in the condition of school facilities across the state. However, there is now no carryover left from the initial \$455M placed in the program well over ten years ago.

A thorough review of the Partnership Program was recently conducted. The Advisory Committee on Public School Academic Facilities submitted their report and recommendations to the Commissioner of Education on July 31, 2018. The Advisory Committee recommended State Partnership Program funding should be an annual budgeted amount of approximately \$90 million. Their recommendation would require an increase in Revenue Stabilization funds or annual budgeted GIF funds of about \$30 million. We agree with the Advisory Committee's recommendation of a need for more funds to be added to the Partnership Program.

Furthermore, since it has been well over ten years since the last full on-site assessment of public school facilities in Arkansas was conducted, we also recommend that another facility assessment take place prior to the next biennium. Only with a full and current review and estimate of facility needs and costs going forward can the General Assembly truly develop a long range plan for funding the program.

A.C.A. § 6-20-2509 requires The Division of Public School Academic Facilities and Transportation to establish formulas that shall be updated annually by the fourth quarter of the calendar year for determining the basic project cost per square foot for various types of new construction projects. However, Section 6.03 of the Academic Facilities Partnership Rules limits the per square foot cost to a maximum of \$175. A former director of the Division of Public School Academic Facilities and Transportation, Dr. Charles Stein, stated in Public Comment dated 10/23/15, "The \$175 per square foot maximum Funding Factor was established in March 2008 and has not been increased since that time. A review of national construction cost increases and construction cost increases around all Arkansas regions indicates that construction costs have escalated approximately 14% from 2008 to 2015. Additional escalation should occur

between 2015 and the next Partnership Program project funding cycle. Based on actual cost increases the maximum Funding Factor in Section 6.03 should be increased to \$175 x 114%=\$200 per square foot. It is likely the Funding Factor cap should be even higher than \$200 per square foot now due to inflationary factors since 2015. In their report of July, 2018, the Advisory Committee on Public School Academic Facilities recommended the Partnership Program maximum cost factors for each of the 13 regions should be the lesser of the actual cost factors or \$200 per square foot. We agree with the Advisory Committee's recommendation.

The facilities Partnership Program is not only highly beneficial to the public schools and children in Arkansas but to local and state economies as well. According to the Local Multiplier Effect concept, money spent locally circulates within that area (or state) several times over, creating a positive economic impact for the area. Arkansas based construction companies and suppliers, including local businesses, have also benefited from the establishment and continuation of the Partnership Program. ASBA believes the Facilities Partnership Program has been and will continue to be a huge benefit to education and the economy in Arkansas and that the program should be regularly reviewed and fully funded going forward.

School Safety

The National Center on Safe Supportive Learning Environments defines school safety as schools and school-related activities where students are safe from violence, bullying, harassment, and substance use. School safety is linked to improved student and school outcomes. In particular, emotional and physical safety in school are related to academic performance. At the same time, students who are victims of physical or emotional harassment or who are involved in the sale or use of illegal substances on school grounds are at risk for poor attendance, course failure, and dropout.

The Arkansas School Safety Commission released their Final Report in November, 2018. In general, the Commission was tasked to study and analyze the safety of K-12 students in Arkansas and make recommendations to the Governor and the ADE (DESE) on improvements and changes needed to increase school safety. Subcommittees were assigned to consider the following topical areas: Mental Health and Prevention; Law Enforcement and Security; Audits; Emergency Operation Plans and Drills; Intelligence and Communications; and Physical Security. After a thorough study and analysis, including school visits, the Commission made thirty (30) recommendations in their Executive Summary. Many of the recommendations can be accommodated by current district staffs and local law enforcement agencies. However, when additional personnel, equipment, or facility safety improvements are required for districts to meet any of the recommendations, we hope the legislature will provide the additional funding required to meet those recommendations.

Mental Health Services

Counselors, school psychologists and social workers provide critical support for students and staff in our schools. These mental health professionals can support teachers and aid students who are struggling emotionally or are troubled. In today's society, more and more students are

facing new challenges and coming to school under heavy burdens of anxiety and stress. According to the U.S. Department of Health and Human Services, one out of five children experience mental health problems during their school years.

Mental Health America, in their State of Mental Health in America 2019 report, stated from 2012 to 2017, the prevalence of past-year Major Depressive Episode (MDE) increased from 8.66 percent to 13.01 percent of youth ages 12-17. Now over two million youth have MDE with severe impairment and only 28.2 percent of youth with severe MDE were receiving some consistent treatment. Unfortunately, if their issues are not addressed, learning and school safety suffers. Giving these students the proper supports early can prevent tragic events later and make all of our students and staff safer. While we recognize Act 190 of 2019 as an excellent start of a movement in the right direction, we believe the state should provide districts the proper resources to increase the ratio of mental health professionals to students.

Property Tax

Due to the recent Walmart appeal of its property assessment in Pulaski County, many school board members and administrators are uneasy as to the potential funding issues that could result from this case, regardless of its ultimate outcome. We would ask that the legislature keep a watch on developments in this case and be prepared to provide appropriate remedies to ensure the greatest stability possible for school district funding, as stability in property tax assessment is essential for a sustainable budget.

Final Comments

Again, we would like to acknowledge the attention and hard work the House and Senate Education Committees and sub-committees put into providing the methods and necessary funding to ensure an adequate and equitable education for the children of Arkansas. We believe your efforts will make a positive difference moving forward in education in Arkansas. However, we must ask ourselves if adequacy is enough. The Education Week Quality Counts Report (2019) that was just released reflects that Arkansas was again, for the fourth year in a row, assigned a letter grade of C- with each of the three categories utilized to derive the grade remaining unchanged since 2015. Arkansas earned a C in the Chance-for-Success category and ranks 44th. Arkansas received a C- in School Finance and ranks 29th. And for the K-12 Achievement Index, Arkansas finished with a D-plus and ranks 42nd. We are hopeful that Arkansas's ESSA plan will enhance student performance in Arkansas moving forward and that reliable and easily comparable data from the ACT Aspire will reflect improvement in the coming years.

At ASBA, we realize that school boards are in a unique position to represent the children in their communities. School board actions, or lack of, influence the opportunities for the success of the children in their districts. Responsibilities at the local level include the generation of local funding to complement state efforts. We strive to be part of the solution to see that all children in Arkansas have their best opportunity for success. Thank you for your consideration

of our observations and recommendations. We look forward to working with you to further advance public education in Arkansas.

2019 ASBA Executive Summary of Written Adequacy Testimony

The Arkansas School Boards Association requests your consideration of the following **recommendations** which are discussed in more detail in our written testimony:

Adequacy Study – *Initiate an on the ground independent study of educational adequacy that will provide valuable research based options for the Legislature to consider when determining what is required to provide an adequate and equitable education.*

Pre-Kindergarten – *Increase funding to expand this program to all students who are currently eligible and eventually to make it available to every child.*

Class Size – *Initiate a study, to determine the effects of class size on students in Kindergarten through grade three becoming proficient in reading, to help determine the value of reducing class sizes in the early grades and fund additional teachers to reduce class size in the lower grades if deemed effective to do so.*

Teacher Staffing – *Initiate a study of actual school staffing to determine the relationship between the number of teachers funded through the matrix and the number of staff positions required to meet the Standards for Accreditation.*

Special Education Teacher Staffing - *Increase the Special Education teacher line in the Matrix to at least 3.0 Special Education teachers per 500 students.*

Special Education High Cost Occurrences Funding - *Review the impact of the new rules governing Special Education High Cost Occurrences Reimbursement Formula to gauge their effectiveness and add additional funds for High Cost Special Education students until need is fully met.*

Enhanced Student Achievement Funding (Formerly NSL) – *Continue ESA funding. The elimination of these funds might place some districts in fiscal jeopardy and/or eliminate needed positions or programs for students.*

Teacher Salaries – *Continue review of teacher salaries to make competitive with other states and review expenditures of the Educator Compensation Program to ensure appropriate funds are made available to districts.*

Cost of Living Adjustment (COLA) – *Provide an annual increase in Foundation Funding that, at a minimum, matches the annual CPI inflation rate.*

Facilities and the Partnership Program – *Provide for a full review and update of the actual public school facilities and their current condition across the state and implement all remaining recommendations submitted by the Advisory Committee on Public School Academic Facilities, July, 2018.*

School Safety – *When additional personnel, equipment, or facility safety improvements are required for districts to meet recommendations from the Advisory Committee on Public School Academic Facilities, April 24, 2018 report, we hope the legislature will provide the additional funding required to meet those recommendations.*

Mental Health Services – *Initiate a study to determine the appropriate ratio of mental health professionals to students and provide districts the proper resources to increase the ratio to appropriate levels in all school districts.*

Property Tax – *Watch developments in the Walmart appeal of its property assessment in Pulaski County, regardless of its ultimate outcome, and be prepared to provide appropriate remedies to ensure the greatest stability possible for school district funding.*