

ARKANSAS' NEED FOR EVALUATION

In his 2001 ruling of the Lake View case, Judge Kilgore ordered, "an adequacy study is necessary and must be conducted forthwith." In November 2002, the Arkansas Supreme Court upheld the lower court ruling and mandated that the General Assembly begin an "adequacy study." Consequently, Act 94 of 2003 created the Arkansas Joint Legislative Committee on Educational Adequacy, which was given primary responsibility for fulfilling the Court's mandate.

The Committee contracted with the national consulting firm of Lawrence O. Picus and Associates to conduct a statewide adequacy study and report the findings to the Committee in the Fall of 2003. The consultants based their recommendations on their extensive research and experience in the field of school finance, on several meetings with the Joint Committee, and on meetings with two professional judgment panels comprised of 70 Arkansas education leaders. The recommendations provided are not those of the consultants alone; rather, the recommendations are those of the Committee and based on deliberations among the consultants and the Committee members.

THE REPORT FINDINGS

After conducting the six-month investigation, the consultants presented their findings to the Committee believing their recommendations would "establish an education system in Arkansas capable of enabling every student to meet the rigorous performance standards." Overall, the Committee recommended

reforms requiring nearly \$850 million more dollars. The five main themes underlying the report were: (1)

the provision of adequate funding, (2) the closure of the achievement gaps, (3) a focus on accountability for results, (4) an emphasis on early intervention, and

(5) a reliance on evidence in the development of these proposals (see Table 1). These themes are found throughout the four broad recommendations given to the Committee.

- *Evidence-based Matrix of Necessary Resources (\$224.6 million).* The educational initiatives and changes in school organization recommended by the committee include class sizes of approximately 15 for students in grades K-3, additional teachers to allow for enrichment programs and planning time, additional staff for schools with high concentrations of poverty and English Language Learners, more staff for mild and moderately disabled students, a specific funding program for severely disabled students, additional funding for professional development, instructional improvement, and technological advances, and the elimination of instructional aids and assistant principal positions.
- *Teacher Compensation (\$356.0 million).* Salary increases for teachers are highly recommended. Also recommended were proposals that increase teacher pay based on performance for boosting student achievement rather than on years of experience; incentive pay to attract effective teachers into specialized subject areas and into geographic areas where there are qualified teacher shortages; and financial rewards for holding advanced degrees. Finally, teacher contracts should be extended five (5) days to allow teachers to attend high quality professional development programs.
- *Early Childhood Education (\$100.0 million).* The committee recommends that Arkansas

preschool programs be expanded and offered to all students age 3 and 4 from families with an income at or below 200 percent of the poverty level. With some studies suggesting that high quality preschool education returns \$8.00 - \$10.00 for dollar spent, the potential long-term effects of this policy are great.

- *Funding Formula Corrections (\$167.7 million)*. The committee recommends the creation of a needs-based funding formula that will provide each district with a funding level that is adequate to increase teacher salaries and fully implement all of the reforms. The \$167.7 million is based on districts paying only the constitutionally required 25 mills.

Table 1: The Projected Cost of Educational Adequacy in Arkansas

<u>Cost Category</u>	<u>Projected Increase</u>
Additional Resources in the Evidence Based Matrix	\$224.6 million
Teacher Salaries and Performance Pay System	\$356.0 million
<i>Salary Increase for all teachers (10%)</i>	<i>\$183 million</i>
<i>Incentives for shortage areas</i>	<i>\$ 94 million</i>
<i>Extension of teacher contract for 5 days</i>	<i>\$ 45 million</i>
<i>Performance pay system</i>	<i>\$ 30 million</i>
<i>Appraisal of performance pay system</i>	<i>\$ 4 million</i>
Early Childhood Education	\$100.0 million
Funding Formula Property Tax Transfer	\$167.7 million
TOTAL	\$ 847.3 million

The Adequacy Report includes a comprehensive matrix that details the characteristics necessary for all schools to offer an adequate education. The matrix provides data with respect to school size, class size, number of teachers, number of specialists, pupil support staff, dollars per pupil resources, and much more. Many of the recommendations are centered on improving teachers in Arkansas, which is believed to improve student achievement. Providing teachers with incentives to teach well and to continue their education and development affords them the opportunity to remain up to date on teaching methods, materials, and information.

The Committee took the report and recommended the adoption and funding of all the initiatives described in the report and concluded that the prescribed adequate resources, the performance pay program, and the prescribed leadership actions “include the necessary and sufficient conditions for having schools teach Arkansas students to its rigorous performance standards.”

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To read more, visit the website for the Arkansas Department of Education at <http://arkedu.state.ar.us/> and click on the link for the School Adequacy Report at: <http://www.arkleg.state.ar.us/data/education/web.htm>

This complete study can be found at http://www.uark.edu/ua/oep/Resources/Arkansas_Adequacy_Report.pdf or by contacting the Office of Education Policy at the University of Arkansas at (479) 575-3773.