

OFFICE FOR EDUCATION POLICY

POLICY BRIEF: LAKE VIEW REOPENED

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LAKE VIEW REVISITED

Arkansans may have thought that the decades-long fight over school funding was settled in 2002, when the state Supreme Court handed down the *Lake View* ruling which directed the state to “adequately and equitably” fund the education system. Since the Supreme Court’s decision, state legislators have made some strides in addressing the mandates outlined by the Court, such as increasing the state funding levels for districts and approving a plan to fund improvements to school facilities across the state.

However, nearly a quarter of the state’s school districts were back in court this spring, seeking to reopen the *Lake View* case. In a suit filed by Rogers School District attorney David Matthews, 47 of the state’s 254 school districts claim that the legislature reneged on the court-ordered promises it made to increase school funding under Act 57 of the 2004 Special Legislative Session. These districts contend that public education got a short shrift from the legislature this year compared to the \$100 million in new funding approved for other state programs and agencies.

More specifically, the plaintiffs maintain that the law required the legislature to hold hearings on whether the guaranteed per-student “foundation” should be increased for subsequent school years. But the legislature held no such hearings this session, nor did it increase the 2004-05 funding level of \$5,400 for the 2005-06 school year. The foundation level is scheduled to increase by \$97 per student for the 2006-07 school year, which the litigants claim is too little too late.

According to the plaintiffs in the suit, the state’s failure to increase funding for 2005-06 is particularly troubling because 112 of the 254 school districts will receive less money this year than last year due to declining enrollment. At the same time, the districts maintain that they are required to offer many more courses and services than before without receiving the necessary resources.

The efforts to reopen the lawsuit came to a head when the Arkansas Supreme Court heard oral arguments for reopening the case in May 2005. On June 9, 2005, the Court ruled in a 4-3 decision that there were legitimate grounds for reopening the case and reappointed the two “Special Masters”—former chief justice Bradley D. Jesson and former justice David Newbern—to again advise the court about whether the Arkansas Legislature complied with the court’s order to create an efficient and equitable public school system, as they did in 2004.

The Special Masters will examine four main issues:

- 1) whether the Supreme Court has jurisdiction over the case;
- 2) whether the legislature complied with the court’s directives;
- 3) whether current per-student funding is adequate; and
- 4) whether the legislature has done enough to improve school facilities.

Nevertheless, most legislators still believe that the new funding formula distributes money to schools across the state fairly and adequately, and the state maintains that the *Lake View* case should be kept closed. In a petition to the court, Attorney General Mike Beebe also wrote that school districts that want to challenge the state’s current system of funding public education should instead file a new lawsuit in circuit court. And like Beebe and many legislators, State Supreme Court Justice Jim Gunter also worried that retaking jurisdiction of the case would make the high court a “super-legislature” and erode the separation of powers in the state government.

The court set a deadline of September 1, 2005, for the masters to present the report and hearings are expected to being in early July.

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