

Summer 2007

Education Policy News, Summer 2007

University of Arkansas, Fayetteville. Dept. of Education Reform. Office for Education Policy

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Citation

University of Arkansas, Fayetteville. Dept. of Education Reform. Office for Education Policy. (2007). Education Policy News, Summer 2007. *Education Policy News.*, 4 (1) Retrieved from <https://scholarworks.uark.edu/education-policy-news/8>

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EDUCATION POLICY NEWS

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Special Points of Interest:

- **The Arkansas Supreme Court ruled that the state has met its obligation to provide adequate school funding, bringing an end to the *Lake View* case.**
- **In this issue, we weigh the pros and cons of merit pay for teachers, and examine the findings of a study on programs in Little Rock.**

ARKANSAS EDUCATION POLICY IN THE HUCKABEE ERA, 1996—2007: A LOOK BACK

Former Arkansas governor Mike Huckabee's bid for the 2008 presidential nomination will once again bring attention to the state's education policies. In fact, in his announcement that he will enter the ring, Huckabee highlighted his track record of improving education in Arkansas. While the elements of his education reforms will certainly be parsed by media pundits and his opposition, Huckabee's tenure witnessed a number of changes to Arkansas schools. Most significantly, he withstood a firestorm of criticism for supporting the *Lake View* decision and for moving forward with consolidation.

Much of Huckabee's time in the Governor's mansion was marked by a laissez faire approach, in which he often spelled out his ideas to the media, but rarely reached out directly to legislators on education issues. This drew criticism from many Democrats who, during Bill Clinton's long tenure as governor, were accustomed to Arkansas governors initiating scores of new education bills. Instead, Huckabee chose to allow the Democratic-controlled General Assembly to lead the way on education reform, with only a few major exceptions, including school consolidation and the Body Mass Index initiative (BMI).

School consolidation proved to be Huckabee's most significant education policy initiative—one that garnered him virtually no political capital and plenty of opposition. (It is also an issue, despite its controversy within the state, that is unlikely to draw much national attention as he mounts his campaign.) For most of the twentieth century, Arkansas governors had



weighed whether or not to scuttle dozens of smaller school districts, but had always given in to pressure from rural parts of the state, leaving the smaller districts alone. However, in 2003, the legislature passed a bill calling for the elimination of districts with enrollment less than 350. This meant that 59 districts would be shut down and folded into neighboring districts. The bill became law without Huckabee's signature, as Huckabee felt the bill didn't go far enough. "I think it's pathetically less than what we ought to be shooting for," he noted.

Huckabee viewed rural schools as inefficient, and the *Lake View* decision played a key part in his support for consolidation. *Lake View* reshaped the education landscape in the state

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THE MERIT PAY DEBATE

In part because of the *Lake View* decision, Arkansas educational leaders have been occupied with designing an adequate and equitable education system for the state's 465,000 students. Varied attempts to address concerns about public education in Arkansas have included improving school facilities, increasing school funding broadly, and setting higher standards. Another avenue for approaching the improvement of public education in the state is to focus on teachers, and much education research suggests that improving the quality of teachers can indeed make a difference for students. In addition, federal initiatives tied to No Child Left Behind have required states to focus attention on teacher quality.

Although there is agreement among researchers and policymakers that teacher quality matters, none of the aforementioned reforms have successfully addressed problems related to recruiting new high-quality teachers, retaining the most effective teachers, and improving the existing teaching workforce. Merit pay is one form of differential pay that states around the nation, including Arkansas, have begun to explore as a viable solution.

REFORMING TEACHER COMPENSATION

Given that teacher quality matters for student achievement, the question arises as to what solutions are available to policymakers who wish to improve teacher quality. Some education reformers have suggested that altering the incentives for teachers might improve teacher quality. One way to change incentives is to adjust how teachers are paid. The current compensation system, which operates in over 95 percent of schools in America, uses a single salary schedule to base pay on tenure and level of degree. Many researchers have argued, however, that additional experience and coursework for teachers do not lead to higher student performance. If policymakers wish to improve student performance, they might want to consider alternative compensation schemes. Alternatives to the current system that policymakers might consider as ways to recruit, retain, and reward effective teachers include "lump sum" increases, differential pay, and merit pay.

Lump sum increases

One policy aimed at improving teacher quality is to raise teacher salaries across the existing salary schedule. "Lump sum" increases are often tried as a strategy to improve teacher quality because they are politically

palatable and supported by teachers. In Arkansas, policymakers implemented lump sum increases to provide an additional \$120 million for salaries at the end of the 2006 school year. Although lump sum teacher pay increases might positively impact recruitment and teacher satisfaction, this policy fails to provide real incentives to teachers already in schools to work harder or to become more innovative in their teaching. In essence, lump sum raises simply reinforce the status quo.

Differential pay

A second policy option is differential pay, through which higher salaries are targeted at specific areas where teachers are needed. For example, teachers in hard-to-staff schools and/or subjects could receive higher salaries. Although differential pay may be an effective policy option for recruiting more teachers into given subjects or schools, this policy does little to impact teachers already in the classroom. States across the country are currently using varied differential pay financial incentives such as loan forgiveness, housing subsidies, and signing bonuses. Arkansas is one state that uses monetary bonuses to attract more qualified teachers into specific understaffed classrooms.

Merit pay

A third teacher compensation policy option is often termed merit pay. If policymakers want to consider alternative pay structures that reward teachers for merit, they first must define merit. Indeed, merit can be based on teacher characteristics, teacher behaviors, or the performance of students in the classroom. Depending on the conception of merit, compensation plans could well be designed with vastly differing components. For example, compensation plans that define merit based on teacher characteristics provide incentives for teachers to get more advanced degrees. Merit pay plans are often termed pay-for-performance plans or incentive-based compensation plans. One central assumption of merit pay is that many teachers can work harder or at least can adopt new instructional strategies that are relatively more effective. The idea of merit pay is that attaching monetary bonuses to outcomes, such as improved student test scores, rather than to inputs, such as more years of college preparation for teachers, will promote greater teacher focus on the desired outcome of high student achievement. In short, the incentives change under merit pay plans and shift the focus toward student achievement. The umbrella term merit pay can be misleading, for no two plans are exactly alike.

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ARKANSAS EDUCATION POLICY IN THE HUCKABEE ERA, 1996—2007: A LOOK BACK, (CONTINUED)

by mandating that legislators address the issue of adequacy, and that the courts would oversee their progress. At first ambivalent on the issue, Huckabee came to view many rural schools as inadequate because they could not offer the number of courses that larger schools could.

Huckabee called on lawmakers to address the fate of rural schools in his opening address before the 2003 legislative session. The Governor did not try to sidestep the courts or denounce the Lake View decision for strong-arming the executive and legislative branches, as some suggested he should. Whatever he may have thought or preferred, a clear momentum for change was now in place, and the Governor chose to commit himself to action.

In his state of the state address, Huckabee noted that many of his predecessors had made promises to reform education that had resulted in little real change. He cited seven gubernatorial inaugural addresses since 1923, including Bill Clinton's much lauded 1983 speech, then challenged the legislature to initiate consolidation:

Every legislative session, every decade, every governor, every General Assembly gathers just as we have, and they talk about their constitutional responsibility to provide the kind of education that our Constitution says we must provide. And minor changes are made. And people go home having congratulated themselves for minor adjustments to a system that for 100 years at least every single governor and legislator has said is broken.

The Governor then called upon the General Assembly to “join me in not being another footnote in the pages of Arkansas history...We’ll continue to lose until we finally...fulfill the constitutional mandate for an adequate, efficient, suitable, equitable education for every single boy and girl in this state.”

While some legislators sought simply to ignore the court's rulings, Huckabee argued that the court was right to address adequacy, and to demand something be done about it. “I’ll admit,” he remarked, “there are things here that we probably wouldn’t have had either the political courage or the political capital to address absent the Supreme Court ruling.” For many legislators, adequacy meant loosening the purse strings. Indeed, under Huckabee’s watch, education spending since 2003 increased by 34%.

As he eyes the White House, Huckabee will undoubtedly tout his other education reforms, most notably his Smart Core curriculum, the creation of the ACTAAP assessment, and his controversial Body Mass Initiative, which assesses the health of all Arkansas schoolchildren.

Huckabee also signed legislation to require that all high schools offer advanced placement (AP) courses, and that they offer at least 38 core units. Mike Huckabee’s decade in office saw education reform emerge as the centerpiece of his political agenda, a point he will likely articulate on the campaign trail.

“I’ll admit there are things here that we probably wouldn’t have had either the political courage or the political capital to address absent the Supreme Court ruling.”

-Mike Huckabee, on the *Lake View* case

Key Education Reforms under the Huckabee Administration

- **1998**—Establishment of Smart Start, Smart Step, and Arkansas’ Comprehensive Testing, Assessment and Accountability Program (ACTAAP), which focuses on improving math and reading skills.
- **2001**—Act 1456 mandated a \$3,000 teacher pay raise in the following two years.
- **2003**—Huckabee calls for a special session, which ultimately leads to over \$380 million in new taxes, a new funding formula which sends more money to districts with a higher percentage of low-income students, and consolidation of districts with fewer than 350 students.
- **2003**—Huckabee signs Act 1220, the BMI legislation which annually screens the body mass of Arkansas students.

POLICYMAKER'S CORNER: AN INTERVIEW WITH DR. BEN MAYS

A member of the Arkansas State Board of Education whose term expires in 2012, Dr. Ben Mays, of Clinton, has been an outspoken critic of how districts allocate athletic funding. His views on athletic spending have drawn criticism from those who engage in what he calls an "arms race of competitive inter-school sports." OEP recently interviewed Dr. Mays on the subject of athletic spending in Arkansas schools.



Your professional background is in veterinary medicine. How did you come to be involved in education reform?

I served 22 years on the Clinton School Board of Education before being appointed to the state board. It became more and more apparent to me that running a school was mostly about controlling costs on every aspect of the academic program so as to save up as much resources as possible to put into athletic facilities, coaching expense, and whatever else was deemed necessary to keep up with the other school districts in what I've come to think of as an arms race of competitive inter-school sports.

"The practice of camouflaging sports expense has become an institutionalized lie in Arkansas."

How might schools make better use of athletic funds? Is there a correlation between a district's size and how it spends money on sports?

Size matters in sports spending. The very tiniest of school districts spend very little on sports, and I suspect their sports programs return proportionately more in gate receipts than the larger schools. However, fan support is hardly ever a significant factor in offsetting the cost of athletic spending. When sports spending really gets out of control is when school districts become large enough that they think they should offer football. If the price of tickets is \$4 each (for both adults and students), and if by some miracle the entire population of the district

came to every game, that's \$4 times 5000 tickets times 5 games equals \$100,000. So even if every man, woman, and child bought a \$4 ticket to every home game the total gate receipts would not pay the salaries of 3 coaches, not to mention the cost of facilities, turf care, utilities, uniforms and equipment, insurance, game officials, etc. The truth is that many high school athletic events don't take in enough gate receipts to pay for the officials and the cost of transportation to the game. Of course the very large schools can attract significant numbers of fans, but these schools also spend much more on their programs and tend to have more sports offerings, like track, that draw hardly any gate receipts. And high schools don't have the benefit of TV contracts like the major college programs.

How does athletic spending fit into the adequacy puzzle?

The truth is inter-school sports does not fit into the adequacy puzzle because it is simply not part of the adequacy picture. Some of the legitimate pieces have to be pulled out (sacrificed) in order to make room so that athletics can be jammed in. Even though the Athletic Expenditure Report is severely flawed we can still glean some information from the numbers some of the schools (the more honest ones) submitted. There are about a dozen schools that reported fairly decent numbers, at least they filled in most of the blanks and their totals for coaching expense were plausible. If you total the amount of money that these schools reported as athletics expense and divide that by their total enrollments, the math tells us that these dozen school districts spent about \$350 per enrolled student on sports. If you assume that only about 10% of those enrolled students are varsity participants, that means these schools spent \$3500 per participant.

You've argued there are several myths about the importance of school sports that are in need of dispelling. What are these myths, and how might Arkansas reform athletic spending?

The scholarships myth

One of the most lauded justifications for school sports programs is the number of students whose "only chance to go to college came about because of athletic ability."

POLICYMAKER'S CORNER: AN INTERVIEW WITH DR. BEN MAYS

This myth is mostly a hold over from 40 years ago when there was hardly any financial aid available for college. Nowadays with a combination of available academic scholarships and loans almost anyone who is reasonably academically inclined can attend college. My home school district spends at least \$100,000 per year fielding a football team. To my knowledge, only two students from Clinton have won football scholarships in 12 years. That means their “free education” cost \$600,000 each. How many poor readers might have been remediated during those 12 years if that 1.2 million dollars had been spent on elementary education?

The “keeps kids in school” myth

If sports programs are so important for keeping kids in school, why don't we require all students to participate in varsity sports,

even those with lackluster athletic abilities?

The truth is students don't drop out of school because of a lack of athletic

opportunities. Most dropouts quit school because their basic intellectual tools are so poorly developed that they can't keep up.

The “self-sufficient” myth, or the “athletic programs make money for the school” myth

I [recently] went to a high school basketball game. Clinton played Clarksville in our brand new 3-million-dollar, 2000-seat mega-gym. I talked with the gate keepers long enough to find out how many admission tickets they had sold. 128 four-dollar tickets, and 119 \$2-dollar tickets. That comes to \$740 for total gate receipts. It's 110 miles from Clarksville to Clinton. So 220 miles round trip times 2 busses comes to 440 logged miles. ADE says it costs \$2.40 per mile to operate a school bus (driver included), so doing the math tells us the state of Arkansas spent \$1056 to transport the Clarksville teams to Clinton. The game officials received a well earned \$200 for their night's work. Now, let's see if we can finagle a way to make this game look like a money making proposition. Superintendents do it all the

to have a fleet of buses anyway, and since the fuel came out of the school's fuel tanks that the district owns anyway, and since the bus driver is a school employee, the transportation to the game didn't really cost anything. Since the coaches that directed both teams are also classroom teachers, then it wouldn't be fair to put them down as a sports expense. Since the gym was paid for out of the district's reserves, and since the 2000 seats may be needed if the audience for graduation doubles next year it wouldn't be fair to call the gym an athletic expense. The concessions money probably offsets the utilities cost of lighting and heating and insuring the gym. So the only real expense for the game is the referees' pay. If we subtract that \$200 from the \$740 in gate receipts that means the basketball program earned \$540 for the school district which can now be used to subsidize the under-funded academic programs.

What reforms might change the landscape of sports spending?

The practice of camouflaging sports expense has become an institutionalized lie in Arkansas. That lie must be exposed. The public

must be made aware that school sports programs are nowhere near self-sufficient, and that they siphon off huge amounts of education money from academic programs. Act 52 must be taken seriously. School district administrators that lie about their sports expenditures must be held accountable—fired if necessary. For the long term, I believe we should look at the European model for funding sports programs—that is make athletics programs and school programs totally separate in both funding and operations. Once schools are freed from the burden of defending every community's athletic honor, they can do what schools are designed and funded to do—educate our kids.

Arkansas school districts are required to report their athletic expenditures to the state Department of Education. The 2006 reports can be accessed online at http://www.arkansased.org/communications/pdf/athletic_expend_budget_2005-2006_022306.pdf

“The state of Arkansas will spend an extra \$195 to help an immigrant child learn English, but if he's athletically inclined we spend an extra \$5,000 to teach him how to play a better game of basketball.”

THE MERIT PAY DEBATE, (CONTINUED)

ADVOCATES AND OPPONENTS OF MERIT PAY

Those in favor of merit pay focus on the ideas that incentive plans can promote greater salary satisfaction among teachers and can drive teachers both to be innovative and to work harder. Merit pay backers believe that the results of such a system would be better overall instruction as manifested in higher student test scores. In addition, supporters suggest that merit pay plans can improve the overall quality of the teaching workforce by attracting different types of young professionals to the field.

Advocates believe that merit pay compensation systems that reward hard work and that provide more attractive salaries could motivate higher achievers to the profession who might otherwise not consider teaching. Furthermore, under the current system, highly-motivated teachers already in the workforce have no options to improve their salaries significantly other than to move into administration, which would remove such teachers from the actual classroom. Advocates argue that merit pay would allow the most effective teachers to earn higher wages while remaining in the classroom.

Foes of merit pay believe that these programs would create the wrong incentives for professionals in K-12 education. Opponents believe that merit pay would promote counter-productive competition and feelings of jealousy. Additionally, opponents claim that merit pay works against the central concept of K-12 education – that is, that teachers are in the profession for the love of children and not for money. They also dislike that standardized test scores would be central to determining awards and fear that teachers would replace meaningful learning with rote memorization. They further attack the use of test scores in merit pay plans by saying that increased attention on standardized tests will lead teachers to try to game the system—either by cheating or by encouraging some students not to show up on testing days. In addition, they contend that test scores are simply an inappropriate way to determine teacher merit and that any aspect of merit pay plans that include supervisor evaluation would lead to favoritism and subjectivity. Foes also believe that principals will place undue stress on teachers who in turn will excessively drive their students to perform; the net result will be that students and teachers will suffer from unhealthy anxiety. In sum, opponents believe that merit pay will lead to a disgruntled, exhausted workforce and ultimately lower student achievement.

DEVELOPING A MODEL

Sometimes the term merit pay can be misleading, for no two merit pay plans that have been tried are exactly alike. One could imagine developing programs that are more or less likely to promote the desired outcomes. The most successful plans generally contain several key elements. Based on those elements, incorporating the following five elements into the development of any merit pay plan might stand the best chance of recruiting, retaining, and rewarding effective teachers:

- Create a collaborative environment by offering bonuses to all personnel who impact student learning.
- Create large enough monetary rewards to matter to teachers.
- Create a formula for determining bonuses that is easy to understand.
- Create the merit system with teacher input.
- Create bonuses based on increases in student achievement as measured by test score growth.

MERIT PAY IN ARKANSAS

Since the 2004-05 school year, an evolving merit pay plan has been implemented in the Little Rock School District. The Little Rock pay for performance plan is called The Achievement Challenge Pilot Project (ACPP). For the 2006-07 school year, five elementary schools have voluntarily participated: Meadowcliff, Wakefield, Geyer Springs, Mabelvale, and Romine. Cash awards ranging from \$500-\$11,200 are attached to student gains on standardized tests. Classroom teachers receive payouts based on their own students' growth, and other building personnel receive bonuses based on school-wide growth. The Teacher Advancement Program (TAP) is another merit pay program that has operated in over a dozen Arkansas public schools across the state over the last few years. Founded in 1999, this program attaches salary bonuses to increases in professional development, professional responsibilities, observed teaching skills, and student achievement. To participate, schools must apply and must demonstrate high levels of voluntary commitment to the program. According to the executive summary of a study published by the program's administrative unit, in Arkansas "95% of TAP teachers made an average year's growth or more with their students, as compared to 75% of non-TAP teachers, a 20 percentile point difference."

THE MERIT PAY DEBATE, (CONTINUED)

FINDINGS OF THE LITTLE ROCK STUDY

As part of its study on the effects of merit pay on student performance and workplace environment, University of Arkansas researchers at the Department of Education Reform administered surveys in order to gauge teacher attitudes. Teachers in the ACPD merit pay program as well as teachers in non-participating schools (or comparison teachers) were asked a battery of questions aimed at determining whether, among other things, merit pay might lead to increased competition—as critics often suggest—or greater collaboration among faculty. The study revealed that in the first year of implementation in Little Rock, merit pay did not contribute to counterproductive competition, but it also did not contribute to teachers working harder.

Key findings were:

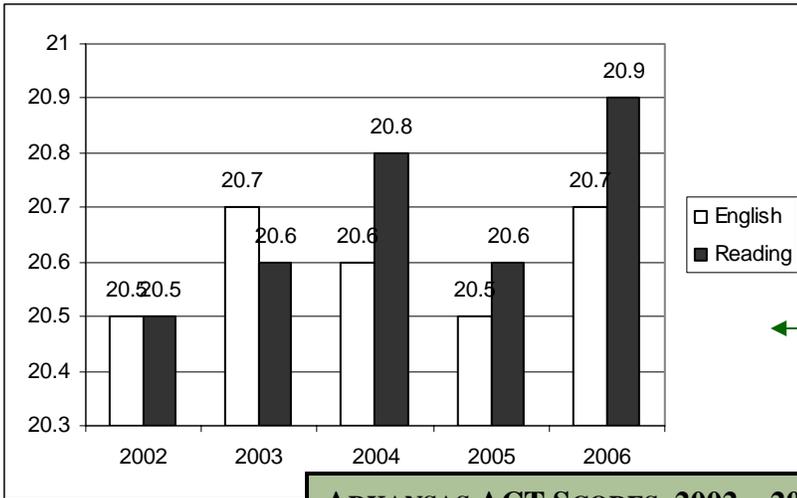
- Students in schools with merit pay showed an improvement of approximately 7 percentile points on average.
- Teachers in merit pay schools reported being more satisfied with their salaries.
- Teachers in merit pay schools reported that their schools were no more competitive than comparison schools.
- Teachers in merit pay schools were less likely than comparison schools to find low-performing students to be a burden.
- Teachers in merit pay schools reported that their school climate became more positive than teachers in comparison schools.
- Teachers in merit pay programs reported being no more innovative than teachers in comparison schools.
- Teachers in merit pay schools did not report working harder than teachers in comparison schools.

OEP's latest working paper on the issues surrounding merit pay is available online at http://www.uark.edu/ua/oep/working_papers/2007/merit_pay.pdf

WEIGHING THE PROS AND CONS OF MERIT PAY

Issue	Advocates	Opponents
Collaboration	⇒ Teachers will share ideas even more because all in the building will earn bonuses with school-wide gains. ⇒ Well-designed plans will allow all teachers who meet a criteria to be rewarded.	⇒ Teachers will not cooperate with one another because they will become jealous of those who get bonuses. ⇒ Because only a few teachers will get bonuses, they will compete with one another and not share ideas.
Student Achievement	⇒ Student achievement will improve because teachers will be given incentives to produce measurable outcomes. ⇒ All students matter when payouts are based on student growth. ⇒ Hard-to-teach students will be given greater attention than in the past.	⇒ Merit pay plans place too great of an emphasis on testing. ⇒ Students will be overly anxious and unable to enjoy school. ⇒ Teachers will not focus on all students evenly.
Teaching to the Test	⇒ Teachers who teach Arkansas standards using best practices, creativity, and innovation will produce improved student performance.	⇒ Teachers will focus only on tested subjects and that will crowd out untested subjects, such as art. ⇒ Students will become test-taking automatons with no love of learning.

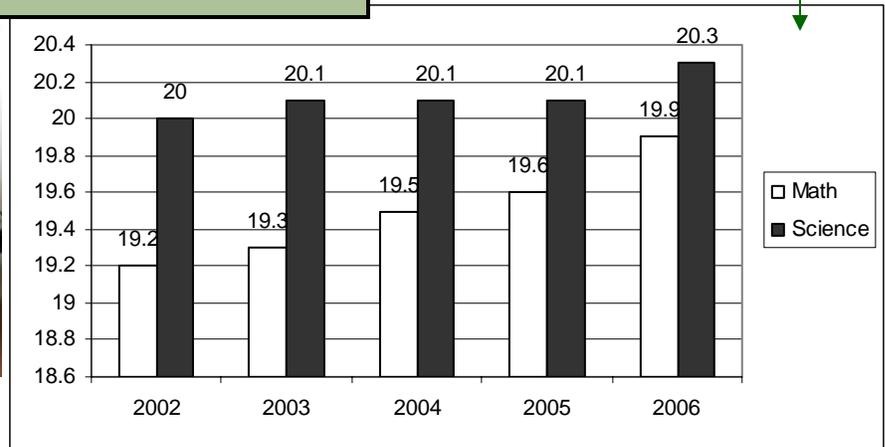
STATISTICAL SNAPSHOT: RECENT STUDENT PERFORMANCE IN ARKANSAS



ARKANSAS ACT SCORES, 2002—2006

Arkansas ACT Performance

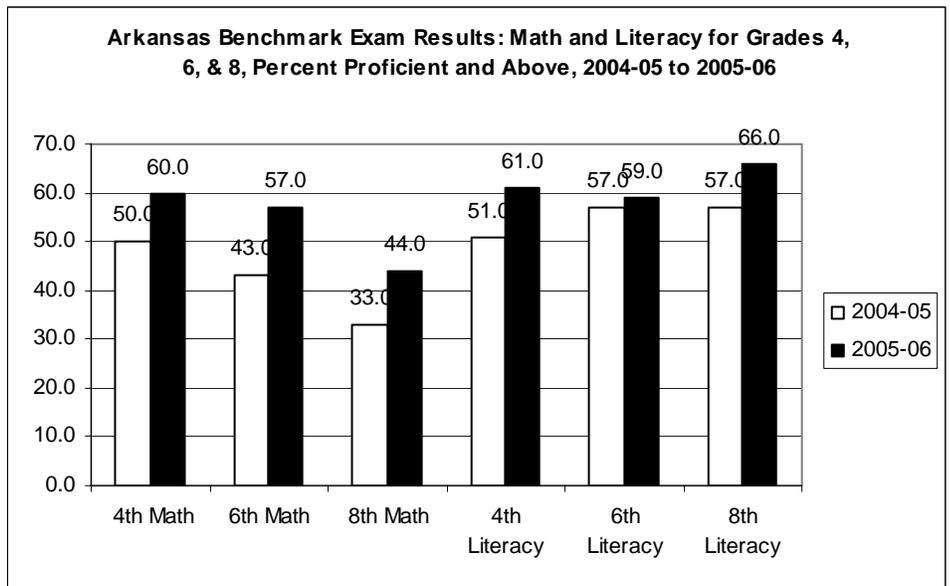
- Compared with the 2004-05 exam results, scores on the 2005-06 ACT college entrance exam held steady for Arkansas students. However, test scores still suggest that many students may be under-prepared for college work since scores on all subjects other than English remain slightly below the national averages.



Source: Arkansas Department of Education

Arkansas Benchmark Performance,

- In 2006, Arkansas' Benchmark scores in literacy and math rose in all grades. Sixth graders demonstrated the most improvement, with a 14-point increase. On the literacy exam, fourth graders improved by 10 percentile points. When grouped according to race and ethnicity, students improved at almost every grade level for all groups, with only a one-percentage-point drop for Hispanic sixth graders on the literacy exam.

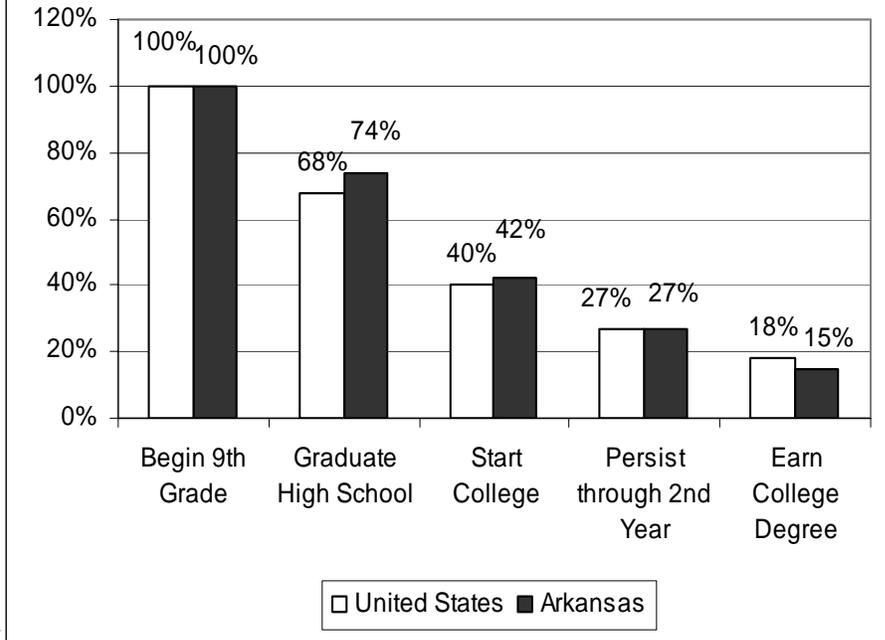


STATISTICAL SNAPSHOT: RECENT STUDENT PERFORMANCE IN ARKANSAS

Arkansas Graduation Rates

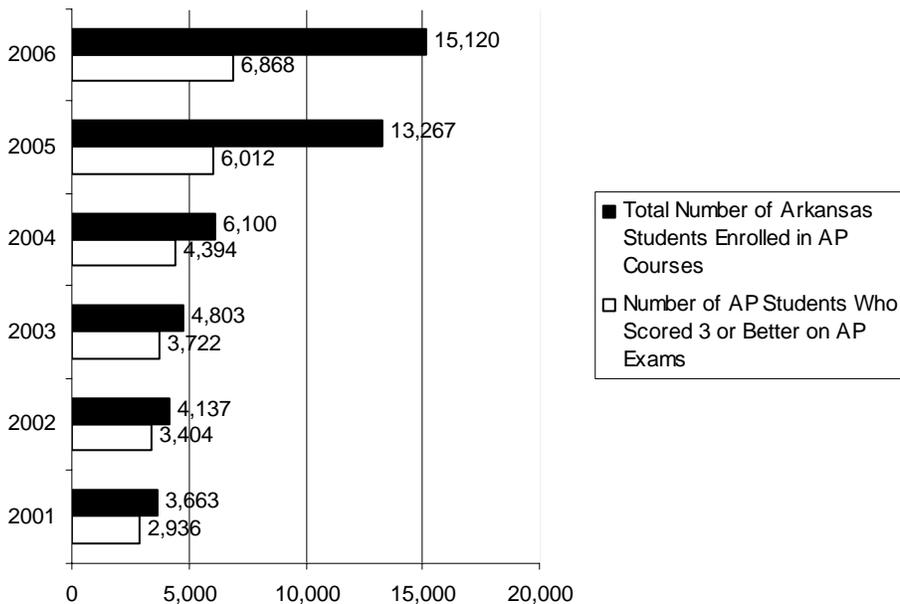
- Out of a hypothetical 100 students, 74 students in Arkansas graduated from high school during the 2005-2006 school year, compared to the national graduation rate of 68 students. However, how Arkansas students perform after high school raises concerns that they are having difficulty in college. Out of 100 students in Arkansas, 42 start college, yet only 15 go on to graduate. On a national level, 40 students start college, with 18 reaching college graduation. The biggest enrollment decline for Arkansas students occurs after the first year, suggesting that many high school graduates are unprepared for post-secondary education.

Arkansas and National Graduation Rates Compared, 2005-2006



Source: Arkansas Department of Education

Arkansas AP Participation, 2001 - 2006



Advanced Placement (AP) Participation

- By the 2008-2009 school year, all high schools in Arkansas are required to offer AP classes in the four core areas – science, English, math and social studies. Accordingly, AP participation is growing in Arkansas. In 2006, 15,705 students took AP Exams—a 13% increase from 2005 and a 241% increase from 2002. Students in AP courses took a total 25,780 exams, representing an 11.4% increase over the number of exams taken in 2005.

GOVERNOR BEEBE'S EDUCATION AGENDA AND THE END OF THE *LAKE VIEW* CASE



On January 10, 2007, Governor Mike Beebe announced in his first state of the state address that he would use a considerable portion of the state's projected \$919 million budget surplus to increase education funding. "Let us no longer be satisfied with the legal requirement of adequacy," the Governor declared, "but strive for the moral imperative of excellence." Accordingly, he proposed approximately \$19 million in additional revenue for public education beyond the amount recommended by the House and Senate education committees. This additional funding would be earmarked for high-needs school districts.

In early March, 2007, the Academic Facilities Oversight Committee recommended that the General Assembly use the largest portion of the state's budget surplus to upgrade public school facilities. The Committee called for \$631 million to be dedicated to facilities.

GOVERNOR BEEBE'S EDUCATION PROPOSALS

As the legislative session convened, Governor Beebe outlined his other education initiatives, many of which he articulated during the 2006 campaign. Beebe proposed, for example, that state employees in the executive branch be afforded one day of paid leave each year to volunteer in their children's schools or attend parent-teacher conferences. He also called for statewide assessment of educational technology, in order to determine areas that need improvement, and for the development of a monitoring system to assess how resources are used. Reiterating a campaign promise aimed at assisting rural schools, Beebe proposed a Traveling Teachers program, which would allow schools to pool their resources by sharing teachers in specialized subject areas.

Governor Beebe also signed a bill to develop a pilot program for alternative teacher pay. In light of the creation of a performance pay program in Little Rock, Beebe proved willing to create a statewide plan that calls for \$5 million in bonuses over two years. Schools could opt into the pilot program only if their faculties approved the plan by an 85% margin or greater. Finally, Governor Beebe's 2007-2008 education budget proposal calls for a \$40 million increase of the Arkansas Better Chance Program for pre-K children.

The Arkansas Better Chance program was established in 1991 to provide pre-K learning programs to three- and four-year-old children with family incomes under the Federal Poverty Level. Since 2003, when Governor Huckabee signed legislation to increase its funding significantly, the program's total enrollment has risen from 9,000 in 2003 to nearly 19,000 children last year. A recently published independent study by the National Institute for Early Education Research at Rutgers University, the report showed that Arkansas Better Chance students achieved a 37% growth in math skills, a 31% growth in vocabulary, and a 116% growth in reading awareness.

SCHOOL FUNDING: THE *LAKE VIEW* CASE COMES TO A CLOSE

On May 31, 2007, the Arkansas Supreme Court approved the state's school funding formula, bringing years of litigation to a close. In a unanimous opinion written by Justice Robert L. Brown, the court concluded that "our system of public school financing is now in constitutional compliance." The court also cited the work the General Assembly and Governor Beebe in meeting the mandates set forth, and praised lawmakers "for their commitment to education."

In the 2007 session, the General Assembly made the following funding reforms, which the court argued were integral to its opinion:

- Per pupil foundation funding will increase from the current level of \$5,662 to \$5,789 in 2009.
- Additional per pupil funding for students in "alternative learning environments" (such as special education programs) will increase from \$3,750 to \$4,063.
- Funding for students in poverty will increase depending on the concentration of impoverished students in a particular school district.
- The court also argued that teacher salaries had risen to an appropriate level when compared to neighboring states. The average Arkansas teacher earned \$42,931 in 2006—which puts the state second among neighboring states, and ninth among all southern states.

Although the Supreme Court holds open the option to revisit school funding, David Matthews, the Rogers Public Schools attorney who brought the suit before the court, offered praise for decision, calling it "the Supreme Court's finest hour in our state."

IN THE NEWS

Little Rock District to Buy Out Brooks Contract

The Little Rock School Board voted 4-3 to buy out the remaining two years of Superintendent Roy Brooks' contract, a move that avoids a hearing on whether to fire the controversial superintendent. The buyout will cost the district about \$500,000. Board President Katherine Mitchell argued Brooks brought unsatisfactory improvement in student performance, wrongfully terminated district jobs, and implemented education policy changes without the board's approval. Brooks' contract runs through June 30, 2009, but the agreement lets the board buy him out with 90 days notice. His annual salary is \$198,000.

Principals Report Lack of Autonomy

School principals interviewed as part of this report from the Fordham Institute and the American Institutes for Research indicate that they encounter a sizable gap between the autonomy they believe they need to be effective and the autonomy that they actually have. Principals reported having little control over decisions involving personnel, school calendars, instructional time, and much else.

Arkansas Leads Nation in Improvement in Advanced Placement Scores

According to a recent study by the College Board, Arkansas is tied with New Hampshire in gains on Advanced Placement tests. AP exams are graded on a five-point scale: 5 - Extremely well-qualified; 4 - Well-qualified; 3 - Qualified; 2 - Possibly qualified; 1 - No recommendation. Most colleges & universities require a score of 3 or higher in order for student to be given course credit. Arkansas had 6,868 students who scored a 3 or higher on Advanced Placement tests in 2006, compared to 6,012 in 2005.

Arkansas Fourth-graders Score Above National Average on NAEP Exam

Arkansas fourth-graders are now slightly above the national average in reading results on the NAEP exam, according to federal education figures, compared to a four-point gap as recently as 2002 and a 5 percentage point improvement in national reading results since 1998. Spokesmen for the Southern Regional Education Board recently reported to legislators that fourth grade math results showed the gap between Arkansas and the national average closing from 9 percentage points in 2000 to 1 percentage point in 2005, despite a 15-percent

improvement in the national average over those same years. Eighth-grade reading results went from a gap of 3 percentage points to 2. The gap in eighth-grade math went from 13 percentage points in 2000 to 4 points.

Certified Teachers Lacking in Some Subjects, Grade Levels

According to Arkansas school officials, state and federal mandates that require teachers be certified in the subject areas and grade levels they teach do not take into account the realities of supply and demand in areas of the state with serious teacher shortages. Districts are eligible for temporary waivers if such regulations create staffing shortages. During the 2006 - 2007 school year, the state Education Department has granted 873 waivers, up from 788 during the previous school year, the majority of which allow individuals to teach in subject areas or grade levels for which they are not licensed. To address this issue, the department organized a career fair for teachers and administrators who are already licensed to work in Arkansas but are interested in adding subjects or grade levels to their teaching licenses.

College Scholarships for All No Myth in El Dorado

A new program called The El Dorado Promise guarantees graduates of El Dorado High School full tuition for any college in Arkansas, regardless of grades or financial need. Made possible by a \$50 million gift from Murphy Oil Corporation, the program provides tuition and mandatory fees for up to five years of college. The annual scholarship is limited to the highest yearly rate charged by an Arkansas public university, currently \$6,010, but the oil company has factored inflation into the program. The program begins with El Dorado's 2007 graduating class. Henderson State University president Charles Dunn recently announced that Henderson would match the Murphy Oil Corporation's "El Dorado Promise" grants dollar for dollar for the El Dorado students who attend Henderson, regardless of grades or financial need.

UPCOMING EVENTS

30th Annual Arkansas Association of Pupil Transportation (AAPT) Conference—June 25-27, 2007, Hot Springs Convention Center

Arkansas History Videoconference—June 26, 2007, <http://arkedu.state.ar.us/commemos/custview.cgi?filename=3401>

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ISSUE...

*The next Office for
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*The Office for Education Policy seeks
to be a resource that aids state policymakers, educators,
administrators, and other leaders in thoughtful decision-making
concerning K-12 education in the State of Arkansas.*

THE EDITOR'S NOTES

Dear Colleagues,

In this issue of *Education Policy News*, we look back at former Governor Huckabee's education legacy, an issue that may draw national attention as he launches a campaign for the Republican presidential nomination. We also weigh in on the pros and cons of merit pay, and offer a brief look at the findings of the University of Arkansas's recent study of performance pay plans in Little Rock.

One of our regular features, "Policymaker's Corner," features a lengthy interview with State Board of Education member Dr. Ben Mays, who voices his opinions on how Arkansas schools allocate funds for athletics.

As always, we thank you for your continued support during this exciting time in K-12 education. Please let us know how we can serve you in the future, and be sure to visit our newly redesigned website for the latest updates on education issues from around the state: <http://www.uark.edu/ua/oe/>. Also, please take a look at our recently launched Digest of Education Statistics, available on our website at <http://www.uark.edu/ua/oe/Digest.html>. The Digest serves a clearinghouse on a wide array of information about K-12 education throughout the state.

Respectfully,
Gary Ritter
Director, *Office for Education Policy*



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