

2019
Public School
Funding



As established by Act 124 of 2007, the Foundation Funding Matrix is to be adjusted each year for inflation of any appropriate component of the funding system. Due to yearly statutory obligations for salaries of both certified and classified employees (AR Code 6-17-2403 for certified and AR Code 6-17-2203 for classified), it is crucial that a COLA be added each year to all components of the Matrix. A COLA is in order to maintain current standards and existing requirements & does not cover any new requirements or loss of revenue placed upon districts. In addition, funding for all state categorical programs should reflect accurate COLA adjustments since many expenditures from the National School Lunch, English Language Learners, and Alternative Learning Environment categories are for personnel costs. Regarding NSL funding specifically, AAEA believes it is imperative that this funding source remains intact and enhanced for public schools to continue improving the quality of education for the children of Arkansas. Since its inception, this categorical funding source has been used for various strategies that improve learning for struggling students and to improve educational outcomes for all students. There is strong evidence indicating that AR public schools have been successful since the inception of the funding matrix in both closing the achievement gap and raising the achievement levels of all students.

An alternative method of funding the Matrix would be to add dollars to the components that currently are less than actual school expenditures. For example, the most recent BLR report on Resource Allocations shows districts spending \$842 per student on Maintenance & Operations. The Matrix provides only \$665. By fully funding these line items, districts will not have to divert money from other Matrix items such as teacher salaries.

Funding distributed through the Matrix must cover the Standards for Accreditation. For example, funding in the Matrix for a Library Media Specialist is insufficient to meet minimum standards.

Teaching talent matters when it comes to improving student achievement and increased efforts are needed to raise teacher salaries in the state. As reported by BLR in June 2018, the average Arkansas teacher salary in 2016-17 was \$48,304, which ranks 12th out of the 16 SREB states. BLR has previously reported that Arkansas' average teacher salary ranked 8th among SREB states in 2005-2006. Teacher salaries need to be raised to address the current teacher shortage by attracting the best and brightest to the profession. This issue becomes even more pressing considering recent efforts in surrounding states to increase teacher salaries. AAEA recommends that any increases in the per student foundation funding amount should be accompanied by the same percentage increase in the mandated teacher salary schedule.

Talking Points:

- It is crucial that a COLA be added each year to all components of the Matrix, and state categorical programs, in order to maintain current standards and existing requirements.
- By funding components of the Matrix that are currently less than actual school expenditures, such as M & O, districts would not have to divert money from other Matrix items such as teacher salaries to pay for these underfunded Matrix categories.
- Funding distributed through the Matrix must cover, at a minimum, the Standards for Accreditation.
- It is imperative that NSL funding remains intact and enhanced for public schools to continue improving the quality of education for the children of Arkansas. There is strong evidence indicating that AR public schools have been successful since the inception of the funding matrix in both closing the achievement gap and raising the achievement levels of all students through the use of the funds.
- In order to address the current teacher shortage any increases in the per student foundation funding amount should be accompanied by the same percentage increase in the mandated teacher salary schedule.
- The percentage of state funding going to public school should at the very least remain constant. According to BLR, the portion of the state budget spent on public education has declined from 49% in 2002-2003 to 42% in 2016-2017.

