

February 7, 2013

Senator Larry Teague, Chair
Representative Duncan Baird, Chair
Joint Budget Committee
State Capitol, Room 320
Little Rock, AR 72201

Dear Senator Teague & Representative Baird,

AAEA supports and applauds the Legislature's efforts, through funding, to provide adequate and equitable school facilities. However, we are concerned when a proposal for funding public charter schools has been introduced before a thorough review as part of the ongoing educational adequacy study and without an up-to-date facility assessment. This proposal is being made at the same time facility funding for traditional public schools is being reduced. In the 2013 Special Session, \$16 million was diverted from facilities funding for teacher health insurance. This shift for health insurance funds is not just one-time money, it will occur every year. For your consideration, AAEA proposes the following recommendations.

1. Any state funds earmarked for school academic facilities should flow through the Division of Public School Academic Facilities and Transportation. Since 2005, the Partnership Program has been the state's main funding program for academic facilities. Under the program, the Division of Public School Academic Facilities and Transportation (the Division) helps schools identify immediate and long-term building needs and distributes funding for a portion of the cost of necessary construction. Every 2 years, traditional public schools apply for facility funding, and the Commission for Arkansas Public School Academic Facilities and Transportation, upon recommendations by the Division, approves projects that qualify for funding. For public charter schools this approval process should be the same, or substantially similar, to the process used for any expenditure of state money on school facilities.
2. Additional state funds for academic school facility expenditures are needed. The one-time influx of general improvement funding (\$500 million in 2008) has been spent down. While the state puts approximately \$55 million each year (before this recent cut) into the Partnership Program, yearly financial commitments have averaged over \$100 million per year since 2006.

3. Considering the rapid depletion of Partnership funds mentioned above, it is vital that ALL state school facility expenditures be prioritized based on identified needs. A statewide assessment of public school facilities was last conducted in 2004. A reassessment is needed and would very likely reveal that while many school facilities have been improved there are still needs, especially in poor property wealth school districts in rural areas. Video documentation of these needs was presented to the Education Committees in April, 2013. Also, a reassessment is needed to survey existing facilities in regards to current technology needs, facilities for STEM initiatives, etc.
4. There should not be a separate funding stream or program for charter schools vs. traditional public schools. Charter schools are public schools and should have access to facility funding along with other public schools. By following similar requirements as traditional public schools, then the state can be assured there will be accountability and transparency in the way facility money (tax payer) is being spent.
5. There should be a controlled process to protect the state's financial interest, and to make sure the charter reflects the surrounding traditional student population in areas such as special education, ESL students, etc. This will ensure the state isn't providing facility funding for charter schools who have a selection process that creates barriers for certain students. There is also a concern regarding who would own the facility paid for with state funds if the charter closes. Providing funding before rules are established seems to lack transparency especially without a study being conducted through the Adequacy Committee.
6. AAEA respectfully requests to be at the table as rules are developed.

School facilities have long been established as an essential part of an adequate education. The current Partnership Program is the result of past lawsuits over inadequate funding. In summary, AAEA respectfully requests that the public charter school funding proposal be considered during the educational adequacy review process where the needs of all public school children in Arkansas are carefully deliberated.

Sincerely,



Dr. Richard Abernathy
Executive Director