

EXHIBIT F

INTRODUCTION TO ADEQUACY STUDY

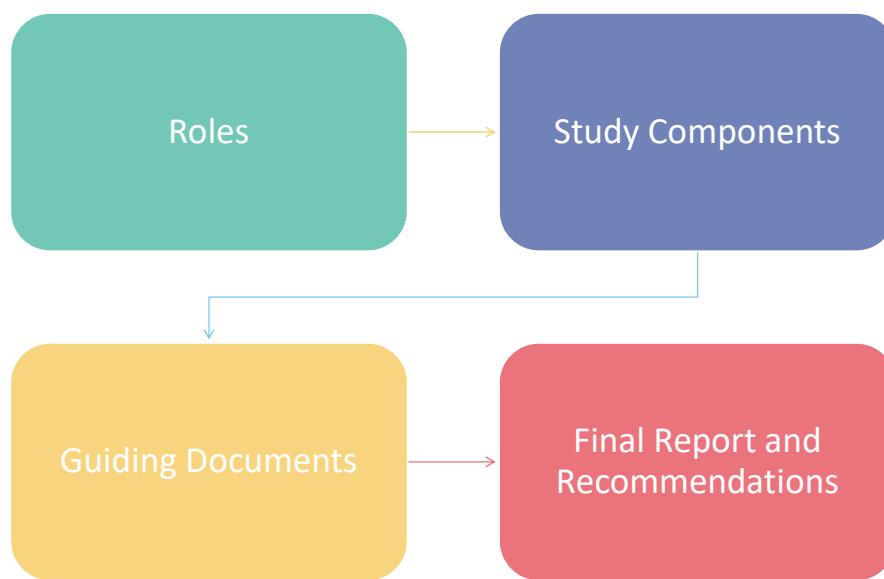
February 2, 2026



2026 EDUCATIONAL ADEQUACY STUDY

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Roadmap



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ROLES

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Bureau of Legislative Research

- Who informs about statutory responsibilities?
- Who presents evidence-based reports aligned to statutory responsibilities?
- Who discusses relevant legal issues?
- Who tracks recommendations?
- Who drafts final report and policy decisions?

YOU- Education Committees

- Who defines educational adequacy?
- Who determines if educational adequacy is being met?
- Who decides the components of an adequate education and resources required?
- Who directs the adequacy study using statute and legal precedent as a guidepost?
- Who makes policy and funding recommendations based on evidence?

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Study Components

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BLR Reports



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BLR Reports

Typically Include:

- History and legislative intent
- Relevant statutes and rules
- Data (state, district, school, and student-level)
 - Funding
 - Expenditures
 - Achievement scores
 - Maps
 - Survey results
- National and regional comparisons
- Relevant research

Do Not Include:

- Opinion
- Judgments
- Recommendations
- Determination of adequacy or equity

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BLR Reports



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Additional Stakeholders

Arkansas Department of Education

Answer programmatic questions during committee meetings and provide information for BLR reports

Educators

Respond to surveys and participate in site visits

Educational Advocacy Organizations

Provide written testimony

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GUIDING DOCUMENTS

Tab 1

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Guiding Document	Purpose	Binder Location
Adequacy Statute	Provides the full Continuing Evaluation Act of 2004.	Tab 1.a
Statutory Requirements- Tracking Sheet	Identifies BLR reports presented to assist the committees with accomplishing statutory requirements	Tab 1.b
Definition of Adequacy	Current working definition used to serve as basis for identifying resources required for adequate funding.	Tab 1.c
Adequacy Recommendations Worksheet	Provides decision points to be made during the adequacy study.	Tab 1.d
Matrix and Other Funding Summary	Provides a summary of foundation, categorical, and supplemental funding amounts.	Tab 1.e
Tentative Meeting Schedule	Dates for when adequacy reports will be presented.	Tab 1.f

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Continuing Adequacy Evaluation Act of 2004

Establishes broad study requirements and provides specific steps for accomplishing requirements.

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Statutory Requirements- Tracking Sheet

Adequacy Study Duties A.C.A. § 10-3-2102 (a)	Shall be accomplished by:	Report/Presentation	Date To Be Presented
(1) Assess, evaluate, and monitor the entire spectrum of public education across the State of Arkansas to determine whether equal educational opportunity for an adequate education is being substantially afforded to the school children of the State of Arkansas and recommend any necessary changes;	<ul style="list-style-type: none"> Reviewing a report prepared by the Arkansas Legislative Audit compiling all funding received by public schools for each program 	Legislative Audit	June 1, 2026
(2) Review and continue to evaluate what constitutes an adequate education in the State of Arkansas and recommend any necessary changes;	<ul style="list-style-type: none"> Reviewing the Arkansas academic standards developed by the DESE Reviewing the Arkansas Educational Support and Accountability Act Reviewing fiscal and facilities distress programs Reviewing the state's standing under the Elementary and Secondary Education Act of 1965 as reauthorized by Every Student Succeeds Act of 2015 	Accountability and Achievement	February 3, 2026
(3) Review and continue to evaluate the method of providing equality of educational opportunity of the State of Arkansas and recommend any necessary changes;			
(4) Evaluate the effectiveness of any program implemented by a school, a school district, an education service cooperative, the Division of Elementary and Secondary Education, or the State Board of Education and recommend necessary changes;	<ul style="list-style-type: none"> Reviewing the specific programs identified for further study by the House Committee on Education and the Senate Committee on Education 		

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Statutory Requirements- Tracking Sheet

Adequacy Study Duties A.C.A. § 10-3-2102 (a)	Shall be accomplished by:	Report/Presentation	Date To Be Presented
(5) Review the average teacher salary in the State of Arkansas in comparison to average teacher salaries in surrounding states and member states of the Southern Regional Education Board and make recommendations for any necessary changes to teacher salaries in the State of Arkansas established by law;	<ul style="list-style-type: none"> Comparing the average teacher salary in Ark. with surrounding states and Southern Regional Education Board member states, including: <ul style="list-style-type: none"> Comparing teacher salaries as adjusted by a cost-of-living index or a comparative wage index Reviewing the minimum teacher compensation salary schedule Reviewing any related topics identified for further study by the House Committee on Education and the Senate Committee on Education 	Teacher Salary	June 1, 2026
(6) Review and continue to evaluate the costs of an adequate education for all students in the State of Arkansas, taking into account cost-of-living variances, diseconomies of scale, transportation variability, demographics, school districts with a disproportionate number of students who are economically disadvantaged or have educational disabilities, and other factors as deemed relevant, and recommend any necessary changes;	<ul style="list-style-type: none"> Reviewing expenditures from: <ul style="list-style-type: none"> Isolated school funding National student lunch funding Declining enrollment funding Student growth funding Special education funding Reviewing disparities in teacher salaries Reviewing any related topics identified for further study by the House Committee on Education and the Senate Committee on Education 	Resource Allocation and Expenditures	March 9 - 10, 2026
		Teacher Salary	June 1, 2026

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Statutory Requirements- Tracking Sheet

Adequacy Study Duties A.C.A. § 10-3-2102 (a)	Shall be accomplished by:	Report/ Presentation	Date To Be Presented
(7) Review and continue to evaluate the amount of per-student expenditure necessary to provide an equal educational opportunity and the amount of state funds to be provided to school districts, based upon the cost of an adequate education and monitor the expenditures and distribution of state funds and recommend any necessary changes;	<ul style="list-style-type: none"> •Completing an expenditure analysis and resource allocation review each biennium •Reviewing any related topics identified for further study by the House Committee on Education and the Senate Committee on Education 	Resource Allocation and Expenditures	March 9 - 10, 2026
(8) Review and monitor the amount of funding provided by the State of Arkansas for an education system based on need and the amount necessary to provide an adequate educational system, not on the amount of funding available, and make recommendations for funding for each biennium.	<ul style="list-style-type: none"> •Using evidence-based research as the basis for recalibrating as necessary the state's system of funding public education •Adjusting for the inflation or deflation of any appropriate component of the system of funding public education every two (2) years •Reviewing legislation enacted or rules promulgated during the biennium covered by the study to determine the impact of the legislation and rules on educational adequacy-related public school costs •Reviewing any related topics identified for further study by the House Committee on Education and the Senate Committee on Education 	ALL Economic Indices	February to June 2026 June 1, 2026
		ALL	February to June 2026

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Adequacy Study Duties

A.C.A. § 10-3-2102 (b)

⁽¹⁾ As a guidepost in conducting deliberations and reviews, the committees shall use the opinion of the Supreme Court in the matter of Lake View Sch. Dist. No. 25 v. Huckabee, 351 Ark. 31, 91 S.W.3d 472 (2002), and other legal precedent.

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Definition of Adequacy

The working definition of “educational adequacy” used to serve as a basis for identifying the resources required for adequate funding:

1. The standards included in the state's curriculum and career and technical frameworks, which define what Arkansas students are to be taught, including specific grade level curriculum, and a mandatory thirty-eight (38) Carnegie units defined by the Arkansas Standards of Accreditation to be taught at the high school level;
2. The standards included in the state's testing system. The goal is to have all, or all but the most severely disabled, students perform at or above proficiency on these tests; and
3. Sufficient funding to provide adequate resources as identified by the General Assembly.

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Adequacy Recommendations Worksheet

Topic	BLR Report	FY27	FY28	FY29
Definition of Adequacy	<ul style="list-style-type: none"> - Introduction - Entire Adequacy Study 	<i>No change to current definition.</i>		
Adequacy Study	Entire Adequacy Study	<i>No change.</i>		

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Adequacy Recommendations Worksheet

Topic	BLR Report(s)	FY27	FY28	FY29
Foundation Funding				
15. Operations and Maintenance	- Funding Overview	\$833 to reflect 3% increase in operational expenses		
16. Central Office	- Resource Allocation I: District Level Resources	\$507 includes COLA increase of 2.48% from previous year		
17. Transportation		\$354 includes COLA increase of 2.48% from previous year		
18. Additional Matrix Item(s)	- Resource Allocation I	No new matrix items.		

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Types of Recommendations

Funding	Education Policies	Study Issues
<ul style="list-style-type: none"> Revamp tool used to drive foundation funding Increase/decrease funding levels Change what is funded Change funding restrictions (e.g., limits on uses, expenditure requirements) Change distribution methods 	<ul style="list-style-type: none"> Change staffing levels Add/delete curriculum requirements Change accountability structure Increase/decrease districts' flexibility in complying with standards 	<ul style="list-style-type: none"> Definition of Adequacy Add/delete what's statutorily required to be studied Amend/expand how statutory responsibilities are accomplished Introduce new data elements or fund code requirements for tracking and removing limitations to data analysis

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Matrix and Other Funding Summary

Matrix (2025 Session)	FY25	FY26	FY27
Matrix Calculations			
School Size	500	500	500
K = 8% of students	40	40	40
Grades 1-3 = 23% of students	115	115	115
Grades 4-12 = 69% of students	345	345	345
Staffing Ratios			
Kindergarten ratio = 20:1	2	2	2
Grades 1-3 ratio = 23:1	5	5	5
Grades 4-12 ratio = 25:1	13.8	13.8	13.8
PAM = 20% of classroom	4.14	4.16	4.16
Total Classroom Teachers	24.94	24.96	24.96
Special Ed Teachers	2.9	3.2	3.2
Instructional Facilitators	2.5	2.5	2.5
Librarian / Media Specialist	0.85	0.85	0.85
Guidance Counselor	1.11	1.61	1.61
Nurse	0.67	0.67	0.67
Other Support Staff	0.72	0.72	0.72
Total Pupil Support Personnel	8.75	9.55	9.55
SUBTOTAL	33.69	34.51	34.51
Principal	1	1	1
Secretary	1	1	1
Total School-Level Personnel	35.69	36.51	36.51

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Matrix and Other Funding Summary

Matrix (2025 Session)	FY25	FY26	FY27
School-Level Salaries			
Teacher Base Salary	\$59,519	\$60,995	\$62,508
Teacher Health Insurance	\$2,814	\$3,819	\$0
Teacher Other Benefits	\$13,689	\$14,029	\$14,377
Total Teacher Salary + Benefits	\$76,022	\$78,843	\$76,885
Per Student Total Teacher Salary + Benefits	\$5,122	\$5,442	\$5,307
Principal Base Salary	\$83,577	\$85,650	\$87,774
Principal Health Insurance	\$2,814	\$3,819	\$0
Principal Other Benefits	\$19,223	\$19,699	\$20,188
Total Principal Salary + Benefits	\$105,614	\$109,168	\$107,962
Per Student Total Principal Salary + Benefits	\$211	\$218	\$216
Secretary Base Salary	\$35,376	\$36,151	\$37,047
Secretary Health Insurance	\$2,814	\$3,819	\$0
Secretary Other Benefits	\$8,113	\$8,315	\$8,521
Total Secretary Salary + Benefits	\$46,203	\$48,284	\$45,568
Per Student Total Secretary Salary + Benefits	\$92	\$97	\$91
Per Student Total School-Level Salaries + Benefits	\$5,426	\$5,757	\$5,614

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Matrix and Other Funding Summary

Matrix (2025 Session)	FY25	FY26	FY27
School-Level Resources			
Technology	\$250	\$235	\$235
Instructional Materials	\$205	\$210	\$216
Extra Duty Funds	\$72	\$74	\$76
Supervisory Aides	\$58	\$59	\$61
Substitutes	\$78	\$85	\$90
Salary Enhancement Other Employees	\$44	\$50	\$52
All Other Personnel Health Insurance Contribution Rate	\$30	\$41	\$0
Per Student Total School-Level Resources	\$739	\$755	\$730
District-Level Resources			
Operations & Maintenance	\$786	\$809	\$833
Central Office	\$483	\$495	\$507
Transportation	\$337	\$345	\$354
Per Student Total District-Level Resources	\$1,605	\$1,649	\$1,694
Per Student Total Foundation Funding Amount	\$7,771	\$8,162	\$8,037

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Matrix and Other Funding Summary

Categorical Programs (2025 Session)	FY25	FY26	FY27
Alternative Learning Environment (ALE)	\$5,086	\$5,212	\$5,341
English Learner (EL)	\$366	\$375	\$384
Enhanced Student Achievement (ESA)			
<70% FRL*	\$538	\$551	\$565
70%-90% FRL	\$1,076	\$1,103	\$1,130
>90% FRL	\$1,613	\$1,653	\$1,694
Professional Development (PD)	\$41	\$41	\$41

*Free or Reduced-Price Lunch

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Matrix and Other Funding Summary

Supplemental Funds (2025 Session)	FY25	FY26	FY27
Additional Professional Development (PLCs)	\$16,500,000	\$0	\$0
Enhanced Transportation	\$8,000,000	\$8,000,000	\$8,000,000
ESA Grants	\$5,500,000	\$5,636,400	\$5,776,183
Special Education High-Cost Occurrences	\$17,500,000	\$17,934,000	\$18,378,763
Teacher Salary Equalization	\$60,000,000	\$60,000,000	\$60,000,000
Declining Enrollment	\$24,663,364	Formula Based; No changes to Formula	
Isolated and Special Needs Isolated	\$10,895,999		
Student Growth	\$31,340,011		
Total Supplemental	\$174,399,374	\$91,570,400	\$92,154,946

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Tentative Meeting Schedule

DATE	TOPIC
Feb. 2, 2026, 1:30 p.m.	BLR: Legal Overview BLR: Historical Framework BLR: Introduction to Adequacy Study
Feb. 3, 2026, 9:00 a.m.	BLR: Accountability and Achievement
March 2026	Any changes to 2024 Adequacy Report must be approved in writing by March 1, 2026 (§ 10-3-2104(d))
March 9, 2026, 1:30 p.m.	BLR: Funding Overview BLR: Resource Allocation (Part I)
March 10, 2026, 9:00 a.m.	BLR: Resource Allocation (Part II)
June 1, 2026, 1:30 p.m.	Audit Segal BLR: Economic Indicators BLR: Teacher Salaries
June 2, 2026, 9:00 a.m.	Preliminary Report (tentative)
October 13, 2026	DEADLINE for both House and Senate Committees to approve report and recommendations
November 1, 2026	APPROVED REPORT DUE to Senate President Pro Tempore and House Speaker

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Final Adequacy Report and Recommendations

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§ 10-3-2104. Final Report

- Education Committees must submit final report of findings and recommendations to the President Pro Tempore of the Senate and Speaker of the House of Representatives by **November 1, 2026**.
- For each recommendation the report shall include proposed implementation schedules with timelines, specific steps, agencies and persons responsible, resources needed, and drafts of bills proposing all necessary and recommended legislative changes.
- Must publish a draft report at least **14 days** before submitting to the President Pro Tempore and Speaker.

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§ 10-3-2104. Final Report

- Before the fiscal session, the Education Committees shall:
 - Meet to review the funding recommendations contained in the 2024 Adequacy Report;
 - Review any other matters identified by the Education Committees that could affect the state's obligation to provide a substantially equal opportunity for an adequate education for all public school students; and
 - Amend, if necessary, 2024 recommendations and advise in writing the President Pro Tempore and Speaker of findings and amendments to the adequacy evaluation report by **March 1, 2026**

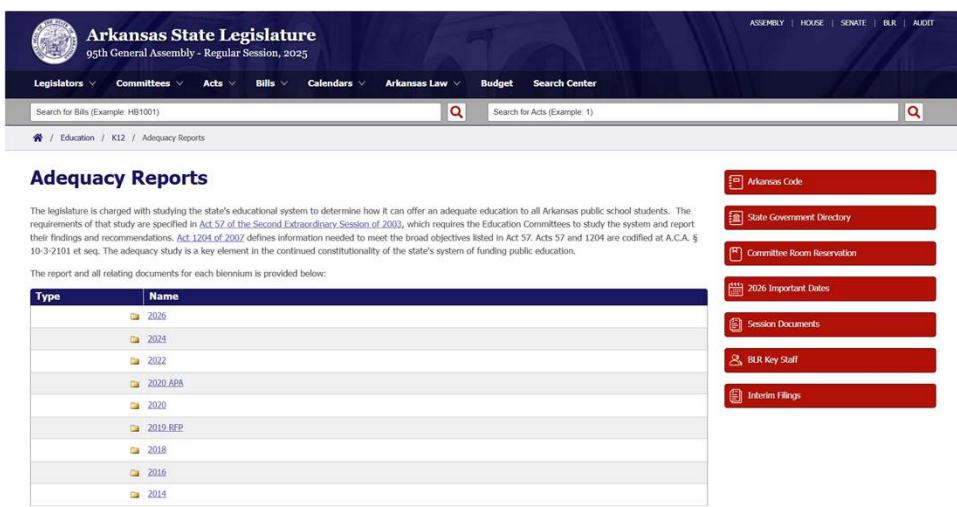
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Adequacy Link

Current and past adequacy study materials:

<https://www.arkleg.state.ar.us/Education/K12/AdequacyReports>



The screenshot shows the Arkansas State Legislature website for the 95th General Assembly - Regular Session, 2025. The main navigation bar includes links for ASSEMBLY, HOUSE, SENATE, BUR, and AUDIT. Below the navigation is a search bar for bills and acts. The page title is "Adequacy Reports". A sidebar on the right lists links for Arkansas Code, State Government Directory, Committee Room Reservation, 2026 Important Dates, Session Documents, BUR Key Staff, and Interim Filings. A table on the left lists Adequacy Reports from 2014 to 2026.

Type	Name
2026	
2024	
2022	
2020 APA	
2020	
2019 REP	
2018	
2016	
2014	

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Questions?

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