

## Summary Points

- ◆ Arkansas received an overall grade of **C-** for the third year in a row.
- ◆ Arkansas is ranked and is ranked **43rd** in the nation overall, a decline from 36th in 2015.
- ◆ Arkansas received a **C-** in Chance-for-Success, consistent with prior performance.
- ◆ Arkansas received a **C-** in School Finance, a decline from the **C** obtained in 2016.
- ◆ Arkansas received a **D** for K-12 Student Achievement, unchanged from the 2016 report.

## Quality Counts 2017

*Education Week released their 21st Quality Counts report last month. In addition to the annual grades, this year's report takes a comprehensive look at the steps states are taking to turn their blueprints for the federal Every Student Succeeds Act's to a finished structure. Overall, Arkansas received a **C-** and was ranked **43rd** among the 50 states. This policy brief examines Arkansas' rank in each category of the report as well as the quality of the report itself.*

### Background

For the third year in row, Arkansas received a **C-** from *Quality Counts*, Education Week's annual grading and ranking of the states. What does another **C-** from *Quality Counts* mean for Arkansas?

As discussed in [previous policy briefs](#), it can be difficult to interpret the *Quality Counts* grades and rankings allocated to states.

The overall grade is based on three indicators: Chance-for-Success, School Finance, and K-12 Achievement. This brief focuses on these individual categories of the *Quality Counts* measures that are compiled and ranked by the editorial staff of *Education Week*. While the grading system and methodology are flawed and may not be very useful, the data in several of these individual categories can provide valuable information to policymakers.

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This brief examines and evaluates the three categories used in the 2017 report: **Chance-for-Success**, **School Finance** and **K-12 Achievement**. We describe how each section was scored, as well as Arkansas' grade in each. An overview of Arkansas' grades over the past six years and grades compared to border states is also presented.

### Chance-for-Success: Demographics Matter

This measure captures the role of education in a person's life from birth to career. *Quality Counts* assigns states a higher grade in this area if their population has lower levels of poverty and higher annual median incomes. More rural states with higher levels of poverty and lower levels of education receive a low grade. Therefore, Arkansas is essentially penalized for having more at-risk students than most states.

### School Finance: Money Matters

This measure examines educational expenditure patterns and distribution of funds within states. *Quality Counts* gives higher grades to states that spend more on education, regardless of the impact on student achievement. States that are more efficient with their spending, i.e. use less funds to serve their students equally well or better are assigned a low grade by this measure.

### K-12 Achievement Index: No New Data

This measure includes student performance on the National Assessment of Educational Progress (NAEP), capturing a state's academic improvement over time and the magnitude of poverty-based gaps. The NAEP is only administered every-other year, so the K-12 Achievement Index is the same as in the 2016 report. Academic performance ought to be the most important outcome in determining a schools' performance, however *Quality Counts* diminishes that by averaging it along with the prior two measures. While new data will be available for next year's reports, a more useful index would be one that measured how well states are educating students given their demographic characteristics.

### Are We Improving? Arkansas' Grades over Time

The 2017 *Quality Counts* overall rating is comparable to 2015 and 2016 scores. Grades within the categories are comparable from 2012. Arkansas' scores for Chance-for-Success and K-12 achievement remained consistent with the 2016 report, however, School Finance declined to a C- from a C in previous years.

**Table 1: Arkansas' Quality Counts Scores over Time, 2012-2017**

| CATEGORY           | 2012 | 2013 | 2014         | 2015 | 2016 | 2017 |
|--------------------|------|------|--------------|------|------|------|
| Chance-for-Success | C-   | C-   | C-           | C-   | C-   | C-   |
| School Finance     | C    | C    | C            | C    | C    | C-   |
| K-12 Achievement   | D    | D    | D+           | D+   | D    | D    |
|                    | 2012 | 2013 | 2014         | 2015 | 2016 | 2017 |
| OVERALL GRADE      | B-   | B-   | Not Assigned | C-   | C-   | C-   |
| OVERALL RANKING    |      |      |              | 36th | 41st | 43rd |

Note: Shaded cells indicate values that are not comparable to current *Quality Counts* grades or rankings.

### Keeping Up With The Neighbors: Arkansas and Border States

Arkansas' scores are comparable to its bordering states. Among its neighbors, Arkansas tied for the top grade in School Finance. Unfortunately, this comparison also shows how low Arkansas and the surrounding states perform in the K-12 Student Achievement category which contributes to a lower overall score.

**Table 2: Grades and Rankings by Quality Counts for Arkansas and Border States, 2017.**

| CATEGORY           | AR   | US | LA   | MS   | MO   | OK   | TN   | TX   |
|--------------------|------|----|------|------|------|------|------|------|
| Chance-for-Success | C-   | C+ | C-   | C-   | C+   | C    | C    | C    |
| School Finance     | C-   | C  | C    | D+   | C-   | D    | D+   | D    |
| K-12 Achievement   | D    | C- | D    | D-   | D+   | D    | C-   | C-   |
| OVERALL GRADE      | C-   | C  | D+   | D    | C-   | D+   | C-   | C-   |
| OVERALL RANKING    | 43rd |    | 46th | 50th | 31st | 47th | 36th | 41st |

## Chance-for-Success

### *Arkansas Grade: C- (ranked 46th)*

This index measures the extent to which education plays a role in creating positive outcomes across an individual's lifetime. This score is a combination of 13 indicators which fall within three sub-categories: *Early Foundations*, *School Years*, and *Adult Outcomes*. These categories attempt to represent the extent of education obtained over time. Arkansas Ranks 46th out of the 50 states and DC, which would lead one to think that Arkansas provides kids with little chance of being successful but that is incorrect: Arkansas is ranked high in some categories and low in others.

Arkansas ranks 15th in the nation with respect to the percentage of kids that attend pre-school. Arkansas also ranked 9th in the percentage of adults that are employed in the state, surpassing even overall top-ranked Massachusetts.

Though Arkansas was highly ranked in employment, the ranking for family income was near the bottom. Ranked 49th in the nation, the cumulative income in Arkansas' homes is less than every other state in the nation except New Mexico and Mississippi.

Arkansas scored extremely low with respect to the percentage of adults that have obtained either a 2- or 4-year degree. In fact Arkansas ranked 50th with only 30% adults having a degree. While Arkansas has a [plan in place to increase the number of adults obtaining a degree](#), this ranking will be slow to change.

## School Finance

### *Arkansas Grade: C- (ranked 29th)*

School Finance examines the education-related spending patterns of the schools within each state as well as the equity of the distributing of funds within each state's school districts. Four of the eight indicators within the School Finance measure examines spending patterns whereas the remaining indicators measure the equity of the distribution of funds.

Arkansas ranks 11th out of the 50 states and DC with respect to the percentage of taxable resources that are spent on education. Although ranked highly for the percentage of funds, the state was ranked poorly for

the actual amount. Arkansas scores an F, ranking 30th out of the 50 states. These indicators are conflicting and can provide helpful information about Arkansas' spending.

With respect to equity of spending, however, Arkansas earns a B grade which is on par with that of the nation, ranking 24th out of the 50 states and DC.

It is unclear as to whether or not these lesser funds are indicators of lack of resource or indicators of more efficient spending. The [Quality Counts 2016](#) policy brief argues this in more detail.

## K-12 Achievement

The K-12 Achievement Index results posted in this report are the same as that of the 2016 report. The Index examines 18 achievement measures related to Math and Reading performance, graduation rates, and results of Advanced Placement Exams. A portion of the Index is based on the National Assessment of Educational Progress (NAEP) exams, which were most recently administered in 2015. Next year's *Quality Counts* report will reflect these updated scores in the K-12 Achievement Index.

Though Arkansas is ranked 41st in academic achievement, it ranks 8th for gains in 8th grade math achievement and is closing the 4th grade reading gap. These gains ought to be celebrated but there are still lingering concerns that Arkansas scores below most states in 4th and 8th grade math and reading achievement.

As Arkansas is a state with more than half of the student population considered "At-Risk", there are pre-existing challenges that negatively impact Arkansas' overall score, not accurately portraying Arkansas' commitment to student improvement as highlighted by the gains achieved. Hence the challenge in interpreting the overall scores within each category of *Quality Counts* and implications they have for each state.

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## Conclusion

Given the nature of the *Quality Counts* methodology for grading and ranking states, it is not surprising that Arkansas has again earned a C-. In the span of a year, no state could dramatically increase the median home income or the number of adults with a college degree. Arkansas is, however, ranked highly in areas that could make a difference in education and income levels over time. Percentage of students in Pre-K programs, percentage of taxable resources being spent on education are both high points. In addition, Arkansas is funding schools equitably.

Although the interpretation overall *Quality Counts* grades is unclear, some meaning can be found by digging into the category-level data. As a rural state, Arkansas faces many educational challenges, but plans are in place to impact long-term outcomes. National comparisons may be slow to reflect change, but by wisely using Arkansas' in-state data, including quality measures of student academic growth and success, to inform our policies will enhance educational opportunities and outcomes in Arkansas.

## Appendix

The front-end of this document contained brief descriptions of the *Quality Counts* categories, as well as Arkansas' grade and rank in each of those categories. The purpose of this Appendix is to provide more detail on the components of each category graded above. For more information on the 2017 Quality Counts report, [click here](#).

*Quality Counts* looks at three areas in determining a state's overall rank: Chance-for-Success, School Finance, and K-12 Student Achievement.

### Chance-for-Success

The Chance-for-Success measure represents a combination of educational outcomes and community socioeconomic measures. Specifically, the Chance-for-Success measure ranks states in subcategories covering two education outcomes and demographic measures. [Click here](#) for a PDF of this section of the 2017 *Quality Counts* report.

**Education Outcomes:** This measure includes state data

such as 4<sup>th</sup> grade literacy scores on the NAEP, 8<sup>th</sup> grade math scores on the NAEP, and high school graduation rate. These outcome measures are essentially "double-counted" as they are also included in the category of student achievement.

**Demographic Measures:** Includes state data such as percent of children above 200% of the poverty line, percent of children who have a college-educated parent, percent of children with at least one parent who is employed, percent of children whose parents speak English, percent of children enrolled in preschool or kindergarten, and more.

### School Finance

Updated in 2013, the **equity** sub-category is calculated using:

- The wealth neutrality score (which looks at the relationship between district funding and local property taxes)
- The "McLoone Index" (which looks at how much each school district spends compared to the median)
- The coefficient of variation (which looks at the extent to which a state's school districts spend an equal amount)
- Restricted range (which looks at the difference in spending between the 5<sup>th</sup> percentile and the 95<sup>th</sup> percentile) Adjusted per-pupil expenditures (adjusted for variations in regional costs)

The **spending** sub-category includes:

- Percent of students in districts with per-pupil expenditures at or above the US average (expenditures adjusted for regional cost differences and student needs)
- A spending index focusing on the percent of students served by districts spending at or above the national average as well as the degree to which lower-spending districts fall short of that national benchmark
- Percent of total taxable resources spent on education

[Click here](#) for a PDF of this section of the 2017 *Quality Counts* report.

### Student Achievement

Student Achievement represents 18 categories including student achievement on the National Assessment of Educational Progress (NAEP). [Click here](#) for a PDF of this section of the 2017 *Quality Counts* report.