

Whereas, on November 13, 2014, the Arkansas State Board of Education entered its order of creation of the Jacksonville / North Pulaski School District (JNPSD).

Whereas, paragraph 10 of that order directed the JNPSD and the Pulaski County Special School District (PCSSD) to work together and submit plans for the selection and employment of a superintendent or administrator for JNPSD, for the distribution of real and personal property, assets, liabilities (including debt), duties and responsibilities for the PCSSD and JNPSD, and for the procedure by which the JNPSD will employ licensed and nonlicensed staff.

Whereas, the JNPSD and the PCSSD have worked on such plans, have made progress in that regard, and now wish to submit partial plans to the State Board.

NOW, THEREFORE, PCSSD and JNPSD do hereby agree as follows:

1. The State Board order creating JNPSD provides that JNPSD shall continue to be operated under the administration of PCSSD during a transition period not to exceed two consecutive years. The parties agree that the duration of PCSSD administration of the new district shall be the remainder of the 2014-15 school year, and all of the 2015-16 school year unless it is determined by the State Board that the administration should be eliminated or modified. The essence of the administration contemplated by this agreement is that the new district and PCSSD shall operate as a single unit under Arkansas law in the same manner as before the creation of JNPSD. Both the superintendent of PCSSD and the Arkansas Commissioner of Education (Commissioner), in operating as herein set forth, shall have the fiduciary duty to act in the joint best interests of both PCSSD and JNPSD.

2. The superintendent of PCSSD shall continue to be the chief executive of the single unit reporting to the Commissioner as the PCSSD school board equivalent. The relationship of the PCSSD superintendent and the Commissioner shall be the same as any school superintendent and

his school board under Arkansas law, subject to the provisions of paragraphs 4 and 5 below.

3. Throughout the period of administration of JNPSD by PCSSD, PCSSD shall not be relieved of any of its special duties and obligations existing because of its status designations. Those statuses shall continue for the single administrative unit (i.e., PCSSD and the new district) as long as it remains a single administrative unit under PCSSD. This agreement includes all special status designations under federal or state law, including specifically, but not limited to, being a non-unitary defendant in *LRSD, et al. v. PCSSD, et al.*; being a district with individual schools designated as being in academic distress under Arkansas law; being exempt from the 2013 School Choice Act; and being in fiscal distress. The special obligations and duties imposed by these statuses shall continue unless and until modified or terminated by the United States District Court, or the State Board, as the case may be.

4. On June 20, 2011, the State Board took administrative control of PCSSD, by removing its elected school board and superintendent. The Commissioner employed a new superintendent, Dr. Jerry Guess, who remains PCSSD superintendent. This created the situation in *LRSD, et al. v. PCSSD et al.*, wherein PCSSD, the Commissioner, and ADE were all parties defendant with conflicting interests. The Court resolved the situation by proposing that the PCSSD superintendent in all matters related to the desegregation litigation be deemed free to act for and on behalf of PCSSD without consultation with the Commissioner specifically, and the State of Arkansas generally. All parties to the desegregation litigation agreed without objection. The litigation has continued, and continues today, with this party alignment.

5. PCSSD remains an active party to the litigation, as does the class of black students and patrons of PCSSD (known as the Joshua Intervenors, or Joshua), because PCSSD has not been declared fully unitary. Dr. Jerry Guess, in his capacity as PCSSD superintendent, continues to act

in this litigation for and on behalf of PCSSD with no obligation to consult with, or report to, the Commissioner in regard to desegregation issues.

6. The parties agree that PCSSD and the new district shall continue to be considered as a single unit for purposes of the case of LRSD, *et al.* v. PCSSD, *et al.*, desegregation, and unitary status. PCSSD and JNPSD shall be bound by Plan 2000, the court-approved PCSSD desegregation plan. JNPSD shall be considered unitary in all areas in which PCSSD has attained, or during the period of administrative control attains, unitary status. Likewise, the JNPSD shall be considered non-unitary in all those subject matter areas in which PCSSD has not been declared unitary. Dr. Guess, or his successor, shall be obligated to continue maximum effort to the end of attaining full unitary status for both PCSSD and JNPSD prior to the end of the transition period.

7. The Commissioner shall, with the advice and consultation of the initial JNPSD board of directors, forthwith, select persons to be employed as superintendent-designate and other personnel as needed to assist the superintendent-designate by performing tasks in areas of responsibilities directed by the superintendent-designate, and identify those persons to the PCSSD Superintendent. PCSSD shall immediately employ those persons that are administrators (i.e., not any consultants for JNPSD) under a standard employment contract. The annual salary of those persons shall be negotiated. PCSSD shall employ any consultants for JNPSD in the manner that PCSSD employs other consultants. The parties also agree and confirm the selection of Patrick D. Wilson of Wright, Lindsey & Jennings, LLP, by the JNPSD board to act as its attorney. PCSSD agrees to timely negotiate with Patrick D. Wilson an engagement letter dealing with, *inter alia*, reasonable compensation to be paid by PCSSD.

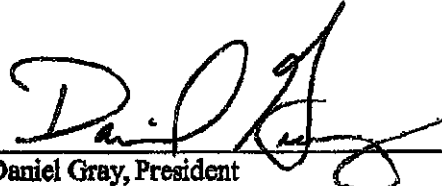
8. During the period of continuing administration of the new district by PCSSD, all employees assigned to what will be JNPSD when it becomes fully operational shall continue to be

considered employees of PCSSD, including the superintendent-designate and other personnel as needed, and shall be paid by PCSSD. Any consultants for JNPSD shall be paid by PCSSD, but PCSSD shall recoup monies paid to such consultants through the allocation or division of assets between PCSSD and JNPSD at the conclusion of the transition period.

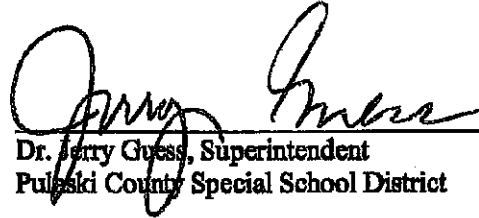
9. During the remainder of 2014-15, the superintendent-designate shall be an integral participant in all decisions and policies regarding employment, termination of employment, and discipline involving employees assigned to schools physically located in JNPSD. Beginning in 2015-16, the superintendent-designate shall initially make those decisions in consultation with the PCSSD superintendent. Under PCSSD's fiscal distress status, all such personnel decisions, except those directly impacting unitary status and other desegregation issues, are subject to ultimate review by the Commissioner. If the PCSSD's fiscal distress status is removed during the transition period, PCSSD and JNPSD shall agree, by separate agreement, on how to handle all such personnel decisions. As stated elsewhere in this agreement, all decisions directly related to unitary status and other desegregation issues are within the purview and discretion of PCSSD and its superintendent, subject to consultation with Joshua and ultimate approval by the Court.

10. Within the single unit during the PCSSD administration period, the staffing of JNPSD and PCSSD will be managed consistent with Arkansas law regarding licensed and classified employees. The goal of the PCSSD administration will be a turn key job in which the JNPSD and its board of directors will become vested with all the powers, duties, responsibilities, and obligations of a school district and school board under Arkansas law. The superintendent-designate will become the superintendent, and JNPSD will be fully staffed simultaneously on the first day PCSSD's administration ends and JNPSD becomes fully operational.

11. The parties understand this agreement does not resolve all issues enumerated in Sections 7.01 *et seq.*, of the Arkansas Department of Education's Emergency Rules Governing the Creation of School Districts by Detachment (Emergency Rules). The parties agree to continue to negotiate in good faith to resolve all such issues within the timelines established by the Emergency Rules.



Daniel Gray, President
Jacksonville / North Pulaski School Board



Dr. Jerry Guess, Superintendent
Pulaski County Special School District

Approved as to form:


Tony Wobd, Commissioner
Arkansas Department of Education

On Thursday, January 8, 2015, the State Board of Education, by unanimous vote,
approved the foregoing agreement.

SIGNED AND EXECUTED ON THIS 20th OF FEBRUARY 2015.



Mr. Samuel Ledbetter, Chair
Arkansas State Board of Education