

Minutes
State Board of Education
Monday, August 13, 2001

The State Board of Education met on Monday, August 13, 2001, in the Auditorium of the State Education Building. Robert Hackler, Chairman, called the meeting to order at 9:00 a.m.

The following members were present: Robert Hackler, Chairman; Shelby Hillman, Vice Chairman; JoNell Caldwell; Claiborne Deming; Luke Gordy; and Lewis Thompson, Jr.

The following members were absent: Betty Pickett.

Chair's Report

Mr. Hackler stated that he had no special report.

Ms. Hillman reported attending the second meeting of the Blue Ribbon Commission and commended Mr. Simon and staff for the quality of their report to the commission.

Director's Report

Mr. Simon recognized Brian Brooks from the Attorney General's Office to present an update on actions surrounding the Lake View Case. Mr. Brooks noted that proceedings with the appeal and subsequent activity of preparing briefs and filing documents were consuming time with little movement. He reported that a request for a stay of the trial court's order had been denied and a subsequent request had been filed with the Arkansas Supreme Court. He projected some delays in moving the appeal forward.

Mr. Simon distributed materials provided at a recent meeting of the Board's Advisory Committee on School Reform. He stated the Committee's next meeting would be on August 22, 2001 following the meeting of the Blue Ribbon Commission scheduled for that date. Mr. Simon projected that although the work of the two groups is somewhat similar, it's his thinking that the Commission will drift toward public policy and gathering information from public hearings while the Board Committee's focus will be toward research and data gathering. He pointed out that at their last meeting a list of 25 topics for data gathering were discussed and Department staff is beginning that process.

Mr. Simon reported on receiving a request from two Committee members, Dr. Naccaman Williams and Senator Mahony to expand the Committee to include State Representative Calvin Johnson as a Committee member. Dr. Johnson would bring more representation from the Delta region and help balance other aspects of the Committee's composition. Mr. Gordy moved that this be added to the Action Agenda for further consideration. Ms. Hillman seconded the motion. The motion passed unanimously.

Consent Agenda

Ms. Caldwell moved adoption of the Consent Agenda as presented. Mr. Gordy seconded the motion. The motion passed unanimously.

- Minutes – July 9, 2001
- Newly Employed, Promotions and Separations
- Review of Loans and Bonds Applications
- Personnel Recommendation

Action Agenda

Request for Adoption of Administrator Licensure Recommendations

Angela Olsen was recognized for this presentation. Ms. Olsen stated she was representing a Task Force that spent many hours working out the details of the recommendations. She noted that various aspects of these recommendations had been previously presented to the Board and all suggestions made by Board members had been incorporated into the work of the Task Force. Ms. Olsen indicated that Board approval of these recommendations would be an intermediate step in ultimately revising the process and content for issuing administrator licenses in Arkansas. She stated that if these recommendations were approved, work would begin on rules and regulations, which would be presented to the board in keeping with established guidelines.

Mr. Gordy observed that previous adoption of changes in licensure procedures had caused difficulty in processing requests for licenses and there was considerable concern about the process. He inquired if the Department were taking any steps to make this a more smooth transition. Mr. Simon indicated that some of the current problem was linked to the untimely resignation of key staff. He thinks the process has become more efficient and work is progressing. Mr. Simon also reported that procedures have been adopted that will give priority for processing applications for licensure to those individuals currently seeking active employment and are set to begin teaching this fall.

Mr. Deming moved adoption of the Task Force recommendations. Ms. Caldwell seconded the motion. The motion passed unanimously.

Rules and Regulations Governing Teacher Retirement Earning Limitations

Dr. Bobbie Davis was recognized for this presentation. Dr. Davis reported that these rules and regulations were previously approved for public comment and were subjected to a public hearing and comment. No additional information was received. Mr. Gordy moved adoption. Mr. Deming seconded the motion. The motion passed unanimously.

Rules and Regulations Governing the Establishment of Single-Member Zones for Local Boards of Education

Scott Smith was recognized for this presentation. Mr. Smith reported that these rules and regulations were previously approved for public comment and were subjected to a public hearing and comment. No additional information was received. Ms. Hillman moved adoption. Ms. Caldwell seconded the motion. The motion passed unanimously.

Rules and Regulations Governing Charter Schools

Randall Greenway was recognized for this presentation. Mr. Greenway reported that these rules and regulations were previously approved for public comment and were subjected to a public hearing and comment. No additional information was received. Mr. Gordy moved approval. Mr. Deming seconded the motion. The motion passed unanimously.

Rules and Regulations Governing Limited Charter Schools

Randall Greenway was recognized for this presentation. Mr. Greenway reported that these rules and regulations were previously approved for public comment and were subjected to a public hearing and comment. No additional information was received. Mr. Deming moved adoption. Ms. Hillman seconded the motion. The motion passed unanimously.

Rules and Regulations Governing Mobile Phone Usage by School Bus Drivers

Mike Simmons was recognized for this presentation. Mr. Simmons indicated that a new section was added pursuant to Board suggestion to impose a well-defined penalty clause for violating these rules and regulations. He reported that these rules and regulations were subjected to a public hearing and comment. No additional information was received. Ms. Hillman moved approval as revised. Mr. Gordy seconded the motion. The motion passed unanimously.

Rules and Regulations Governing Loans and Bonds Applications

Patricia Martin was recognized for this presentation. Ms. Martin reported that suggestions made by the Board at the previous review had been incorporated. Those include a clarification of district accreditation rating, outlining internal review procedures, and a required review by the Board when a district requests a loan that would cause the district's debt ratio to exceed 27% of its assessed valuation. Mr. Deming moved adoption as revised. Ms. Caldwell seconded the motion. The motion passed unanimously.

Proposed Procedural Forms Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees and Board Members

Dr. Bobbie Davis and Scott Smith were recognized for this presentation. Dr. Davis reported that Act 1599 of 2001 established new ethical standards and guidelines for local board members and certain school district employees. She distributed a packet of

information that replaced documents in the Agenda Book. She noted that the content of the forms is essentially the same, but the titles of some are revised. Dr. Davis stated that the forms provided are intended as guidelines for reporting and can serve as models for providing information as required by law. These forms are not required, but communicate to districts and those effected what is required. Dr. Davis did imply that rules and regulations would be developed and submitted for review at a future date.

Mr. Gordy inquired as to who would be responsible for accumulating and acting on the information received. Dr. Davis indicated that the Director had given her that assignment. Mr. Gordy asked who was responsible for enforcement. Mr. Simon indicated that staff would be the first line of review; however, staff may refer situations to the Board for review. Mr. Gordy expressed concern that this was another level of bureaucracy without adequate monitoring. Mr. Deming moved approval of this report. Ms. Caldwell seconded the motion. The motion passed unanimously.

Proposed Rules and Regulations for Professional Licensure

Ron Tolson was recognized for this presentation. Mr. Tolson indicated these rules and regulations were proposed for public comment and it was the intent of staff to complete the review process and have them ready for review in October. Mr. Simon noted that these rules and regulations were drafted to make permanent emergency rules and regulations approved earlier in the summer. He stressed that the purpose was to make it easier for a teacher to add additional areas of licensure by demonstrating proficiency on the Praxis and not having to take significant additional coursework. Mr. Simon indicated that he had been contacted by representatives of the counselors' organization and those supporting media requesting reconsideration of the guidelines for those areas. He suggested that any revisions to the document that would address those concerns could be made at the public hearing and by written comment.

Mr. Gordy moved approval for public comment. Ms. Hillman seconded the motion. The motion passed unanimously.

Proposed Rules and Regulations Identifying and Governing Self Construction Projects by Public Education Entities

Dave Floyd was recognized for this presentation. Mr. Floyd indicated that these rules and regulations were necessitated by Act 1204 of 2001. He reported that a committee of practitioners with technical expertise in the construction area assisted in framing the proposed rules and regulations. Mr. Gordy inquired as to the percentage of districts that engage in self-construction projects such as are regulated here. Mr. Floyd had no such data. He did further respond by indicating that such projects are usually taken on by larger districts that have a person on staff whose job is to oversee such activities. Mr. Gordy moved approval for public comment. Ms. Hillman seconded the motion. The motion passed unanimously.

Proposed Amendments to Early Childhood Special Education Rules and Regulations

Marcia Harding was recognized for this presentation. Ms. Harding reported that federal program auditors suggested these revisions during their previous visit to the state. She reported that it would be at least two months before final consideration could be given to these rules and regulations because federal guidelines require a 60-day comment period. Mr. Gordy moved approval for public comment. Ms. Hillman seconded the motion. The motion passed unanimously.

Review of QZAB Allocation Applications

Patricia Martin was recognized for this presentation. Ms. Martin reported that these recommendations represent the second round of applications received under this program. She noted that comments from the Board after the first round were followed in the review and recommendation process. Ms. Martin did indicate that all available funds were allocated and every proposal submitted was recommended for funding. Mr. Gordy suggested that additional advertisement of the program should be done. Mr. Thompson moved approval of staff recommendations. Ms. Hillman seconded the motion. The motion passed unanimously.

Lake View School District Fiscal Distress Phase II Recommendations

Patricia Martin was recognized for this presentation. Ms. Martin reported that staff from the Public School Finance and Administrative Support Section has conducted a six-months review of the Lake View School District fiscal records and had met with the school administrators. She highlighted actions that were being taken to continue the improvement in accounting and reporting procedures at the district. Ms. Caldwell asked what happens should the school be declared in Phase III. Ms. Martin responded that the State has the ability to take over and reconstitute the local board, replace the administrator(s), and/or close or consolidate the district. Mr. Deming asked if there was hope for this district to improve to the point of being removed from fiscal distress. Ms. Martin responded that local staff had been responsive to work with them so far and she did see some progress. She did state that this year would be critical for the district in getting its fiscal affairs operating efficiently. Mr. Gordy suggested that the plan should be consistent across all aspects. Thus he requested that a timeline for completion be imposed on every operant. Mr. Deming inquired as to the nearest large district. Ms. Martin responded Helena-West Helena. Mr. Gordy moved acceptance of the report and plan of action as amended. Mr. Thompson seconded the motion. The motion passed unanimously.

Discussion of Financial Status of Gateway Charter School

Brent Wallace from the Legislative Audit Division was recognized for an initial presentation. Mr. Wallace's data reported that the Gateway Charter School enrollment did not reach projection in any of the classes conducted during the 2000-2001 school

year, schools in the area did not pay or were not billed projected costs for students enrolled, expenditures exceeded revenue by approximately \$280,000, and student performance increased for all cohort groups, but progress was less than projected for at least one half of the students.

Mr. Simon noted areas of school funding where apparent inconsistent interpretation occurred between the local school districts and the management of Gateway. For example, Title I funding should follow the child for the time that he/she is enrolled at Gateway; any payment for school meals from the state based on a child at Gateway should be forwarded to Gateway or the child should be dropped from the local school eligibility role for the time the child is attending Gateway, and alternative school funding should follow the child. Mr. Simon also cited Dr. McLean, former director of the OUR Cooperative as saying Gateway (or the cooperative on behalf of Gateway) did not receive grants (e.g., Goals 2000) as expected. Mr. Simon assured the Board that the grant proposal process was fair and all proposals were judged on merit. He also stressed that most, if not all, Goals 2000 grants were funded somewhat below the requested budget due to the lack of funds. Mr. Simon stated that state funding was predicated on students being enrolled and that has not happened to the extent projected.

Steve Brewer, the new OUR Cooperative director, was invited to respond. He simply stated that any comment on his part would be premature. He announced that the Cooperative Board would be meeting on August 24, at which time he would recommend that the cooperative surrender the Charter.

Rick Morris, Director of Operations for Gateway School was recognized. Mr. Morris stated that the program helped, in a significant way, those students who attended the school during the previous year. He requested that the school's managers be given an additional year to get finances in order and make the school operate within its budget. He wants to be able to repay the cooperative for funds advanced the school, but does not have a plan at this time. He believes that the school can turn around and become financially independent. In closing, Mr. Morris stated that the state spends approximately \$17,000 per student for gifted students who attend the Arkansas School for Mathematics and Science at Hot Springs. He stated that poor, at-risk kids could be given great help at a fraction of that cost.

An array of options for the next steps was discussed. Scott Smith advised the Board that legislation provides the Board an option for placing the Charter on probation or revoking the Charter. Since the OUR Cooperative holds the Charter those options are linked to a decision of the Cooperative Board to surrender the Charter or to the Board authorizing a fact-finding hearing from which the Board could vote to rescind the Charter.

Mr. Gordy stated that it was his opinion that the school had done a great job for the students it served last year. He expressed his frustration with the OUR Cooperative and its alleged mismanagement of the program. He believes that OUR should be responsible for reimbursement to the state for the mismanaged funds. He would like to see a way for Gateway to be given an additional year to continue to serve kids.

Ms. Hillman avowed her support for the concept and the Charter since it first was discussed. She believes that there are many children who need that kind of program. However, she is deeply concerned about the finances.

Mr. Deming believes the school is doing a credible job and the major issue is not how much students improved, but who will pay and how much it costs.

Mr. Hackler stated that the school started at least \$130,000 in spending deficits and expressed great concern for the proposed budget and the realistic expectation that the revenues will come. He said that a report should have come to the Board much earlier in the year when it became apparent that such deficit spending was taking place. He further believes that there is no real commitment from schools in the area to send students to the school, especially when they understand that the school will lose funding for that child.

Scott Smith reminded the Board that state law does not allow a school/district to operate at a loss or in deficit spending. Thus, it is his opinion that the Board should seek a surrender of the charter or proceed with steps to revoke. Mr. Simon observed that if the Board were to suspend the Charter for a period of time, Gateway could reapply at a later time. It was noted that a new application would have to be in competition with others and go through the same review and approval process as other applicants.

Ms. Caldwell inquired as to equipment and renovations that were made to the property. Scott Smith stated that if the Charter were closed, the tangible equipment would be removed and sent to Marketing and Redistribution, but renovations and funds spend on repair to the facility would remain at the camp.

Scott Smith stated that the first option seems to be with OUR Cooperative and it's unadvisable to move forward without knowing what they intend to do. He did state the Board could have a third option, that to establish a probationary status for the Charter for a specific time. This might give Gateway an opportunity to address the deficits and get funding in place.

Mr. Hackler inquired if it would be possible for the Board not to act until after the Cooperative meeting on August 24. He stated he could not see any advantage for putting the Charter on probation.

Mr. Smith requested that the Board authorize the attorney's office to prepare and distribute an announcement for a hearing on the Charter to be conducted after August 24. Otherwise, the Board could wait until after that date to make other decisions on this issue.

Mr. Gordy questioned if OUR Cooperative would be responsible for the \$300,000 in over spent funds regardless of the Board's action or any action by the Cooperative. Mr. Smith assured him that was accurate.

Mr. Gordy moved that the Board direct Scott Smith to prepare a public announcement of hearing concerning the status of the Charter for Gateway School to be held at some time after August 24. Ms. Hillman seconded the motion. The motion passed unanimously.

Changes to Charter for the Benton County School of the Arts

Randall Greenway was recognized for this item. Mr. Greenway stated that Mechel Wall was present and representing the Benton County School of the Arts and that Ms. Wall would respond to any questions from the Board concerning the school's request as presented in the Agenda. There were no questions. Mr. Deming moved adoption of the request as presented. Mr. Gordy seconded the motion. The motion passed unanimously.

Commitment to Principles of Desegregation Settlement Agreement: Report on the Execution of the Implementation Plan

Mr. Willie Morris was recognized for this report. Mr. Morris stated that the printed report highlighted the actions and accomplishments since the July meeting. He stated that progress was being observed by the districts in working together and in their participation in professional development initiatives. There were no questions from the Board. Mr. Gordy moved acceptance of the report. Ms. Caldwell seconded the motion. The motion passed unanimously.

NASBE Membership

Mr. Hackler stated to the Board that this issue has been dangling for several months. Some Board members are concerned about spending money for out-of-state travel at a time when staff travel is being curtailed and funds are limited for salaries. Mr. Gordy said whatever the Board decided to do, it should be couched with the concern for what impact the action would have on students. He observed that NASBE obviously has quality programming, but our state has not taken best advantage of the services offered. He also noted that the dues, \$17,000, represent a major percentage of the Boards annual budget. He suggested that the Board impose a hold of all out-of-state travel at this time.

Ms. Caldwell moved that NASBE dues for 2001-2002 not be paid. Ms. Hillman seconded the motion. The motion passed unanimously.

Mr. Gordy stated that the Board needs some policy in place that will assist staff in authorizing and reimbursing travel. Mr. Hackler appointed Mr. Gordy and Ms. Caldwell to discuss a travel policy and report at a subsequent meeting. Until that time, Board members will not be reimbursed for out-of-state travel.

Revocation of a Teacher License – William Lindsey

Scott Smith was recognized to present this item. Mr. Smith noted that Mr. Lindsey had been properly notified of the hearing and that he had not responded. Mr. Hackler sounded the room to determine if Mr. Lindsey were present or represented. He was not.

Ms. Hillman moved revocation of his license. Ms. Caldwell seconded the motion. The motion passed unanimously.

Revocation of a Teacher License – James Cory Johnson

Scott Smith was recognized to present this item. Mr. Smith noted that Mr. Johnson had been properly notified of the hearing and that he had not responded. Mr. Hackler sounded the room to determine if Mr. Johnson were present or represented. He was not. Mr. Deming moved revocation of his license. Mr. Gordy seconded the motion. The motion passed unanimously.

Revocation of a Teaching License – George Edward Davis

Scott Smith was recognized to present this item. Mr. Smith noted that Mr. Davis had been properly notified of the hearing and that he had not responded. Mr. Hackler sounded the room to determine if Mr. Davis were present or represented. He was not. Ms. Hillman moved revocation of his license. Ms. Caldwell seconded the motion. The motion passed unanimously.

Other Business

Mr. Gordy moved that Dr. Calvin Johnson be added to the Board's Advisory Committee. Mr. Deming seconded the motion. The motion passed unanimously.

Mr. Deming inquired about the issue of excessive travel for members of the Helena-West Helena School Board and what, if any, responsibility the State Board might have in resolving that issue. Mr. Simon stated that a report of findings from the audit would be provided to Board members.

Mr. Deming also requested that a report be prepared to reflect the status of home schooling, the numbers of students being taught at home and how the program has changed over the past five years.

Mr. Hackler reported that Dean Dennis Fleniken, representing the Deans of Colleges of Education, and Mr. Richard Hutchison, representing the AEA had requested to speak to the Board on Professional Development. Mr. Gordy moved approval. Mr. Deming seconded the motion. The motion passed unanimously.

Dr. Fleniken appealed to the Board to revisit the rules and regulations governing professional development in which college and university courses completed by teacher could only be counted as three clock hours per semester course toward the 30-hour professional development requirement. He observed that a three-semester hour course required a minimum of 45 clock hours of class time plus outside work and assignments. His recommendation is that a course should be allowed to count for at least one-half (15 hours) of the professional development requirement. He supported the need for teachers attending quality professional development such as provided in Smart Start, Smart Step

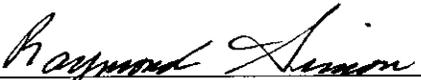
and others provided by various sources, but only allowing three hours per college course discouraged teachers from continuing education.

Mr. Hutchinson reiterated his similar appeal as stated at the July Board meeting.

Mr. Simon responded that it was time for the professional development rules and regulations to be revisited. He committed to bring a group together to review the professional development rules and regulations by October.

Ms. Hillman moved adjournment. Mr. Deming seconded the motion. The meeting adjourned at 11:30 a.m.

Minutes were recorded and reported by Dr. Charles D. Watson.



Raymond Simon, Director



Robert Hackler, Chairman