

**TO:** Board Members  
**FROM:** Dr. Charles Watson  
**DATE:** July 11, 2003  
**SUBJECT:** Teleconference

Please schedule the following teleconference:

Auditorium of the Department of Education

Monday, July 14, 2003 beginning 10:00 a.m.

Dial-in number: 888-271-0949

Participant Code: 873465

The Board Members who are available to participate from the Department of Education Auditorium are encouraged to do so.

**AGENDA**  
**STATE BOARD OF EDUCATION**  
**July 14, 2003**

**TELECONFERENCE**

Originates in Auditorium, Department of Education Building 10:00 a.m.

A – 1 Review of Loan & Bond Applications – Cindy Hedrick

A – 2 Request from Jacksonville Area Residents to Detach from the  
Pulaski County Special School District – Scott Smith

Minutes  
**STATE BOARD OF EDUCATION**  
Telephone Conference Call  
Monday, July 14, 2003

The State Board of Education met via telephone conference call on Monday, July 14, 2003. JoNell Caldwell, Chairman called the meeting to order at 10:00 a.m. Dr. Charles Watson sounded the roll and declared a majority of Board members were present.

Board members reporting present: JoNell Caldwell, Chairman; Shelby Hillman, Vice Chairman; Luke Gordy; Robert Hackler; Randy Lawson; MaryJane Rebick; and Jeanna Westmoreland.

Board members not present: Dr. Calvin King and Diane Tatum.

Ms. Caldwell welcomed Randy Lawson from Bentonville as a new Board member. She also noted that Diane Tatum from Pine Bluff has been appointed to the Board, Ms. Tatum was unavailable for this telephone conference call.

**Review of Loans and Bonds Applications**

Cindy Hedrick was recognized to present this issue. Ms. Hedrick indicated that the Board packet included information from schools requesting funds from the revolving loan fund and requests for permission to issue or reissue bonds supporting financing or refinancing of district projects. She also noted that each of the requests was reviewed and approved by the ADE Loans and Bonds Review Committee. Ms. Hedrick stated that the Committee reported a do pass for each of the requests presented.

Ms. Rebick questioned the wisdom and policy for approving the request from a school that would incur additional debt when the school has just been placed in fiscal distress. This question specifically referred to the request from Greenland School District. Ms. Hedrick deferred response to Hazel Burnett who works more closely with the schools in fiscal distress. Ms. Rebick stated that, in her opinion, any school in fiscal distress should not be assuming new debt and for the Board to approve this request would be contributing to further decreasing the school's balances, which got them into fiscal distress.

Ms. Rebick inquired as to the types of projects that would be covered under the request by the Greenland School District. Hazel Burnett, Department of Education staff, reported that all but \$80,000 was proposed for refurbishing and refinancing existing debt. She further indicated that \$80,000 was slated for a "safe room" with all but \$20,000 federal matching dollars. No other new work was proposed.

Options were discussed that might allow the Greenland District to proceed with refinancing, but deny any new commitment for capital funds. Another option suggested denying the entire request from Greenland until additional information could be made available. Mr. Simon suggested that denying the total request would preclude the District from taking advantage of lower interest rates to restructure some of its existing debt.

Ms. Rebick moved accepting the Department's report to approve all requests as presented except from Greenland. The motion continued to approve the request from Greenland as proposed except the part of the proposal that would be considered as new debt. (The motion denied approval of any action that would cause the district to incur any new debt.) Mr. Gordy seconded the motion. The motion was adopted unanimously.

**Request from Jacksonville Area Residents to Detach from the Pulaski County Special School District**

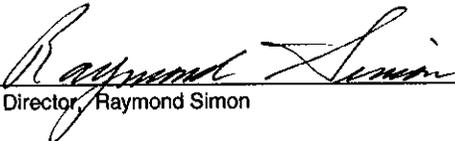
*The full text of the deliberations of this item is found in the transcript submitted by the Court Recorder. This excerpt captures the actions of the Board pursuant to this request.*

Scott Smith proposed a procedure under which the proceedings would transpire. Ms. Hillman moved acceptance of Mr. Smith's recommended proceedings. Mr. Hackler seconded the motion. The motion was adopted unanimously.

Following presentations from all interested parties with rebuttal, Mr. Gordy moved that in view of valid petitions from the proposed detachment area and the response of the Arkansas Attorney General, the State Board of Education shall order a detachment election in the area as proposed. Mr. Hackler seconded the motion. The motion was adopted unanimously.

Ms. Hillman moved adjournment. Mr. Hackler seconded the motion. The motion was adopted unanimously. The meeting adjourned at 11:55 a.m.

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

  
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Director, Raymond Simon

  
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JoNeil Caldwell, Chair