



AGENDA STATE BOARD OF EDUCATION

May 12, 2008

Arkansas Department of Education
Auditorium, State Education Building
9:00 AM

Chair's Report – Diane Tatum
Commissioner's Report – Dr. T. Kenneth James

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Reports

Report-1 Arkansas Leadership Academy Master Principal's Institute

The Arkansas Leadership Academy's Master Principal Institute, a rigorous three-year training curriculum that provides bonuses upon successful completion, is pleased to recognize the second group of principals to complete the training program. Master Principals will receive a \$9,000 per year bonus for five years upon earning the designation. They are eligible for an additional \$25,000 per year for five years if they are selected to serve at a low-performing school.

Presenter: Dr. Beverly Elliott and Dr. Ken James

Report-2 Report from Cooperative Agreement with HANBAN to Provide Faculty to Teach Chinese in Arkansas Schools

Arkansas universities have no programs in which students can pursue teaching licenses in Chinese language, making it difficult for Arkansas school districts to find faculty to teach Chinese to their students. In February, Assistant Commissioner Beverly Williams, Coordinator of Teacher Quality Barbara Culpepper, and Director of Communications Julie Johnson Thompson traveled to China with Dr. Hui Wu, director of the Confucius Institute at the University of Central Arkansas, to design an arrangement with HANBAN to send teachers of Chinese to Arkansas for the 2008-09 and 2009-10 school years. Upon signing of the agreement, the ADE contingent interviewed 19 candidates. Up to seven of these will come to Arkansas this summer, undergo training, and become teachers in Arkansas school districts.

Presenter: Beverly Williams and Julie Thompson

Report-3 2007 Arkansas School Performance Report (Report Card)

The Arkansas Department of Education is pleased to provide the 2007 Arkansas School Performance Report (Report Card). This publication contains detailed statistical information about public schools in Arkansas. The purpose of the Arkansas School Performance Report is to generally improve public school accountability, to provide benchmarks for measuring individual school improvement, and to empower parents and guardians of children enrolled in Arkansas public schools by providing them with the information to judge the quality of their schools. The Arkansas Department of Education annually publishes a school performance report for each individual public school in the state, and distributes the report to every parent or guardian of a child in kindergarten through grade twelve (K-12) in the public schools of Arkansas. The annual school performance report is based on reliable statistical information uniformly required to be collected and submitted by each local school district to the department, published in a format that can be easily

understood by parents or guardians who are not professional educators, and distributed to the parents or guardians of children enrolled in the public schools via the postal service. Individual school reports are also made available via the Internet. Statistical information in the Arkansas School Performance Report is organized into the following seven national accountability indicators:

1. ACHIEVEMENT
2. ACCESS
3. RETENTION
4. DISCIPLINE
5. DEMOGRAPHICS
6. CHOICE
7. ECONOMIC

What's new in the 2007 Arkansas School Performance Report (Report Card) is attached as a separate document. By Arkansas Statutes § 6-15-1401-1402, the Arkansas Department of Education shall issue the annual school performance report no later than March 15 of each school year.

Presenter: Dr. Charity Smith

Consent Agenda

C-1 Minutes April 21, 2008

Presenter: Dr. Charles Watson

C-2 Report on Waivers to School Districts for Teachers Teaching Out of Area for longer than Thirty (30) Days, Act 1623 of 2001.

Act 1623 of 2001 requires local school districts to secure a waiver when classrooms are staffed with unlicensed teachers for longer than 30 days. Waiver requests were received from 25 school districts covering a total of 33 positions. None of these requests were from a district in academic distress. These requests have been reviewed, either approved or denied by Department Staff and are consistent with program guidelines.

Presenter: Beverly Williams

C-3 Commitment to Principles of Desegregation Settlement Agreement: Report on the Execution of the Implementation Plan

By the Court Order of December 1, 1993, the Department of Education is required to file a monthly Project Management Tool (PMT) to the court and the parties to assure its commitment to the Desegregation Plan. This report describes the progress the ADE has made since March 15, 1994, in complying with the provisions of the Implementation Plan (Plan) and itemizes the ADE's progress against the timelines presented in the Plan. The May report summarizes the PMT for April.

Presenter: Dr. Charity Smith/Willie Morris

C-4 Newly Employed, Promotions and Separations

The applicant data from this information is used to compile the Applicant Flow Chart forms for the Affirmative Action Report, which demonstrates the composition of applicants through the selecting, hiring, promoting and terminating process.

Process

To communicate to the members of the State Board on monthly personnel actions.

Bibliography

The information is needed to measure the effectiveness of our recruitment, hiring and promotion efforts and is in conformity with federal government guidelines, which require us to compile statistical information about applicants for employment.

Presenter: Ms. Beverly Williams Ms. Clemetta Hood

C-5 Consideration of Request for Waiver of Two (2) Instructional Days for Cedar Ridge School District

Cedar Ridge School District requests a waiver of the required instructional days due to extreme conditions caused in the surrounding communities within the district boundaries as a result of flooding and other inclement weather in March and April. Although the district made attempts to hold school during some of the severe flooding, due to the communities involved, many bus routes could not be run. The district has already implemented the inclement weather make-up policy by attending on a holiday and added remaining days to the existing 2007-2008 calendar. The Department recommendation is to grant a waiver of two (2) days.

Presenter: Annette Barnes

C-6 Consideration of Request for Waiver of Three (3) Days by Deer/Mt. Judea School District

Deer/Mt. Judea School District Requests a waiver of three (3) instructional days for the Mt. Judea campus due to flooding conditions in March and April. The district has exhausted the days built into the calendar for inclement weather and reduced the scheduled spring break from five (5) days to two (2). The remaining missed days due to traditional inclement weather have been added to the existing 2007-2008 calendar. The Department recommendation is to grant a waiver of three (3) days.

Presenter: Annette Barnes

C-7 Consideration of Request for Waiver of Two (2) Instructional Days by Salem School District

Salem School District requests a waiver of two (2) instructional days due to flooding April 10-11, 2008. The district has missed a total of nine (9) instructional days and implemented the district policy of adding days to the existing 2007-2008 calendar for those missed due to traditional inclement weather. The Department recommendation is to grant a waiver of two (2) days.

Presenter: Annette Barnes

C-8 Consideration of Request for Waiver of One Day by Calico Rock School District due to Flooding

The Calico Rock School District requests one (1) additional day due to flooding April 11, 2008. Previously, the Board granted a waiver of one day in its April meeting. The Department recommendation is to grant a waiver of one (1) additional day, making a total of two (2) of the 178 student-teacher interaction days being waived from the 2007-2008 calendar.

Presenter: Annette Barnes

C-9 Consideration of Request for Waiver of One Day by Cedarville School District

Cedarville School District requests a waiver of one instructional day due to flooding April 10, 2008. After utilizing its previously built in inclement weather day, the remaining missed days have been added to the end of the existing 2007-2008 calendar. The Department recommendation is to grant a waiver of one (1) day.

Presenter: Annette Barnes

C-10 Consideration of Request for Waiver of Two Days by Huntsville School District due to Flooding

The Huntsville School District requests a waiver of two (2) instructional days due to flooding April 10-11, 2008. The district has already exhausted the six (6) inclement weather days previously built into the 2007-2008 calendar. The Department recommendation is to grant a waiver of two (2) days.

Presenter: Annette Barnes

C-11 Consideration of Request for Waiver of One Day by Norfolk School District due to Flooding

The Norfolk School District Requests a waiver of one (1) instructional day due to flooding April 10, 2008. The district missed a total of six (6) days due to inclement weather and added the additional days to the existing 2007-2008 calendar. The Department recommendation is to grant a waiver of one (1) day.

Presenter: Annette Barnes

C-12 Consideration of Request for Waivers for Individual Schools within the Pulaski Co. School District

The following schools in the Pulaski County Special School District incurred damage and power outage as a result of a tornado that moved through central Pulaski County on April 3, 2008. The Department recommends a waiver of one (1) instructional day for each of the following schools in the Pulaski County District: Northwood Middle School, Cato Elementary School, Sylvan Hills Middle School and Sylvan Hills Elementary School.

Due to the severity of damage to Sylvan Hills High School, classes could not resume until April 11, 2008. The Department recommendation is to grant a waiver of four (4) instructional days for SHHS.

No other schools in the Pulaski County Special School District were impacted.

Presenter: Annette Barnes

C-13 Consideration of Request for Waiver of Three Days by Searcy County School District due to Flooding

The Searcy County School District Requests a waiver of three (3) instructional days due to floods in March and April. The district has missed a total of eight (8) days due to inclement weather and is making up five (5) days by utilizing the day previously built into the 2007-2008 calendar and attending on holidays to include Memorial Day. The Department recommendation is to grant a waiver of three (3) days.

Presenter: Annette Barnes

C-14 Consideration of Request for Waiver of One Day by Shirley School District due to Flooding

At the April 21, 2008, meeting, the Board granted a waiver of one instructional day to the Shirley School

District due to tornado damage.

The Shirley School District requests a waiver for one (1) additional instructional day due to flooding that occurred on April 10, 2008. The Department recommends approval of the waiver of one (1) additional instructional day.

Presenter: Annette Barnes

C-15 Consideration of Request for Waivers of Four Days by Twin Rivers School District due to Extreme Inclement Weather

Twin Rivers School District requests a waiver to the instructional days due to extreme inclement weather in January, February, March and April. Currently ten (10) days will have to be added to the end of the existing 2007-2008 calendar. Superintendent Gilliland has expressed great concern that due to personnel policy regulations, it is almost impossible to adjust the calendar at this time of year and more than 50 % of the teaching staff has scheduled make-up professional development days beginning the first week in June. This would cause difficulty in securing ample substitutes. My recommendation is to grant a waiver of four (4) instructional days.

Presenter: Annette Barnes

C-16 Consideration of Request for Waiver of Two Days by Viola School District due to Flooding

Viola School District was granted a waiver of one (1) instructional day at the April 21 Board meeting. Subsequently, the district requests two (2) additional days due to flooding April 10-11, 2008. The district has missed a total of thirteen (13) days due to inclement weather. The Department recommendation is to grant a waiver of two (2) additional instructional days, making a total of three (3) of the 178 student-teacher interaction days being waived from the 2007-2008 calendar.

Presenter: Annette Barnes

Action Agenda

A-1 Appeal to State Board Regarding Fiscal Distress Identification and Classification by Mineral Springs School District

The Department notified Mineral Springs School District by certified mail on February 29, 2008, that they had been identified as being in Fiscal Distress and that the Department would request on April 21, 2008, that the State Board classify this district as being in Fiscal Distress. The district had thirty days to appeal the classification to the State Board.

Mineral Springs School District filed a letter of appeal. At the April 21, 2008, Board meeting, a decision on the classification of Mineral Springs School District was postponed until the May 12 Board meeting.

Presenter: Dr. Bobbie Davis

A-2 Review of District Conversion Charter School: Raider Open-Door Academy, Jonesboro, AR

RaiderOpen-Door Academy is a 5-8 Conversion Charter located in Jonesboro, Arkansas. The State Board approved the charter for Raider Academy in 2003. A five (5) year renewal of the charter was granted in 2006.

The local school board voted on April 15, 2008 to petition the state board for surrender of their charter. On April 25, 2008, the Charter School Office of the Department of Education received a formal request from Mr. James Dunivan,

Superintendent of Nettleton School District, to surrender their charter effective June 30, 2008. This request comes in part due to recruitment difficulty, staff turnover, and social concerns.

The entity is therefore requesting to surrender the charter back to the State.

Presenter: *Dr. Mary Ann D. Brown*

A-3 **Review of Amendment Request of Open-Enrollment Public Charter School: Dreamland Academy of Performing and Communication Arts, Little Rock, AR.**

Dreamland Academy of Performing and Communication Arts, located in Little Rock was granted a charter by the State Board of Education in February of 2006. Their current charter will expire on June 30, 2011. This Open-Enrollment Public Charter School serves grades K - 5 with an enrollment of 232 students.

The Arkansas Department of Education has received a letter from Dreamland Academy to request approval of waivers. Copies of the supporting documentation have been included for review.

The entity is therefore requesting that this amendment of waivers be granted.

Presenter: *Dr. Mary Ann D. Brown and Dr. Carolyn Carter, Dreamland Superintendent*

A-4 **2007-2008 Arkansas Better Chance Program: Request for Approval of Additional Grant Funding**

Pursuant to the authority granted the State Board of Education, the Division of Child Care and Early Childhood Education requests approval of funding for additional ABC grants to be paid this fiscal year.

Presenter: *Paul Lazenby, Assistant Director, DHS DCC-ECE*

A-5 **Consideration for Approval for Public Comment: Proposed Rules Governing End-of-Course Assessments and Remediation**

Act 2243 of 2005 (codified as Ark. Code Ann. §§ 6-15-2009 and 6-15-2010) expanded upon the language in Ark. Code Ann. § 6-15-433 (concerning the statewide assessments) as to End-of-Course Examinations, remediation and the development of an alternative exit course and alternative course exam for use in situations set forth in § 6-15-2010. These proposed rules effectuate the requirements of that Act and set forth specific details and requirements concerning the establishment and implementation of the End-of-Course Examinations and alternative course and exam system, as well as the process for any required remediation.

Presenter: *Scott Smith*

A-6 **Request for Final Approval: Revisions to Arkansas Department of Education Rules Governing Loan and Bond Applications**

The Loan and Bond Applications Rules were promulgated in 2001. The proposed revisions to these rules reflect procedural changes and name changes which have occurred since the adoption of the original rules. A new section (Section 13.00) of the rules has been added concerning loans to "high growth" school districts. Act 995 of 2007 sets forth the specific requirements of the High-Growth School District Loan Program. The Commission for Arkansas Public School Facilities and Transportation will receive the loan applications under the Program, shall make an initial determination as to the district's space needs, and then will forward conforming applications to the Department for its review and decision, pursuant to these rules.

A public hearing was held on March 25, 2008. The Arkansas Department of Education recommends that the State Board of Education grant final approval to the revised Proposed Rules Governing Loan and Bond Applications.

Presenter: Dr Bobbie Davis and Ms. Cindy Hedrick

A-7 Consideration for Final Approval: Proposed Rules Governing Minimum Qualifications for General Business Managers of Public School Districts February 2008

Act 1591 of the 2007 Regular Session established that the requirements of the general business manager of a public school district must meet minimum requirements as established by rules developed by the Department of Education. At its February 11, 2008 meeting the State Board of Education approved proposed rules for public comment. A Public Hearing was held on April 22nd and revisions are being proposed based on the comments received.

Presenter: Bill Goff

A-8 Hearing on Waiver Request for Certified Teacher's License - Deborah Landers

Ms. Landers was convicted of Theft of Property over \$2,500 on August 25, 2005. This is a disqualifying offense pursuant to Ark. Code Ann. § 6-17-410(c)(29). On December 5, 2006, Ms. Landers was notified of the denial of her application for a teacher's license. On January 2, 2007, Ms. Landers submitted a request for a waiver pursuant to Ark. Code Ann. § 6-17-410(f)(1). She appeared before the State Board of Education for a waiver hearing on February 12, 2007, whereupon the Board denied her waiver request by a vote of five-to-one. On April 15, 2008, Ms. Landers through legal counsel, submitted a second request for a waiver with documentation.

The court reporter's transcript and items introduced into the record at the 2007 hearing are resubmitted as the Department's exhibits and are marked as such. Ms. Landers' information is similarly labeled.

Presenter: Scott Smith / Tripp Walter

A-9 Hearing on Revocation of Teacher's License - Chad D. Smith

Mr. Smith held an initial three-year license that expired on April 25, 2008. On March 13, 2008, Mr. Smith pled guilty to the charge of Sexual Assault in the First Degree, a Class A Felony. Pursuant to Ark. Code Ann. § 6-17-410(c)(9), the State Board shall not renew an existing license and shall revoke any existing license not up for renewal for any person who has pled guilty to Sexual Assault in the First Degree. Mr. Smith was notified of the recommendation of revocation of his teacher's license on April 21, 2008, and of his right to a hearing before the State Board on May 12, 2008. Mr. Smith was formerly employed by the Delight School District as a girl's basketball coach.

Presenter: Scott Smith / Tripp Walter

A-10 Hearing on Revocation of Teacher's License - Stephen Rose

Mr. Rose currently holds a standard five-year license valid until December 31, 2008. On April 10, 2008, Mr. Rose was found guilty of Second Degree Battery, a Class C Felony, for injuries he inflicted upon his girlfriend's child. Pursuant to Ark. Code Ann. § 6-17-410(c)(4), the State Board shall revoke any existing license not up for renewal of any person who has been found guilty of Battery in the Second Degree. Mr. Rose was notified of the recommendation of revocation of his teacher's license on April 21, 2008, and of his right to a hearing before the State Board on May 12, 2008. Mr. Rose was formerly employed by the Pulaski County Special School District at the Jacksonville Elementary School as a special education teacher.

Presenter: Scott Smith / Tripp Walter

A-11 Report of Nominating Committee

Board guidelines require a nominating committee report be made at the May meeting. No action is required. Officers for 2008-2009 will be elected in June 2008.

Presenter: Diane Tatum

**Minutes
State Board of Education
Monday, April 21, 2008**

The State Board of Education met on Monday, April 21, 2008, in the Auditorium of the State Education Building. Diane Tatum, Chairman, called the meeting to order at 8:55 a.m.

The following Board members were present: Diane Tatum, Chairman; Randy Lawson, Vice-Chairman; Sherry Burrow; Jim Cooper; Brenda Gullett; Dr. Tim Knight; Dr. Ben Mays; MaryJane Rebick; and Dr. Naccaman Williams.

No Board members were absent.

Chair's Report

Ms. Tatum reported attending the America's Youth Policy Forum, which included a tour of High School Redesign schools in Providence, and meeting with state and local officials in the state of Rhode Island; attendance at an SREB meeting in Atlanta focused on issues related to middle grades schools; and attendance at a task force on higher education retention and graduation rate. She also noted comments from Katie Haycock from the Education Trust complimenting progress of education in Arkansas.

Ms. Gullett reported observation of home school testing in Northwest Arkansas and her facilitation of a meeting to discuss the potential of a new high school facility for the Fayetteville School District.

Commissioner's Report

Dr. James made no report.

Reports

**West Fork High School Two Year Probation On-Campus Standards Review (OSC)
Follow Up Report**

Frank Wimer reported findings from recent visits to West Fork High School, which was cited in probationary status for two consecutive years. He confirmed that the school has removed all issues that caused the school to be classified in probationary status and stated that the campus was in compliance with the

Standards and there are no potential citations for that campus for the 2007-2008 school year.

Consent Agenda

Ms. Rebick stated she was pleased to observe that the Department was refusing many days of requested waivers for missing instructional days as submitted by local districts.

Ms. Burrow moved approval of the Consent Agenda as proposed. Dr. Williams seconded the motion.

- Minutes – March 10, 2008
- Commitment to Principles of Desegregation Settlement Agreement: Report on the Execution of the Implementation Plan
- Newly Employed, Promotions and Separations
- Review of Loan and Bond Applications
- Consideration for Approval of QZAB Allocation Applications
- Report on Waivers to School Districts for Teachers Teaching Out of Area for Longer than Thirty (30) Consecutive Days, Act 1623 of 2001
- Request for a 1 Day Waiver of Instructional Time Due to Inclement Weather – Calico Rock School District
- Request for a 5 Day Waiver of Instructional Time Due to Inclement Weather – Clinton School District - Denied
- Request for a 3 Day Waiver of Instructional Time Due to Tornado Damage – Cotter Public Schools
- Request for a 5 Day Waiver of Instructional Time Due to Tornado Damage and Other Waivers – Highland School District
- Request for a 1 Day Waiver of Instructional Time Due to Tornado Damage – Melbourne School District
- Request for a 1 Day Waiver of Instructional Time Due to Tornado Damage – Shirley School District
- Request for a 1 Day Waiver of Instructional Time Due to Weather – Viola School District
- Request for a 1 Day Waiver of Instructional Time Due to Tornado Damage – Wonderview School District

Action Agenda

(Items one through four were recorded by the Court Reporter and the complete text of the deliberation is available from the State Board Office in the Department of Education.)

Consideration of Petitions from Department of Education Requesting that Helena-West Helena and Midland School Districts be Removed from Fiscal Distress

Dr. Bobbie Davis was recognized to present this item. Dr. Davis stated that each district would be considered individually.

Midland – Dr. Davis noted that the Midland School District has been under State operation for two years. She stated that during that time the management of the district has enabled the district to correct the deficiencies, thus the Department certifies that the deficiencies have been corrected.

Dr. Mays asked about the make-up of the new Midland School Board. The Midland School Board president responded that the new board was a combination of members who were serving before take over and new members. However, he stated that all current board members have completed training sponsored by the Department and the Arkansas School Boards Association.

Dr. Williams asked what will be different. Mr. Wood, President of New School Board, responded that the Board is much more aware of fiscal operations of the district and the board understands school finances and has a working knowledge of day to day operation.

Ms. Gullett asked what happens if for some unforeseen reason the new board fails to keep moving forward. Dr. Davis responded that there is no precedent for that, answers to the question would be dependent on the conditions that caused the district to fail to move forward financially. Ms. Gullett noted that the district appears to continue to lose students. Dr. James noted that at this point the district has a balance; however, decreasing students will continue to cause the district to have less revenue. He observed if such student losses continue, it will be necessary to continue to decrease budgets.

Mr. Cooper moved to accept the Department recommendation to remove Midland School District from fiscal distress and restore local board control of the district as of July 1, 2008. Dr. Knight seconded the motion. The motion was adopted unanimously on a roll-call vote.

Helena-West Helena – Dr. Davis reported that since the Department has managed the Helena-West Helena District, the district has accumulated a balance in excess of \$5.0 million. She did note recent damage by wind, which will require some unexpended costs to repair, but the district will finish the year with a substantial balance. She stated that the Department certifies that the

district meets the criteria for removal from fiscal distress and for restoration of management to the local school board.

Mr. Rudolph Howard, interim superintendent, was commended for his leadership under state management. Mr. Howard affirmed all members of the local board – some reelected some new to the board – have attended training and are better prepared to serve in a leadership role in the district.

Dr. Williams asked about the impact of Teach for America instructors in maintaining quality instruction in the district. Dr. Howard stated it was important to find qualified staff willing to work and live in the district. But until new faculty is found, the two year tenure of Teach for America faculty meets instructional needs.

Ms. Gullett asked how lessons learned in Helena might transfer to other districts to keep a similar event from happening. Dr. James responded that the issues in the Helena-West Helena District are complex and emerged over time. He also noted that there are laws that now preclude some of the actions from occurring – such as contracting and purchasing practices.

Ms. Tatum asked if distance learning were a component of the instructional program. Mr. Howard responded that it was; however, the district needs to hire full –time faculty to meet the instructional needs of secondary students.

Dr. Mays opined that adherence to the State funding formula is key to the success of any district!

Dr. Williams moved approval of the petition to remove Helena-West Helena School District from fiscal distress and to restore local control of the district as of July 1, 2008. Dr. Knight seconded the motion. The motion was adopted unanimously on a roll call vote.

Consideration of Petition Letters from Hughes, Omaha, and Turrell School Districts Requesting Removal from Fiscal Distress Status

Dr. Bobbie Davis was recognized to present these petitions. Dr. Davis stated that each district would be considered separately.

Hughes – Dr. Davis certified that the Hughes District has implemented many cost-saving actions and has adopted Department recommendations to improve the fiscal status and management of the district.

Ms. Rebick moved to approve the petition to remove Hughes School District from fiscal distress as of June 30, 2008. Ms. Burrow seconded the motion. The motion was adopted unanimously.

Omaha – Dr. Davis certified that the Omaha District has implemented many cost saving actions and has adopted Department recommendation to improve the fiscal status and management of the district.

Dr. David Land, superintendent, responded to Board questions. Dr. Mays noted that one cost-saving action was to have athletics pay for transportation. He asked how the cost was calculated. Dr. Land responded by using the rate recommended by transportation office. Dr. Mays asked where the revenue was generated. Dr. Land responded by gate receipts.

Ms. Gullett asked about utilities costs and cost projections. Dr. Land noted the district pays on a monthly basis, but the district does enter into contractual agreements such as for propane and the cost is set annually.

Ms. Gullett moved to accept the petition to remove Omaha School District from fiscal distress as of June 30, 2008. Mr. Cooper seconded the motion. The motion was adopted unanimously.

Turrell – Dr. Davis reported that declining enrollments continue to impact the Turrell district, but they have adopted Department recommendations and thus stabilized declining budget balances. Dr. Davis also noted that the 2007-2008 enrollment has dipped below 350 for the first time.

Mr. Alfred Hogan, Superintendent, (Turrell) discussed the declining enrollment by observing the geographical local of the Turrell district is in the midst of economic development zones such as West Memphis and Jonesboro. He stated hope that residual residential upturn for the district will happen.

Ms. Gullett observed that too often cuts for a district to stay solvent or to balance budgets come on the benefits for teachers and school employees, which is unfortunate.

Ms. Burrow asked about criminal background check on volunteers who work with students in the schools. Mr. Hogan noted that all staff or volunteers who work directly with students have completed background checks.

Dr. Mays asked if there were priorities for finding or identifying cost-saving matters in the districts under consideration for classification for fiscal distress. Dr.

Davis indicated that implementation of the Standards was the first option for working with districts.

Mr. Lawson moved acceptance of the petition for removal from fiscal distress as of June 30, 2008. Dr. Williams seconded the motion. The motion was adopted unanimously.

Classification of Districts in Fiscal Distress

Dr. Bobbie Davis was recognized to present background data relative to the classification of districts in fiscal distress. Dr. Davis noted that in February 2008, the Department identified a total of eight districts as meeting the criteria for classification in fiscal distress. Of those four opted to appeal the classification and those districts will advance their appeal later in the meeting. She reminded the Board that such classification is based on declining balances for three fiscal years, and other criteria as outlined in the Rule. Dr. Davis reviewed a profile for each district.

Concord School District – Superintendent Mike Davidson was present to respond to Board member questions. Mr. Davidson noted that continual decline in student enrollment and liabilities surrounding the annexation of the Wilburn School District contributed to the declining balances.

Ms. Gullett moved to accept the Department recommendation to classify Concord School District in fiscal distress beginning on July 1, 2008. Dr. Knight seconded the motion. The motion was adopted unanimously.

Hartford School District – Superintendent Chris Rink was present to respond to Board member questions.

Mr. Cooper moved to accept the Department recommendation to classify Hartford School District in fiscal distress beginning on July 1, 2008. Ms. Burrow seconded the motion. The motion was adopted unanimously.

Hermitage School District – Superintendent Richard Rankin was present to respond to Board member questions. Mr. Rankin noted his recent employment by the district and reported that actions are currently underway to remove the issues that created the declining balances.

Ms. Gullett moved to accept the Department recommendation to classify Hermitage School District in fiscal distress beginning on July 1, 2008. Dr. Williams seconded the motion. The motion was adopted unanimously.

Murfreesboro School District – Superintendent Dr. Burnie Hellums was present to respond to Board member questions. Dr. Davis noted that one issue related to this district is the coding or miscoding of funds that are received by the district. Dr. Hellums also noted that there are categorical funds held by the district that cannot be used for operation. Ms. Burrow questioned the flexibility of a district to change coding of funds during the year. Dr. Davis responded that districts have some flexibility, but there is a deadline for making any changes in the APSCN financial reporting system.

Ms. Rebick expressed concern that Murfreesboro – and other districts – continue to build or remodel buildings when they are losing students. Dr. James responded that the Facilities Commission monitors that closely.

Dr. Mays asked about expenditures regarding spending funds to support athletics in the district. *(At the request of Dr. Mays, the text of this exchange is attached as an addendum to these Minutes.)*

Ms. Rebick moved to accept the Department recommendation to classify Murfreesboro School District in fiscal distress beginning on July 1, 2008. Mr. Cooper seconded the motion. The motion was adopted unanimously.

Appeals to State Board Regarding Fiscal Distress Identification and Classification

Scott Smith provided the Board with an outline of procedures to be used during appeal proceedings. Dr. Bobbie Davis reviewed the profile for each of the districts and affirmed that the Department recommends each of the following be certified in fiscal distress.

Gentry School District– Superintendent Randy Barrett was recognized to present evidence from the Gentry District. Mr. Barrett confirmed that construction costs, furnishings and technology installations all contributed to the declining balance as did a decline in students in recent years. Dr. Mays asked about other expenditures, specifically \$400,000 plus spent on sports programs. He opined that those expenditures also contributed to the declining balance.

Ms. Rebick moved to deny the appeal and classify the Gentry School District in fiscal distress beginning on July 1, 2008. Dr. Mays seconded the motion. The motion was adopted unanimously on a roll call vote.

Greenland School District– Greenland was represented by Bill Groom, president of the local school board. Mr. Groom stated that issues related to the annexation of the Winslow District, the ultimate closing of those campuses, and former Winslow students opting to attend other districts closer to their home all

contributed to fewer students than planned currently attending Greenland. Mr. Groom stated that a local election was set for June 10 to consider adoption of 2.6 mills for operation. He also noted that cuts were being made in the number of teachers, benefits, and decreasing the number of days of some teachers and administrators contracts.

Ms. Gullett observed that too often when decreasing funds are available, the first cuts come at the expense of teachers and support for teachers and the instructional programs.

Ms. Rebick moved to deny appeal and classify the Greenland School District in fiscal distress beginning on July 1, 2008. Dr. Knight seconded the motion. The motion was adopted unanimously on a roll call vote.

Mineral Springs School District – Superintendent Max Adcock was recognized to present evidence from the Mineral Springs District. Mr. Adcock stated that some of the issue in his district resulted from procedures used by his bookkeepers to revise coding of some expenditures during the school year as funds such as NSLA and some federal funds become available. Dr. Davis acknowledged that new information was provided by Mr. Adcock too late to be reviewed and considered at this meeting.

Mr. Lawson moved to table consideration of this appeal until the May Board meeting at which time the new information provided can be reviewed and provided to the Board. Ms. Burrow seconded the motion. The motion was adopted unanimously.

(Note Ms. Gullett left the meeting leaving eight members present.)

Westside Consolidated School District – Superintendent James Best was recognized to present evidence from the Westside Consolidated School District. Dr. Best raised the issue of decision being made on three data points but spanning only two years. Dr. James noted that the Department developed rules consistent with legislative intent and action adopted in the 2007 session. He continued that the Department has no option but to follow the legislation. Dr. Best affirmed that the district did have a decrease in revenue in the 2005-2006 school year of approximately \$700,000, which was due in part to a decrease in enrollment.

Mr. Cooper asked Dr. Best if the data points for the three years reported were accurate. Dr. Best responded that they were.

Ms. Rebick moved to deny the appeal and certify the Westside Consolidated School District in fiscal distress as of July 1, 2008. Dr. Knight seconded the motion. The motion was adopted unanimously on a roll call vote.

Mr. Cooper and Ms. Burrow acknowledged the quality of the district and the consistently high test scores. They acknowledged the value of working with fiscal advice from the Department, given the declining enrollment and decreasing revenue.

Request for Open-Enrollment Charter School Modification: Covenant Keepers College Preparatory Charter School – Little Rock

Dr. Mary Ann Brown was recognized to present this item. Dr. Brown noted that the administrators of the school have been unable to complete the negotiations for securing and funding the facility as proposed. Dr. Valerie Tatum was recognized to present an alternate proposal. Dr. Tatum and Chris Bell requested an amendment to lease a facility in the same vicinity of the city at a much reduced cost. They noted that building services has visited the site and affirmed it meets code.

Ms. Rebick inquired about the sale of the land as previously proposed. Dr. Tatum indicated that the sale was cancelled before it was completed.

Ms. Burrow moved to approve the alternate facility plan. Dr. Mays seconded the motion. The motion was adopted unanimously.

Consideration for Approval: Additional Licensure Endorsement Area for Algebra Allowing Middle School Mathematics Teachers to Teach Algebra I to Eighth Grade Students

Beverly Williams was recognized to present this item. Ms. Williams reviewed the background data stating that there continues to be a shortage of qualified mathematics teachers, especially at the middle grades level. She reported that this option would provide a new avenue for some middle grade licensed teachers to also be endorsed for middle grade mathematics. She noted that previously all algebra classes must be taught by a highly qualified secondary teacher.

Mr. Lawson moved adoption of the proposal as presented. Mr. Cooper seconded the motion. The motion was adopted unanimously.

Consideration of Recommended Praxis II Exam Cut Score Changes

Beverly Williams was recognized to present this item. Ms. Williams stated that Arkansas currently has some of the lowest adopted pass rates on qualifying Praxis exams in the nation. She noted that these recommended increased cut scores have been reviewed and adopted by the Professional Licensure Standards Board.

Dr. Williams moved adoption of the revised cut scores to become effective September 1, 2008. Dr. Knight seconded the motion. The motion was adopted unanimously.

Consideration for Public Comment: Proposed Revision to Rules Governing Teacher Licensure by Reciprocity

Beverly Williams was recognized to present this item. Ms. Williams reported that these revisions are presented to update the reciprocity options for teachers and to add a section addressing reciprocity for administrator licensure areas.

Mr. Cooper moved adoption for public comment. Ms. Burrow seconded the motion. The motion was adopted unanimously.

Consideration for Approval for Public Comment: Proposed Rules Governing End-of-Course Assessment and Remediation

This item was withdrawn from consideration.

Consideration for Approval for Public Comment: Proposed Rules Governing the Requirement of Schools to Have Automatic External Defibrillators

Scott Smith was recognized to present this item. Mr. Smith stated that this proposed rule is required by legislation and proposes to set parameters for schools when purchases of external defibrillators are purchased, as funds may become available, by local districts.

Ms. Burrow moved adoption for public comment. Dr. Knight seconded the motion. The motion was adopted unanimously.

Consideration for Approval for Public Comment: Proposed Rules Governing the Purchase of Instructional Materials by Arkansas School Districts

Scott Smith was recognized to present this item. Mr. Smith stated that this proposed rule is required by legislation and formalizes procedures under which local districts preview and purchase textbooks and other instructional materials.

He noted that procedures have been in place for some time and these rules will formalize the procedures.

Dr. Mays moved adoption for public comment. Ms. Rebick seconded the motion. The motion was adopted unanimously.

Consideration for Approval for Public Comment: Proposed Rules Governing the Standards for Accreditation of Arkansas Public Schools and School Districts

Scott Smith was recognized to present this item. Mr. Smith outlined new provisions for the standards linked to districts attaining unitary status and for updating as required by other statutes adopted in 2007.

Ms. Rebick asked about the expectations for unitary status. Mr. Smith responded that the districts in Pulaski County were the primary focus as they work toward unitary status.

Ms. Rebick moved approval for public comment. Dr. Williams seconded the motion. The motion was adopted unanimously.

Consideration for Final Approval: Proposed Changes to Rules and Regulations Governing the Arkansas Better Chance Program

Jamie Morrison was recognized to present this item. Ms. Morrison reported that three public meetings were conducted with no opposing comments being received. Minor technical changes were made as a result of comment, but no policy type changes.

Dr. Williams asked about public comment regarding the requirement for all teachers to have a Bachelor's degree. Ms. Morrison responded that it was not an issue at the public comment meetings. Dr. Williams asked if staffing of classes could be an issue. Ms. Morrison stated that currently between 70 and 80 percent of the staff meet the degree requirements.

Mr. Cooper moved approval for final approval. Dr. Knight seconded the motion. The motion was adopted unanimously.

Consideration for Final Approval: Rules Governing the Requirement of a Criminal Background Check for the Employment of Personnel in School Districts

Scott Smith was recognized to present this item. Mr. Smith reported that a public meeting was held, but no comments were received. The document remains unchanged.

Dr. Knight moved final adoption. Dr. Williams seconded the motion. The motion was adopted unanimously.

Consideration for Final Approval: Proposed Rules Governing Criminal Background Checks for Substitute Teachers

Scott Smith was recognized to present this item. Mr. Smith reported that a public meeting was held, but no comments were received. The document remains unchanged.

Mr. Cooper asked about the possibility of private firms doing background checks. Mr. Smith indicated that was not discussed as part of this rule.

Mr. Lawson moved final approval. Ms. Rebick seconded the motion. The motion was adopted unanimously.

Consideration for Final Approval: Arkansas Department of Education Rules for Special Education and Related Services: Procedural Requirements and Program Standards; and, Special Education Eligibility Criteria and Program Guidelines for Children with Disabilities, Ages 2-21

Marcia Harding was recognized to present this item. Ms. Harding stated that during public comment hearings, those participating spoke in support of the proposed changes. She indicated that minor non-technical changes were made, but no policy changes were made since the document was adopted for public comment.

Dr. Williams inquired about staffing requirements under the new rules. Ms. Harding responded that that was a consideration, but the end result seems to indicate that the staffing changes will be very minimal.

Ms. Rebick asked about funding serviced to private schools. Ms. Harding responded that funds are not allocated to private schools.

Ms. Rebick moved final adoption. Dr. Knight seconded the motion. The motion was adopted unanimously.

Consideration of Proposed Annual Improvement (Gains) for Grades 3 – 8 and Report from the Standards Setting Process

Dr. Charity Smith was recognized to present this item. Dr. Smith reported that the proposal under consideration was presented at the previous meeting and no

changes are being recommended. Dr. Smith reported that she and members from the advisory committee have made presentations at national conferences and they have been well received.

Ms. Rebick moved to approve the proposal as presented. Mr. Lawson seconded the motion. The motion was adopted unanimously.

Request Approval of Recommendation to Remove Teacher's License from Suspended Status – Alvin Yarberry, Jr.

Tripp Walter was recognized to present this item. Mr. Walter reported that Mr. Yarberry's license was suspended on February 12, 2007, resulting from documented non-payment of child support. He stated that the Office of Child Support Enforcement has authorized a release of the suspension.

Mr. Lawson moved to remove the suspension status of the teaching license for Alvin Yarberry, Jr. Dr. Williams seconded the motion. The motion was adopted unanimously.

Hearing on Denial of Teacher's License – Clinton Sago

This item was deferred until a later date.

Hearing on Revocation of Teacher's License – Kellie Beasley

Tripp Walter was recognized to present this item. Mr. Walter stated that the Department had met all requirements to contact Ms. Beasley about the recommendation to revoke her license. He reported that there had been no response, nor was Ms. Beasley present or represented.

Dr. Mays moved to permanently revoke the license of Kellie Beasley. Ms. Burrow seconded the motion. The motion was adopted unanimously.

Hearing on Revocation of Teacher's License – David Warner

Tripp Walter was recognized to present this item. Mr. Walter stated that the Department had met all requirements to contact Mr. Warner about the recommendation to revoke his license. He reported that here had been no response, nor was Mr. Warner present or represented.

Ms. Rebick moved to permanently revoke the license of David Warner. Dr. Knight seconded the motion. The motion was adopted unanimously.

Hearing on Revocation of Teacher's License – Amy Hilbun

Tripp Walter was recognized to present this item. Mr. Walter stated that the Department had met all requirements to contact Ms. Hilbun about the recommendation to revoke her license. He reported that there had been no response, nor was Ms. Hilbun present or represented.

Dr. Knight moved to permanently revoke the license of Amy Hilbun. Mr. Cooper seconded the motion. The motion was adopted unanimously.

Public Comment

The following individuals address the Board regarding issues emanating from the Marvel and Elaine communities regarding safety and transportation linked to the Marvel School District.

Calvin Frierson
Lucien Webster
Xzavior Johnson

Dr. Mays requested that the May meeting contain the opportunity for the Board to discuss issues related to adequacy and the public school funding formula and to clarify legislative expectations for the Board related to closing the gap between standards and adequacy.

Mr. Lawson moved adjournment. Dr. Williams seconded the motion. The motion was adopted unanimously.

The meeting adjourned at 4:10 p.m.

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

ATTACHMENT
State Board of Education Minutes
April 21, 2008

The following discussion on adequacy is included as an attachment to the Minutes at the request of Board member Dr. Ben Mays. This discussion is excerpted from the questions directed to Dr. Bernie Hellums, superintendent of the Murfreesboro School District, during the question/answer session regarding classification of Murfreesboro in fiscal distress.

Mays: On your athletics expenditure report you state that the district spent \$219,000 for athletics expenditures last year. That calculates to \$428 per student. The funding formula did not include money for athletics except for a \$50 stipend for sponsors serving in extra curricular activities. How can you spend \$428 per student for a program that is not funded and take that money away from academic programs that are legitimate academic programs funded under the adequacy formula?

Hellums: Those issues are somewhat being addressed by the proposed changes being made for next year. We're eliminating the softball program and eliminating some coaching assignments. This issue may also be related to coding. All coaches spend time in the academic program, which includes physical education and health instruction. We do have a great sports program.

Mays: How can you spend \$428 per student on athletics and adequately fund the academic program.

Hellums: You cannot.

Mays: What happens to adequacy when that happens?

Hellums: I cannot tell you in general, but I can tell you about Murfreesboro since I became superintendent. I am serious about academics. I am a former classroom teacher of advanced mathematics and calculus. I believe in the academic program and I also know how important the sports program is to the school. When programs are inherited, it takes a long time to make changes.

Mays: From your expertise as a superintendent, I'm trying to get an answer to the question about what happens to adequacy when funds are used on programs that are not included under adequacy.

Hellums: That is going to have to be addressed. One of the tasks for the district next year will be to look at program costs. Also, the district will need to examine APSCN coding to determine if some items are coded wrong.

Waivers Requested for Teachers Teaching Out of Area
May 2008

LEA	District	Teacher	License Area 1	License Area 2	License Area 3	Out of Area	Granted/ Denied
47-01	Ashdown SD	Martin, Bruce	Counseling			English	Granted
32-01	Batesville SD	Roepcke, Jeanne	Gifted/Talented	Elementary 1-6	Middle Childhood	Drama/Speech	Granted
12-01	Crossett SD	Parker, Dora	Elementary (1-6)			Middle Childhood	
67-01	DeQueen SD	Hall, Lacey	Art P-12			Education	Granted
01-01	DeWitt SD	Danner, Heather	MS Language Arts			Survey of Fine Arts	Granted
						Library Media	Granted
	Dreamland Academy						
	Charter School	Carter, William	PE/Wellness/Leisure			Bldg. Level Adm.	Denied
72-03	Fayetteville SD	Hudson, Katherine	Social Studies			Gifted & Talented	Granted
41-02	Foreman SD	Hill, Nathan	NO LICENSE			Social Studies	Denied
			Physical Education				
08-03	Green Forrest SD	Sanders, Jo Ellen	7-12	Life/Earth Science		5th/6th Endorsement	Denied
52-05	Harmony Grove SD	Taylor, Jana	Social Studies			Oral Communications	Granted
05-03	Harrison SD	Jones, Pamela	ECE P-4	Elementary K-6	Guidance Elem.	Curriculum Program	Granted
12-02	Heber Springs SD	Cardenas, Melissa	Middle Childhood			Special Education	Granted
		Jernigan, Traci	PE K-12	Coaching	Social Studies	Music	Granted
38-04	Hoxie Public SD	Vancil, Andrea	Health	Physical Education		Life/Earth Science	Granted
43-01	Lonoke SD	Murtha, Sheryl	English 7-12	Journalism		Drama/Speech	Granted
66-06	Mansfield SD	Smith, Robert	Social Studies			Special Education	Granted
			Agricultural				
47-13	Osceola SD	Barr, Joey	Science			Life/Earth Science	Granted
		Collard, Billie	ECE P-4			PE/Wellness/Leisure	Granted
		Rhoads, Pam	Business & Technology			School Counselor	Granted

Waivers Requested for Teachers Teaching Out of Area
May 2008

LEA	District	Teacher	License Area 1	License Area 2	License Area 3	Out of Area	Granted/ Denied	
57-06	Ouachita River SD	1 Kieren, Sallie	English 7-12 Middle Childhood	Social Studies		Drama/Speech	Granted	
61-03	Pocahontas SD	1 Housh, Eric	Education	Coaching		PE/Wellness/Leisure	Granted	
35-05	Pine Bluff SD	1 Kimball, Robert	PE/Wellness/Leisure re 7-12			PE/Wellness/Leisure	Granted	
12-03	Quitman SD	1 Thomas, Joy	ECE P-4	MS Social Studies		Gifted & Talented	Denied	
Rainbow of Challenges School of Hope								
37-01	Hope	1 Wright, Mendy	ECE P-4	Elem. K-6		Special Education	Granted	
27-05	Sheridan SD	1 Nowlin, Whitney	ECE P-4	MS Social Studies		Library Media	Granted	
56-05	Trumann SD	2 Lynch, Justin Renshaw, Shawn	Middle Childhood ECE P-4			Special Education School Counselor	Granted Granted	
18-05	Turrell School District	2 Hobbs, Charles E. Williams, Susan	Physical Education MS Math	Driver Education Endorsement (7- 12)		Middle Childhood Math/Science Mathematics	Granted Granted	
18-03	West Memphis SD	1 McClure, Annette	Middle School English	Social Studies (5- 8)	Elementary 1-6	Gifted & Talented	Granted	
25 School Districts		30	Waivers Requested				Waivers Granted	26
							Waivers Denied	4
							Total Waivers	30

**ADE'S PROJECT MANAGEMENT TOOL EXECUTIVE SUMMARY
APRIL 30, 2008**

This document summarizes the progress that ADE has made in complying with the provisions of the Implementation Plan during the month of April 2008.

IMPLEMENTATION PHASE ACTIVITY	PMT EXECUTIVE SUMMARY AS OF APRIL 30, 2008
<i>I. Financial Obligation</i>	<p>As of March 31, 2008, State Foundation Funding payments paid for FY 07/08 totaled \$48,263,663 to LRSD, \$25,950,674 to NLRSD, and \$38,709,288 to PCSSD. The Magnet Operational Charge paid as of March 31, 2008, was \$11,106,390. The allotment for FY 07/08 was \$15,240,298. M-to-M incentive distributions for FY 07/08 as of March 31, 2008, were \$3,159,491 to LRSD, \$2,328,742 to NLRSD, and \$6,860,520 to PCSSD. In September 2007, General Finance made the first one-third payment to the Districts for their FY 07/08 transportation budget. As of September 30, 2007, transportation payments for FY 07/08 totaled \$1,401,197 to LRSD, \$409,917 to NLRSD, and \$1,127,985 to PCSSD. In July 2007, 16 new Magnet and M-to-M buses were delivered to the districts in Pulaski County. Finance paid Central States Bus Sales \$1,036,115. In March 2008, a bid for 16 new Magnet and M-to-M buses was awarded to Central States Bus Sales. The buses for the LRSD include 8 - 65 passenger buses for \$66,405.00 each. The buses for the NLRSD include 1 - 65 passenger bus with a wheelchair lift for \$72,850.00 and 1 - 47 passenger bus with a wheelchair lift for \$70,620.00. The buses for the PCSSD include 2 - 65 passenger buses for \$66,405.00 each, 2 - 47 passenger buses for \$65,470.00 each and 2 - 47 passenger buses with wheelchair lifts for \$70,620.00 each. The total amount was \$1,079,700.00. In July 2007, Finance paid the Magnet Review Committee \$92,500. This was the total amount due for FY 07/08. In July 2007, Finance paid the Office of Desegregation Monitoring \$200,000. This was the total amount due for FY 07/08.</p>

IMPLEMENTATION PHASE ACTIVITY	PMT EXECUTIVE SUMMARY AS OF APRIL 30, 2008
<i>II. Monitoring Compensatory Education</i>	<p>On April 10, 2008, the ADE Implementation Phase Working Group met to review the Implementation Phase activities for the previous quarter. Mr. Willie Morris, ADE Lead Planner for Desegregation, updated the group on all relevant desegregation issues. House Bill 1829 that passed in 2007, allowed Pulaski County districts to be reimbursed for legal fees incurred for seeking unitary or partial unitary status if they are declared unitary or at least partially unitary by the federal district court no later than June 14 of 2008. Act 2 was passed in the special legislative session that started March 31, 2008. This extends the deadline for unitary status to be reimbursed for legal fees from June 14 to December 31. Also discussed in the Implementation Phase meeting was the push by Jacksonville residents to establish a Jacksonville School District. On April 15, 2008, the PCSSD School Board voted 4-2 against letting Jacksonville leave the district. In 2003, U. S. District Judge Bill Wilson Jr., stopped an election in Jacksonville on forming an independent district. He said that taking Jacksonville out of the PCSSD would hinder efforts to comply with the court approved desegregation plan. A request by the PCSSD for unitary status is pending in federal district court. The next Implementation Phase Working Group Meeting is scheduled for July 10, 2008 at 1:30 p.m. in room 201-A at the ADE.</p>
<i>III. A Petition for Election for LRSD will be Supported Should a Millage be Required</i>	Ongoing. All court pleadings are monitored monthly.
<i>IV. Repeal Statutes and Regulations that Impede Desegregation</i>	<p>In July 2007, the ADE sent letters to the school districts in Pulaski County asking if there were any new laws or regulations that may impede desegregation. The districts were asked to review laws passed during the 86th Legislative Session, and any new ADE rules or regulations.</p>
<i>V. Commitment to Principles</i>	<p>On April 21, 2008, the Arkansas State Board of Education reviewed and approved the PMT and its executive summary for the month of March.</p>

IMPLEMENTATION PHASE ACTIVITY	PMT EXECUTIVE SUMMARY AS OF APRIL 30, 2008
<i>VI. Remediation</i>	In February of 2008, ADE staff provided District Test Coordinator Training at the School for the Blind in Little Rock. Eight staff members from the LRSD, two staff members from the NLRSD and two staff members from the PCSSD attended.
<i>VII. Test Validation</i>	On February 12, 2001, the ADE Director provided the State Board of Education with a special update on desegregation activities.
<i>VIII. In-Service Training</i>	A Tri-District Staff Development Committee meeting was held on February 5, 2008. Staff from PCSSD, NLRSD, LRSD and the ADE attended. The Director of Professional Development for the LRSD handed out a list of the dates and topics for eleven days of professional development. Topics included classroom management, school improvement, curriculum preparation, Next Step, Arkansas history, ESL, interventions for diverse learners, AEA, ACT, technology, parental involvement and health/physical activity. Flex days, make up sessions, and tracking professional development hours were discussed.
<i>IX. Recruitment of Minority Teachers</i>	In February 2008, the ADE Office of Professional Licensure mailed a list of the fall 2007 minority teacher graduates from reporting colleges and universities to all the Pulaski County school districts.

IMPLEMENTATION PHASE ACTIVITY	PMT EXECUTIVE SUMMARY AS OF APRIL 30, 2008																																																																																																																																												
<p><i>X. Financial Assistance to Minority Teacher Candidates</i></p>	<p>Collin Callaway of the Arkansas Department of Higher Education reported minority scholarships for Fiscal Year 2007-2008 on October 15, 2007. These included the State Teacher Assistance Resource (STAR) Program, the Minority Teacher Scholars (MTS) Program, and the Minority Masters Fellows (MMF) Program. The scholarship awards for STAR are as follows:</p> <table border="1"> <thead> <tr> <th>STAR</th> <th>Male</th> <th>Male</th> <th>Female</th> <th>Female</th> <th>Total</th> <th>Total</th> </tr> <tr> <th>Race</th> <th>Count</th> <th>Award</th> <th>Count</th> <th>Award</th> <th>Count</th> <th>Award</th> </tr> </thead> <tbody> <tr> <td>White</td> <td>58</td> <td>264,000</td> <td>328</td> <td>1,402,500</td> <td>386</td> <td>1,666,500</td> </tr> <tr> <td>Black</td> <td>10</td> <td>51,000</td> <td>29</td> <td>136,500</td> <td>39</td> <td>187,500</td> </tr> <tr> <td>Hispanic</td> <td></td> <td></td> <td>4</td> <td>18,000</td> <td>4</td> <td>18,000</td> </tr> <tr> <td>Native Amer</td> <td>1</td> <td>3,000</td> <td>1</td> <td>6,000</td> <td>2</td> <td>9,000</td> </tr> <tr> <td>Other</td> <td>4</td> <td>21,000</td> <td>11</td> <td>42,000</td> <td>15</td> <td>63,000</td> </tr> <tr> <td>Totals</td> <td>73</td> <td>339,000</td> <td>373</td> <td>1,605,000</td> <td>446</td> <td>1,944,000</td> </tr> </tbody> </table> <p>The scholarship awards for MTS are as follows:</p> <table border="1"> <thead> <tr> <th>MTS</th> <th>Male</th> <th>Male</th> <th>Female</th> <th>Female</th> <th>Total</th> <th>Total</th> </tr> <tr> <th>Race</th> <th>Count</th> <th>Award</th> <th>Count</th> <th>Award</th> <th>Count</th> <th>Award</th> </tr> </thead> <tbody> <tr> <td>Black</td> <td>7</td> <td>35,000</td> <td>28</td> <td>137,500</td> <td>35</td> <td>172,500</td> </tr> <tr> <td>Hispanic</td> <td></td> <td></td> <td>6</td> <td>30,000</td> <td>6</td> <td>30,000</td> </tr> <tr> <td>Asian</td> <td></td> <td></td> <td>2</td> <td>10,000</td> <td>2</td> <td>10,000</td> </tr> <tr> <td>Native Amer</td> <td></td> <td></td> <td>4</td> <td>20,000</td> <td>4</td> <td>20,000</td> </tr> <tr> <td>Totals</td> <td>7</td> <td>35,000</td> <td>40</td> <td>197,500</td> <td>47</td> <td>232,500</td> </tr> </tbody> </table> <p>The scholarship awards for MMF are as follows:</p> <table border="1"> <thead> <tr> <th>MMF</th> <th>Male</th> <th>Male</th> <th>Female</th> <th>Female</th> <th>Total</th> <th>Total</th> </tr> <tr> <th>Race</th> <th>Count</th> <th>Award</th> <th>Count</th> <th>Award</th> <th>Count</th> <th>Award</th> </tr> </thead> <tbody> <tr> <td>Black</td> <td>2</td> <td>8,750</td> <td>27</td> <td>125,000</td> <td>29</td> <td>133,750</td> </tr> <tr> <td>Asian</td> <td></td> <td></td> <td>2</td> <td>11,250</td> <td>2</td> <td>11,250</td> </tr> <tr> <td>Totals</td> <td>2</td> <td>8,750</td> <td>29</td> <td>136,250</td> <td>31</td> <td>145,000</td> </tr> </tbody> </table>	STAR	Male	Male	Female	Female	Total	Total	Race	Count	Award	Count	Award	Count	Award	White	58	264,000	328	1,402,500	386	1,666,500	Black	10	51,000	29	136,500	39	187,500	Hispanic			4	18,000	4	18,000	Native Amer	1	3,000	1	6,000	2	9,000	Other	4	21,000	11	42,000	15	63,000	Totals	73	339,000	373	1,605,000	446	1,944,000	MTS	Male	Male	Female	Female	Total	Total	Race	Count	Award	Count	Award	Count	Award	Black	7	35,000	28	137,500	35	172,500	Hispanic			6	30,000	6	30,000	Asian			2	10,000	2	10,000	Native Amer			4	20,000	4	20,000	Totals	7	35,000	40	197,500	47	232,500	MMF	Male	Male	Female	Female	Total	Total	Race	Count	Award	Count	Award	Count	Award	Black	2	8,750	27	125,000	29	133,750	Asian			2	11,250	2	11,250	Totals	2	8,750	29	136,250	31	145,000
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<p><i>XI. Minority Recruitment of ADE Staff</i></p>	<p>The MRC met on October 9, 2007 at the ADE. Demographic reports were presented that showed ADE employees grade 21 and above by race and section as of June 30, 2007 and September 30, 2007. A spreadsheet was handed out that showed for grade 21 and above the number and percentage of black, white, and other race employees in each unit of the ADE. After reviewing the September report, it was determined that it needs some corrections. A new September report will be handed out after the changes have been made.</p>																																																																																																																																												

IMPLEMENTATION PHASE ACTIVITY	PMT EXECUTIVE SUMMARY AS OF APRIL 30, 2008
<i>XII. School Construction</i>	This goal is completed. No additional reporting is required.
<i>XIII. Assist PCSSD</i>	Goal completed as of June 1995.
<i>XIV. Scattered Site Housing</i>	This goal is completed. No additional reporting is required.
<i>XV. Standardized Test Selection to Determine Loan Forgiveness</i>	Goal completed as of March 2001.
<i>XVI. Monitor School Improvement Plans</i>	<p>On April 4, 2008, ADE staff provided technical assistance with ACSIP at the Instructional Resource Center (IRC) in the LRSD.</p> <p>On April 2, 2008, ADE staff conducted a training session for district staff at the NLRSD Central Office. Training included developing and revising ACSIP plans, spring team visits, monitoring, audit inclusions and district improvement.</p> <p>On March 6, 2008, ADE staff met with the principal and the ACSIP chair at Wilbur D. Mills High in the PCSSD. Provided technical assistance with the school improvement plan. Reviewed the school's preparations for their peer review visit.</p> <p>On March 6, 2008, ADE staff met with the principal and the school's leadership team at Arnold Drive Elementary in the PCSSD. Provided technical assistance with the school improvement plan. Reviewed the school's preparations for their peer review visit.</p> <p>On March 10, 2008, ADE staff met with the school's leadership team at Murrell Taylor Elementary in the PCSSD. Provided technical assistance with the school improvement plan.</p> <p>On March 10, 2008, ADE staff met with the principal and the school's leadership team at Jacksonville Elementary in the PCSSD. Provided technical assistance with the school improvement plan. Reviewed the school's preparations for their peer review visit.</p> <p>On March 14, 2008, ADE staff met with the school's acting principal at Bayou Meto Elementary in the PCSSD. Provided technical assistance with the school improvement plan.</p> <p>On March 19, 2008, ADE staff met with the school's faculty at Fuller Middle in the PCSSD. Provided technical assistance with the school improvement plan.</p>

IMPLEMENTATION PHASE ACTIVITY	PMT EXECUTIVE SUMMARY AS OF APRIL 30, 2008
<i>XVII. Data Collection</i>	<p>The ADE Office of Public School Academic Accountability has released the 2007 Arkansas School Performance Report (Report Card). Reading and Science ACT scores were added to the 2007 Report Card. The purpose of the Arkansas School Performance Report is to generally improve public school accountability, to provide benchmarks for measuring individual school improvement, and to empower parents and guardians of children enrolled in Arkansas public schools by providing them with the information to judge the quality of their schools. The Department of Education annually publishes a school performance report for each individual public school in the state, and distributes the report to every parent or guardian of a child in kindergarten through grade twelve (K-12) in the public schools of Arkansas.</p>
<i>XVIII. Work with the Parties and ODM to Develop Proposed Revisions to ADE's Monitoring and Reporting Obligations</i>	<p>On July 10, 2002, the ADE held a Desegregation Monitoring and Assistance Plan meeting for the three school districts in Pulaski County. Mr. Willie Morris, ADE Lead Planner for Desegregation, presented information on the No Child Left Behind Act of 2001. A letter from U.S. Secretary of Education, Rod Paige, was discussed. It stated that school districts that are subject to a desegregation plan are not exempt from the public school choice requirements. "If a desegregation plan forbids the school district from offering any transfer option, the school district should secure appropriate changes to the plan to permit compliance with the public school choice requirements". Schools in Arkansas have not yet been designated "Identified for Improvement". After a school has been "Identified for Improvement", it must make "adequate yearly progress". Schools that fail to meet the definition of "adequate yearly progress", for two consecutive years, must provide public school choice and supplemental education services. A court decision regarding the LRSD Unitary Status is expected soon. The LRSD and the NLRSD attended the meeting. The next meeting about the Desegregation Monitoring and Assistance Plan will be held in August, 2002, after school starts.</p>

NEWLY EMPLOYED FOR THE PERIOD OF April 1, 2008 – April 30, 2008

Sherry Lipe – Public School Program Advisor, Grade 21, Arkansas Public School Computer Network (APSCN), effective 04/28/08.

Lynn Lucas – Public School Administrative Advisor, Grade 21, Division of Human Resources/Licensure, Professional Licensure, effective 04/14/08.

Paula Wood – Public School Program Advisor, Grade 21, Central Administration, Special Education, effective 04/07/08.

PROMOTIONS/ LATERAL TRANSFERS FOR THE PERIOD OF April 1, 2008 – April 30, 2008

No promotions or transfers for the period of April 1, 2008 – April 30, 2008.

SEPARATIONS FOR THE PERIOD OF April 1, 2008 – April 30, 2008

Jennifer Hutchings – Staff Development Coordinator, Grade 20, Arkansas Public School Computer Network (APSCN), effective 04/25/08. 0 Years, 6 Months, 10 Days. Code: 01

*Minority

AASIS Code:

Voluntary – 01

What's new in the 2007 Arkansas School Performance Report (Report Card)

1. **American College Test (ACT):** Reading and Science ACT scores were added to the Report Card.
2. **No Child Left Behind Adequate Yearly Progress (AYP):** The headings shown for schools that did not make AYP were changed in order to be in alignment with federal guidelines. Heading changes were as follows: (A) "Year Three of School Improvement" was changed to "Corrective Action."; (B) "Year Four of School Improvement" was changed to "Restructuring." Restructuring will include schools that did not make AYP for five or more consecutive years.
3. **Graduation Rate:** The printed Report Card contained the state calculation for graduation rate. However, the online Report Card graduation rate uses the National Governors Association (NGA) formula. The label was changed to include "calculated using NGA rate beginning in 2006." The online formula was changed to be in alignment with new federal guidelines.
4. **User Friendly Features:** To continuously make the Report Card more user friendly, the online Report Card has been updated to include these features.



Mineral Springs Public Schools

130 W. Browning Street • P.O. Box 189
Mineral Springs, AR 71851-0189
Phone 870-287-4748 • Fax 870-287-5301



Max Adcock, Superintendent
Sammy F. Jackson, District Treasurer

March 24, 2008

Mark Tyler, Mineral Springs High School Principal
Jeanie Gorham, Mineral Springs Elementary Principal
Joe Ann Harris, Saratoga Elementary and High School Principal

Dr. Ken James, Ed.D.
Commissioner of Education
ADE
#4 State Capitol Mall
Little Rock, AR 72201

RECEIVED
MAR 31 2008
Financial Accountability and
Reporting

RECEIVED
COMMISSIONER'S OFFICE
MAR 27 2008
DEPARTMENT OF EDUCATION

Re: Appeal of Fiscal Distress Identification

Dr. James,

I would respectfully like to appeal the identification of my district for Fiscal Distress.

I have new information that shows my district has an expected carryover of approximately \$550,000. This was the main indicator for my district being identified. My enrollment is declining but consequently I have cut my expenditures by \$187,000 in 05/06, \$324,000 in 06/07 and \$100,000 in 07/08. I also expect to cut again this year by approximately \$200,000 to \$400,000.

The new information is a result of paying all personnel out of operating instead of appropriate categories. (NSLA, Federal, etc.) I usually make the appropriate adjustments (coding) at the years end. This coding caused our books to look as if we were in the red, whereas we expect to end the year approximately \$550,000 in the black. All the appropriate supporting documentation was furnished to the office of Fiscal and Administrative Services.

Sincerely,

Max Adcock, Superintendent

**MINERAL SPRINGS
SCHOOL DISTRICT**

Fiscal Distress Indicators and Additional Concerns:

- * Projected negative ending balance in operating fund June 30, 2008 of \$219,973.20
- * Declining fund balances for the past three years that could jeopardize the fiscal integrity of the District.
- * Material state audit exceptions in FY06.

District Profile:	2004-05	2005-06	2006-07
4 QTR ADM	620.72	610	572
Assessment	28,281,635	29,710,575	30,885,840
Total Mills	34.00	34.00	34.00
Total Debt Bond/Non Bond	2,693,609	2,571,078	2,662,535
Per Pupil Expenditures	9,060	9,108	9,362
Personnel-Non-Fed Certified FTE	64.15	65.97	63.42
Avg Salary--Non-Fed Cert Clsm FTE	37,480	37,724	37,362
Unrestricted Legal Bal (Excl Cat & QZAB)	959,472	497,559	393,220

Mineral Springs School District District Appeal and Response from ADE

District's Position - Fund Balances

District expects carryover of approximately \$550,000 June 30, 2008

Prior to Fiscal Distress Identification Letter, the District was paying all personnel out of operating instead of appropriate categories, such as NSLA, Federal, etc.

This coding caused the District to look as if it were in the red. The District expects to end the year with approximately \$550,000.

ADE Response - Fund Balances

District made numerous coding changes during the months of March and April 2008. Per district's information, these adjustments will amount to approximately \$700,000 for the year.

Before the coding adjustments, ADE projected a negative ending balance in the operating fund June 30, 2008 of (\$316,275).

ADE made an on-site visit to the Mineral Springs School District on April 24, 2008.

After the District's coding adjustments and changes, the updated unrestricted general operating fund ending balance for the 2007-08 school year is projected to be \$219,973.20.

Due to the volume of coding adjustments, ADE could not determine full compliance with federal and state laws and regulations.

District's Position - Material State Audit Findings

District did not address the audit exceptions in the appeal.

ADE Response - Material State Audit Findings

Material state audit exceptions in FY06

2005:

District compensated employee without Board approval.

Paid contractor \$99,500 with no performance bond as required by law.

District paid \$36,325 to a consulting firm in which superintendent's brother has a financial interest. Board did not comply with ethics laws.

2006:

District did not accrue property taxes in accordance with rules.

District paid sixteen employees in excess their contracts. Payments did not go through payroll and were not reported on W-2's.

Superintendent received extra salary payment in excess of his contract.

District paid professional services to a board member and a school employee.

District paid \$112,583 to consulting firm in which superintendent's brother has a financial interest. Board did not comply with ethics laws.

**Mineral Springs School District
District Appeal and Response from ADE
Page 2**

District Position - Expenditure Reductions

Enrollment is declining but District cut expenditures by \$187,000 in 2005-06 \$324,000 in 2006-07 and \$100,000 in 2007-08. Expect to cut this year by \$200,000 to \$400,000

ADE Response - Expenditure Reductions

The District's second quarter ADM is 530.28, down from 573.71 the previous year three quarter average ADM. Anytime a district loses students, the District must monitor and adjust.

4

Mineral Springs School District

	<u>Legal Balance</u>	<u>Restricted SOF</u>	<u>Current Loans</u>	<u>Unrestricted Legal Balance</u>
FY 05	1,225,371.36	301,738.04	0.00	923,633.32
FY 06	788,211.30	290,760.41	0.00	497,450.89
FY 07	628,617.29	237,913.92	0.00	390,703.37
FY 08 ADE Projected Balance 06/30/08				219,973.20

5

Mineral Springs School District
2007-08 General Operating Expenditures

	<u>Payroll</u>	<u>Other Expenditures</u>	<u>Debt Payment</u>	<u>Transfer to Food Service Fund</u>
July 2007	113,725.45	34,095.30	11,439.57	
August 2007	311,787.73	101,093.82	537.07	
September 2007	329,924.56	117,250.41	537.07	40,000.00
October 2007	336,216.40	55,783.80	50,134.71	40,000.00
November 2007	336,021.15	26,957.70	40,788.01	
December 2007	368,357.02	27,484.63	558.63	
January 2008	330,006.96	31,600.42	26,469.31	
February 2008	332,529.84	31,957.71	9,358.26	
March 2008	(160,912.41)	38,802.53	566.81	
April 2008	305,045.46	33,681.46	34,122.71	
May 2008 Projected	252,432.95	11,000.00	566.81	0.00
June 2008 Projected	252,432.95	11,000.00	115,972.83	0.00

6

April 28, 2008

Mr. James Dunivan, Superintendent
Nettleton School District
3300 One Place
Jonesboro, AR 72404

Re: Notice of State Board Meeting

Dear Mr. Dunivan:

This letter is to inform you that a your request for a hearing regarding the surrender of the charter for Raider Open Door Academy will be reviewed at the May 12, 2008 State Board of Education meeting. The meeting is scheduled to begin at 9:00 a.m., and will be held in the Auditorium of the Arch Ford Education Building at #4 Capitol Mall in Little Rock, Arkansas.

Please ensure that you have all necessary personnel in attendance, as well as all documentation in order to address any questions from the Arkansas State Board of Education concerning your request.

Please feel free to contact the Charter School Office at (501) 683-5313, should you have any questions.

Sincerely,



Dr. Mary Ann D. Brown
Program Director, Charter Schools

MB/ms

c/c: Dr. Diana Julian, Deputy Commissioner
Scott Smith, General Counsel

NETTLETON SCHOOL DISTRICT

Office of the Superintendent
3300 One Place • Jonesboro, AR 72404
Telephone: 870-910-7800
Fax: 870-910-7854

April 22, 2008

Dr. Mary Brown
Arkansas Department of Education
#4 Capitol Mall, Room 305B
Little Rock, AR 72201

RECEIVED
APR 25 2008

CHARTER SCHOOL OFFICE

Dear Dr. Brown:

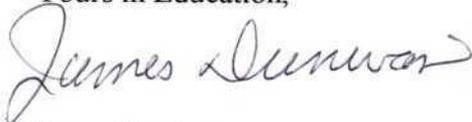
Nettleton Public School is respectfully requesting we be allowed to surrender our charter status that was renewed in 2005 for a period of five years. We have been very pleased with the success of our charter school (Raider Open Door Academy), but feel it is time to move in a different direction to meet the needs of a greater number of students. Following is a list of the rationale for our decision.

Concerns:

- Recruitment to RODA has been very difficult
- We are only reaching a small percentage of the students we need to target
- Constant turnover in staffing
- Waivers for Art, Music, and PE were all denied creating a hardship in providing staff for these classes
- There is a great concern about social development since placement is in such an isolated setting
- The original focus of RODA was to serve students who had the ability to achieve but recruiting difficulty has led to more with behavior problems
- Inconsistency in test scores

Thank you for your consideration.

Yours in Education,



James Dunivan
Superintendent

JD/jfp



April 28, 2008

Dr. Carolyn Carter, Superintendent
Dreamland Academy of Performing and Communication Arts
5615 Geyer Springs Road
Little Rock, AR 72209

Re: Notice of State Board Meeting

Dear Dr. Carter:

This letter is to inform you that a your request for a hearing regarding a waiver amendment for Dreamland Academy of Performing and Communication Arts will be reviewed at the May 12, 2008 State Board of Education meeting. The meeting is scheduled to begin at 9:00 a.m., and will be held in the Auditorium of the Arch Ford Education Building at #4 Capitol Mall in Little Rock, Arkansas.

Please ensure that you have all necessary personnel in attendance, as well as all documentation in order to address any questions from the Arkansas State Board of Education concerning your request.

Please feel free to contact the Charter School Office at (501) 683-5313, should you have any questions.

Sincerely,



Dr. Mary Ann D. Brown
Program Director, Charter Schools

MB/ms

c/c: Dr. Diana Julian, Deputy Commissioner
Scott Smith, General Counsel



April 25, 2008

RECEIVED
APR 25 2008
CHARTER SCHOOL OFFICE

Dear Dr. Brown:

Dreamland Academy was approved by the State Board of Education as an Open Enrollment Charter School in February, 2006. We requested no waivers within our application because we firmly believe that public schools should be held to similar standards, charter schools notwithstanding. As an indication of our commitment in this regard, we have hired only certified teachers and have been approved for the Technology Plan and the Gifted and Talented Program, but the latter two were not approved without significant investment of time and resources that were budgeted to other areas.

However, having experienced the detailed and specific standards that each traditional public school must meet, I now realize the difficulty in achieving all required standards without certain waivers. As an example, our fiscal resources are limited and the revenue to cover the costs associated with implementing all requirements is not available to charter school operators, especially new ones who are engaged in establishing the school and all that entails.

Additionally, some requirements exceed the scope of charter school operators and result in our having to meet standards that extend our budget without adequate compensation in state aid and that requires us to veer from the educational program we described in our charter application.

An example is the requirement for gifted and talented programming that is approved by the Arkansas Department of Education. Our application calls for a school wide approach to gifted and talented education. To implement the approach we described, we would have to hire only elementary teachers who all have gifted and talented licenses in addition to their teaching licenses for core curriculum areas.

Because it would be impossible for us to meet that standard, as a result, we modified the gifted and talented program to suit the requirements traditional schools meet; however, the modification veers from our described program in the application we submitted. Although we have received approval on the gifted and talented program we submitted, we are without funding to pay for the same as only one charter school in Arkansas offers a gifted and talented program and determining the state aid for our program has been unsuccessful to date.

Please be assured that I am not requesting blanket waivers that charter schools may be granted; instead I am requesting waivers only of those requirements that are listed on the attached documents and that impose financial and administrative difficulties on Dreamland administration.

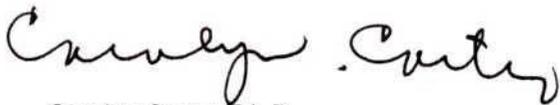
Letter to Dr. Mary Brown
Requesting Placement on State Board of Education Agenda
Waivers Request

In closing, let me say that the administration and staff of Dreamland have provided a great educational experience for the 230 students who are currently enrolled and have experienced a number of successes and breakthroughs with our students in the process. You might recall that Lori Lamb and you provided training for Dreamland staff in September to assist us with student behavior issues, and I am happy to report that the culture for learning is being established and students who have enrolled due to disciplinary and behavior records are learning to remain in class and learn. We are making progress with our target population. The Board of Directors and the Dreamland administration believe Dreamland Academy will be enhanced if we have more flexibility in operating the school and if we receive a number of the waivers that other charter schools within the state have been granted.

Accordingly, I am requesting that you assist me in getting our request for waivers on the upcoming State Board of Education's agenda for April or May, so that I can present my best case for reconsideration regarding the waivers requested. The requested waivers are attached.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Carolyn Carter". The signature is written in a cursive style with a large initial "C" and a distinct "Carter" at the end.

Carolyn Carter Ed. D.

Dreamland Academy of Performing & Communication Arts
 Request for Waivers from Required Standards
 April 25, 2008

Waivers Requested

Requirement/Legal Authority	Waiver Requested	Rationale
<p>A.C.A. § 6-14-101 et seq. Applicability of General Election Laws.</p>	<p>Regarding election of Board of Directors, Dreamland Academy requests a waiver from this requirement and will abide, instead, by the Bylaws of Wilson Community Development Corporation, Inc.</p>	<p>These laws fit a traditional public school more than they do an open enrollment charter school.</p>
<p>A.C.A. § 6-13-616(a). Qualifications of directors.</p>	<p>Dreamland Academy requests a waiver from this requirement as these are not applicable to open enrollment charter schools.</p>	<p>Required qualifications are not applicable to open-enrollment charter schools, which have no district boundaries.</p>
<p>A.C.A. § 6-17-301. Employment of certified personnel: (only as it relates to the areas of music, art, dance, fitness)</p>	<p>Wilson acknowledges the importance of adhering to the Arkansas teacher licensure requirement for each of the following content areas: mathematics, science, social studies, and English language arts and seeks no waiver from this requirement;</p> <p>However, given that an important element of Dreamland's mission is to develop creators and appreciators of arts, the access to local artists, musicians, and dance instructors in the classroom would enhance the curriculum and help Dreamland deliver on its mission statement.</p>	<p>Because Dreamland Academy is a specialized school that promotes student growth and development in performing and communication arts, a waiver is requested to ensure that artists, poets, musicians, writers, and graphic designers can work with students at Dreamland and teach students their art form and craft.</p>

Legal Authority	Waiver Requested	Rationale
A.C.A. § 6-17-401 et seq. Teacher's license requirement.	Same as above.	Same as above.
Standards for Accreditation—X Personnel	Same as above Dreamland requests the waiver to ensure it has the option of hiring highly qualified teachers, administrators, and support staff regardless of licensure status, as provided by.	Same as above. Regulatory guidance for charter schools under No Child Left Behind allow flexibility to charter schools that Dreamland Academy would like to have at its disposal.
A.C.A. § 6-17-203	Dreamland requests a waiver from the requirement of a Personnel Policies Committee for Each School District.	Dreamland is requesting a waiver to allow more flexibility in personnel matters. The request for this waiver is consistent with the related requests for waivers regarding personnel.
8. A.C.A. § 6-17-1501 Teacher Fair Dismissal Act A.C.A. § 6-17-1701 et seq. Public School Fair Hearing Act	Dreamland requests a waiver on these requirements because its needs the flexibility to dismiss employees who are impeding the academic progress of students. Employees will be afforded constitutional due process in all dismissals.	Because Dreamland's charter may be revoked for non-performance, its operators need the flexibility of dismissing staff who impedes students' learning and well-being.
A.C.A. § 6-17-1001 Minimum Base Salary	Dreamland Academy requests this waiver even though it meets or exceeds the state minimum base salary because it uses a performance based salary schedule and differentiated staffing structure.	Dreamland needs flexibility in motivating staff who are highly successful. Providing this waiver grants the operators the flexibility to move from a set salary schedule where every staff of similar experience and training receives the same salary.
12. Standard XIV: Gifted and Talented Education 19.03	Dreamland Academy seeks a waiver from this requirement to implement the School Wide Enrichment Model represented in its charter school application. Because our charter application calls for a whole school approach to gifted and talented education, we would have to hire an entire teaching staff that has gifted and talented licenses.	Current rules and policies of the Arkansas Department of Education, Gifted and Talented department require that all teachers provide evidence of certification in Gifted and talented education if a public school engages in a school wide gifted and talented program.

**Open Enrollment Charter
Dreamland Academy of Performing and Communication Arts
Legal Comments**

I. Waivers:

a. Ark. Code Ann. § 6-15-1004, 6-17-39, 6-17-401 and 6-17-902 and Section 15.03 of the Department's Rules Governing Standards for Accreditation of Arkansas Public Schools:

- The State Board may (but is not required to) waive the teacher certification requirement. However, the Board may not waive the requirements that charter school teachers have a bachelor's degree and meet content knowledge requirements if they teach core subjects.
- The ADE Rules Governing the Arkansas Comprehensive Testing, Assessment and Accountability Program, Section 5.02.4 and 5.03.2, requires that standardized assessments be administered according to procedures established by the ADE. The ADE's procedures require that certified teachers administer the standardized assessments. Violations of such procedures are subject to sanctions by the State Board pursuant to Ark. Code Ann. § 6-15-438.
- All teachers and school personnel must submit to criminal background checks.

b. All other waiver requests may be approved by the State Board as submitted.

II. Other Issues:

These Legal Comments, as with the Legal Comments prepared at the time Dreamland's Charter was granted, shall become part of Dreamland's Charter.

**2007-2008 Arkansas Better Chance
Request for Funding Approval - May 2008**

Agency	City	Prog Type	TOTAL FUNDING- APPROVAL NEEDED
15th Street Church of God in Christ	West Memphis	Classroom	78,000.00
ABC Children's Academy	Russellville	Classroom	126,800.00
Academy of Learning	Pine Bluff	Classroom	26,000.00
All Bout Chalk	Gentry	Classroom	32,500.00
Amber Lane	Ash Flat	FCCH	15,600.00
Arkansas State University Childhood Services	State University	Professional	82,965.00
ASU Children in the Delta	State University	Classroom	276,789.00
Batesville School District	Batesville	Classroom	196,671.00
Beebe School District	Beebe	Classroom	17,108.00
Benton Co. Sunshine School	Rogers	Classroom	9,282.00
Black River Area Development	Pocahontas	Classroom	341,640.00
Bottles to Buses	Searcy	Classroom	34,500.00
Bright Beginnings Preschool	Russellville	Classroom	13,000.00
Busy Body Child Care Program	Augusta	Classroom	6,500.00
Cedar Ridge School District	Oil Trough	Classroom	24,960.00
Child Development, Inc.	Russellville	Classroom	305,036.00
Child of Mine	Marked Tree	Classroom	26,000.00
Children of Light	North Little Rock	Classroom	26,000.00
Community Outreach Partnership Enrich.	Hope	Classroom	26,000.00
Concord School District	Concord	Classroom	80,906.00
Cossatot Community College	De Queen	Classroom	16,900.00
Dollarway School District	Pine Bluff	Classroom	59,990.00
DREAM	Jacksonville	Classroom	20,800.00
Early Horizons	Salem	Classroom	27,300.00
Easter Seals	Little Rock	Classroom	9,100.00
Elmina's Loving Arms	West Memphis	Classroom	10,868.00
EOA of Washington County	Springdale	Classroom	12,201.00
Ermers Learning Academy	Gould	Classroom	26,000.00
Fantastic Children Learning Academy	Little Rock	Classroom	26,000.00
First Baptist Church McGehee	McGehee	Classroom	26,000.00
First Presbyterian Church Warren	Warren	Classroom	52,000.00
First Step, Inc.	Hot Springs	Classroom	26,000.00
Flippin School District	Flippin	Classroom	46,800.00
Forrest City School District	Forrest City	Classroom	31,200.00
Friendship Community Care	Russellville	Classroom	152,652.00
Grandma's Child Care	Hope	FCCH	7,800.00
Great Beginnings CC & Enrichment Ctr	Gurdon	Classroom	19,110.00

**2007-2008 Arkansas Better Chance
Request for Funding Approval - May 2008**

Agency	City	Prog Type	TOTAL FUNDING- APPROVAL NEEDED
Growing God's Kingdom	West Fork	Classroom	130,000.00
Gurdon School District	Gurdon	Classroom	1,950.00
Hamburg School District	Hamburg	Classroom	54,500.00
Happy Day Christian Preschool	Springdale	FCCH	13,000.00
Happyland	Arkadelphia	Classroom	15,600.00
Harrison School District	Harrison	Classroom	1,000.00
Head of the Class	Monticello	Classroom	52,000.00
Head Start Child & Family Services	Van Buren	Classroom	78,000.00
Helping Hand	Batesville	Classroom	26,000.00
Helping Hands Community Outreach	Jonesboro	Classroom	1,000.00
His Little Lambs	Clarksville	FCCH	16,380.00
Hogan's Happy Times	Wynne	Classroom	26,000.00
Hot Springs School District	Hot Springs	Classroom	15,000.00
Hours of Joy	Arkadelphia	Classroom	17,550.00
In His Image	Little Rock	Classroom	80,080.00
Izard Co. Consolidated School District	Brockwell	Classroom	5,200.00
Jackson Co. School District	Tuckerman	Classroom	5,850.00
Jonesboro School District	Jonesboro	Classroom	25,168.00
Kareer Kids	Jacksonville	Classroom	39,000.00
Kiddie Kampus	Winslow	FCCH	10,192.00
Kiddie Kollege	Holly Grove	Classroom	26,000.00
Kids 1st	Mena	Classroom	19,500.00
Kids Place	Jonesboro	Classroom	32,500.00
Kids R Kids	Eudora	FCCH	7,020.00
Lil Treasures	Sherwood	Classroom	13,000.00
Lincoln Child Care Center	Fort Smith	Classroom	20,800.00
Little Angels Child Care of Prescott	Prescott	Classroom	15,600.00
Little Kids Daycare	Springdale	FCCH	16,380.00
Little Kids Daycare	Springdale	FCCH	13,000.00
Little Rock School District	Little Rock	Classroom	59,904.00
Little Scholars	Jonesboro	Classroom	19,500.00
Little Zion Learning Center	West Memphis	Classroom	26,000.00
Lucas Family Child Care	Forrest City	FCCH	20,800.00
Lullabys and Lollipops	Scotland	Classroom	13,000.00
Mainstreet Kids	Shirley	Classroom	72,800.00
Melba Connelly dba Gram's House	Benton	Classroom	23,400.00
Midland School District	Floral	Classroom	61,369.00

**2007-2008 Arkansas Better Chance
Request for Funding Approval - May 2008**

Agency	City	Prog Type	TOTAL FUNDING- APPROVAL NEEDED
Miss Livy's Preschool for Creative Kids	Greenwood	Classroom	46,800.00
Miss Mary's Preschool	Fayetteville	FCCH	10,400.00
Mother Goose	Eudora	Classroom	13,000.00
Mother's Touch FCCH	Booneville	FCCH	11,700.00
Mrs. Melissa's	Ash Flat	FCCH	8,820.00
Ms. Kim's FDCH	Hardy	FCCH	11,700.00
Ms. Linda's FCCH	Fayetteville	FCCH	3,900.00
Ms. Sha's FCCH	Ash Flat	FCCH	13,000.00
New Horizons	Mountain View	Classroom	13,000.00
Noah's Ark	Mountain Home	Classroom	19,110.00
North Little Rock School District	North Little Rock	Classroom	123,490.00
One 2 Grow On Childcare	North Little Rock	Classroom	26,000.00
Open Arms Learning Center	Mountain Home	Classroom	19,110.00
Paragould School District	Paragould	Classroom	172,380.00
Parkway Daycare and Learning Center	Russellville	Classroom	9,100.00
Pettis CME Learning Center	West Helena	Classroom	26,000.00
Play School	Harrisburg	Classroom	253,760.00
Prekinder Preschool Development Ctr	Little Rock	Classroom	19,500.00
Quality Child Care	Little Rock	Classroom	52,000.00
Rainbow of Challenges dba School of Hope	Hope	Classroom	75,771.00
Sandy's Daycare	Huntington	Classroom	6,500.00
Scholastic Academy	Little Rock	Classroom	78,000.00
SEACBEC	Warren	Classroom	26,000.00
Searcy Co. School District	Marshall	Classroom	13,000.00
Sisters of Our Lady of Charity (St. Michael's)	Hot Springs	Classroom	1,300.00
Small World Preschool	Mountain Home	Classroom	52,000.00
Snuggle Bugs	Siloam Springs	FCCH	35,100.00
South Ark Dev Center for Children/Fam	El Dorado	Classroom	35,100.00
Southside School District	Batesville	Classroom	91,000.00
Springdale School District	Springdale	Classroom	104,000.00
Stepping Stone School for Exceptional Ch.	Alma	Classroom	10,400.00
Straightway Preschool	West Memphis	Classroom	26,000.00
Sunny Day School	England	Classroom	3,000.00
Sunrise Academy	Blytheville	Classroom	19,500.00
Sunrise Child Development Center	West Memphis	Classroom	26,000.00
SW Arkansas Community Development	Magnolia	Classroom	52,204.00
The Exploration Station	Hackett	Classroom	19,500.00

**2007-2008 Arkansas Better Chance
Request for Funding Approval - May 2008**

Agency	City	Prog Type	TOTAL FUNDING- APPROVAL NEEDED
The Exploration Station	Booneville	Classroom	10,920.00
The Learning Center	Batesville	Classroom	500.00
Trumann School District	Trumann	Classroom	3,125.00
University of Ark at Monticello Tech	McGehee	Classroom	8,320.00
Waldron School District	Waldron	Classroom	52,000.00
Western Arkansas Child Development	Alma	Classroom	290,578.00
Westside (Craighead Co.) School District	Jonesboro	Classroom	13,000.00
White Co. Central School District	Judsonia	Classroom	950.00
White River Preschool	Calico Rock	Classroom	6,500.00
Wynne Community Enlightenment	Wynne	Classroom	26,000.00
			\$5,330,059.00

2007-2008 Arkansas Better Chance
FULL GRANT LISTING-Round 1

Renew. App'd?	#	Agency	Director/Contact	Address	City	Zip	Phone	E-mail	Agency Type	Program Specialist	Prog Type	Infant Requested	Toddler Requested	TOTAL Requested
		ASU Children in the Delta	Robyn Doyle	PO Box 808	State University	72467	870-972-3188	rsdoyle@astate.edu	Univ	Archer	Classroom			0
		Batesville School District	Mavis Elrod	415 Allen St.	Batesville	72501	870-612-1716	melrod@bsd.k12.ar.us	SD	Blackburn	Classroom			0
		Black River Area Development	Barbara Sisco	1403 Hospital Drive	Pocahontas	72455	870-892-4547	bsisco@bradheadstart.com	Head St	Blackburn	Classroom			0
		Child Development, Inc.	Lesa Emberson	PO Box 2110	Russellville	72801	479-968-6493	jwilliams@childdevinc.org	Head St	Alexander	Classroom			0
		Concord School District	Meagan Spinks	P.O. Box 308	Concord	72523	870-668-4299	spinksm@concord.k12.ar.us	SD	Blackburn	Classroom			0
		Dollarway School District	Thomas Gathen	4900 Dollarway Road	Pine Bluff	71602	870-534-7003	tgathen@dollarway.k12.ar.us	SD	Coyle	Classroom			0
		EOA of Washington County	Kathleen Randall	614 E. Emma M401	Springdale	72764	479-872-7479	krandall41@yahoo.com	Head St	Alexander	Classroom			0
		Friendship Community Care	Cindy Mahan	1301 Russell Road	Russellville	72802	479-967-2316	sims@friendship.state.ar.us	DDTCS	Alexander	Classroom			0
		Kiddie Kollege	Lula Tyler	PO Box 47	Holly Grove	72069	870-462-8240	sylviaj85@yahoo.com	Nprofit	Archer	Classroom			0
		Midland School District	Janet Canard	119 Box 119	Floral	72534	501-345-2631	janetc@midlandelem.k12.ar.us	SD	Blackburn	Classroom			0
		North Little Rock School District	Jody Veit-Edrington	2700 Popular	North Little Rock	72114	501-955-3640	edringtonj@nlrsd.k12.ar.us	SD	Hicks	Classroom			0
		Paragould School District	Vicki Shelby	427 East Poplar	Paragould	72450	870-236-8064	vshelby@paragould.k12.ar.us	SD	Blackburn	Classroom			0
		Play School	Donna Massengill	401 East South Street	Harrisburg	72432	870-578-9537	masseng@pcsii.com	Nprofit	Archer	Classroom			0
		Rainbow of Challenges dba School of Hope	Molly Wooten	PO Box 1540	Hope	71801	870-777-4501	eileencole@rainbowofchallenge	DDTCS	Hicks	Classroom			0
		Western Arkansas Child Development	Malinda McSpadden	14 W Cherry St.	Alma	72921	479-632-4600	malindamcspadden@hotmail.co	Nprofit	Alexander	Classroom	0	0	0

**ARKANSAS DEPARTMENT OF EDUCATION
PROPOSED RULES GOVERNING PUBLIC SCHOOL
END-OF-COURSE ASSESSMENTS AND REMEDIATION**

1.0 AUTHORITY

1.01 These rules are promulgated pursuant to Ark. Code Ann. §§ 6-11-105, 6-15-419, 6-15-433, 6-15-2009, and 6-15-2010.

2.0 PURPOSE

2.01 The purpose of these rules is to execute the requirements of the Arkansas End-Of-Course Assessments and Remediation Program as required by § 6-15-2009.

3.0 DEFINITIONS – For the purpose of these Rules, the following terms mean:

3.01 Alternative Assessment Exam – The test provided to students who have failed to achieve a passing score on an End-of-Course assessment, either after completion of the appropriate Alternative exit course or because the student falls under the provisions of § 7.03.2.3 of these Rules.

3.02 Arkansas Department of Education (ADE) – That certain state agency which is statutorily responsible for administering the statewide assessment system in Arkansas K-12th grade public schools, including but not limited to those assessments set forth in Ark. Code Ann. §§ 6-15-419, 6-15-433, 6-15-2009 and 6-15-2010.

3.03 Assessment – An examination instrument designed to measure certain levels of knowledge; specifically, in these Rules, an examination instrument meant to measure certain levels of knowledge, with Department-established cut or pass scores, for those academic courses which are the subject of End-of-Course and/or alternative assessment testing.

3.04 Basic score – That certain level of proficiency in an academic course subject to testing by the administration of End-of-Course and/or Alternative Assessments. The assessments are constructed so that a specific scale score on the Assessment corresponds to a Basic Score level; the Basic Score is the second-lowest of the four possible score levels for the Assessment (Below Basic, Basic, Proficient and Advanced).

3.05 End-of-Course Assessment – An examination taken at the completion of a course of study to determine whether a student demonstrates attainment of the knowledge and skills necessary for proficiency in that course.

- 3.06 Office of Curriculum, Assessment and Research (OCAR) – That unit within the Arkansas Department of Education which is responsible for the development and administration of statewide assessments to K-12th grade students within the Arkansas public schools, including all assessments covered by these Rules.
- 3.07 Proficient score – That certain level of proficiency in an academic course subject to testing by the administration of End-of-Course and/or Alternative Assessments. The Assessments are constructed so that a specific scale score on the Assessment corresponds to a Proficient score level; the Proficient score is second-highest of the four possible score levels for the Assessment (Below Basic, Basic, Proficient and Advanced).

4.0 END-OF-COURSE ASSESSMENTS

- 4.01 Each and every student attending an Arkansas public school shall participate in the statewide program of educational assessments required in §§ 6-15-433, 6-15-2009 and 6-15-2010.
 - 4.01.1 Specifically each and every student shall participate in the actual course and the statewide program of initial end-of-course assessments of Algebra I by the ninth grade year of high school, Biology by the tenth grade year of high school and Geometry by the tenth grade year of high school and any other end-of-course assessments as designated by the State Board of Education (SBE).
 - 4.01.2 Those students who did not take an initial end-of-course assessment of Algebra I, Biology, Geometry or other end-of-course assessment designated by the SBE by the appropriate grade required in § 4.01.1 of these Rules because they were previously enrolled in a school out of state or enrolled in a private school or home school in Arkansas shall be required to participate in an Algebra I, Biology and Geometry end-of-course assessment immediately upon completion of each said course unless that student can show they have already received credit for enrolling and passing the course and for passage of each course from an out-of-state school or an in-state private or home school on the student's transcript.
- 4.02 Beginning with the 2009-2010 school year and each school year thereafter, each and every student required to participate in the statewide program of educational assessments required by § 6-15-2009 shall not receive credit on his/her transcript for any course which requires an end-of-course assessment under § 4.01 of these Rules until that student has received a pass score on an initial end-of-course assessment(s) or received

a satisfactory pass score on an Alternative Assessment as required in § 7.03 of these Rules.

- 4.03 Any student that fails to receive a pass score on an initial end-of-course assessment or an Alternative Assessment shall be remediated and have opportunity to participate in subsequent end-of-course assessments or Alternative Assessments as allowed in §§ 7.02 and 7.03 of these Rules.
 - 4.04 Appropriate accommodations shall be made available for students with appropriate disabilities and for English language learners as allowed by ADE regulations.
- 5.0 END-OF-COURSE & ALTERNATIVE EXAM TESTING CYCLE
- 5.01 The ADE shall establish and publish by Commissioner's Memo each school year an end-of-course testing cycle that shall be strictly followed by school districts unless the district has sought and obtained a written waiver of the testing cycle from the ADE.
 - 5.02 The end-of-course testing cycle published by the ADE shall include a testing cycle for those students who failed an initial end-of-course assessment and are required by § 6-15-2009 to take and pass a subsequent end-of-course assessment before receiving academic credit on the student's transcript for the course which corresponds to the initial end-of-course assessment.
 - 5.03 In addition, the ADE shall establish and publish each school year by Commissioner's Memo an Alternative Assessment Exam testing cycle that shall be strictly followed by school districts unless the district has sought and obtained a written waiver of the Alternative Assessment Exam testing cycle from ADE.
 - 5.04 The Alternative Assessment Exam testing cycle shall include a testing cycle for those students who failed an initial Alternative Assessment Exam and are required by § 6-15-2009 to take and pass an Alternative Assessment Exam before receiving academic credit on the student's transcript for the course which corresponds to the Alternative Assessment Exam.
 - 5.05 The ADE shall prepare and develop the form of the end-of-course assessment and Alternative Assessment, along with any and all documents, manuals, forms and protocols necessary for the proper administration, completion, submission and scoring of the assessment. The assessment shall be comprised of sections which include both multiple choice and open-response test items.

- 5.06 Any and all Arkansas laws and ADE Rules covering test administration, security and confidentiality that apply to examinations given in Arkansas public schools from K-12th grade shall apply in full to the end-of-course assessment and Alternative Assessment.
- 5.07 Starting with the school year 2008-2009 and each school year thereafter, the ADE shall take steps to ensure that the end-of-course assessments are properly aligned with content and course curriculum and that professional development training is required of teachers teaching end-of-course courses for which and end-of-course assessment is required.

6.0 END-OF-COURSE & ALTERNATIVE ASSESSMENT PASS REQUIREMENTS

- 6.01 Each school year the ADE shall establish and promulgate by way of this rule the actual cut score or passing score requirement for any Arkansas public school student taking each EOC assessment or Alternative Exam assessment.
- 6.02 The cut score or pass score for the initial end-of-course assessment shall be equal to and commensurate with the level of a “proficient” score by a student as that term is defined above in § 3.07 of these Rules.
- 6.03 The cut score or satisfactory pass score for the Alternative Assessment shall be equal to and commensurate with the level of a “basic” score by a student as that term is defined above in § 3.04 of these Rules.
- 6.04 The cut score or passing score for both the end-of-course assessment and the Alternative Assessment shall be published and made known to public school districts and charter schools by way of a Commissioner’s Memo each school year.

7.00 NOTIFICATION AND REMEDIATION

- 7.01 Upon the failure of a student to obtain a pass score on an initial end-of-course assessment required by § 6-15-2009, the school district which the student attends shall provide written notice of such failure to the student’s parent or guardian within seven (7) business days from the date that the district receives the student’s score.
- 7.02 Students who do not achieve a pass score on any end-of-course assessment shall participate in a remediation program to receive credit for the corresponding course.

- 7.03 Beginning with the 2009-2010 school year, students who fail to attain a passing score on any end-of-course assessment shall not receive credit for the course until at least one of the conditions set forth in §§ 7.03.1 and 7.03.2 of these Rules are met. To the extent an end-of-course assessment is related to a course which is required for high school graduation, Any student failing to meet one of these conditions shall not be entitled to graduate with a high school diploma from an Arkansas high school or charter school.
- 7.03.1 The student is identified as attaining a proficient pass score on a subsequent end-of-course assessment as that score is established by ADE per § 6.02 of these Rules.
- 7.03.1.1 No student that is identified as having failed to meet the pass score on an initial end-of-course assessment shall be entitled to take more than three (3) additional subsequent end-of-course assessments.
- 7.03.1.2 Prior to a student taking additional end-of-course assessments, the student shall be given a sufficient opportunity and time for remediation.
- 7.03.2 The student is identified as having, by the end of grade twelve (12), finished an appropriate Alternate exit course and is identified as having met a satisfactory pass score on an Alternate Assessment directly related to the Alternate exit course.
- 7.03.2.1 Any student that fails to pass the end-of-course assessment after three additional attempts shall be required to take and pass an Alternate exit course and attain satisfactory pass score on a subsequent Alternate Assessment.
- 7.03.2.2 Alternate exit courses may be offered through a distance learning class and may be offered outside the normal school day.
- 7.03.2.3 A student is who is identified as a student with disabilities under the Individuals with Disabilities Act, 20 U.S.C. § 1400 et seq., who, because of the nature of the disabilities, cannot meet the requirements, may graduate from high school by demonstrating alternate competencies or Alternate levels of competency as contained in the student's individualized education program.

- 7.04 Starting with the 2008-2009 school year and each school year thereafter, the ADE shall prescribe a minimum level of remediation content and development to be provided to a student that fails to obtain a pass score on an end-of-course assessment or an alternative exit exam assessment.
- 7.05 Any student that fails to obtain a pass score on an end-of-course assessment and subsequently an alternative exit exam assessment but who remains in the twelfth grade may continue to take the alternative exit exam assessment until that student graduates from high school or turns age 21.
- 7.06 If a student with disabilities identified under the Individuals with Disabilities Education Act, 20 U.S.C. 1400 et seq., is unable to meet the requirements of this section because of the nature of his/her disabilities, the student may graduate from high school by demonstrating alternative competencies or alternative levels of competency as contained in the student's individualized education program.

Proposed Rules Governing Loan and Bond Applications

Public Comment Summary

A public hearing was held on March 25, 2008, in the ADE auditorium. Ten persons attended the hearing. Representatives from Stephens, Inc.; Beardsley; Legislative Council; Friday, Eldredge, and Clark; and ADE were in attendance. Input was also received from superintendents and cooperative directors.

CONCERNS IDENTIFIED:

- Basis for determining distribution of revenues assigned to academic and nonacademic facilities.
- Basis for determining if additional space is needed or if current square footage is vacant and useable.
- The limit on the amount of loans available for districts who meet the definition of high growth.
- Concern with wording requiring a district to use all revenues generated above academic debt service payments and below the maximum expected millage to repay the loan. Does that include foundation funding and mills above ten mills currently used to service existing debt?
- Concern that districts would be required to completely restructure the delivery of educational services to use all available space without incurring additional debt.
- There should be an appeal process.
- There should not be an appeal process.
- Concern on how the maximum expected millage will be calculated.
- Will a district have to prove all debt is academic in nature?
- Will debt mills in excess of 10 mills be captured in the high growth repayment?
- Section 9.05 on non-voted refunding needs to be eliminated.
- A bond application should be good once approved until bonds are issued. No new approval should be required.
- May a district refund or refinance an existing bond while the district has a high growth loan?
- The original revolving loan program requires interest. High growth loans are non-interest loans. How can that be reconciled?
- Definitions for "ADM," "bonded debt for academic facilities," "high growth school district," and "maximum expected millage" should be added to this rule.
- The rule should include the purpose for the high growth loans.
- A determination of need should be determined by the Department.
- The application period should coincide with the next partnership approval period. Notification procedures should be established.
- Department must maintain discretion to approve, to amend, or to disapprove a loan.
- Procedures need to be spelled out on the repayment of the loan.

ARKANSAS DEPARTMENT OF EDUCATION
PROPOSED RULES GOVERNING LOAN AND BOND APPLICATIONS
January 8, 2008 May 1, 2008

1.00 AUTHORITY

- 1.01 These ~~regulations~~ rules shall be known as the Arkansas Department of Education Rules Governing Loan and Bond Applications.
- 1.02 These ~~regulations~~ rules are enacted pursuant to the State Board of Education's authority under Ark. Code Ann. § 6-11-105.

2.00 PURPOSE

These ~~regulations~~ rules are enacted to set forth the criteria that shall be used by the Arkansas Department of Education Loans and Bonds Committee in reviewing and recommending loan and bond applications from school districts and revolving loan applications from Education Service Cooperatives to the State Board of Education, by the State Board of Education in reviewing loan and bond applications from school districts and revolving loan applications from Education Service Cooperatives, and by the Commissioner of the Department of Education in consideration of certain loan and bond applications. Also, these rules are enacted to set forth the criteria that shall be used by the Arkansas Division of Public School Academic Facilities and Transportation and the Loans and Bonds Unit and Committee in reviewing and recommending to the Arkansas State Board of Education Commission of Public School Academic Facilities and Transportation, High-Growth School District Loan Program and Extraordinary Circumstances Program loans to qualifying school districts.

3.00 APPLICATION

- 3.01 These rules shall apply to all loan and bond applications filed by school districts and all revolving loan applications filed by Education Service Cooperatives with the Arkansas Department of Education (Department) and Academic Facilities High-Growth School District Loan Program (HGLP) and Extraordinary Circumstances Program loans loan applications filed by school districts with the Arkansas Division of Public School Academic Facilities and Transportation (Division).
- 3.02 Loans approved as part of a court approved settlement agreement to which the Department or State Board of Education (State Board) are signatory are exempt from the general application of these regulations.

4.00 DEFINITIONS

- 4.01 "Average daily membership" means the total number of days attended plus the total number of days absent by students in grades kindergarten through twelve (K-12) during the first three (3) quarters of the school year divided by the number of school days actually taught in the district during that period of time rounded up to the nearest hundredth.
- 4.02 "Academic Facilities Factor" means the ratio of the total square footage of academic facilities financed with outstanding bonded indebtedness over the

combined square footage of academic and non-academic facilities with outstanding bonded indebtedness.

4.03 “Academic Facilities High-Growth School District Loan Program” (HGLP) means a program under which the Department shall provide an interest-free loan to a high-growth school district in which the mills required to service the bonded indebtedness incurred for academic facilities exceeds the maximum expected millage for the high-growth school district.

4.04 “Bonded indebtedness incurred for academic facilities” as used in these Rules will be calculated by the ~~Department~~ Division as the Academic Facilities Factor multiplied by total bonded indebtedness. ~~follows:~~

~~a. In determining the amount of a district's bonded indebtedness incurred for academic facilities, the Department should assume that all construction on academic and non-academic facilities during the period of the existing bond is included in bonded indebtedness incurred prior to the application for the loan and that revenues were distributed proportionately to each project.~~

~~b. If a school district believes the assumption concerning the distribution of revenues will produce a result that is contrary to the intent of the loan program, the school district is responsible for documenting, to the Department's satisfaction, any other allocation of cash and bonded indebtedness for academic and non-academic facilities built within the same time frame.~~

~~1. The documentation should include, but should not be limited to, the bond election ballot.~~

~~2. The consideration of the school district's documentation in no way limits the Department's discretion in making the final determination of the amount of a school district's bonded indebtedness incurred for academic facilities.~~

4.05 “High-growth school district” means a public school district in which the average daily membership (ADM) for the public school district in the present school year is at least four percent (4%) higher than the ADM for the public school district in the school year that is two (2) years prior to the present school year, excluding growth resulting from annexation or consolidation.

4.06 “Maximum expected millage” means, for the purposes of these Rules, ten (10) debt service mills, representing the maximum number of debt service mills that a public school district is expected to raise to service its bonded indebtedness incurred for academic facilities.

4.06.1 A school district that has “raised the maximum expected millage” must have ten (10) or more debt service mills based on the most recent millage election prior to the April 15 application submission deadline (in the case of current year special elections) or prior calendar year final millage report (in the absence of current year special elections). The final millage report will include rollback information. The determination of the required academic debt service mills for a consolidated or annexed school district that does not have a unified millage rate will be calculated on a case by case basis.

4.06.2 “Revenue generated from the maximum expected millage” is calculated by multiplying the prior calendar year assessment data by ten (10) mills.

4.00 5.00 LOANS AND BONDS COMMITTEE

4.015.01 The Arkansas Department of Education Loans and Bonds Committee (Committee) shall consist of these nine members ~~of the Department staff~~:

- 4.01.1 ~~4.01.1~~ 5.01.1 Assistant ~~Director~~ Commissioner, Public School Finance and ~~Administrative Support~~ Fiscal and Administrative Services
- 4.01.2 5.01.2 Associate Director, Finance
- 4.01.3 ~~4.01.3~~ 5.01.3 Associate Director, ~~School Finance~~ Coordinator, Fiscal Distress
- 4.01.4 5.01.4 Coordinator, Loans and Bonds
- 4.01.5 ~~4.01.5~~ 5.01.5 Program Manager, Equity Assistance Center
- 4.01.6 ~~4.01.6~~ 5.01.6 Director, Public School Academic Facilities and Transportation
- 4.01.7 ~~4.01.7~~ 5.01.7 Coordinator, Local Fiscal Services
- 4.01.8 ~~4.01.8~~ 5.01.8 Coordinator, Financial Accountability
- 4.01.9 ~~4.01.9~~ 5.01.9 Senior Transportation Manager, Public School Academic Facilities and Transportation

45.02 Applications considered by the Committee may be acted upon in any of the following ways:

- 4.02.1 ~~4.02.1~~ 5.02.1 The application may be recommended for approval to the State Board, or to the Commissioner, or to the Commission;
- 4.02.2 ~~4.02.2~~ 5.02.2 The application may be recommended for disapproval to the State Board, or to the Commissioner, or to the Commission;
- 4.02.3 ~~4.02.3~~ 5.02.3 The application may be tabled pending receipt of additional information, further study by the Department staff or Division staff, or verification of information regarding the application.
- 4.02.4 ~~4.02.4~~ 5.02.4 A revolving loan application may be recommended to the State Board for ~~partial~~ approval of the loan for a lesser amount than the amount requested, pursuant to Ark. Code Ann. §§ 6-20-805 and 6-20-2511.

6.00 EQUITY STATUS

6.01 All school districts submitting loan or bond applications to fund a proposed facility project, excluding maintenance and operation facilities, transportation facilities, and other non-instructional facilities, shall submit written documentation showing:

- 6.01.1 That the proposed facility project is necessary to meet an important educational goal of the district. Completion of the proposed project should enable the applying district to provide a better quality, desegregated education, necessary to meet the needs of its present and projected population. The district must provide a ~~desegregation~~ desegregation impact statement showing that the proposed improvements do not have a segregative effect. A detailed outline or explanation of the educational goal to be met shall be included;
- 6.01.2 That the proposed facility project is necessary to comply with Department rules, and/or state and federal statutes and regulations; and
- 6.01.3 That the Department has received a current Annual Equity Compliance Report from the school district.

6.02 The applying district shall have as its goal not to establish or enlarge a school, unless the enrollment in such school is reasonably projected to be within a twenty-five percent (25%) range of its district-wide percentage of majority-

minority students by organizational level, as established in the Little Rock School District v. Pulaski County Special School District case, E. D. Ark. LR-C-82-866.

- 6.03 The applying district shall submit a written Assurance Impact Statement that the facility project will not, in any manner, establish, continue, or ignore segregative activities within the district.
- 6.04 Any school in any county contiguous to Pulaski County shall submit a written Assurance Impact Statement that the proposed facility project will not have a substantial negative impact on the ability of any district in Pulaski County to desegregate effectively. Upon receipt of the application, the school district shall be notified by the Department or Division that this section applies to the school district.
- 6.05 The Committee shall not recommend approval of any application from any district not submitting the documentation required in Sections 6.01 and 6.03 ~~5.01 and 5.03~~.
- 6.06 The Committee may recommend approval of any application from a district submitting the information in Section 6.01 ~~5.01~~ if the Committee agrees with the documentation.
- 6.07 The State Board or Commission shall not approve an application from any district not submitting the information required in Section 6.01 ~~5.01~~.
- 6.08 The State Board or Commission may consider a school district's application not approved by the Committee under Section 6.03 ~~5.03~~ after reviewing the documentation submitted by the applying district.

6.007.00 REVOLVING LOAN PROGRAM

- ~~6.017.01 Revolving loan applications from school districts or education service cooperatives whose current ending funds balance is less than the total annual payments of principal and interest on the loan, will be recommended for disapproval by the Committee to the State Board.~~
- 6.027.02 7.01 Revolving loans may be refunded or paid in full without penalty on any scheduled interest payment date. The district or education service cooperative is required to submit written notification to the Loans and Bonds Unit of the Department regarding its intent to prepay an outstanding revolving loan. The Notice of Intent to Prepay must be received by the Loans and Bonds Unit of the Department at least thirty-two (32) days prior to the scheduled payoff date. If a district or education service cooperative chooses to refund or pay off a revolving loan on a date other than an interest payment date, it will be required to pay the total interest accrued to the next scheduled payment date.
- 7.02 During the time that a high-growth loan is in repayment, the high-growth loan school district shall not issue revolving loan refunding bonds or revolving loan refunding certificates of existing revolving loan bonds or revolving loan certificates, as provided under § 6-20-815 and shall comply with § 6-20-2511(d)(3).

7.008.00 COST EFFICIENCY

~~Loan and bond applications for projects that substantially exceed the cost of similar projects will be recommended for disapproval to the State Board by the Committee~~

~~unless written justification for the excess cost is provided by the district or education service cooperative. The Division of Public School Academic Facilities and Transportation will provide average cost estimates of projects to school districts and education service cooperatives upon request.~~

9.008.00 NON-VOTED REFUNDING BONDS

9.048.01 A separate application package must be submitted for each bond issue to be paid off with a non-voted refunding issue. The application package must include, but is not limited to, (A) the application, (B) a contract between the applying school district and its fiscal agent, (C) a preliminary Debt Service Comparison Schedule as prescribed in Section 8.02, (D) a current certificate of assessment from the county clerk, and (E) a final Debt Service Comparison Schedule including the Certificate of Savings is required after the issue has been sold, as prescribed in Section 8.02.

9.028.02 Each non-voted refunding bond issue must generate minimum principal and interest savings, over the life of the refunding (new) issue, based on the existing debt schedule, of the lesser of one hundred thousand dollars (\$100,000) or five percent (5%) of total principal and interest over the life of the bond on the refunded (old) issue. This calculated savings must be reduced by agent's fees and related issuance costs. For purposes of this savings calculation, investment income earned on deposited proceeds of the refunding (new) issue shall be offset by corresponding interest charges on the refunding (new) issue. Also, principal and interest charged on the refunded (old) issue must be included in the calculation of savings until the debt is retired.

9.038.03 Non-voted refunding issues may not be combined in order to achieve required savings, as prescribed in Section 8.02. Each non-voted refunding bond must meet the minimum savings requirement independently.

9.048.04 The amount of the new bond issue shall not exceed the approved loan amount on the application. If there is a sudden drop in interest rates after the application has been approved, and more bonds must be sold to refund the outstanding bonds, written approval must be granted by the Commissioner of the Department of Education (Commissioner) for the increased amount prior to the sale of the refunding bonds. A revised preliminary Debt Service Comparison Schedule, as prescribed in Section 8.02, must be provided to the Commissioner at this time.

~~9.058.05 This section on non-voted refunding bonds excludes non-voted refunding bonds that do not meet the savings requirement and second lien bond refundings that do not meet the savings requirement.~~

9.0040.00 PROCEDURAL REQUIREMENTS

9.0140.01 No loan or bond application will be recommended for approval to the State Board by the Committee and no loan or bond application will be approved by the State Board or the Director Commissioner until the application complies with all statutory requirements.

9.0240.02 All documents, excluding non-voted refunding bond applications, must be received by the Loans and Bonds Unit of the Department thirty-one (31) days before the State Board meeting at which the applications will be considered. If thirty-one (31) days before the scheduled meeting date falls on a holiday or

weekend, the deadline for filing shall be extended to the next business day. Loan or bond applications for which documents are received after this date will be considered in the next application cycle.

~~9.0340.03~~ All loan and bond applications shall include a specific and detailed description of each intended use of the proceeds pursuant to ~~Ark. Code Ann. § 6-20-801 et seq.~~ and each respective cost estimate. Bond applications shall include a declaration (date voted or date of proposed millage election) of the millage being used to secure the bond. Applications that do not include this information will be tabled by the Committee pending receipt of the required information.

~~9.0410.04~~ An approved second lien bond, non-voted refunding bond, or voted bond application package submitted to the Loans and Bonds Unit of the Department is valid for one year following the date of approval by the State Board. If the district has not issued the bonds (or series of bonds within an issue) within twelve months of the date that the State Board approved the application ~~on or before May 30~~, an updated application ~~and new approval are~~ is required. An updated application, provided pursuant to this section, from a school district identified or classified in fiscal distress is subject to review by the Fiscal Distress Unit of the Department.

10.0044.00 SECURITY OF LOANS AND BONDS

~~10.0144.01~~ In the case of default on principal or interest payments on a revolving loan, the Department shall withhold ~~any and all state aid~~ state foundation funding due to the district in an amount sufficient to cure the default and use those funds to cure the default, as authorized under Ark. Code Ann. § 6-20-814.

~~10.0244.02~~ In the case of default on principal or interest payments on a bond, depending on the circumstances, one of the following shall occur:

~~10.02.144.02.1~~ If the school district board of directors has passed a resolution, as authorized under Ark. Code Ann. § 6-20-1212, ~~all revenue received by the district the first unrestricted moneys coming to the school district from any source other than the uniform rate of tax, with the exception of revenue derived from the uniform rate of tax,~~ shall be paid into the building fund and applied on past due principal or interest on the bonds until paid in full ~~used to cure the default~~;

~~10.02.244.02.2~~ If the school district board of directors has passed a resolution, as authorized under Ark. Code Ann. § 6-20-1212, but is still unable to cure the default under Section 10.02.1, the Commissioner shall withhold ~~any and all state aid~~ state foundation funding due to the district, in an amount sufficient to cure the default, and use those funds to cure the default, as authorized under Ark. Code. Ann. § 6-20-1204; or,

~~10.02.344.02.3~~ If a school district board of directors has not passed a resolution, as authorized under Ark. Code Ann. § 6-20-1212, the Commissioner, after notification as required under Ark. Code. Ann. § 6-20-1204, shall continue to withhold any and all future state aid state foundation funding as due to the district and remit to the paying agent until the payment deficiency has been cured in an amount sufficient to cure the default and use those funds to cure the default, as authorized under Ark. Code. Ann. § 6-20-1204.

~~10.0344.03~~ If a default occurs simultaneously on a bond and another type of debt, the bond default shall be cured in its entirety before other debt payment defaults are cured.

~~10.0444.04~~ Should the State Board and the Department be required to withhold state foundation funding aid to cure the default of any school district, pursuant to Ark. Code Ann. § 6-20-1204(c)(1) and (2), then that school district shall be classified as a school district in fiscal distress, pursuant to Ark. Code Ann. § 6-20-1204(c)(3) and Ark. Code Ann. § 6-20-1600.

11.0042.00 EDUCATION SERVICE COOPERATIVE REVOLVING LOAN APPLICATIONS

~~10.04~~ Education Service Cooperatives shall submit an authorization signed by the Board President and Secretary pledging all state aid in an amount sufficient to secure the revolving loan and authorizing the Department to withhold state aid in case of default on a revolving loan.

~~10.02~~ ~~Education Service Cooperatives shall submit an authorization signed by the Board President and Secretary pledging any or all state aid in an amount sufficient to secure the loan in the event of default.~~

13.00 12.00 ACADEMIC FACILITIES LOANS TO HIGH-GROWTH SCHOOL DISTRICTS-LOAN PROGRAM (HGLP)

~~13.01~~-12.01 There is established the Academic Facilities High-Growth School District Loan Program (HGLP) under which the Department shall provide an interest-free loan for construction of new academic facilities to a high-growth school district in which the mills required to service the existing bonded indebtedness incurred for existing academic facilities exceeds the maximum expected millage for the high-growth school district.

~~13.02~~-12.02 A school district may be eligible for the HGLP if:

12.02.1 The district participates in the Academic Facilities Partnership Program;

~~12.02.2 A high-growth school district may apply for an interest-free loan when~~ The high-growth school district has raised the maximum expected millage and the revenue generated from the maximum expected millage is less than the amount required to service the bonded indebtedness incurred for academic facilities;

12.02.3 The ADM of the school district in the present school year is at least four percent (4%) higher than the ADM of the school year that is two years prior to the present year; and

12.02.4 Total space available in the district is less than the amount needed to accommodate the growth of students.

~~13.03~~-12.03 The purpose of the loan to a high-growth school district is to assist such a school district with building new academic facilities, that, as a result of high growth, will cause the school district to incur indebtedness for academic facilities that exceeds the maximum expected millage. All projects submitted through the HGLP must first have approval through the Academic Facilities Partnership Program.

~~13.04~~-12.04 Applications for the HGLP Academic Facilities High-Growth School District Loan Program must be submitted to the Division Department no later than the

last business day in February of every even-numbered year, beginning in 2008 between February 1 and April 15 of each year. The application process is as follows:

- 12.04.1 In January of each year, the Department will publish a preliminary list of school districts that have voted at least ten (10) debt service mills and require at least ten (10) debt service mills to service outstanding bonded indebtedness. The required breakdown into academic and non-academic debt service mills required and voted will not be available at the time of the publication of this list.
- 12.04.2 The Division will verify that school districts submitting applications meet the requirement of participation in the partnership program. If this requirement is met, the Division will calculate the Academic Facilities Factor.
- 12.04.3 The Division will provide the Academic Facilities Factor to the Department within 5 business days of the receipt of the application.
- 12.04.4 The Department will use the Academic Facilities Factor to determine that the school district qualifies based on the maximum expected millage.
- 12.04.5 Following receipt of the ADM data for the school district from APSCN, the Department will verify that the school district qualifies based on growth.
- 12.04.6 The Division will verify that the total space available in the high-growth district is less than the amount needed to accommodate the growth of students and will determine if the district has restructured the delivery of education to use all available space and will forward the school district loan application to the Department.
- 12.04.7 The application will be considered at the May Committee meeting.
- 12.04.8 The Loans and Bonds Unit will present applications to the State Board at its June meeting.
- 12.04.9 The district will be notified in writing of the decision by the State Board.

~~13.05~~ 12.05 The amount of the loan shall be the amount of moneys required for academic facilities less the sum of:

- ~~13.05.1~~ 12.05.1 The revenues generated by the maximum expected millage; and
- ~~13.05.2~~ 12.05.2 The state revenue received by the high-growth school district under the Academic Facilities Partnership Program.

~~13.06~~ 12.06 The high-growth school district shall apply for the loan from the Revolving Loan Fund, subject to Ark. Code Ann. §§ 6-20-801 – 6-20-816, 6-20-2511 and these Rules.

~~13.07~~ 12.07 When the revenue required to service the bonded indebtedness incurred for the high-growth school district's academic facilities is less than the revenue generated by maximum expected millage, the high-growth school district shall repay the loan.

~~13.08~~ 12.08 The high-growth school district shall make annual payments to the Department in the amount of:

- ~~13.08.1~~ 12.08.1 The revenue generated by the high-growth school district's millage up to the amount of the revenues generated from the maximum expected millage for the year; less
- ~~13.08.2~~ 12.08.2 The revenue required to service the high-growth school district's bonded indebtedness for academic facilities.
- ~~13.08.3~~ 12.08.3 The payments under Sections 12.07 and 12.08 ~~13.05 and 13.06~~ of these Rules shall continue until the loan is paid in full.

~~13.09~~ 12.09 During the time that the loan to the high-growth school district is in repayment, the high-growth school district:

- ~~13.09.1~~ 12.09.1 Shall use all revenues generated ~~above academic debt service payments and~~ below the maximum expected millage to repay the loan;
- ~~13.09.2~~ 12.09.2 Shall not issue revolving loan refunding bonds or revolving loan refunding certificates, as provided under Ark. Code Ann. § 6-20-815; and
- ~~13.09.3~~ 12.09.3 Shall not otherwise change the amount of ad valorem tax revenues from debt service mills available to repay the loan without the prior approval of the department. Bonds issuances or millage changes that would adversely affect the repayment of this loan will not be considered in the calculation of the annual payment under Section 12.08.

~~13.10~~ 12.10 Within a reasonable time after its receipt, each application under Sections 12.02 through 12.06 ~~13.02—13.06~~ of these Rules shall be examined by the Department and Division in accordance with rules established by the State Board of Education as to the accuracy of the answers contained therein. Changes to information contained in the application may be submitted up to the date of the May Loan Committee meeting. Subsequent changes will not be considered. If a determination is made by the Department that the District knowingly provided false or misleading information in the application process, the Department has the discretion to void the loan approval, seek restitution, and/or revoke the superintendent's license as allowed under Ark. Code Ann. § 6-17-410.

~~13.11~~ 12.11 In considering ~~the merits of~~ each application, the ~~Department~~ Division shall determine:

- a. 12.11.1 That the district meets the definition of a 'high-growth school district' as contained in Section 4.035 of these rules;
- b. 12.11.2 That the total space available in the high-growth school district is less than the amount needed to accommodate the high growth; and
- c. 12.11.3 ~~Whether~~ That the high-growth school district ~~can~~ has already restructured the delivery of education to use all available space without incurring additional debt.

~~13.12~~ 12.12 After considering ~~the merits of~~ each application, the ~~Department~~ Committee may, in its discretion; ~~13.12.1~~ recommend ~~Approve~~ approval of the application to the State Board for the full amount of the proposed loan, approve the application for a loan of a lesser amount than the amount requested, or disapprove ~~recommend disapproval of the application to the State Board.~~

~~13.12.2~~ 13.12.2 Prior to approving the application, the Department shall make a determination that the total space available in the high-growth school district is less than the amount needed to accommodate the growth of students.

~~13.13~~ 12.13 The Department shall notify each applicant school district and the Loans and Bonds Committee by June 15 of each even-numbered year if the school district meets the criteria under Section 13.11 of these Rules.

~~13.14~~ 12.13 The Loans and Bonds Committee should notify each applicant school district by June 30 of each even-numbered year as to whether the high-growth school district loan has been approved or denied.

~~13.15~~ 12.14 The Department and Division shall promulgate forms and documents to be used by school districts in the loan application process.

12.15 This implementation of this program is subject to funding specifically made available for this purpose.

~~12.00~~14.00 **13.00 REPORTING**

~~12.01~~14.01 13.01 School districts that call mandatory callable bonds or other commercial bonds must report such calls to the Loans and Bonds Unit of the Department prior to ~~May~~ April 30 of each fiscal year. The notification must include the call date, series, face amount, and price paid for the called bonds.

~~12.02~~14.02 13.02 For a school district to qualify for state financial assistance aid under Ark. Code Ann. § 6-20-2503, the school district must submit, to the Division Arkansas Public School Facilities and Transportation Commission, prior to the date the refunding bonds are sold at public sale, a certification that the yearly debt service savings resulting from the refinancing will be used for the new construction of academic facilities or the purchase of academic equipment.

~~13.00~~15.00 **14.00 TRUSTEE FEES**

~~13.01~~15.01 14.01 Fees assessed by trustee banks for acting as paying agent and for providing other services necessary to manage school district bond issues shall be approved by the State Board. A fee schedule will be provided, by the Loans and Bonds Unit of the Department, upon request.

~~13.02~~15.02 14.02 Fees set by the State Board will be reviewed on a regular basis by the Loans and Bonds Unit of the Department for the purpose of recommending, to the State Board, adjustments reflecting current cost of services.

Arkansas Department of Education
Proposed Rules Governing Minimum Qualifications for General Business Managers
of Public School Districts
February 2008

1.0 Regulatory Authority

These rules are promulgated pursuant to Ark. Code Ann. § 6-15-2302 and Act 1591 of the 86th Arkansas General Assembly.

2.0 Purpose

These rules shall be applied to all school districts, open enrollment charter schools and education service cooperatives for the purposes of requiring minimum qualifications for General Business Managers.

3.0 Definitions

For purposes of these rules, the following terms shall be defined to mean:

3.01 Arkansas Public School Computer Network (APSCN) – the Department of Education’s computer network system for public school district, open enrollment charter school, and education service cooperative reporting of financial management data and student management data to the Department of Education.

3.02 General Business Manager (GBM) - A Chief Financial Officer or Business Manager, however the position is titled, who is responsible for the fiscal operations of the public school district, open enrollment charter school, or education service cooperative and performs his or her duties under the direction of the Superintendent of the public school district or the Director of the open enrollment charter school or education service cooperative. This must be a person other than the superintendent or director.

3.03 Certified General Business Manager (CGBM) - A GBM who has completed the required course of study and received a certificate issued by the Arkansas Department of Education.

4.0 Qualifications of General Business Manager

4.01 Any general business manager hired after July 31, 2007, the effective date of Act 1591 of 2007, shall meet the minimum qualifications established by this rule of the Arkansas Department of Education.

- 4.02 A general business manager employed prior to July 31, 2007, shall be exempt from these minimum qualifications as long as they remain with the same school district. ~~but is~~ Exempt general business managers are encouraged to complete the requirements.
- 4.03 School districts, open enrollment charter schools and education service cooperatives shall be required to report the name and qualification status of its general business manager in the Cycle 1 report submitted each year through APSCN.
- 4.04 The named general business manager must either meet the qualifications of a Certified Arkansas School Business Official (CASBO) based on the requirements established by the Arkansas Association of School Business Officials (AASBO), or be enrolled in the CASBO required courses of study. ~~The CASBO courses of study include ten required courses and five electives. Information regarding the CASBO program and courses of study can be obtained by viewing the AASBO web site at:~~ <http://www.aaea.k12.ar.us/AAEA/AASBO/AASBO.html>.
- 4.04.1 The CASBO courses of study include ten required courses and five electives.
- 4.04.2 Information pertaining to CASBO courses is posted on the Arkansas Association of Education Administrators (AAEA) web site under the Constituent Association AASBO.
- 4.04.3 Membership in AAEA, AASBO or any other organization is not required in order to obtain General Business Manager Certification from the Arkansas Department of Education.
- 4.05 If not already certified through AASBO, the general business manager must ~~show progress of~~ complete at least five ~~classes~~ CASBO courses per year and must complete the ~~ten required and five elective CASBO program~~ courses within three years.
- 4.05.1 The three-year timeframe for completing the 15 CASBO courses begins July 1st preceding the Cycle 1 report that first names the individual as General Business Manager.
- 4.06 After having obtained certification through AASBO or having completed the CASBO ~~program~~ courses, the general business manager will receive a certificate issued and dated by the Arkansas Department of Education with the designation of “Certified General Business Manager.”
- 4.07 A Certified General Business Manager must renew his or her certificate by completing at least two upper level CASBO courses per year after the date of certification.

4.07.1 The two upper level CASBO courses must be completed during the fiscal year beginning July 1st following the date of certification and each year thereafter.

5.0 Sanctions

- 5.01 Any individual named as general business manager who fails to complete certification within the designated time or who fails to renew his or her certification will not be able to function in that role until certification requirements are met.
- 5.02 If a school district, open enrollment charter school or education service cooperative has a general business manager who fails to obtain certification within the designated time or who fails to renew his or her certification, it must appoint another person to the position and that newly appointed person must meet the qualifications as listed above.

Public Comments Received April 22, 2008
**Proposed Rules Governing the Minimum Qualifications for General
Business Managers of Public School Districts**

Comment No. 1

Not clear if a superintendent can be the named General Business Manager.

From School District Superintendent

Comment No. 2

Act 1591 exempts a General Business Manager employed prior to July 31, 2007. Not clear if the exemption is lost if the General Business Manager changes districts after July 31, 2007.

From School District Business Official

Comment No. 3

The proposed rule references a specific link to the Association of School Business Officials (AASBO) web site. This link is subject to change and therefore general directions rather than specific directions to its location should be stated in the rule.

Web master of AASBO web site.

Comment No. 3

The rule references the AASBO “program” and membership in AASBO is required in order to enter that program. Certification required by state law should not require membership in any organization.

School District Business Official

Comment No. 4

The timeline allowed for completing the certification requirements and the renewal requirements is not clear.

Legislative Staff

Comment No. 5

The rule should require the employer to pay all costs associated with obtaining and maintaining certification.

School Business Official

Comment No. 6

The CASBO courses required by this rule should be used to satisfy both this rule and the Tier I and Tier II training required by Act 730 of 2005.

School Business Official