



## **AGENDA**

### **STATE BOARD OF EDUCATION**

July 31, 2008

Arkansas Department of Education

Department of Education

9:00 AM

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### **Action Agenda**

#### **A-1 Request for Approval of 2008-2009 Arkansas Better Chance Grants - Round #2**

*Pursuant to the authority granted the State Board of Education in ACA 6-45, the DHS Division of Child Care and Early Childhood Education requests funding approval of the following recommendations for the 2008-2009 Arkansas Better Chance program.*

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

#### **A-2 Consideration of Request for Proposed Annexation of the Decatur School District to a Contiguous School District**

*The Department notified the Decatur School District (and its three (3) contiguous school districts) on June 30, 2008, that the Department was requesting that the State Board of Education annex the Decatur School District to a contiguous school district (Bentonville, Gentry or Gravette) pursuant to Ark. Code Ann. § 6-13-1403. The Department's request to annex is made due to the Decatur School District's failure to comply with the requirements of the Arkansas Fiscal Assessment and Accountability Program, Ark. Code Ann. § 6-20-1901 et seq.*

***Presenter:** Department Staff*

**2008-2009 Arkansas Better Chance  
Recommendations for Funding - July 2008**

Agency	City	Grant Type	Slots Recommended	Funding Recommended
ABC Children's Academy	Russellville	Enhancement Grant	n/a	\$ 2,000
Arkansas Children's Hospital	Little Rock	Pre-K ELLA/INDEX	n/a	\$ 217,351
Arkansas Children's Hospital	Little Rock	HIPPY Tech. Assistance and Monitoring	n/a	\$ 377,615
ASU Childhood Services	Jonesboro	Pre-K ELLA/INDEX	n/a	\$ 536,494
ASU Childhood Services	Jonesboro	Quality Assurance Monitoring/Tech. Assistance	n/a	\$ 2,964,136
ASU Childhood Services	Jonesboro	Child Assessments	n/a	\$ 889,739
ASU Children in the Delta	Various	Direct Services	72	\$ 341,640
ASU Children in the Delta	Various	Enhancement Grant	n/a	\$ 3,000
ASU Children in the Delta	Various	Quality Approval Grant	n/a	\$ 1,400
Batesville School District	Batesville	Direct Services	20	\$ 94,900
Black River Area Development	Pocahontas	Direct Services	48	\$ 227,760
Black River Area Development	Pocahontas	Enhancement Grant	n/a	\$ 3,700
Bright Beginnings	North Little Rock	Direct Services	20	\$ 99,900
Brinkley School District	Brinkley	Direct Services	20	\$ 99,900
Brookland SD	Brookland	Quality Approval Grant	n/a	\$ 1,200
Busy Bee	Sherwood	Direct Services	20	\$ 99,900
Cabot SD	Cabot	Quality Approval Grant	n/a	\$ 1,600
Cedar Ridge SD	Cord-Charlotte	Enhancement Grant	n/a	\$ 3,700
Central Arkansas Development Council	Benton	Enhancement Grant	n/a	\$ 1,900
Central Arkansas Development Council	Benton	Quality Approval Grant	n/a	\$ 1,800
Child Development, Inc	Russellville	Direct Services	60	\$ 284,700
Child Development, Inc	Russellville	Enhancement Grant	n/a	\$ 15,400
Clarendon School District	Clarendon	Direct Services	6	\$ 29,970
Cleveland Co. School District	Rison	Direct Services	3	\$ 14,985
Clinton SD	Clinton	Enhancement Grant	n/a	\$ 2,000
Community Outreach Partnership Enrich.	Hope	Direct Services	40	\$ 189,800

**2008-2009 Arkansas Better Chance  
Recommendations for Funding - July 2008**

Agency	City	Grant Type	Slots Recommended	Funding Recommended
Community Preschool	Fayetteville	Direct Services	20	\$ 99,900
Concord School District	Concord	Direct Services	17	\$ 80,665
Cossatot Community College	De Queen	Direct Services	38	\$ 180,310
Cossatot Community College	De Queen	Enhancement Grant	n/a	\$ 2,000
Crowley's Ridge Education Cooperative	Harrisburg	Direct Services	6	\$ 29,970
Dawson Education Cooperative	Arkadelphia	Pre-K ELLA/INDEX	n/a	\$ 82,586
Dawson Education Cooperative	Arkadelphia	Direct Services	20	\$ 94,900
DeQueen-Mena Education Cooperative	Gillham	Direct Services	20	\$ 99,900
Dollarway School District	Pine Bluff	Direct Services	12	\$ 56,940
Early Childhood Services	Hot Springs	Pre-K ELLA	n/a	\$ 14,934
Early Horizons	Salem	Direct Services	10	\$ 49,950
Emmanuel Learning Center	Jacksonville	Direct Services	20	\$ 99,900
EOA of Washington County	Fayetteville	Direct Services	6	\$ 28,470
Families and Children Together	El Dorado	Direct Services	20	\$ 99,900
Families and Children Together	El Dorado	Quality Approval Grant	n/a	\$ 800
Fayetteville SD	Fayetteville	Quality Approval Grant	n/a	\$ 2,800
Fort Smith SD	Fort Smith	Quality Approval Grant	n/a	\$ 2,200
Great Beginnings	Gurdon	Quality Approval Grant	n/a	\$ 800
Greenwood SD	Greenwood	Quality Approval Grant	n/a	\$ 800
Gurdon School District	Gurdon	Direct Services	5	\$ 24,975
Happy Day Christian Preschool	Fayetteville	Enhancement Grant	n/a	\$ 500
Hazen School District	Hazen	Direct Services	4	\$ 19,980
Helping Hand	Batesville	Enhancement Grant	n/a	\$ 1,500
His Little Lambs	Clarksville	Enhancement Grant	n/a	\$ 700
Hot Springs Child Care Center	Hot Springs	Direct Services	60	\$ 299,700
Jefferson Comprehensive Care Systems	Pine Bluff	PAT Tech. Assistance and Monitoring	n/a	\$ 66,739

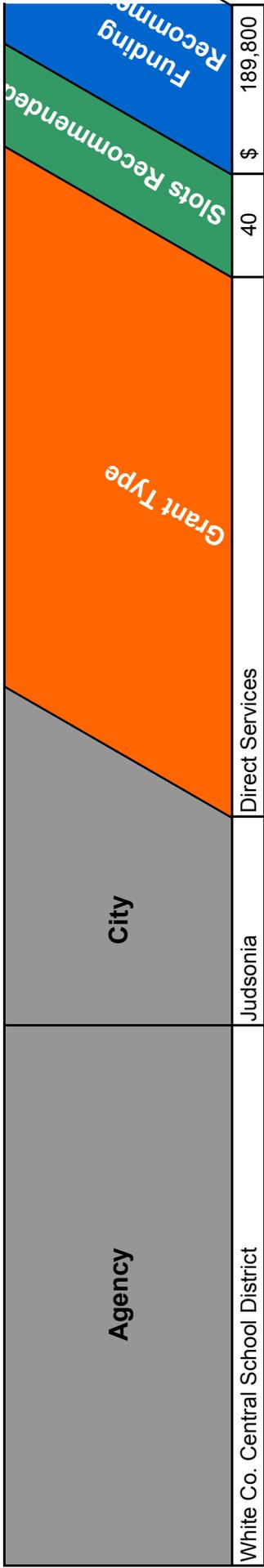
**2008-2009 Arkansas Better Chance  
Recommendations for Funding - July 2008**

Agency	City	Grant Type	Slots Recommended	Funding Recommended
Leap Forward Academy	North Little Rock	Direct Services	12	\$ 59,940
Lil' Kim's Playhouse	Yorktown	Direct Services	10	\$ 49,950
Lil Treasures	Sherwood	Quality Approval Grant	n/a	\$ 1,200
Little Kids Daycare	Springdale	Direct Services	4	\$ 19,980
Little Leaps	Scranton	Enhancement Grant	n/a	\$ 1,900
Little Rock School District	Little Rock	Quality Approval Grant	n/a	\$ 600
Little Scholars of Maumelle	Maumelle	Direct Services	20	\$ 99,900
London Bridges Child Care, Inc.	North Little Rock	Direct Services	20	\$ 99,900
Mansfield ABC	Mansfield	Quality Approval Grant	n/a	\$ 800
Marvell School District	Marvell	Direct Services	45	\$ 213,525
McCroory School District	McCroory	Direct Services	20	\$ 99,900
McGehee School District	McGehee	Direct Services	4	\$ 19,980
Melba Connelly dba Gram's House	Benton	Quality Approval Grant	n/a	\$ 1,200
Midland School District	Floral	Direct Services	10	\$ 47,450
Ms. Christi's FHDC	Evening Shade	Direct Services	10	\$ 49,950
My First School	Conway	Direct Services	20	\$ 99,900
Nettleton School District	Jonesboro	Direct Services	20	\$ 99,900
North Little Rock School District	North Little Rock	Direct Services	22	\$ 104,390
OUR Education Cooperative	Harrison	Pre-K ELLA/INDEX	n/a	\$ 145,919
OUR Education Service Cooperative	Harrison	Enhancement Grant	n/a	\$ 18,000
OUR Education Service Cooperative	Harrison	Quality Approval Grant	n/a	\$ 1,200
P.G. Academy	Marion	Direct Services	20	\$ 99,900
Paragould School District	Paragould	Direct Services	16	\$ 75,920
Paris SD	Paris	Quality Approval Grant	n/a	\$ 1,000
Pettis Memorial CME	Helena-Whelena	Enhancement Grant	n/a	\$ 1,000
Play School	Harrisburg	Direct Services	62	\$ 294,190

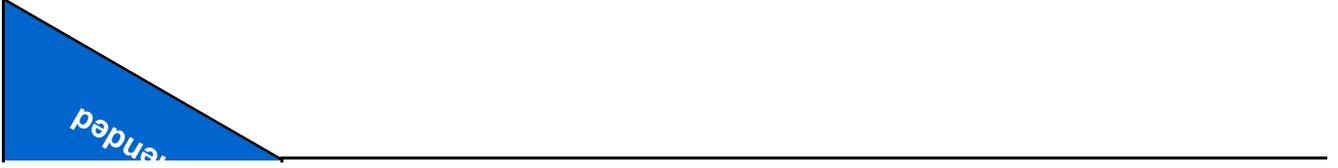
**2008-2009 Arkansas Better Chance  
Recommendations for Funding - July 2008**

Agency	City	Grant Type	Slots Recommended	Funding Recommended
Precious Ones (Amber Lane)	Ash Flat	Enhancement Grant	n/a	\$ 1,796
Pulaski Co. Special SD	Little Rock	Quality Approval Grant	n/a	\$ 600
Quality Child Care	Little Rock	Direct Services	80	\$ 379,600
Rainbow of Challenges dba School of Hope	Hope	Direct Services	20	\$ 94,900
Rutgers University	Brunswick, NJ	Longitudinal Study	n/a	\$ 295,000
Sarah's Precious Day Care	Hot Springs	Direct Services	20	\$ 99,900
Scholastic Academy	Little Rock	Direct Services	12	\$ 15,600
Siloam Springs SD	Siloam Springs	Enhancement Grant	n/a	\$ 5,000
Sisters of Our Lady of Charity	Hot Springs	Quality Approval Grant	n/a	\$ 1,200
Sisters of Our Lady of Charity (St. Michael's)	Hot Springs	Direct Services	15	\$ 25,635
Small Fry Child Care	Fayetteville	Direct Services	6	\$ 29,970
South Ark Dev Center for Children/Fam	El Dorado	Direct Services	40	\$ 189,800
South Central Education Cooperative	Camden	Quality Approval Grant	n/a	\$ 600
South Mississippi Co. School District	Wilson	INDEX	n/a	\$ 15,875
Southside Church of Prescott	Prescott	Enhancement Grant	n/a	\$ 1,100
Southwest Arkansas Community Development	Magnolia	Direct Services	8	\$ 37,960
Springdale School District	Springdale	Direct Services	20	\$ 99,900
Stuttgart School District	Stuttgart	Direct Services	35	\$ 174,825
The Exploration Station	Hackett	Direct Services	97	\$ 460,265
Town of Twin Groves	Twin Groves	Direct Services	8	\$ 39,960
University of Arkansas	Fayetteville	Pre-K ELLA/INDEX/Frameworks/SEL	n/a	\$ 1,361,306
University of Arkansas at Fort Smith	Ft. Smith	Pre-K ELLA/INDEX/Frameworks/SEL	n/a	\$ 323,043
Van Buren School District	Van Buren	Direct Services	55	\$ 274,725
Wee Care	Salem	Enhancement Grant	n/a	\$ 500
Western Arkansas Child Development	Alma	Quality Approval Grant	n/a	\$ 1,400
Western Arkansas Child Development	Alma	Direct Services	27	\$ 128,115

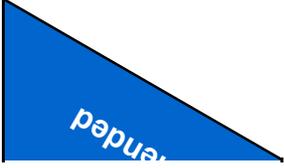
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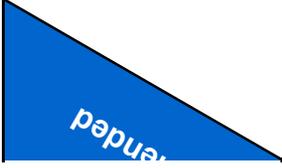
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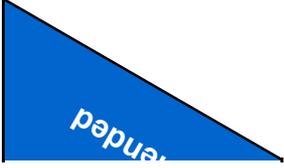
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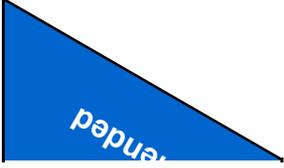
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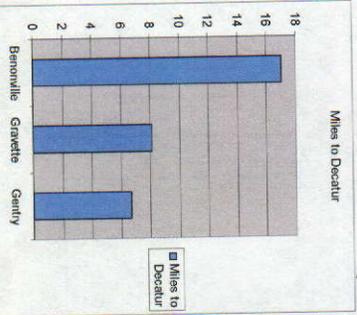
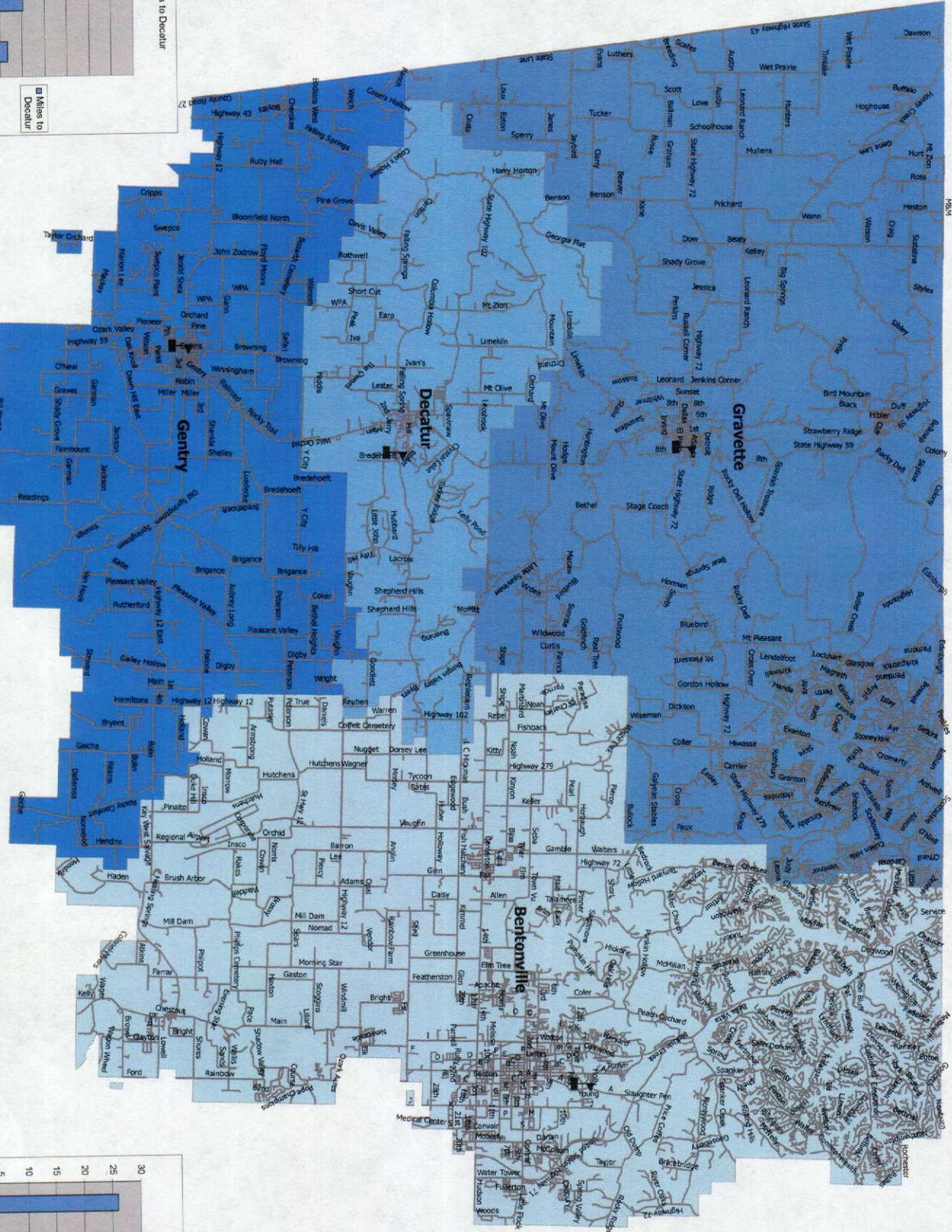
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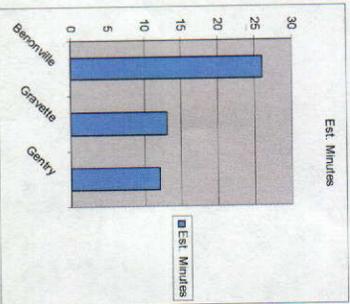
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# Decatur and Contiguous Districts



Address	City	State	Zip	Miles to Decatur	Est. Minutes
500 Tiger Boulevard	Bentonville	AR	72712	17	26
609 Birmingham Southeast	Gravelle	AR	72736	8.1	13
201 South Giles Avenue	Gentry	AR	72734	6.7	12



Benchmark Score Comparisons for Decatur, Bentonville, Gentry and Gravette

Combined Population Decatur			Combined Population Bentonville		
2006-07 Grade	Proficiency Category	Percent Math	2006-07 Grade	Proficiency Category	Percent Math
Third	Below Basic	8.1	Third	Below Basic	3.6
Third	Basic	43	Third	Basic	14
Third	Proficient	22	Third	Proficient	34
Third	Advanced	27	Third	Advanced	49
Third	Prof + Adv	49	Third	Prof + Adv	83
Fourth	Below Basic	6.3	Fourth	Below Basic	6
Fourth	Basic	44	Fourth	Basic	12
Fourth	Proficient	38	Fourth	Proficient	31
Fourth	Advanced	13	Fourth	Advanced	51
Fourth	Prof + Adv	50	Fourth	Prof + Adv	82
Fifth	Below Basic	20	Fifth	Below Basic	9.9
Fifth	Basic	32	Fifth	Basic	14
Fifth	Proficient	42	Fifth	Proficient	38
Fifth	Advanced	6	Fifth	Advanced	37
Fifth	Prof + Adv	48	Fifth	Prof + Adv	76
Sixth	Below Basic	14	Sixth	Below Basic	3.2
Sixth	Basic	25	Sixth	Basic	12
Sixth	Proficient	39	Sixth	Proficient	32
Sixth	Advanced	21	Sixth	Advanced	53
Sixth	Prof + Adv	61	Sixth	Prof + Adv	84
Seventh	Below Basic	12	Seventh	Below Basic	7.5
Seventh	Basic	7.3	Seventh	Basic	8.6
Seventh	Proficient	34	Seventh	Proficient	30
Seventh	Advanced	46	Seventh	Advanced	54
Seventh	Prof + Adv	81	Seventh	Prof + Adv	84

Combined Population Gentry			Combined Population Gravette		
2006-07 Grade	Proficiency Category	Percent Math	2006-07 Grade	Proficiency Category	Percent Math
Third	Below Basic	2.5	Third	Below Basic	6.7
Third	Basic	11	Third	Basic	13
Third	Proficient	27	Third	Proficient	45
Third	Advanced	60	Third	Advanced	35
Third	Prof + Adv	87	Third	Prof + Adv	80
Fourth	Below Basic	10	Fourth	Below Basic	19
Fourth	Basic	22	Fourth	Basic	26
Fourth	Proficient	29	Fourth	Proficient	31
Fourth	Advanced	39	Fourth	Advanced	25
Fourth	Prof + Adv	68	Fourth	Prof + Adv	56
Fifth	Below Basic	25	Fifth	Below Basic	15
Fifth	Basic	15	Fifth	Basic	20
Fifth	Proficient	32	Fifth	Proficient	40
Fifth	Advanced	29	Fifth	Advanced	25
Fifth	Prof + Adv	60	Fifth	Prof + Adv	65
Sixth	Below Basic	7.9	Sixth	Below Basic	11
Sixth	Basic	10	Sixth	Basic	18
Sixth	Proficient	37	Sixth	Proficient	34
Sixth	Advanced	45	Sixth	Advanced	37
Sixth	Prof + Adv	82	Sixth	Prof + Adv	71
Seventh	Below Basic	17	Seventh	Below Basic	21
Seventh	Basic	15	Seventh	Basic	11
Seventh	Proficient	41	Seventh	Proficient	41
Seventh	Advanced	27	Seventh	Advanced	27
Seventh	Prof + Adv	67	Seventh	Prof + Adv	68

Benchmark Score Comparisons for Decatur, Bentonville, Gentry and Gravette

Combined Population Decatur			Combined Population Bentonville		
2006-07 Grade	Proficiency Category	Percent Literacy	2006-07 Grade	Proficiency Category	Percent Literacy
Third	Below Basic	32	Third	Below Basic	11
Third	Basic	32	Third	Basic	19
Third	Proficient	22	Third	Proficient	36
Third	Advanced	14	Third	Advanced	35
Third	Prof + Adv	35	Third	Prof + Adv	70
Fourth	Below Basic	6.3	Fourth	Below Basic	5.1
Fourth	Basic	50	Fourth	Basic	19
Fourth	Proficient	34	Fourth	Proficient	44
Fourth	Advanced	9.4	Fourth	Advanced	32
Fourth	Prof + Adv	44	Fourth	Prof + Adv	76
Fifth	Below Basic	12	Fifth	Below Basic	4.8
Fifth	Basic	50	Fifth	Basic	22
Fifth	Proficient	32	Fifth	Proficient	44
Fifth	Advanced	6	Fifth	Advanced	30
Fifth	Prof + Adv	38	Fifth	Prof + Adv	74
Sixth	Below Basic	25	Sixth	Below Basic	4.6
Sixth	Basic	29	Sixth	Basic	21
Sixth	Proficient	32	Sixth	Proficient	46
Sixth	Advanced	14	Sixth	Advanced	28
Sixth	Prof + Adv	46	Sixth	Prof + Adv	75
Seventh	Below Basic	4.9	Seventh	Below Basic	4.1
Seventh	Basic	34	Seventh	Basic	17
Seventh	Proficient	42	Seventh	Proficient	42
Seventh	Advanced	20	Seventh	Advanced	37
Seventh	Prof + Adv	61	Seventh	Prof + Adv	79

Combined Population Gentry			Combined Population Gravette		
2006-07 Grade	Proficiency Category	Percent Literacy	2006-07 Grade	Proficiency Category	Percent Literacy
Third	Below Basic	12	Third	Below Basic	20
Third	Basic	12	Third	Basic	30
Third	Proficient	35	Third	Proficient	30
Third	Advanced	41	Third	Advanced	19
Third	Prof + Adv	76	Third	Prof + Adv	50
Fourth	Below Basic	11	Fourth	Below Basic	6.5
Fourth	Basic	28	Fourth	Basic	39
Fourth	Proficient	39	Fourth	Proficient	37
Fourth	Advanced	22	Fourth	Advanced	18
Fourth	Prof + Adv	61	Fourth	Prof + Adv	55
Fifth	Below Basic	11	Fifth	Below Basic	4.2
Fifth	Basic	27	Fifth	Basic	29
Fifth	Proficient	35	Fifth	Proficient	39
Fifth	Advanced	28	Fifth	Advanced	28
Fifth	Prof + Adv	62	Fifth	Prof + Adv	67
Sixth	Below Basic	2.2	Sixth	Below Basic	12
Sixth	Basic	9	Sixth	Basic	31
Sixth	Proficient	61	Sixth	Proficient	33
Sixth	Advanced	28	Sixth	Advanced	24
Sixth	Prof + Adv	89	Sixth	Prof + Adv	57
Seventh	Below Basic	4.7	Seventh	Below Basic	3.9
Seventh	Basic	31	Seventh	Basic	26
Seventh	Proficient	37	Seventh	Proficient	46
Seventh	Advanced	27	Seventh	Advanced	25
Seventh	Prof + Adv	64	Seventh	Prof + Adv	71

Benchmark Score Comparisons for Decatur, Bentonville, Gentry and Gravette

Combined Population Decatur			Combined Population Bentonville		
2006-07	Proficiency Category	Percent Math	2006-07	Proficiency Category	Percent Math
Eighth	Below Basic	42	Eighth	Below Basic	9.6
Eighth	Basic	30	Eighth	Basic	9.8
Eighth	Proficient	18	Eighth	Proficient	48
Eighth	Advanced	9.1	Eighth	Advanced	32
Eighth	Prof + Adv	27	Eighth	Prof + Adv	81
Grade	Category	Literacy	Grade	Category	Literacy
Eighth	Below Basic	6.1	Eighth	Below Basic	3
Eighth	Basic	30	Eighth	Basic	16
Eighth	Proficient	42	Eighth	Proficient	44
Eighth	Advanced	21	Eighth	Advanced	38
Eighth	Prof + Adv	64	Eighth	Prof + Adv	81
Grade	Category	Literacy	Grade	Category	Literacy
Eleven	Below Basic	13	Eleven	Below Basic	4.4
Eleven	Basic	48	Eleven	Basic	23
Eleven	Proficient	39	Eleven	Proficient	68
Eleven	Advanced	0	Eleven	Advanced	5.1
Eleven	Prof + Adv	39	Eleven	Prof + Adv	73
Grade	Category	Algebra I	Grade	Category	Algebra I
EOC	Below Basic	11	EOC	Below Basic	2
EOC	Basic	32	EOC	Basic	11
EOC	Proficient	45	EOC	Proficient	36
EOC	Advanced	13	EOC	Advanced	51
EOC	Prof + Adv	58	EOC	Prof + Adv	87

Combined Population Gentry			Combined Population Gravette		
2006-07	Proficiency Category	Percent Math	2006-07	Proficiency Category	Percent Math
Eighth	Below Basic	26	Eighth	Below Basic	15
Eighth	Basic	18	Eighth	Basic	13
Eighth	Proficient	52	Eighth	Proficient	45
Eighth	Advanced	4	Eighth	Advanced	26
Eighth	Prof + Adv	56	Eighth	Prof + Adv	71
Grade	Category	Literacy	Grade	Category	Literacy
Eighth	Below Basic	6	Eighth	Below Basic	5
Eighth	Basic	17	Eighth	Basic	5
Eighth	Proficient	69	Eighth	Proficient	46
Eighth	Advanced	8	Eighth	Advanced	44
Eighth	Prof + Adv	77	Eighth	Prof + Adv	90
Grade	Category	Literacy	Grade	Category	Literacy
Eleven	Below Basic	6.7	Eleven	Below Basic	4.8
Eleven	Basic	38	Eleven	Basic	32
Eleven	Proficient	54	Eleven	Proficient	61
Eleven	Advanced	1.1	Eleven	Advanced	1.9
Eleven	Prof + Adv	55	Eleven	Prof + Adv	63
Grade	Category	Algebra I	Grade	Category	Algebra I
EOC	Below Basic	3.7	EOC	Below Basic	7.1
EOC	Basic	21	EOC	Basic	27
EOC	Proficient	46	EOC	Proficient	31
EOC	Advanced	30	EOC	Advanced	35
EOC	Prof + Adv	76	EOC	Prof + Adv	66

Benchmark Score Comparisons for Decatur, Bentonville, Gentry and Gravette

Combined Population Decatur

2006-07	Proficiency	Percent
2006-07	Proficiency	Percent
Grade	Category	Geometry
EOC	Below Basic	21
EOC	Basic	39
EOC	Proficient	31
EOC	Advanced	10
EOC	Prof + Adv	41

Combined Population Bentonville

2006-07	Proficiency	Percent
2006-07	Proficiency	Percent
Grade	Category	Geometry
EOC	Below Basic	0.3
EOC	Basic	11
EOC	Proficient	41
EOC	Advanced	48
EOC	Prof + Adv	89

Combined Population Gentry

2006-07	Proficiency	Percent
2006-07	Proficiency	Percent
Grade	Category	Geometry
EOC	Below Basic	3.7
EOC	Basic	26
EOC	Proficient	52
EOC	Advanced	18
EOC	Prof + Adv	71

Combined Population Gravette

2006-07	Proficiency	Percent
2006-07	Proficiency	Percent
Grade	Category	Geometry
EOC	Below Basic	7.3
EOC	Basic	23
EOC	Proficient	32
EOC	Advanced	38
EOC	Prof + Adv	70









## Decatur School District

### Fiscal Distress Indicators:

- \* Following the 2006-07 school year, a declining balance determined to jeopardize the fiscal integrity of the the District.
- \* Other fiscal conditions of the District deemed to have a detrimental negative impact on the continuation of educational services.

	2004-05	2005-06	2006-07
4 QTR ADM	556	565	577
Assessment	35,503,728	39,142,540	41,103,865
Total Mills	32.20	40.00	40.00
Total Debt Bond/Non Bond	937,922	4,953,106	6,471,092
Per Pupil Expenditures	7,908	9,097	8,802
Personnel-Non-Fed Certified FTE	48.53	53.17	43.77
Avg Salary--Non-Fed Cert Clsrm FTE	34,485	36,354	45,139
Unrestricted Legal Balance	521,946	353,935	**1,346,212

### Additional Concerns:

- \* Manual checks written but not recorded on District books for 2006-07 and 2007-08 total approximately \$2.4 million.
- \* Appears that bank account has not been reconciled since September 2005.
- \* 941 Quarterly Tax Report for the second quarter of 2007, which was due July 15, 2007, was not filed until June 2008.
- \* 941 Quarterly Tax Report for the first quarter of 2008, which was due April 15, 2008, was not filed until June 2008.
- \* FICA, Medicare and Federal Payroll Taxes for the months of February, March, April, and May 2008 were not paid to IRS until June 2008.
- \* State tax for the months of April and May 2008 were not paid to the Department of Finance and Administration until June 2008.
- \* Amount of Late Fees, Penalties and Interest due to IRS and other entities is unknown.

\*\*2006-07 Unrestricted Legal Balance does not include expenditures not recorded on District books.

**Arkansas Department of Education**  
**Historical Review of Selected Data**

	<b>Decatur**</b>			<b>Bentonville</b>		
	<b>04-05</b>	<b>05-06</b>	<b>06-07</b>	<b>04-05</b>	<b>05-06</b>	<b>06-07</b>
ADM (3 QTR)	556	564	565	9,172	10,134	11,922
Total Assessment	35,503,728	39,142,540	41,103,865	888,212,673	1,142,823,350	1,271,074,185
Total Expenditures	NA	6,092,973	9,445,647	NA	128,954,136	123,956,223
Total Mills	32.20	40.00	40.00	41.30	40.80	40.30
Total Debt	937,922	4,953,106	6,471,092	115,353,429	124,875,641	137,886,399
Certified FTE's	48.53	53.17	43.77	644.50	776.02	807.56
Average Teacher Salary	34,485	36,354	45,139	46,480	45,131	50,213
Free & Reduced Lunch	72%	71%	71%	25%	25%	25%
Mileage From Decatur				17.0		
	<b>Gentry**</b>			<b>Gravette</b>		
	<b>04-05</b>	<b>05-06</b>	<b>06-07</b>	<b>04-05</b>	<b>05-06</b>	<b>06-07</b>
ADM (3 QTR)	1,419	1,457	1,440	1,597	1,650	1,753
Total Assessment	110,920,456	118,963,070	131,928,940	172,280,229	196,078,055	218,928,620
Total Expenditures	NA	18,683,854	15,745,064	NA	24,912,391	20,489,410
Total Mills	40.00	40.00	40.00	36.00	35.70	35.40
Total Debt	13,710,000	13,020,000	12,325,000	22,540,942	26,975,925	28,143,924
Certified FTE's	107.07	118.34	121.31	112.35	114.56	115.06
Average Teacher Salary	38,780	40,654	40,007	42,321	44,276	45,978
Free & Reduced Lunch	50%	52%	53%	41%	42%	41%
Mileage From Decatur	6.7			8.1		

ADM (3QTR) is Average Daily Membership for Quarters 1-3 for the stated school year

Total Debt includes bonded and non-bonded filed with ADE.

Certified FTE's is the Total Non-Federal Certified FTE's.

Average Teacher Salary includes Non-Federal Certified Classroom FTE's.

\*\*Presently classified in fiscal distress.

Data Source: Annual Statistical Reports - ADM, Total Assessment Total Expenditures, Total Mills,  
Total Debt, Certified FTE's, & Average Salary  
Child Nutrition Cycle 2 Verified Data - Free & Reduced Lunch  
Mileage - Google Maps

**Arkansas Department of Education**  
**Fiscal Distress Financial Improvement Plan**  
Plan Year   08-09  

School District   DECATUR   Superintendent   Bobby King   Phone Number   479-752-3986  

**PART A. NARRATIVE OVERVIEW OF DISTRICT**

**Insert the narrative overview of the District**

The Decatur School District encompasses 50 square miles with three (3) campuses that house some 600 students, 53 certified staff and 43 classified staff. We have 8 bus routes that transport around 468 students covering some 497 miles a day. We are located between the Gentry and Gravette School Districts (South and North) and by the Bentonville School District to the East.

The district has had 3 Superintendents in the last 5 years and has now found itself in Fiscal Distress with the possibility of being annexed into a surrounding school district. Although the district has never been placed on fiscal distress, the magnitude of the situation had to be addressed.

At the end of May 2008, there were some discrepancies in the bookkeeping that were caught by the school's bank and assistant bookkeeper and then brought to the attention of the Board President and Superintendent, Dave Smith (at the time). We immediately stopped all spending within the district until further information could be addressed. Actions were taken with the bookkeeper and a call to the Department of Education was made for an emergency audit. Dr. Bobbie Davis and Hazel Burnett arrived in Decatur in a matter of a few days. They immediately found several bookkeeping errors and reported to Dr. Ken James. On June 4, 2008, the Decatur School District was placed on Fiscal Distress. On June 27, 2008, Mr. Smith was notified of the recommendation by the Department of Education to annex with a surrounding district. On June 30, 2008, a special board meeting was called to address the issue. At the end of the day on July 1, 2008, Mr. Smith cleaned out his office. Mr. Wilkins, Board President, called a special board meeting to address this and Mr. Smith did not attend. Mr. Wilkins recommended that Mr. Smith be suspended from his duties until the matter of the annexation could be addressed. Mr. Morgan then made a recommendation to appoint Bobby King as Interim Superintendent. On July 8, 2008, a special board meeting was called to hire Lee Ortman as a financial consultant.

\_\_\_\_\_  
Superintendent Signature

\_\_\_\_\_  
Date

**Arkansas Department of Education  
Fiscal Distress Financial Improvement Plan  
Plan Year \_\_08-09 \_\_\_\_\_**

\_\_\_\_\_  
Superintendent Signature

\_\_\_\_\_  
Date

## PART B. PLAN OBJECTIVES

Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Net Savings	Obj Yes
Certified Staff Attrition	Superintendent / Administration	We have 2.5 certified positions that will not have to be replaced in the 08-09 school year. 1 FTE Civics / Coach @ 42,400, 1FTE Speech / Drama @ 38,253, .50 FTE Gifted/Talented @ 29,135 for a savings of \$109,000 in salary expenditures for the 08-09 School year.	Y	07/01/08	1000 / 2000	<b>\$109,000</b>	
Classified Staff Attrition	Superintendent / Administration	We had 2 Classified FTE's retire at the end of the 07-08 school year and are not replacing. 1 FTE maintenance @ 31,621 and 1 FTE custodial @ 30,317 for a savings of \$61,000 in salary expenditures for the 08-09 school year.	Y	07/01/08	2000	<b>\$61,000</b>	
Assess District Leased Equip.	Superintendent	We will re-negotiate our lease / contract with the copier company to reduce from \$1352.65 a month lease base and .0088 cents per copy to \$1109.70 a month base lease and .0088 cents a copy for a yearly savings of \$3000.		08/01/08	2000	<b>\$3,000</b>	
Assess District Leased Equip.	Superintendent	We will cut out 1 trash dumpster from the district @ \$328 a month for a savings of \$3,000 a year.		08/01/08	2000	<b>\$3,000</b>	

Implement District Purchase Order Procedures	Superintendent / District Administration / Teachers	<p>The new procedure will be as follows: (1) Purchase Orders will be distributed through the Central Office. (2) A request for PO form will have to be filled out and submitted that has the name of the person requesting it, who it is going to, the amount of the PO, and what it is being used for. This will have to have the building principals signature of approval when brought to the Central Office. (3) The PO number, persons name requesting, and the amount will be logged into a journal book before the PO is given out. (4) The Po must then be filled out completely with the same information as the request form with the building principals signature and returned to the Superintendent for a final signature. (5) At this point, the PO can be taken by the requesting person and the order may be made at that time. Any invoices that are dated before the final signature / date of the superintendent could be the financial responsibility of the person that requested the PO at the discretion of the superintendent. There is not a policy in place and this will have to be taken to the board for approval from the PPC and made effective immediately due to Fiscal Distress.</p>	08/18/08		<b>\$0</b>	
Transportation	Superintendent / Director of Transportation	Evaluate our existing bus routes to try and create centralized stops. Doing so will reduce the number of miles driven and fuel consumption.	08 -09 School Year	2000	<b>Unknown</b>	
Transportation	Superintendent / Director of Transportation	Due to not having to transport a Special Needs student to the Total Day Treatment Facility in Springdale, there is a projected savings of \$16,000 but this will be lower if we have someone come into the district that needs that special service. Removing the shuttle to the Gentry Campus of Northwest Arkansas Community College's Regional Technology Center, will produce a savings of \$4000.	08-09 School Year	2000	<b>\$20,000</b>	

Reduction of Utility Usage	Superintendent/ District Staff	We are going to contact the utility companies for a 12 month report of usages and payments for the period of July 1, 2007 to June 30, 2008. We will implement a district wide energy plan that will require teachers to turn off computers, computer screens, copiers and printers everyday when they leave. We will be having teachers remove all electrical devices from their classrooms that are not needed to meet the educational standards like clocks, microwaves, refrigerators and coffee makers. These things will remain in the teachers lounge / breakroom areas for their needs. We are going to reprogram all of our thermostats to set on 70 for heating and 72 for cooling. In doing all of this and looking at our reports from last year, we hope to make a reduction in our energy usage and lower our energy cost.	08-09 School Year	2000	Unknown	
ACSIP	Superintendent / District Staff / ACSIP Chairs	In preparing the building and district ACSIP Plans for the 08-09 school year, we will do a better job of utilizing our categorical funds by placing money in the projects that provide the most benefit for the educational success of our students.	08-09 School Year		\$0	
Reduction of Force	Superintendent / District Administration	We will be evaluating the staffing issues throughout the 08-09 school year to determine if there is an excess of staff within the district. If we find that it is an issue, we will enforce our RIF policy that is currently in place in our Personnel Policy Manuals.	09-10 School Year		Unknown	
Segregation of Financial Duties	Superintendent	We will implement a Segregation of Financial duties to involve more steps to create better financial control. The superintendent will be responsible for opening the bank statements and reviewing the reconciliations.	08-09 School Year		\$0	
Millage Proposal	Superintendent / School Board	If approved and or possible at this time, we would like to try and get a millage increase on the November ballot this year. The number of mills needed has not yet been determined.	09-10 School Year	2000	Will be Determined Upon the # of Mills Approved	

Met	No			

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--	--	--	--	--

Decatur Public Schools  
1496 Stadium Ave • Decatur, Arkansas 72722

**Leslie Sharp**  
Elementary Principal  
(479) 752-3981  
Fax (479) 752-3982

**Gary Taylor**  
Middle School Principal  
(479) 752-3989  
Fax (479) 752-2490

**Bobby King**  
High School Principal  
(479) 752-3983  
Fax (479) 752-2491

**Dave Smith**  
Superintendent  
(479) 752-3986  
Fax (479) 752-2490

July 15, 2008

Arkansas Department of Education  
Dr. Kenneth James  
#4 State Capital Mall  
Little Rock, AR 72201-1071

RECEIVED  
COMMISSIONER'S OFFICE

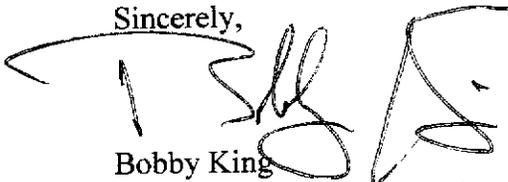
JUL 21 2008

DEPARTMENT OF EDUCATION

Dear Dr. James,

The Decatur School District would like to appeal the decision of the possible annexation of Decatur Schools to a contingent district based upon data to be presented at the State Board hearing on July 31, 2008. We feel that the projected ending balance for the 08-09 school year by the ADE is not accurate. We are working on district-wide cuts, combining teaching duties to help eliminate the need to fill vacant positions and our community is working hard to do what they can to assist in raising funds..

Sincerely,



Bobby King  
Acting Interim Superintendent  
Decatur Public Schools

RECEIVED  
ATTORNEY'S OFFICE

JUL 21 2008

DEPARTMENT OF EDUCATION  
GENERAL DIVISION

**Tripp Walter (ADE)**

**From:** COMPTON, GARY [GCOMPTON@bentonville.k12.ar.us]  
**Sent:** Thursday, July 24, 2008 1:48 PM  
**To:** Tripp Walter (ADE)  
**Cc:** Riggs, Travis  
**Subject:** July 31st hearing

Dear Mr. Walter,

I will be attending the hearing on the 31<sup>st</sup> along with Board of Education President, Mr. Travis Riggs. Thank you for extending that invitation.

In discussing this matter on several occasions with the members of the Board of Education I would offer only two thoughts:

- 1) It is our hope that the current situation in Decatur can be resolved in a successful and timely manner. While we have followed the media reports about Decatur, we are hopeful that whatever problems might exist can be corrected and rectified so that Decatur can become a viable and productive district in NW Arkansas.
- 2) If, however, in the wisdom of the Arkansas State Board of Education, Decatur is annexed to Bentonville, either in part or whole, we will cooperate and strive to provide the best education possible for the students that currently attend in Decatur. Even though we are the fastest growing district in the state – and we are very accustomed to taking in 1,000 to 1,150 new students in any given year – we do feel capable of handling the influx of new students.

I wish you the best of luck as you head down what is surely a difficult path. Thanks!



# Gentry Public Schools



Dr. Randy C. Barrett, Superintendent  
201 South Giles Avenue  
Gentry, Arkansas 72734

Telephone: 479-736-2253 Fax: 479-736-2245 e-Mail: [drbarrett@gentry2.nwsc.k12.ar.us](mailto:drbarrett@gentry2.nwsc.k12.ar.us)

## Position Statement

### Regarding the Possible Annexation of the Decatur School District

At its regular July meeting, held July 14, 2008, the Gentry School Board took no formal action but expressed the desire that the Decatur School District be allowed to continue to exist as a separate entity with an opportunity provided to work with state officials to rectify its financial difficulties. It was the Gentry's board's consensus that such would be in the best interest of the Decatur students, staff, and Decatur community.

The Gentry School Board respectfully asks that the Arkansas State Board of Education give due deliberation to the following considerations:

1. Approximately one week after the State Board's meeting many northwest Arkansas area school districts will begin professional development seminars for certified staff. Adequate time will not exist to plan for additional staff from an annexed school district.
2. Approximately two weeks after the State Board's meeting many northwest Arkansas area school districts will begin classes for students. Adequate time will not exist to plan for additional students, the merger of curricular offerings, the blending of local graduation requirements, and the hiring of any additional staff required to comply with the Arkansas *Standards For Accreditation*.
3. Decatur staff members have been offered contracts of employment by the Decatur School District for the 2008-09 school term. That will likely mandate that the receiving district honor those contracts while at the same time incurring additional expense by transitioning the new employees to the receiving district's salary schedule. (Ex: It has been projected by the Gentry superintendent that transitioning Decatur certified employees alone to the

***The mission of the Gentry School District is to work with the community in providing safe***

Gentry certified salary schedule would cost approximately \$300,000 more in salary and benefits than what those employees would earn on the Decatur schedule.)

4. With the rationale for previous items noted, it would untenable for the receiving district to consider a Reduction In Force action at the beginning of a contract year for certified employees.
5. With the rationale for previous items noted, the receiving district would most likely be compelled to leave staff, with the exception of the superintendent, and students at the existing Decatur site for at least one year thus negating any savings that might be gained by reducing staff and maximizing teacher-to-student class ratios.
6. None of the contiguous districts have the same millage rate as the Decatur School District. This is pertinent with regard to the assumption of the Decatur district's bonded debt.
7. The total amount of outstanding debt owed by the Decatur district has not been identified at the time of this petition due to the circumstances surrounding Decatur having been identified and classified as being in fiscal distress. Without such analysis being available, the receiving district has no way to calculate if the incentive money provided with the annexation would offset increased operational costs and outstanding debt. At a minimum, the annexation process should be guaranteed by the Arkansas Department of Education to be cost neutral to the receiving district.
8. An annexation at this time would not allow the receiving district adequate time to revise its Master Facilities Plan for the Division of Public School Academic Facilities and Transportation.
9. With the timing of the notice to the Decatur district of possible annexation, parents of the Decatur District did not have adequate time to avail themselves of transfers to other districts under the Public School Choice Act. Without knowledge of parental preference, a possible scenario in year two of the annexation would be an exodus of students from the receiving district to another district leaving the receiving district with financial obligations not supported by a declining student enrollment.
10. With significant minority populations existing within the Decatur district and/or the other contiguous school districts, adequate time would not be available to restructure "voting" zones of equal racial and population density proportions to ensure adequate and equal representation on the interim school board of the new unified district.

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In summary, the Gentry School District acknowledges the authority of the Arkansas Department of Education and the Arkansas State Board of Education to govern public school education in Arkansas. The Gentry School District does not presume that such considerations as listed above, and others, have not already been considered by all appropriate parties. It does offer those items as the basis of its own deliberations.

The Gentry School Board recognizes that the scope of its authority is rightfully limited by state law to those students within the boundaries of its own existing district and that, in such, it must first be concerned about the welfare of its own students and the ability to provide those students with quality educational opportunities.

In that same vein, the Gentry School District hopes that the Decatur School District will have an opportunity to demonstrate whether it can move to financial self-sufficiency and continue to serve the students now residing within its district.

After a sufficient period of time, should that not seem possible, the Gentry School District asks that all concerned parties be allowed sufficient time to analyze and to plan so that the disruption of the educational process for all students, parents, and related school districts might be kept to a minimum.

*Submitted July 18, 2008*

***The mission of the Gentry School District is to work with the community in providing safe***



Gravette School District 20  
*The Pride of Arkansas*

ANDREA KELLY, EdD, SUPERINTENDENT

609 Birmingham St SE  
Gravette, AR 72736  
Ph: 479-787-4100  
Fax: 479-787-4108  
Website: [lions.k12.ar.us](http://lions.k12.ar.us)

July 22, 2008

Dr. T. Kenneth James, Commissioner  
Arkansas Department of Education  
4 State Capitol Mall  
Little Rock, AR 72201-1019

RE Request of ADE to Annex the Decatur School District

Dear Dr. James:

The contents of this letter will serve as the basis of my comments to you and members of the State Board at a public hearing on July 31, 2008 at 9:00 a.m. As the superintendent of the Gravette Public Schools, I will make the presentation on behalf of the school district.

Consideration of this magnitude is a serious undertaking for all parties involved. The position of the Gravette Board of Education and the school administration is that the community of Decatur will be best served with the retention of its independent school system. Many, if not most, of us are the products of small school systems who had the opportunity to develop personally based on the experiences afforded us in the small districts. From academic core studies, leadership development opportunities, the opportunity to experience community service, as well as the inclusion in school activities, that would have been denied us if we were placed in a larger school district, we all know the benefits of these in our lives.

Given the notice from the ADE on Monday, June 30, 2008, we were left with the question of how to incorporate the Decatur school district, assimilate the students in short notice, and guarantee a successful learning experience. We appreciate the responsibility directed by the Arkansas statutes requiring positive fiscal school district management and academic performance of the students.

On Tuesday, July 1, my first day as the superintendent of the Gravette Public Schools, I began a series of meetings with the leadership team to devise a plan that will guarantee a successful learning experience and also maintain the fiscal viability of the Gravette school district. Our efforts in the due diligence process concluded with these points:

1. Fiscal Impact
    - A. Revenue  
(estimated revenue of the Decatur district for FY09) \$ 3,875,030
    - B. Expenditures  
(estimated addition to the Gravette district FY09 operating cost)
      - (1) Transportation (includes purchase of 2 buses to update the Decatur fleet) \$ 314,248
      - (2) Custodial/Maintenance (includes cost of operations) 314,053
      - (3) Retrofit 3 middle school classrooms 15,000
      - (4) Curriculum (books, technology, supplies, etc.) 107,210
      - (5) Athletics/Student Activities 35,000
      - (6) Certified Salaries/Benefits 1,171,169
      - (7) Classified Salaries/Benefits 516,295
      - (8) Conditioning unoccupied buildings on the Decatur campus (to reduce the temptation for vandalism, etc.) 100,000
  - C. Annual bond repayment (Decatur) paid in full in 2030 \$ 477,178
  - D. Annual post-dated warrant commitment of \$40,000 (to be paid off in 2014) \$ 6,700
  - E. Balance of contractual obligation to Decatur employees \$ ?
2. Our proposal is to retain the operations of the Decatur elementary school building as it was opened at the beginning of the 07-08 school year, and change the format from PreK through 4<sup>th</sup> grades to a PreK through 5<sup>th</sup> grade center.
  3. Three classrooms on the Gravette campus will be retrofitted to accommodate the combination of the Gravette and Decatur 6, 7, and 8<sup>th</sup> grade students.
  4. The new Gravette high school facility, that opened in 2006, will be at maximum capacity with the annexation; therefore, the Gravette Board of Education's existing plans for building and facilities will be accelerated to modify the campus development plan, the design, and construction of new

classrooms in anticipation of increasing enrollment for the next four years and beyond.

5. The Decatur system currently buses the PreK students; however, the Gravette system does not, out of concern for child safety, given the young age.
6. Initial findings, based on pre-enrollment of Gravette Public Schools and the anticipated enrollment of the Decatur system, indicate that Gravette Public Schools will need to hire 18 to 20 certified personnel and employ 24 to 28 classified staff members in the support functions of maintenance, transportation, food service, and office administration. The fluctuation in new hires is dependent on whether the choice is made to leave open the Decatur elementary building dedicated to PreK through 5<sup>th</sup> grades.
7. Salaries and benefits of certified and classified staff currently under contract with the Decatur school district are an issue of concern. The immediate assumption of all employment contracts places two burdens on the receiving district 1) as not all employees will be required to fulfill the staffing plan to accommodate the annexation, and 2) if the receiving district is required to assume the obligation of all employees, the variance in salary schedules requires an additional financial obligation of the Gravette school district. Clarity from the leadership of the ADE will be helpful in establishing a firm estimate of costs.
8. The state foundation funding aid is calculated at a higher rate for Decatur than for the students in the Gravette district. The assumption is made that when the two districts are combined there will be a loss of revenue unless there is consideration given for the possible loss of revenue.
9. Some consideration will need to be given by leadership of the ADE for potential loss of revenue for students who may choose to attend districts contiguous to the Decatur district through either School Choice or requests for transfer if the decision is made to annex.
10. The realignment of the district due to the annexation modifies the school board member election process. Currently, the Gravette Board of Education is elected at-large. A requirement identified in the state statutes is that the district will be classified into zones based on the most recent census data. We will need the assistance of the ADE leadership to devise a communications process as well as an election process that will serve the best interests of the voters and preserve the fiscal viability of the combined districts.

11. Data, for both districts, prepared by Morgan Keegan and Company of Fayetteville, are enclosed for review relative to millage comparison, historic assessed values, outstanding bond issues of the Gravette School District, and the debt service schedule of the Decatur School District.
12. The potential increased valuation of Decatur is lower than Gravette as Decatur averages 5% per year and Gravette averages 10% per year.
13. The debt load for the Decatur district is 14.9 mills compared to 11.4 mills for Gravette.
14. State statute allows the annexed district to vote the same mills as the receiving district. However, it is unlikely that the Decatur community will vote to retain the 40 mills if given the option to reduce the millage rate comparable to Gravette's 37.4 mills. This scenario represents a loss of \$115,000 per year for debt service on the current estimated payment of \$480,000 per year as well as loss of revenue overall.
15. An option for possible consideration by the Decatur voters is to restructure and extend the terms of their existing bond issues thereby reducing the debt service payments over the next seven years. This would provide some short-term relief and lower the annual payment at the expense of longer term and higher overall interest payments.
16. A critical element to the success of the annexation plan is leadership capacity. While no quantitative data can be used to measure the leadership capacity within each of the grade centers, the athletic department, and the maintenance and transportation departments, I firmly believe that students of both districts will be well served given the talent and expertise of the Gravette leadership team. They are a group of dedicated, hard-working administrators with a sincere desire to guarantee a positive learning experience for all students.

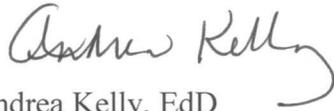
In summary, if the State Board will allow for some dispensation of the financial conditions associated with the annexation of Decatur and provide additional state revenues for a period of five years, the assumption of the annexing district will bode well for students in both communities. The relief will allow for immediate and planned purchases that will provide a smooth transition given the short notice of the annexation.

As the letter references in the introductory comment, the Gravette Board of Education and administration firmly supports the independent status of the Decatur School District.

Dr. T. Kenneth James  
Page 5

We also respect the decision of the State Board and will work to make the annexation as positive as possible for everyone concerned, but more importantly for the students of both districts.

Sincerely,

A handwritten signature in black ink that reads "Andrea Kelly". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

Andrea Kelly, EdD  
Superintendent

Attachments

LEA: 402  
 County: BENTON  
 District: DECATUR

State Aid Notice 2007-08  
 June 20, 2008

1.	2006 Real Assessment	\$	26,704,280	17.	Enhanced Educational Funding Rate	\$				51.00
2.	2006 Personal Assessment	\$	10,718,595	18.	PY ALE FTEs (Quarters 1-4)	\$				5.46
3.	2006 Utility Assessment	\$	3,680,990	19.	CY English Language Learner Students	\$				147
4.	2006 Total Assessment *	\$	41,103,865	20.	PY NSLA Students (Cycle 2)	\$				423
5.	98% of URT X Assessment *	\$	1,007,045	21.	Professional Development Funding Rate	\$				41.32
6.	Actual URT Collections	\$	959,349	22.	ADM of Isolated School Area	\$				
7.	Five-year Average Miscellaneous Funds	\$		23.	Isolated Funding Amount	\$				
8.	2005-06 ADM (Quarters 1-3)	\$	564.21	24.	Adjusted Scheduled Debt Payment	\$				78,120.
9.	2006-07 ADM (Quarters 1-3) **	\$	582.68	25.	Bonded Debt Assistance Funding Factor	\$				18.03
10.	2007-08 ADM (Quarter 1)	\$	573.27	26.	State Wealth Index *	\$				.56692
11.	2007-08 ADM (Quarter 2)	\$	571.61	27.	2006 Mills: Maintenance & Operation	\$				25.
12.	2007-08 ADM (Quarter 3)	\$	552.31	28.	2006 Mills: Dedicated M&O	\$				.0
13.	2007-08 ADM (Quarter 4)	\$		29.	2006 Mills: Debt Service	\$				15.
14.	Local Revenue Per Student *	\$	1,728.3	30.	2006 Mills: Total	\$				40.
15.	Foundation Funding Amount Per Student	\$	5,719.00							
16.	State Foundation Funding Aid Per Student	\$	3,990.7							

DATA

FUNDING

Fund Category	Amount	Statutory Code/Act	Restricted	Rev. Code	SOF Code
31. State Foundation Funding Aid	2,325,302	6-20-2305, Act 272 of 2007	No	31101	000
32. Educational Excellence Trust Funds *** - R	254,528	6-5-301 et seq.	Yes		
33. Enhanced Educational Funding	29,717	Act 273 of 2007	No	31102	000
34. Alternative Learning Environment - R	22,184	6-20-2305, Act 272 of 2007	Yes	32370	275
35. English Language Learners - R	43,071	6-20-2305, Act 272 of 2007	Yes	32371	276
36. National School Lunch Act - R	419,616	6-20-2305, Act 272 of 2007	Yes	32381	281
37. NSLA Transitional Funding ****		Act 811 of 2007	Yes	32381	281
38. NSLA Growth Funding - R		6-20-2305	Yes	32381	281
39. Professional Development - R	24,076	6-20-2305, Act 272 of 2007	Yes	32256	223
40. Bonded Debt Assistance * - R	11,319	6-20-2503, Act 989 of 2007	Yes	32915	394
41. State Financial Assistance - GFF - R	6,537	6-20-2503	No	32912	392
42. State Financial Assistance - SMIF - R		6-20-2503, Act 1573 of 2007	No	31620	000
43. Isolated Funding		6-20-601 et seq., Acts 1052 & 1573 of 2007	Yes	31500	212
44. Isolated Special Needs Funding ***** - R		6-20-601 et seq., Acts 272, 461, 1052 & 1573 of 2007	No	31500	212
45. Isolated Special Needs Transportation		6-20-601 et seq., Acts 272, 461, 1052 & 1573 of 2007	Yes	32248	228
46. Declining Enrollment Funding ***** - R		6-20-2305, Acts 272 & 461 of 2007	No	31460	218
47. Declining Enrollment Adequacy - R		6-20-2305, Acts 272 & 461 of 2007	No	31460	218
48. Student Growth-Qtrs. 1, 2, 3 & 4 (Est.)*****R		6-20-2303 & 2305, Acts 272 & 461 of 2007	No	31450	217
49. 98% of URT less Actual URT Collections - R	47,695	6-20-2303 & 2305, Act 272 of 2007	No	31103	000

ADM-average daily membership, ALE-alternative learning environment, CY-current year, Est.-estimated, FTE-full-time equivalent, GFF-general facilities funding, LEA-local education agency, PY-prior year, M&O-maintenance & operation, NSLA-national school lunch act, Qtr.-quarter, R-state board rule, Rev.-revenue, SMIF-supplemental millage incentive funding, SOF-source of funds, URT-uniform rate of tax

\*2006 Total Assessment was verified in May 2008 for purposes of updating the Bonded Debt Assistance calculation. Line items affected are referenced by this footnote.  
 \*\* 2006-07 ADM (Quarters 1-3) is reduced by the 2006-07 ADM (Quarters 1-3) of Arkansas Virtual Academy students pursuant to Act 1420 of 2007.

\*\*\* Educational Excellence Trust Funds are included in State Foundation Funding Aid, and are restricted pursuant to Ark. Code Ann. §6-5-307.  
 \*\*\*\* NSLA Transitional Funding is reflected in the NSLA payments beginning with the October payment.

\*\*\*\*\*Eligible school districts shall receive Isolated Special Needs Funding under A.C.A. 6-20-604 or Declining Enrollment Funding under A.C.A. 6-20-2305 (a) (3) (A) (i).  
 \*\*\*\*\*No school district shall receive both Declining Enrollment Funding under A.C.A. 6-20-2305 (a) (3) (A) (i) and Student Growth Funding under A.C.A. 6-20-2305 (c).  
 \*\*\*\*\*The final determination of Student Growth Funding is not available until after June 30, pursuant to Act 272 of 2007, Section 6.

LEA: 404  
 County: BENTON  
 District: GRAVETTE

State Aid Notice 2007-08  
 June 20, 2008

1.	2006 Real Assessment	\$	177,491,940	DATA	17.	Enhanced Educational Funding Rate	\$	51.00	
2.	2006 Personal Assessment	\$	35,043,590		18.	PY ALE FTEs (Quarters 1-4)	\$	16.21	
3.	2006 Utility Assessment	\$	6,393,090		19.	CY English Language Learner Students		49	
4.	2006 Total Assessment *	\$	218,928,620		20.	PY NSLA Students (Cycle 2)		698	
5.	98% of URT X Assessment *	\$	5,363,751		21.	Professional Development Funding Rate	\$	41.32	
6.	Actual URT Collections	\$	5,206,520		22.	ADM of Isolated School Area			
7.	Five-year Average Miscellaneous Funds	\$			23.	Isolated Funding Amount	\$		
8.	2005-06 ADM (Quarters 1-3)		1,650.41		24.	Adjusted Scheduled Debt Payment	\$	1,508,254.77	
9.	2006-07 ADM (Quarters 1-3) **		1,689.94		25.	Bonded Debt Assistance Funding Factor	\$	18.03	
10.	2007-08 ADM (Quarter 1)		1,765.46		26.	State Wealth Index *		.0	
11.	2007-08 ADM (Quarter 2)		1,749.93		27.	2006 Mills: Maintenance & Operation		25.0	
12.	2007-08 ADM (Quarter 3)		1,745.32		28.	2006 Mills: Dedicated M&O		.0	
13.	2007-08 ADM (Quarter 4)				29.	2006 Mills: Debt Service		10.4	
14.	Local Revenue Per Student *	\$	3,173.93		30.	2006 Mills: Total		35.4	
15.	Foundation Funding Amount Per Student	\$	5,719.00						
16.	State Foundation Funding Aid Per Student	\$	2,545.07						

FUNDING

Fund Category	Amount	Statutory Code/Act	Restricted	Rev. Code	SOF Code
31. State Foundation Funding Aid	4,301,016	6-20-2305, Act 272 of 2007	No	31101	000
32. Educational Excellence Trust Funds *** - R	470,789	6-5-301 et seq.	Yes		
33. Enhanced Educational Funding	86,187	Act 273 of 2007	No	31102	000
34. Alternative Learning Environment - R	65,861	6-20-2305, Act 272 of 2007	Yes	32370	275
35. English Language Learners - R	14,357	6-20-2305, Act 272 of 2007	Yes	32371	276
36. National School Lunch Act - R	346,208	6-20-2305, Act 272 of 2007	Yes	32381	281
37. NSLA Transitional Funding ****		Act 811 of 2007	Yes	32381	281
38. NSLA Growth Funding - R	9,829	6-20-2305	Yes	32381	281
39. Professional Development - R	69,828	6-20-2305, Act 272 of 2007	Yes	32256	223
40. Bonded Debt Assistance * - R		6-20-2503, Act 989 of 2007	Yes	32915	394
41. State Financial Assistance - GFF - R		6-20-2503	No	32912	392
42. State Financial Assistance - SMIF - R	4,042	6-20-2503, Act 1573 of 2007	No	31620	000
43. Isolated Funding		6-20-601 et seq., Acts 1052 & 1573 of 2007	Yes	31500	212
44. Isolated Special Needs Funding ***** - R		6-20-601 et seq., Acts 272, 461, 1052 & 1573 of 2007	No	31500	212
45. Isolated Special Needs Transportation		6-20-601 et seq., Acts 272, 461, 1052 & 1573 of 2007	Yes	32248	228
46. Declining Enrollment Funding ***** - R		6-20-2305, Acts 272 & 461 of 2007	No	31460	218
47. Declining Enrollment Adequacy - R		6-20-2305, Acts 272 & 461 of 2007	No	31460	218
48. Student Growth-Qtrs. 1, 2, 3 & 4 (Est.)*****R	352,105	6-20-2303 & 2305, Acts 272 & 461 of 2007	No	31450	217
49. 98% of URT less Actual URT Collections - R	157,231	6-20-2303 & 2305, Act 272 of 2007	No	31103	000

ADM-average daily membership, ALE-alternative learning environment, CY-current year, Est.-estimated, FTE-full-time equivalent, GFF-general facilities funding, LEA-local education agency, PY-prior year, M&O-maintenance & operation, NSLA-national school lunch act, Qtr.-quarter, R-state board rule, Rev.-revenue, SMIF-supplemental millage incentive funding, SOF-source of funds, URT-uniform rate of tax

\*\*2006 Total Assessment was verified in May 2008 for purposes of updating the Bonded Debt Assistance calculation. Line items affected are referenced by this footnote.  
 \*\* 2006-07 ADM (Quarters 1-3) is reduced by the 2006-07 ADM (Quarters 1-3) of Arkansas Virtual Academy students pursuant to Act 1420 of 2007.

\*\*\* Educational Excellence Trust Funds are included in State Foundation Funding Aid, and are restricted pursuant to Ark. Code Ann. §6-5-307.  
 \*\*\*\* NSLA Transitional Funding is reflected in the NSLA payments beginning with the October payment.

\*\*\*\*\* Eligible school districts shall receive isolated Special Needs Funding under A.C.A. 6-20-604 or Declining Enrollment Funding under A.C.A. 6-20-2305 (a) (3) (A) (i).  
 \*\*\*\*\* No school district shall receive both Declining Enrollment Funding under A.C.A. 6-20-2305 (a) (3) (A) (i) and Student Growth Funding under A.C.A. 6-20-2305 (c).  
 \*\*\*\*\* The final determination of Student Growth Funding is not available until after June 30, pursuant to Act 272 of 2007, Section 6.

**Millage Comparison**

	<b>Gravette</b>	<b>Gentry</b>	<b>Decatur</b>	<b>Bentonville</b>
M&O Mills	25.8	27.9	25	26.8
D/S Mills	11.4	15	14.9	13.3
Total Mills	37.2	42.9	39.9	40.1
Assessed Valuation	\$243,616,270	\$131,928,940	\$41,103,865	\$1,271,075,185
% Bond/Non Bond Debt ('07)	11.6%	9.3%	15.7%	10.8%

Gravette School District - Historic Assessed Values\*

Year	Assessed Value	Debt Svs Revenue
	<i>Actual</i>	
2000	\$135,836,445	\$1,471,109
2001	\$143,628,134	\$1,555,493
2002	\$153,598,368	\$1,663,470
2003	\$161,722,138	\$1,751,451
2004	\$172,280,229	\$1,865,795
2005	\$196,078,055	\$2,123,525
2006	\$218,928,620	\$2,370,997
2007	\$243,616,270	\$2,638,364
	<i>Projected</i>	
2008	\$255,797,084	\$2,770,282
2009	\$268,586,938	\$2,908,797
2010	\$282,016,285	\$3,054,236
2011	\$296,117,099	\$3,206,948
2012	\$310,922,954	\$3,367,296
2013	\$326,469,101	\$3,535,660
2014	\$342,792,556	\$3,712,443

\*Assumes 5% annual growth and 95% collection

Decatur School District - Historic Assessed Values\*

Year	Assessed Value	Debt Svs Revenue
	<i>Actual</i>	
2000	\$31,108,226	\$440,337
2001	\$33,016,065	\$467,342
2002	\$33,676,283	\$476,688
2003	\$34,082,755	\$482,441
2004	\$35,503,728	\$502,555
2005	\$39,142,540	\$554,063
2006	\$41,103,865	\$581,825
	<i>Projected</i>	
2007	\$43,159,058	\$610,916
2008	\$45,317,011	\$641,462
2009	\$47,582,862	\$673,535
2010	\$49,962,005	\$707,212
2011	\$52,460,105	\$742,573
2012	\$55,083,110	\$779,701
2013	\$57,837,266	\$818,686
2014	\$60,729,129	\$859,621

\*Assumes 5% annual growth and 95% collection

## Decatur School District Debt Service Schedule

Year Ending June 30,	Series 2003 3.00%	Series 2005 2.95-4.40%	Series 2006 3.50-4.125%	Total	D/S Millage * (14.9 mills)	Coverage
2008	86,800	282,808	99,099	468,707	\$581,825	1.24
2009	89,700	284,300	103,178	477,178	\$581,825	1.22
2010	87,450	285,520	101,603	474,573	\$581,825	1.23
2011	90,200	286,458	100,028	476,686	\$581,825	1.22
2012	92,800	287,038	103,340	483,178	\$581,825	1.20
2013	90,250	287,313	101,465	479,028	\$581,825	1.21
2014	92,700	287,273	99,590	479,563	\$581,825	1.21
2015		286,908	102,665	389,573	\$581,825	1.49
2016		286,208	100,548	386,756	\$581,825	1.50
2017		290,240	103,403	393,643	\$581,825	1.48
2018		288,805	101,063	389,868	\$581,825	1.49
2019		287,090	103,663	390,753	\$581,825	1.49
2020		285,090	101,063	386,153	\$581,825	1.51
2021		287,890	103,463	391,353	\$581,825	1.49
2022		290,195	100,663	390,858	\$581,825	1.49
2023		286,995	102,863	389,858	\$581,825	1.49
2024		288,488	99,863	388,351	\$581,825	1.50
2025		289,565	101,863	391,428	\$581,825	1.49
2026		290,115	103,663	393,778	\$581,825	1.48
2027		290,128	100,263	390,391	\$581,825	1.49
2028		289,593	101,756	391,349	\$581,825	1.49
2029		288,628	103,044	391,672	\$581,825	1.49
2030		287,100	104,125	391,225	\$581,825	1.49

\*Assumes 95% collection - a single taxpayer pays 25% of property taxes

ARKANSAS DEPARTMENT OF  
**Education** 

*Dr. T. Kenneth James, Commissioner*

4 State Capitol Mall • Little Rock, AR 72201-1019  
(501) 682-4475  
<http://ArkansasEd.org>

June 4, 2008

Dave Smith, Superintendent  
Decatur School District  
1498 Stadium Drive  
Decatur, AR 72722

Mike Wilkins, President  
Decatur School Board  
20021 Chicken Drive  
Decatur, AR 72722

Dear Mr. Smith and Mr. Wilkins:

Pursuant to Ark. Code Ann. § 6-20-1905, this letter is to provide notice that the Decatur School District has been identified by the Arkansas Department of Education (Department) as a school district in fiscal distress. According to Ark. Code Ann. § 6-20-1904, the Decatur School District meets one (1) or more of the criteria for identification as a school district in fiscal distress, including:

- The Decatur School District has a declining balance determined to jeopardize the fiscal integrity of a school district; and
- Any other fiscal conditions of a school district deemed to have a detrimental negative impact on the continuation of educational services by the Decatur School District.

The Arkansas State Board of Education (SBE) will be requested by the Department to classify the Decatur School District as being in fiscal distress at its meeting of July 14, 2008, to be held at 9:00 a.m. in the Auditorium of the Arch Ford Education Building, #4 Capitol Mall in Little Rock. I have attached to this letter a copy of Ark. Code Ann. § 6-20-1901 et seq., and the Department Rules Identifying and Governing the Arkansas Fiscal Assessment and Accountability Program. These attached documents will provide information and details on the process concerning an appeal of the identification status. An appeal would be heard at the July 14, 2008, SBE meeting.

Ark. Code Ann. § 6-20-1907 states that no school district identified by the Department as being in fiscal distress may incur any debt without prior written approval from the Department. "Any debt" includes any employment contract, vendor contract, lease, loan, purchase, or any other obligation that will increase the district's financial obligation, accounts payable or its liabilities. The district is required to obtain prior written approval from the Department, effective with its receipt of this letter. Please retain this notice in your district's audit file.

---

**STATE BOARD OF EDUCATION:** Chair: Diane Tatum, Pine Bluff • Vice Chair: Randy Lawson, Bentonville  
Members: Sherry Burrow, Jonesboro • Jim Cooper, Melbourne  
Brenda Gullett, Fayetteville • Dr. Tim Knight, Arkadelphia • Dr. Ben Mays, Clinton  
MaryJane Rebick, Little Rock • Dr. Naccaman Williams, Springdale

*An Equal Opportunity Employer*

Letter to Mr. Smith and Mr. Wilkins  
Page 2  
June 4, 2008

Should the district have any questions or comments, please contact Scott Smith, General Counsel,  
at 501-682-4227.

Sincerely,



T. Kenneth James, Ed.D.  
Commissioner of Education

TKJ:law  
Attachments

cc: Scott Smith, General Counsel  
Dr. Bobbie Davis, Assistant Commissioner, Fiscal & Administrative Services  
The Honorable Bill Pritchard, State Senator  
The Honorable Kim Hendren, State Senator  
The Honorable Mike Kenney, State Representative

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:

Dave Smith, Supt.  
Decatur School District  
1498 Stadium Avenue  
Decatur, AR 72722

2. Article Number

(Transfer from servi

PS Form 3811, February 2004

Domestic Return Receipt

0751-44-20-965Z01

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature  Agent   *Dave Smith*
- B. Received by (Printed Name)  Addressee  *Dave Smith*
- C. Date of Delivery *6-20-04*
- D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type
- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.
4. Restricted Delivery? (Extra Fee)  Yes  No

U.S. Postal Service™  
CERTIFIED MAIL™ RECEIPT  
(Domestic Mail Only; No Insurance Coverage Provided)  
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OFFICIAL USE

Postmark Here

Postage	\$ 2.76
Certified Fee	\$ 2.70
Return Receipt Fee (Endorsement Required)	\$ 2.22
Restricted Delivery Fee (Endorsement Required)	\$ 5.68

Mike Wilkins, President  
Decatur School Board  
20021 Chicken Drive  
Decatur, AR 72722

or Instructions

7007 0710 0000 3487 3474

U.S. Postal Service™  
CERTIFIED MAIL™ RECEIPT  
(Domestic Mail Only; No Insurance Coverage Provided)  
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postmark Here

Postage	\$ 2.76
Certified Fee	\$ 2.70
Return Receipt Fee (Endorsement Required)	\$ 2.22
Restricted Delivery Fee (Endorsement Required)	\$ 5.68

Dave Smith, Supt.  
Decatur School District  
1498 Stadium Avenue  
Decatur, AR 72722

PS Form 3811, February 2004

7007 0710 0000 3487 3467

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature  Agent   *Mike Wilkins*
- B. Received by (Printed Name)  Addressee  *Mike Wilkins*
- C. Date of Delivery *6-20-04*
- D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type
- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.
4. Restricted Delivery? (Extra Fee)  Yes  No

7007 0710 0000 3487 3474

Domestic Return Receipt

PS Form 3811, February 2004

(Transfer from service label)

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mike Wilkins, President  
Decatur School Board  
20021 Chicken Drive  
Decatur, AR 72722

2. Article Number

PS Form 3811, February 2004

Domestic Return Receipt

7007 0710 0000 3487 3474

MEMORY TRANSMISSION REPORT

TIME : 06-04-2008 03:07PM  
TEL NUMBER : +5016824249  
NAME : ADE ATTORNEY

FILE NUMBER : 676  
DATE : 06-04 03:06PM  
TO : 14797522490  
DOCUMENT PAGES : 003  
START TIME : 06-04 03:06PM  
END TIME : 06-04 03:07PM  
SENT PAGES : 003  
STATUS : OK  
FILE NUMBER : 676

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

ARKANSAS DEPARTMENT OF  
**Education**  
Office of General Counsel  
#4 Capitol Mall, Little Rock, Arkansas 72201  
501-682-4227

**FACSIMILE**  
501-682-4249

TO: Dave Smither Fax No.: 479-752-2490  
Decaeur School District

FROM:  
 Scott Smith  
 Tripp Walter  
 Drew Blankenship  
 Lisa Walters  
 Vivian Moore  
 Sallie Robert

RE: Notice Letter

DATE: 6-4-08 No. of Pages (inc. cover) 3

COMMENTS: Attachments not faxed.

This facsimile (and or the documents accompanying it) may contain confidential information belonging to the sender. The information is intended only for the use of the individual or entity named above. If you are not intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for return of the documents.

ORIGINAL TO FOLLOW BY MESSENGER OR MAIL:  YES  NO

Westlaw.

Page 1

West's Arkansas Code Annotated Currentness  
 Title 6. Education  
 Subtitle 2. Elementary and Secondary Education Generally (Chapters 10 to 39)  
 Chapter 20. Finances  
 → Subchapter 19. Arkansas Fiscal Assessment and Accountability Program

**§ 6-20-1901. Title**

This subchapter shall be known as and may be cited as the "Arkansas Fiscal Assessment and Accountability Program".

**§ 6-20-1902. Purpose**

The purpose of this subchapter shall be to establish and implement a program by which the Department of Education shall identify, assess, and address school districts in fiscal distress.

**§ 6-20-1903. Definitions**

As used in this subchapter:

- (1) "Annexation" means the joining of an affected school district or part of the school district with a receiving district pursuant to § 6-13-1401;
- (2) "Consolidation" means the joining of two (2) or more school districts or parts of the districts to create a new single school district pursuant to § 6-13-1401;
- (3) "Department" means the Department of Education;
- (4) "Fiscal distress status" means a public school district determined by the department and classified by the State Board of Education as being placed in fiscal distress status pursuant to this subchapter;
- (5) "Fiscal integrity" means to comply with financial management, accounting, auditing, and reporting procedures and facilities management procedures as required by state and federal laws and regulations in a forthright and timely manner;
- (6) "Reconstitution" means the reorganization of the administrative unit or the governing school board of directors of a school district, including, but not limited to, the replacement or removal of a current superintendent or the removal or replacement of a current school board of directors or both;
- (7) "School district" means a public school district created or established pursuant to this title; and
- (8) "State board" means the State Board of Education.

**§ 6-20-1904. Indicators of fiscal distress**

Any school district meeting any of the following criteria may be identified by the Department of Education to be a school district in-fiscal-distress upon final approval by the State Board of Education:

(1)(A) A declining balance determined to jeopardize the fiscal integrity of a school district.

(B) However, capital outlay expenditures for academic facilities from a school district balance shall not be used to put the school district in fiscal distress;

(2) Any act or violation determined to jeopardize the fiscal integrity of a school district, including, but not limited to:

(A) Material failure to properly maintain school facilities;

(B) Material violation of local, state, or federal fire, health, or safety code provisions or law;

(C) Material violation of local, state, or federal construction code provisions or law;

(D) Material state or federal audit exceptions or violations;

(E) Material failure to provide timely and accurate legally required financial reports to the department, the Division of Legislative Audit, the General Assembly, or the Internal Revenue Service;

(F) Insufficient funds to cover payroll, salary, employment benefits, or legal tax obligations;

(G) Material failure to meet legally binding minimum teacher salary schedule obligations;

(H) Material failure to comply with state law governing purchasing or bid requirements;

(I) Material default on any school district debt obligation;

(J) Material discrepancies between budgeted and actual school district expenditures;

(K) Material failure to comply with audit requirements; or

(L) Material failure to comply with any provision of the Arkansas Code that specifically places a school district in fiscal distress based on noncompliance; or

(3) Any other fiscal condition of a school district deemed to have a detrimental negative impact on the continuation of educational services by that school district.

#### § 6-20-1905. Notification and appeal

(a)(1) The Department of Education shall provide written notice, via certified mail, return receipt requested, to the president of the school board of directors and the superintendent of each school district identified as being in fiscal distress.

(2) Beginning in 2008, the department shall provide the notice required under subdivision (a)(1) of this section on or before March 30 of each year.

(b) Any school district identified in fiscal distress status may appeal to the State Board of Education by filing a written appeal with the office of the Commissioner of Education by certified mail, return receipt requested, ~~within thirty (30) days of receipt of notice of identified fiscal distress status from the department~~

(c) The state board shall hear the appeal within sixty (60) days of receipt of the written notice of appeal from the school district.

(d) The written appeal shall state in clear terms the reason why the school district should not be classified as in fiscal distress.

(e) Notwithstanding any appeal rights in this subchapter, no appeal shall stay the department's authority to take action to protect the fiscal integrity of any school district identified as in fiscal distress.

(f) The decision of the state board shall be a final order, and there is no further right of appeal except that the school district may appeal to Pulaski County Circuit Court pursuant to the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

#### **§ 6-20-1906. Classification of fiscal distress status**

(a) Those school districts identified by the Department of Education as being in fiscal distress shall be classified as school districts in fiscal distress upon final determination by the State Board of Education.

(b) Any school district classified as in fiscal distress shall be required to publish at least one (1) time for two (2) consecutive weeks in a newspaper of general circulation in the school district the school district's classification as a school district in fiscal distress and the reasons why the school district was classified as being in fiscal distress.

(c) The provisions of subsections (a) and (b) of this section are effective after the school district's appeal rights have been exhausted.

#### **§ 6-20-1907. Debt issuance**

No school district identified in fiscal distress may incur any debt without the prior written approval of the Department of Education.

#### **§ 6-20-1908. Fiscal distress plan**

(a) Those school districts identified by the Department of Education as being in fiscal distress shall file with the department within ten (10) days after the final classification by the State Board of Education a written fiscal distress improvement plan to address any area in which the school district is experiencing fiscal distress as identified by the department.

(b) Each school district shall seek and obtain approval of its plan from the department and shall describe how the school district will remedy those areas in which the school district is experiencing fiscal distress and shall establish the time period by which the school district will remedy all criteria which placed the school district in fiscal distress status.

(c) A school district in fiscal distress may only petition the state board for removal from fiscal distress status after the department has certified in writing that the school district has corrected all criteria for being classified as in fiscal distress and has complied with all department recommendations and requirements for removal from fiscal distress.

(d) No school district shall be allowed to remain in fiscal distress status for more than two (2) consecutive school years from the date that the school district was classified as being in fiscal distress status.

(e) Any school district classified as being in fiscal distress status shall be required to receive on-site technical evaluation and assistance from the department.

(f)(1) The department shall evaluate and make recommendations to the district superintendent regarding staffing of the school district and fiscal practices of the school district.

(2) The recommendations of the department shall be binding on the school district, the superintendent, and the school board of directors.

(g) Every six (6) months, the department shall submit a written evaluation on the status of each school district in fiscal distress to the state board.

(h)(1) The department may petition the state board at any time for the consolidation, annexation, or reconstitution of a school district in fiscal distress or take other appropriate action as allowed by this subchapter in order to secure and protect the best interest of the educational resources of the state or to provide for the best interests of students in the school district.

(2) The state board may approve the petition or take other appropriate action as allowed by this subchapter.

(i) The state board shall consolidate, annex, or reconstitute any school district that fails to remove itself from the classification of a school district in fiscal distress within two (2) consecutive school years of receipt of notice of identification of fiscal distress status by the department unless the state board, at its discretion, issues a written finding supported by a majority of the state board, explaining in detail that the school district could not remove itself from fiscal distress due to impossibility caused by external forces beyond the school district's control.

#### **§ 6-20-1909. Department fiscal distress actions**

(a) In addressing school districts in fiscal distress, the Department of Education may:

(1) Require the superintendent to relinquish all administrative authority with respect to the school district;

(2) Appoint an individual in place of the superintendent to administratively operate the school district under the supervision and approval of the Commissioner of Education and to compensate nondepartment agents operating the school district from school district funding;

(3) Call for the temporary suspension of the local school board of directors;

(4) Require the school district to operate without a local school board of directors under the supervision of the local superintendent or an individual or panel appointed by the commissioner;

(5) Place the administration of the school district over to the former board of directors or to a newly elected school board of directors; or

(6) Take any other action allowed by law that is deemed necessary to assist a school district in removing criteria of fiscal distress.

(b) The department may impose various reporting requirements on the school district.

(c) The department shall monitor the fiscal operations and accounts of the school district.

(d) The department shall require school district staff and employees to obtain fiscal instruction or training in areas of fiscal concern for the school district.

**§ 6-20-1910. State board actions**

(a) After a public hearing, the State Board of Education shall consolidate, annex, or reconstitute the school district in fiscal distress to another school district or school districts upon a majority vote of a quorum of the members of the state board as permitted or required by this subchapter.

(b) The state board has exclusive jurisdiction to determine the boundary lines of the receiving or resulting school district and to allocate assets and liabilities of the school district.

(c) The decision of the state board shall be final with no further right of appeal except that a school district may appeal to Pulaski County Circuit Court pursuant to the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

**§ 6-20-1911. Rules and regulations**

(a) The Department of Education shall promulgate rules and regulations as necessary to identify, evaluate, assist, and address school districts in fiscal distress.

(b) The department may promulgate rules and regulations as necessary to administer this subchapter.

Current through end of the 2008 First Ex.Sess., including changes made by the Arkansas Code Revision Commission received through March 26, 2008.

END OF DOCUMENT

ARKANSAS DEPARTMENT OF EDUCATION  
RULES IDENTIFYING AND GOVERNING  
THE ARKANSAS FISCAL ASSESSMENT AND ACCOUNTABILITY PROGRAM  
August 2003

1.00 AUTHORITY

- 1.01 The Arkansas State Board of Education's authority for promulgating these rules is pursuant to Ark. Code Ann. § 6-11-105, Ark. Code Ann. § 25-15-201 et seq. and Act 1467 of 2003.
- 1.02 These rules shall be known as the Arkansas Department of Education Rules Governing the Arkansas Fiscal Assessment and Accountability Program.
- 1.03 These rules will replace any former Arkansas Department of Education Rules Identifying and Governing School Districts in Fiscal Distress previously adopted.

2.00 PURPOSE

- 2.01 The purpose of these rules is to establish how the Department and State Board will evaluate, assess, identify, classify and address those school districts in fiscal distress.

3.00 DEFINITIONS – For purposes of these rules, the following terms mean:

- 3.01 “Annexation”– the joining of an affected school district or districts or parts thereof with a receiving district pursuant to § 6-13-1401.
- 3.02 “Consolidation” - the joining of two (2) or more school districts or parts thereof create a new resulting school district pursuant to § 6-13-1401.
- 3.03 “Current Year Expenditures” - the total expenditures accruing to the combined teacher salary, operating, and debt service funds.
- 3.04 “Current Year Revenues” - the total revenues accruing to the combined teacher salary, operating, and debt service funds.
- 3.05 “Day” – a calendar day, regardless of whether it is a day the Department is conducting official governmental business.
- 3.06 “Debt” – a legal liability, encumbrance or contract, to be paid out of future revenues or current reserves of the district.

- 3.07 "Declining Balance" - the current year expenditures exceeding current year revenues for the combined teacher salary, operating, and debt service funds with balances in the combined funds projected to be no greater than zero in no more than three years. The projected balance will be calculated by an analysis of balances for the previous three years.
- 3.08 "Department" - the Arkansas Department of Education.
- 3.09 "The Fiscal Distress Financial Improvement Plan (Plan)" - the written plan submitted by a district classified in fiscal distress and approved by the Department to be implemented by the district addressing each indicator of fiscal distress identified by the Department and the State Board with a specific corrective action plan and timeline.
- 3.10 "Fiscal Distress Status" - to be identified by the Department and classified by the State Board as being in fiscal distress.
- 3.11 "Fiscal Integrity" - to comply with financial management, accounting, auditing, and reporting procedures and facilities management procedures as required by state or federal laws and regulations in a forthright and timely manner.
- 3.12 "Jeopardize" - to expose to loss or injury or peril.
- 3.13 "Material Failure, Violation, Default, or Discrepancies" - an act, omission, event, circumstances or combination thereof that directly jeopardizes the fiscal integrity of a school district. In other words, but for the material failure, violation, default, or discrepancy, the district's fiscal integrity would not be jeopardized.
- 3.14 "Public School or School District" - a public school or school district created or established pursuant to Title 6 of the Arkansas Code and subject to the Arkansas Comprehensive Testing Assessment and Accountability Program except specifically excluding those schools or educational programs created by or receiving authority to exist pursuant to A.C.A. §6-15-501; A.C.A. §9-28-205 and A.C.A. §12-29-301-310, or other provisions of Arkansas law.
- 3.15 "School Year" - a school year beginning July 1 of one calendar year and ending June 30 of the following calendar year.
- 3.16 "State Board" - the Arkansas State Board of Education.
- 3.17 "Reconstitution" - the reorganization of the administrative unit or the governing school board of a school district, including, but not limited to,

the replacement or removal of a current superintendent or the removal or replacement of a current school board or both.

4.00 SCHOOL DISTRICT INDICATORS OF FISCAL DISTRESS PURSUANT TO FISCAL ASSESSMENT AND ACCOUNTABILITY PROGRAM

4.01 Any school district meeting any of the following criteria may be identified by the Department to be a school district in fiscal distress upon final approval by the State Board:

4.01.1 A declining balance determined to jeopardize the fiscal integrity of a school district; or

4.01.2 Any act or violation determined to jeopardize the fiscal integrity of a school district, including, but not limited to; or

- a. Material failure to properly maintain school facilities;
- b. Material violation of local, state, or federal fire, health, or safety code provisions or law;
- c. Material violation of local, state, or federal construction code provisions or law;
- d. Material state or federal audit exceptions or violations;
- e. Material failure to provide timely and accurate legally-required financial reports to the Department, the Division of Legislative Audit, the General Assembly, or the Internal Revenue Service;
- f. Insufficient funds to cover payroll, salary, employment benefits, or legal tax obligations;
- g. Material failure to meet legally binding minimum teacher salary schedule obligations;
- h. Material failure to comply with state law governing purchasing or bid requirements;
- i. Material default on any school district debt obligation;
- j. Material discrepancies between budgeted and actual school district expenditures;
- k. Material failure to comply with audit requirements of § 6-20-301; or
- l. Material failure to comply with any provision of the Arkansas Code that specifically places a school district in fiscal distress based on noncompliance;

4.01.3 Any other fiscal condition of a school district deemed to have a material detrimental negative impact on the continuation of educational services by that school district.

**5.00 PROCESS AND PROCEDURE FOR CLASSIFICATION OF FISCAL DISTRESS STATUS**

- 5.01 A school district identified by the Department as being in fiscal distress shall be classified as a school district in fiscal distress upon final classification by the State Board.
- 5.02 A district classified as in fiscal distress shall be required to publish at least one (1) time for two (2) consecutive weeks in a newspaper of general circulation in the school district the school district's classification as a school district in fiscal distress and the reasons why the school district was classified as being in fiscal distress.
- 5.02.1 The district shall publish this announcement within 30 calendar days of the final classification by the State Board.
- 5.02.2 The newspaper of general circulation may be either a daily or weekly newspaper.
- 5.03 The provisions of subdivisions 5.01 and 5.02 of this section are effective after the school district's appeal rights have been exhausted.
- 5.04 The decision of the State Board shall be a final order and there is no further right of appeal except the school district may appeal to circuit court in Pulaski County pursuant to the Arkansas Administrative Procedures Act, A.C.A. § 25-15-201, et seq.

**6.00 PROCESS AND PROCEDURE FOR NOTIFICATION OF FISCAL DISTRESS STATUS AND APPEAL**

- 6.01 The Department shall provide written notice, via certified mail return receipt requested, to the president of the school board and the superintendent of each school district identified as being in fiscal distress.
- 6.02 Any school district identified in fiscal distress status may appeal to the State Board by filing a written appeal, with the Office of the Director of the Department, by certified mail return receipt requested, within thirty (30) calendar days of receipt of notice of being identified in fiscal distress status from the Department.
- 6.03 The State Board shall hear the appeal within sixty (60) calendar days of receipt of the written notice of appeal from the school district.
- 6.04 The written appeal shall state, in clear terms, the reason why the school district should not be classified as in fiscal distress.

- 6.05 Notwithstanding any appeal rights in this subchapter, no appeal shall stay the Department's authority to take action to protect the fiscal integrity of any school district identified as in fiscal distress.

7.00 SCHOOL DISTRICT'S FISCAL DISTRESS IMPROVEMENT PLAN  
PURSUANT TO FISCAL ASSESSMENT AND ACCOUNTABILITY  
PROGRAM

- 7.01 Those school districts classified by the State Board as being in fiscal distress shall file, with the Department within ten (10) calendar days after the final classification, a written fiscal distress financial improvement plan to address any area in which the school district is experiencing fiscal distress as identified by the Department.

7.01.1 The plan shall contain, at a minimum, the following elements:

- a. Identification of each indicator
- b. Specific corrective action steps for each indicator
- c. Timeline for each corrective action step
- d. Additional action steps the district proposes to take
- e. Timeline for each additional action step the district proposed

7.01.2 The Department is authorized to review and amend the plan submitted by the school district.

7.01.3 The Department may edit, amend, update, or replace the plan at any time deemed appropriate.

7.01.4 The districts shall be given notice of the edited, amended, updated, or replacement plan criteria.

7.01.5 The district may appeal any edit, amendment or replacement of a plan by filing its written notice of appeal (which must include an explanation of its concerns) with the Director's Office within ten (10) calendar days of receipt of the notice required in 7.01.4. The appeal shall be heard at the next State Board meeting, and the State Board's decision shall be final.

- 7.02 Each school district shall first seek and obtain approval of its plan from the Department and shall describe how the school district will remedy those areas in which the school district is experiencing fiscal distress and shall establish the time period by which the school district will remedy all criteria which placed the school district in fiscal distress status.

- 7.03 A school district in fiscal distress may only petition the State Board for removal from fiscal distress status after the Department has certified in writing that the school district has corrected all criteria for being classified as in fiscal distress and has complied with all Department recommendations and requirements for removal from fiscal distress.
- 7.04 No school district shall be allowed to remain in fiscal distress status for more than two (2) consecutive school years beginning with the July 1 subsequent to the date the school district was identified as being in fiscal distress status.
- 7.05 Any school district classified as being in fiscal distress status shall be required to receive on-site technical evaluation and assistance from the Department.
- 7.06 The Department shall evaluate and make recommendations to the district superintendent regarding staffing of the district and fiscal practices of the district.
- 7.07 The recommendations of the Department shall be binding on the district, the superintendent, and the school board.
- 7.08 Every six (6) months, the Department shall submit a written evaluation on the status of each school district in fiscal distress to the State Board.
- 8.00 PRIOR APPROVAL OF DEBT
- 8.01 No school district classified in fiscal distress may incur any debt without the prior written approval of the Department.
- 9.00 DEPARTMENT ASSISTANCE AND INTERVENTION IN FISCAL DISTRESS:
- 9.01 In addressing school districts in fiscal distress, the Department may take any number of the following actions:
- 9.01.1 Require the superintendent to relinquish all administrative authority with respect to the school district;
- 9.01.2 Appoint an individual in place of the superintendent to administratively operate the school district under the supervision and approval of the Director of the Department, and to compensate non-department agents operating the school district from school district funding;

- 9.01.3 Call for the temporary suspension of the local school board;
- 9.01.4 Require the school district to operate without a local school board under the supervision of the local superintendent or an individual or panel appointed by the Director of the Department;
- 9.01.5 Place the administration of the school district over to the former board or to a newly elected school board; or
- 9.01.6 Take any other action allowed by law that is deemed necessary to assist a district in removing criteria of fiscal distress.
- 9.02 The Department may impose various reporting requirements on the school district. The Department may review any and all school district records and documents.
- 9.03 The Department shall monitor the fiscal operations and accounts of the school district.
- 9.04 The Department shall require school district board members and employees to obtain fiscal instruction or training in areas of fiscal concern for the school district at the school district's expense.

10.00 STATE BOARD AUTHORITY:

- 10.01 After providing thirty (30) calendar days written notice, via certified mail return receipt requested, to a school district, the Department may petition the State Board or the State Board may on its own motion, at any time, take action for the consolidation, annexation, or reconstitution of a school district in fiscal distress or take other appropriate action as allowed by Act 1467 of 2003 in order to secure and protect the best interest of the educational resources of the state or provide for the best interests of students in the school district. The school district shall have a right of appeal to a public hearing before the State Board as provided herein.
- 10.02 The State Board may approve the petition or take other appropriate action as allowed by this subchapter.
- 10.03 The State Board shall consolidate, annex, or reconstitute any school district that fails to remove itself from the classification of a school district in fiscal distress within two (2) consecutive school years of receipt of notice of identification unless the State Board, at its discretion, issues a written finding supported by a majority of the board, explaining in detail that the school district could not remove itself from fiscal distress due to

impossibility caused by external forces beyond the school district's control.

10.03.1 The two (2) consecutive school years shall commence the July 1 subsequent to classification by the State Board.

10.04 After a public hearing, the State Board shall consolidate, annex, or reconstitute the school district in fiscal distress to another school district or school districts upon a majority vote of a quorum of the members of the State Board, as permitted or required by this subchapter.

10.05 The State Board has exclusive jurisdiction to determine the boundary lines of the receiving or resulting school district and to allocate assets and liabilities of the district.

10.06 The decision of the State Board shall be final with no further right of appeal, except a school district may appeal to circuit court in Pulaski County pursuant to the Arkansas Administrative Procedures Act, § 25-15-201, et seq.

ARKANSAS DEPARTMENT OF  
**Education** 

*Dr. T. Kenneth James, Commissioner*

4 State Capitol Mall • Little Rock, AR 72201-1019  
(501) 682-4475  
<http://ArkansasEd.org>

July 24, 2008

Bobby King  
Interim Superintendent  
Decatur School District  
1498 Stadium Drive  
Decatur, AR 72722

Mike Wilkins  
School Board President  
Decatur School Board  
20021 Chicken Drive  
Decatur, AR 72722

Dear Mr. King and Mr. Wilkins:

In a follow-up to the State Board of Education (SBE) meeting held on July 14, 2008, whereby your school district was classified as being in fiscal distress, please find enclosed a copy of the "Order of Classification of Fiscal Distress" signed by the Vice-Chair of the SBE, Dr. Naccaman Williams.

Should you have any questions, please contact my office at your convenience.

Sincerely,



Tripp Walter  
Staff Attorney

TW:db  
Enclosure

cc: T. Kenneth James, Ed.D., Commissioner of Education  
Mr. Bill Goff, Assistant Commissioner  
Hazel Burnett, Coordinator for Fiscal Distress  
The Honorable Dave Bisbee, State Senator  
The Honorable Kim Hendren, State Senator  
The Honorable Bill Pritchard, State Senator  
The Honorable Kevin Anderson, State Representative  
The Honorable Eric Harris, State Representative  
The Honorable Horace Hardwick, State Representative  
The Honorable Donna Hutchison, State Representative  
The Honorable Mike Kenney, State Representative  
The Honorable Daryl Pace, State Representative

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**STATE BOARD OF EDUCATION:** Chair: Diane Tatum, Pine Bluff • Vice Chair: Randy Lawson, Bentonville  
Members: Sherry Burrow, Jonesboro • Jim Cooper, Melbourne  
Brenda Gullett, Fayetteville • Dr. Tim Knight, Arkadelphia • Dr. Ben Mays, Clinton  
MaryJane Rebick, Little Rock • Dr. Naccaman Williams, Springdale

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## **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER**

The Arkansas State Board of Education (Board) at its meeting of July 14, 2008, in the matter of "Classification of the Decatur School District in Fiscal Distress", found and hereby orders that, based upon the documents and evidence submitted, the Decatur School District is classified as a school district in fiscal distress effective immediately, pursuant to Ark. Code Ann. §§ 6-20-1904 and 6-20-1905:

### **I. Findings of Fact:**

1. On June 4, 2008, the Arkansas Department of Education (ADE) mailed notice to the Decatur School District (District) advising the District that it had been identified by the ADE as being in fiscal distress pursuant to Ark. Code Ann. § 6-20-1905.
2. The June 4, 2008 letter further advised the District that it met one (1) or more of the criteria, pursuant to Ark. Code Ann. § 6-20-1904, necessary to be identified as a school district in fiscal distress.
3. The June 4, 2008 letter notified the District of the following items of concern:
  - The District has a declining balance determined to jeopardize the fiscal integrity of a the District; and
  - Any other fiscal conditions of a school district deemed to have a detrimental negative impact on the continuation of educational services by the District.
4. The ADE provided notice, per the above mentioned June 4, 2008 letter, to the District advising it that appeals from the identification of the District as being in fiscal distress would be held at the July 14, 2008 meeting of the Arkansas State Board of Education (Board).
5. The District did not file a notice of appeal with the ADE concerning its identification.
6. At a hearing conducted at the July 14, 2008 Board meeting, representatives of the ADE presented documentary evidence and oral information to the Board concerning the fiscal distress status of the District.
7. The Board specifically finds, pursuant to Ark. Code Ann. § 6-20-1904 and the ADE's Rules Identifying and Governing the Arkansas Fiscal Assessment and Accountability Program (Fiscal Distress Rules), the District does have a declining balance determined to jeopardize the fiscal integrity of the District.

8. The Board additionally finds that, pursuant to Ark. Code Ann. § 6-20-1904 and the Fiscal Distress Rules, there are other fiscal conditions of the District deemed to have a detrimental impact on the continuation of educational services by the District.

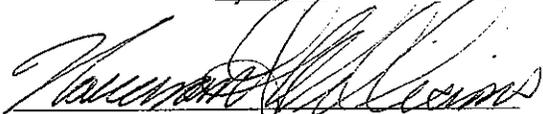
II. Conclusions of Law and Order:

1. After receiving oral information and reviewing documentary evidence from representatives from the ADE, the Board finds and hereby orders that under Ark. Code Ann. § 6-20-1904 and the Fiscal Distress Rules, the District is classified as being in fiscal distress.
2. Having found that the District should be classified as a district in fiscal distress, the Board hereby orders the District to:
  - Publish at least one (1) time for two (2) consecutive weeks in a newspaper of general circulation in the District, the District's classification as a school district in fiscal distress and the reasons why the District was classified as being in fiscal distress, pursuant to Ark. Code Ann. § 6-20-1906, and
  - File with the ADE within ten (10) days after the receipt of this Order a written fiscal distress improvement plan to address any area in which the District is experiencing fiscal distress, as identified by the ADE, pursuant to Ark. Code Ann. § 6-20-1908.

This Order of the Board shall be final with no further right of appeal, except that the District may appeal to Pulaski County Circuit Court pursuant to the Arkansas Administrative Procedure Act, Ark. Code Ann. § 25-15-201 et seq.

IT IS SO ORDERED.

SIGNED THIS 18 DAY OF July, 2008.



Dr. Naccaman Williams  
Vice Chair  
Arkansas State Board of Education

MEMORY TRANSMISSION REPORT

TIME : 07-24-2008 04:52PM  
TEL NUMBER : +5016824249  
NAME : ADE ATTORNEY

FILE NUMBER : 027  
DATE : 07-24 04:49PM  
TO : 14797522490  
DOCUMENT PAGES : 004  
START TIME : 07-24 04:49PM  
END TIME : 07-24 04:52PM  
SENT PAGES : 004  
STATUS : OK

FILE NUMBER : 027

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

ARKANSAS DEPARTMENT OF  
**Education**  
Office of General Counsel  
#4 Capitol Mall, Little Rock, Arkansas 72201  
501-682-4227

**F A C S I M I L E**

501-682-4249

TO: Mr. Bobby King, Interim Superintendent Fax No.: 479-752-2490  
Decatur School District

FROM:

Tripp Walter

Jennifer Flinn

Drew Blankenship

Vivian Moore

Sallie Robert

RE: "Order of Classification of Fiscal District" From State Board

DATE: 7/24/08

No. of Pages (inc. cover) 4

COMMENTS: \_\_\_\_\_

This facsimile (and or the documents accompanying it) may contain confidential information belonging to the sender. The information is intended only for the use of the individual or entity named above. If you are not intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for return of the documents.

ORIGINAL TO FOLLOW BY MESSENGER OR MAIL: YES NO

MEMORY TRANSMISSION REPORT

TIME : 07-24-2008 04:48PM  
TEL NUMBER : +5016824249  
NAME : ADE ATTORNEY

FILE NUMBER : 026  
DATE : 07-24 04:47PM  
TO : 14797522490  
DOCUMENT PAGES : 004  
START TIME : 07-24 04:47PM  
END TIME : 07-24 04:48PM  
SENT PAGES : 004  
STATUS : OK  
FILE NUMBER : 026

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

ARKANSAS DEPARTMENT OF  
**Education**  
Office of General Counsel  
#4 Capitol Mall, Little Rock, Arkansas 72201  
501-682-4227  
**FACSIMILE**  
501-682-4249

TO: Mike Wilkins, President Fax No.: 479-752-2490  
Decatur School Board

FROM:

- |                                     |                  |                          |               |
|-------------------------------------|------------------|--------------------------|---------------|
| <input type="checkbox"/>            |                  | <input type="checkbox"/> |               |
| <input checked="" type="checkbox"/> | Tripp Walter     | <input type="checkbox"/> | Vivian Moore  |
| <input type="checkbox"/>            | Jennifer Flian   | <input type="checkbox"/> | Sallie Robert |
| <input type="checkbox"/>            | Drew Blankenship |                          |               |

RE: "Order of Classification of Fiscal Distress" from State Board

DATE: 7/24/08 No. of Pages (inc. cover) 4

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This facsimile (and or the documents accompanying it) may contain confidential information belonging to the sender. The information is intended only for the use of the individual or entity named above. If you are not intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for return of the documents.

ORIGINAL TO FOLLOW BY MESSENGER OR MAIL: YES NO

ARKANSAS DEPARTMENT OF  
**Education**

*Dr. T. Kenneth James, Commissioner*

4 State Capitol Mall • Little Rock, AR 72201-1019  
(501) 682-4475  
<http://ArkansasEd.org>

June 30, 2008

Dave Smith, Superintendent  
Decatur School District  
1498 Stadium Drive  
Decatur, AR 72722

Mike Wilkins, President  
Decatur School Board  
20021 Chicken Drive  
Decatur, AR 72722

Dear Mr. Smith and Mr. Wilkins:

This letter is to provide notice pursuant to Ark. Code Ann. § 6-13-1403(a)(1) that the Arkansas State Board of Education (State Board) will hear a request from the Arkansas Department of Education (Department) to take action pursuant to Ark. Code Ann. § 6-20-1910 to annex the Decatur School District to another school district based on the Decatur School District's failure to meet fiscal distress requirements and the State Board's authority to annex fiscal distress districts. The Department will present its request at a public hearing before the State Board at 9:00 a.m. on July 31, 2008, in the Auditorium of the Arch Ford Education Building, #4 Capitol Mall in Little Rock, Arkansas.

Should you have any questions or comments, you may contact the Department's legal office at 501-682-4227.

Sincerely,



T. Kenneth James, Ed.D.  
Commissioner of Education

TKJ:law

cc: Tripp Walter, Staff Attorney  
Dr. Bobbie Davis, Assistant Commissioner, Fiscal & Administrative Services  
Decatur School Board Members  
The Honorable Dave Bisbee, State Senator  
The Honorable Kim Hendren, State Senator  
The Honorable Keven Anderson, State Representative  
The Honorable Eric Harris, State Representative  
The Honorable Horace Hardwick, State Representative  
The Honorable Donna Hutchinson, State Representative  
The Honorable Mike Kenney, State Representative  
The Honorable Daryl Pace, State Representative  
The Honorable Bill Pritchard, State Representative  
Dr. Gary Compton, Superintendent, Bentonville School District  
Dr. Randy Barrett, Superintendent, Gentry School District  
Curtis Spann, Superintendent, Gravette School District

**STATE BOARD OF EDUCATION:** Chair: Diane Tatum, Pine Bluff • Vice Chair: Randy Lawson, Bentonville  
Members: Sherry Burrow, Jonesboro • Jim Cooper, Melbourne  
Brenda Gullett, Fayetteville • Dr. Tim Knight, Arkadelphia • Dr. Ben Mays, Clinton  
MaryJane Rebick, Little Rock • Dr. Naccaman Williams, Springdale

*An Equal Opportunity Employer*

BEFORE THE ARKANSAS STATE BOARD OF EDUCATION  
IN THE MATTER OF THE ANNEXATION OF THE DECATUR SCHOOL DISTRICT  
OF BENTON COUNTY

REQUEST FOR STATE BOARD ANNEXATION

COMES NOW the Arkansas Department of Education to request the Arkansas State Board of Education to annex the Decatur School District of Benton County, Arkansas to another geographically contiguous school district pursuant to Ark. Code Ann. § 6-13-1403.

1. The Department hereby submits pursuant to Ark. Code Ann. §§ 6-13-1401 *et seq.*, and 6-20-1901 *et seq.*, that the State Board of Education has the proper jurisdiction to hear this request and take all legal action as requested in this request.

2. The Department hereby submits and incorporates in this request as Exhibit A, attached hereto, as proof of the fact the Decatur School District has been identified by the Arkansas Department of Education, pursuant to Ark. Code Ann. § 6-20-1901 *et seq.*, as a school district in fiscal distress and that sufficient factors exist pursuant to Ark. Code Ann. § 6-20-1904 to warrant the Decatur School District being classified by the State Board of Education as a school district in fiscal distress for the 2008-2009 school year.

3. The Department hereby submits and incorporates in this request as Exhibit B, attached hereto, a request for an advisory opinion to be issued by the Arkansas Attorney General's Office in compliance with Ark. Code Ann. § 6-13-1408 concerning the impact on desegregation efforts of the proposed annexation requested. The Department submits that it will hereby request through this State Board any other necessary advisory opinions declaring whether any proposed annexation of the Decatur School District to another school district will or will not hamper, delay or in any manner

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negatively affect the desegregation efforts of a school district or districts in this state and will provide such opinions to the State Board of Education as soon as they are available.

4. The Department hereby submits, that to the best of its knowledge, it is not aware of any federal court-ordered supervision or jurisdiction of desegregation cases involving the Decatur School District at this time. However, the Department submits that it will conduct an additional thorough search of relevant federal agency or court records or archives concerning the Decatur School District and any other school district considered as an appropriate annexation partner and the Department shall report the results of that search to this State Board prior to any final determination on the requested annexation.

5. The Department requests that the State Board, pursuant to Ark. Code Ann. § 6-20-1901 *et seq.*, order the annexation of the Decatur School District with another proper school district to take effect in the 2008-2009 school year effective immediately after an order of annexation has been executed and that the local school boards of the Decatur School District and the receiving school district be required to establish a valid interim local board pursuant to the provisions of Ark. Code Ann. § 6-13-1406.

6. The Department hereby submits that those other school districts that are geographically contiguous to the Decatur School District of Benton County are the Bentonville School District of Benton County, the Gentry School District of Benton County, and the Gravette School District of Benton County.

7. The Department hereby submits that pursuant to Ark. Code Ann. §§ 6-11-105, 6-13-1401 *et seq.*, and 6-20-1901 *et seq.*, this State Board is charged with the general supervision and organization of the public schools of the state, taking such action

as may be deemed necessary to promote the physical welfare of school children, promoting the organization and increasing the efficiency of the public schools, and securing and protecting the interests of the educational resources of the state so as to provide for the best interests of the students in Arkansas' public school districts.

WHEREFORE, based upon the cited authority and rationale mentioned above and additional information to be submitted later, the Arkansas Department of Education hereby requests the Arkansas State Board of Education to conduct a hearing to take all necessary legal and prudent action to immediately annex the Decatur School District to that geographically contiguous school district that provides the best and most efficient use of Arkansas' fiscal resources so as to help resolve and not exacerbate those existing fiscal distress problems which threaten the educational interests of the students of the Decatur School District as well as any other students and the Arkansas public education system in general.

Respectfully submitted,

  
Tripp Walter  
Staff Attorney  
Arkansas Department of Education

CERTIFICATE OF SERVICE

I, Tripp Walter, certify that on June 30, 2008, I caused the foregoing document to be served by depositing a copy in the United States Mail, certified, postage prepaid, addressed to each of the following:

Dave Smith, Superintendent  
Decatur School District  
1498 Stadium Avenue  
Decatur, AR 72722

Mike Wilkins, President  
Decatur School Board  
20021 Chicken Drive  
Decatur, AR 72722

Donald Morgan  
Decatur School Board  
655 Timberline Avenue  
Decatur, AR 72722

Vickie Tilley-Moore  
Decatur School Board  
14746 W. Hwy 102  
Decatur, AR 72722

Steve Tosta  
Decatur School Board  
1052 School Avenue  
Decatur, AR 72722

Bryan Wilkins  
Decatur School Board  
24221 Coon Hollow Road  
Decatur, AR 72722

Dr. Gary Compton, Superintendent  
Bentonville School District  
500 Tiger Boulevard  
Bentonville, AR 72712

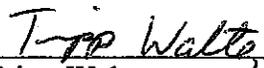
Travis Riggs, President  
Bentonville School Board  
1129 Northwest J Street  
Bentonville, AR 72712

Dr. Randy Barrett, Superintendent  
Gentry School District  
201 South Giles Avenue  
Gentry, AR 72734

Keith Harper, President  
Gentry School Board  
11525 Cripps Road  
Gentry, AR 72734

Curtis Spann, Superintendent  
Gravette School District  
609 Birmingham Southeast  
Gravette, AR 72736

Danny Alsup, President  
Gravette School Board  
16370 Bethlehem Road  
Gravette, AR 72704

  
\_\_\_\_\_  
Tripp Walter

ARKANSAS DEPARTMENT OF  
**Education**

*Dr. T. Kenneth James, Commissioner*

4 State Capitol Mall • Little Rock, AR 72201-1019  
(501) 682-4475  
<http://ArkansasEd.org>

June 4, 2008

Dave Smith, Superintendent  
Decatur School District  
1498 Stadium Drive  
Decatur, AR 72722

Mike Wilkins, President  
Decatur School Board  
20021 Chicken Drive  
Decatur, AR 72722

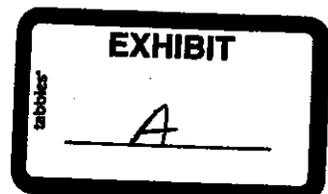
Dear Mr. Smith and Mr. Wilkins:

Pursuant to Ark. Code Ann. § 6-20-1905, this letter is to provide notice that the Decatur School District has been identified by the Arkansas Department of Education (Department) as a school district in fiscal distress. According to Ark. Code Ann. § 6-20-1904, the Decatur School District meets one (1) or more of the criteria for identification as a school district in fiscal distress, including:

- The Decatur School District has a declining balance determined to jeopardize the fiscal integrity of a school district; and
- Any other fiscal conditions of a school district deemed to have a detrimental negative impact on the continuation of educational services by the Decatur School District.

The Arkansas State Board of Education (SBE) will be requested by the Department to classify the Decatur School District as being in fiscal distress at its meeting of July 14, 2008, to be held at 9:00 a.m. in the Auditorium of the Arch Ford Education Building, #4 Capitol Mall in Little Rock. I have attached to this letter a copy of Ark. Code Ann. § 6-20-1901 et seq., and the Department Rules Identifying and Governing the Arkansas Fiscal Assessment and Accountability Program. These attached documents will provide information and details on the process concerning an appeal of the identification status. An appeal would be heard at the July 14, 2008, SBE meeting.

Ark. Code Ann. § 6-20-1907 states that no school district identified by the Department as being in fiscal distress may incur any debt without prior written approval from the Department. "Any debt" includes any employment contract, vendor contract, lease, loan, purchase, or any other obligation that will increase the district's financial obligation, accounts payable or its liabilities. The district is required to obtain prior written approval from the Department, effective with its receipt of this letter. Please retain this notice in your district's audit file.



**STATE BOARD OF EDUCATION:** Chair: Diane Tatum, Pine Bluff • Vice Chair: Randy Lawson, Bentonville  
Members: Sherry Burrow, Jonesboro • Jim Cooper, Melbourne  
Brenda Gullett, Fayetteville • Dr. Tim Knight, Arkadelphia • Dr. Ben Mays, Clinton  
MaryJane Rebick, Little Rock • Dr. Naccaman Williams, Springdale

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Letter to Mr. Smith and Mr. Wilkins

Page 2

June 4, 2008

Should the district have any questions or comments, please contact Scott Smith, General Counsel, at 501-682-4227.

Sincerely,

A handwritten signature in black ink that reads "T. Kenneth James". The signature is written in a cursive style with a long, sweeping underline.

T. Kenneth James, Ed.D.  
Commissioner of Education

TKJ:law  
Attachments

cc: Scott Smith, General Counsel  
Dr. Bobbie Davis, Assistant Commissioner, Fiscal & Administrative Services  
The Honorable Bill Pritchard, State Senator  
The Honorable Kim Hendren, State Senator  
The Honorable Mike Kenney, State Representative

ARKANSAS DEPARTMENT OF  
**Education**

*Dr. T. Kenneth James, Commissioner*

4 State Capitol Mall • Little Rock, AR 72201-1019  
(501) 682-4475  
<http://ArkansasEd.org>

June 30, 2008

The Honorable Dustin McDaniel  
Attorney General  
323 Center Street, Suite 200  
Little Rock, AR 72201

Dear General McDaniel:

The Arkansas State Board of Education, at its July 31, 2008 meeting, intends to consider the annexation of the Decatur School District.

As additional information, please note that the Decatur School District has been identified by the Department as in fiscal distress for the 2008-2009 school year, and will be considered for classification as a district in fiscal distress by the Arkansas State Board of Education at its July 14, 2008 meeting (see attached letter).

According to Ark. Code Ann. § 6-13-1408(a), the State Board of Education shall not order any annexation which hampers, delays or in any manner has a negative impact on the desegregation efforts of the Decatur School District or any other school district in Arkansas. Therefore, based on the above information and pursuant to Ark. Code Ann. § 6-13-1408(b), I request your opinion regarding the impact of the proposed annexation of the Decatur School District into the Bentonville School District of Benton County, the Gentry School District of Benton County, or the Gravette School District of Benton County on the efforts of the state to assist a district or districts in the desegregation of the public schools of this state.

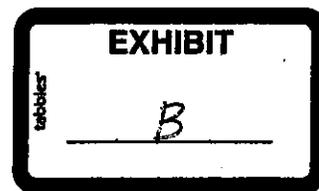
Should you have any questions or comments, please contact Tripp Walter, Staff Attorney for the Department, at 501-682-4227. As the Arkansas State Board of Education will consider this matter at its July 31, 2008 meeting, your expedited response to this request for an opinion is greatly appreciated.

Sincerely,



T. Kenneth James, Ed.D.  
Commissioner of Education  
Arkansas Department of Education

TKJ:law  
Enclosures



**STATE BOARD OF EDUCATION:** Chair: Diane Tatum, Pine Bluff • Vice Chair: Randy Lawson, Bentonville  
Members: Sherry Burrow, Jonesboro • Jim Cooper, Melbourne  
Brenda Gullett, Fayetteville • Dr. Tim Knight, Arkadelphia • Dr. Ben Mays, Clinton  
MaryJane Rebick, Little Rock • Dr. Naccaman Williams, Springdale

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*Decatur School District*

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Return Receipt Fee (Endorsement Required)	2.22	
Restricted Delivery Fee (Endorsement Required)		
<b>Total Postage &amp; Fees</b>	<b>\$ 5.51</b>	

Sent to **Donald Morgan**  
 Decatur School Board  
 Street, Apt. 1 or PO Box No. **655 timberline Avenue**  
 City, State, ZIP+4 **Decatur, AR 72722**

PS Form 3811, February 2004

7507 694E 0000 0720 2002

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Certified Fee	2.70	
Return Receipt Fee (Endorsement Required)	2.22	
Restricted Delivery Fee (Endorsement Required)		
<b>Total Postage &amp; Fees</b>	<b>\$ 5.51</b>	

Sent to **Dave Smith, Supt.**  
 Decatur School District  
 Street, Apt. No. or PO Box No. **1498 Stadium Drive**  
 City, State, ZIP+4 **Decatur, AR 72722**

PS Form 3811, February 2004

5777 694E 0000 0720 2002

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Dave Smith, Supt.**  
 Decatur School District  
 1498 Stadium Drive  
 Decatur, AR 72722

2. Article Number

(Transfer from service label)  
**7007 0720 0000 3469 1115**  
 PS Form 3811, February 2004

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
*Dave Smith*  Addressee  
 B. Received by (Printed Name) **Dave Smith**  
 C. Date of Delivery **7-1-08**  
 D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below: **NO**

3. Service Type

- Certified Mail
- Express Mail
- Registered
- Return Receipt for Merchandise
- Insured Mail
- C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Donald Morgan**  
 Decatur School Board  
 655 timberline Avenue  
 Decatur, AR 72722

2. Article Number

(Transfer from service label)  
**7007 0720 0000 3469 1092**  
 PS Form 3811, February 2004

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
*Donald Morgan*  Addressee  
 B. Received by (Printed Name) **Donald Morgan**  
 C. Date of Delivery  
 D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below: **NO**

3. Service Type

- Certified Mail
- Express Mail
- Registered
- Return Receipt for Merchandise
- Insured Mail
- C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

102595-02-M-1540

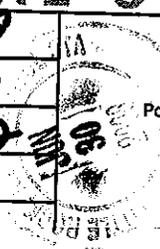
*Decatur Fiscal Address*

920T 694E 0000 0T20 2002

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Postage	\$ .59	
Certified Fee	2.70	
Return Receipt Fee (Endorsement Required)	2.22	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.51	

Sent To: Bryan Wilkins  
 Decatur School Board  
 Street, Apt. or PO Box: 24221 Coon Hollow road  
 City, State: Decatur, AR 72722

PS Form 3800, Use Reverse for Instructions

920T 694E 0000 0T20 2002

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
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For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$ .59	
Certified Fee	2.70	
Return Receipt Fee (Endorsement Required)	2.22	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.51	

Sent To: Mike Wilkins, President  
 Decatur School Board  
 Street, Apt. No. or PO Box No.: 20021 Chicken Drive  
 City, State, ZIP+: Decatur, AR 72722

PS Form 3800, Use Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

1. Article Addressed to:  
 Mike Wilkins, President  
 Decatur School Board  
 20021 Chicken Drive  
 Decatur, AR 72722

2. Article Number (Transfer from service label) 7007 0710 0000 3469 1108  
 PS Form 3811, February 2004 Domestic Return Receipt 102995-02-M-1540

3. Service Type:  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.  
 4. Restricted Delivery? (Extra Fee)  Yes

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Mike Wilkins  Addresssee

B. Received by (Printed Name)  Date of Delivery  
 Mike Wilkins

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

*Decatur Fiscal Address*

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Postage	\$ .59	
Certified Fee	2.70	
Return Receipt Fee (Endorsement Required)	2.22	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.51	

Sent To: Steve Tosta  
 Decatur School Board  
 1052 School Avenue  
 Decatur, AR 72722

PS Form 3811, February 2004

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Postage	\$ .59	
Certified Fee	2.70	
Return Receipt Fee (Endorsement Required)	2.22	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.51	

Sent To: Danny Alsup, President  
 Gravette School Board  
 6370 Bethlehem Road  
 Gravette, AR 72704

PS Form 3811, February 2004

**SENDER: COMPLETE THIS SECTION**

1. Article Addressed to:  
 Steve Tosta  
 Decatur School Board  
 1052 School Avenue  
 Decatur, AR 72722

2. Article Number (Transfer from service label)  
 7007 0710 0000 3469 1061

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

---

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
*Steve Tosta*  Addressee

B. Received by (Printed Name)  Agent  
 Steve Tosta  Addressee

C. Date of Delivery  
 2-1-04

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

1. Article Addressed to:  
 Danny Alsup, President  
 Gravette School Board  
 16370 Bethlehem Road  
 Gravette, AR 72704

2. Article Number (Transfer from service label)  
 7007 0710 0000 3469 1009

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

---

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
*Danny Alsup*  Addressee

B. Received by (Printed Name)  Agent  
 Danny Alsup  Addressee

C. Date of Delivery  
 2-3-04

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

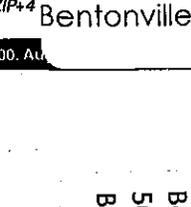
*Deborah Fincel West*

4501 694E 0000 0710 2002

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Postage	\$ 5.59	
Certified Fee	2.70	
Return Receipt Fee (Endorsement Required)	2.28	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.51	

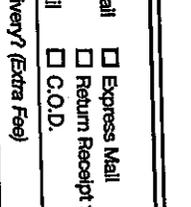
Sent To: Dr. Gary Compton, Supt.  
 Bentonville School District  
 500 Tiger Boulevard  
 Bentonville, AR 72712

PS Form 3800, Au

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Postage	\$ 5.59	
Certified Fee	2.70	
Return Receipt Fee (Endorsement Required)	2.28	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.51	

Sent To: Dr. Randy Barrett, Supt.  
 Gentry School District  
 201 South Giles Avenue  
 Gentry, AR 72734

PS Form 3800

**SENDER: COMPLETE THIS SECTION**

1. Article Addressed to:  
 Dr. Gary Compton, Supt.  
 Bentonville School District  
 500 Tiger Boulevard  
 Bentonville, AR 72712

2. Article Number (Transfer from service label): 7007 0710 0000 3469 1054  
 PS Form 3811, February 2004 Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]*  Agent  Addressee

B. Received by (Printed Name): *R. Ballinger* C. Date of Delivery: *7-1-8*

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type:  Certified Mail  Express Mail  Registered  Return Receipt for Merchandise  Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

102595-02-M-1540

**SENDER: COMPLETE THIS SECTION**

1. Article Addressed to:  
 Dr. Randy Barrett, Supt.  
 Gentry School District  
 201 South Giles Avenue  
 Gentry, AR 72734

2. Article Number (Transfer from service label): 7007 0710 0000 3469 1030  
 PS Form 3811, February 2004 Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]*  Agent  Addressee

B. Received by (Printed Name): *Ran Harelson* C. Date of Delivery: *7/1/08*

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type:  Certified Mail  Express Mail  Registered  Return Receipt for Merchandise  Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

102595-02-M-1540

*Decatur Fiscal Masters*

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Postage \$ 1.59  
 Certified Fee 2.70  
 Return Receipt Fee (Endorsement Required) 2.28  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$ 5.57



Sent To Vickie Tilley-Moore  
Decatur School Board  
 Street, Apt. No. or PO Box No. 14746 W. Hwy 102  
 City, State, ZIP Decatur, AR 72722

PS Form 3800

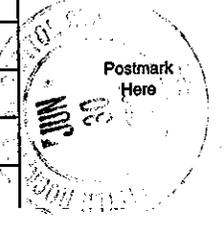
59DT 694E 0000 DTLD 2002

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Postage \$ 59  
 Certified Fee 2.70  
 Return Receipt Fee (Endorsement Required) 2.28  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$ 5.57



Sent To Curtis Spann, Supt.  
Gravette School District  
 Street, Apt. No. or PO Box No. 609 Birmingham Southeast  
 City, State, ZIP Gravette, AR 72736

PS Form 38

910T 694E 0000 DTLD 2002

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Curtis Spann, Supt.  
Gravette School District  
609 Birmingham Southeast  
Gravette, AR 72736

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
X B. Juarez  
 B. Received by (Printed Name) B. Juarez  Addressee  
 C. Date of Delivery 7/1/08  
 D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type

Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.  
 4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number 7007 0710 0000 3469 1085  
 (Transfer from service label)  
 PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Vickie Tilley-Moore  
Decatur School Board  
14746 W. Hwy 102  
Decatur, AR 72722

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
X B. Juarez  Addressee  
 B. Received by (Printed Name) B. Juarez  Addressee  
 C. Date of Delivery 07 01 08  
 D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type

Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.  
 4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number 7007 0710 0000 3469 1085  
 (Transfer from service label)  
 PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540

*Creator Fiscal Receipt*

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Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.28
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 5.57</b>



Sent To **Travis Riggs, President**  
**Bentonville School Board**  
 Street, Apt. No. or PO Box No. **1129 Northwest J Street**  
 City, State, Zip **Bentonville, AR 72712**

PS Form 3800

2401 694E 0000 0120 2002

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Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.28
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 5.57</b>



Sent To **Keith Harper, President**  
**Gentry School Board**  
 Street, or PO Box No. **11525 Cripps Road**  
 City, St. **Gentry, AR 72734**

PS Form

uctions

E201 694E 0000 0120 2002

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Keith Harper, President**  
**Gentry School Board**  
**11525 Cripps Road**  
**Gentry, AR 72734**

2. Article Number  
 (Transfer from service label)

**7007 0710 0000 3469 1023**

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
*Keith Harper*  Addressee  
 B. Received by (Printed Name)  Date of Delivery  
**7-8-08**

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.  
 4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Travis Riggs, President**  
**Bentonville School Board**  
**1129 Northwest J Street**  
**Bentonville, AR 72712**

2. Article Number  
 (Transfer from service label)

**7007 0710 0000 3469 1047**

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**SENDER: COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
*Travis Riggs*  Addressee  
 B. Received by (Printed Name)  Date of Delivery  
**7-2-08**

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.  
 4. Restricted Delivery? (Extra Fee)  Yes

MEMORY TRANSMISSION REPORT

TIME : 06-30-2008 01:40PM  
TEL NUMBER : +5016824249  
NAME : ADE ATTORNEY

FILE NUMBER : 876  
DATE : 06-30 01:32PM  
TO : 14796362516  
DOCUMENT PAGES : 002  
START TIME : 06-30 01:39PM  
END TIME : 06-30 01:40PM  
SENT PAGES : 002  
STATUS : OK

FILE NUMBER : 876

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

ARKANSAS DEPARTMENT OF  
**Education**  
Office of General Counsel  
#4 Capitol Mall, Little Rock, Arkansas 72201  
501-682-4227  
**F A C S I M I L E**  
501-682-4249

TO: SEN. DAVE BISBER Fax No.: (477) 636-2516

FROM:

- |                                     |                  |                          |               |
|-------------------------------------|------------------|--------------------------|---------------|
| <input type="checkbox"/>            | Scott Smith      | <input type="checkbox"/> | Lisa Walters  |
| <input checked="" type="checkbox"/> | Tripp Walter     | <input type="checkbox"/> | Vivian Moore  |
| <input type="checkbox"/>            | Drew Blankenship | <input type="checkbox"/> | Sallie Robert |

RE: DECATIVE ANSWERATION LETTER

DATE: 6-30-08 No. of Pages (inc. cover) 2

COMMENTS:

This facsimile (and or the documents accompanying it) may contain confidential information belonging to the sender. The information is intended only for the use of the individual or entity named above. If you are not intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for return of the documents.

ORIGINAL TO FOLLOW BY MESSENGER OR MAIL:  YES  NO

MEMORY TRANSMISSION REPORT

TIME : 06-30-2008 01:34PM  
TEL NUMBER : +5016824249  
NAME : ADE ATTORNEY

FILE NUMBER : 875  
DATE : 06-30 01:32PM  
TO : 14797876116  
DOCUMENT PAGES : 002  
START TIME : 06-30 01:34PM  
END TIME : 06-30 01:34PM  
SENT PAGES : 002  
STATUS : OK

FILE NUMBER : 875 \*\*\* SUCCESSFUL TX NOTICE \*\*\*

ARKANSAS DEPARTMENT OF  
**Education**  
Office of General Counsel  
#4 Capitol Mall, Little Rock, Arkansas 72201  
501-682-4227  
**FACSIMILE**  
501-682-4249

TO: SEN. Kim HENDERSON Fax No.: (479) 787-6116

FROM:

- |                                     |                  |                          |               |
|-------------------------------------|------------------|--------------------------|---------------|
| <input type="checkbox"/>            | Scott Smith      | <input type="checkbox"/> | Lisa Walters  |
| <input checked="" type="checkbox"/> | Tripp Walter     | <input type="checkbox"/> | Vivian Moore  |
| <input type="checkbox"/>            | Drew Blankenship | <input type="checkbox"/> | Sallie Robert |

RE: DECANE AMENDMENT LETTER

DATE: 6-30-08 No. of Pages (inc. cover) 2

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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ORIGINAL TO FOLLOW BY MESSENGER OR MAIL: YES NO

MEMORY TRANSMISSION REPORT

TIME : 06-30-2008 01:32PM  
TEL NUMBER : +5016824249  
NAME : ADE ATTORNEY

FILE NUMBER : 872  
DATE : 06-30 01:30PM  
TO : 14794428611  
DOCUMENT PAGES : 002  
START TIME : 06-30 01:30PM  
END TIME : 06-30 01:32PM  
SENT PAGES : 002  
STATUS : OK

FILE NUMBER : 872

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

ARKANSAS DEPARTMENT OF  
**Education**  
Office of General Counsel  
#4 Capitol Mall, Little Rock, Arkansas 72201  
501-682-4227  
**FACSIMILE**  
501-682-4249

TO: SEN. BILL PRITCHARD Fax No.: (479) 442-8611

FROM:

- |                                     |                  |                          |               |
|-------------------------------------|------------------|--------------------------|---------------|
| <input type="checkbox"/>            | Scott Smith      | <input type="checkbox"/> | Lisa Walters  |
| <input checked="" type="checkbox"/> | Tripp Walter     | <input type="checkbox"/> | Vivian Moore  |
| <input type="checkbox"/>            | Drew Blankenship | <input type="checkbox"/> | Sallie Robert |

RE: REGATIVE ANNEXATION LETTER

DATE: 6-30-08 No. of Pages (inc. cover) 2

COMMENTS: I APOLOGIZE FOR THE MISTAKEN REFERENCE TO YOU IN THE LETTER AS REP. PRITCHARD INSTEAD OF SEN. PRITCHARD. Tripp Walter, STATE ATTORNEY

This facsimile (and or the documents accompanying it) may contain confidential information belonging to the sender. The information is intended only for the use of the individual or entity named above. If you are not intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for return of the documents.

ORIGINAL TO FOLLOW BY MESSENGER OR MAIL:  YES  NO

MEMORY TRANSMISSION REPORT

TIME : 06-30-2008 01:34PM  
TEL NUMBER : +5016824249  
NAME : ADE ATTORNEY

FILE NUMBER : 874  
DATE : 06-30 01:31PM  
TO : 6823479  
DOCUMENT PAGES : 002  
START TIME : 06-30 01:33PM  
END TIME : 06-30 01:34PM  
SENT PAGES : 002  
STATUS : OK

FILE NUMBER : 874

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

ARKANSAS DEPARTMENT OF  
**Education**  
Office of General Counsel  
#4 Capitol Mall, Little Rock, Arkansas 72201  
501-682-4227  
**FACSIMILE**  
501-682-4249

TO: REP. KEVEN ANDERSON Fax No.: (501) 682-3479

FROM:

<input type="checkbox"/>	Scott Smith	<input type="checkbox"/>	Lisa Walters
<input checked="" type="checkbox"/>	Tripp Walter	<input type="checkbox"/>	Vivian Moore
<input type="checkbox"/>	Drew Blankenship	<input type="checkbox"/>	Sallie Robert

RE: RELATIVE ANNEXATION LETTER

DATE: 6-30-08 No. of Pages (inc. cover) 2

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This facsimile (and or the documents accompanying it) may contain confidential information belonging to the sender. The information is intended only for the use of the individual or entity named above. If you are not intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for return of the documents.

ORIGINAL TO FOLLOW BY MESSENGER OR MAIL: YES NO

ARKANSAS DEPARTMENT OF  
**Education** 

*Dr. T. Kenneth James, Commissioner*

4 State Capitol Mall • Little Rock, AR 72201-1019  
(501) 682-4475  
<http://ArkansasEd.org>

---

June 30, 2008

Ms. Stephanie Monroe  
Assistant Secretary for Civil Rights  
U. S. Department of Education  
Office for Civil Rights  
550 12<sup>th</sup> Street, S.W.  
Washington, DC 20202-1100

Dear Ms. Monroe:

The Arkansas State Board of Education (State Board), at its July 31, 2008 meeting, is set to consider the annexation of the Decatur School District into a contiguous school district. The school districts contiguous to Decatur are Bentonville, Gentry and Gravette.

I am writing to you to inquire as to whether your office has any objection or concern to the annexation of the Decatur School District in the manner described above.

As the State Board's meeting on the proposed annexation will be, as stated above, held on July 31, your expedited review and response in this matter will be greatly appreciated.

Sincerely,

*Tripp Walter*

Tripp Walter  
Staff Attorney

TW:law

---

**STATE BOARD OF EDUCATION:** Chair: Diane Tatum, Pine Bluff • Vice Chair: Randy Lawson, Bentonville  
Members: Sherry Burrow, Jonesboro • Jim Cooper, Melbourne  
Brenda Gullett, Fayetteville • Dr. Tim Knight, Arkadelphia • Dr. Ben Mays, Clinton  
MaryJane Rebick, Little Rock • Dr. Naccaman Williams, Springdale

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ARKANSAS DEPARTMENT OF  
**Education** 

*Dr. T. Kenneth James, Commissioner*

4 State Capitol Mall • Little Rock, AR 72201-1019  
(501) 682-4475  
<http://ArkansasEd.org>

July 16, 2008

Bobby King  
Interim Superintendent  
Decatur School District  
1498 Stadium Drive  
Decatur, AR 72722

Mike Wilkins  
School Board President  
Decatur School Board  
20021 Chicken Drive  
Decatur, AR 72722

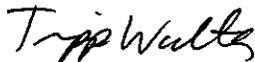
Dear Mr. King and Mr. Wilkins:

This letter is to remind you that the Arkansas State Board of Education (State Board) will hear a request from the Arkansas Department of Education (Department) to take action pursuant to Ark. Code Ann. § 6-20-1910 to annex the Decatur School District to another school district based on the Decatur School District's failure to meet fiscal distress requirements and the State Board's authority to annex fiscal distress districts.

The Department will present its request at a public hearing before the State Board at 9:00 a.m. on July 31, 2008, in the Auditorium of the Arch Ford Education Building. Your presence is requested at the hearing to respond to any questions raised by the State Board in this matter and to present any information that you may wish to submit to the State Board. If you want to submit written materials to the State Board in this matter, such materials must be received in my office no later than 3:00 p.m., Wednesday, July 23, 2008. If desired, the materials may be faxed to my office at (501) 682-4249. If more time is needed, please let me know. The Department has developed a set of hearing procedures for this matter. A copy is enclosed.

Should you have any questions or comments, you may contact my office at 501-682-4227.

Sincerely,



Tripp Walter  
Staff Attorney  
Arkansas Department of Education  
Arkansas State Board of Education

---

**STATE BOARD OF EDUCATION:** Chair: Diane Tatum, Pine Bluff • Vice Chair: Randy Lawson, Bentonville  
Members: Sherry Burrow, Jonesboro • Jim Cooper, Melbourne  
Brenda Gullett, Fayetteville • Dr. Tim Knight, Arkadelphia • Dr. Ben Mays, Clinton  
MaryJane Rebick, Little Rock • Dr. Naccaman Williams, Springdale

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TW/db

Enclosure

cc: T. Kenneth James, Ed.D., Commissioner of Education  
Dr. Charles Watson, State Board Office

Procedures for State Board of Education Hearing Concerning  
Requested Annexation of Decatur School District  
July 31, 2008

- I. Department Presents Request for Annexation of Decatur School District
  - Legal Options and Criteria Available to the State Board  
-Fiscal Distress – Ark. Code Ann. § 6-20-1901 et seq.
  - Demographics, Location
  - Desegregation Issues (if applicable)
  - Fiscal Information
  - Academic Information
  - Standards of Accreditation
- II. Response by Decatur School District (20 Minutes)
- III. Response by Contiguous School Districts  
(Limit of 10 minutes per district)
  - Bentonville
  - Gentry
  - Gravette
- IV. Limited Rebuttal by Decatur School District (Time Determined by Board Chair)
- V. Comments from the Public  
(Limit of 15 minutes total with 3 minutes allocated per speaker)
- VI. Closing Statements by Decatur (10 minutes)
- VII. Closing Statements by the Department
- VIII. Questions by State Board Members
- IX. Discussion by State Board Members
- X. Motion and Vote by State Board
- XI. Formal Notification to Affected Districts

NOTE: Time taken by a spokesperson to respond to a question by a State Board member shall not count against the respective side's time allotment.

MEMORY TRANSMISSION REPORT

TIME : 07-16-2008 05:18PM  
TEL NUMBER : +5016824249  
NAME : ADE ATTORNEY

FILE NUMBER : 994  
DATE : 07-16 05:17PM  
TO : 14797522490  
DOCUMENT PAGES : 004  
START TIME : 07-16 05:17PM  
END TIME : 07-16 05:18PM  
SENT PAGES : 004  
STATUS : OK

FILE NUMBER : 994

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

ARKANSAS DEPARTMENT OF  
**Education**  
Office of General Counsel  
#4 Capitol Mall, Little Rock, Arkansas 72201  
501-682-4227

**F A C S I M I L E**  
501-682-4249

TO: Mr. Bobby King Fax No.: 479-752-2490  
Interim Superintendent Decatur School District

FROM:

- |                                     |                  |                          |               |
|-------------------------------------|------------------|--------------------------|---------------|
| <input type="checkbox"/>            |                  | <input type="checkbox"/> |               |
| <input checked="" type="checkbox"/> | Tripp Walter     | <input type="checkbox"/> | Vivian Moore  |
| <input type="checkbox"/>            | Jennifer Flinn   | <input type="checkbox"/> | Sallie Robert |
| <input type="checkbox"/>            | Drew Blankenship |                          |               |

RE: Decatur School District

DATE: 7/15/08 No. of Pages (inc. cover) 4

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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ORIGINAL TO FOLLOW BY MESSENGER OR MAIL YES NO

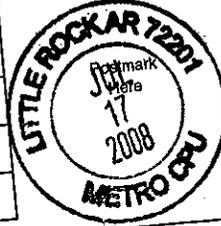
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4000 4000  
0512 0512  
9002 9002

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Return Receipt Fee (Endorsement Required)	2.22
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.34



Sent To Bobby King  
Interim Superintendent  
Decatur School District  
1498 Stadium Drive  
Decatur, AR 72722

PS Form 3800, Aug

Use for Instructions

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Return Receipt Fee (Endorsement Required)	2.22
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.34



Sent To: Mike Wilkins  
President  
Decatur School Board  
Street, Apt. No. or PO Box No.: 20021 Chicken Drive  
City, State, Zip: Decatur, AR 72722

PS Form 3800

15

ARKANSAS DEPARTMENT OF  
**Education** 

*Dr. T. Kenneth James, Commissioner*

4 State Capitol Mall • Little Rock, AR 72201-1019  
(501) 682-4475  
<http://ArkansasEd.org>

July 16, 2008

Dr. Andrea Kelly, Superintendent  
Gravette School District  
609 Birmingham Street, S.E.  
Gravette, AR 72736

Danny Alsup, President  
Gravette School Board  
16370 Bethlehem Road  
Gravette, AR 72736

Dear Dr. Kelly and Mr. Alsup:

This letter is to remind you that the Arkansas State Board of Education (State Board) will hear a request from the Arkansas Department of Education (Department) to take action pursuant to Ark. Code Ann. § 6-20-1910 to annex the Decatur School District to another school district based on the Decatur School District's failure to meet fiscal distress requirements and the State Board's authority to annex fiscal distress districts.

The Department will present its request at a public hearing before the State Board at 9:00 a.m. on July 31, 2008, in the Auditorium of the Arch Ford Education Building. As the representatives of a school district contiguous to the Decatur School District, you are strongly encouraged to be present at this hearing. If you want to submit written materials to the State Board in this matter, such materials must be received in my office no later than 3:00 p.m., Wednesday, July 23, 2008. If desired, the materials may be faxed to my office at (501) 682-4249. If more time is needed, please let me know. The Department has developed a set of hearing procedures for this matter. A copy is enclosed.

Should you have any questions or comments, you may contact my office at 501-682-4227.

Sincerely,



Tripp Walter  
Staff Attorney  
Arkansas Department of Education  
Arkansas State Board of Education

TW/db

---

**STATE BOARD OF EDUCATION:** Chair: Diane Tatum, Pine Bluff • Vice Chair: Randy Lawson, Bentonville  
Members: Sherry Burrow, Jonesboro • Jim Cooper, Melbourne  
Brenda Gullett, Fayetteville • Dr. Tim Knight, Arkadelphia • Dr. Ben Mays, Clinton  
MaryJane Rebick, Little Rock • Dr. Naccaman Williams, Springdale

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Enclosure

cc: T. Kenneth James, Ed.D., Commissioner of Education  
Dr. Charles Watson, State Board Office

Procedures for State Board of Education Hearing Concerning  
Requested Annexation of Decatur School District  
July 31, 2008

- I. Department Presents Request for Annexation of Decatur School District
  - Legal Options and Criteria Available to the State Board  
-Fiscal Distress – Ark. Code Ann. § 6-20-1901 et seq.
  - Demographics, Location
  - Desegregation Issues (if applicable)
  - Fiscal Information
  - Academic Information
  - Standards of Accreditation
- II. Response by Decatur School District (20 Minutes)
- III. Response by Contiguous School Districts  
(Limit of 10 minutes per district)
  - Bentonville
  - Gentry
  - Gravette
- IV. Limited Rebuttal by Decatur School District (Time Determined by Board Chair)
- V. Comments from the Public  
(Limit of 15 minutes total with 3 minutes allocated per speaker)
- VI. Closing Statements by Decatur (10 minutes)
- VII. Closing Statements by the Department
- VIII. Questions by State Board Members
- IX. Discussion by State Board Members
- X. Motion and Vote by State Board
- XI. Formal Notification to Affected Districts

NOTE: Time taken by a spokesperson to respond to a question by a State Board member shall not count against the respective side's time allotment.

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Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 5.34</b>



**Sent To** Dr. Andrea Kelly  
 Superintendent

*Street, Apt. No., or PO Box No.* Gravette School District

*City, State, ZIP+4* 609 Birmingham Street, S.E.  
 Gravette, AR 72736

PS Form 3800, August 2008 Instructions

MEMORY TRANSMISSION REPORT

TIME : 07-16-2008 05:20PM  
TEL NUMBER : +5016824249  
NAME : ADE ATTORNEY

FILE NUMBER : 995  
DATE : 07-16 05:18PM  
TO : 14797874108  
DOCUMENT PAGES : 004  
START TIME : 07-16 05:18PM  
END TIME : 07-16 05:20PM  
SENT PAGES : 004  
STATUS : OK

FILE NUMBER : 995

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

ARKANSAS DEPARTMENT OF  
**Education**  
Office of General Counsel  
#4 Capitol Mall, Little Rock, Arkansas 72201  
501-682-4227  
**F A C S I M I L E**  
501-682-4249

TO: Dr. Andrea Kelly, Superintendent Fax No.: 479-787-9108  
Greenville School District

FROM:

- |                                     |                  |                          |               |
|-------------------------------------|------------------|--------------------------|---------------|
| <input type="checkbox"/>            |                  | <input type="checkbox"/> |               |
| <input checked="" type="checkbox"/> | Tripp Walter     | <input type="checkbox"/> | Vivian Moore  |
| <input type="checkbox"/>            | Jennifer Flinn   | <input type="checkbox"/> | Sallie Robert |
| <input type="checkbox"/>            | Drew Blankenship |                          |               |

RE: Decatur S. D. Annexation

DATE: 7/16/08 No. of Pages (inc. cover) 4

COMMENTS: \_\_\_\_\_

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ORIGINAL TO FOLLOW BY MESSENGER OR MAIL: YES NO

ARKANSAS DEPARTMENT OF  
**Education** 

*Dr. T. Kenneth James, Commissioner*

4 State Capitol Mall • Little Rock, AR 72201-1019  
(501) 682-4475  
<http://ArkansasEd.org>

July 16, 2008

Dr. Gary Compton, Superintendent  
Bentonville School District  
500 Tiger Boulevard  
Bentonville, AR 72712

Travis Riggs, President  
Bentonville School Board  
1129 Northeast J. Street  
Bentonville, AR 72712

Dear Dr. Compton and Mr. Riggs:

This letter is to remind you that the Arkansas State Board of Education (State Board) will hear a request from the Arkansas Department of Education (Department) to take action pursuant to Ark. Code Ann. § 6-20-1910 to annex the Decatur School District to another school district based on the Decatur School District's failure to meet fiscal distress requirements and the State Board's authority to annex fiscal distress districts.

The Department will present its request at a public hearing before the State Board at 9:00 a.m. on July 31, 2008, in the Auditorium of the Arch Ford Education Building. As the representatives of a school district contiguous to the Decatur School District, you are strongly encouraged to be present at this hearing. If you want to submit written materials to the State Board in this matter, such materials must be received in my office no later than 3:00 p.m., Wednesday, July 23, 2008. If desired, the materials may be faxed to my office at (501) 682-4249. If more time is needed, please let me know. The Department has developed a set of hearing procedures for this matter. A copy is enclosed.

Should you have any questions or comments, you may contact my office at 501-682-4227.

Sincerely,



Tripp Walter  
Staff Attorney  
Arkansas Department of Education  
Arkansas State Board of Education

TW/db

---

**STATE BOARD OF EDUCATION:** Chair: Diane Tatum, Pine Bluff • Vice Chair: Randy Lawson, Bentonville  
Members: Sherry Burrow, Jonesboro • Jim Cooper, Melbourne  
Brenda Gullett, Fayetteville • Dr. Tim Knight, Arkadelphia • Dr. Ben Mays, Clinton  
MaryJane Rebick, Little Rock • Dr. Naccaman Williams, Springdale

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Enclosure

cc: T. Kenneth James, Ed.D., Commissioner of Education  
Dr. Charles Watson, State Board Office

Procedures for State Board of Education Hearing Concerning  
Requested Annexation of Decatur School District  
July 31, 2008

- I. Department Presents Request for Annexation of Decatur School District
  - Legal Options and Criteria Available to the State Board  
-Fiscal Distress – Ark. Code Ann. § 6-20-1901 et seq.
  - Demographics, Location
  - Desegregation Issues (if applicable)
  - Fiscal Information
  - Academic Information
  - Standards of Accreditation
- II. Response by Decatur School District (20 Minutes)
- III. Response by Contiguous School Districts  
(Limit of 10 minutes per district)
  - Bentonville
  - Gentry
  - Gravette
- IV. Limited Rebuttal by Decatur School District (Time Determined by Board Chair)
- V. Comments from the Public  
(Limit of 15 minutes total with 3 minutes allocated per speaker)
- VI. Closing Statements by Decatur (10 minutes)
- VII. Closing Statements by the Department
- VIII. Questions by State Board Members
- IX. Discussion by State Board Members
- X. Motion and Vote by State Board
- XI. Formal Notification to Affected Districts

NOTE: Time taken by a spokesperson to respond to a question by a State Board member shall not count against the respective side's time allotment.

MEMORY TRANSMISSION REPORT

TIME : 07-16-2008 05:23PM  
TEL NUMBER : +5016824249  
NAME : ADE ATTORNEY

FILE NUMBER : 997  
DATE : 07-16 05:22PM  
TO : 14792711159#1  
DOCUMENT PAGES : 004  
START TIME : 07-16 05:22PM  
END TIME : 07-16 05:23PM  
SENT PAGES : 004  
STATUS : OK

FILE NUMBER : 997

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

ARKANSAS DEPARTMENT OF  
**Education**  
Office of General Counsel  
#4 Capitol Mall, Little Rock, Arkansas 72201  
501-682-4227

**F A C S I M I L E**  
501-682-4249

TO: Dr. Gary Compton, Superintendent Fax No.: 479 271-1159 ext. 1  
Bentonville School District

FROM:

- |                                     |                  |                          |               |
|-------------------------------------|------------------|--------------------------|---------------|
| <input type="checkbox"/>            |                  | <input type="checkbox"/> |               |
| <input checked="" type="checkbox"/> | Tripp Walter     | <input type="checkbox"/> | Vivian Moore  |
| <input type="checkbox"/>            | Jennifer Flinn   | <input type="checkbox"/> | Sallie Robert |
| <input type="checkbox"/>            | Drew Blankenship |                          |               |

RE: Decatur School District Annexation

DATE: 7/16/08 No. of Pages (inc. cover) 4

COMMENTS: \_\_\_\_\_

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ORIGINAL TO FOLLOW BY MESSENGER OR MAIL YES NO

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Restricted Delivery Fee (Endorsement Required)		
<b>Total Postage &amp; Fees</b>	<b>\$5.34</b>	
Sent To <b>Dr. Gary Compton</b> Superintendent Bentonville School District 500 Tiger Boulevard Bentonville, AR 72712		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
	B. Received by (Printed Name) <i>Star</i> C. Date of Delivery <i>7-21-8</i>	
1. Article Addressed to:  Dr. Gary Compton Superintendent Bentonville School District 500 Tiger Boulevard Bentonville, AR 72712	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

7006 2150 0004 1701 9023

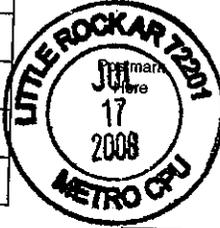
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Return Receipt Fee (Endorsement Required)	2.22
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.34



Sent To: Travis Riggs  
President  
Bentonville School Board  
1129 Northeast J. Street  
Bentonville, AR 72712

Street, Apt. No., or PO Box No.  
City, State, ZIP+4

PS Form 3800, August 2004

for Instructions

ARKANSAS DEPARTMENT OF  
**Education** 

*Dr. T. Kenneth James, Commissioner*

4 State Capitol Mall • Little Rock, AR 72201-1019  
(501) 682-4475  
<http://ArkansasEd.org>

July 16, 2008

Dr. Randy Barrett, Superintendent  
Gentry School District  
201 South Giles Avenue  
Gentry, AR 72734

Keith Harper, President  
Gentry School Board  
11525 Cripps Road  
Gentry, AR 72734

Dear Dr. Barrett and Mr. Harper:

This letter is to remind you that the Arkansas State Board of Education (State Board) will hear a request from the Arkansas Department of Education (Department) to take action pursuant to Ark. Code Ann. § 6-20-1910 to annex the Decatur School District to another school district based on the Decatur School District's failure to meet fiscal distress requirements and the State Board's authority to annex fiscal distress districts.

The Department will present its request at a public hearing before the State Board at 9:00 a.m. on July 31, 2008, in the Auditorium of the Arch Ford Education Building. As the representatives of a school district contiguous to the Decatur School District, you are strongly encouraged to be present at this hearing. If you want to submit written materials to the State Board in this matter, such materials must be received in my office no later than 3:00 p.m., Wednesday, July 23, 2008. If desired, the materials may be faxed to my office at (501) 682-4249. If more time is needed, please let me know. The Department has developed a set of hearing procedures for this matter. A copy is enclosed.

Should you have any questions or comments, you may contact my office at 501-682-4227.

Sincerely,



Tripp Walter  
Staff Attorney  
Arkansas Department of Education  
Arkansas State Board of Education

TW/db

---

**STATE BOARD OF EDUCATION:** Chair: Diane Tatum, Pine Bluff • Vice Chair: Randy Lawson, Bentonville  
Members: Sherry Burrow, Jonesboro • Jim Cooper, Melbourne  
Brenda Gullett, Fayetteville • Dr. Tim Knight, Arkadelphia • Dr. Ben Mays, Clinton  
MaryJane Rebick, Little Rock • Dr. Naccaman Williams, Springdale

*An Equal Opportunity Employer*

Enclosure

cc: T. Kenneth James, Ed.D., Commissioner of Education  
Dr. Charles Watson, State Board Office

Procedures for State Board of Education Hearing Concerning  
Requested Annexation of Decatur School District  
July 31, 2008

- I. Department Presents Request for Annexation of Decatur School District
  - Legal Options and Criteria Available to the State Board  
-Fiscal Distress – Ark. Code Ann. § 6-20-1901 et seq.
  - Demographics, Location
  - Desegregation Issues (if applicable)
  - Fiscal Information
  - Academic Information
  - Standards of Accreditation
- II. Response by Decatur School District (20 Minutes)
- III. Response by Contiguous School Districts  
(Limit of 10 minutes per district)
  - Bentonville
  - Gentry
  - Gravette
- IV. Limited Rebuttal by Decatur School District (Time Determined by Board Chair)
- V. Comments from the Public  
(Limit of 15 minutes total with 3 minutes allocated per speaker)
- VI. Closing Statements by Decatur (10 minutes)
- VII. Closing Statements by the Department
- VIII. Questions by State Board Members
- IX. Discussion by State Board Members
- X. Motion and Vote by State Board
- XI. Formal Notification to Affected Districts

NOTE: Time taken by a spokesperson to respond to a question by a State Board member shall not count against the respective side's time allotment.

MEMORY TRANSMISSION REPORT

TIME : 07-16-2008 05:21PM  
TEL NUMBER : +5016824249  
NAME : ADE ATTORNEY

FILE NUMBER : 996  
DATE : 07-16 05:20PM  
TO : 14797362245  
DOCUMENT PAGES : 004  
START TIME : 07-16 05:20PM  
END TIME : 07-16 05:21PM  
SENT PAGES : 004  
STATUS : OK

FILE NUMBER : 996

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

ARKANSAS DEPARTMENT OF  
**Education**  
Office of General Counsel  
#4 Capitol Mall, Little Rock, Arkansas 72201  
501-682-4227  
**F A C S I M I L E**  
501-682-4249

TO: Dr. Renny Barrett, Fax No.: 479-736-2245  
Superintendent, Gentry School District

FROM:

- |                                     |                  |                          |               |
|-------------------------------------|------------------|--------------------------|---------------|
| <input type="checkbox"/>            |                  | <input type="checkbox"/> |               |
| <input checked="" type="checkbox"/> | Tripp Walter     | <input type="checkbox"/> | Vivian Moore  |
| <input type="checkbox"/>            | Jennifer Flinn   | <input type="checkbox"/> | Sallie Robert |
| <input type="checkbox"/>            | Drew Blankenship |                          |               |

RE: Decatur S.D. Annexation

DATE: 7/16/08 No. of Pages (inc. cover) 4

COMMENTS: \_\_\_\_\_

This facsimile (and or the documents accompanying it) may contain confidential information belonging to the sender. The information is intended only for the use of the individual or entity named above. If you are not intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for return of the documents.

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<b>Sent To</b> Dr. Randy Barrett Superintendent Gentry School District 201 South Giles Avenue Gentry, AR 72734		

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**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
  
 Dr. Randy Barrett  
 Superintendent  
 Gentry School District  
 201 South Giles Avenue  
 Gentry, AR 72734

2. Article Number:  
*(Transfer from service label)*

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]*  Agent  Addressee

B. Received by (Print Name): *[Signature]* C. Date of Delivery: *[Signature]*

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

**JUL 23 2008**  
**72734**

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 Registered  Return Receipt for Merchandise  
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4. Restricted Delivery? (Extra Fee)  Yes

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PS Form 3811, February 2004

Domestic Return Receipt

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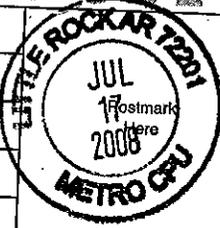
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Return Receipt Fee (Endorsement Required)		2.22
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	5.34



Sent To **Keith Harper**  
President  
Gentry School Board  
Street, Apt. N  
or PO Box N  
City, State, Zi **1125 Cripps Road**  
**Gentry, AR 72734**

PS Form 380

118



THE ATTORNEY GENERAL  
STATE OF ARKANSAS  
DUSTIN McDANIEL

Warren T. Readnour  
Senior Assistant Attorney General

Direct dial: (501) 682-2016  
Facsimile: (501) 682-2591  
E-mail: [warren.readnour@arkansasag.gov](mailto:warren.readnour@arkansasag.gov)

July 8, 2008

T. Kenneth James, Ed.D.  
Commissioner of Education  
Arkansas Department of Education  
# 4 State Capitol Mall  
Little Rock, Arkansas 72201-1019

Re: Proposed Annexation of the Decatur School District

Dear Dr. James:

This is in response to your letter to Attorney General McDaniel dated June 30, 2008, in which you ask for an advisory opinion, pursuant to Ark. Code Ann. §§ 6-13-1408(b), concerning the impact of a proposed annexation of the Decatur School District to one of the following contiguous school districts: (1) Bentonville School District of Benton County, (2) Gentry School District of Benton County, and (3) Gravette School District of Benton County. Section 6-13-1408(b) provides that, prior to the entry of any order annexing or consolidating school districts, "the state board shall seek an advisory opinion from the Attorney General concerning the impact of the proposed annexation or consolidation on the effort of the state to assist a school district or districts in desegregation of the public schools of this state."

Under United States Supreme Court precedent, the term "desegregation" is a legal term of art that describes the process by which a school district eliminates, to the extent practicable, the lingering effects or "vestiges" of prior *de jure* racial discrimination. Thus, in the absence of a finding that a school district has engaged in the past in activities prohibited by the Fourteenth Amendment to the United States Constitution, and that there are presently lingering effects or vestiges of that discrimination that remain unaddressed, a school district is not "desegregating" as that term is used in case law.

In this case, the State Board is considering the possible annexation of the Decatur School District to one of three contiguous school districts. If approved, the annexation would result in the creation of a new larger district. The Department of Education has indicated that, in addition

to the three schools being considered as annexation partners, the school districts that could potentially share a border with the newly formed district would be the Springdale, Siloam Springs, Pea Ridge, and Rogers School Districts. Based on information provided by the Department of Education, we are unaware of any pending desegregation court decrees in Decatur, the contiguous districts, or the potential surrounding districts. Therefore, we cannot say that the proposed annexation will have any negative effect on any desegregation efforts in those districts.

As will be the case in any proposed annexation, the Board must be cognizant that it may not order or approve any proposed annexation or consolidation with the purpose or intent to create racially segregated schools. As the Supreme Court noted in *Missouri v. Jenkins*, 515 U.S. 70, 115 (1995):

[I]n order to find unconstitutional segregation, we require that plaintiffs "prove all of the essential elements of *de jure* segregation — that is, stated simply, a current condition of segregation resulting from *intentional state action directed specifically* to the [allegedly segregated] schools." *Keyes v. School Dist. No. 1, Denver*, 413 U.S. 189, 205-206 (1973) (emphasis added). "[T]he differentiating factor between *de jure* segregation and so-called *de facto* segregation . . . is purpose or *intent* to segregate." *Id.*, at 208 (emphasis in original).

There are numerous cases that discuss legal challenges to school district annexations and consolidations in the context of desegregation litigation, but in each case the question of whether a particular annexation or consolidation (or series of annexations or consolidations) were done with the requisite unconstitutional intent is a highly fact-specific inquiry.

To assist the State Board, we note that the 2007-2008 enrollment figures provided to us by the Department of Education reflect that the Decatur School District has a student population that is approximately 63% White and 0% Black. The school districts surrounding Decatur have varying student racial compositions as follows: (1) Bentonville School District (approximately 83% White, 2% Black), (2) Gentry School District (approximately 73% White, 0% Black), and (3) Gravette School District (approximately 88% White, 1% Black). The school districts that could potentially share a border with the newly formed school district have varying student racial compositions as follows: (1) Springdale (approximately 50% White, 2% Black, 40% Hispanic), (2) Siloam Springs (approximately 66% White, 1% Black), (3) Pea Ridge (approximately 91% White, 1% Black), and (4) Rogers (approximately 57% White, 1% Black, 39% Hispanic). It is difficult to conclude, examining this data alone, that the approval of the proposed annexation could be viewed as motivated by impermissible intent to segregate schools. Nevertheless, while neither state nor federal law requires the Board to create school districts in a manner that would achieve any particular "racial balance" in the student population of a school district<sup>1</sup>, we advise the Board to scrutinize this proposed annexation with great care and to satisfy itself that there are

---

<sup>1</sup> It should be noted that a decision made solely on a racial basis, even for laudable purposes such as diversity in education or the prevention of (re)segregation, would be subject to "strict scrutiny" analysis. *Parents Involved in Community Schools v. Seattle School Dist. No. 1*, 127 S.Ct. 2738 (2007).

T. Kenneth James, Ed.D.  
July 8, 2008  
Page 3

legitimate, non-racially-motivated reasons for the annexation of Decatur to whichever of the three potential "partners" identified in your letter is selected.

Sincerely,

A handwritten signature in black ink that reads "Warren Readnour". The signature is written in a cursive style with a large, prominent "W" at the beginning.

**WARREN T. READNOUR**  
Senior Assistant Attorney General



# DECATUR PUBLIC SCHOOLS

P.O. BOX 97  
Decatur, AR 72722

Superintendent	479-752-3986
High School Principal	479-752-3983
Elementary Principal	479-752-3981
FAX	479-752-2490

12/02/03

Scott Smith  
Dept. Of Education  
Attorneys Office

Mr. Scott Smith

The Decatur School District is not involved in a desegregation lawsuit at this time.

Roy Keyes  
  
Superintendent Decatur Public School

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DEPARTMENT OF EDUCATION  
GENERAL DIVISION

**PRAIRIE GROVE PUBLIC SCHOOLS**

110 SCHOOL STREET  
PRAIRIE GROVE, AR 72753  
479-846-4213, FAX 479-846-2015  
*Accredited by North Central Association*

Ms. Michelle Owens, L.E. Principal  
479-846-4210

Mr. Tom Louks  
Superintendent

Mr. Ronald "Pete" Bennett, U.E. Princ.  
479-846-4211

Mr. Chris Webb, J.H.S. Principal  
479-846-4221

Mr. Ronald K. Bond, H.S. Principal  
479-846-4288

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GENERAL DIVISION

December 2, 2003

Arkansas Department of Education  
Scott Smith, Attorney's Office  
#4 Capitol Mall  
Little Rock, AR 72201

Dear Mr. Smith,

This letter is in reference to Director's Memo, DIR-04-020, concerning information requested by the General Assembly's Desegregation Litigation Oversight Committee:

- 1) What involvement, if any, does the local school district have in a desegregation lawsuit (i.e., does the court still have jurisdiction of the case or has the case been closed)?  
None
- 2) If the school district is involved in a desegregation lawsuit, what action, if any, is the school district being required to do by the court (i.e., file reports, monitoring duties, etc.)? None
- 3) What deadline(s) has/have the court imposed upon the school district to perform required actions or submit information to it? None

Sincerely,



Tom Louks, Superintendent  
Prairie Grove Schools



# Siloam Springs School District

847 South Dogwood  
Post Office Box 798  
Siloam Springs, Arkansas 72761

Telephone 479.524.3191  
Fax 479.524.8002  
<http://sssd.k12.ar.us>

December 2, 2003

Mr. Scott Smith  
Arkansas Department of Education  
Attorney's Office  
#4 Capitol Mall  
Little Rock, AR 72201

RE: Request for Information on Desegregation Litigation

Dear Mr. Smith:

This letter is to apprise you that the Siloam Springs School District is not currently in any litigation involving a desegregation lawsuit and that there is no court imposed actions, reports, or information that this District must perform.

This letter is in reference to a Director's Memo, DIR-04-020 dated October 30, 2003.

Sincerely,

Ken Ramey  
Superintendent

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DEPARTMENT OF EDUCATION  
GENERAL DIVISION

STATE OF ARKANSAS {  
COUNTY OF Benton }

**JUDY A. MORRIS**  
NOTARY PUBLIC - ARKANSAS  
BENTON COUNTY  
My Commission Expires 10 - 15 - 2012

SUBSCRIBED AND SWORN BEFORE ME, A NOTARY PUBLIC IN AND FOR THE COUNTY AND STATE AFORESAID, THIS 2<sup>nd</sup> DAY OF December, 2003.

  
NOTARY PUBLIC

MY COMMISSION EXPIRES 10.15.12

## Lisa Walters

---

**From:** Scott Smith  
**Sent:** Tuesday, December 02, 2003 3:53 PM  
**To:** Lisa Walters  
**Subject:** FW: Dir-04-024

-----Original Message-----

**From:** Greg Murry [mailto:gmurry@sdale.org]  
**Sent:** Tuesday, December 02, 2003 3:29 PM  
**To:** Scott Smith  
**Cc:** Jim Rollins; Hartzell Jones  
**Subject:** Dir-04-024

Scott -

In response to Director's memo Dir-04-024, here are the replies for Springdale Public Schools:

Question 1: Springdale School District is not currently involved in any litigation concerning desegregation.

Question 2: n/a.

Question 3: n/a.

Please let me know if this response is not sufficient.

Greg Murry  
Assistant Superintendent for Business Affairs  
Springdale Public Schools

---  
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Checked by AVG anti-virus system (<http://www.grisoft.com>).  
Version: 6.0.545 / Virus Database: 339 - Release Date: 11/27/2003

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