AGENDA
STATE BOARD OF EDUCATION

March 12, 2015

Arkansas Department of Education

10:00 AM

Back Print

Reports

Report-1 Recognition of Arkansas Teachers from The People's Republic of China Who Are Teaching Mandarin Chinese Language and Culture to Arkansas Students

In conjunction with the University of Central Arkansas Confucius Institute (UCA CI), the Department is assisting Chinese teachers with the teacher licensure process through the Arkansas Professional Pathway to Educator Licensure. This two-year program began in the summer of 2008. Each of these teachers are from the People's Republic of China and have a master's degree in Teaching Chinese as a Second Language. A Memorandum of Understanding with the Chinese Language Council International agrees to explore the possibility of a joint, yearly collaboration to select, license, and place qualified teachers of Chinese language in Arkansas schools. Currently there are 12 from China teaching in Arkansas schools and three teaching at the UCA CI. The ADE is pleased to present the following: Ms. Jing An, Hot Springs School District; Ms. Lu Chen, Bentonville School District; Ms. Zixi Hu, North Little Rock School District; Ms. Ci Li, Lighthouse Academy, Jacksonville; Ms. Na Li, Rogers School District; Ms. Yuanyuan Liu, Conway School District; Ms. Tingting Tian, ASMSA, Hot Springs; Ms. Shu Weng, North Little Rock School District; Ms. Yan Yang, Wynne School District; Ms. Lu Ye, Cross County School District; Ms. Qianying Zhang, Cabot/Beebe School District; Ms. Qian Zhang, Little Rock School District; Ms. Dongmei Qin, UCA; Ms. Lingyi Wang, UCA; and Dr. Xiaohong Lu, UCA

Presenter: *Frank Servedio*

Consent Agenda

C-1 Minutes - February 12, 2015

Presenter: *Deborah Coffman*

C-2 Minutes - February 13, 2015

Presenter: *Deborah Coffman*

C-3 Newly Employed, Promotions and Separations

The applicant data from this information is used to compile the Applicant Flow Chart forms for the Affirmative Action Report, which demonstrates the composition of applicants through the selecting, hiring, promoting and terminating process. The information is needed to measure the effectiveness of recruitment, hiring and promotion efforts and is in conformity with federal government guidelines, which require the agency to compile statistical information about applicants for employment.

Presenter: *Ivy Pfeffer and Clemetta Hood*

C-4 Report on Waivers to School Districts for Teachers Teaching Out of Area for Longer than Thirty (30) Days, Ark. Code Ann. §6-17-309

Arkansas Code Annotated §6-17-309 requires local school districts to secure a waiver when classrooms are staffed with unlicensed teachers for longer than 30 days. Requests were received from 20 school districts covering a total of 23 waivers. There were also requests for long-term substitutes from 26 school districts requesting a total of 31 waivers for long-term substitutes. These requests have been reviewed, and have either approved or denied by Department Staff, and are consistent with program guidelines.

Presenter: *Ivy Pfeffer*

C-5 Consideration of the Recommendation of the Professional Licensure Standards Board for Case #14-065 – LaKenya Takako Riley

Violation of Standard 3: An educator honestly fulfills reporting obligations associated with professional practices. The Professional Licensure Standards Board recommends that the State Board order the probation of Ms. Riley's license for two (2) years and assess a $75.00 fine. Ms. Riley and her attorney were notified of the Ethics Subcommittee's recommendation by letter dated December 29, 2014. Ms. Riley, through her attorney, accepted the recommendation on January 13, 2015.

Presenter: *Wayne Ruthven*

C-6 Consideration of the Recommendation of the Professional Licensure Standards Board for Case #14-086 – Carolyn Laverne Harshaw

Violation of Standard 1: An educator maintains a professional relationship with each student, both in and outside the classroom. The Professional Licensure Standards Board recommends that the State Board order the probation of Ms. Harshaw's license until December 31, 2015 and assess a $75.00 fine. Ms. Harshaw and her attorney were notified of the Ethics Subcommittee's recommendation by letter dated December 30, 2014, and did not respond in writing within the fourteen (14) day period provided by law.

Presenter: *Wayne Ruthven*

C-7 Consideration of the Recommendation of the Professional Licensure Standards Board for Case #14-087 – Billy Eugene Carter

Violation of Standard 1: An educator maintains a professional relationship with each student, both in and outside the classroom. The Professional Licensure Standards Board recommends that the State Board order the suspension of Mr. Carter's license for two (2) years, assess a $100.00 fine, and for each year of suspension, require Mr. Carter to complete six (6) hours of training in classroom cultural diversity, with all costs paid by Mr. Carter. Mr. Carter was notified of the Ethics Subcommittee's recommendation by letter dated December 23 2014, and did not respond in writing within the fourteen (14) day period provided by law.

Presenter: *Wayne Ruthven*

C-8 Consideration of the Recommendation of the Professional Licensure Standards Board for Case #14-117 – Evelyn Lemard Thrower

Violation of Standard 1: An educator maintains a professional relationship with each student, both in and outside the classroom. The Professional Licensure Standards Board recommends that the State Board order the suspension of Ms. Thrower's license for three (3) years, assess a $100.00 fine, and for each year of suspension, require Ms. Thrower to complete an additional twelve (12) hours of professional development in the area of classroom management skills and strategies to assist in de-escalation of students. The additional hours of professional development must be completed prior to reinstatement of Ms. Thrower's license. Ms. Thrower and her attorney were notified by letter dated January 7, 2015. Ms. Thrower accepted the recommendation on January 20, 2015.

Presenter: *Wayne Ruthven*

C-9 Consideration of Waiver Request for Teaching License – Romunda Hamilton

Romunda Hamilton is a licensed educator. On December 29, 2014, the Department advised Ms. Hamilton that a background check revealed an offense that disqualifies her for a teaching license under Ark. Code Ann. § 6-17-410(c) as well as employment in an Arkansas public school. Ms. Hamilton has requested a waiver of the grounds for revocation of her standard teaching license. The Department recommends that the State Board grant a waiver.

Presenter: *Cheryl Reinhart*

C-10 Consideration of Waiver Request for Teaching License – Sharon Powell

Sharon Powell is a licensed educator. On February 2, 2015, the Department advised Ms. Powell that a background check revealed an offense that disqualifies her for renewal of her teaching license under Ark. Code Ann. § 6-17-410(c). Ms. Powell has requested a waiver of the grounds for nonrenewal of her standard teaching license. The Department recommends that the State Board grant a waiver.

Presenter: *Cheryl Reinhart*

C-11 Consideration of Waiver Request for Teaching License – James Prine

James Prine is a licensed educator. On December 15, 2014, the Department advised Mr. Prine that a background check revealed an offense that disqualifies him for renewal of his teaching license under Ark. Code Ann. § 6-17-410(c). Mr. Prine has requested a waiver of the grounds for nonrenewal of his standard teaching license. The Department recommends that the State Board grant a waiver.

Presenter: *Cheryl Reinhart*

Action Agenda

A-1 Consideration of Waiver for School Board Member Training – Greenland School District

ADE Rules Governing Required Training for School Board Members require six hours of training annually by each board member. Failure to comply with these rules results in a violation of Section 24.18 of the Standards for Accreditation. Greenland School Board Member Mr. James Miller has been a board member of good standing since 1995. Mr. Miller was unable to acquire the six hours of training in 2014 due to work commitments and family health issues. Currently, he has completed three hours and has another three

hours planned that will meet the requirements for 2015. The Greenland School District requests the Board grant a waiver of Standard 24.18 pursuant to Ark. Code Ann. § 6-15-201 (b) (2) (A) for the purposes of waiving the board training requirement for Mr. Miller for 2014.

Presenter: *Kendra Clay and Superintendent Larry Ben*

A-2 Consideration of the Administrative Consolidation of the Hughes School District into One (1) or More School Districts

Pursuant to Ark. Code Ann. § 6-13-1601 et seq., the State Board of Education shall administratively consolidate the Hughes School District with or into one (1) or more school districts by May 1, 2015 to be effective July 1, 2015. The Hughes School District's average daily membership fell below three hundred fifty (350) students for the 2012-2013 and 2013-2014 school years. The Hughes School District did submit a voluntary petition for administrative consolidation or annexation.

Presenter: *Jeremy Lasiter*

A-3 Consideration for Removal of the Lee County School District from State Authority

The Lee County School District was classified by the State Board of Education as being in Academic Distress on April 8, 2013. The State Board of Education exercised its authority to place the Lee County School District under state authority and remove the local school board on April 10, 2014. The Lee County School District was classified by the State Board of Education as being in Fiscal Distress on May 8, 2014. The Lee County School District was classified by the State Board of Education as being on Year Two Probation for Accreditation on June 12, 2014.

On January 8, 2015, Standards Assurance Monitoring Director Mr. Johnie Walters reported that Lee County School District had three (3) findings on the most recent accreditation report. Lee County School District Superintendent Mrs. Willie Murdock said the district was working on these issues and they should be addressed soon.

The State Board of Education removed the Lee County School District from Academic Distress on February 12, 2015.

The Lee County School District remains under fiscal distress and will continue to be monitored by the ADE Fiscal Distress Unit.

The Department recommends that the Board remove the Lee County School District from state authority effective when a local school board is elected and has received training.

Presenter: *Dr. Eric Saunders, Hazel Burnett, Jeremy Lasiter, and Andrew Tolbert*

A-4 Continuation of Fiscal Distress Classification under authority of the state for the Pulaski County Special School District; and allowing the community advisory board to remain in place for one (1) additional year

Pursuant to Ark. Code Ann. § 6-20-1905, on March 30, 2011, the Arkansas Department of Education identified the Pulaski County Special School District as a school district in fiscal distress. The Arkansas Department of Education made this identification because the Pulaski County Special School District met the following fiscal distress indicator(s) as set forth in Ark. Code Ann. § 6-20-1904: Material state or federal audit exceptions or violations.

The Pulaski County Special School District appealed the fiscal distress identification. On May 16, 2011, following a public hearing, the State Board of Education classified the Pulaski County Special School District

as a school district in fiscal distress, pursuant to Ark. Code Ann. § 6-20- 1906. On June 20, 2011, the Arkansas Department of Education exercised its authority under Ark. Code Ann. § 6- 20-1909 to assume authority over the Pulaski County Special School District. The Arkansas Department of Education removed the Pulaski County Special superintendent and school board, and appointed an individual to administratively operate the Pulaski County Special School District under the supervision and approval of the Commissioner of Education.

Pursuant to Ark. Code Ann. § 6-20-1905, on January 19, 2012, the Pulaski County Special School District was identified by the Arkansas Department of Education as a district in fiscal distress based upon the following additional indicator: A declining balance determined to jeopardize the fiscal integrity of a school district. The Pulaski County Special School District did not appeal the fiscal distress identification. On February 13, 2012, following a public hearing, the State Board of Education classified the Pulaski County Special School District as a school district in fiscal distress, with the additional indicator, pursuant to Ark. Code Ann. § 6-20-1906.

On May 13, 2013, the State Board of Education approved the continuation of Fiscal Distress Classification under authority of the state for the Pulaski County Special School District; and approval for the Commissioner of Education to appoint a community advisory board pursuant to Act 600 of 2013.

On September 9, 2013, the State Board of Education approved the appointment of a community advisory board for the Pulaski County Special School District. Pursuant to Ark. Code Ann. § 6- 20-1910, by April 1 of each year following the appointment of a community advisory board, the State Board of Education shall determine the extent of a fiscally distressed school district's progress toward correcting all issues that caused the classification of fiscal distress and shall:

(1) Allow the community advisory board to remain in place for one (1) additional year;

(2) Return the school district to local control by calling for the election of a newly elected board of directors if:

(a) The Arkansas Department of Education certifies in writing to the State Board of Education and to the school district that the school district has corrected all criteria for being placed into fiscal distress; and

(b) The State Board of Education determines the school district has corrected all criteria for being placed into fiscal distress; or

(3) Annex, consolidate, or reconstitute the school district pursuant to Title 6 of the Arkansas Code.

The Arkansas Department of Education continues to review the status of the Pulaski County Special School District's compliance with its Fiscal Distress Improvement Plan and its efforts to remove itself from fiscal distress. That review is ongoing. Because that ongoing review will extend past the date of this meeting, and because this meeting is the last meeting prior to April 1, we recommend that the Community Advisory Board remain in place at this time. However, should our review indicate that PCSSD is no longer in fiscal distress and has met all of the goals in its Fiscal Distress Improvement Plan, we will return to the Board with a recommendation that the district be removed from fiscal distress classification and from state authority.

Presenter: *Dr. Eric Saunders and Hazel Burnett*

A-5 Continuation of Fiscal Distress Classification under authority of the state for the Helena-West Helena School District; and allowing the community advisory board to remain in place for one (1) additional year

Pursuant to Ark. Code Ann. § 6-20-1905, on July 20, 2010, the Arkansas Department of Education identified the Helena-West Helena School District as a school district in fiscal distress. The Arkansas Department of Education made this identification because the Helena- West Helena School District met the following fiscal distress indicator(s) as set forth in Ark. Code Ann. § 6-20-1904: (1) A declining balance determined to jeopardize the fiscal integrity of the school district. (2) Material state or federal audit exceptions or violations.

The Helena-West Helena School District did not appeal the fiscal distress identification. On September 30, 2010, following a public hearing, the State Board of Education classified the Helena-West Helena School District as a school district in fiscal distress, pursuant to Ark. Code Ann. § 6-20-1906. On June 20, 2011, the Arkansas Department of Education exercised its authority under Ark. Code Ann. § 6-20-1909 to assume authority over the Helena-West Helena School District. The Arkansas Department of Education removed the Helena-West Helena superintendent and school board, and appointed an individual to administratively operate the Helena-West Helena School District under the supervision and approval of the Commissioner of Education.

On May 13, 2013, the State Board of Education approved the continuation of Fiscal Distress Classification under authority of the state for the Helena-West Helena School District; and approval for the Commissioner of Education to appoint a community advisory board pursuant to Act 600 of 2013.

On September 9, 2013, the State Board of Education approved the appointment of a community advisory board for the Helena-West Helena School District. Pursuant to Ark. Code Ann. § 6-20- 1910, by April 1 of each year following the appointment of a community advisory board, the State Board of Education shall determine the extent of a fiscally distressed school district's progress toward correcting all issues that caused the classification of fiscal distress and shall:

(1) Allow the community advisory board to remain in place for one (1) additional year;

(2) Return the school district to local control by calling for the election of a newly elected board of directors if:

(a) The Arkansas Department of Education certifies in writing to the State Board of Education and to the school district that the school district has corrected all criteria for being placed into fiscal distress; and

(b) The State Board of Education determines the school district has corrected all criteria for being placed into fiscal distress; or

(3) Annex, consolidate, or reconstitute the school district pursuant to Title 6 of the Arkansas Code.

Based upon the information presented, the Arkansas Department of Education recommends that the State Board of Education allow the community advisory board to remain in place for one (1) additional year.

Presenter: *Dr. Eric Saunders and Hazel Burnett*

A-6 Charter Authorizing Panel Action on Consideration of Fountain Lake Charter School High School-Requirement to Report on Progress

On November 20, 2014 the Charter Authorizing Panel approved the application for Fountain Lake Charter High School with the requirement that representatives from Fountain Lake return in the spring to report on the progress of the charter. On January 8, 2015 the State Board of Education reviewed the decision of the Charter Authorizing Panel and voted to affirm the decision of the Charter Authorizing Panel. On February 18, 2015, by a unanimous vote, the panel removed the requirement for Fountain Lake High School to return in the spring to report on the progress of the charter. No request for the State Board of Education to review the decision made by the panel was submitted. The State Board may exercise a right of review of a determination made by the Charter Authorizing Panel and conduct a hearing on the Charter Authorizing Panel determination at the State Board's March 2015 meeting.

Presenter: *Cindy Hogue*

A-7 Charter Authorizing Panel Action on Open-Enrollment Public Charter School Amendment: Haas Hall Academy, Fayetteville

The State Board of Education approved the application for Haas Hall Academy in April 2004. The charter is approved to serve students in grades 8-12 with a maximum enrollment of 320. Representatives of Haas

Hall Academy appeared before the Charter Authorizing Panel on February 18, 2015 to request an amendment to the current charter. By a unanimous vote, the panel approved the amendment for Haas Hall Academy, Fayetteville. No request for the State Board of Education to review the decision made by the panel was submitted. The State Board may exercise a right of review of a determination made by the Charter Authorizing Panel and conduct a hearing on the Charter Authorizing Panel determination at the State Board's March 2015 meeting.

Presenter: *Cindy Hogue*

A-8 Charter Authorizing Panel Action on Open-Enrollment Public Charter School Amendment: KIPP Delta Public Schools, Forrest City

The State Board of Education approved the application for KIPP Delta Public Schools Forrest City Campus in October 2014. The charter is approved to serve students in grades 5-8 with a maximum enrollment of 400. Representatives of KIPP Delta Public Schools appeared before the Charter Authorizing Panel on February 18, 2015 to request an amendment to the current charter. By a unanimous vote, the panel approved/denied the amendment for KIPP Delta Public Schools, Forrest City. No request for the State Board of Education to review the decision made by the panel was submitted. The State Board may exercise a right of review of a determination made by the Charter Authorizing Panel and conduct a hearing on the Charter Authorizing Panel determination at the State Board's March 2015 meeting.

Presenter: *Cindy Hogue*

A-9 Charter Authorizing Panel Action on Open-Enrollment Public Charter School Amendment: Northwest Arkansas Classical Academy

The State Board of Education approved the application for Northwest Arkansas Classical Academy in November, 2012. The charter is approved to serve students in grades K-12 with a maximum enrollment of 685. Representatives of Northwest Arkansas Classical Academy appeared before the Charter Authorizing Panel on February 18, 2015 to request an amendment to the current charter. By a unanimous vote, the panel approved the amendment for Northwest Arkansas Classical Academy. No request for the State Board of Education to review the decision made by the panel was submitted. The State Board may exercise a right of review of a determination made by the Charter Authorizing Panel and conduct a hearing on the Charter Authorizing Panel determination at the State Board's March 2015 meeting.

Presenter: *Cindy Hogue*

A-10 Charter Authorizing Panel Action on Open-Enrollment Public Charter School Amendment: Ozark Montessori Academy

The State Board of Education approved the application for Ozark Montessori Academy in October 2014. The charter is approved to serve students in grades K-8 with a maximum enrollment of 280. Representatives of Ozark Montessori Academy appeared before the Charter Authorizing Panel on February 18, 2015 to request an amendment to the current charter. By a unanimous vote, the panel approved the amendment for Ozark Montessori Academy. No request for the State Board of Education to review the decision made by the panel was submitted. The State Board may exercise a right of review of a determination made by the Charter Authorizing Panel and conduct a hearing on the Charter Authorizing Panel determination at the State Board's March 2015 meeting.

Presenter: *Cindy Hogue*

A-11 Pulaski County Special School District Request for Review of Charter Authorizing Panel Action on Open-Enrollment Public Charter School Renewal: Academics Plus Charter School

The State Board of Education approved the application for Academics Plus Charter School in May 2001. The charter is approved to serve students in grades K-12 with a maximum enrollment of 850. Representatives of the Academics Plus Charter School appeared before the Charter Authorizing Panel on February 18, 2015 to request a 20-year renewal for the charter. By a 4-1 vote, the panel approved the renewal application for Academics Plus Charter School for a period of 5 years. Pursuant Ark. Code Ann. § 6-23-701 et seq., the Pulaski County Special School District requests that the State Board of Education conduct a hearing at its next meeting to review the decision made by the Charter Authorizing Panel.

Presenter: *Cindy Hogue*

A-12 Charter Authorizing Panel Action on Open-Enrollment Public Charter School Renewal: Arkansas Arts Academy

The State Board of Education approved the application for Arkansas Arts Academy (Formerly Benton County School of the Arts) in February 2001. The charter is approved to serve students in grades K-12 with a maximum enrollment of 825. Representatives of the Arkansas Arts Academy appeared before the Charter Authorizing Panel on February 18, 2015 to request a 20-year renewal for the charter. By a unanimous vote, the panel approved the renewal application for Arkansas Arts Academy for a period of 3 years. No request for the State Board of Education to review the decision made by the panel was submitted. The State Board may exercise a right of review of a determination made by the Charter Authorizing Panel and conduct a hearing on the Charter Authorizing Panel determination at the State Board's March 2015 meeting.

Presenter: *Cindy Hogue*

A-13 Charter Authorizing Panel Action on Open-Enrollment Public Charter School Renewal: Arkansas Virtual Academy

The State Board of Education approved the application for Arkansas Virtual Academy in September 2003. The charter is approved to serve students in grades K-12 with a maximum enrollment of 500. Representatives of the Arkansas Virtual Academy appeared before the Charter Authorizing Panel on February 18, 2015 to request a 5-year renewal for the charter. By a unanimous vote, the panel approved the renewal application for Arkansas Virtual Academy for a period of 5 years. No request for the State Board of Education to review the decision made by the panel was submitted. The State Board may exercise a right of review of a determination made by the Charter Authorizing Panel and conduct a hearing on the Charter Authorizing Panel determination at the State Board's March 2015 meeting.

Presenter: *Cindy Hogue*

A-14 Charter Authorizing Panel Action on District Conversion Public Charter School Renewal: Mountain Home High School Career Academy

The State Board of Education approved the application for Mountain Home High School Career Academy in March 2003. The charter is approved to serve students in grades 9-12 with a maximum enrollment of 1600. Representatives of the Mountain Home High School Career Academy appeared before the Charter Authorizing Panel on February 18, 2015 to request a 5-year renewal for the charter. By a unanimous vote, the panel approved the renewal application for Mountain Home High School Career Academy for a 5 year period. No request for the State Board of Education to review the decision made by the panel was

submitted. The State Board may exercise a right of review of a determination made by the Charter Authorizing Panel and conduct a hearing on the Charter Authorizing Panel determination at the State Board's March 2015 meeting.

Presenter: *Cindy Hogue*

A-15 Consideration for Approval of ABCTE as an Accelerated Teaching Program and Approval for ABCTE Content and Pedagogy Assessments

Under Arkansas code 6-17-409, the ADE has approved Teach for America (TFA) and Arkansas Teacher Corps (ATC) as Accelerated Teacher Programs. The statute also allows the ADE to approve other accelerated teaching programs. Additional accelerated teacher programs in Arkansas include the Arkansas Pathway for Professional Teaching License (APPEL) and the Provisional Professional Teaching License (PPTL). The American Board for Certification of Teachers of Excellence (ABCTE) is a non-profit organization established by the U. S. Department of Education dedicated to building strong communities through preparing, certifying, and supporting teachers. ABCTE has asked Arkansas to license teachers with ABCTE certification. (See more at: abcte.org) The Department recommends that ABCTE be approved by the Board as an accelerated teaching program. Candidates would initially receive a provisional license and the ADE would develop an MOU with ABCTE to outline the process to ensure Arkansas' licensing requirements are met and also a plan of support that candidates would receive for a period of up to 3 years, with the possibility of completion and issuance of a standard license after 2 years pending requirements are met. Approval of ABCTE's program would require that Arkansas accept ABCTE candidates' scores on ABCTE's required assessments (content and pedagogy) which differ from the PRAXIS assessments. The MOU would ensure that all assessments that Arkansas currently requires are taken but allow the substitution of the ABCTE assessment in place of the Praxis Content and Pedagogy assessments. The Department requests the Board approve the ABCTE content and pedagogy assessments as sufficient replacements for the PRAXIS counterparts for ABCTE certified teachers.

Presenter: *Ivy Pfeffer and Shawn McCollough,President and CEO of the American Board for the Certification of Teacher Excellence (ABCTE)*

A-16 Declaration of Critical Academic Shortage Areas of Licensure for 2015-2016

Pursuant to Ark. Code. Ann. § 6-15-403 and § 6-81-609 it is required that the State Board of Education declare licensure areas as the Critical Academic Shortage Areas. The Critical Shortage areas as approved by US Department of Education for 2015-2016 are as follows: Gifted and Talented, Foreign Language, Library Media, Mathematics, Special Education, Drama/Speech, Family and Consumer Sciences, and Art.

Presenter: *Ivy Pfeffer*

A-17 Hearing on Waiver Request for Teaching License – Eric Marquis Williams

Eric Marquis Williams is a licensed educator. On January 13, 2015, the Department advised Mr. Williams that a background check revealed an offense that disqualifies him for a teaching license under Ark. Code Ann. § 6-17-410(c) as well as employment in an Arkansas public school. Mr. Williams has requested a waiver of the grounds for denial of his standard teaching license.

Presenter: *Cheryl Reinhart*

A-18 Consideration of Revocation of Teaching License – Nicole Francis

Nicole Francis is a licensed educator. On May 24, 2013, the Department advised Ms. Francis through her attorney that she was disqualified licensure under Ark. Code Ann. § 6-17-410(c). Ms. Francis requested a waiver of the grounds for revocation of her standard teaching license. This hearing was postponed pending an appeal. The Department recommends revocation of her license. Ms. Francis is represented by her attorney, Richard L. Mays.

Presenter: *Cheryl Reinhart*

A-19 State Board Review of PLSB Evidentiary Hearing Findings and Recommendations – PLSB Case No. 13-047; Beverly Garner-Harris

Violation of Standard 1: An educator maintains a professional relationship with each student, both in and outside the classroom. Violation of Standard 6: An educator keeps in confidence information about students and colleagues obtained in the course of professional service, including secure standardized test materials and results, unless disclosure serves a professional purpose or is allowed by law. Following an evidentiary hearing on November 21, 2014, the Professional Licensure Standards Board Ethics Subcommittee recommended that the State Board order the suspension of Ms. Garner-Harris' license for three (3) years, assess a $100.00 fine, and require Ms. Garner-Harris to, by the end of the suspension period, complete professional development on ArkansasIDEAS, Number CID 1001366(11)-ASCD: Classroom Management: Building Effective Relationships, ArkansasIDEAS, Number CID 1000265(1b)-Annenberg Media: The Learning Classroom: Feelings Count, ArkansasIDEAS, Number CID 1001186(2d)-ASCD: Classroom Management: Managing Challenging Behavior, and by reading A Framework for Understanding Poverty by Ruby K. Payne, Ph.D. and providing the PLSB office with a written reflection on the book and its impact on her teaching practices. Ms. Garner-Harris made a timely request for State Board review. Ms. Garner-Harris has filed written objections and the PLSB has filed its response. Ms. Garner-Harris is represented by attorney Clayton Blackstock.

Presenter: *Jennifer Liwo*

A-20 State Board Review of PLSB Evidentiary Hearing Findings and Recommendations –PLSB Case No. 14-066; Jason Vaughn Marshall

Violation of Standard 1: An educator maintains a professional relationship with each student, both in and outside the classroom. Following an evidentiary hearing on October 24, 2014, the Professional Licensure Standards Board Ethics Subcommittee recommended that the State Board suspend Mr. Marshall's license for twenty-four (24) months, assess a $100.00 fine, and require Mr. Marshall to obtain a written statement from a licensed mental health professional stating that Mr. Marshall does not pose a threat to students by the end of the suspension period. Mr. Marshall made a timely request for State Board review. The educator has filed written objections and the PLSB has filed its response. Mr. Marshall is represented by attorney John Kennedy.

Presenter: *Jennifer Liwo*

A-21 Consideration for Final Approval: Arkansas Department of Education Rules Governing the Public School Rating System on Annual School Report Cards

Act 696 of 2013 (codified in Ark. Code Ann. §§ 6-15-2105 and 6-15-2106) requires that each public school receive a letter grade score of "A" through "F" effective with the 2014-2015 school year, and empowers the State Board of Education to approve a method for assigning letter grades. Following public comment, this

Board approved a calculation formula, but changed how students attending an Alternative Learning Environment (ALE) with its own LEA number would be included in the calculation. On December 1, 2014, this Board released for public comment the rules with revised sections 4.03 and 4.04 (which sections addressed ALEs). The proposed rules have gone through a second and third public comment period, and no changes were made to the rules as a result of the comments received. The Department staff respectfully requests the State Board give final approval to these rules pending Governor's Office approval and Legislative Council review.

Presenter: *Lori Freno*

A-22 Consideration of Little Rock School District Progress Update

On July 10, 2014, the State Board classified the following Little Rock Schools in Academic Distress: Hall High School, J. A. Fair High School, McClellan High School, Henderson Middle School, Cloverdale Middle School and Baseline Elementary. Academic Distress status was based on combined math and literacy three-year trend data from school years 2010-11, 2011-12 and 2012-13. On January 28, 2015, the State Board voted to assume state authority for the Little Rock School District. On February 12, 2015, the State Board classified the following Little Rock Schools in Academic Distress: Hall High School, J. A. Fair High School, McClellan High School, Henderson Middle School, Cloverdale Middle School and Baseline Elementary. Academic Distress status was based on combined math and literacy three-year trend data from school years 2011-12, 2012-13, and 2013-14. Board Members requests the Department provide a monthly report on the progress of the district in removing the six schools from academic distress.

Presenter: *Deputy Commissioner Mike Hernandez*

Minutes
State Board of Education Meeting
Thursday, February 12, 2015

The State Board of Education met Thursday, February 12, 2015, in the Auditorium of the Department of Education Building. Chairman Sam Ledbetter called the meeting to order at 10:00 a.m.

Present: Sam Ledbetter, Chairman; Alice Mahony; Dr. Jay Barth; Diane Zook; Joe Black; Mireya Reith; Vicki Saviers; Kim Davis; Jonathan Crossley, Teacher of the Year; and Tony Wood, Commissioner.

Absent: Toyce Newton, Vice-Chair

Report

Deputy Commissioner Mr. Mike Hernandez said in collaboration with Dr. Dexter Suggs, Little Rock School District (LRSD) Interim Superintendent, the LRSD Civic Advisory Committee process has been established. He said the application would be accessible on the LRSD website and remain open until noon on Friday, February 20, 2015.

Mr. Hernandez said there would be a financial committee selected to review district finances and develop a fiscal plan to include facilities needs and loss of desegregation funds.

Mr. Hernandez said he has requested documents from Dr. Suggs including a written plan for removal of the six schools in academic distress; technology plan; timeline for joining the APSCN network, including e-finance and e-school plus; timeline for implementing LEADS and TESS; and a timeline for moving from private audit to legislative audit. He said he would be meeting with Dr. Suggs to begin the pilot superintendent evaluation. Mr. Hernandez said LRSD would be working with the Office of Intensive Support next year.

Dr. Suggs said the community forums would continue. He said a meeting was postponed but will be rescheduled. Ms. Reith recommended having community forums in the academic distress schools. She also offered free translation for these meetings. He said there was no plan to reconstitute the academic distress schools at this time.

Commissioner Wood said when there is information for the community the Department would come forward with a report. Dr. Barth requested the Department provide a report on the Friday agenda through the school year.

Consent Agenda

Ms. Zook moved, seconded by Ms. Saviers, to approve the consent agenda. The motion carried unanimously.

Items included in the Consent Agenda:

- Minutes - January 8, 2015
- Minutes - January 9, 2015
- Minutes - January 28, 2015
- Newly Employed, Promotions and Separations
- Report on Waivers to School Districts for Teachers Teaching Out of Area for Longer than Thirty (30) Days, Ark. Code Ann. §6-17-309
- Review of Loan and Bond Applications
- Consideration of the Recommendation of the Professional Licensure Standards Board for Case #T14-006 –Teresa Deann Gregory
- Consideration of the Recommendation of the Professional Licensure Standards Board for Case #T15-001– Sandra Sue Henderson
- Consideration of the Recommendation of the Professional Licensure Standards Board for Case #14-063 – Bradley Joel Breeding
- Consideration of the Recommendation of the Professional Licensure Standards Board for Case #14-108 – Oby Mac Berry
- Consideration of the Recommendation of the Professional Licensure Standards Board for Case #14-177 – Clara R. Williams
- Consideration of the Recommendation of the Professional Licensure Standards Board for Case #14-179 – Charles Jackson Hanson
- Consideration of the Recommendation of the Professional Licensure Standards Board for Case #14-195 –Stephen Taylor Price
- Consideration of the Recommendation of the Professional Licensure Standards Board for Case #15-031 – Jimmie Dean Walls
- Consideration of Waiver Request for Teaching License – Charles Branch
- Consideration of Waiver Request for Teaching License – Jamille Ja'Net Rogers
- Consideration of Waiver Request for Teaching License – James Lee Brock

Action Agenda

A-1 Essentials of Computer Science Framework

Assistant Commissioner of Learning Services Dr. Debbie Jones said the Essentials of Computer Programming Curriculum Framework is designed to provide any student in grades 9-12 with a coding-intensive course, regardless of prior computer science experience. She said in late January 2015, a committee of 16 educators and industry leaders from across the state met for three days to

draft the framework document. This committee consisted of five (5) secondary level computer science educators, seven (7) post-secondary computer science professors, one (1) Career and Technical Education district level administrator, one (1) industry representative, one (1) Arkansas Department of Education (ADE) Specialist, and one (1) Arkansas Department of Career Education (ACE) STEM Program Coordinator. She said the design of the curriculum framework was guided by both the Computer Science Teachers Association K-12 Computer Science Standards and existing ADE and ACE computer science course frameworks.

Dr. Barth moved, seconded by Mr. Davis, to approve the Essentials of Computer Science Framework. The motion carried unanimously.

A-2 Academic Distress Appeal for Beebe School District
A-4 Academic Distress Appeal for Fort Smith School District
A-5 Academic Distress Appeal for Little Rock School District – Hamilton Learning Academy and Accelerated Learning Center
A-6 Academic Distress Appeal for SIA Tech
A-7 Academic Distress Appeal for Springdale School District

Assistant Commissioner of Public School Accountability Ms. Annette Barnes said in July 2014, the State Board approved a motion to table action against the Alternative Learning Environments (ALE) with LEA numbers until the rules are reviewed. She said this review would require legislative action. The Department requested the Board table the action for A-2, A-4, A-5 for Hamilton Learning Academy and Accelerated Learning Center only, A-6, and A-7.

Commissioner Wood said the agency has prepared language for legislation to address this issue.

Fort Smith School District Superintendent Dr. Benny Gooden (A-4) said Belle Point Alternative Center did not meet the 49.5% criteria. He said this is an unstable population because of academics, behavior, substance abuse, and family dysfunction. He said success is being sent back to the traditional school. He said the sample size of students tested does not support research and in some cases cannot be reported publically. He said there are many other successes in this program because the focus was on the individual students.

Ms. Saviers moved, seconded by Ms. Zook, to table the action for Badger Academy, Beebe School District; Belle Point Alternative Center, Fort Smith School District; Hamilton Learning Academy and Accelerated Learning Center, Little Rock School District; SIA Tech Charter High School; and Springdale Alternative School, Springdale School District. The motion carried unanimously.

A-3 Academic Distress Appeal for Blytheville School District

Assistant Commissioner of Public School Accountability Ms. Annette Barnes said a highly mobile student is not enrolled continuously from October 1 through the date of testing. She said the Blytheville School District filed an appeal of the Academic Distress designation for Blytheville Middle School. The district has identified seven (7) students that they contended met the definition of 'highly mobile' who were not designated as such. She said the district contended that changing the classification of these students would have caused the school to exceed the 49.5% threshold for being identified as being in academic distress.

Blytheville School District Middle School Principal Mr. Mike Wallace said the middle school academic distress score was 49.42%. He said the campus had become data-driven in its decision-making and teachers have a good understanding of the needs of their students.

Blytheville School District Middle School Math Instruction Facilitator Ms. Debra Siegler said they did not realize how close they were to academic distress. She said the three-year composite caused their score to be lower than they anticipated.

Blytheville School District Middle School Literacy Instruction Facilitator Ms. Paula Lipscomb said the students are reading below proficiency and the school struggled with interventions.

Blytheville School District Middle School Principal Mr. Mike Wallace said the test scores have declined in the last three years. He said the district had a declining enrollment and had reconfigured grade levels and the alternative learning environment.

Ms. Saviers moved, seconded by Dr. Barth, to deny the academic distress appeal for Blytheville School District. The motion carried unanimously.

A-5 Academic Distress Appeal for Little Rock School District – Forrest Heights Middle School

Assistant Commissioner of Public School Accountability Ms. Annette Barnes said the Little Rock School District filed an appeal of the Academic Distress designation for Forest Heights Middle School. She said the district contended that the Academic Distress designation for the school was moot because the district had surrendered the LEA number for the school. She said Forest Heights Middle School was closed under the LEA number. She said the school had been reconstituted under a new LEA number as Forrest Heights STEM. She said only

Forest Heights Middle School should be considered, not Forrest Heights STEM.

Little Rock School District Superintendent Dr. Dexter Suggs said the Forest Heights Middle School was closed under the LEA number. He said it was a moot point at this time.

Little Rock School District Associate Superintendent Dr. Dennis Glasgow requested the school be removed from the academic distress list.

Dr. Barth moved, seconded by Ms. Saviers, to uphold the academic distress appeal for the Forrest Heights Middle School, Little Rock School District. The motion carried unanimously.

A-8 Consideration of Recommendations for Removal from Academic Distress

Assistant Commissioner of Public School Accountability Ms. Annette Barnes said the Arkansas Department of Education had identified six (6) schools and two (2) school districts as no longer being at or below the 49.5% proficient/advanced threshold for being designated as being in Academic Distress. She recommended Augusta High School, Augusta School District; Fordyce High School, Fordyce School District; Marvell-Elaine High School, Marvel-Elaine School District; Osceola High School, Osceola School District; Harris Elementary, Pulaski County Special School District; Jacksonville High School, Pulaski County Special School District; Lee County School District and Strong-Huttig School District be removed from the designation of academic distress.

Dr. Charity Smith gave a brief history of academic distress in Arkansas. She said seven items for success have been identified in these schools.

Dr. David Fetterman encouraged the Board and the schools to stay the course to improve academically distressed schools.

Dr. Barth moved, seconded by Ms. Mahony, to remove the Augusta High School, Augusta School District; Fordyce High School, Fordyce School District; Marvell-Elaine High School, Marvel-Elaine School District; Osceola High School, Osceola School District; Harris Elementary, Pulaski County Special School District; Jacksonville High School, Pulaski County Special School District; Lee County School District and Strong-Huttig School District from the designation of academic distress. The motion carried unanimously.

Department General Counsel Mr. Jeremy Lasiter said the Lee County School District has met the prerequisites to be removed from the academic distress classification. He said the Department recommends returning the Lee County School District to local control upon the election and training of a local board.

Commissioner Wood said the Lee County School District would remain under state oversight for fiscal distress.

Office of Intensive Support Superintendent Mr. Andrew Tolbert said in his personal opinion the Lee County School District was ready to be removed from state authority because of the district's collaboration, planning, inclusion of the community, sense of urgency, and the work with students. He said the curriculum has improved.

Ms. Barnes said the Standards Unit has been onsite and all accreditation issues have been corrected.

Chairman Ledbetter requested a full fiscal report on Lee County School District.

Dr. Barth moved, seconded by Ms. Saviers, to consider the Lee County School District for removal of state authority at the May State Board meeting. Dr. Barth pulled his motion. Chairman Ledbetter requested the fiscal plan and data be provided at the March State Board Meeting.

A-9 Consideration of Schools identified as Meeting the Criteria for Academic Distress

Assistant Commissioner of Public School Accountability Ms. Annette Barnes said in accordance with the Arkansas Department of Education's Rule Governing the Arkansas Comprehensive Testing, Assessment and Accountability Program (ACTAAP) and the Academic Distress Program; the Department has identified 22 schools as meeting the criteria for academic distress. She said this identification was based on having 49.5 percent or less of their students achieving proficient or advanced in math and literacy for the most recent three (3) year period.

Ms. Mahony moved, seconded by Ms. Reith, to approve the twenty-two (22) schools identified as meeting the criteria for academic distress, and remove the Stephens High School from academic distress, and no longer consider closed schools for academic distress. The motion carried unanimously.

A-10 Review of PLSB Evidentiary Hearing Findings and Recommendations – PLSB Case No. 14-025; Mona Annette Parks

Professional Licensure Standards Board (PLSB) Attorney Jennifer Liwo said Ms. Parks was in violation of Standard 1: An educator maintains a professional relationship with each student, both in and outside the classroom. She said following an evidentiary hearing on October 3, 2014, the Professional Licensure Standards Board (PLSB) Ethics Subcommittee recommended the State Board

permanently revoke Ms. Parks' license.

Attorney Floyd A. Healy said there are three arguments in regard to the findings. He said the ethics subcommittee timeframe was not followed. He said two complaints filed were against Ms. Parks. He said a person that was not an Arkansas student filed the first complaint and he asked the Board to disregard this complaint. He said the second complaint was filed by a person that gave a statement to police that was thrown out due to the complainant's substance abuse. Mr. Healy requested a sanction other than revocation of license for Ms. Parks.

Ms. Liwo said the PLSB timeline is not mandatory. She said Ms. Parks requested the evidentiary hearing be rescheduled twice. Ms. Liwo said the student reported having an inappropriate relationship with Ms. Parks.

Mr. Healy said only hearsay evidence was considered at the DHS Hearing. The initial finding from DHS was made April 30, 2014. The finding was appealed and found unsubstantiated on September 16, 2014.

Dr. Barth moved, seconded by Ms. Mahony, to approve probation of license for five years, a $75 fine, and a requirement of no further findings or complaints during the five-year period for Mona Annette Parks. Mr. Davis and Ms. Zook voted against the motion. The final vote was 5-2. The motion carried.

A-11 Review of PLSB Evidentiary Hearing Findings and Recommendations – PLSB Case No. 14-066; Jason Vaughn Marshall

Attorney John Kennedy requested the hearing be postponed until March.

A-12 Hearing on Waiver Request for Teaching License – Jennifer Denise Williams

Professional Licensure Standards Board (PLSB) Attorney Cheryl Reinhart said on December 7, 2014, the Department advised Ms. Williams that a background check revealed that she had a "true" finding of child maltreatment, an offense that disqualifies her for renewal of her teaching license under Ark. Code Ann. § 6-17-410(c). She said Ms. Williams requested a waiver of the grounds for nonrenewal of her standard teaching license.

Ms. Williams said upon return from a school field trip a student was left on the school van. She further stated that she had not received any training concerning unloading the van and did not have a commercial license.

Ms. Zook moved, seconded by Ms. Saviers, to approve the waiver request for

teaching license for Jennifer Denise Williams. The motion carried unanimously.

A-13 Consideration of Revocation of Teaching License – David Van Buren

Professional Licensure Standards Board (PLSB) Attorney Cheryl Reinhart said Mr. Van Buren received his license by reciprocity. She said on December 26, 2014, the Department advised Mr. Van Buren that because his license was revoked in Georgia, the Department would seek revocation of his Arkansas license under Arkansas Code § 6-17-410(d). Mr. Van Buren did not seek a waiver and was not present.

Dr. Barth moved, seconded by Mr. Davis, to approve the revocation of teaching license for David Van Buren. The motion carried unanimously.

A-14 Consideration of Revocation of Teaching License – Jennifer Clare Kennedy

Professional Licensure Standards Board (PLSB) Attorney Cheryl Reinhart said on June 20, 2014, the Department advised Ms. Kennedy that the Department would seek revocation of her license because a background check revealed an offense that disqualifies her for licensure under Ark. Code Ann. § 6-17-410(c) and employment in an Arkansas public school. Ms. Kennedy did not seek a waiver and was not present.

Mr. Davis moved, seconded by Ms. Zook, to approve the revocation of teaching license for Jennifer Clare Kennedy. The motion carried unanimously.

A-15 Consideration of Suspension of Teaching License – Tiffany Studebaker

Professional Licensure Standards Board (PLSB) Attorney Cheryl Reinhart said Ms. Studebaker received a license by reciprocity. She said on November 24, 2014, the Department advised Ms. Studebaker that because Texas has placed her license on suspension for five (5) years, the Department would seek a suspension of her Arkansas license under Ark. Code Ann. § 6-17-410(d). Ms. Studebaker did not seek a waiver and was not present.

Ms. Zook moved, seconded by Ms. Saviers, to approve the suspension of teaching license for Tiffany Studebaker for the same period of suspension in Texas. The motion carried unanimously.

A-16 Consideration for Approval of the Proposed Arkansas Department of

Education Emergency Rules Governing Educator Licensure

Professional Licensure Standards Board (PLSB) Attorney Cheryl Reinhart said the Department recommended changes to the Arkansas Department of Education Rules Governing Educator Licensure to amend various provisions and to merge into these rules the Rules Governing Nontraditional Licensure, Rules Governing the Lifetime Teaching License, and some provisions of the Rules Governing Professional Development.

Ms. Mahony recommended revision to 4.15.1.2. The language should read "General Education Development" in reference to a GED.

Ms. Mahony moved, seconded by Ms. Reith, to approve the Proposed Arkansas Department of Education Emergency Rules Governing Educator Licensure with the correction. The motion carried unanimously.

A-17 Consideration for Public Comment on the Proposed Arkansas Department of Education Rules Governing Educator Licensure

Professional Licensure Standards Board (PLSB) Attorney Cheryl Reinhart said the Department proposed revised Rules Governing Educator Licensure that is identical to the Emergency Rules Governing Educator Licensure. She requested the Board authorize the release of the proposed rules for submission to the Governor for approval under Executive Order, EO 15-02, and for public comment.

As noted previously, Ms. Mahony recommended revision to 4.15.1.2. The language should read "General Education Development" in reference to a GED.

Ms. Mahony moved, seconded by Mr. Black, to approve the proposed Arkansas Department of Education Rules Governing Educator Licensure with the correction. The motion carried unanimously.

A-18 Consideration for Public Comment on the Proposed Arkansas Department of Education Rules Governing Mentoring Programs

Professional Licensure Standards Board (PLSB) Attorney Cheryl Reinhart said the Department recommended the Arkansas Department of Education Rules Governing Mentoring Programs, which consist of mentoring requirements previously included in the Rules Governing Educator Licensure, and also contain revisions that update the rules be released for public comment.

Ms. Zook moved, seconded by Ms. Mahony, to approve the Arkansas Department of Education Rules Governing Mentoring Programs for public

comment. The motion carried unanimously.

A-19 Consideration for Public Comment for the ADE Rules Governing Standards for Accreditation of Arkansas Public Schools and School Districts

Department Deputy General Counsel Ms. Lori Freno said the Department proposed the following revisions to the current rules: revise regulatory authority in § 1.02 and date in 1.03; add § 9.04 regarding combining or embedding of curriculum; revise dates in §§ 11.01, 11.03, and 11.04.1 to make them consistent with current law; add § 11.04.3 to make it consistent with current law regarding enrollment of child who attended first grade in another state or country; revise § 9.03 to add a new § 9.03.4.4 to add one unit of Essentials of Computer Programming and revise subsequent numbering accordingly; revise § 14.02 to allow substitution of certain computer courses for Mathematics or Science courses (both Smart Core and Core); revise § 15.04 to mirror/incorporate ADE Rules Governing Professional Development; revise dates in §§ 23.03, 23.04.1, 23.04.3 to make them consistent with current law; revise §§ 26.01 and 26.02 to correct terminology, and to correct dates in § 26.02 to make them consistent with current law; add § 26.03 to establish hearing procedure for Standards appeals; revise numbering in current §§ 26.03 and 26.04, and correct terminology in current § 26.04; revise § 27.0 to permit waiver of a Standard of Accreditation for longer than one year for the purpose of combining or embedding curriculum , and to correct terminology.

Ms. Mahony moved, seconded by Ms. Saviers, to approve the ADE Rules Governing Standards for Accreditation of Arkansas Public Schools and School Districts for public comment. The motion carried unanimously.

A-20 Consideration for Emergency Adoption: Arkansas Department of Education Rules Governing Kindergarten Through 12th Grade Immunization Requirements in Arkansas Public Schools

Department Staff Attorney Ms. Kendra Clay said the Arkansas Department of Health recently updated its Rules and Regulations Pertaining to Immunization Requirements. She said the revisions to ADE's rules governing immunizations are necessary to align ADH's and ADE's immunization requirements. She said provisions were also added to allow students who are excluded from school for immunization-related absences to remain enrolled rather than being dropped from the school's attendance records pursuant to Ark. Code Ann. § 6-18-213(f).

Ms. Mahony moved, seconded by Ms. Zook, to approve for the Arkansas Department of Education Rules Governing Kindergarten Through 12th Grade Immunization Requirements in Arkansas Public Schools for emergency adoption.

The motion carried unanimously.

A-21 Consideration for Public Comment of the Arkansas Department of Education Rules Governing Kindergarten Through 12th Grade Immunization Requirements in Arkansas Public Schools

Department Staff Attorney Ms. Kendra Clay said the Arkansas Department of Health recently updated its Rules and Regulations Pertaining to Immunization Requirements. She said revisions to ADE's rules governing immunizations are necessary to align ADH's and ADE's immunization requirements. She said provisions were also added to allow students who are excluded from school for immunization-related absences to remain enrolled rather than being dropped from the school's attendance records pursuant to Ark. Code Ann. § 6-18-213(f).

Dr. Barth moved, seconded by Ms. Reith, to approve the Arkansas Department of Education Rules Governing Kindergarten Through 12th Grade Immunization Requirements in Arkansas Public Schools for public comment. The motion carried unanimously.

A-22 Consideration for Emergency Adoption of the Arkansas Department of Education Rules Governing the Public School Rating System on Annual School Report Cards

Department Deputy General Counsel Ms. Lori Freno said Act 696 of 2013 (codified in Ark. Code Ann. §§ 6-15-2105 and 6-15-2106) required that each public school receive a letter grade score of "A" through "F" effective with the 2014-2015 school year, and empowered the State Board of Education to approve a method for assigning letter grades. She said the University of Arkansas Office of Innovation developed the method set forth in these rules for Education, in conjunction with the ADE and stakeholders. She said changes were made to emergency rules previously adopted (and repealed) by this Board to require school districts that have an Alternative Learning Environment (ALE) with its own LEA number to include the ALE students in their respective attendance area schools.

Ms. Reith moved, seconded by Mr. Davis, to approve the Arkansas Department of Education Rules Governing the Public School Rating System on Annual School Report Cards for emergency adoption. Ms. Mahony voted no. The final vote was 6-1. The motion carried.

A-23 Consideration for Final Approval of the Arkansas Department of Education Rules Governing the Public School Rating System on Annual School Report Cards

A-23 was pulled from the agenda.

A-24 Consideration for Final Approval of the Arkansas Department of Education Rules Governing the Enrollment of Military Dependents

Department General Counsel Mr. Jeremy Lasiter said Ark. Code Ann. § 6-18-107 required the Board to promulgate rules regarding the enrollment of students who are military dependents. He said the Department drafted the proposed rules to fulfill the statutory requirement. He said the Board approved the proposed rules for public comment on December 11, 2014 and the Arkansas Department of Education staff held a public hearing on the proposed rules on December 30, 2014. He said the public comment period expired on January 17, 2015. Arkansas Department of Education staff received a public comment on the proposed rules, but does not recommend revisions to the proposed rules based upon that public comment.

Dr. Barth moved, seconded by Mr. Black, to approve the Arkansas Department of Education Rules Governing the Enrollment of Military Dependents. The motion carried unanimously.

A-25 Consideration for Final Approval of the Revisions to the Arkansas Department of Education Rules Governing Schools of Innovation

Department General Counsel Mr. Jeremy Lasiter said Ark. Code Ann. § 6-15-2802 required the Board to adopt rules to administer the District of Innovation Program. He said in order to review schools of innovation applications and provide adequate opportunity for applicants to submit revisions to those applications; the Arkansas Department of Education staff should receive applications by January 30, 2015. He said the proposed rules revise the application dates and include a requirement that schools of innovation abide by applicable requirements for highly qualified teachers. The Board approved the proposed rules for public comment on December 11, 2014. He said the Arkansas Department of Education staff held a public hearing on the proposed rules on December 30, 2014. The public comment period expired on January 17, 2015. Arkansas Department of Education staff received public comments on the proposed rules, but does not recommend revisions to the proposed rules based upon the public comments.

Mr. Davis Hendricks delivered a letter from Senator Joyce Elliott to the Board. He said that Senator Elliott requested G/T programs be removed from the waiver option of the District of Innovation Program.

Ms. Reith moved, seconded by Ms. Zook, to approve the revisions to the

Arkansas Department of Education Rules Governing Schools of Innovation. The motion carried unanimously.

Adjournment

The meeting adjourned at 3:05 p.m.

Minutes recorded by Deborah Coffman.

Minutes
State Board of Education Meeting
Friday, February 13, 2015

The State Board of Education met Friday, February 13, 2015, in the Auditorium of the Department of Education Building. Chairman Sam Ledbetter called the meeting to order at 9:01 a.m.

Present: Sam Ledbetter, Chairman; Alice Mahony; Dr. Jay Barth; Diane Zook; Joe Black; Mireya Reith; Vicki Saviers; Kim Davis; Jonathan Crossley, Teacher of the Year; and Tony Wood, Commissioner

Absent: Toyce Newton, Vice-Chair

Reports

Chair's Report

Ms. Reith said she attended the grand opening of the EAST Initiative national headquarters.

Ms. Mahony said National Association of State Boards of Education (NASBE) Government Affairs Committee met in January 2015 and worked on Elementary and Secondary Education Act (ESEA) recommendations and other education issues.

Ms. Zook said there are many opportunities for students who want to help other students and the community.

Dr. Barth said he would be traveling with the science team to work on the Next Generation Science Standards.

Mr. Crossley said he would speak at the Clinton School on February 18, 2015. He said he was working with the ADE Communications Team to create a series called, *Profiles in Teacher Leadership*.

Commissioner's Report

Commissioner Wood had no report.

Special Committee on Parent Communication

Special Committee on Parent Communication Chair Ms. Alice Mahony said on Thursday, April 10, 2014, State Board of Education Chair Ms. Brenda Gullett appointed her to serve as chair of this special committee. She said Ms. Gullett also appointed Ms. Mireya Reith and Mr. Joe Black to serve on the Special Committee on Parent Communication. The committee members were directed to work with the Arkansas Department of Education (ADE) staff to increase parent and teacher communication that focused on ensuring students are college and career ready. Stakeholders were encouraged to join the committee. She said the committee submitted a final report and requested that State Board Chairman Ledbetter consider the committee work completed.

Chairman Ledbetter thanked the committee members and accepted the final report from the Special Committee on Parent Communication.

Update on Content Standards and Assessment

Assistant Commissioner of Learning Services Dr. Debbie Jones said in compliance with Ark. Code Ann. § 6-15-2012, the Curriculum and Instruction Unit has established college and career readiness assessments and transition courses available for school districts. She said in the 2015-2016 school year, high schools must offer students a college and career readiness assessment, and high schools must offer a college transition course for students who fail to meet cut scores established by the Department of Higher Education.

Dr. Jones said the Centers for Disease Control (CDC) and Prevention provided funding for 19 states to build the capacity of districts and schools to deliver exemplary sexual health education, increase adolescent access to health services, and establish safe and supportive environments for students and staff.

School Based Health Services Director Ms. Jerri Clark said fourteen (14) school districts have signed on to participate in the five-year program implementation.

Dr. Jones said PARCC was running assessment trials designed to correct errors and make testing as smooth as possible. She said PARCC was providing support through weekly webinars. She said the ADE Assessment Unit called each test coordinator to make sure issues are addressed quickly. Dr. Jones recognized the excellent work of Ms. Hope Allen and the Assessment Unit. Dr. Jones said Arkansas would administer the PARCC Assessment 2015.

Licensure/Office of Educator Effectiveness Update

Assistant Commissioner for Human Resources, Educator Effectiveness and

Licensure Ms. Ivy Pfeffer said two new licensure areas were being added. She said eight universities would offer a course of study for dyslexia therapists. She said the licensure unit was also working on licensure for computer science.

Ms. Pfeffer said her office received approximately 5000 public comments regarding the Proposed Rules for Educator Preparation Programs.

Ms. Pfeffer said her office is working on the Equitable Access Initiative by gathering data, considering metrics to be used, conducting root-cause analysis of findings and planning for stakeholder engagement. She said that Jones Elementary (Springdale School District) Principal Ms. Melissa Fink is an example of how all of the data should guide and serve the needs of students. Ms. Pfeffer said the culture and leadership in the building are in direct relation to the success of the work.

Ms. Fink said the school based health center has helped the school provide services to the whole child. She said the Master Principal program from the Arkansas Leadership Academy has been the best professional development and has helped her meet the needs of her current work. She said the professional learning communities in her school have evolved over time. She said through building the capacity of the teachers, everyone is taking a leadership role. She recommended partnerships for schools in academic distress. She said 80% of students met proficiency; however, her school is still labeled a needs improvement school. She supported accountability but the timelines are not always realistic for each child – especially ELL students who are new to the language. Ms. Fink recommended more conversation about growth at an appropriate rate instead of only test scores.

Progress Report on Schools Classified in Academic Distress

Public School Accountability Coordinator Mr. Elbert Harvey said this report highlighted progress during the second quarter of the 2014-15 school year regarding the assistance and reviews provided by ADE School Improvement Specialists in schools that were classified in Academic Distress, July 10, 2014.

Pine Bluff School Superintendent Dr. Linda Watson said the support from the external provider was a benefit to the district and schools. She said the schools are examining data. Dr. Watson said ADE School improvement specialist Dr. Mitzi Smith was in the schools weekly.

ADE School Improvement Specialist Dr. Mitzi Smith said the report submitted was based on her observation and evidence collected during her onsite visits.

Mr. Harvey said the two key areas of concern for low performing schools are quality leadership and teacher recruitment.

City Year Little Rock

Vice President and Executive Director City Year Little Rock Ms. Sarah Roberson said City Year is a national program focused on solving the dropout issue. She said City Year Little Rock served Grades 3-9 in Mabelvale Elementary School, Baseline Elementary School, Mabelvale Middle School, Cloverdale Middle School, J.A. Fair High School and McClellan High School. She said members worked with students on academics, attendance and behavior through goal setting. She said members work along side of teachers to help students. She said City Year also provides professional development to all members. Ms. Roberson said members are working to bridge English and Spanish.

Mr. Madhav Shroff, City Year Corps Member AT&T Team serving at J. A. Fair High School, said his job is to help improve students' confidence in their ability to master the academics. He shared a story of tutoring a student in math.

Ms. Davne McCleary, City Year Corps Member serving at Mabelvale Middle School, said it was important to build a great relationship with the students. She said members work before and after school. She said she was able to individualize tutoring for the students.

Commissioner Wood said he was very supportive of continuing the City Year Little Rock work in the Little Rock School District.

Adjournment

The meeting adjourned at 10:40 a.m.

Minutes recorded by Deborah Coffman.

NEWLY EMPLOYED FOR THE PERIOD OF January 17, 2015 – February 13, 2015

***Alexandra Boyd – Public School Program Advisor, Grade C122, Division of Learning Services, Charter/Home Schools, effective 01/20/15.**

***Dina Brown – Administrative Specialist II, Grade C109, Division of Learning Services, Special Education, effective 02/02/15.**

Tiffani Grayer – Public School Program Advisor, Grade C122, Division of Learning Services, Professional Development, effective 02/02/15.

***Felecia Parker– Administrative Specialist III, Grade C112, Division of Research and Technology, Technology Initiatives and Resources, effective 02/09/15.**

Robin Stripling – Public School Program Advisor, Grade C122, Division of Learning Services, Special Education, effective 01/2015.

Sally Robison – Public School Program Advisor, Grade C122, Public School Accountability, School Improvement, effective 02/02/15.

Ken Rhone – Program Fiscal Manager, Grade C122, Division of Fiscal and Administrative Services, Fiscal Distress Services, effective 02/09/15.

PROMOTIONS/DEMOTIONS/LATERALTRANSFERS FOR THE PERIOD OF January 17, 2015 – February 13, 2015

Lauryn Cheek from an ADE APSCN Field Analyst, Grade C121, Division of Fiscal and Administrative Services, APSCN, to an ADE APSCN Field Analyst, Grade C121, Division of Fiscal and Administrative Services, APSCN, effective 01/19/15. Lateral transfer

Jamie Holiman from an Public School Program Advisor, Grade C122, Division of Public School Accountability, to a Public School Program Advisor, Grade C122, Division of Public School Accountability, School Improvement, effective 02/02/15. Lateral transfer

SEPARATIONS FOR THE PERIOD OF January 17, 2015 – February 13, 2015

***Dina Brown – Administrative Specialist II, Grade C109, Division of Learning Services, Special Education, effective 02/06/15. 0 Years, 0 months, 4 days. 01**

Samantha Duclos – Administrative Specialist III, Grade C112, Division of Learning Services, Special Education, effective 01/26/15. 2 Years, 0 months, 4 days. 01

Kristen Kaiserr-Allen – Nutritionist Consultant, Grade C121, Division of Fiscal and Administrative Services, Child Nutrition, effective 01/20/15. 1 Year, 3 months, 13 days. 01

***Anastasia Woods – Administrative Specialist III, Grade C112, Public School Accountability, Standards Assurance, effective 01/23/15. 3 Years, 0 months, 26 days. 01**

***Minority**

AASIS Codes:
01 – Voluntary

Additional Licensure Waiver Requests
2014 - 2015 School Year
March State Board Meeting

LEA	District Name	# Waivers Requested	Teacher Name	License Areas	ALP Code	Out of Area	Years ALP	Granted /Denied
4304	CABOT SCHOOL DISTRICT	1	REED, LEEANN	001-Early Childhood Education PK-4	286	286-Library Media Spec K-12	14-15	Granted
4901	CADDO HILLS SCHOOL DISTRICT	2	MCDOWELL, MIKAYLA	159-Middle School Social Studies 5-8, 184-Elementary 1-6	255, 289	255-Middle School English 4-8, 289-Gifted & Talented K-12	14-15	Granted
							14-15	Granted
	EXALT SOUTHWEST ACADEMY PUBLIC CHARTER SCHOOL	1	CREEKMORE, WHITNEY	001-Early Childhood Education PK-4	231	231-Special Ed Ech Inst Specialist PK-4	14-15	Granted
	FIRST STEP, INC.	1	JONES, JENNIFER	002-Middle Childhood Lang Arts/SS 4-8, 168-Middle Childhood Science/Math 4-8	231	231-Special Ed Ech Inst Specialist PK-4	14-15	Granted
6601	FORT SMITH SCHOOL DISTRICT	1	MEYERS, SHERRIE	308-ESL 7-12, 001-Early Childhood Education PK-4, 307-ESL PK-8	230	230-Special Ed Inst Specialist 4-12	14-15	Granted
2603	HOT SPRINGS SCHOOL DISTRICT	2	GOINS, MARCELLE	236-PE/Wellness/Leisure 7-12, 293-Coaching 7-12, 235-PE/Wellness/Leisure PK-8, 271-Coaching K-12	167	167-Social Studies 7-12	14-15	Granted
			STUHR, ANNE	002-Middle Childhood Lang Arts/SS 4-8, 168-Middle Childhood Science/Math 4-8, 001-Early Childhood Education PK-4	258	258-Special Education K-12	14-15	Granted
7003	JUNCTION CITY SCHOOL DISTRICT	1	MAJOR, WHITNEY	133-Chemistry 7-12	269	269-Physical Science 7-12	14-15	Granted
5503	KIRBY SCHOOL DISTRICT	1	THIGPEN, RHONDA	056-Middle School English 5-8, 081-Health Education 7-12, 082-Secondary Physical Education 7-12, 085-Elementary Physical Education K-6, 086-Middle School Physical Edu 5-8	166	166-Eng Lang Arts 7-12	14-15	Granted
0506	LEAD HILL SCHOOL DISTRICT	1	ROGERS, DEREK	236-PE/Wellness/Leisure 7-12, 235-PE/Wellness/Leisure PK-8, 271-Coaching K-12	418	418-Career Development 7-8	14-15	Granted
4301	LONOKE SCHOOL DISTRICT	1	DODDS, ALLYSON	001-Early Childhood Education PK-4	288	288-Guid & Counseling K-12	14-15	Granted

Additional Licensure Waiver Requests
2014 - 2015 School Year
March State Board Meeting

LEA	District Name	# Waivers Requested	Teacher Name	License Areas	ALP Code	Out of Area	Years ALP	Granted /Denied
1402	MAGNOLIA SCHOOL DISTRICT	1	COWLING, SAMUEL	500-P. E. & HEALTH K-12	167	167-Social Studies 7-12	14-15	Granted
3211	MIDLAND SCHOOL DISTRICT	1	WILLIAMS, ROSE	184-Elementary 1-6	288	288-Guid & Counseling K-12	14-15	Granted
5706	OUACHITA RIVER SCHOOL DISTRICT	2	OLMSTEAD, STEPHANIE	225-Business Tech 7-12, 250-Business Technology 4-12	418	418-Career Development 7-8	14-15	Granted
			STROTHERS, DAVELYNN	139-Middle School Science 5-8, 159-Middle School Social Studies 5-8, 184-Elementary 1-6	259	259-Art K-12	14-15	Granted
	OZARK GUIDANCE	1	WATTS, ELLEN	204-Vocal Music 7-12, 206-Instrumental Music 7-12, 203-Vocal Music PK-8, 205-Instrumental Music PK-8	231	231-Special Ed Ech Inst Specialist PK-4	14-15	Granted
	PINNACLE POINTE	1	HASTINGS, MELISSA	001-Early Childhood Education PK-4, 231-Special Ed Ech Inst Specialist PK-4	230	230-Special Ed Inst Specialist 4-12	14-15	Granted
4605	TEXARKANA SCHOOL DISTRICT	1	YOUNG, SHERRY	184-Elementary 1-6, 230-Special Ed Inst Specialist 4-12, 231-Special Ed Ech Inst Specialist PK-4, 258-Special Education K-12, 241-Educational Examiner K-12, 276-Build Level Admin P-12, 277-District Administrator P-12	282	282-Curr/Prog Admin (Spec Ed) P-12	14-15	Granted
	THERAPY LEARNING CENTER	1	BRIGHT, SHAVON	184-Elementary 1-6	231	231-Special Ed Ech Inst Specialist PK-4	14-15	Granted
6401	WALDRON SCHOOL DISTRICT	1	LONG, AMANDA	268-Life Science 7-12	230	230-Special Ed Inst Specialist 4-12	14-15	Granted
1905	WYNNE SCHOOL DISTRICT	1	SPANN, PATRICIA	168-Middle Childhood Science/Math 4-8, 257-Middle School Science 4-8, 268-Life Science 7-12	269	269-Physical Science 7-12	14-15	Granted
	YELL COUNTY SPECIAL SERVICES	1	MAKEPEACE, TANYA	001-Early Childhood Education PK-4	231	231-Special Ed Ech Inst Specialist PK-4	14-15	Granted

Additional Licensure Waiver Requests
2014 - 2015 School Year
March State Board Meeting

20	Total # Districts Requesting Waivers	23	Total # Waivers Requested this month

Total # of Waivers Granted	23
Total # of Waivers Denied	0
Total # of Waivers this month	23

Long Term Substitutes
March 2015
State Board Agenda

LEA	District	# Waivers Requested	Substitute Name	Substitute Credentials	Teacher of Record	Subject Teaching	Granted/ Denied	Semester Granted	Comment
5201	Bearden School District	1	Hammonds, Mark Anthony	BSE - SAU	Adams, Angelettia	MS Social Studies	Granted	2nd	Moved out of state
0401	Bentonville School District	1	Lankford, Sara	BA - Out of State	Gober, Kaitlen	English 9-12	Granted	2nd	Maternity leave
1603	Brookland School District	1	Moore, Tanner	BA - ASU	Bell, Willis	Math	Granted	2nd	Medical Leave
6303	Bryant School District	1	Brewer, Tim	BA - UALR	Lloyd, Amy	Special Education	Granted	2nd	Teacher resigned 10/22/14
5707	Cossatot River School District	1	Farringer, Alicia	BA - U of A	Branch, Charles	Biology & 8th Grade Science	Granted	2nd	License pending
2601	Cutter-Morning Star Sch. Dist.	2	Hale, Amber	BA - UALR	Furr, Jami	Media Specialist	Granted	2nd	Maternity leave
			Knock, Lynette	BA - Out of State	Capel, Timothy	Math 7; Geometry	Granted	2nd	Moved out of state
2202	Drew Central School District	1	Phillips, Angela	AR - English 7-12; Life/Earth Science 7-12	Callison, Julie	Special Education K-4	Granted	2nd	Medical Leave
0203	Hamburg School District	3	Douglas, Ramsey	BA - UAM	None	Art	Granted	2nd	Vacant Position
			Hubbard, Sharonda	BS - UAPB	None	Family & Conusmer Science	Granted	2nd	Vacant Position
			Nonette, Natanya	BS - UAM	West, Haley	Math	Granted	2nd	Teacher Resigned 12/19/14
6202	Hughes School District	1	Lewis, Meka	BA - Out of State	Belle, Sherrie	Business/Home Economics	Granted	2nd	Resigned 12/19/14
0506	Lead Hill School District	1	Rogers, Derek Randall	AR - PE/Wellness/Leisure; Coaching	Severs, Walter	MS Social Studies	Granted	2nd	Medical Leave
7205	Lincoln School District	1	Wasson, Sara (Johnson)	AR - ECE P-4	January, Ashley	Special Education K-4	Granted	2nd	Teacher resigned 1/9/15
6001	Little Rock School District	1	Sniegocki, Ryan	BA - U of A	None	Art	Granted	1st	New Position 14-15
3004	Malvern School District	1	Nishiuchi, Tia	MAT - SAU	Nishiuchi, Tai	Social Studies 7-12	Granted	2nd	Loss of certification
0303	Mountain Home School District	1	Czanstkowski, Jill	AR-Special ED P-12	Story, Melissa	English	Granted	2nd	Medical

1703	Mountainburg School District	1	Backus, Lyndsie	AR - ECE P-4	Johnson, Rosemary	Physical Science; Chemistry; Physics; Drama I & II	Granted	2nd	Maternity leave
4713	Osceola School District	1	Bolden, Harriett Jean	AR - PE/Wellness/Leisure	Gilley, Jennifer	Special Education	Granted	2nd	Medical Leave
6205	Palestine-Wheatley Sch. Dist.	1	Halbert, Ryan	BA - U of A	O'Connell, Keely	Math	Granted	2nd	Teacher resigned 12/19/14
3505	Pine Bluff School District	2	Lovell, Deloris	AR - English 7-12; Secondary Principal; Curriculum Specialist	Mitchell, Kathryn	Reading	Granted	2nd	Medical Leave
			Williams, Robbie	AR - General Science, Life/Earth Science, Secondary Principal, Physics	Lowery, Verneice	Elementary Principal	Granted	2nd	Deceased 10/23/14
7206	Prairie Grove School District	1	Walker, Kristen	BS - UofA; Texas 1-8 Lifetime License	Green, Michael	Social Studies	Granted	2nd	Teacher deceased
	Rivendell Behavioral Health Services	1	Rhodes, Michelle	AR - Middle Childhood Education	Young, Monica	Special Education	Granted	2nd	Teacher resigned 8/18/14
0405	Rogers School District	1	Shores, Jessica	AR - Middle Childhood	Rippy, Lenna	ESOL	Granted	2nd	Maternity leave
0406	Siloam Springs School District	1	Arce, Carlos	BA - U of A	Johnson, David	Engineering & Technology	Granted	2nd	Teacher resigned 2/12/15
1507	So. Conway Co. School District	2	Ferguson, Rachel	BA - AR Tech	Ingram, Samantha (Carson)	Art	Granted	2nd	Maternity leave
			Rasmussen, Todd	AR - English 7-12; Mathematics 7-12; Secondary Principal; Applied Math I & II 7-12	Bingham, Charles	Physical Science	Granted	2nd	Teacher changed positions
	Southeast Education Coop	1	Raley, Sharon	M.ED - Out of State	Sadovsky, Adrienne	History	Granted	2nd	Maternity leave
7207	Springdale School District	1	Perkins, Whitney	BA - U of A	Martin, Laura	English 8th Grade	Granted	2nd	Maternity leave
1602	Westside Cons. School District	1	Neely, Stephanie	AR - Mathematics 7-12	Tubbs, Julie	Social Studies	Granted	2nd	Maternity leave

26	**# Districts Requesting Long Term Substitute Waivers**	**31**	**# Long Term Substitute Waivers Requested**
31	**# Waivers Granted for Long Term Substitutes**		

Greenland Public Schools

District No. 95
10 N. Main / P.O. Box 57
Greenland, Arkansas 72737
(479) 521-2366
Fax (479) 521-1480
Dr. Larry Ben, Superintendent

February 25, 2015

Mr. Tony Wood, Commissioner of Education
Arkansas State Board of Education
Arkansas Department of Education
Four Capitol Mall, Room 304-A
Little Rock, AR 72201

Dear Commissioner Wood and Board of Education,

James Miller was first elected to the Greenland School Board in 1995 and since that time has been recognized by the Arkansas School Board Association as an Honor Board Member, Outstanding Board Member, and Master Board Member. He has had over 150 hours of board training. The district was under state control for a period of two years ('08-'09, '09-'10).

In 2014, annual school board trainings were scheduled for the Greenland board members, however, Mr. Miller was unable to attend the sessions due to travel required by his job. Additionally, during 2014, the Miller family dealt with serious medical issues involving chemo treatments and surgery. Consequently, Mr. Miller did not receive any board training hours in 2014.

As of this date for 2015, he has completed 3 hours of training on-line through the ASBA. He had previously taken all other course offerings available through ASBA online. He is registered for the Four Corners Winter Institute scheduled in March which will provide three training hours of credit. With additional training planned, Mr. Miller is expected to exceed the minimum requirement for 2015.

As you know, ADE Rules Governing Required Training for School Board Members require six hours of training annually by each board member. The penalty for not meeting this requirement is being placed in probationary status pursuant to Section 24.18 of the ADE Rules Governing Standards for Accreditation of Arkansas Public Schools and School Districts. Because Mr. Miller has been a board member of good standing since 1995, has demonstrated his intention to obtain the required training, and because the district has self-reported the violation, I beseech you to consider granting the Greenland School District a waiver from this requirement for 2014 pursuant to Ark. Code Ann. § 6-15-201(b)(2)(A).

Sincerely,

Larry Ben

Larry Ben

ASBA Roster of Arkansas School Board Members

James E. Miller Elected: 1995 ASBA Region: 01

Vice President, Greenland SD
89 West Willoughby Road
Fayetteville, AR 72701
Hm: 479.582.2022 Wk: 479.443.7870
E-mail: jmille2022@aol.com

Larry Ben, Superintendent
Greenland SD
P.O. Box 57
Greenland, AR 72737
Tel: 479.521.2366 x221. Fax: 479.521.1480

Recorded Training Events

Inservice Training Events	Date	ASBA Hrs	State Hrs*
ASBA Regional Meeting	9/1/2005	2.00	0.00
ASBA New Board Member Workshop	10/1/2005	6.00	0.00
School Board Meetings, A-Z	10/24/2005	3.00	0.00
From Documentation to Termination	10/25/2005	3.00	0.00
Cummulative Inservice hours 1998-2002	11/21/2005	66.00	0.00
ASBA Annual Conference	12/1/2005	8.00	0.00
School Finance Workshop	2/27/2006	4.00	0.00
ASBA/AAEA Joint Leadership Conference	5/9/2006	6.00	6.00
ASBA CIV	8/6/2006	4.00	4.00
ASBA Regional Meeting	10/6/2006	2.00	2.00
ASBA Conference: Breakfast	12/1/2006	1.00	1.00
ASBA Conference: Audit Process	12/6/2006	1.00	1.00
ASBA Conference: Grass Roots Advocacy: Planning	12/6/2006	1.00	1.00
ASBA Conference: Luncheon	12/6/2006	1.00	1.00
ASBA Conference: Parent Involvement	12/6/2006	1.00	1.00
ASBA Conference:First General Session	12/6/2006	2.00	2.00
ASBA Conference: Network - General Session	12/7/2006	2.00	2.00
ASBA/AAEA Joint Leadership Conference	5/10/2007	6.00	6.00
ASBA New Board Member Workshop	10/16/2007	6.00	6.00
First Security Beardsley Public Finance	12/17/2007	4.00	
Regional Meeting: Region 1	10/25/2010 6:00:00 PM	2.00	2.00
APSRC Training (Dr. Davis/Scott Smith)	11/18/2010 4:00:00 PM	3.00	0.00
2010 ASBA Annual Conference - ASBA Conference	12/8/2010 9:00:00 AM	9.00	9.00
Regional Meeting: Region 1	10/24/2011 6:00:00 PM	2.00	2.00
Regional Meeting: Region 1	10/21/2013 6:00:00 PM	3.00	3.00
Developing and Adopting School Board Policy	12/30/2013	1.00	1.00
Public Schools in Arkansas	12/30/2013	1.00	1.00
School Board Meetings	12/30/2013	1.00	1.00
Key Work of School Boards: Vision	1/30/2015	2.00	2.00

	Number of Events	ASBA Hours	State* Hours
Total	29	153.00	54.00
2015	1	2.00	2.00
2014			
2013	4	6.00	6.00

ASBA Boardsmanship Awards

Honor Board Member	1/15/1999
Outstanding Board Member	1/15/2000
Master Board Member	3/15/2002

*This report constitutes a legally acceptable record of school board training provided by or through ASBA, for the purpose of meeting state-mandated annual board training (A.C.A. 6-13-629). Training received from other source requires approval from the AR Dept. of education in order to meet the mandated training requirements

Copyright © Arkansas School Boards Association Thursday, February 26, 2015

February 26, 2015

Mr. Jeremy C. Lasiter
General Counsel
Arkansas Department of Education
Little Rock, AR 72201-1019

RE: Petition for the Voluntary Administrative Annexation of the Hughes School District Into the Forrest City School District

Dear Mr. Lasiter:

On behalf of the Board of Directors of the Hughes School District, I am submitting to you a Petition for Annexation requesting the State Board of Education to annex our district into the Forrest City School District effective July 1, 2015. The new district will be called the Forrest City School District. The Petition and accompanying Annexation Agreement have been fully approved by both the Hughes and Forrest City School District Boards of Directors.

I can relate to you and the State Board of Education that both the Hughes and Forrest City School Districts are fully in support of this requested annexation.

The Hughes and Forrest City School Districts look forward to formally presenting our Petition to the State Board of Education.

Please contact me at (870)339-2570 or Dr. Tiffany Hardrick, Superintendent of the Forrest City School District, at (870)633-1485, if we may be of assistance.

Sincerely,

Sheryl Owens
Superintendent
Hughes School District

Attachments

cc: Hughes Board of Directors
Dr. Tiffany Hardrick, Superintendent, Forrest City School District
Forrest City Board of Directors

Exhibit A

School Board Resolution

COMES NOW the Hughes School District Board acting by and through its Superintendent duly authorized and do herein declare:

A special or regular school board meeting was held on February 23, 2015, wherein a quorum was present and a majority of the quorum voted to approve the annexation of the Hughes School District into the Forrest City School District, and the minutes of said meeting reflect such. Therefore, this document is to serve as the formal resolution of the Hughes School District Board of Directors, pursuant to Arkansas law, that said annexation is hereby approved.

Hughes School District

of St. Francis and Crittenden Counties

By: Sheryl Owen 2-23-15
Superintendent Date

[illegible] 2-23-15
President, School Board Date

Exhibit A

School Board Resolution

COMES NOW the Forrest City School District Board acting by and through its Superintendent duly authorized and do herein declare:

A special or regular school board meeting was held on February 23, 2015, 2015, wherein a quorum was present and a majority of the quorum voted to approve the annexation of the Hughes School District into the Forrest City School District, and the minutes of said meeting reflect such. Therefore, this document is to serve as the formal resolution of the Forrest City School District Board of Directors, pursuant to Arkansas law, that said annexation is hereby approved.

Forrest City School District

of St. Francis

By: _____ 2/23/15
Superintendent Date

_____ 2/23/15
President, School Board Date

EXHIBIT B

AGREEMENT FOR A VOLUNTARY ANNEXATION OF THE HUGHES SCHOOL DISTRICT INTO THE FORREST SCHOOL DISTRICT

WHEREAS, the Hughes School District (Hughes) of St. Francis and Crittenden Counties, and the Forrest City School District (Forrest City), of St. Francis County (Hughes and Forrest City are the "Schools"), and both Hughes and Forrest City are desirous of petitioning the Arkansas State Board of Education to cause Hughes to be annexed into Forrest City, to create the new Forrest City School District (FCSD), pursuant to Ark. Code Ann §§ 6-13-1401 and 6-13-1601 *et. seq.*; and

WHEREAS, both Hughes and Forrest City agree that it would be in the Schools' mutual best interest and the mutual best interests of the Schools' patrons for the Schools to enter into this Voluntary Annexation Agreement (Agreement), and

WHEREAS, the purpose of this Agreement is to set forth the terms and conditions of the proposed voluntary annexation so that the annexation may be accomplished in the best interest of the Schools;

NOW THEREFORE, in consideration of their mutual promises and agreements, Hughes and Forrest City agree as follows:

1. Effective date. If approved by the Arkansas State Board of Education (SBE), the effective date of the voluntary annexation shall be July 1, 2015.

2. Names. Forrest City is willing to approve an annexation of Hughes under the following terms of agreement. The resulting school district shall be known as the Forrest City School District (FSCD). Subject to the approval of the SBE, the Hughes campus shall be known as the Hughes Campus and the Forrest City Campus shall continue to be so referenced after the annexation. Each of the current campuses within the new FCSD shall continue to keep their same mascots. However, the Hughes School Campus shall continue to be known as the Hughes School Campus and any sports teams or other representatives from the Hughes Campus playing on a Hughes school team in an Arkansas Activities Association event shall be known as the "Hughes Blue Devils" until such time as the Hughes School Campus is no longer in operation or no teams represent the Hughes School Campus.

3. Board of Directors. Following approval of the proposed annexation by the SBE, the FCSD will continue to have a seven (7) member school board. Pursuant to Ark. Code Ann. §6-13-1416(d)(3), the FCSD will not need to utilize an interim Board of Directors and the FCSD existing Board shall remain as the permanent school district Board of Directors. One board member shall resign and the Hughes School Board will select one (1) of its members to serve on the board as a replacement appointed by the FCSD.

4. Superintendent. Dr. Tiffany Hardrick of the FCSD shall remain under contract as superintendent of FCSD under the terms and conditions of her current contract.

5. School Employees Employment. All employees of Hughes employed as of July 1, 2015, shall be subject to all terms, conditions of contract, personnel and other policies of the FCSD specifically including but not limited to the Licensed Personnel Reduction in Force (RIF) Policy (3.4) and Classified Personnel Reduction in Force Policy (RIF) (8.30) of the FCSD. After evaluating the needs of the district during the 2015-2016 school year, all staff of the former Hughes School District shall be reviewed for continued employment needs and shall remain subject to reassignment of duties, non-renewal or termination of contract provisions as allowed by law and policies of the FCSD. Initial employment for the 2015-2016 school year of Hughes School District employees shall be based on the needs of the FCSD and pursuant to the existing FCSD RIF policies.

6. School Facilities. Both Hughes and Forrest City agree that FCSD will allow the Hughes School campus to continue to operate grades K through Eighth in the FCSD as long as deemed economically and educationally feasible and beneficial to the FCSD as a whole as determined by the school board of directors of the FCSD on a periodic review ; and there shall be no specific test or determination or binding obligation on any future school board concerning the decision to open or close any of the schools in the district, including a school on the current Hughes School Campus. It is specifically agreed that grades 9th through 12th shall be moved to the FCSD campus for the 2015-2016 school year.

7. Millage Rates. The issue of unification of the millage rates in the current Hughes School District and the current Forrest City School District for the new FCSD shall be placed on the ballot at a future annual school election, at a date to be determined by the FCSD Board of Directors.

8. Board Elections. As stated in Section 3., a seven (7) member Board of Directors, comprised of one (1) member of the current Hughes School District and six (6) members of the current Forrest City School Board, shall serve as the permanent Board of Directors of the new FCSD.

9. Petition. If the proposed merger of annexation is approved, the attached petition of annexation shall be approved by both the Hughes School Board and Forrest City School Board and submitted to the State Board of Education no later than March 1, 2015.

10. School Choice/Student Transfer. It is the intent of this Agreement that no students shall be eligible for school choice under applicable law as the FCSD has declared an exemption pursuant to law.

11. Entire Agreement. This Agreement along with the Petition for Annexation and its Exhibits represents the entire proposal of annexation and no other terms or conditions or a proposed merger are contemplated or approved by the FCSD at this time. This action is necessary to protect the integrity of the new FCSD with two (2) potential separate school systems and thus seek to avoid, as much as possible, fiscal distress, academic distress, facilities

distress and violations of Arkansas Standards for Accreditation or other state or federal accountability laws, and maintain a standard of education and accountability desired by the new FCSD.

12. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13. Applicable law. The annexation shall be effective in accordance with the laws of the state of Arkansas and the rules of the Arkansas State Board of Education.

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement on the 23 day of February, 2015.

HUGHES SCHOOL DISTRICT OF ST. FRANCIS AND CRITTENDEN COUNTIES, ARKANSAS

By: _____
President, Board of Directors

By: _____
Secretary, Board of Directors

FORREST CITY SCHOOL DISTRICT OF ST. FRANCIS COUNTY, ARKANSAS

By: _____
President, Board of Directors

By: _____
Secretary, Board of Directors

Exhibit E

Affidavit Concerning Desegregation Orders

COMES NOW the Forrest City School District, acting by and through its Superintendent, and hereby states and represents to the State Board of Education that, to the best of my knowledge, the Forrest City School District currently is/is not (circle one) involved in desegregation litigation in a United States Federal Court or is/is not (circle one) under the continuing jurisdiction of a United States Federal Court Order regarding desegregation of a public school or schools (see "*" at bottom of affidavit).

FURTHER the affiant sayeth not.

IN WITNESS WHEREOF, I hereunto set my hand this 25th day of February, 2015.

Superintendent

County of St. Francis
State of Arkansas

Sworn and subscribed before me, Notary Public, this 25 day of February 2015.

Notary Public

My Commission expires
02-07-2016

JERALDINE W. HANDCOCK
NOTARY PUBLIC-STATE OF ARKANSAS
SAINT FRANCIS COUNTY
My Commission Expires 02-07-2016
Commission # 12346419

* = If you answered, "is involved in desegregation litigation, etc." above, please attach a copy of any applicable Court orders or other relevant documentation.

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT ARKANSAS

SEP 6 - 1990

CARL R. BRENTS, CLERK
By: [illegible]
DEP. CLERK

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF ARKANSAS
EASTERN DIVISION

ERIC McKISSIC, ET AL. PLAINTIFFS

v. Civil No. H-69-C-42

FORREST CITY SCHOOL DISTRICT NO. 7
(formerly Forrest City Special School
District No. 7), ET AT. DEFENDANTS

O R D E R

The court is in receipt of a petition in this ancient case on behalf of the Forrest City School District No. 7. Jurisdiction of the court in this case commenced in 1969 by the filing of civil rights relief in the name of Eric McKissic et al. v. Forrest City Special School District No. 7 et al., Case No. H-69-C-42. Pursuant to the extended complications in the problems facing the court at that time, the court specifically concluded and ordered that "this Court retain jurisdiction for further consideration of any problems that might arise in connection with the operation of the Forrest City Schools and compliance with the orders of this Court. Dated: August 13, 1971."

The School District has monitored and continued the operation of the Forrest City Schools in compliance with orders of this court since that time. Therefore, the court has had continuing jurisdiction for an indefinite period of time.

This petition of the defendant School District is in relation to the establishment of a "Magnet School proposal" (Magnet School

Plan) of Forrest City School District No. 7. The plaintiffs named in the complaint originally were at that time students in the Forrest City School. At this time, none of the named plaintiffs are students, parents-next friend, student teachers or employees of the school.

In the petition on behalf of the Forrest City School District No. 7, the School District at this time is seeking approval of a proposed Magnet School Plan. The petition provides that the Plan is to be effective in promoting voluntary desegregation and to generate more positive student activities towards school. The Plan has been approved and will be monitored by the Arkansas State Board of Education.

There is a requirement of the U.S. Department of Education which provides, in part, that grants by U.S. Department of Education to eligible schools in support of magnet schools must be approved by this court in order to modify the court's previously approved plan. The Forrest City School District No. 7 is requesting the approval of the proposed Plan for a magnet school to become a part of the School District program.

After carefully scrutinizing the proposed Magnet School Plan of the Forrest City School District No. 7, it is therefore the order and judgment of this court that the Magnet School Plan be adopted and authorized by appropriate officials of the District,

the Arkansas Department of Education, and the U.S. Department of Education as requested by the Forrest City School District No. 7.

IT IS SO ORDERED.

Dated this 3rd day of December, 1990.

UNITED STATES DISTRICT JUDGE

THIS DOCUMENT ENTERED ON DOCKET SHEET IN COMPLIANCE WITH RULE 58 AND/OR 79(a) FRCP ON 12/4/90 BY

AUG 16 1971

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF ARKANSAS
EASTERN DIVISION

ERIC McKISICK, ET AL., Plaintiffs,	]	
v.	]	NO. H-69-C-42
FORREST CITY SPECIAL SCHOOL DISTRICT NO. 7, ET AL., Defendants.	]	

MEMORANDUM AND ORDER

This proceeding was originally brought by the plaintiffs against the defendants in their individual capacities and as a class action pursuant to Rule 23(a)(b)(1)(B) of the Federal Rules of Civil Procedure. The plaintiffs and their class they propose to represent are black citizens of the defendant school district. The plaintiffs seek relief by requiring the school district to eliminate its dual system of operation and all vestiges of segregation and to require the defendant school district to operate a unitary system without regard to race.

Jurisdiction having been established, this Court entered an order January 16, 1970, requiring the Defendant Forrest City Special School District No. 7, its officers and members of the board, to submit a plan of operation to a unitary, non-racial system in compliance with constitutional standards.

Pursuant thereto, the defendant school district submitted a proposed plan for the operation of its schools on January 24, 1970. In the meantime, the plaintiffs appealed to the Circuit Court of Appeals for the Eighth Circuit the order of the Court entered January 16, 1970. The plaintiffs sought summary reversal

Exhibit FC-1

of the Court's order, which was denied and the Clerk of the Court of Appeals was directed to prepare a briefing schedule for oral argument and submission to the Court of Appeals at its April, 1970 session.

On June 5, 1970, the appeal was heard by the appellate cour and on the original files of the United States District Court for the Eastern District of Arkansas, and arguments of counsel, judgment was entered affirming the order of the district court entered January 16, 1970, in accordance with per curiam opinion filed at that time.

Pursuant to the per curiam opinion of the Circuit Court of Appeals, Eighth Circuit, June 5, 1970, this Court entered an order dated July 6, 1970, approving the proposed plan of operati for the public schools of the defendant, Forrest City Special School District No. 7, submitted and entered January 24, 1970.

On timely motion of the plaintiffs to reconsider the court-approved plan of the defendant school district, the Court entered an order denying the plaintiffs' motion for reconsidera tion on August 21, 1970. The plaintiffs filed timely notice of appeal of this Court's orders dated July 6, 1970, and August 21, 1970, respectively to the United States Court of Appeals for the Eighth Circuit.

In the interim period, the Supreme Court of the United States decided and filed opinions in the following cases: Swann v. Charlotte-Mecklenburg Board of Education, 402 U.S. 1; Davis v. Board of School Commissioners of Mobile County, 402 U.S 33; North Carolina State Board of Education v. Swann, 402 U.S. 4 McDaniel, Superintendent of Schools v. Barresi, 402 U.S. 39.

Pursuant to the above-mentioned opinions, the Eighth Circuit Court of Appeals vacated this Court's orders of July 6, 1970, and August 21, 1970, and remanded the cause to the district court with directions. As a result, this Court entered an order June 1, 1971, directing the defendant school district to file with the Court a plan for the operation of its elementary schools which complies with the guidelines and teachings of the opinions of the United States Supreme Court in the above-cited cases. The school district was directed to submit the plan no later than July 12, 1971, and the plaintiffs were given ten days after the filing of the plan by the school board to respond or otherwise plead in connection with the proposal. At the same time, the Court scheduled a hearing on the proposal for Tuesday, July 27, 1971.

In compliance with the Court's order, the defendant school district on July 12, 1971, submitted proposed plan adopted by the school board revising the previously desegration proposal in an effort to comply with the guidelines as previously directed. The plaintiffs filed no formal objection or other response.

As scheduled, the Court held a hearing on the school district's revised plan July 27, 1971. The plaintiffs appeared with their attorney, Honorable Phillip E. Kaplan, and the defendants appeared with their attorneys, Honorable Harold Sharpe and Honorable E. J. Butler. After opening statements of counsel, testimony was presented by Mr. William Irving, Superintendent of Schools, and in addition to the plan proposed by the district in detail, numerous exhibits were presented as an explanation of its operation. Following the testimony and the presentation of exhibits and further statements of counsel, the Court concluded

that the plan proposed failed to meet the guidelines and teachings of the recent opinions of the Supreme Court of the United States. The school board was directed to file a revised plan within ten days that would meet the objection of the Court as shown from the evidence presented during the course of the hearing. In compliance with the Court's order, the school district submitted the revised plan with detailed information as to the distribution of the students in all of its schools, teacher assignment, exhibits showing proposed bus routes and attendance areas adopting a combination of pairing of certain schools and zoning as applicable to its elementary schools.

The plaintiffs filed objections to the defendant's revised plan and contend that the elementary schools of the district would still be racially identifiable and that the plan would not achieve a unitary status. The plaintiffs further contend that since the school district has over 50% black enrollment a racial balance should be required in all of its schools. Further objection is made to the faculty assignment, contending that the proposed faculty distribution remain racially identifiably.

This Court did not propose, and does not do so now, to require the school district to achieve a racial balance. It is not required as a matter of substantive constitutional right. Swann v. Board of Education, 402 U.S. 1, 24.

On this question the Supreme Court made it clear in Swann that the objective sought does not and cannot embrance all the problems of racial prejudice. The District Court established a norm for the various schools of a 71-29 ratio. It was acknowledged that variations from that norm may be unavoidable. Mr. Justice

Burger stated, commencing at page 24 as follows:

"If we were to read the holding of the District Court to require, as a matter of substantive constitutional right, any particular degree of racial balance or mixing, that approach would be disapproved and we would be obliged to reverse. The constitutional command to desegregate schools does not mean that every school in every community must always reflect the racial composition of the school system as a whole." See also United States v. Watson Chapel School District No. 24, et al., No. 20,699, United States Court of Appeals for the Eighth Circuit, August 7, 1971, pages 9 and 10.

With reference to faculty assignment, the plan calls for 122 teachers, 61 black and 61 white. In addition thereto, the district will have a number of special teachers as speech thearpy, art, music, physical education and so forth of both black and white who will serve two or more schools. It appears the school district has sufficiently achieved faculty desegregation and an acceptable assignment of its faculty that reasonably complies with the law.

No question or objection is raised to the school district's proposed operation of the Forrest City High School and the Forrest City Junior High School, grades 7-12. It was stipulated by the parties to the Court this arrangement was acceptable.

There are four rural elementary schools and five city elementary schools which are to accommodate 3167 students, 1829 black and 1338 white. No elementary school has less than 25% white or less than 30% black, except DeRossitt, an elementary school in a remote area of the district with pre-dominantly black population. 8% of the students to be assigned will be white

with a faculty composed of 50% black and 50% white. The Court concludes that from the record, and under the circumstances, this proposed arrangement complies with (No. 2) of the problem areas discussed in Swann, supra, pages 25 and 26. The Court is satisfied that the racial composition of this elementary school is not the result of present or past discriminatory action on the part of the school authorities.

The Court also takes note that due to the proposed teacher assignments, it will be necessary to purchase additional portable buildings by the school district. Additions will be required at Forrest Hills School (2 buildings) and Stewart Elementary (1 building). Ultimately to meet the requirements of the plan, the school district may be required to purchase one or two other portable buildings to serve the needs of the district. In that these additional buildings will be necessary as a part of the plan, it follows that the school district will be required to provide these additional facilities.

It is also noted that the original plan submitted by the district in 1970, effective with the commencement of the 1970-71 school year, had the approval of the Department of Health, Education and Welfare. The instant plan proposed by the district achieves a greater degree of desegregation than did the proposed plan approved by H.E.W.

The Court has carefully scrutinized the revised plan submitted herein on August 5, 1971, and pursuant to the record, the Court is of the opinion that the proposed plan submitted by the school board of the Forrest City Special School District No. 7 for its elementary schools complies with the guidelines and teachings of the United States Supreme Court of April 20,

1971, in the Swann and other cases cited hereinabove and should be approved.

IT IS, THEREFORE, CONSIDERED, ORDERED AND ADJUDGED that the plan of operation of the public schools of the Forrest City Special School District No. 7, Forrest City, Arkansas, submitted on August 5, 1971, be and the same is hereby approved.

IT IS FURTHER ORDERED that this Court retains jurisdiction for further consideration of any problem that might arise in connection with the operation of the Forrest City Schools and compliance with the orders of this Court.

DATED: August 13, 1971.

UNITED STATES DISTRICT JUDGE

BD

U.S. District Court
Eastern District of Arkansas (Helena)
CIVIL DOCKET FOR CASE #: 2:14-cv-00117-BRW

Forrest City Special School District v. Palestine-Wheatley School District et al
Assigned to: Judge Billy Roy Wilson
Case in other court: St. Francis Circuit Court, 62CV-14-00160-4
Cause: 28:1441 Petition for Removal- Civil Rights Act

Date Filed: 09/19/2014
Jury Demand: None
Nature of Suit: 448 Civil Rights: Education
Jurisdiction: Federal Question

Plaintiff

Forrest City Special School District represented by **Brad J. Beavers**
Sharpe, Beavers, Cline, and Wright
Post Office Box 924
Forrest City, AR 72336-0924
870-633-3141
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

M. Samuel Jones , III
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.
425 West Capitol Avenue
Suite 1800
Little Rock, AR 72201
501-688-8812
Email: sjones@mwlaw.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

R. Alan Cline
Sharpe, Beavers, Cline, and Wright
Post Office Box 924
Forrest City, AR 72336-0924
870-633-3141
Email: alancline@sbcglobal.net
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

V.

Defendant

Palestine-Wheatley School District represented by

Ashley R. Hudson
Kutak Rock LLP
124 West Capitol Avenue
Suite 2000
Little Rock, AR 72201-3740
501-975-3116
Fax: 501-975-3001
Email: ashley.hudson@kutakrock.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Jess L. Askew , III
Kutak Rock LLP
124 West Capitol Avenue
Suite 2000
Little Rock, AR 72201-3740
501-975-3000
Fax: 501-975-3001
Email: jess.askew@kutakrock.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Luke K. Burton
Kutak Rock LLP
124 West Capitol Avenue
Suite 2000
Little Rock, AR 72201-3740
501-975-3000
Email: luke.burton@kutakrock.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

William Clay Brazil
Brazil Adlong & Mickel PLC
1315 Main Street
Conway, AR 72034
501-327-4457
Fax: 501-327-2183
Email: bamo@conwaycorp.net
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Defendant

Wynne School District represented by **Donn H. Mixon**
Mixon & Worsham PLC
Post Office Box 1442
Jonesboro, AR 72403-1442
870-935-8600
Fax: 870-935-8622

Email: dmixon@mixonlawfirm.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Rebecca Worsham
Mixon & Worsham PLC
Post Office Box 1442
Jonesboro, AR 72403-1442
870-935-8600
Fax: 870-953-8622
Email: rworsham@mixonlawfirm.com
ATTORNEY TO BE NOTICED

Counter Claimant

Palestine-Wheatley School District represented by **Ashley R. Hudson**
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Jess L. Askew , III
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Luke K. Burton
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

William Clay Brazil
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

V.

Counter Defendant

Forrest City Special School District represented by **Brad J. Beavers**
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

M. Samuel Jones , III
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

R. Alan Cline

(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Counter Claimant

Wynne School District represented by **Donn H. Mixon**
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Rebecca Worsham
(See above for address)
ATTORNEY TO BE NOTICED

V.

Counter Defendant

Forrest City Special School District represented by **Brad J. Beavers**
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

M. Samuel Jones , III
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

R. Alan Cline
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Date Filed	#	Docket Text
09/19/2014	1	NOTICE OF REMOVAL by Palestine-Wheatley School District from St. Francis County Circuit Court, case number 62CV-14-160-4. Fee of $ 400 paid, receipt number LIT047880. (Attachments: # 1 Civil Cover Sheet) (rhm) (Additional attachment(s) added on 9/23/2014: # 2 Main Document - Correct) (thd). (Entered: 09/19/2014)
09/19/2014	2	COMPLAINT filed by Forrest City Special School District against all Defendants. (rhm) (Additional attachment(s) added on 9/23/2014: # 1 Main Document - Correct) (thd). (Entered: 09/19/2014)
09/19/2014	3	INITIAL SCHEDULING ORDER: Rule 26(f) Conference to occur by 11/28/2014. Rule 26(f) Report due by 12/12/2014. Bench Trial set for 9/29/2015 09:30 AM in Helena Courtroom # 314 before Judge Billy Roy Wilson. Entered at the direction of the Court on 9/19/14. (mmb) (Entered: 09/19/2014)

09/19/2014	5	MOTION to Reopen and to Consolidate. (rhm) (Entered: 09/22/2014)
09/19/2014	6	MEMORANDUM in Support of 5 MOTION to Reopen and to Consolidate. (rhm) (Entered: 09/22/2014)
09/22/2014	4	ANSWER to 2 Complaint , COUNTERCLAIM against Forrest City Special School District by Palestine-Wheatley School District.(Askew, Jess) (Entered: 09/22/2014)
09/22/2014	7	RESPONSE to Motion re 5 MOTION to Reopen Case MOTION to Consolidate Cases filed by Palestine-Wheatley School District. (Askew, Jess) (Entered: 09/22/2014)
09/22/2014	8	BRIEF IN SUPPORT re 7 Response to Motion *to Reopen and to Consolidate* filed by Palestine-Wheatley School District. (Askew, Jess) (Entered: 09/22/2014)
09/22/2014	9	NOTICE of Appearance by Donn H. Mixon on behalf of Wynne School District (Mixon, Donn) (Entered: 09/22/2014)
09/22/2014	10	NOTICE of Appearance by Rebecca Worsham on behalf of Wynne School District (Worsham, Rebecca) (Entered: 09/22/2014)
09/22/2014	11	ANSWER to 2 Complaint , COUNTERCLAIM against Forrest City Special School District by Wynne School District. (Attachments: # 1 Exhibit A) (Worsham, Rebecca) (Entered: 09/22/2014)
09/23/2014	12	NOTICE OF DOCKET CORRECTION re: 1 Notice of Removal. CORRECTION: The original document contained an inverted page in the image file, due to a clerical mistake by the Clerk's office. The correct document was added as an attachment to docket entry 1 and is attached hereto for review by the parties. (thd) (Entered: 09/23/2014)
09/23/2014	13	NOTICE OF DOCKET CORRECTION re: 2 Complaint. CORRECTION: The original document was attached to the docket in error (additional pages added to document and an inverted page) due to a clerical mistake by the Clerk's office. The correct document was added as an attachment to docket entry 2 and is attached hereto for review by the parties. (thd) (Entered: 09/23/2014)
09/23/2014	14	(This is a TEXT ENTRY ONLY. There is no pdf document associated with this entry.) ORDER denying 5 Plaintiff's Motion to Reopen Case and Consolidate with a closed state court case. Signed by Judge Billy Roy Wilson on 09/23/14. (dmm) (Entered: 09/23/2014)
10/08/2014	15	ANSWER to 4 Answer to Complaint, Counterclaim *of Palestine Wheatley School District* by Forrest City Special School District.(Jones, M.) (Entered: 10/08/2014)
10/08/2014	16	ANSWER to 11 Answer to Complaint, Counterclaim *of Wynne School District* by Forrest City Special School District.(Jones, M.) (Entered: 10/08/2014)
12/01/2014	17	REPORT of Rule 26(f) Planning Meeting by Forrest City Special School District. *Joint Rule 26(f) Report* (Jones, M.) (Entered: 12/01/2014)
12/01/2014	18	

		FINAL SCHEDULING ORDER: Bench Trial set for 9/29/2015 at 9:30 AM in Helena Courtroom # 314 before Judge Billy Roy Wilson. Discovery due by 7/1/2015. Daubert and dispositive motions due by 7/16/2015. Pretrial Disclosure Sheet due by 8/31/2015. Entered at the direction of the Court on 12/1/14. (mmb) (Entered: 12/01/2014)
02/18/2015	19	Joint MOTION for Protective Order *Joint Motion for Entry of Consent Protective Order* by Palestine-Wheatley School District (Hudson, Ashley) (Entered: 02/18/2015)
02/24/2015	20	PROTECTIVE ORDER granting 19 Joint Motion for Protective Order. Signed by Judge Billy Roy Wilson on 2/24/2015. (ljb) (Entered: 02/24/2015)

PACER Service Center			
Transaction Receipt			
02/25/2015 11:27:54			
PACER Login:	sb0669:2630236:0	**Client Code:**	
Description:	Docket Report	**Search Criteria:**	2:14-cv-00117-BRW
Billable Pages:	4	**Cost:**	0.40

BEFORE THE ARKANSAS STATE BOARD OF EDUCATION

IN THE MATTER OF THE ANNEXATION OF THE HUGHES SCHOOL DISTRICT OF ST. FRANCIS AND CRITTENDEN COUNTIES INTO THE FORREST CITY SCHOOL DISTRICT OF
ST. FRANCIS COUNTY

PETITION FOR ANNEXATION

COMES NOW the Forrest City School District (Forrest City) of St. Francis County and the Hughes School District (Hughes) of St. Francis and Crittenden Counties (Petitioners) acting by and through their respective Superintendents duly authorized, pursuant to Ark. Code Ann. §§ 6-13-1401 and 6-13-1601 et seq., and petition the Arkansas State Board of Education (Board) to approve the annexation of the petitioning affected Hughes School District into the petitioning receiving Forrest City School District, and hereby would submit to the Board as follows:

1. Pursuant to Ark. Code Ann. §§ 6-13-1401 and 6-13-1601 et seq., the Petitioners hereby submit and incorporate in this petition as Exhibit A attached hereto, proof of legally binding local board resolutions approving this petition for annexation of the Hughes School District into the receiving Forrest City School District as approved by a majority of the quorum present of the local boards of education of the respective Petitioners pursuant to the terms and conditions contained in the approved Voluntary Annexation Agreement required by Ark. Code Ann. § 6-13-1416 and attached hereto as Exhibit B.

2. The Petitioners will submit to be incorporated in this petition as Exhibit C, proof of public notice of intent to petition this Board to annex the Hughes School District into the receiving Forrest City School District. The public notice of intent to annex will be published in

the local newspaper(s) of general circulation of the affected and receiving districts upon the approval of this Petition for Annexation by the Boards of Directors of the districts.

3. Pursuant to Ark. Code Ann. §6-13-1416 (d)(3), the Petitioners hereby agree that the permanent Board of Directors of the resulting school district, to be named the Forrest City School District, shall be the members of the current Board of Directors of the Forrest City School District. The Board of Directors shall consist of seven (7) members. One (1) Board member from the current Forrest City School District Board of Directors shall resign and the Hughes School Board will select one (1) of its members to serve on the Board as a replacement to be appointed by the Forrest City School Board. There shall be no interim school board. The Board of Directors positions shall be elected as currently scheduled and constituted.

4. The Petitioners submit that their respective school districts are geographically contiguous.

5. The Petitioners submit that they hereby request through the State Board, an Attorney General Opinion declaring whether the petitioned annexation will or will not hamper, delay or in any manner negatively affect the desegregation of another school district or districts in this state. Upon receipt, the resulting opinion shall be incorporated herein and attached hereto as Exhibit D.

6. Pursuant to Ark. Code Ann. § 6-13-1401 et seq., the Petitioners hereby submit and declare that the effective date of this petitioned annexation shall be July 1, 2015, and that there shall be only one local school board and the current superintendent of the receiving Forrest City School District, Ms. Tiffany Hardrick, shall be superintendent of the new Forrest City School District.

7. The Petitioners hereby submit an affidavit of facts by the superintendents of the affected school districts, which is incorporated as Exhibit E, concerning the relevant status of any federal court-ordered supervision or jurisdiction of desegregation cases involving the affected districts.

WHEREFORE, Petitioners request that the Board approve the annexation of the Hughes School District of St. Francis and Crittenden Counties into the receiving Forrest City School District of St. Francis County, to create the new Forrest City School District of St. Francis County; that it issue an Order dissolving the affected school districts and establishing the new Forrest City School District; that it issue an Order establishing the boundary lines of the receiving school district and prepare a map of the resulting Forrest City School District; and that it file its Order and map with the County Clerks of St. Francis and Crittenden Counties, and the Arkansas Geographic Information Office.

Respectfully submitted,

Hughes School District

By: _____ 2-23-15
Superintendent Date

_____ 2-23-15
President, School Board Date

Forrest City School District

By: _____ 2-23-15
Superintendent Date

_____ 2/23/15
President, School Board Date

Exhibit E

Affidavit Concerning Desegregation Orders

COMES NOW the Hughes School District, acting by and through its Superintendent, and hereby states and represents to the State Board of Education that, to the best of my knowledge, the Hughes School District currently is/is not (circle one) involved in desegregation litigation in a United States Federal Court or is/is not (circle one) under the continuing jurisdiction of a United States Federal Court Order regarding desegregation of a public school or schools (see "*" at bottom of affidavit).

FURTHER the affiant sayeth not.

IN WITNESS WHEREOF, I hereunto set my hand this 25th day of February, 2015.

Sheryl Allen
Superintendent

County of St. Francis
State of Arkansas

Sworn and subscribed before me, Notary Public, this 25th day of February, 2015.

Sherry L. Thomas
Notary Public

My Commission expires
10-24-2024

SHERRY L. THOMAS
Comm. No. 12401737
NOTARY PUBLIC
My Comm. Exp. Oct. 24, 2024
ST. FRANCIS CO., ARKANSAS

* = If you answered, "is involved in desegregation litigation, etc." above, please attach a copy of any applicable Court orders or other relevant documentation.

BOARD HEARING PROCEDURES

27.00 STATE BOARD HEARING PROCEDURES – VOLUNTARY CONSOLIDATIONS AND ANNEXATIONS

27.01 All persons wishing to testify before the State Board shall first be placed under oath by the Chairperson of the State Board.

27.02 The spokesperson(s) for the petitioning school districts shall have a total of twenty (20) minutes to present the school districts' remarks. The State Board may allow more than twenty (20) minutes if necessary.

27.03 The spokesperson(s) for any individual or group of citizens that opposes the petition shall have a total of twenty (20) minutes to present the remarks of the individual or group of citizens. The State Board may allow more than twenty (20) minutes if necessary.

27.04 The spokesperson(s) for the petitioning school districts shall have a total of ten (10) minutes to present closing remarks to the State Board. The State Board may allow more than ten (10) minutes if necessary.

27.05 The spokesperson(s) for any individual or group of citizens that opposes the petition shall have a total of ten (10) minutes to present closing remarks to the State Board. The State Board may allow more than ten (10) minutes if necessary.

27.06 The State Board shall then discuss, deliberate and vote upon the matter of approving or denying the school districts' petition.

27.07 If it deems necessary, the State Board may take the matter under advisement and announce its decision at a later date, provided that all discussions, deliberations and votes upon the matter take place in a public hearing.

27.08 The State Board shall issue a written order concerning the matter.

28.00 STATE BOARD HEARING PROCEDURES – INVOLUNTARY CONSOLIDATIONS AND ANNEXATIONS

28.01 All persons wishing to testify before the State Board shall first be placed under oath by the Chairperson of the State Board.

28.02 The spokesperson(s) for the Department of Education shall have a total of twenty (20) minutes to present the Department of Education's remarks. The State Board may allow more than twenty (20) minutes if necessary.

28.03 The spokesperson(s) for any individual or group of citizens that opposes the annexation or consolidation shall have a total of twenty (20) minutes to present the remarks of the individual or group of citizens. The State Board may allow more than twenty (20) minutes if necessary.

28.04 The spokesperson(s) for the Department of Education shall have a total of ten (10) minutes to present closing remarks to the State Board. The State Board may allow more than ten (10) minutes if necessary.

28.05 The spokesperson(s) for any individual or group of citizens that opposes the annexation or consolidation shall have a total of ten (10) minutes to present closing remarks to the State Board. The State Board may allow more than ten (10) minutes if necessary.

28.06 The State Board shall then discuss, deliberate and vote upon the matter of approving or denying the school districts' petition.

28.07 If it deems necessary, the State Board may take the matter under advisement and announce its decision at a later date, provided that all discussions, deliberations and votes upon the matter take place in a public hearing.

28.08 The State Board shall issue a written order concerning the matter.

NOTICE LETTER

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

March 2, 2015

Ms. Sheryl Owens, Superintendent
Hughes School District
310 College Street
Hughes, AR 72348

Dr. Tiffany Hardrick, Superintendent
Forrest City School District
625 Irving Street
Forrest City, AR 72335

Re: Proposed Administrative Annexation
Hughes School District and Forrest City School District
(Regular Mail, Certified Mail and Electronic Mail)

Dear Superintendents:

This letter is to inform you that during its regularly scheduled March 2015 meeting, the Arkansas State Board of Education (State Board) will consider the proposed administrative annexation of the Hughes School District into the Forrest City School District.

The State Board will consider this matter on Thursday, March 12, 2015, beginning at 10:00 a.m., in the Auditorium of the Arkansas Department of Education, Four Capitol Mall, Little Rock, Arkansas. You should plan to be in attendance and be prepared to answer questions that may be posed by the State Board.

The State Board will consider this matter pursuant to the legal authority and jurisdiction vested in it by Ark. Code Ann. §§ 6-11-105, 6-13-1601 et seq., 6-13-1401 et seq. and the Arkansas Department of Education Rules Governing the Consolidation an Annexation of School Districts (Rules). You may find an electronic copy of the Rules here:

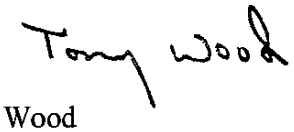
http://www.arkansased.org/divisions/legal/rules/current

You may find the State Board's hearing procedures beginning on pages 31-32 of the Rules, in Section 28.00. Thank you for your attention to this very important matter.

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

Sincerely,



Tony Wood
Commissioner of Education

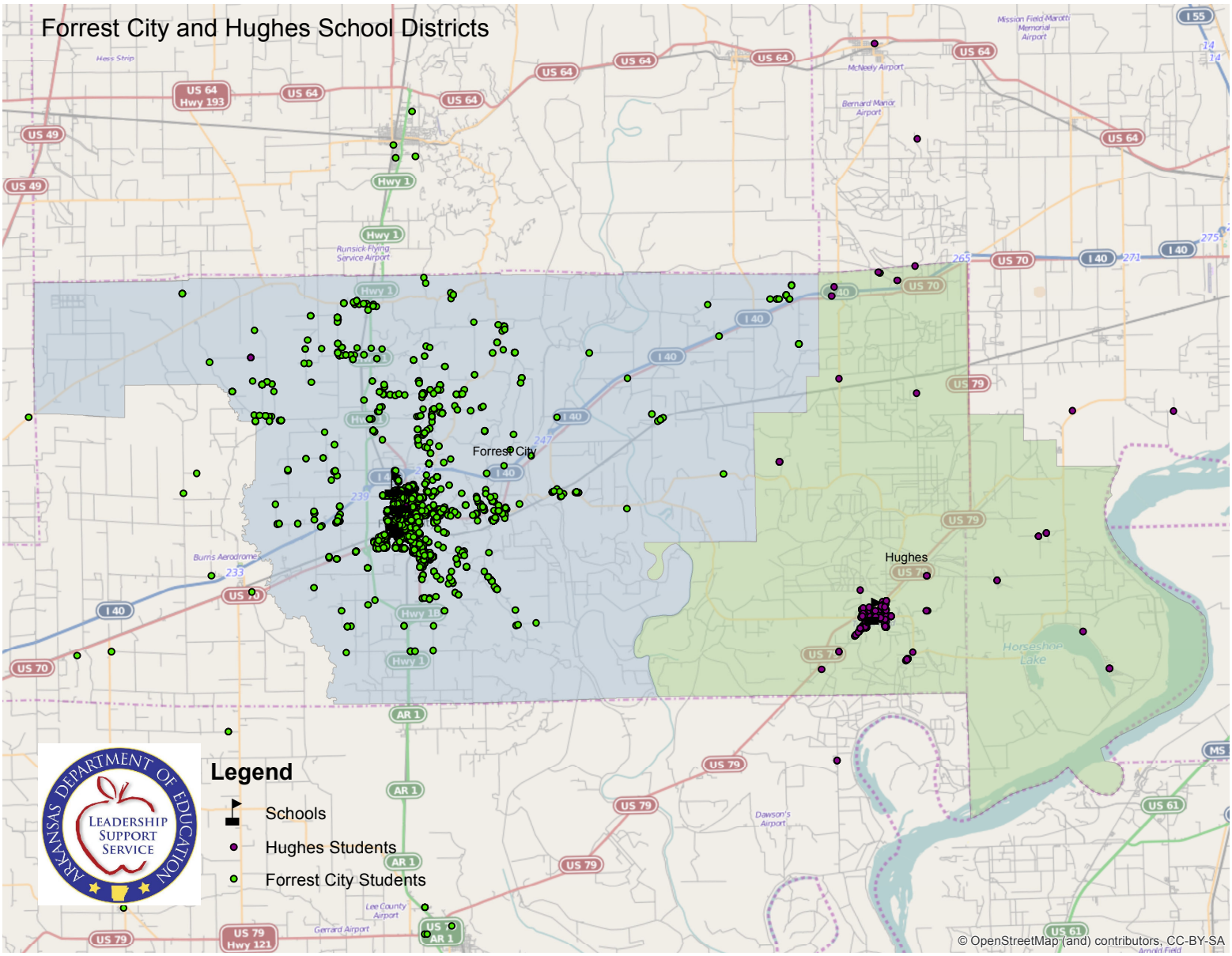
cc : *VIA U.S. MAIL*
Arkansas State Board of Education
Dr. Arthur Tucker, Superintendent, Brinkley School District
Mr. Rickey Nicks, Superintendent, Earle School District
Ms. Willie Murdock, Superintendent, Lee County School District
Mr. Don Johnston, Superintendent, Marion School District
Mr. Barry Scott, Superintendent, McCrory School District
Mr. Jon Estes, Superintendent, Palestine-Wheatley School District
Mr. Jonathan Collins, Superintendent, West Memphis School District
Mr. Carl Easley, Superintendent, Wynne School District

ADM HISTORY

HUGHES SCHOOL DISTRICT ADM HISTORY

LEA	County	District	FY09 ADM	FY10 ADM	FY11 ADM	FY12 ADM	FY13 ADM	FY14 ADM
6202	St. Francis	Hughes	450.02	424.77	417.03	390.64	348.07	344.52

MAPS


Forrest City and Hughes School Districts
Forrest City
Hughes
Legend
Schools
Hughes Students
Forrest City Students
ARKANSAS DEPARTMENT OF EDUCATION
LEADERSHIP SUPPORT SERVICE
© OpenStreetMap (and) contributors, CC-BY-SA

DISTRICT SUBMISSIONS

February 26, 2015

Mr. Jeremy C. Lasiter
General Counsel
Arkansas Department of Education
Little Rock, AR 72201-1019

RE: Petition for the Voluntary Administrative Annexation of the Hughes School District Into the Forrest City School District

Dear Mr. Lasiter:

On behalf of the Board of Directors of the Hughes School District, I am submitting to you a Petition for Annexation requesting the State Board of Education to annex our district into the Forrest City School District effective July 1, 2015. The new district will be called the Forrest City School District. The Petition and accompanying Annexation Agreement have been fully approved by both the Hughes and Forrest City School District Boards of Directors.

I can relate to you and the State Board of Education that both the Hughes and Forrest City School Districts are fully in support of this requested annexation.

The Hughes and Forrest City School Districts look forward to formally presenting our Petition to the State Board of Education.

Please contact me at (870)339-2570 or Dr. Tiffany Hardrick, Superintendent of the Forrest City School District, at (870)633-1485, if we may be of assistance.

Sincerely,

Sheryl Owens
Superintendent
Hughes School District

Attachments

cc: Hughes Board of Directors
Dr. Tiffany Hardrick, Superintendent, Forrest City School District
Forrest City Board of Directors

Exhibit A

School Board Resolution

COMES NOW the Hughes School District Board acting by and through its Superintendent duly authorized and do herein declare:

A special or regular school board meeting was held on February 23, 2015, wherein a quorum was present and a majority of the quorum voted to approve the annexation of the Hughes School District into the Forrest City School District, and the minutes of said meeting reflect such. Therefore, this document is to serve as the formal resolution of the Hughes School District Board of Directors, pursuant to Arkansas law, that said annexation is hereby approved.

Hughes School District

of St. Francis and Crittenden Counties

By: Sheryl Owen 2-23-15
Superintendent Date

[illegible] 2-23-15
President, School Board Date

Exhibit A

School Board Resolution

COMES NOW the Forrest City School District Board acting by and through its Superintendent duly authorized and do herein declare:

A special or regular school board meeting was held on February 23, 2015, 2015, wherein a quorum was present and a majority of the quorum voted to approve the annexation of the Hughes School District into the Forrest City School District, and the minutes of said meeting reflect such. Therefore, this document is to serve as the formal resolution of the Forrest City School District Board of Directors, pursuant to Arkansas law, that said annexation is hereby approved.

Forrest City School District

of St. Francis

By: _____ 2/23/15
Superintendent Date

_____ 2/23/15
President, School Board Date

EXHIBIT B

AGREEMENT FOR A VOLUNTARY ANNEXATION OF THE HUGHES SCHOOL DISTRICT INTO THE FORREST SCHOOL DISTRICT

WHEREAS, the Hughes School District (Hughes) of St. Francis and Crittenden Counties, and the Forrest City School District (Forrest City), of St. Francis County (Hughes and Forrest City are the "Schools"), and both Hughes and Forrest City are desirous of petitioning the Arkansas State Board of Education to cause Hughes to be annexed into Forrest City, to create the new Forrest City School District (FCSD), pursuant to Ark. Code Ann §§ 6-13-1401 and 6-13-1601 *et. seq.*; and

WHEREAS, both Hughes and Forrest City agree that it would be in the Schools' mutual best interest and the mutual best interests of the Schools' patrons for the Schools to enter into this Voluntary Annexation Agreement (Agreement), and

WHEREAS, the purpose of this Agreement is to set forth the terms and conditions of the proposed voluntary annexation so that the annexation may be accomplished in the best interest of the Schools;

NOW THEREFORE, in consideration of their mutual promises and agreements, Hughes and Forrest City agree as follows:

1. Effective date. If approved by the Arkansas State Board of Education (SBE), the effective date of the voluntary annexation shall be July 1, 2015.

2. Names. Forrest City is willing to approve an annexation of Hughes under the following terms of agreement. The resulting school district shall be known as the Forrest City School District (FSCD). Subject to the approval of the SBE, the Hughes campus shall be known as the Hughes Campus and the Forrest City Campus shall continue to be so referenced after the annexation. Each of the current campuses within the new FCSD shall continue to keep their same mascots. However, the Hughes School Campus shall continue to be known as the Hughes School Campus and any sports teams or other representatives from the Hughes Campus playing on a Hughes school team in an Arkansas Activities Association event shall be known as the "Hughes Blue Devils" until such time as the Hughes School Campus is no longer in operation or no teams represent the Hughes School Campus.

3. Board of Directors. Following approval of the proposed annexation by the SBE, the FCSD will continue to have a seven (7) member school board. Pursuant to Ark. Code Ann. §6-13-1416(d)(3), the FCSD will not need to utilize an interim Board of Directors and the FCSD existing Board shall remain as the permanent school district Board of Directors. One board member shall resign and the Hughes School Board will select one (1) of its members to serve on the board as a replacement appointed by the FCSD.

4. Superintendent. Dr. Tiffany Hardrick of the FCSD shall remain under contract as superintendent of FCSD under the terms and conditions of her current contract.

5. School Employees Employment. All employees of Hughes employed as of July 1, 2015, shall be subject to all terms, conditions of contract, personnel and other policies of the FCSD specifically including but not limited to the Licensed Personnel Reduction in Force (RIF) Policy (3.4) and Classified Personnel Reduction in Force Policy (RIF) (8.30) of the FCSD. After evaluating the needs of the district during the 2015-2016 school year, all staff of the former Hughes School District shall be reviewed for continued employment needs and shall remain subject to reassignment of duties, non-renewal or termination of contract provisions as allowed by law and policies of the FCSD. Initial employment for the 2015-2016 school year of Hughes School District employees shall be based on the needs of the FCSD and pursuant to the existing FCSD RIF policies.

6. School Facilities. Both Hughes and Forrest City agree that FCSD will allow the Hughes School campus to continue to operate grades K through Eighth in the FCSD as long as deemed economically and educationally feasible and beneficial to the FCSD as a whole as determined by the school board of directors of the FCSD on a periodic review ; and there shall be no specific test or determination or binding obligation on any future school board concerning the decision to open or close any of the schools in the district, including a school on the current Hughes School Campus. It is specifically agreed that grades 9th through 12th shall be moved to the FCSD campus for the 2015-2016 school year.

7. Millage Rates. The issue of unification of the millage rates in the current Hughes School District and the current Forrest City School District for the new FCSD shall be placed on the ballot at a future annual school election, at a date to be determined by the FCSD Board of Directors.

8. Board Elections. As stated in Section 3., a seven (7) member Board of Directors, comprised of one (1) member of the current Hughes School District and six (6) members of the current Forrest City School Board, shall serve as the permanent Board of Directors of the new FCSD.

9. Petition. If the proposed merger of annexation is approved, the attached petition of annexation shall be approved by both the Hughes School Board and Forrest City School Board and submitted to the State Board of Education no later than March 1, 2015.

10. School Choice/Student Transfer. It is the intent of this Agreement that no students shall be eligible for school choice under applicable law as the FCSD has declared an exemption pursuant to law.

11. Entire Agreement. This Agreement along with the Petition for Annexation and its Exhibits represents the entire proposal of annexation and no other terms or conditions or a proposed merger are contemplated or approved by the FCSD at this time. This action is necessary to protect the integrity of the new FCSD with two (2) potential separate school systems and thus seek to avoid, as much as possible, fiscal distress, academic distress, facilities

distress and violations of Arkansas Standards for Accreditation or other state or federal accountability laws, and maintain a standard of education and accountability desired by the new FCSD.

12. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13. Applicable law. The annexation shall be effective in accordance with the laws of the state of Arkansas and the rules of the Arkansas State Board of Education.

23 IN WITNESS WHEREOF, the undersigned parties have executed this Agreement on the day of February, 2015.

HUGHES SCHOOL DISTRICT OF ST. FRANCIS AND CRITTENDEN COUNTIES, ARKANSAS

By: _____
President, Board of Directors

By: _____
Secretary, Board of Directors

FORREST CITY SCHOOL DISTRICT OF ST. FRANCIS COUNTY, ARKANSAS

By: _____
President, Board of Directors

By: _____
Secretary, Board of Directors

Exhibit E

Affidavit Concerning Desegregation Orders

COMES NOW the Forrest City School District, acting by and through its Superintendent, and hereby states and represents to the State Board of Education that, to the best of my knowledge, the Forrest City School District currently is/is not (circle one) involved in desegregation litigation in a United States Federal Court or is/is not (circle one) under the continuing jurisdiction of a United States Federal Court Order regarding desegregation of a public school or schools (see "*" at bottom of affidavit).

FURTHER the affiant sayeth not.

IN WITNESS WHEREOF, I hereunto set my hand this 25th day of February, 2015.

Superintendent

County of St. Francis
State of Arkansas

Sworn and subscribed before me, Notary Public, this 25 day of February 2015.

Notary Public

My Commission expires
02-07-2016

JERALDINE W. HANDCOCK
NOTARY PUBLIC-STATE OF ARKANSAS
SAINT FRANCIS COUNTY
My Commission Expires 02-07-2016
Commission # 12346419

* = If you answered, "is involved in desegregation litigation, etc." above, please attach a copy of any applicable Court orders or other relevant documentation.

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT ARKANSAS

SEP 6 - 1990

CARL R. BRENTS, CLERK
By: _____
DEP. CLERK

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF ARKANSAS
EASTERN DIVISION

ERIC McKISSIC, ET AL.

PLAINTIFFS

v. Civil No. H-69-C-42

FORREST CITY SCHOOL DISTRICT NO. 7
(formerly Forrest City Special School
District No. 7), ET AT.

DEFENDANTS

O R D E R

The court is in receipt of a petition in this ancient case on behalf of the Forrest City School District No. 7. Jurisdiction of the court in this case commenced in 1969 by the filing of civil rights relief in the name of Eric McKissic et al. v. Forrest City Special School District No. 7 et al., Case No. H-69-C-42. Pursuant to the extended complications in the problems facing the court at that time, the court specifically concluded and ordered that "this Court retain jurisdiction for further consideration of any problems that might arise in connection with the operation of the Forrest City Schools and compliance with the orders of this Court. Dated: August 13, 1971."

The School District has monitored and continued the operation of the Forrest City Schools in compliance with orders of this court since that time. Therefore, the court has had continuing jurisdiction for an indefinite period of time.

This petition of the defendant School District is in relation to the establishment of a "Magnet School proposal" (Magnet School

Plan) of Forrest City School District No. 7. The plaintiffs named in the complaint originally were at that time students in the Forrest City School. At this time, none of the named plaintiffs are students, parents-next friend, student teachers or employees of the school.

In the petition on behalf of the Forrest City School District No. 7, the School District at this time is seeking approval of a proposed Magnet School Plan. The petition provides that the Plan is to be effective in promoting voluntary desegregation and to generate more positive student activities towards school. The Plan has been approved and will be monitored by the Arkansas State Board of Education.

There is a requirement of the U.S. Department of Education which provides, in part, that grants by U.S. Department of Education to eligible schools in support of magnet schools must be approved by this court in order to modify the court's previously approved plan. The Forrest City School District No. 7 is requesting the approval of the proposed Plan for a magnet school to become a part of the School District program.

After carefully scrutinizing the proposed Magnet School Plan of the Forrest City School District No. 7, it is therefore the order and judgment of this court that the Magnet School Plan be adopted and authorized by appropriate officials of the District,

the Arkansas Department of Education, and the U.S. Department of Education as requested by the Forrest City School District No. 7.

IT IS SO ORDERED.

Dated this 3rd day of December, 1990.

UNITED STATES DISTRICT JUDGE

THIS DOCUMENT ENTERED ON DOCKET SHEET IN COMPLIANCE WITH RULE 58 AND/OR 79(a) FRCP
ON 12/4/90 BY bmj

AUG 16 1971

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF ARKANSAS
EASTERN DIVISION

ERIC McKISICK, ET AL.,

Plaintiffs,

v.

FORREST CITY SPECIAL SCHOOL DISTRICT NO. 7, ET AL.,

Defendants.

NO. H-69-C-42

MEMORANDUM AND ORDER

This proceeding was originally brought by the plaintiffs against the defendants in their individual capacities and as a class action pursuant to Rule 23(a)(b)(1)(B) of the Federal Rules of Civil Procedure. The plaintiffs and their class they propose to represent are black citizens of the defendant school district. The plaintiffs seek relief by requiring the school district to eliminate its dual system of operation and all vestiges of segregation and to require the defendant school district to operate a unitary system without regard to race.

Jurisdiction having been established, this Court entered an order January 16, 1970, requiring the Defendant Forrest City Special School District No. 7, its officers and members of the board, to submit a plan of operation to a unitary, non-racial system in compliance with constitutional standards.

Pursuant thereto, the defendant school district submitted a proposed plan for the operation of its schools on January 24, 1970. In the meantime, the plaintiffs appealed to the Circuit Court of Appeals for the Eighth Circuit the order of the Court entered January 16, 1970. The plaintiffs sought summary reversal

Exhibit FC-1

of the Court's order, which was denied and the Clerk of the Court of Appeals was directed to prepare a briefing schedule for oral argument and submission to the Court of Appeals at its April, 1970 session.

On June 5, 1970, the appeal was heard by the appellate cour and on the original files of the United States District Court for the Eastern District of Arkansas, and arguments of counsel, judgment was entered affirming the order of the district court entered January 16, 1970, in accordance with per curiam opinion filed at that time.

Pursuant to the per curiam opinion of the Circuit Court of Appeals, Eighth Circuit, June 5, 1970, this Court entered an order dated July 6, 1970, approving the proposed plan of operati for the public schools of the defendant, Forrest City Special School District No. 7, submitted and entered January 24, 1970.

On timely motion of the plaintiffs to reconsider the court-approved plan of the defendant school district, the Court entered an order denying the plaintiffs' motion for reconsideration on August 21, 1970. The plaintiffs filed timely notice of appeal of this Court's orders dated July 6, 1970, and August 21, 1970, respectively to the United States Court of Appeals for the Eighth Circuit.

In the interim period, the Supreme Court of the United States decided and filed opinions in the following cases: Swann v. Charlotte-Mecklenburg Board of Education, 402 U.S. 1; Davis v. Board of School Commissioners of Mobile County, 402 U.S. 33; North Carolina State Board of Education v. Swann, 402 U.S. 4 McDaniel, Superintendent of Schools v. Barresi, 402 U.S. 39.

Pursuant to the above-mentioned opinions, the Eighth Circuit Court of Appeals vacated this Court's orders of July 6, 1970, and August 21, 1970, and remanded the cause to the district court with directions. As a result, this Court entered an order June 1, 1971, directing the defendant school district to file with the Court a plan for the operation of its elementary schools which complies with the guidelines and teachings of the opinions of the United States Supreme Court in the above-cited cases. The school district was directed to submit the plan no later than July 12, 1971, and the plaintiffs were given ten days after the filing of the plan by the school board to respond or otherwise plead in connection with the proposal. At the same time, the Court scheduled a hearing on the proposal for Tuesday, July 27, 1971.

In compliance with the Court's order, the defendant school district on July 12, 1971, submitted proposed plan adopted by the school board revising the previously desegration proposal in an effort to comply with the guidelines as previously directed. The plaintiffs filed no formal objection or other response.

As scheduled, the Court held a hearing on the school district's revised plan July 27, 1971. The plaintiffs appeared with their attorney, Honorable Phillip E. Kaplan, and the defendants appeared with their attorneys, Honorable Harold Sharpe and Honorable E. J. Butler. After opening statements of counsel, testimony was presented by Mr. William Irving, Superintendent of Schools, and in addition to the plan proposed by the district in detail, numerous exhibits were presented as an explanation of its operation. Following the testimony and the presentation of exhibits and further statements of counsel, the Court concluded

that the plan proposed failed to meet the guidelines and teachings of the recent opinions of the Supreme Court of the United States. The school board was directed to file a revised plan within ten days that would meet the objection of the Court as shown from the evidence presented during the course of the hearing. In compliance with the Court's order, the school district submitted the revised plan with detailed information as to the distribution of the students in all of its schools, teacher assignment, exhibits showing proposed bus routes and attendance areas adopting a combination of pairing of certain schools and zoning as applicable to its elementary schools.

The plaintiffs filed objections to the defendant's revised plan and contend that the elementary schools of the district would still be racially identifiable and that the plan would not achieve a unitary status. The plaintiffs further contend that since the school district has over 50% black enrollment a racial balance should be required in all of its schools. Further objection is made to the faculty assignment, contending that the proposed faculty distribution remain racially identifiably.

This Court did not propose, and does not do so now, to require the school district to achieve a racial balance. It is not required as a matter of substantive constitutional right. Swann v. Board of Education, 402 U.S. 1, 24.

On this question the Supreme Court made it clear in Swann that the objective sought does not and cannot embrance all the problems of racial prejudice. The District Court established a norm for the various schools of a 71-29 ratio. It was acknowledged that variations from that norm may be unavoidable. Mr. Justice

Burger stated, commencing at page 24 as follows:

"If we were to read the holding of the District Court to require, as a matter of substantive constitutional right, any particular degree of racial balance or mixing, that approach would be disapproved and we would be obliged to reverse. The constitutional command to desegregate schools does not mean that every school in every community must always reflect the racial composition of the school system as a whole." See also United States v. Watson Chapel School District No. 24, et al., No. 20,699, United States Court of Appeals for the Eighth Circuit, August 7, 1971, pages 9 and 10.

With reference to faculty assignment, the plan calls for 122 teachers, 61 black and 61 white. In addition thereto, the district will have a number of special teachers as speech thearpy, art, music, physical education and so forth of both black and white who will serve two or more schools. It appears the school district has sufficiently achieved faculty desegregation and an acceptable assignment of its faculty that reasonably complies with the law.

No question or objection is raised to the school district's proposed operation of the Forrest City High School and the Forrest City Junior High School, grades 7-12. It was stipulated by the parties to the Court this arrangement was acceptable.

There are four rural elementary schools and five city elementary schools which are to accommodate 3167 students, 1829 black and 1338 white. No elementary school has less than 25% white or less than 30% black, except DeRossitt, an elementary school in a remote area of the district with pre-dominantly black population. 8% of the students to be assigned will be white

with a faculty composed of 50% black and 50% white. The Court concludes that from the record, and under the circumstances, this proposed arrangement complies with (No. 2) of the problem areas discussed in Swann, supra, pages 25 and 26. The Court is satisfied that the racial composition of this elementary school is not the result of present or past discriminatory action on the part of the school authorities.

The Court also takes note that due to the proposed teacher assignments, it will be necessary to purchase additional portable buildings by the school district. Additions will be required at Forrest Hills School (2 buildings) and Stewart Elementary (1 building). Ultimately to meet the requirements of the plan, the school district may be required to purchase one or two other portable buildings to serve the needs of the district. In that these additional buildings will be necessary as a part of the plan, it follows that the school district will be required to provide these additional facilities.

It is also noted that the original plan submitted by the district in 1970, effective with the commencement of the 1970-71 school year, had the approval of the Department of Health, Education and Welfare. The instant plan proposed by the district achieves a greater degree of desegregation than did the proposed plan approved by H.E.W.

The Court has carefully scrutinized the revised plan submitted herein on August 5, 1971, and pursuant to the record, the Court is of the opinion that the proposed plan submitted by the school board of the Forrest City Special School District No. 7 for its elementary schools complies with the guidelines and teachings of the United States Supreme Court of April 20,

1971, in the Swann and other cases cited hereinabove and should be approved.

IT IS, THEREFORE, CONSIDERED, ORDERED AND ADJUDGED that the plan of operation of the public schools of the Forrest City Special School District No. 7, Forrest City, Arkansas, submitted on August 5, 1971, be and the same is hereby approved.

IT IS FURTHER ORDERED that this Court retains jurisdiction for further consideration of any problem that might arise in connection with the operation of the Forrest City Schools and compliance with the orders of this Court.

DATED: August 13, 1971.

UNITED STATES DISTRICT JUDGE

BD

U.S. District Court
Eastern District of Arkansas (Helena)
CIVIL DOCKET FOR CASE #: 2:14-cv-00117-BRW

Forrest City Special School District v. Palestine-Wheatley School District et al
Assigned to: Judge Billy Roy Wilson
Case in other court: St. Francis Circuit Court, 62CV-14-00160-4
Cause: 28:1441 Petition for Removal- Civil Rights Act

Date Filed: 09/19/2014
Jury Demand: None
Nature of Suit: 448 Civil Rights: Education
Jurisdiction: Federal Question

Plaintiff

Forrest City Special School District represented by **Brad J. Beavers**
Sharpe, Beavers, Cline, and Wright
Post Office Box 924
Forrest City, AR 72336-0924
870-633-3141
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

M. Samuel Jones , III
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.
425 West Capitol Avenue
Suite 1800
Little Rock, AR 72201
501-688-8812
Email: sjones@mwlaw.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

R. Alan Cline
Sharpe, Beavers, Cline, and Wright
Post Office Box 924
Forrest City, AR 72336-0924
870-633-3141
Email: alancline@sbcglobal.net
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

V.

Defendant

Palestine-Wheatley School District represented by

Ashley R. Hudson
Kutak Rock LLP
124 West Capitol Avenue
Suite 2000
Little Rock, AR 72201-3740
501-975-3116
Fax: 501-975-3001
Email: ashley.hudson@kutakrock.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Jess L. Askew , III
Kutak Rock LLP
124 West Capitol Avenue
Suite 2000
Little Rock, AR 72201-3740
501-975-3000
Fax: 501-975-3001
Email: jess.askew@kutakrock.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Luke K. Burton
Kutak Rock LLP
124 West Capitol Avenue
Suite 2000
Little Rock, AR 72201-3740
501-975-3000
Email: luke.burton@kutakrock.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

William Clay Brazil
Brazil Adlong & Mickel PLC
1315 Main Street
Conway, AR 72034
501-327-4457
Fax: 501-327-2183
Email: bamo@conwaycorp.net
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Defendant

Wynne School District represented by

Donn H. Mixon
Mixon & Worsham PLC
Post Office Box 1442
Jonesboro, AR 72403-1442
870-935-8600
Fax: 870-935-8622

Email: dmixon@mixonlawfirm.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Rebecca Worsham
Mixon & Worsham PLC
Post Office Box 1442
Jonesboro, AR 72403-1442
870-935-8600
Fax: 870-953-8622
Email: rworsham@mixonlawfirm.com
ATTORNEY TO BE NOTICED

Counter Claimant

Palestine-Wheatley School District represented by **Ashley R. Hudson**
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Jess L. Askew , III
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Luke K. Burton
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

William Clay Brazil
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

V.

Counter Defendant

Forrest City Special School District represented by **Brad J. Beavers**
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

M. Samuel Jones , III
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

R. Alan Cline

(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Counter Claimant

Wynne School District represented by **Donn H. Mixon**
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Rebecca Worsham
(See above for address)
ATTORNEY TO BE NOTICED

V.

Counter Defendant

Forrest City Special School District represented by **Brad J. Beavers**
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

M. Samuel Jones , III
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

R. Alan Cline
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Date Filed	#	Docket Text
09/19/2014	1	NOTICE OF REMOVAL by Palestine-Wheatley School District from St. Francis County Circuit Court, case number 62CV-14-160-4. Fee of $ 400 paid, receipt number LIT047880. (Attachments: # 1 Civil Cover Sheet) (rhm) (Additional attachment(s) added on 9/23/2014: # 2 Main Document - Correct) (thd). (Entered: 09/19/2014)
09/19/2014	2	COMPLAINT filed by Forrest City Special School District against all Defendants. (rhm) (Additional attachment(s) added on 9/23/2014: # 1 Main Document - Correct) (thd). (Entered: 09/19/2014)
09/19/2014	3	INITIAL SCHEDULING ORDER: Rule 26(f) Conference to occur by 11/28/2014. Rule 26(f) Report due by 12/12/2014. Bench Trial set for 9/29/2015 09:30 AM in Helena Courtroom # 314 before Judge Billy Roy Wilson. Entered at the direction of the Court on 9/19/14. (mmb) (Entered: 09/19/2014)

09/19/2014	5	MOTION to Reopen and to Consolidate. (rhm) (Entered: 09/22/2014)
09/19/2014	6	MEMORANDUM in Support of 5 MOTION to Reopen and to Consolidate. (rhm) (Entered: 09/22/2014)
09/22/2014	4	ANSWER to 2 Complaint , COUNTERCLAIM against Forrest City Special School District by Palestine-Wheatley School District.(Askew, Jess) (Entered: 09/22/2014)
09/22/2014	7	RESPONSE to Motion re 5 MOTION to Reopen Case MOTION to Consolidate Cases filed by Palestine-Wheatley School District. (Askew, Jess) (Entered: 09/22/2014)
09/22/2014	8	BRIEF IN SUPPORT re 7 Response to Motion *to Reopen and to Consolidate* filed by Palestine-Wheatley School District. (Askew, Jess) (Entered: 09/22/2014)
09/22/2014	9	NOTICE of Appearance by Donn H. Mixon on behalf of Wynne School District (Mixon, Donn) (Entered: 09/22/2014)
09/22/2014	10	NOTICE of Appearance by Rebecca Worsham on behalf of Wynne School District (Worsham, Rebecca) (Entered: 09/22/2014)
09/22/2014	11	ANSWER to 2 Complaint , COUNTERCLAIM against Forrest City Special School District by Wynne School District. (Attachments: # 1 Exhibit A) (Worsham, Rebecca) (Entered: 09/22/2014)
09/23/2014	12	NOTICE OF DOCKET CORRECTION re: 1 Notice of Removal. CORRECTION: The original document contained an inverted page in the image file, due to a clerical mistake by the Clerk's office. The correct document was added as an attachment to docket entry 1 and is attached hereto for review by the parties. (thd) (Entered: 09/23/2014)
09/23/2014	13	NOTICE OF DOCKET CORRECTION re: 2 Complaint. CORRECTION: The original document was attached to the docket in error (additional pages added to document and an inverted page) due to a clerical mistake by the Clerk's office. The correct document was added as an attachment to docket entry 2 and is attached hereto for review by the parties. (thd) (Entered: 09/23/2014)
09/23/2014	14	(This is a TEXT ENTRY ONLY. There is no pdf document associated with this entry.) ORDER denying 5 Plaintiff's Motion to Reopen Case and Consolidate with a closed state court case. Signed by Judge Billy Roy Wilson on 09/23/14. (dmm) (Entered: 09/23/2014)
10/08/2014	15	ANSWER to 4 Answer to Complaint, Counterclaim *of Palestine Wheatley School District* by Forrest City Special School District.(Jones, M.) (Entered: 10/08/2014)
10/08/2014	16	ANSWER to 11 Answer to Complaint, Counterclaim *of Wynne School District* by Forrest City Special School District.(Jones, M.) (Entered: 10/08/2014)
12/01/2014	17	REPORT of Rule 26(f) Planning Meeting by Forrest City Special School District. *Joint Rule 26(f) Report* (Jones, M.) (Entered: 12/01/2014)
12/01/2014	18	

		FINAL SCHEDULING ORDER: Bench Trial set for 9/29/2015 at 9:30 AM in Helena Courtroom # 314 before Judge Billy Roy Wilson. Discovery due by 7/1/2015. Daubert and dispositive motions due by 7/16/2015. Pretrial Disclosure Sheet due by 8/31/2015. Entered at the direction of the Court on 12/1/14. (mmb) (Entered: 12/01/2014)
02/18/2015	19	Joint MOTION for Protective Order *Joint Motion for Entry of Consent Protective Order* by Palestine-Wheatley School District (Hudson, Ashley) (Entered: 02/18/2015)
02/24/2015	20	PROTECTIVE ORDER granting 19 Joint Motion for Protective Order. Signed by Judge Billy Roy Wilson on 2/24/2015. (ljb) (Entered: 02/24/2015)

PACER Service Center			
Transaction Receipt			
02/25/2015 11:27:54			
PACER Login:	sb0669:2630236:0	**Client Code:**	
Description:	Docket Report	**Search Criteria:**	2:14-cv-00117-BRW
Billable Pages:	4	**Cost:**	0.40

BEFORE THE ARKANSAS STATE BOARD OF EDUCATION

IN THE MATTER OF THE ANNEXATION OF THE HUGHES SCHOOL DISTRICT OF ST. FRANCIS AND CRITTENDEN COUNTIES INTO THE FORREST CITY SCHOOL DISTRICT OF
ST. FRANCIS COUNTY

PETITION FOR ANNEXATION

COMES NOW the Forrest City School District (Forrest City) of St. Francis County and the Hughes School District (Hughes) of St. Francis and Crittenden Counties (Petitioners) acting by and through their respective Superintendents duly authorized, pursuant to Ark. Code Ann. §§ 6-13-1401 and 6-13-1601 et seq., and petition the Arkansas State Board of Education (Board) to approve the annexation of the petitioning affected Hughes School District into the petitioning receiving Forrest City School District, and hereby would submit to the Board as follows:

1. Pursuant to Ark. Code Ann. §§ 6-13-1401 and 6-13-1601 et seq., the Petitioners hereby submit and incorporate in this petition as Exhibit A attached hereto, proof of legally binding local board resolutions approving this petition for annexation of the Hughes School District into the receiving Forrest City School District as approved by a majority of the quorum present of the local boards of education of the respective Petitioners pursuant to the terms and conditions contained in the approved Voluntary Annexation Agreement required by Ark. Code Ann. § 6-13-1416 and attached hereto as Exhibit B.

2. The Petitioners will submit to be incorporated in this petition as Exhibit C, proof of public notice of intent to petition this Board to annex the Hughes School District into the receiving Forrest City School District. The public notice of intent to annex will be published in

the local newspaper(s) of general circulation of the affected and receiving districts upon the approval of this Petition for Annexation by the Boards of Directors of the districts.

3. Pursuant to Ark. Code Ann. §6-13-1416 (d)(3), the Petitioners hereby agree that the permanent Board of Directors of the resulting school district, to be named the Forrest City School District, shall be the members of the current Board of Directors of the Forrest City School District. The Board of Directors shall consist of seven (7) members. One (1) Board member from the current Forrest City School District Board of Directors shall resign and the Hughes School Board will select one (1) of its members to serve on the Board as a replacement to be appointed by the Forrest City School Board. There shall be no interim school board. The Board of Directors positions shall be elected as currently scheduled and constituted.

4. The Petitioners submit that their respective school districts are geographically contiguous.

5. The Petitioners submit that they hereby request through the State Board, an Attorney General Opinion declaring whether the petitioned annexation will or will not hamper, delay or in any manner negatively affect the desegregation of another school district or districts in this state. Upon receipt, the resulting opinion shall be incorporated herein and attached hereto as Exhibit D.

6. Pursuant to Ark. Code Ann. § 6-13-1401 et seq., the Petitioners hereby submit and declare that the effective date of this petitioned annexation shall be July 1, 2015, and that there shall be only one local school board and the current superintendent of the receiving Forrest City School District, Ms. Tiffany Hardrick, shall be superintendent of the new Forrest City School District.

7. The Petitioners hereby submit an affidavit of facts by the superintendents of the affected school districts, which is incorporated as Exhibit E, concerning the relevant status of any federal court-ordered supervision or jurisdiction of desegregation cases involving the affected districts.

WHEREFORE, Petitioners request that the Board approve the annexation of the Hughes School District of St. Francis and Crittenden Counties into the receiving Forrest City School District of St. Francis County, to create the new Forrest City School District of St. Francis County; that it issue an Order dissolving the affected school districts and establishing the new Forrest City School District; that it issue an Order establishing the boundary lines of the receiving school district and prepare a map of the resulting Forrest City School District; and that it file its Order and map with the County Clerks of St. Francis and Crittenden Counties, and the Arkansas Geographic Information Office.

Respectfully submitted,

Hughes School District

By: _____ 2-23-15
Superintendent Date

_____ 2-23-15
President, School Board Date

Forrest City School District

By: _____ 2-23-15
Superintendent Date

_____ 2/23/15
President, School Board Date

Exhibit E

Affidavit Concerning Desegregation Orders

COMES NOW the Hughes School District, acting by and through its Superintendent, and hereby states and represents to the State Board of Education that, to the best of my knowledge, the Hughes School District currently is/is not (circle one) involved in desegregation litigation in a United States Federal Court or is/is not (circle one) under the continuing jurisdiction of a United States Federal Court Order regarding desegregation of a public school or schools (see "*" at bottom of affidavit).

FURTHER the affiant sayeth not.

IN WITNESS WHEREOF, I hereunto set my hand this 25th day of February, 2015.

Superintendent

County of St. Francis
State of Arkansas

Sworn and subscribed before me, Notary Public, this 25th day of February, 2015.

Notary Public

My Commission expires
10-24-2024

SHERRY L. THOMAS
Comm. No. 12401757
NOTARY PUBLIC
My Comm. Exp. Oct. 24, 2024
ST. FRANCIS CO., ARKANSAS

* = If you answered, "is involved in desegregation litigation, etc." above, please attach a copy of any applicable Court orders or other relevant documentation.

Spring nuptials...

Miss Mary Dudley Hodges honored with Little Rock Monogram and Mimosa party

A delightful Monogram and Mimosa party was held Saturday, Feb. 7 in Little Rock honoring bride-elect Mary Dudley Hodges.

Miss Hodges is the daughter of Mr. and Mrs. Dave Hodges of Forrest City and her fiancé, Ted Garrison, is the son of Mr. and Mrs. Lloyd Garrison of Little Rock.

Hostesses for the morning party were bridesmaids and close friends of the honoree including her sister Elizabeth Hodges and future sister-in-law Drew Keller and Jessica Burkett, Amanda Cook, Megan Irwin, Kara Mabrey, Lauren McCaslin, Alison Pantuso, Neely Parker and Alyson Schilling.

Guests were invited to the beautiful new home of the groom-elect's mother, Ferris Garrison. The home was recently occupied by the groom's parents and his mother graciously opened her home for the party for her future daughter-in-law.

Sun streamed through the windows on the beautiful winter morning as Miss Hodges visited with her guests. For the party MIss Hodges wore an off white dress with an open back. The bride-elect was the center of attention as she opened her gifts, many with her new name and initials.

The dining room table was centered with a gift arrangement of roses, lilies, hydrangeas and gladiolus all in bridal white. Guests dined on breakfast skewers, egg and sausage casserole, chicken salad with various crackers, yogurt parfaits and cookies in the shape of engagement rings.

Special guests included Lindsay Hodges and Ferris Garrison, mothers of the engaged couple, and Betty McCorkle, aunt of the bride-elect.

Miss Hodges and Mr. Garrison are enjoying a round of parties before their late April wedding in Forrest City.

Civil War sesquicentenniel events announced by state commission

A re-enactment of the Battle of Helena, a Civil War play, lectures and exhibits are among the March 2015 activities the Arkansas Civil War Sesquicentennial Commission has sanctioned, ACWSC Chairman Tom Dupree recently announced. A complete listing of scheduled sesquicentennial activities, as well as additional information on the activities listed below, can be found at www.arkansascivilwar150.com/events.

Civil War sesquicentennial events during March include:

* Civil War Roundtable of Hot Springs Village will feature Mark Christ of the Arkansas Civil War Sesquicentennial Commission speaking on the battle of Arkansas Post on March 2; call (501) 922-0367 or email joropo@suddenlink.net for more information.

* Sultana Exhibit depicting the 1865 disaster on the Mississippi River will be on display at the Bella Vista Commons in Marion March 6 through 25; call (870) 739-6041 or email chamber@marionarkansas.org for more information.

* 22nd Annual Camden Daffodil Festival featuring Civil War re-enactors and tours of antebellum homes will be held March 6 and 7 in Camden; email cfreland@cablelynx.com or visit www.camdendaffodilfestival.com for more information.

* "Civil War Arkansas 1861-1865," the ACWSC traveling exhibit, will be at the Bradley House Museum at Jasper through March 8; call (870) 446-6247 or email historyt@ritternet.com for more information.

* Grand Prairie Civil War Round Table will feature Stuart Towns speaking on Civil War memorialization at the Lonoke County Museum in Lonoke on March 10; call (501) 676-6750 or email misslata@sbcglobal.net for additional information.

* Batesville Area Civil War Roundtable will present Brian Brown speaking on "Scoundrels and Rogues of the Civil War" on March 12 in Batesville; call (870) 793-7725 or email mcmiller@ipa.net for more information.

* Arkansas Chamber Singers will present "Music of the Civil War Era" March 13 through 15 at the Old State House Museum in Little Rock; email info@archambersingers.org for more information.

* Ozarks Arts Council will feature "Shenandoah: The Musical" March 13 through 22 in Ozark; call (870) 391-3504 or email vallen@ozarkartscouncil.org for more information.

* General Patrick Cleburne Memorial Service will be held March 14 at the Helena Confederate Cemetery in Helena-West Helena; email danny@honnoll.com for more information.

* Battle of Helena Re-Enactment will be held March 14 at Helena-West Helena; call (870) 592-0079 or email ronald@arkansasheritage.org for additional information.

* "Civil War Arkansas 1861-1865," the ACWSC traveling exhibit, will be at the Hobbs State Park/Conservation Area in Rogers March 16-29; call (479) 789-5000 or email hobbs@arkansas.com for more information.

* "Fought in Earnest: Civil War Arkansas," the Arkansas History Commission's traveling exhibit, will be at the College of the Ouachitas in Malvern March 16 to April 14; call (501) 332-0208 or email mharper@coto.edu for more information.

* Brown Bag Lunch Lecture, featuring Dr. Carl Drexler of the Arkansas Archeological Survey speaking on recent Civil War Archeology will be held on March 18 at the Old State House Museum in Little Rock; call (501) 324-9685 or email info@oldstatehouse.org for more information.

* Watersheds of War, programs on how the Arkansas River system affected events and people in the Civil War, will be presented at the Plantation Agriculture Museum at Scott on March 21; call (501) 961-1409 or email plantationagrimuseum@arkansas.com for additional information.

* We Are All Americans: Native Americans in the Civil War will be held on March 28 at Toltec Mounds State Park; call (501) 961-9442 or email toltecmounds@arkansas.com for more information.

* Civil War Round Table of Arkansas will feature Ron Kelly of the Delta Cultural Center speaking on the Battle of Helena when it meets at Second Presbyterian Church in Little Rock on March 31; email brianb1578@aol.com for more information.

* Des Arc Rangers: Co. B, 1st Arkansas Mounted Rifles, an exhibit on a Confederate unit raised in the area, will continue at Lower White River Museum State Park at Des Arc during March; call (870) 256-3711 or email lowerwhiterivermuseum@arkansas.com for more information.

* "'Freedom! Oh, Freedom': Arkansas' People of African Descent and the Civil War, 1861-1866" will continue at the Mosaic Templars Cultural Center in Little Rock during March; call (501) 683-3593 or email info@mosaictemplarscenter.com for more information.

* War on the Water: Gunboats on the White River, an exhibit at Lower White River State Park in Des Arc, will continue during March; call (870) 256-3711 or email lowerwhiterivermuseum@arkansas.com for more information.

For more information on these and other sesquicentennial events, visit www.arkansascivilwar150.com/events.

LAWS TREE SERVICE
870-270-7921
• Free Estimates
• All Cards Accepted
• Fully Insured
1-28-1mos

Come see everything that's new for Spring
Chez Weepie
...exceptional stuff
624 e. garland
forrest city
633.8100

In memory of
Mr. M.C. Jeffers Sr.

July 11, 1915
~
February 27, 2000

We give thanks to God for the time we shared with you. Grateful for the love, joy and blessings you gave while you were here. The honor was ours to call you our husband, father, grandfather, and friend.

With all our love,
F.M., Jr. (Sue), Chaney, Michael, Natasha (Mark), Michael D. and Jeremiah.

Annual glass show this weekend in LR

The Arkansas Glasshoppers, Inc. will host the 29th Annual Depression Era Glass Show and Sale at the Hall of Industry, State Fairgrounds in Little Rock. Show dates are Saturday, Feb. 28 from 9 a.m. to 5 p.m. and Sunday, March 1 from 11 a.m. to 4 p.m.

Twenty-four outstanding dealers from 14 states will display over 175 tables of sparkling glassware, pottery and kitchen items of the era. Elegant glassware and pottery will also be available. There will also be displays of private glass collections.

For more information contact show chairman Bud Martin at 501-868-4969.

THUR. - FRI. - SAT.
80% OFF
Fall & Winter Clothing
ALL SALES FINAL
LE*AH
a ladies shop
308 N. Izard • 633-4011
Open Tues. - Sat.
2-25-1mnc

Statewide touring art exhibition featured at EACC FAC Gallery

The 2015 Small Works on Paper visual art exhibition will be on display March 2 through 30 in the Fine Arts Center of the East Arkansas Community College on 1700 Newcastle Road. Hours of operation are Monday through Thursday, 10 a.m. to 4 p.m. and Friday 10 a.m. to noon.

Now in its 28th year, Small Works on Paper is an annual exhibition that showcases artwork no larger than 24 x 24 inches by Arkansas artists who are members of the Arkansas Artist Registry, an online gallery showcasing the artwork of Arkansas artists.

Coordinated by the Arkansas Arts Council, the 2015 exhibition features 40 works by 29 Arkansas artists and will travel to 10 galleries throughout the state in a year-long touring show. To view the 2015 touring schedule and the list of artists whose work was selected, visit www.arkansasarts.org.

The entries were juried by Eleana Del Rio, owner of the Koplin Del Rio Gallery in Culver City, Calif. Eight artists were selected by Del Rio to receive purchase awards. Purchase award winners receive the cash amount equivalent to the value of their selected works. Funded by entry fees, the purchase award pieces become part of the exhibition's permanent collection.

The artists selected to receive purchase awards are J.P. Bell of Fayetteville; Warren Criswell of Benton; Dennis McCann of Maumelle; Jennifer D. Perren of Mabelvale; Jon Shannon Rogers of Little Rock; Megan Snoddy of Jacksonville; Dan Snow of Springdale; and Byron Taylor of Little Rock.

For more information, contact Cheri Leffew at 501-324-9767 or email cheri@arkansasheritage.org.

The Arkansas Arts Council advances the arts in Arkansas by providing services and supporting arts endeavors that encourage and assist literary, performing and visual artists in achieving standards of professional excellence. In addition, the Arkansas Arts Council provides technical and financial assistance to Arkansas arts organizations and other providers of cultural and educational programs.

The Arkansas Arts Council is an agency of the Department of Arkansas Heritage. Other agencies are the Arkansas Historic Preservation Program, Arkansas Natural Heritage Commission, Delta Cultural Center in Helena, Historic Arkansas Museum, Mosaic Templars Cultural Center and the Old State House Museum. Funding for the Arkansas Arts Council and its programs is provided by the State of Arkansas and the National Endowment for the Arts.

Submitted photos

New exhibit: Night Trolley by Michael Leonard is one of several pieces in the 2015 Small Works on Paper visual art exhibition on display in March at the East Arkansas Community College Fine Arts Center Gallery.

Evelyn R. Huber P.E.O. Scholarship applications available

Chapter CZ of the P. E. O. Sisterhood has announced that applications for the 2015 Evelyn R. Huber Scholarship are now available. The scholarship is a cash award of $500 given in one payment.

P. E. O. is a non-profit organization with the purpose of aiding in the education of women. To encourage women who are motivated to achieve their educational goals, Chapter CZ established the Evelyn R. Huber P. E. O. Scholarship.

The scholarship is available to a graduating high school senior living in St. Francis County. The following materials must accompany the application: one (1) letter of recommendation from an instructor or employer; placement scores (ACT or other accredited placement test); current high school and college transcript (if taking concurrent credit) with GPA listed; and a personal statement addressing why you are a good candidate, career plans and school and community activities.

The completed application must be returned to Christy White, 906 Williamsburg Terrace, Forrest City or cwhite@eacc.edu. The deadline is Friday, April 3.

Boar's Head Brand
9-18-tfc
EXCLUSIVELY AT . . . Edwards FOOD GIANT

GOTTA GRAB IT!
75% OFF
edwin houston
men's & ladies
12-31-tfc

Lenten Luncheon March 4 at ECGS

The Episcopal Church of the Good Shepherd is once again hosting a series of Lenten noonday services and lunch each Wednesday during Lent.

A short noonday service is held in the church sanctuary followed by a light lunch prepared by various churches in Forrest City. Each service will feature a minister and special music provided by local talent.

Rev. Dr. Sampson Gitue of Christ Episcopal Church will be the speaker Wednesday, March 4. Music will be presented by the Grace Notes.

Annie Lee (Hopie) Hill

90th Birthday Celebration
Saturday, February 28, 2015
at 2:00 pm
Faith Baptist Church
2733 Highway 334

All family & friends are invited to attend

NOTICE OF INTENT TO ANNEX

The Hughes School District of St. Francis and Crittenden Counties hereby provides lawful notice of the intent to file a petition with the Arkansas Board of Education requesting approval to annex the Hughes School District into the receiving Forrest City School District.

On February 23, 2015, the Hughes School Board met and approved the petition and on February 23, 2015, the Forrest City School Board met and approved the petition and both districts are hereby giving notice to the public of the districts' intent to annex into one school district.

The Superintendent of each school district has been granted the authority to petition the State Board of Education for annexation. Said petition shall be filled with the State Board of Education by March 1, 2015.

FINANCIAL INFORMATION

Arkansas Department of Education

Fund Balance Data

Select School Districts:
6202000 - HUGHES SCHOOL DISTRICT
6201000 - FORREST CITY SCHOOL DISTRICT

	6202000 - HUGHES SCHOOL DISTRICT				
	09-10	10-11	11-12	12-13	13-14
ADM (3 Qtr)	424.77	417.03	390.64	348.07	344.52
Total Assessment	48,879,091	50,397,589	51,579,004	52,300,105	54,291,755
Total Expenditures	$ 6,991,399	$ 6,304,707	$ 5,566,120	$ 5,135,712	$ 4,728,213
Per Pupil Expenditures	$ 14,843	$ 15,559	$ 14,466	$ 14,475	$ 14,077
Total Mills	39.40	39.40	39.40	39.40	39.40
Total Debt	$ 736,673	$ 662,584	$ 588,091	$ 519,268	$ 450,000
Non-Federal Certified FTEs	41.74	35.12	48.40	42.28	42.04
Avg Teacher Salary (Non-Federal Certified FTEs)	$ 50,519	$ 57,593	$ 37,242	$ 41,315	$ 32,641
Mileage From This District To: 6021000 - Forrest City School District	23.35 miles				

	6021000 - FORREST CITY SCHOOL DISTRICT				
	09-10	10-11	11-12	12-13	13-14
ADM (3 Qtr)	3,271.40	3,146.50	3,097.36	2,953.82	2,894.06
Total Assessment	163,027,250	164,698,965	176,999,050	166,977,000	171,877,095
Total Expenditures	$ 39,501,364	$ 42,616,596	$ 35,631,308	$ 34,986,960	$ 33,417,610
Per Pupil Expenditures	$ 11,119	$ 11,383	$ 10,762	$ 11,064	$ 11,088
Total Mills	32.60	32.60	32.60	32.60	32.60
Total Debt	$ 15,695,000	$ 15,255,000	$ 14,805,000	$ 15,130,000	$ 15,235,000
Non-Federal Certified FTEs	233.88	249.50	249.72	250.70	233.75
Avg Teacher Salary (Non-Federal Certified FTEs)	$ 54,713	$ 53,488	$ 51,861	$ 50,572	$ 52,234
Mileage From This District To: 6202000 - Hughes School District	23.35 miles				

Notes:

ADM figures represent actual fiscal year three-quarter average daily membership.
Total Debt includes bonded and non-bonded debt filed with ADE.

Data Sources:
Annual Statistical Reports - Total Assessment, Total Expenditures, Per Pupil Expenditures, Total Mills, Total Debt, Non-Federal Certified FTEs, Avg Teacher Salary
State Aid Notices - ADM
Mileage - MapQuest

Annual Statistical Report 2013/2014

County: ST FRANCIS | FORREST CITY SCHOOL DISTRICT | LEA: 6201000

	2013/2014 Actual	2014/2015 Budget
1 Area in Square Miles	345	
2 ADA	2,741	
3 ADA Pct Change over 5 Years	-14%	
4 4 Qtr ADM	2,875	
5 Prior Year 3 Qtr ADM	2,954	
6 Assessment	171,877,095	
7 M&O Mills	25.00	
8 URT Mills	25.00	
9 M&O Mills in Excess of URT	0.00	
10 Dedicated M&O Mills	0.00	
11 Debt Service Mills	7.60	
12 Total Mills	32.60	
13 Total Debt Bond/Non Bond	15,235,000	
State and Local Revenue		
14 Property Tax Receipts (Incl URT)	5,510,209	5,647,000
15 Other Local Receipts	1,160,783	656,918
16 Revenue From Interm Srcs	0	0
17.1 Foundation Funding (Excl URT)	14,775,291	14,638,901
17.2 98% of URT X Assessment less Net Revenues	23,184	25,000
18 Student Growth Funding	0	0
19 Declining Enrollment Funding	458,826	194,847
20 Consolidation Incentive/Assistance	0	0
21 Isolated Funding	0	0
22 Supplemental Millage Incent. Funds	28,756	14,378
23 Other Unrestricted State Funding	0	1,000
24 Total Unrestricted Revenue from State and Local Sources	**21,957,049**	**21,178,044**
Restricted Revenue from State Sources:		
25 Adult Education	0	0
Regular Education:		
26 Professional Development	131,297	77,185
27 Other Regular Education	13,118	0
Special Education:		
28 Gifted And Talented	700	500
29 Alt. Learning Environment (ALE)	252,273	195,760
30 English Language Learner (ELL)	9,019	9,000
31 National School Lunch State Categorical Funds (NSL)	2,529,817	2,494,695
32 Other Special Education	519,401	516,000
33 Career Education	31,417	31,000
34 School Food Service	15,360	15,000
35 Educational Service Cooperatives	0	0
36 Early Childhood Programs	1,180,363	1,156,000
37 Magnet School Programs	0	0
38 Other Non-Instructional Program Aid	198,840	177,115
39 Total Restricted Revenue from State Sources	**4,881,604**	**4,672,255**
40 Total Restricted Revenue from Federal Sources	**6,971,639**	**9,364,223**
Other Sources of Funds:		
41 Financing Sources	9,153	100
42 Balances Consol/Annexed District	0	0
43 Indirect Cost Reimbursement	69,542	77,600
44 Gains & Losses - Sale Fixed Assets	0	0
45 Compensation - Loss Of Fixed Assets	67,109	0
46 Other	0	0
47 Total Other Sources of Funds	**145,804**	**77,700**
48 Total Revenue and Other Sources of Funds from All Sources	**33,956,096**	**35,292,222**

	2013/2014 Actual	2014/2015 Budget
CURRENT EXPENDITURES		
Instruction:		
49 Regular Instruction	10,022,320	10,395,211
50 Special Education	3,110,353	3,091,621
51 Career Education	731,462	665,830
52 Adult Education	0	0
53 Compensatory Education	1,867,115	2,646,898
54 Other	1,870,950	1,478,866
55 Total Instruction	**17,602,199**	**18,278,425**
District Level Support:		
56 General Administration	844,338	1,095,611
57 Central Services	500,635	447,410
58 Maintenance & Operations Of Plant	2,682,683	2,713,289
59 Student Transportation	1,153,872	963,803
60 Othr District Level Support Service	129,763	115,000
61 Total District Support Services	**5,311,292**	**5,335,112**
School Level Support:		
62 Student Support Services	1,290,001	1,386,709
63 Instructional Staff Support Service	3,970,803	5,552,135
64 School Administration	1,724,298	1,699,665
65 Total District Support Services	**6,985,101**	**8,638,508**
Non-Instructional Services:		
66 Food Service Operations	2,375,120	2,196,414
67 Other Enterprise Operations	39,767	0
68 Community Operations	4,559	4,300
69 Other Non-Instructional Services	0	0
70 Total Non-Instructional Services	**2,419,445**	**2,200,714**
71 Facilities Acquisition And Const.	439,133	115,100
72 Debt Service	660,439	686,923
75 Other Non-Programmed Costs	0	0
76 Total Expenditures	**33,417,610**	**35,254,783**
77 Less: Capital Expenditures	(559,303)	-252,100
78 Less: Debt Service	(660,439)	-686,923
79 Total Current Expenditures	**32,197,868**	**34,315,760**
80 Exclusions from Current Expenditures	(1,805,778)	-1,847,458
81 Net Current Expenditures	**30,392,090**	**32,468,302**
82 Per Pupil Expenditures	11,088	
83 Personnel - Non-Federal Licensed Classroom FTEs	207.70	
83.5 Total Salary - Non-Federal Licensed Classroom FTEs	10,370,974	
84 Avg Salary - Non-Federal Licensed Classroom FTEs	49,932	
85 Personnel - Non-Federal Licensed FTEs	233.75	
85.5 Total Salary - Non-Federal Licensed FTEs	12,209,808	
86 Avg Salary - Non-Federal Licensed FTEs	52,234	
87.1 Legal Balance (funds 1-2-4)	3,403,512	3,424,164
87.2 Categorical Fund Balance	235,059	1
87.3 Deposits With Paying Agents (QZAB)	0	0
87.4 Net Legal Bal (Excl Cat & QZAB)	3,168,452	3,424,163
88 Building Fund Balance (fund 3)	1,368,674	1,350,808
89 Capital Outlay Balance/Dedicated M&O (fund 5)	0	0

LEA: 6201
County: ST FRANCIS
District: FORREST CITY

Final
State Aid Notice 2013-14
August 29, 2014

Refer to Commissioner's Memo Number
FIN-15-021 for additional information

DATA

1.	2012 Real Assessment	$	107,537,710	15.	Initial Per-Student Revenue	$	1,392.51
2.	2012 Personal Assessment	$	38,170,505	16.	Initial Per-Student Foundation Funding Amount	$	6,393.00
3.	2012 Utility Assessment	$	21,268,785	17.	Initial Per-Student State Foundation Funding Aid	$	5,000.49
4.	2012 Total Assessment	$	166,977,000	18.	PY ALE FTEs (Qtrs. 1-4)		58.60
5.	98% of URT X Assessment	$	4,090,937	19.	CY English Language Learner Students		29
6.	Net Revenues	$	4,067,752	20.	PY NSL Students (Free and Reduced)		2,449
7.	2012 Calendar Year Calculated Misc. Funds[1]	$	22,275	21.	Adjusted 1/1/05 Scheduled Debt Payment	$	778,936.75
8.	2013 Calendar Year Calculated Misc. Funds[1]	$	17,544	22.	State Wealth Index for Bonded Debt Assistance		0.72153
9.	2011-12 ADM (Qtrs. 1-3 Avg.)		3,097.36	23.	PY ADM of Isolated School Area		0.00
10.	2012-13 ADM (Qtrs. 1-3 Avg.)		2,953.82	24.	Isolated Funding Amount	$	0
11.	2013-14 ADM for SGF (Qtr. 1)		2,933.86	25.	District Square Miles		345.41
12.	2013-14 ADM for SGF (Qtr. 2)		2,895.83	26.	District Total Millage Rate as of 1/1/12		32.60
13.	2013-14 ADM for SGF (Qtr. 3)		2,859.21	27.	District Total Millage Rate as of 1/1/13		32.60
14.	2013-14 ADM for SGF (Qtr. 4)		2,821.79				

FUNDING

	Funding Category		Amount	Statutory Code/Act	Restricted	Rev. Code	SOF Code
28.	State Foundation Funding Aid ($6,393)	$	14,775,291	6-20-2303, 6-20-2305, Acts 322, 557 & 1467	No	31101	2001
29.	98% of URT X Assessment less Net Revenues[2]	$	23,184	6-20-2303, 6-20-2305, Act 557	No	31103	2001
30.	Educational Excellence Trust[3] - R	$	1,498,964	6-5-301 et seq., Acts 1138 & 1278	Yes		
31.	Alternative Learning Environment ($4,305) - R	$	252,273	6-20-2303, 6-20-2305, Acts 1309 & 1467	Yes	32370	275
32.	English Language Learners ($311) - R	$	9,019	6-20-2303, 6-20-2305, Act 1467	Yes	32371	276
33.	NSL State Categorical[4] ($517/$1,033/$1,549) - R	$	2,529,817	6-20-2303, 6-20-2305, Act 1467	Yes	32381	281
34.	NSL Transitional Funding[4] (Rate Varies) – R	$	0	6-20-2305	Yes	32381	281
35.	NSL State Categorical Withholding[4]	$	0	6-20-2305, Act 1220 of 2011			
36.	NSL Growth Funding[4] - R	$	0	6-20-2305	Yes	32381	281
37.	Professional Development ($44.45) - R	$	131,297	6-20-2303, 6-20-2305, Act 1467	Yes	32256	223
38.	Bonded Debt Assistance ($18.03) - R	$	179,258	6-20-2503, Act 322	Yes	32915	001
39.	State Financial Assistance - GFF - R	$	19,582	6-20-2503	No	32912	392
40.	State Financial Assistance - SMIF - R	$	28,756	6-20-2503	No	31620	001
41.	Isolated Funding	$	0	6-20-601, 6-20-603	Yes	31500	212
42.	Special Needs Isolated Funding[5]	$	0	6-20-604 (c), (d) & (e), Acts 1073 & 1309	Yes	31500	212
43.	Special Needs Small District Funding[5]	$	0	6-20-604 (f), Act 1309	No	32249	2920
44.	Special Needs Isolated Transportation[5]	$	0	6-20-604 (h), Act 1309	Yes	32248	228
45.	Declining Enrollment Funding[5] - R	$	458,826	6-20-2305	No	31460	218
46.	Declining Enrollment Adequacy	$	0	6-20-2305	No	31460	218
47.	Student Growth-Qtrs.1, 2, 3, & 4[5] - R	$	0	6-20-2303 & 2305	No	31450	217

ACA-Arkansas code annotated, ADM-average daily membership, Avg.-average, ALE-alternative learning environment, CY-current year, Est.-estimated, FTE-full-time equivalent, FY-fiscal year, GFF-general facilities funding, LEA-local education agency, Misc.-miscellaneous, NSL-national school lunch, PY-prior year, Qtr.-quarter, R-state board rule, Rev.-revenue, SGF-student growth funding, SMIF-supplemental millage incentive funding, SOF-source of fund, URT-uniform rate of tax

1) Misc. funds are defined and calculated as per ACA § 6-20-2303 (11), ACA § 6-20-2308, ACA § 6-20-2503 and Act 322 of 2013 (see the temporary language); new Rules pending.
2) Negative funding amounts for 98% of URT X Assessment less Net Revenues indicate funds owed to the state. Districts with negative funding amounts receive written notification that includes information on how to code the repayment transaction.
3) Educational excellence trust funds are included in state foundation funding aid and are restricted pursuant to ACA § 6-5-307.
4) The combination of NSL state categorical, NSL transitional (plus or minus) , NSL state categorical withholding (minus), and NSL growth funding equals the total net NSL state categorical funding received by a school district.
5) Eligible school districts shall receive the higher of student growth funding plus special needs isolated, small district, and transportation funding or declining enrollment funding. No school district shall receive both declining enrollment funding and student growth funding or special needs isolated, small district, and transportation funding. The initial FY14 state aid notice provides declining enrollment funding that has not been compared to student growth funding (est. or actual) and /or special needs isolated, small district, and transportation funding. Subsequent FY14 state aid notices reflect these comparisons. The final determination of FY14 student growth funding is made in FY15.

Annual Statistical Report 2013/2014

County: ST FRANCIS | HUGHES SCHOOL DISTRICT | LEA: 6202000

	2013/2014 Actual	2014/2015 Budget
1 Area in Square Miles	242	
2 ADA	322	
3 ADA Pct Change over 5 Years	-20%	
4 4 Qtr ADM	341	
5 Prior Year 3 Qtr ADM	348	
6 Assessment	54,291,755	
7 M&O Mills	37.00	
8 URT Mills	25.00	
9 M&O Mills in Excess of URT	12.00	
10 Dedicated M&O Mills	0.00	
11 Debt Service Mills	2.40	
12 Total Mills	39.40	
13 Total Debt Bond/Non Bond	450,000	
State and Local Revenue		
14 Property Tax Receipts (Incl URT)	2,098,025	2,089,000
15 Other Local Receipts	170,735	105,800
16 Revenue From Interm Srcs	0	0
17.1 Foundation Funding (Excl URT)	943,859	916,467
17.2 98% of URT X Assessment less Net Revenues	5,874	5,000
18 Student Growth Funding	0	0
19 Declining Enrollment Funding	136,075	0
20 Consolidation Incentive/Assistance	0	0
21 Isolated Funding	0	0
22 Supplemental Millage Incent. Funds	0	0
23 Other Unrestricted State Funding	0	0
24 Total Unrestricted Revenue from State and Local Sources	**3,354,567**	**3,116,267**
Restricted Revenue from State Sources:		
25 Adult Education	0	0
Regular Education:		
26 Professional Development	15,472	9,188
27 Other Regular Education	80,026	195,000
Special Education:		
28 Gifted And Talented	0	0
29 Alt. Learning Environment (ALE)	1,076	7,597
30 English Language Learner (ELL)	0	0
31 National School Lunch State Categorical Funds (NSL)	279,208	305,768
32 Other Special Education	1,333	1,200
33 Career Education	2,709	2,000
34 School Food Service	1,961	2,000
35 Educational Service Cooperatives	0	0
36 Early Childhood Programs	0	0
37 Magnet School Programs	0	0
38 Other Non-Instructional Program Aid	3,066	1,533
39 Total Restricted Revenue from State Sources	**384,850**	**524,286**
40 Total Restricted Revenue from Federal Sources	**1,566,223**	**1,689,352**
Other Sources of Funds:		
41 Financing Sources	-136,181	0
42 Balances Consol/Annexed District	0	0
43 Indirect Cost Reimbursement	36,326	14,228
44 Gains & Losses - Sale Fixed Assets	0	0
45 Compensation - Loss Of Fixed Assets	0	0
46 Other	0	0
47 Total Other Sources of Funds	**-99,855**	**14,228**
48 Total Revenue and Other Sources of Funds from All Sources	**5,205,785**	**5,344,133**

	2013/2014 Actual	2014/2015 Budget
CURRENT EXPENDITURES		
Instruction:		
49 Regular Instruction	1,332,741	1,184,778
50 Special Education	273,469	238,749
51 Career Education	42,634	90,435
52 Adult Education	0	0
53 Compensatory Education	787,649	704,316
54 Other	92,583	127,852
55 Total Instruction	**2,529,076**	**2,346,130**
District Level Support:		
56 General Administration	330,389	422,118
57 Central Services	136,621	141,165
58 Maintenance & Operations Of Plant	491,956	514,286
59 Student Transportation	66,207	75,160
60 Othr District Level Support Service	46,475	26,228
61 Total District Support Services	**1,071,648**	**1,178,957**
School Level Support:		
62 Student Support Services	163,230	183,791
63 Instructional Staff Support Service	490,771	741,031
64 School Administration	109,925	116,873
65 Total District Support Services	**763,926**	**1,041,695**
Non-Instructional Services:		
66 Food Service Operations	269,542	289,172
67 Other Enterprise Operations	0	0
68 Community Operations	0	1,500
69 Other Non-Instructional Services	0	0
70 Total Non-Instructional Services	**269,542**	**290,672**
71 Facilities Acquisition And Const.	0	0
72 Debt Service	94,022	94,408
75 Other Non-Programmed Costs	0	0
76 Total Expenditures	**4,728,213**	**4,951,861**
77 Less: Capital Expenditures	(10,219)	-8,000
78 Less: Debt Service	(94,022)	-94,408
79 Total Current Expenditures	**4,623,972**	**4,849,453**
80 Exclusions from Current Expenditures	(90,666)	-50,300
81 Net Current Expenditures	**4,533,306**	**4,799,153**
82 Per Pupil Expenditures	14,077	
83 Personnel - Non-Federal Licensed Classroom FTEs	40.02	
83.5 Total Salary - Non-Federal Licensed Classroom FTEs	1,232,659	
84 Avg Salary - Non-Federal Licensed Classroom FTEs	30,801	
85 Personnel - Non-Federal Licensed FTEs	42.04	
85.5 Total Salary - Non-Federal Licensed FTEs	1,372,210	
86 Avg Salary - Non-Federal Licensed FTEs	32,641	
87.1 Legal Balance (funds 1-2-4)	1,802,338	2,210,168
87.2 Categorical Fund Balance	60,661	0
87.3 Deposits With Paying Agents (QZAB)	0	0
87.4 Net Legal Bal (Excl Cat & QZAB)	1,741,676	2,210,168
88 Building Fund Balance (fund 3)	0	0
89 Capital Outlay Balance/Dedicated M&O (fund 5)	179	179

LEA: 6202
County: ST FRANCIS
District: HUGHES

Final
State Aid Notice 2013-14
August 29, 2014

Refer to Commissioner's Memo Number
FIN-15-021 for additional information

DATA

1.	2012 Real Assessment	$	42,311,700	15.	Initial Per-Student Revenue	$	3,681.31
2.	2012 Personal Assessment	$	6,854,550	16.	Initial Per-Student Foundation Funding Amount	$	6,393.00
3.	2012 Utility Assessment	$	3,133,855	17.	Initial Per-Student State Foundation Funding Aid	$	2,711.69
4.	2012 Total Assessment	$	52,300,105	18.	PY ALE FTEs (Qtrs. 1-4)		0.25
5.	98% of URT X Assessment	$	1,281,353	19.	CY English Language Learner Students		0
6.	Net Revenues	$	1,275,478	20.	PY NSL Students (Free and Reduced)		291
7.	2012 Calendar Year Calculated Misc. Funds[1]	$	0	21.	Adjusted 1/1/05 Scheduled Debt Payment	$	85,168.76
8.	2013 Calendar Year Calculated Misc. Funds[1]	$	0	22.	State Wealth Index for Bonded Debt Assistance		0.00000
9.	2011-12 ADM (Qtrs. 1-3 Avg.)		390.64	23.	PY ADM of Isolated School Area		0.00
10.	2012-13 ADM (Qtrs. 1-3 Avg.)		348.07	24.	Isolated Funding Amount	$	0
11.	2013-14 ADM for SGF (Qtr. 1)		345.28	25.	District Square Miles		242.18
12.	2013-14 ADM for SGF (Qtr. 2)		346.96	26.	District Total Millage Rate as of 1/1/12		39.40
13.	2013-14 ADM for SGF (Qtr. 3)		341.53	27.	District Total Millage Rate as of 1/1/13		39.40
14.	2013-14 ADM for SGF (Qtr. 4)		331.22				

FUNDING

	Funding Category		Amount	Statutory Code/Act	Restricted	Rev. Code	SOF Code
28.	State Foundation Funding Aid ($6,393)	$	943,859	6-20-2303, 6-20-2305, Acts 322, 557 & 1467	No	31101	2001
29.	98% of URT X Assessment less Net Revenues[2]	$	5,874	6-20-2303, 6-20-2305, Act 557	No	31103	2001
30.	Educational Excellence Trust[3] - R	$	95,755	6-5-301 et seq., Acts 1138 & 1278	Yes		
31.	Alternative Learning Environment ($4,305) - R	$	1,076	6-20-2303, 6-20-2305, Acts 1309 & 1467	Yes	32370	275
32.	English Language Learners ($311) - R	$	0	6-20-2303, 6-20-2305, Act 1467	Yes	32371	276
33.	NSL State Categorical[4] ($517/$1,033/$1,549) - R	$	300,603	6-20-2303, 6-20-2305, Act 1467	Yes	32381	281
34.	NSL Transitional Funding[4] (Rate Varies) – R	$	0	6-20-2305	Yes	32381	281
35.	NSL State Categorical Withholding[4]	$	-21,395	6-20-2305, Act 1220 of 2011			
36.	NSL Growth Funding[4] - R	$	0	6-20-2305	Yes	32381	281
37.	Professional Development ($44.45) - R	$	15,472	6-20-2303, 6-20-2305, Act 1467	Yes	32256	223
38.	Bonded Debt Assistance ($18.03) - R	$	0	6-20-2503, Act 322	Yes	32915	001
39.	State Financial Assistance - GFF - R	$	3,066	6-20-2503	No	32912	392
40.	State Financial Assistance - SMIF - R	$	0	6-20-2503	No	31620	001
41.	Isolated Funding	$	0	6-20-601, 6-20-603	Yes	31500	212
42.	Special Needs Isolated Funding[5]	$	0	6-20-604 (c), (d) & (e), Acts 1073 & 1309	Yes	31500	212
43.	Special Needs Small District Funding[5]	$	0	6-20-604 (f), Act 1309	No	32249	2920
44.	Special Needs Isolated Transportation[5]	$	0	6-20-604 (h), Act 1309	Yes	32248	228
45.	Declining Enrollment Funding[5] - R	$	136,075	6-20-2305	No	31460	218
46.	Declining Enrollment Adequacy	$	0	6-20-2305	No	31460	218
47.	Student Growth-Qtrs.1, 2, 3, & 4[5] - R	$	0	6-20-2303 & 2305	No	31450	217

ACA-Arkansas code annotated, ADM-average daily membership, Avg.-average, ALE-alternative learning environment, CY-current year, Est.-estimated, FTE-full-time equivalent, FY-fiscal year, GFF-general facilities funding, LEA-local education agency, Misc.-miscellaneous, NSL-national school lunch, PY-prior year, Qtr.-quarter, R-state board rule, Rev.-revenue, SGF-student growth funding, SMIF-supplemental millage incentive funding, SOF-source of fund, URT-uniform rate of tax

1) Misc. funds are defined and calculated as per ACA § 6-20-2303 (11), ACA § 6-20-2308, ACA § 6-20-2503 and Act 322 of 2013 (see the temporary language); new Rules pending.
2) Negative funding amounts for 98% of URT X Assessment less Net Revenues indicate funds owed to the state. Districts with negative funding amounts receive written notification that includes information on how to code the repayment transaction.
3) Educational excellence trust funds are included in state foundation funding aid and are restricted pursuant to ACA § 6-5-307.
4) The combination of NSL state categorical, NSL transitional (plus or minus) , NSL state categorical withholding (minus), and NSL growth funding equals the total net NSL state categorical funding received by a school district.
5) Eligible school districts shall receive the higher of student growth funding plus special needs isolated, small district, and transportation funding or declining enrollment funding. No school district shall receive both declining enrollment funding and student growth funding or special needs isolated, small district, and transportation funding. The initial FY14 state aid notice provides declining enrollment funding that has not been compared to student growth funding (est. or actual) and /or special needs isolated, small district, and transportation funding. Subsequent FY14 state aid notices reflect these comparisons. The final determination of FY14 student growth funding is made in FY15.

ENROLLMENT/DEMOGRAPHIC INFORMATION

DISTRICT ENROLLMENT BY RACE (2014-2015)

DISTRICT LEA	DISTRICT NAME	2 OR MORE RACES	ASIAN	BLACK	HISPANIC	NATIVE AMERICAN/ NATIVE ALASKAN	NATIVE HAWAIIAN/ PACIFIC ISLANDER	WHITE	TOTAL
6202000	HUGHES SCHOOL DISTRICT	0	1	270	7	0	0	40	318
6201000	FORREST CITY SCHOOL DISTRICT	17	8	2291	31	4	0	317	2668
4801000	BRINKLEY SCHOOL DISTRICT	9	8	312	9	0	0	180	518
1802000	EARLE SCHOOL DISTRICT	0	1	600	0	0	0	11	612
3904000	LEE COUNTY SCHOOL DISTRICT	0	3	750	17	0	0	57	827
1804000	MARION SCHOOL DISTRICT	53	43	2010	202	11	0	1803	4122
7403000	MCCRORY SCHOOL DISTRICT	0	3	87	6	0	0	530	626
6205000	PALESTINE-WHEATLEY SCH. DIST.	2	4	122	21	0	0	618	767
1803000	WEST MEMPHIS SCHOOL DISTRICT	32	12	4193	74	0	0	1126	5437
1905000	WYNNE SCHOOL DISTRICT	23	20	862	67	1	0	1837	2810

Source: ADE Data Center (October 1 Counts)

DISTRICT ENROLLMENT BY GRADE (2014-2015)

HUGHES SCHOOL DISTRICT — **LEA: 6202000**

K	1	2	3	4	5	6	7	8	9	10	11	12	GED	UNGRADED	TOTAL
27	29	29	23	18	23	23	27	23	25	20	23	28	0	0	318

FORREST CITY SCHOOL DISTRICT — **LEA: 6201000**

K	1	2	3	4	5	6	7	8	9	10	11	12	GED	UNGRADED	TOTAL
229	216	247	183	181	193	181	213	205	202	224	198	195	0	1	2668

BRINKLEY SCHOOL DISTRICT — **LEA: 4801000**

K	1	2	3	4	5	6	7	8	9	10	11	12	GED	UNGRADED	TOTAL
55	43	43	29	40	33	30	33	43	31	45	46	47	0	0	518

EARLE SCHOOL DISTRICT — **LEA: 1802000**

K	1	2	3	4	5	6	7	8	9	10	11	12	GED	UNGRADED	TOTAL
53	41	34	51	31	49	43	51	56	46	54	50	48	0	5	612

LEE COUNTY SCHOOL DISTRICT — **LEA: 3904000**

K	1	2	3	4	5	6	7	8	9	10	11	12	GED	UNGRADED	TOTAL
72	76	70	58	47	53	60	63	57	81	80	47	63	0	0	827

MARION SCHOOL DISTRICT — **LEA: 1804000**

K	1	2	3	4	5	6	7	8	9	10	11	12	GED	UNGRADED	TOTAL
313	356	323	307	301	316	316	311	334	355	341	286	263	0	0	4122

MCCRORY SCHOOL DISTRICT — **LEA: 7403000**

K	1	2	3	4	5	6	7	8	9	10	11	12	GED	UNGRADED	TOTAL
48	48	44	41	53	44	34	71	57	48	49	42	47	0	0	626

PALESTINE-WHEATLEY SCH. DIST. — **LEA: 6205000**

K	1	2	3	4	5	6	7	8	9	10	11	12	GED	UNGRADED	TOTAL
55	50	54	62	45	54	61	60	60	78	78	56	54	0	0	767

WEST MEMPHIS SCHOOL DISTRICT — **LEA: 1803000**

WEST MEMPHIS SCHOOL DISTRICT															LEA: 1803000
K	1	2	3	4	5	6	7	8	9	10	11	12	GED	UNGRADED	TOTAL
519	490	475	400	401	409	434	408	387	386	404	366	358	0	0	5437

WYNNE SCHOOL DISTRICT															LEA: 1905000
K	1	2	3	4	5	6	7	8	9	10	11	12	GED	UNGRADED	TOTAL
221	240	227	191	235	228	204	227	228	215	210	202	182	0	0	2810

Source: ADE Data Center (October 1 Counts)

ESEA REPORTS

District:	FORREST CITY SCHOOL DISTRICT	**Superintendent:**	JOYE HUGHES		Report created on: 10/29/2014
LEA:	6201000	**Enrollment:**	2942		**% Prof/Adv.**
Address:	625 IRVING STREET	**Attendance:**	95.29	**2014 Math + Literacy**	48.7
Address:	FORREST CITY, AR 72335	**Poverty Rate:**	100.00	**2013 Math + Literacy**	49.9
Phone:	870-633-1485			**2012 Math + Literacy**	55.0

OVERALL DISTRICT STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED

PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	1445	1491	96.91	1700	1757	96.76
Targeted Achievement Gap Group	1445	1491	96.91	1699	1756	96.75
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	1215	1245	97.59	1417	1455	97.39
Hispanic	13	13	100.00	19	19	100.00
White	203	219	92.69	254	273	93.04
Economically Disadvantaged	1444	1490	96.91	1698	1755	96.75
English Language Learners	12	12	100.00	15	15	100.00
Students with Disabilities	206	216	95.37	215	224	95.98

STUDENT PERFORMANCE -- LITERACY

LITERACY STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	667	1387	48.09	60.15	91.00	473	954	49.58	64.96	93.00
Targeted Achievement Gap Group	667	1387	48.09	60.15	91.00	473	954	49.58	64.96	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	2211	4392	50.34	60.15	91.00	1620	3027	53.52	64.96	93.00
Targeted Achievement Gap Group	2068	4213	49.09	60.15	91.00	1513	2899	52.19	64.96	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	534	1164	45.88	57.90		380	814	46.68	63.55	
Hispanic	7	13	53.85	69.12		n < 10	n < 10	n < 10	71.16	
White	123	197	62.44	71.11		87	127	68.50	71.28	
Economically Disadvantaged	667	1386	48.12	60.15		473	954	49.58	64.96	
English Language Learners	2	11	18.18	40.00		n < 10	n < 10	n < 10	46.43	
Students with Disabilities	23	199	11.56	34.07		26	120	21.67	34.02	

STUDENT PERFORMANCE -- MATHEMATICS

MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	804	1633	49.23	64.23	92.00	314	975	32.21	54.51	81.00
Targeted Achievement Gap Group	804	1632	49.26	64.34	92.00	314	975	32.21	54.51	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	2623	5032	52.13	64.23	92.00	1115	3049	36.57	54.51	81.00
Targeted Achievement Gap Group	2450	4802	51.02	64.34	92.00	1028	2921	35.19	54.51	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	628	1359	46.21	61.37		243	827	29.38	51.09	
Hispanic	9	19	47.37	76.32		5	10	50.00	65.39	
White	163	245	66.53	78.12		64	132	48.48	69.68	
Economically Disadvantaged	804	1631	49.29	64.32		314	975	32.21	54.51	
English Language Learners	8	15	53.33	50.00		n < 10	n < 10	n < 10	57.15	
Students with Disabilities	55	208	26.44	34.07		14	123	11.38	35.72	

2013 SCHOOL GRADUATION RATE

GRADUATION RATE STATUS:	NEEDS IMPROVEMENT				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	164	211	77.73	93.52	94.00
Targeted Achievement Gap Group	162	202	80.20	93.75	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	542	724	74.86	93.52	94.00
Targeted Achievement Gap Group	478	645	74.11	93.75	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	146	185	78.92	93.85	
Hispanic	n < 10	n < 10	n < 10	100.00	
White	15	23	65.22	91.97	
Economically Disadvantaged	161	200	80.50	93.75	
English Language Learners	n < 10	n < 10	n < 10		
Students with Disabilities	29	37	78.38	89.28	

District:	HUGHES SCHOOL DISTRICT	**Superintendent:**	SHERYL OWENS		Report created on: 10/29/2014
LEA:	6202000	**Enrollment:**	354		**% Prof/Adv.**
Address:	310 COLLEGE ST	**Attendance:**	94.79	**2014 Math + Literacy**	45.8
Address:	HUGHES, AR 72348	**Poverty Rate:**	100.00	**2013 Math + Literacy**	54.4
Phone:	870-339-2570			**2012 Math + Literacy**	57.3

OVERALL DISTRICT STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED

PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	169	170	99.41	188	189	99.47
Targeted Achievement Gap Group	169	170	99.41	188	189	99.47
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	141	142	99.30	158	158	100.00
Hispanic	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
White	26	26	100.00	28	29	96.55
Economically Disadvantaged	169	170	99.41	188	189	99.47
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	16	17	94.12	23	23	100.00

STUDENT PERFORMANCE -- LITERACY

LITERACY STATUS:	ACHIEVING									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	87	162	53.70	62.50	91.00	59	119	49.58	62.50	93.00
Targeted Achievement Gap Group	87	162	53.70	62.50	91.00	59	119	49.58	62.50	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	321	543	59.12	62.50	91.00	232	365	63.56	62.50	93.00
Targeted Achievement Gap Group	321	543	59.12	62.50	91.00	232	365	63.56	62.50	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	70	137	51.09	60.42		48	99	48.48	59.09	
Hispanic	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
White	15	23	65.22	72.92		10	19	52.63	78.57	
Economically Disadvantaged	87	162	53.70	62.50		59	119	49.58	62.50	
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities		16		30.36		2	11	18.18	25.00	

STUDENT PERFORMANCE -- MATHEMATICS

MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	72	185	38.92	67.19	92.00	25	119	21.01	56.88	81.00
Targeted Achievement Gap Group	72	185	38.92	67.19	92.00	25	119	21.01	56.88	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	270	576	46.88	67.19	92.00	103	365	28.22	56.88	81.00
Targeted Achievement Gap Group	270	576	46.88	67.19	92.00	103	365	28.22	56.88	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	58	156	37.18	63.43		21	99	21.21	54.54	
Hispanic	n < 10	n < 10	n < 10	100.00		n < 10	n < 10	n < 10		
White	13	27	48.15	86.19		4	19	21.05	67.86	
Economically Disadvantaged	72	185	38.92	67.19		25	119	21.01	56.88	
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	5	23	21.74	30.36		1	11	9.09	25.00	

2013 SCHOOL GRADUATION RATE

GRADUATION RATE STATUS:	NEEDS IMPROVEMENT				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	37	43	86.05	91.48	94.00
Targeted Achievement Gap Group	36	42	85.71	91.28	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	100	126	79.37	91.48	94.00
Targeted Achievement Gap Group	98	123	79.67	91.28	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	33	39	84.62	91.67	
Hispanic	n < 10	n < 10	n < 10		
White	n < 10	n < 10	n < 10	90.63	
Economically Disadvantaged	36	42	85.71	91.28	
English Language Learners	n < 10	n < 10	n < 10		
Students with Disabilities	n < 10	n < 10	n < 10	78.57	

DISTRICT REPORT CARDS

District Number 6201 FORREST CITY SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
3rd Grade Literacy		Annual Measurable Objective (AMO)				71.2				2011 AMO	78.4						AMO
Combined Population	99.1	30.7	26.1	34.1	9.2	43.3	20.8	20	32.9	26.3	59.2	16.8	25.7	28.7	28.7	57.4	51.29
TAGG	99											18.2	27.8	26.7	27.3	54	51.29
African-American	99.4	28.6	26.3	36.6	8.5	45.1	23.6	20.7	32	23.6	55.7	18.3	26.2	30.5	25	55.5	48.55
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	62.25
Caucasian	97.2	38.6	27.3	22.7	11.4	34.1	5.9	17.6	38.2	38.2	76.5	11.8	20.6	23.5	44.1	67.7	64.69
Economically Disadvantaged	99	30.8	26.2	33.8	9.2	43.1	20.8	20	32.9	26.3	59.2	18.5	27.2	27.2	27.2	54.4	51.29
Students with Disabilities	92.6	80	16.7	0	3.3	3.3	57.7	19.2	19.2	3.8	23.1	54.2	20.8	12.5	12.5	25	19.42
Number of recently arrived LEP students not assessed in 3rd Grade Literacy						0					0					0	
Limited English Proficient	100											RV	RV	RV	RV	RV	26.67
Female	98.2	17.9	26.5	43.6	12	55.6	8.9	22.6	37.1	31.5	68.5	10.8	25.5	31.4	32.4	63.7	
Male	100	41	25.7	26.4	6.9	33.3	33.6	17.2	28.4	20.7	49.1	23	26	26	25	51	
Migrant	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
3rd Grade Mathematics		Annual Measurable Objective (AMO)				70				2011 AMO	77.5						AMO
Combined Population	99.1	11.5	23	27.2	38.3	65.5	5.8	20	25.4	48.8	74.2	5.9	11.9	25.7	56.4	82.2	56.28
TAGG	99											6.4	12.8	26.2	54.6	80.8	56.41
African-American	99.4	10.8	23.5	25.8	39.9	65.7	6.9	22.2	24.6	46.3	70.9	6.7	13.4	28.7	51.2	79.9	52.78
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	71.05
Caucasian	97.2	15.9	22.7	29.5	31.8	61.4	0	8.8	29.4	61.8	91.2	2.9	5.9	14.7	76.5	91.2	73.26
Economically Disadvantaged	99	11.5	22.7	27.3	38.5	65.8	5.8	20	25.4	48.8	74.2	6.5	12.5	26.6	54.4	81	56.39
Students with Disabilities	92.6	36.7	46.7	10	6.7	16.7	15.4	38.5	26.9	19.2	46.2	16.7	20.8	16.7	45.8	62.5	33.77
Limited English Proficient	100											RV	RV	RV	RV	RV	38.89
Female	98.2	6	21.4	27.4	45.3	72.6	3.2	19.4	27.4	50	77.4	3.9	11.8	28.4	55.9	84.3	
Male	100	16	24.3	27.1	32.6	59.7	8.6	20.7	23.3	47.4	70.7	8	12	23	57	80	
Migrant	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	

District Number 6201 FORREST CITY SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
4th Grade Literacy		Annual Measurable Objective (AMO)				71.2				2011 AMO	78.4						AMO
Combined Population	99.6	17.2	34.4	35.7	12.8	48.5	13.3	28.9	42.6	15.3	57.8	11.8	19.3	42.4	26.5	68.9	51.29
TAGG	99.5											13.3	21.3	45.5	19.9	65.4	51.29
African-American	99.5	16.9	36.1	36.6	10.4	47	12.5	30	41.5	16	57.5	12.2	20.5	44.4	22.9	67.3	48.55
Hispanic		RV	RV	RV	RV	RV	RV	RV	RV	RV	RV						62.25
Caucasian	100	15	27.5	35	22.5	57.5	17.1	22	48.8	12.2	61	9.7	12.9	29	48.4	77.4	64.69
Economically Disadvantaged	99.5	17.2	34.4	35.7	12.8	48.5	13.3	28.9	42.6	15.3	57.8	12.9	21.1	45.9	20.1	66	51.29
Students with Disabilities	97.4	72.7	18.2	6.1	3	9.1	65.7	22.9	8.6	2.9	11.4	42.1	34.2	23.7	0	23.7	19.42
Number of recently arrived LEP students not assessed in 4th Grade Literacy						0					0					0	
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	26.67
Female	100	12.7	31.4	36.4	19.5	55.9	5.6	23.1	52.8	18.5	71.3	4.9	16.3	49.6	29.3	78.9	
Male	99.2	22	37.6	34.9	5.5	40.4	19.3	32.9	35	12.9	47.9	19.1	22.6	34.8	23.5	58.3	
Migrant		RV	RV	RV	RV	RV	RV	RV	RV	RV	RV						
4th Grade Mathematics		Annual Measurable Objective (AMO)				70				2011 AMO	77.5						AMO
Combined Population	99.6	22.9	19.8	22	35.2	57.3	15.3	18.9	36.9	28.9	65.9	14.7	13.9	29	42.4	71.4	56.28
TAGG	99.5											16.6	15.6	28.4	39.3	67.8	56.41
African-American	99.5	24	22.4	24	29.5	53.6	14.5	18.5	39	28	67	15.6	14.2	30.7	39.5	70.2	52.78
Hispanic		RV	RV	RV	RV	RV	RV	RV	RV	RV	RV						71.05
Caucasian	100	17.5	7.5	12.5	62.5	75	19.5	19.5	29.3	31.7	61	9.7	12.9	16.1	61.3	77.4	73.26
Economically Disadvantaged	99.5	22.9	19.8	22	35.2	57.3	15.3	18.9	36.9	28.9	65.9	16.3	15.8	28.2	39.7	67.9	56.39
Students with Disabilities	97.4	63.6	24.2	6.1	6.1	12.1	60	17.1	11.4	11.4	22.9	50	26.3	15.8	7.9	23.7	33.77
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	38.89
Female	100	20.3	18.6	21.2	39.8	61	8.3	22.2	37	32.4	69.4	6.5	17.9	35	40.7	75.6	
Male	99.2	25.7	21.1	22.9	30.3	53.2	20	16.4	37.1	26.4	63.6	23.5	9.6	22.6	44.4	67	
Migrant		RV	RV	RV	RV	RV	RV	RV	RV	RV	RV						

District Number 6201 FORREST CITY SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
5th Grade Literacy		Annual Measurable Objective (AMO)				71.2				2011 AMO	78.4						AMO
Combined Population	99.2	11.4	36.4	41.9	10.2	52.1	14.3	36.8	29.6	19.3	48.9	13	30	37.4	19.6	57	51.29
TAGG	99.1											14.3	31	37.6	17.1	54.8	51.29
African-American	99	11.4	42.4	38	8.2	46.2	15.3	38.3	30.6	15.8	46.4	12.3	29.4	38	20.3	58.3	48.55
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	62.25
Caucasian	100	12.2	16.3	57.1	14.3	71.4	8.3	27.8	27.8	36.1	63.9	13.5	35.1	37.8	13.5	51.4	64.69
Economically Disadvantaged	99.1	11.4	36.4	41.9	10.2	52.1	14.3	36.8	29.6	19.3	48.9	14.4	30.8	37.5	17.3	54.8	51.29
Students with Disabilities	100	48	36	16	0	16	59.4	21.9	3.1	15.6	18.8	60.6	30.3	9.1	0	9.1	19.42
Number of recently arrived LEP students not assessed in 5th Grade Literacy						0					0					0	
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	26.67
Female	99.1	8.6	36.2	41	14.3	55.2	9.8	31.7	34.1	24.4	58.5	5.8	20.4	48.5	25.2	73.8	
Male	99.3	13.7	36.6	42.7	6.9	49.6	20	43	24	13	37	18.9	37.8	28.4	15	43.3	
Migrant	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
5th Grade Mathematics		Annual Measurable Objective (AMO)				70				2011 AMO	77.5						AMO
Combined Population	99.2	28	30.9	31.8	9.3	41.1	26.5	25.1	32.7	15.7	48.4	27	24.4	32.6	16.1	48.7	56.28
TAGG	99.1											28.6	25.2	32.9	13.3	46.2	56.41
African-American	99	33.2	30.4	28.3	8.2	36.4	30.1	28.4	31.1	10.4	41.5	27.3	22.5	34.8	15.5	50.3	52.78
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	71.05
Caucasian	100	10.2	34.7	40.8	14.3	55.1	8.3	8.3	41.7	41.7	83.3	24.3	35.1	21.6	18.9	40.5	73.26
Economically Disadvantaged	99.1	28	30.9	31.8	9.3	41.1	26.5	25.1	32.7	15.7	48.4	28.4	25.5	33.2	13	46.2	56.39
Students with Disabilities	100	56	28	12	4	16	50	18.8	9.4	21.9	31.3	75.8	15.2	3	6.1	9.1	33.77
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	38.89
Female	99.1	23.8	40	27.6	8.6	36.2	27.6	20.3	32.5	19.5	52	20.4	24.3	36.9	18.5	55.3	
Male	99.3	31.3	23.7	35.1	9.9	45	25	31	33	11	44	32.3	24.4	29.1	14.2	43.3	
Migrant	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	

District Number 6201 FORREST CITY SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
5th Grade Science																	
Combined Population	99.2	26.7	49.2	23.3	0.8	24.2	39	38.6	20.2	2.2	22.4	31.3	37.4	28.3	3	31.3	
TAGG	99.1											33.3	38.6	26.2	1.9	28.1	
African-American	99	31	52.7	15.8	0.5	16.3	44.8	38.8	14.2	2.2	16.4	31.6	38	27.8	2.7	30.5	
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Caucasian	100	12.2	38.8	49	0	49	8.3	38.9	50	2.8	52.8	27	37.8	29.7	5.4	35.1	
Economically Disadvantaged	99.1	26.7	49.2	23.3	0.8	24.2	39	38.6	20.2	2.2	22.4	33.2	38.9	26	1.9	27.9	
Students with Disabilities	100	56	32	8	4	12	62.5	25	6.3	6.3	12.5	78.8	12.1	9.1	0	9.1	
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Female	99.1	24.8	57.1	17.1	1	18.1	39.8	37.4	19.5	3.3	22.8	25.2	46.6	26.2	1.9	28.2	
Male	99.3	28.2	42.7	28.2	0.8	29	38	40	21	1	22	36.2	29.9	29.9	3.9	33.9	
Migrant	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
6th Grade Literacy		Annual Measurable Objective (AMO)				67.6				2011 AMO	75.7						AMO
Combined Population	100	13.2	35.4	38.3	13.2	51.4	13.3	35.2	38.2	13.3	51.5	20.5	43.3	19.6	16.5	36.2	51.29
TAGG	100											22.4	43.3	20.9	13.4	34.3	51.29
African-American	100	15.3	37.6	38.6	8.5	47.1	13.7	39.9	37.2	9.3	46.4	21.1	43.7	21.1	14.2	35.3	48.55
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	62.25
Caucasian	100	6.1	26.5	38.8	28.6	67.3	12.8	19.1	42.6	25.5	68.1	13.3	43.3	13.3	30	43.3	64.69
Economically Disadvantaged	100	13.2	35.4	38.3	13.2	51.4	13.3	35.2	38.2	13.3	51.5	21.8	43.2	21.3	13.7	35	51.29
Students with Disabilities	100	59	25.6	5.1	10.3	15.4	53.8	26.9	11.5	7.7	19.2	71	29	0	0	0	19.42
Number of recently arrived LEP students not assessed in 6th Grade Literacy						RV					0					0	
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	26.67
Female	100	5.6	33.3	46.8	14.3	61.1	10.7	29.1	45.6	14.6	60.2	14.3	41.2	22.7	21.9	44.5	
Male	100	21.6	37.9	28.4	12.1	40.5	15.4	40	32.3	12.3	44.6	27.6	45.7	16.2	10.5	26.7	
Migrant		RV	RV	RV	RV	RV	RV	RV	RV	RV	RV						

District Number 6201 FORREST CITY SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
6th Grade Mathematics		Annual Measurable Objective (AMO)				64.55				2011 AMO	73.41						AMO
Combined Population	100	17.7	27.2	30	25.1	55.1	15.5	30.5	30.5	23.6	54.1	29.9	21.9	17.9	30.4	48.2	56.28
TAGG	100											32.8	23.4	16.4	27.4	43.8	56.41
African-American	100	18.5	30.7	30.7	20.1	50.8	17.5	33.3	27.9	21.3	49.2	31.6	22.6	18.4	27.4	45.8	52.78
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	71.05
Caucasian	100	16.3	14.3	26.5	42.9	69.4	8.5	21.3	38.3	31.9	70.2	20	16.7	13.3	50	63.3	73.26
Economically Disadvantaged	100	17.7	27.2	30	25.1	55.1	15.5	30.5	30.5	23.6	54.1	31.5	23.9	16.8	27.9	44.7	56.39
Students with Disabilities	100	53.8	28.2	7.7	10.3	17.9	46.2	30.8	15.4	7.7	23.1	80.7	12.9	6.5	0	6.5	33.77
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	38.89
Female	100	10.3	26.2	39.7	23.8	63.5	17.5	34	26.2	22.3	48.5	30.3	18.5	16.8	34.5	51.3	
Male	100	25.9	27.6	19.8	26.7	46.6	13.8	27.7	33.8	24.6	58.5	29.5	25.7	19.1	25.7	44.8	
Migrant		RV	RV	RV	RV	RV	RV	RV	RV	RV	RV						
7th Grade Literacy		Annual Measurable Objective (AMO)				67.6				2011 AMO	75.7						AMO
Combined Population	100	14.4	47.2	29.7	8.7	38.4	15.7	50.4	24	9.9	33.9	10	31	41	18.1	59.1	51.29
TAGG	100											11.3	32.3	39.8	16.7	56.5	51.29
African-American	100	13.9	49.7	29.9	6.4	36.4	15.5	53.9	23.8	6.7	30.6	8.8	34.5	40.9	15.8	56.7	48.55
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	62.25
Caucasian	100	18.4	36.8	26.3	18.4	44.7	14	34.9	27.9	23.3	51.2	16.7	13.9	44.4	25	69.4	64.69
Economically Disadvantaged	100	14.4	47.2	29.7	8.7	38.4	15.7	50.4	24	9.9	33.9	11.5	31.7	39.9	16.9	56.8	51.29
Students with Disabilities	100	52.9	29.4	5.9	11.8	17.6	56.8	21.6	0	21.6	21.6	46.2	42.3	3.9	7.7	11.5	19.42
Number of recently arrived LEP students not assessed in 7th Grade Literacy						0					0					0	
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	26.67
Female	100	5.9	42.4	39.8	11.9	51.7	7.1	51.6	33.3	7.9	41.3	4.5	21.4	50.6	23.6	74.2	
Male	100	23.4	52.3	18.9	5.4	24.3	25	49.1	13.8	12.1	25.9	14.1	38	33.9	14.1	47.9	
Migrant							RV	RV	RV	RV	RV						

District Number 6201 FORREST CITY SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
7th Grade Mathematics		Annual Measurable Objective (AMO)				64.55				2011 AMO	73.41						AMO
Combined Population	100	32.8	26.6	26.6	14	40.6	35.1	27.3	22.3	15.3	37.6	23.7	24.6	38.4	13.3	51.7	56.28
TAGG	100											25.7	24.1	38	12.3	50.3	56.41
African-American	100	34.8	27.8	26.7	10.7	37.4	38.3	28	21.8	11.9	33.7	25.2	27.5	35.1	12.3	47.4	52.78
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	71.05
Caucasian	100	23.7	21.1	28.9	26.3	55.3	18.6	23.3	27.9	30.2	58.1	18.9	13.5	48.7	18.9	67.6	73.26
Economically Disadvantaged	100	32.8	26.6	26.6	14	40.6	35.1	27.3	22.3	15.3	37.6	25	23.9	38.6	12.5	51.1	56.39
Students with Disabilities	100	64.7	23.5	2.9	8.8	11.8	67.6	16.2	0	16.2	16.2	57.7	23.1	11.5	7.7	19.2	33.77
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	38.89
Female	100	23.7	29.7	30.5	16.1	46.6	27.8	25.4	33.3	13.5	46.8	25.6	20	37.8	16.7	54.4	
Male	100	42.3	23.4	22.5	11.7	34.2	43.1	29.3	10.3	17.2	27.6	22.3	28.1	38.8	10.7	49.6	
Migrant							RV	RV	RV	RV	RV						
7th Grade Science																	
Combined Population	100	66.4	27.9	3.9	1.7	5.7	67.4	19.8	8.7	4.1	12.8	54	39.3	5.7	1	6.6	
TAGG	100											57.8	35.8	5.4	1.1	6.4	
African-American	100	69.5	26.2	2.1	2.1	4.3	75.6	15.5	5.2	3.6	8.8	60.2	35.7	2.9	1.2	4.1	
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Caucasian	100	52.6	36.8	10.5	0	10.5	30.2	39.5	23.3	7	30.2	29.7	54.1	16.2	0	16.2	
Economically Disadvantaged	100	66.4	27.9	3.9	1.7	5.7	67.4	19.8	8.7	4.1	12.8	57.1	36.4	5.4	1.1	6.5	
Students with Disabilities	100	82.4	5.9	0	11.8	11.8	75.7	2.7	0	21.6	21.6	80.8	11.5	0	7.7	7.7	
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Female	100	63.6	29.7	5.1	1.7	6.8	67.5	23	7.9	1.6	9.5	52.2	43.3	3.3	1.1	4.4	
Male	100	69.4	26.1	2.7	1.8	4.5	67.2	16.4	9.5	6.9	16.4	55.4	36.4	7.4	0.8	8.3	
Migrant							RV	RV	RV	RV	RV						

District Number 6201 FORREST CITY SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
8th Grade Literacy		Annual Measurable Objective (AMO)				67.6				2011 AMO	75.7						AMO
Combined Population	99.6	13.8	36.8	37.9	11.5	49.4	19.2	33.3	38	9.4	47.4	14.3	31.2	38.1	16.5	54.6	51.29
TAGG	99.5											16.4	34.9	36.4	12.3	48.7	51.29
African-American	99.5	14.1	42.9	35.9	7.1	42.9	19.8	35	38.4	6.8	45.2	15	33.7	38.3	13	51.3	48.55
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	62.25
Caucasian	100	11.1	14.8	46.3	27.8	74.1	18.8	25	31.3	25	56.3	8.8	20.6	38.2	32.4	70.6	64.69
Economically Disadvantaged	99.5	13.8	36.8	37.9	11.5	49.4	19.2	33.3	38	9.4	47.4	16.3	34.2	37.4	12.1	49.5	51.29
Students with Disabilities	100	58.1	32.3	0	9.7	9.7	70	16.7	10	3.3	13.3	42.4	39.4	3	15.2	18.2	19.42
Number of recently arrived LEP students not assessed in 8th Grade Literacy						RV					0					0	
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	26.67
Female	100	6.5	39.5	37.9	16.1	54	11.3	31.1	41.5	16	57.5	8.9	23.4	45.2	22.6	67.7	
Male	99.2	20.9	34.1	38	7	45	27.1	35.5	34.6	2.8	37.4	20.6	40.2	29.9	9.4	39.3	
Migrant		RV	RV	RV	RV	RV	RV	RV	RV	RV	RV						
8th Grade Mathematics		Annual Measurable Objective (AMO)				64.55				2011 AMO	73.41						AMO
Combined Population	99.6	52.2	15	24.9	7.9	32.8	52.1	21.1	20.2	6.6	26.8	42.9	26	24.2	6.9	31.2	56.28
TAGG	99.5											46.2	27.2	19.5	7.2	26.7	56.41
African-American	99.5	58.1	17.2	20.2	4.5	24.7	55.4	22.6	17.5	4.5	22	46.1	29	20.2	4.7	24.9	52.78
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	71.05
Caucasian	100	29.6	7.4	42.6	20.4	63	37.5	12.5	31.3	18.8	50	23.5	8.8	50	17.7	67.7	73.26
Economically Disadvantaged	99.5	52.2	15	24.9	7.9	32.8	52.1	21.1	20.2	6.6	26.8	46.3	26.8	20	6.8	26.8	56.39
Students with Disabilities	100	80.6	6.5	0	12.9	12.9	90	0	0	10	10	66.7	15.2	0	18.2	18.2	33.77
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	38.89
Female	100	56.5	10.5	25	8.1	33.1	50.9	16	25.5	7.5	33	39.5	29.8	26.6	4	30.7	
Male	99.2	48.1	19.4	24.8	7.8	32.6	53.3	26.2	15	5.6	20.6	46.7	21.5	21.5	10.3	31.8	
Migrant		RV	RV	RV	RV	RV	RV	RV	RV	RV	RV						

District Number 6201 FORREST CITY SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
EOC Algebra 1		Annual Measurable Objective (AMO)				64.6				2011 AMO	73.45						AMO
Combined Population	98.9	13.6	28.3	39.1	19	58.2	12.8	25.1	43	19.1	62.1	13.3	20.2	44.5	22	66.5	56.28
TAGG	98.7											15.3	20.1	43.1	21.5	64.6	56.41
African-American	98.7	13.6	32.7	39.5	14.3	53.7	13.8	27.5	44.4	14.3	58.7	14	20.3	49	16.8	65.7	52.78
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	71.05
Caucasian	100	14.3	11.4	37.1	37.1	74.3	5	12.5	40	42.5	82.5	8	20	24	48	72	73.26
Economically Disadvantaged	98.7	13.6	28.3	39.1	19	58.2	12.1	25	43.5	19.4	62.9	15.4	20.3	43.4	21	64.3	56.39
Students with Disabilities	100	64.3	21.4	0	14.3	14.3	75	25	0	0	0	50	40	0	10	10	33.77
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	38.89
Female	100	6.3	28.1	46.9	18.8	65.6	10.9	24.4	47.9	16.8	64.7	13.4	19.6	47.4	19.6	67	
Male	97.6	21.6	28.4	30.7	19.3	50	13.3	25.7	38.9	22.1	61.1	13.2	21.1	40.8	25	65.8	
Migrant		RV	RV	RV	RV	RV	RV	RV	RV	RV	RV						
Biology																	
Combined Population	95	58.2	27.3	9.1	5.5	14.5	55.2	29	4.4	11.5	15.8	43.8	37.6	12.4	6.2	18.6	
TAGG	94.2											49.8	33.5	9.5	7.2	16.7	
African-American	95.3	64.6	23.8	6.1	5.5	11.6	58.9	25.3	3.2	12.7	15.8	50.6	33.2	9.4	6.8	16.2	
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Caucasian	93.1	27.8	44.4	22.2	5.6	27.8	36.4	45.5	13.6	4.5	18.2	13.5	57.7	25	3.9	28.9	
Economically Disadvantaged	94.2	58	27.4	9.1	5.5	14.6	54.9	29.1	4.4	11.5	15.9	50	33.2	9.6	7.3	16.8	
Students with Disabilities	96.9	55.9	2.9	5.9	35.3	41.2	36.7	0	3.3	60	63.3	33.3	3.3	13.3	50	63.3	
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Female	96.9	58.7	27.9	7.7	5.8	13.5	57.1	33	4.4	5.5	9.9	42.2	39.5	12.9	5.4	18.4	
Male	93	57.8	26.7	10.3	5.2	15.5	52.2	25.6	4.4	17.8	22.2	45.5	35.7	11.9	7	18.9	
Migrant	100	RV	RV	RV	RV	RV						RV	RV	RV	RV	RV	

District Number 6201 FORREST CITY SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
EOC Geometry		Annual Measurable Objective (AMO)				64.6				2011 AMO	73.45						AMO
Combined Population	96.8	23.7	37.2	30.7	8.4	39.1	19.9	38.7	31.7	9.7	41.4	11.8	37.6	39.3	11.4	50.7	56.28
TAGG	95.8											13.8	42	36.8	7.5	44.3	56.41
African-American	97.1	28.3	38.7	27.7	5.2	32.9	21.4	44.8	28.3	5.5	33.8	13.2	42.1	35.8	9	44.7	52.78
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	71.05
Caucasian	95	5.6	30.6	44.4	19.4	63.9	11.1	16.7	47.2	25	72.2	2.8	13.9	61.1	22.2	83.3	73.26
Economically Disadvantaged	95.8	23.7	37.2	30.7	8.4	39.1	19	39.1	32.1	9.8	41.8	13.8	42	36.8	7.5	44.3	56.39
Students with Disabilities	100	46.7	40	13.3	0	13.3	45.5	27.3	18.2	9.1	27.3	RV	RV	RV	RV	RV	33.77
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	38.89
Female	96.1	25	35.6	29.8	9.6	39.4	12.6	40.8	37.9	8.7	46.6	12.3	41.2	37.7	8.8	46.5	
Male	97.5	22.5	38.7	31.5	7.2	38.7	28	36.6	24.4	11	35.4	10.5	34.2	41.2	14	55.3	
Migrant	100	RV	RV	RV	RV	RV						RV	RV	RV	RV	RV	
Grade 11 Literacy		Annual Measurable Objective (AMO)				67.75				2011 AMO	75.81						AMO
Combined Population	98.9	21.5	43.4	33.2	2	35.1	15.2	51.8	30.4	2.7	33	19.3	43.3	29.2	8.2	37.4	51.29
TAGG	98.6											24.1	46.7	23.4	5.8	29.2	51.29
African-American	98.7	22.2	44.9	30.7	2.3	33	15.8	56.8	24.6	2.7	27.3	21.2	45.7	27.2	6	33.1	48.55
Hispanic	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	62.25
Caucasian	100	8.3	37.5	54.2	0	54.2	10.8	29.7	56.8	2.7	59.5	6.3	25	43.8	25	68.8	64.69
Economically Disadvantaged	98.6	21.5	43.4	33.2	2	35.1	15.2	51.8	30.4	2.7	33	23.7	47.4	23.7	5.2	28.9	51.29
Students with Disabilities	96.7	62.5	20.8	4.2	12.5	16.7	44.8	41.4	0	13.8	13.8	77.8	11.1	0	11.1	11.1	19.42
Number of recently arrived LEP students not assessed in Grade 11 Literacy						0					0					0	
Limited English Proficient	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	26.67
Female	99	12.6	42.7	41.7	2.9	44.7	10.1	56	31.2	2.8	33.9	13.8	40.4	37.2	8.5	45.7	
Male	98.8	29.7	44.6	24.8	1	25.7	20	47.8	29.6	2.6	32.2	26	46.8	19.5	7.8	27.3	
Migrant	100	RV	RV	RV	RV	RV						RV	RV	RV	RV	RV	

School Number 6201010 FORREST CITY JR. HIGH

FORREST CITY SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

	2009-2010			2010-2011			2011-2012		
Norm-Referenced Test*	School	District	State	School	District	State	School	District	State
Grade One Reading Comprehension		21	42		42	65		43	66
Grade One Math Problems		30	51		33	55		38	56
Grade Two Reading Comprehension		18	42		38	67		38	67
Grade Two Math Problems		31	53		33	56		28	58
Grade Three Reading		27	55		30	51		27	51
Grade Three Math		35	60		38	57		39	58
Grade Four Reading		43	72		27	52		27	52
Grade Four Math		47	72		40	62		42	62
Grade Five Reading		37	66		23	47		22	47
Grade Five Math		40	67		33	57		34	57
Grade Five Science		29	62		27	61		26	61
Grade Six Reading		34	54		29	47		22	47
Grade Six Math		57	71		41	57		38	58
Grade Seven Reading	34	34	63	25	25	51	30	30	51
Grade Seven Math	41	41	66	33	33	55	37	37	55
Grade Seven Science	35	35	65	29	29	62	33	33	62
Grade Eight Reading	37	37	63	26	26	53	26	26	54
Grade Eight Math	44	44	74	34	34	55	35	35	56
Grade Nine Reading Comprehension		15	46		31	49		31	49
Grade Nine Math Concepts and Problems		47	67		36	55		42	56

School Number 6201010 FORREST CITY JR. HIGH

FORREST CITY SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
American College Test (ACT)									
Number of Students Taking Voluntary Universal ACT									6,029
District Provided College Prep for Students Taking ACT in Grades 9-11									37
Number of Students in College and Career Readiness Planning (CCRPP)									1,193
Number of Students Taking ACT in Grades 9-11								93	37,235
Number of Students Taking ACT in Grade 12								157	26,716
ACT Reading		18.2	21		18	21		17.5	22
ACT English		18.1	21		17.8	20		17	21
ACT Mathematics		17.9	20		18.3	20		17.4	21
ACT Science		19	21		18.4	21		17.8	21
ACT Composite		18.1	21		17.9	21		17.2	21
Scholastic Assessment Test (SAT)									
Number of Students Taking SAT College Admission Test								3	827
SAT Critical Reading Mean								RV	570
SAT Math Mean								RV	573
SAT Writing Mean								RV	555
Advanced Placement Courses (AP)									
Number of Students Taking Advanced Placement (AP) Courses	.	61	21,226	.	71	22,783	.	120	24,357
Number of AP Exams Taken	.	95	32,923	.	102	35,183	.	167	39,314
Number of AP Exams Scored 3, 4, or 5	.	24	9,541	.	6	10,581	.	11	14,234
Number of Students Taking International Baccalaureate Courses									386

*Note: Norm-Referenced Test used for 2009-10 was the SAT10. ITBS was used for 2010-11and 2011-12.

School Number 6201010 FORREST CITY JR. HIGH

FORREST CITY SCHOOL DISTRICT

INDICATOR 2: SCHOOL PERFORMANCE

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
No Child Left Behind Met Adequate Yearly Progress (AYP)									
Achieving Standards	N	0	449	N	1	335			
First Year Not to Meet Standards (Alert)	N	0	213	N	1	256			
Year One of Targeted School Improvement**	N	0	30	N	0	32			
Year Two of Targeted School Improvement	N	0	35	N	0	19			
Targeted Corrective Action	N	0	32	N	0	19			
Targeted Intensive School Improvement	N	0	13	N	0	11			
Targeted Restructuring	N	0	7	N	0	5			
Year One of Whole School Improvement	N	0	80	N	0	110			
Year Two of Whole School Improvement	N	0	46	N	0	69			
Whole School Corrective Action	N	0	35	N	0	46			
Whole School Intensive Improvement	N	3	29	N	1	39			
Whole School Intensive Restructuring	N	0	36	N	0	28			
State Directed	Y	2	78	Y	2	102			
Arkansas ESEA Accountability 2012									
Needs Improvement							N	0	580
Needs Improvement Priority							Y	2	48
Needs Improvement Priority Met Year 1 Exit Criteria							N	0	11
Needs Improvement Focus							N	3	109
Needs Improvement Focus Met Year 1 Exit Criteria							N	2	36
Achieving							N	0	336
Exemplary							N	0	18
Improvement School Rating (Gains)									
Improvement (Gain) School Rating	1			1			3		
1-Schools in Need of Immediate Improvement		1	115		1	214		0	85
2-Schools Approaching Standards (Alert)		0	252		1	251		1	231
3-Schools Meeting Improvement Standards		3	313		2	311		1	349
4-Schools Exceeding Improvement Standards		1	244		0	183		2	264
5-Schools of Excellence for Improvement		0	93		1	49		0	76

School Number 6201010 FORREST CITY JR. HIGH

FORREST CITY SCHOOL DISTRICT

INDICATOR 2: SCHOOL PERFORMANCE

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
Performance School Rating (Status)									
Performance (Status) School Rating	3						3		
1-Schools in Need of Immediate Improvement		0	7		0	6		0	8
2-Schools approaching standards (alert)		0	19		1	16		0	0
3-Schools Meeting Standards		5	246		2	187		3	150
4-Schools Exceeding Standards		0	506		2	496		1	416
5-Schools of Excellence		0	260		0	321		0	444
District Provides Textbooks or Digital Resources for all Pupils									
District Provides Textbooks or Digital Resources for all Pupils		Y			Y			Y	
Annual Accreditation Status									
Annual Accreditation Status Accredited	YES	3	776	YES	5	853	YES	4	838
Accredited-Cited	NO	1	227	NO	0	183	NO	1	209
Accredited-Probationary	NO	1	63	NO	0	27	NO	0	19
Attendance Rate									
Attendance Rate	93.2	93.1	94.2	93	93.3	94.7	95	94.1	95.2
Dropout Rate									
Dropout Rate	2	3.1	2.5	0.8	4.5	2.6	0.8	3.8	2.4
Graduation Rate									
Graduation Rate Combined		91.4	77.2		71.5	79.6		76	84.1
Graduation Rate for Targeted Achievement Gap Group								70.7	79.3
Graduation Rate African American					73.2	71.4		76.3	78.1
Graduation Rate Hispanic					RV	74		RV	78
Graduation Rate Caucasian					58.3	83.2		72.5	87
Graduation Rate Economically Disadvantaged					72.1	74.5		69.7	79.1
Graduation Rate Students with Disabilities					64.3	73.8		74.3	79.2
Graduation Rate Limited English Proficient					NA	71.1		RV	77.3
Grade Inflation Rate		7.1	7.4		9.5	4.7		5.6	5.5
College Remediation Rate		75.7	49.1		71.7	51		80	48.7
October 1 Enrollment	537	3,270	467,061	501	3,175	468,066	496	3,115	468,656

School Number 6201010 FORREST CITY JR. HIGH

FORREST CITY SCHOOL DISTRICT

INDICATOR 3: RETENTION

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
Number of Students Retained at Grade 1	0	7	1,687	0	12	1,653	0	15	1,535
Percent of Students Retained at Grade 1	0	2.8	4.5	0	4.8	4.4	0	6.4	4.1
Number of Students Retained at Grade 2	0	0	786	0	3	634	0	11	595
Percent of Students Retained at Grade 2	0	0	2.1	0	1.3	1.7	0	4.8	1.6
Number of Students Retained at Grade 3	0	3	359	0	0	286	0	0	305
Percent of Students Retained at Grade 3	0	1.1	1	0	0	0.8	0	0	0.8
Number of Students Retained at Grade 4	0	1.1	1	0	0	0.8	0	0	0.8
Percent of Students Retained at Grade 4	0	0	0.5	0	0	0.4	0	0	0.4
Number of Students Retained at Grade 5	0	0	140	0	1	105	0	0	83
Percent of Students Retained at Grade 5	0	0	0.4	0	0.4	0.3	0	0	0.2
Number of Students Retained at Grade 6	0	0	185	0	0	133	0	0	138
Percent of Students Retained at Grade 6	0	0	0.5	0	0	0.4	0	0	0.4
Number of Students Retained at Grade 7	0	0	401	3	3	369	1	1	318
Percent of Students Retained at Grade 7	0	0	1.1	1.2	1.1	1	0.4	0.4	0.9
Number of Students Retained at Grade 8	0	0	418	11	11	400	0	0	256
Percent of Students Retained at Grade 8	0	0	1.2	4.6	4.6	1.1	0	0	0.7

INDICATOR 4: SAFE & ORDERLY ENVIRONMENT

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
Discipline Policies Distributed to Parents	Y	Y	Y	Y	Y	Y	Y	Y	Y
Discipline Training Provided to Staff	Y	Y	Y	Y	Y	Y	Y	Y	Y
Parental Involvement Plan Adopted	Y	Y	Y	Y	Y	Y	Y	Y	Y
District Alternative Learning Environment Compliance		Y	94%		Y	98%		Y	99%
Expulsions	0	0	0.1	0	0	0.1	0	0.1	0.1
Weapons Incidents	0.4	0.2	0.1	0.2	0.3	0.2	0	0.2	0.1
Staff Assaults	0.6	0.3	0.1	1	0.4	0.1	0.6	0.6	0.1
Student Assaults		1.1	0.5		1	0.4		2.8	0.4

School Number 6201010 FORREST CITY JR. HIGH

FORREST CITY SCHOOL DISTRICT

INDICATOR 5: TEACHER QUALITY

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
% Teachers Completely Certified (Licensed)	96	95	96.3	90	95.2	95.7	97.9	99.3	98.2
% Teaching with Emergency/Provisional Credentials	4	5	2.7	10	4.1	2.4	2.1	1.8	2
% Teachers with Bachelor's Degree	54.9	56.3	53.6	60	53.1	51.1	66.7	63	59.3
% Teachers with Master's Degree	41.2	39.9	44.2	34	42.9	46.1	30.8	33.5	39.8
% Teachers with Advanced Degree	3.9	3.5	1.5	6	3.7	2	2.6	3	0.6
Highly Qualified (HQ) Teachers in High Poverty Schools									
% Core Academic Classes not Taught by HQ Teachers	0	0.6	1.5	0	0	1.4	0	0	1
HQ Teachers in Low Poverty Schools									
% Core Academic Classes not Taught by HQ Teachers	NA		1.1	NA		0.9	NA		0.5
HQ Teachers Aggregate of All Economic Levels									
% Core Academic Classes not Taught by HQ Teachers	0	0.6	1.1	0	0	1.2	0	0	0.8

School Board Member Names*	Hours of Training
Sandra Taylor	6
Joey Astin	14.75
Larry Jayroe	12.5
Robert Glenn Shepherd	9
Pierrie Evans	5
Marvin Metcalf	6
Will Harris	4

*Note: School Board members who were recently elected may not have completed all of their training prior to the printing of this School Performance Report.

INDICATOR 6: CHOICE

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
Percent of Students School Choice	0	0	3	0	0	3.3	0	0	2.8

School Number 6201010 FORREST CITY JR. HIGH

FORREST CITY SCHOOL DISTRICT

INDICATOR 7: SCHOOL FUNDING

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
Mills Voted		32.6	36.82		32.6	36.96		32.6	37.17
Expenditure Per Student		$11,118	$9,228		$11,383	$9,315		$10,762	$9,379
Average Teacher Salary		$52,436	$42,802		$50,845	$46,663		$49,483	$49,946
Total Expenditures		$39,501,364	$3,959,816,065		$42,616,596	$5,171,678,766		$35,631,308	$5,196,885,067
Instructional Expenditures		$21,284,265	$2,258,641,720		$20,531,463	$2,508,579,625		$18,859,076	$2,485,540,210
Administrative Expenditures		$2,633,020	$312,114,009		$2,739,812	$97,063,107		$2,696,990	$317,870,955
Extracurricular Expenditures		$915,309	$165,716,258		$832,042	$165,701,106		$941,480	$201,604,356
Capital Expenditures		$2,477,606	$650,002,941		$6,005,468	$649,987,805		$1,303,070	$608,547,135
Debt Service Expenditures		$1,149,111	$221,173,099		$1,114,114	$226,232,300		$1,112,425	$267,265,988
Percent of Students Eligible for Free and Reduced Meals		100	59.1		100	60		82.3	60.5
State Free and Reduced-Price Meal Rate***			55.9%			58.2%			60.33%
National Free and Reduced-Price Meal Rate**			51.2%			49.2%			53.92%

**Source: FNS National databank for federal fiscal year 2012.

***State Free and Reduced Meal Rate includes preschool and adult education students.

District Number 6202 HUGHES SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
3rd Grade Literacy		Annual Measurable Objective (AMO)				71.2				2011 AMO	78.4						AMO
Combined Population	100	13	21.7	34.8	30.4	65.2	14	23.3	39.5	23.3	62.8	7.4	25.9	37	29.6	66.7	54.17
TAGG	100											7.4	25.9	37	29.6	66.7	54.17
African-American	100	16.7	27.8	38.9	16.7	55.6	17.1	22.9	45.7	14.3	60	4.4	30.4	39.1	26.1	65.2	51.62
Hispanic																	
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	66.9
Economically Disadvantaged	100	13	21.7	34.8	30.4	65.2	14	23.3	39.5	23.3	62.8	7.4	25.9	37	29.6	66.7	54.17
Students with Disabilities	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	14.88
Number of recently arrived LEP students not assessed in 3rd Grade Literacy											0					0	
Limited English Proficient																	
Female	100	20	20	30	30	60	9.5	14.3	57.1	19	76.2	0	30.8	30.8	38.5	69.2	
Male	100	7.7	23.1	38.5	30.8	69.2	18.2	31.8	22.7	27.3	50	14.3	21.4	42.9	21.4	64.3	
Migrant	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
3rd Grade Mathematics		Annual Measurable Objective (AMO)				70				2011 AMO	77.5						AMO
Combined Population	100	8.7	21.7	34.8	34.8	69.6	4.7	20.9	32.6	41.9	74.4	11.1	25.9	40.7	22.2	63	59.9
TAGG	100											11.1	25.9	40.7	22.2	63	59.9
African-American	100	11.1	27.8	33.3	27.8	61.1	5.7	25.7	34.3	34.3	68.6	8.7	30.4	39.1	21.7	60.9	55.3
Hispanic																	100
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	83.12
Economically Disadvantaged	100	8.7	21.7	34.8	34.8	69.6	4.7	20.9	32.6	41.9	74.4	11.1	25.9	40.7	22.2	63	59.9
Students with Disabilities	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	30.46
Limited English Proficient																	
Female	100	10	20	30	40	70	4.8	19	38.1	38.1	76.2	0	30.8	38.5	30.8	69.2	
Male	100	7.7	23.1	38.5	30.8	69.2	4.5	22.7	27.3	45.5	72.7	21.4	21.4	42.9	14.3	57.1	
Migrant	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	

District Number 6202 **HUGHES SCHOOL DISTRICT**

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
4th Grade Literacy		Annual Measurable Objective (AMO)				71.2				2011 AMO	78.4						AMO
Combined Population	100	0	17.9	71.4	10.7	82.1	9.5	33.3	28.6	28.6	57.1	7.3	12.2	61	19.5	80.5	54.17
TAGG	100											7.3	12.2	61	19.5	80.5	54.17
African-American	100	0	13.6	77.3	9.1	86.4	11.8	41.2	23.5	23.5	47.1	8.8	11.8	64.7	14.7	79.4	51.62
Hispanic																	
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	66.9
Economically Disadvantaged	100	0	17.9	71.4	10.7	82.1	9.5	33.3	28.6	28.6	57.1	7.3	12.2	61	19.5	80.5	54.17
Students with Disabilities	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	14.88
Number of recently arrived LEP students not assessed in 4th Grade Literacy											0					0	
Limited English Proficient																	
Female	100	0	8.3	75	16.7	91.7	RV	RV	RV	RV	RV	5	20	55	20	75	
Male	100	0	25	68.8	6.3	75	16.7	25	41.7	16.7	58.3	9.5	4.8	66.7	19.1	85.7	
Migrant	100											RV	RV	RV	RV	RV	
4th Grade Mathematics		Annual Measurable Objective (AMO)				70				2011 AMO	77.5						AMO
Combined Population	100	0	14.3	53.6	32.1	85.7	19	28.6	28.6	23.8	52.4	9.8	17.1	51.2	22	73.2	59.9
TAGG	100											9.8	17.1	51.2	22	73.2	59.9
African-American	100	0	18.2	50	31.8	81.8	23.5	29.4	23.5	23.5	47.1	11.8	20.6	50	17.7	67.7	55.3
Hispanic																	100
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	83.12
Economically Disadvantaged	100	0	14.3	53.6	32.1	85.7	19	28.6	28.6	23.8	52.4	9.8	17.1	51.2	22	73.2	59.9
Students with Disabilities	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	30.46
Limited English Proficient																	
Female	100	0	16.7	50	33.3	83.3	RV	RV	RV	RV	RV	5	20	50	25	75	
Male	100	0	12.5	56.3	31.3	87.5	33.3	25	33.3	8.3	41.7	14.3	14.3	52.4	19.1	71.4	
Migrant	100											RV	RV	RV	RV	RV	

District Number 6202 **HUGHES SCHOOL DISTRICT**

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
5th Grade Literacy		Annual Measurable Objective (AMO)				71.2				2011 AMO	78.4						AMO
Combined Population	95.2	22.7	54.5	18.2	4.5	22.7	5.9	41.2	41.2	11.8	52.9	0	35.3	41.2	23.5	64.7	54.17
TAGG	95.2											0	35.3	41.2	23.5	64.7	54.17
African-American	93.8	29.4	58.8	11.8	0	11.8	7.7	34.6	50	7.7	57.7	0	38.5	38.5	23.1	61.5	51.62
Hispanic																	
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	66.9
Economically Disadvantaged	95.2	22.7	54.5	18.2	4.5	22.7	5.9	41.2	41.2	11.8	52.9	0	35.3	41.2	23.5	64.7	54.17
Students with Disabilities	75	RV	RV	RV	RV	RV						RV	RV	RV	RV	RV	14.88
Number of recently arrived LEP students not assessed in 5th Grade Literacy											0					0	
Limited English Proficient																	
Female	100	RV	RV	RV	RV	RV	7.1	14.3	50	28.6	78.6	RV	RV	RV	RV	RV	
Male	92.3	23.1	53.8	23.1	0	23.1	5	60	35	0	35	0	40	50	10	60	
Migrant	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
5th Grade Mathematics		Annual Measurable Objective (AMO)				70				2011 AMO	77.5						AMO
Combined Population	95.2	31.8	22.7	40.9	4.5	45.5	5.9	38.2	38.2	17.6	55.9	23.5	41.2	29.4	5.9	35.3	59.9
TAGG	95.2											23.5	41.2	29.4	5.9	35.3	59.9
African-American	93.8	35.3	23.5	35.3	5.9	41.2	7.7	42.3	26.9	23.1	50	30.8	38.5	23.1	7.7	30.8	55.3
Hispanic																	100
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	83.12
Economically Disadvantaged	95.2	31.8	22.7	40.9	4.5	45.5	5.9	38.2	38.2	17.6	55.9	23.5	41.2	29.4	5.9	35.3	59.9
Students with Disabilities	75	RV	RV	RV	RV	RV						RV	RV	RV	RV	RV	30.46
Limited English Proficient																	
Female	100	RV	RV	RV	RV	RV	7.1	21.4	42.9	28.6	71.4	RV	RV	RV	RV	RV	
Male	92.3	30.8	15.4	46.2	7.7	53.8	5	50	35	10	45	30	40	30	0	30	
Migrant	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	

District Number 6202 HUGHES SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
5th Grade Science																	
Combined Population	95.2	54.5	36.4	9.1	0	9.1	29.4	44.1	26.5	0	26.5	23.5	47.1	29.4	0	29.4	
TAGG	95.2											23.5	47.1	29.4	0	29.4	
African-American	93.8	64.7	35.3	0	0	0	30.8	46.2	23.1	0	23.1	30.8	38.5	30.8	0	30.8	
Hispanic																	
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Economically Disadvantaged	95.2	54.5	36.4	9.1	0	9.1	29.4	44.1	26.5	0	26.5	23.5	47.1	29.4	0	29.4	
Students with Disabilities	75	RV	RV	RV	RV	RV						RV	RV	RV	RV	RV	
Limited English Proficient																	
Female	100	RV	RV	RV	RV	RV	28.6	35.7	35.7	0	35.7	RV	RV	RV	RV	RV	
Male	92.3	46.2	53.8	0	0	0	30	50	20	0	20	20	60	20	0	20	
Migrant	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
6th Grade Literacy		Annual Measurable Objective (AMO)				67.6				2011 AMO	75.7						AMO
Combined Population	100	6.3	37.5	40.6	15.6	56.3	28.6	28.6	38.1	4.8	42.9	3	39.4	45.5	12.1	57.6	54.17
TAGG	100											3	39.4	45.5	12.1	57.6	54.17
African-American	100	7.1	35.7	42.9	14.3	57.1	35.3	29.4	35.3	0	35.3	4	36	56	4	60	51.62
Hispanic																	
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	66.9
Economically Disadvantaged	100	6.7	33.3	43.3	16.7	60	28.6	28.6	38.1	4.8	42.9	3	39.4	45.5	12.1	57.6	54.17
Students with Disabilities		RV	RV	RV	RV	RV	RV	RV	RV	RV	RV						14.88
Number of recently arrived LEP students not assessed in 6th Grade Literacy											0					0	
Limited English Proficient																	
Female	100	6.7	40	46.7	6.7	53.3	RV	RV	RV	RV	RV	6.3	31.3	43.8	18.8	62.5	
Male	100	6.7	26.7	40	26.7	66.7	41.7	33.3	25	0	25	0	47.1	47.1	5.9	52.9	
Migrant	100											RV	RV	RV	RV	RV	

District Number 6202 HUGHES SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
6th Grade Mathematics		Annual Measurable Objective (AMO)				64.55				2011 AMO	73.41						AMO
Combined Population	100	28.1	34.4	18.8	18.8	37.5	33.3	4.8	42.9	19	61.9	12.1	51.5	21.2	15.2	36.4	59.9
TAGG	100											12.1	51.5	21.2	15.2	36.4	59.9
African-American	100	28.6	39.3	14.3	17.9	32.1	41.2	5.9	41.2	11.8	52.9	12	52	16	20	36	55.3
Hispanic																	100
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	83.12
Economically Disadvantaged	100	26.7	36.7	16.7	20	36.7	33.3	4.8	42.9	19	61.9	12.1	51.5	21.2	15.2	36.4	59.9
Students with Disabilities		RV	RV	RV	RV	RV	RV	RV	RV	RV	RV						30.46
Limited English Proficient																	
Female	100	33.3	33.3	20	13.3	33.3	RV	RV	RV	RV	RV	18.8	43.8	12.5	25	37.5	
Male	100	20	40	13.3	26.7	40	50	0	33.3	16.7	50	5.9	58.8	29.4	5.9	35.3	
Migrant	100											RV	RV	RV	RV	RV	
7th Grade Literacy		Annual Measurable Objective (AMO)				67.6				2011 AMO	75.7						AMO
Combined Population	100	11.8	35.3	47.1	5.9	52.9	0	48.5	42.4	9.1	51.5	31.8	9.1	45.5	13.6	59.1	54.17
TAGG	100											31.8	9.1	45.5	13.6	59.1	54.17
African-American	100	15.4	38.5	46.2	0	46.2	0	50	40.6	9.4	50	41.2	11.8	35.3	11.8	47.1	51.62
Hispanic																	
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	66.9
Economically Disadvantaged	100	11.8	35.3	47.1	5.9	52.9	0	48.5	42.4	9.1	51.5	31.8	9.1	45.5	13.6	59.1	54.17
Students with Disabilities	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	14.88
Number of recently arrived LEP students not assessed in 7th Grade Literacy											0					0	
Limited English Proficient																	
Female	100	9.1	45.5	36.4	9.1	45.5	0	43.8	50	6.3	56.3	RV	RV	RV	RV	RV	
Male	100	RV	RV	RV	RV	RV	0	52.9	35.3	11.8	47.1	38.5	15.4	46.2	0	46.2	
Migrant							RV	RV	RV	RV	RV						

District Number 6202 HUGHES SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
7th Grade Mathematics		Annual Measurable Objective (AMO)				64.55				2011 AMO	73.41						AMO
Combined Population	100	23.5	58.8	17.6	0	17.6	30.3	24.2	33.3	12.1	45.5	36.4	9.1	40.9	13.6	54.6	59.9
TAGG	100											36.4	9.1	40.9	13.6	54.6	59.9
African-American	100	23.1	61.5	15.4	0	15.4	31.3	25	31.3	12.5	43.8	47.1	5.9	35.3	11.8	47.1	55.3
Hispanic																	100
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	83.12
Economically Disadvantaged	100	23.5	58.8	17.6	0	17.6	30.3	24.2	33.3	12.1	45.5	36.4	9.1	40.9	13.6	54.6	59.9
Students with Disabilities	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	30.46
Limited English Proficient																	
Female	100	27.3	54.5	18.2	0	18.2	31.3	31.3	31.3	6.3	37.5	RV	RV	RV	RV	RV	
Male	100	RV	RV	RV	RV	RV	29.4	17.6	35.3	17.6	52.9	46.2	0	30.8	23.1	53.9	
Migrant							RV	RV	RV	RV	RV						
7th Grade Science																	
Combined Population	100	70.6	29.4	0	0	0	48.5	36.4	12.1	3	15.2	77.3	22.7	0	0	0	
TAGG	100											77.3	22.7	0	0	0	
African-American	100	84.6	15.4	0	0	0	50	34.4	12.5	3.1	15.6	82.4	17.7	0	0	0	
Hispanic																	
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Economically Disadvantaged	100	70.6	29.4	0	0	0	48.5	36.4	12.1	3	15.2	77.3	22.7	0	0	0	
Students with Disabilities	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Limited English Proficient																	
Female	100	72.7	27.3	0	0	0	50	43.8	6.3	0	6.3	RV	RV	RV	RV	RV	
Male	100	RV	RV	RV	RV	RV	47.1	29.4	17.6	5.9	23.5	76.9	23.1	0	0	0	
Migrant							RV	RV	RV	RV	RV						

District Number 6202 **HUGHES SCHOOL DISTRICT**

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
8th Grade Literacy		Annual Measurable Objective (AMO)				67.6				2011 AMO	75.7						AMO
Combined Population	97.2	15.4	35.9	35.9	12.8	48.7	16.7	37.5	45.8	0	45.8	0	21.2	54.6	24.2	78.8	54.17
TAGG	97.2											0	21.2	54.6	24.2	78.8	54.17
African-American	97.1	18.8	37.5	34.4	9.4	43.8	20	40	40	0	40	0	22.6	58.1	19.4	77.4	51.62
Hispanic		RV	RV	RV	RV	RV											
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	66.9
Economically Disadvantaged	97.2	15.4	35.9	35.9	12.8	48.7	16.7	37.5	45.8	0	45.8	0	21.2	54.6	24.2	78.8	54.17
Students with Disabilities	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	14.88
Number of recently arrived LEP students not assessed in 8th Grade Literacy											0					0	
Limited English Proficient																	
Female	94.7	9.1	27.3	50	13.6	63.6	14.3	42.9	42.9	0	42.9	0	23.5	58.8	17.7	76.5	
Male	100	23.5	47.1	17.6	11.8	29.4	20	30	50	0	50	0	18.8	50	31.3	81.3	
Migrant	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
8th Grade Mathematics		Annual Measurable Objective (AMO)				64.55				2011 AMO	73.41						AMO
Combined Population	97.2	53.8	17.9	25.6	2.6	28.2	62.5	12.5	25	0	25	42.4	21.2	21.2	15.2	36.4	59.9
TAGG	97.2											42.4	21.2	21.2	15.2	36.4	59.9
African-American	97.1	59.4	18.8	21.9	0	21.9	70	10	20	0	20	45.2	22.6	16.1	16.1	32.3	55.3
Hispanic		RV	RV	RV	RV	RV											100
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	83.12
Economically Disadvantaged	97.2	53.8	17.9	25.6	2.6	28.2	62.5	12.5	25	0	25	42.4	21.2	21.2	15.2	36.4	59.9
Students with Disabilities	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	30.46
Limited English Proficient																	
Female	94.7	54.5	18.2	22.7	4.5	27.3	64.3	14.3	21.4	0	21.4	52.9	17.7	23.5	5.9	29.4	
Male	100	52.9	17.6	29.4	0	29.4	60	10	30	0	30	31.3	25	18.8	25	43.8	
Migrant	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	

District Number 6202 HUGHES SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
EOC Algebra 1		Annual Measurable Objective (AMO)				64.6				2011 AMO	73.45						AMO
Combined Population	100	18.2	40.9	38.6	2.3	40.9	5	30	50	15	65	0	40	60	0	60	59.9
TAGG	100											0	40	60	0	60	59.9
African-American	100	21.1	44.7	34.2	0	34.2	6.3	25	56.3	12.5	68.8	0	40	60	0	60	55.3
Hispanic							RV	RV	RV	RV	RV						100
Caucasian		RV	RV	RV	RV	RV	RV	RV	RV	RV	RV						83.12
Economically Disadvantaged	100	18.2	40.9	38.6	2.3	40.9	5	30	50	15	65	0	40	60	0	60	59.9
Students with Disabilities	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	30.46
Limited English Proficient																	
Female	100	4.3	56.5	34.8	4.3	39.1	9.1	18.2	63.6	9.1	72.7	RV	RV	RV	RV	RV	
Male	100	33.3	23.8	42.9	0	42.9	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Migrant							RV	RV	RV	RV	RV						
Biology																	
Combined Population	100	72.1	27.9	0	0	0	48.6	48.6	2.9	0	2.9	70.4	22.2	3.7	3.7	7.4	
TAGG	100											70.4	22.2	3.7	3.7	7.4	
African-American	100	76.3	23.7	0	0	0	55.2	41.4	3.4	0	3.4	75	16.7	4.2	4.2	8.3	
Hispanic	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Economically Disadvantaged	100	72.1	27.9	0	0	0	48.6	48.6	2.9	0	2.9	70.4	22.2	3.7	3.7	7.4	
Students with Disabilities	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Limited English Proficient																	
Female	100	70.8	29.2	0	0	0	60	33.3	6.7	0	6.7	69.2	23.1	0	7.7	7.7	
Male	100	73.7	26.3	0	0	0	40	60	0	0	0	71.4	21.4	7.1	0	7.1	
Migrant	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	

District Number 6202 HUGHES SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

Augmented Criterion Referenced Achievement by Grade and Subgroup

		2009-2010					2010-2011					2011-2012					
	Tested 2011-12	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	Below Basic	Basic	Proficient	Advanced	Proficient & Advanced	District
EOC Geometry		Annual Measurable Objective (AMO)				64.6				2011 AMO	73.45						AMO
Combined Population	90.9	29.2	50	18.8	2.1	20.8	16.7	26.2	52.4	4.8	57.1	0	50	30	20	50	59.9
TAGG	90.9											0	50	30	20	50	59.9
African-American	94.4	32.6	48.8	16.3	2.3	18.6	19.4	30.6	50	0	50	0	52.9	35.3	11.8	47.1	55.3
Hispanic	100	RV	RV	RV	RV	RV						RV	RV	RV	RV	RV	100
Caucasian	66.7	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	83.12
Economically Disadvantaged	90.9	29.2	50	18.8	2.1	20.8	16.7	26.2	52.4	4.8	57.1	0	50	30	20	50	59.9
Students with Disabilities	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	30.46
Limited English Proficient																	
Female	92.3	37.5	45.8	12.5	4.2	16.7	15	40	45	0	45	0	58.3	25	16.7	41.7	
Male	88.9	20.8	54.2	25	0	25	18.2	13.6	59.1	9.1	68.2	RV	RV	RV	RV	RV	
Migrant	100						RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	
Grade 11 Literacy		Annual Measurable Objective (AMO)				67.75				2011 AMO	75.81						AMO
Combined Population	100	5.9	64.7	26.5	2.9	29.4	10	52.5	37.5	0	37.5	11.1	55.6	25	8.3	33.3	54.17
TAGG	100											11.1	55.6	25	8.3	33.3	54.17
African-American	100	6.7	66.7	23.3	3.3	26.7	9.1	54.5	36.4	0	36.4	12.1	57.6	21.2	9.1	30.3	51.62
Hispanic		RV	RV	RV	RV	RV											
Caucasian	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	66.9
Economically Disadvantaged	100	5.9	64.7	26.5	2.9	29.4	10	52.5	37.5	0	37.5	11.1	55.6	25	8.3	33.3	54.17
Students with Disabilities	100	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	RV	14.88
Number of recently arrived LEP students not assessed in Grade 11 Literacy											0					0	
Limited English Proficient																	
Female	100	0	57.1	35.7	7.1	42.9	5.3	57.9	36.8	0	36.8	7.7	76.9	15.4	0	15.4	
Male	100	10	70	20	0	20	14.3	47.6	38.1	0	38.1	13	43.5	30.4	13	43.5	
Migrant																	

School Number 6202022 MILDRED JACKSON ELEM. SCHOOL

HUGHES SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

	2009-2010			2010-2011			2011-2012		
Norm-Referenced Test*	School	District	State	School	District	State	School	District	State
Grade One Reading Comprehension	22	22	42	39	39	65	25	25	66
Grade One Math Problems	32	32	51	25	25	55	19	19	56
Grade Two Reading Comprehension	23	23	42	36	36	67	30	30	67
Grade Two Math Problems	33	33	53	31	31	56	19	19	58
Grade Three Reading	38	38	55	28	28	51	25	25	51
Grade Three Math	43	43	60	38	38	57	32	32	58
Grade Four Reading	42	42	72	26	26	52	25	25	52
Grade Four Math	56	56	72	32	32	62	44	44	62
Grade Five Reading	23	23	66	22	22	47	26	26	47
Grade Five Math	55	55	67	33	33	57	22	22	57
Grade Five Science	21	21	62	31	31	61	27	27	61
Grade Six Reading	43	43	54	21	21	47	27	27	47
Grade Six Math	50	50	71	37	37	57	27	27	58
Grade Seven Reading		45	63		23	51		19	51
Grade Seven Math		30	66		32	55		35	55
Grade Seven Science		36	65		30	62		26	62
Grade Eight Reading		43	63		26	53		24	54
Grade Eight Math		43	74		35	55		36	56
Grade Nine Reading Comprehension		21	46		32	49		29	49
Grade Nine Math Concepts and Problems		50	67		33	55		35	56

School Number 6202022 MILDRED JACKSON ELEM. SCHOOL

HUGHES SCHOOL DISTRICT

INDICATOR 1: ACHIEVEMENT

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
American College Test (ACT)									
Number of Students Taking Voluntary Universal ACT									6,029
District Provided College Prep for Students Taking ACT in Grades 9-11									37
Number of Students in College and Career Readiness Planning (CCRPP)									1,193
Number of Students Taking ACT in Grades 9-11								34	37,235
Number of Students Taking ACT in Grade 12								38	26,716
ACT Reading		14.6	21		16.5	21		17.2	22
ACT English		13.8	21		14.2	20		15.1	21
ACT Mathematics		15.6	20		16.7	20		15.8	21
ACT Science		14.4	21		17.1	21		17.1	21
ACT Composite		14.5	21		16.1	21		16.3	21
Scholastic Assessment Test (SAT)									
Number of Students Taking SAT College Admission Test									827
SAT Critical Reading Mean									570
SAT Math Mean									573
SAT Writing Mean									555
Advanced Placement Courses (AP)									
Number of Students Taking Advanced Placement (AP) Courses	.	22	21,226	.	20	22,783	.	18	24,357
Number of AP Exams Taken	.	23	32,923	.	16	35,183	.	27	39,314
Number of AP Exams Scored 3, 4, or 5	.	0	9,541	.	0	10,581	.	0	14,234
Number of Students Taking International Baccalaureate Courses									386

*Note: Norm-Referenced Test used for 2009-10 was the SAT10. ITBS was used for 2010-11and 2011-12.

School Number 6202022 MILDRED JACKSON ELEM. SCHOOL

HUGHES SCHOOL DISTRICT

INDICATOR 2: SCHOOL PERFORMANCE

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
No Child Left Behind Met Adequate Yearly Progress (AYP)									
Achieving Standards	N	0	449	N	0	335			
First Year Not to Meet Standards (Alert)	N	0	213	N	0	256			
Year One of Targeted School Improvement**	N	0	30	N	0	32			
Year Two of Targeted School Improvement	N	0	35	N	0	19			
Targeted Corrective Action	N	0	32	N	0	19			
Targeted Intensive School Improvement	N	0	13	N	0	11			
Targeted Restructuring	N	0	7	N	0	5			
Year One of Whole School Improvement	N	0	80	N	0	110			
Year Two of Whole School Improvement	N	0	46	N	0	69			
Whole School Corrective Action	N	0	35	N	0	46			
Whole School Intensive Improvement	N	0	29	N	0	39			
Whole School Intensive Restructuring	N	0	36	N	0	28			
State Directed	Y	2	78	Y	2	102			
Arkansas ESEA Accountability 2012									
Needs Improvement							N	0	580
Needs Improvement Priority							N	1	48
Needs Improvement Priority Met Year 1 Exit Criteria							N	0	11
Needs Improvement Focus							Y	1	109
Needs Improvement Focus Met Year 1 Exit Criteria							N	0	36
Achieving							N	0	336
Exemplary							N	0	18
Improvement School Rating (Gains)									
Improvement (Gain) School Rating	4			2			1		
1-Schools in Need of Immediate Improvement		0	115		0	214		1	85
2-Schools Approaching Standards (Alert)		1	252		2	251		0	231
3-Schools Meeting Improvement Standards		0	313		0	311		1	349
4-Schools Exceeding Improvement Standards		1	244		0	183		0	264
5-Schools of Excellence for Improvement		0	93		0	49		0	76

School Number 6202022 MILDRED JACKSON ELEM. SCHOOL

HUGHES SCHOOL DISTRICT

INDICATOR 2: SCHOOL PERFORMANCE

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
Performance School Rating (Status)									
Performance (Status) School Rating	3			3			3		
1-Schools in Need of Immediate Improvement		0	7		0	6		0	8
2-Schools approaching standards (alert)		1	19		0	16		0	0
3-Schools Meeting Standards		1	246		2	187		2	150
4-Schools Exceeding Standards		0	506		0	496		0	416
5-Schools of Excellence		0	260		0	321		0	444
District Provides Textbooks or Digital Resources for all Pupils									
District Provides Textbooks or Digital Resources for all Pupils		Y			Y			Y	
Annual Accreditation Status									
Annual Accreditation Status Accredited	NO	1	776	NO	1	853	YES	2	838
Accredited-Cited	YES	1	227	YES	1	183	NO	0	209
Accredited-Probationary	NO	0	63	NO	0	27	NO	0	19
Attendance Rate									
Attendance Rate	92.9	91.3	94.2	93.8	91.7	94.7	92.4	93.4	95.2
Dropout Rate									
Dropout Rate		2.8	2.5		8.1	2.6		7.2	2.4
Graduation Rate									
Graduation Rate Combined		88.6	77.2		80	79.6		72.1	84.1
Graduation Rate for Targeted Achievement Gap Group								72.1	79.3
Graduation Rate African American					82.4	71.4		76.3	78.1
Graduation Rate Hispanic					RV	74		NA	78
Graduation Rate Caucasian					RV	83.2		RV	87
Graduation Rate Economically Disadvantaged					81.6	74.5		72.1	79.1
Graduation Rate Students with Disabilities					RV	73.8		RV	79.2
Graduation Rate Limited English Proficient					NA	71.1		NA	77.3
Grade Inflation Rate		38.5	7.4		0	4.7		10	5.5
College Remediation Rate		100	49.1		81.3	51		100	48.7
October 1 Enrollment	201	419	467,061	201	424	468,066	202	396	468,656

School Number 6202022 MILDRED JACKSON ELEM. SCHOOL

HUGHES SCHOOL DISTRICT

INDICATOR 3: RETENTION

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
Number of Students Retained at Grade 1	1	1	1,687	1	1	1,653	0	0	1,535
Percent of Students Retained at Grade 1	5	5	4.5	3.1	3.1	4.4	0	0	4.1
Number of Students Retained at Grade 2	2	2	786	0	0	634	0	0	595
Percent of Students Retained at Grade 2	5.1	5.1	2.1	0	0	1.7	0	0	1.6
Number of Students Retained at Grade 3	2	2	359	4	4	286	2	2	305
Percent of Students Retained at Grade 3	7.7	7.7	1	9.3	9.3	0.8	6.7	6.7	0.8
Number of Students Retained at Grade 4	7.7	7.7	1	9.3	9.3	0.8	6.7	6.7	0.8
Percent of Students Retained at Grade 4	0	0	0.5	18.2	18.2	0.4	0	0	0.4
Number of Students Retained at Grade 5	0	0	140	2	2	105	0	0	83
Percent of Students Retained at Grade 5	0	0	0.4	5.6	5.6	0.3	0	0	0.2
Number of Students Retained at Grade 6	0	0	185	0	0	133	0	0	138
Percent of Students Retained at Grade 6	0	0	0.5	0	0	0.4	0	0	0.4
Number of Students Retained at Grade 7	0	0	401	0	0	369	0	0	318
Percent of Students Retained at Grade 7	0	0	1.1	0	0	1	0	0	0.9
Number of Students Retained at Grade 8	0	0	418	0	0	400	0	0	256
Percent of Students Retained at Grade 8	0	0	1.2	0	0	1.1	0	0	0.7

INDICATOR 4: SAFE & ORDERLY ENVIRONMENT

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
Discipline Policies Distributed to Parents	Y	Y	Y	Y	Y	Y	Y	Y	Y
Discipline Training Provided to Staff	Y	Y	Y	Y	Y	Y	Y	Y	Y
Parental Involvement Plan Adopted	Y	Y	Y	Y	Y	Y	Y	Y	Y
District Alternative Learning Environment Compliance		Y	94%		Y	98%		Y	99%
Expulsions	0	0	0.1	0	0	0.1	0.5	0.3	0.1
Weapons Incidents	0	0.2	0.1	0	0	0.2	0	0	0.1
Staff Assaults	0	0.2	0.1	0	0	0.1	0.5	0.3	0.1
Student Assaults		0.7	0.5		1.2	0.4		1.8	0.4

School Number 6202022 MILDRED JACKSON ELEM. SCHOOL

HUGHES SCHOOL DISTRICT

INDICATOR 5: TEACHER QUALITY

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
% Teachers Completely Certified (Licensed)	92	85	96.3	91.3	84.9	95.7	100	100	98.2
% Teaching with Emergency/Provisional Credentials	8	14	2.7	4	11.3	2.4	4.5	8.2	2
% Teachers with Bachelor's Degree	69.2	64.4	53.6	60.9	62.3	51.1	76.5	65.1	59.3
% Teachers with Master's Degree	26.9	28.8	44.2	34.8	32.1	46.1	23.5	34.9	39.8
% Teachers with Advanced Degree	3.8	3.4	1.5	4.3	3.8	2	0	0	0.6
Highly Qualified (HQ) Teachers in High Poverty Schools									
% Core Academic Classes not Taught by HQ Teachers	0	0.4	1.5	0	0	1.4	0	0	1
HQ Teachers in Low Poverty Schools									
% Core Academic Classes not Taught by HQ Teachers	NA		1.1	NA		0.9	NA		0.5
HQ Teachers Aggregate of All Economic Levels									
% Core Academic Classes not Taught by HQ Teachers	0	0.4	1.1	0	0	1.2	0	0	0.8

School Board Member Names*	Hours of Training
Johnnie Ware	0
Rudolph Robinson	59.5
Hudie Hardaway	3
Donnie Mooney	3
Earnestine Jackson	120.5
Lethia Cupples	88
Lincoln Barnett	3

*Note: School Board members who were recently elected may not have completed all of their training prior to the printing of this School Performance Report.

INDICATOR 6: CHOICE

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
Percent of Students School Choice	0	0	3	0	0	3.3	0	0	2.8

School Number 6202022 MILDRED JACKSON ELEM. SCHOOL

HUGHES SCHOOL DISTRICT

INDICATOR 7: SCHOOL FUNDING

	2009-2010			2010-2011			2011-2012		
	School	District	State	School	District	State	School	District	State
Mills Voted		39.4	36.82		39.4	36.96		39.4	37.17
Expenditure Per Student		$14,842	$9,228		$15,558	$9,315		$14,466	$9,379
Average Teacher Salary		$47,923	$42,802		$50,031	$46,663		$36,574	$49,946
Total Expenditures		$6,991,399	$3,959,816,065		$6,304,707	$5,171,678,766		$5,566,120	$5,196,885,067
Instructional Expenditures		$3,228,259	$2,258,641,720		$3,151,718	$2,508,579,625		$2,912,106	$2,485,540,210
Administrative Expenditures		$571,967	$312,114,009		$791,271	$97,063,107		$487,953	$317,870,955
Extracurricular Expenditures		$148,813	$165,716,258		$122,608	$165,701,106		$132,760	$201,604,356
Capital Expenditures		$1,026,537	$650,002,941		$131,693	$649,987,805		$71,001	$608,547,135
Debt Service Expenditures		$96,633	$221,173,099		$126,128	$226,232,300		$78,895	$267,265,988
Percent of Students Eligible for Free and Reduced Meals		100	59.1		100	60		100	60.5
State Free and Reduced-Price Meal Rate***			55.9%			58.2%			60.33%
National Free and Reduced-Price Meal Rate**			51.2%			49.2%			53.92%

**Source: FNS National databank for federal fiscal year 2012.

***State Free and Reduced Meal Rate includes preschool and adult education students.

STANDARDS REPORTS

ARKANSAS DEPARTMENT OF EDUCATION

Forrest City School District
2013/2014 School Year

Standards Annual Accreditation Report

Forrest City School District

Accreditation Status:

District:

6201000 - Forrest City School District

Superintendent Joye Hughes

625 Irving Street

Forrest City , AR 72335

870-633-1485

Schools:

6201003 - Central Elementary School - Accredited

6201010 - Forrest City Jr. High - Accredited

6201011 - Forrest City High School - Accredited

6201014 - Stewart Elementary School - Accredited

6201702 - Lincoln Academy Of Excellence - Accredited

ADE Standards Assurance Supervisor:

Mari Beth Nokes

Mari Beth.Nokes@arkansas.gov

Telephone: 501-682-4380

Fax: 501-682-4618

No exceptions found.

District Details Summary

Student Enrollment

Grade Level	Student Count
01	259
02	212
03	208
04	209
05	189
06	228
07	229
08	218
09	273

District Information

Total Enrollment	Staff Development Hours	Total Book Volume
2942	300	60898

FTE Information

Counselor	Principal	Assitant Principal	Library/Media Specialist
9.00	5.00	5.00	5.00

K	245
10	221
11	229
12	222

ARKANSAS DEPARTMENT OF EDUCATION

Central Elementary School
2013/14 School Year

Standards Annual Accreditation Report

Central Elementary School

Accreditation Status: Accredited

District:

6201000 - Forrest City School District

Superintendent Joye Hughes

625 Irving Street

Forrest City , AR 72335

870-633-1485

ADE Standards Assurance Supervisor:

Mari Beth Nokes

Mari Beth.Nokes@arkansas.gov

Telephone: 501-682-4380

Fax: 501-682-4618

Exception Description	Standard	Rule	LEA	Description	Comments	Status
Provisional License	X	15.03.6	6201003	Provisional License: JOHNSON, BECKY Grade 1 Language Arts (LANGUAGE)		
Provisional License	X	15.03.6	6201003	Provisional License: JOHNSON, BECKY Grade 1 Language Arts (SPELLING 1)		
Provisional License	X	15.03.6	6201003	Provisional License: JOHNSON, BECKY Grade 1 Mathematics (MATH)		
Provisional License	X	15.03.6	6201003	Provisional License: JOHNSON, BECKY Grade 1 Reading (READING)		
Provisional License	X	15.03.6	6201003	Provisional License: JOHNSON, BECKY Grade 2 Language Arts (LANGUAGE)		
Provisional License	X	15.03.6	6201003	Provisional License: JOHNSON, BECKY Grade 2 Language Arts (SPELLING 2)		
Provisional License	X	15.03.6	6201003	Provisional License: JOHNSON, BECKY Grade 2 Mathematics (MATH)		
Provisional License	X	15.03.6	6201003	Provisional License: JOHNSON, BECKY Grade 2 Reading (READING)		
Provisional License	X	15.03.6	6201003	Provisional License: WARD, LAURIE Grade 1 Language Arts (LANGUAGE)		
Provisional License	X	15.03.6	6201003	Provisional License: WARD, LAURIE Grade 1 Language Arts (SPELLING 1)		
Provisional License	X	15.03.6	6201003	Provisional License: WARD, LAURIE Grade 1 Mathematics (MATH)		
Provisional License	X	15.03.6	6201003	Provisional License: WARD, LAURIE Grade 1 Reading (READING)		

Provisional License	X	15.03.6	6201003	Provisional License: WARD, LAURIE Grade 2 Language Arts (LANGUAGE)		
Provisional License	X	15.03.6	6201003	Provisional License: WARD, LAURIE Grade 2 Language Arts (SPELLING 2)		
Provisional License	X	15.03.6	6201003	Provisional License: WARD, LAURIE Grade 2 Mathematics (MATH)		
Provisional License	X	15.03.6	6201003	Provisional License: WARD, LAURIE Grade 2 Reading (READING)		

School Details Summary

Student Enrollment

Grade Level	Student Count
01	259
02	210
K	245

School Information

Total Enrollment	Staff Development Hours	Total Book Volume
714	60	9958

FTE Information

Counselor	Principal	Assistant Principal	Library/Media Specialist
2.00	1.00	1.00	1.00

ARKANSAS DEPARTMENT OF EDUCATION

Forrest City Jr. High
2013/14 School Year

Standards Annual Accreditation Report

Forrest City Jr. High

Accreditation Status: Accredited

District:

6201000 - Forrest City School District

Superintendent Joye Hughes

625 Irving Street

Forrest City , AR 72335

870-633-1485

ADE Standards Assurance Supervisor:

Mari Beth Nokes

Mari Beth.Nokes@arkansas.gov

Telephone: 501-682-4380

Fax: 501-682-4618

Exception Description	Standard	Rule	LEA	Description	Comments	Status
Personnel Not Certified	X	15.03.1	6201010	Personnel Not Certified: MCNUTT, TONYA 388110 Language Arts Grade 8 (ENGLISH)	Sub Waiver	
Personnel Not Certified	X	15.03.1	6201010	Personnel Not Certified: MCNUTT, TONYA 388130 Reading Grade 8 (RDING NAVIGATOR)	Sub Waiver	

School Details Summary

Student Enrollment

Grade Level	Student Count
07	229
08	218

School Information

Total Enrollment	Staff Development Hours	Total Book Volume
447	60	13497

FTE Information

Counselor	Principal	Assistant Principal	Library/Media Specialist
1.50	1.00	1.00	1.00

ARKANSAS DEPARTMENT OF EDUCATION

Forrest City High School
2013/14 School Year

Standards Annual Accreditation Report

Forrest City High School

Accreditation Status: Accredited

District:

6201000 - Forrest City School District

Superintendent Joye Hughes

625 Irving Street

Forrest City , AR 72335

870-633-1485

ADE Standards Assurance Supervisor:

Mari Beth Nokes

Mari Beth.Nokes@arkansas.gov

Telephone: 501-682-4380

Fax: 501-682-4618

Exception Description	Standard	Rule	LEA	Description	Comments	Status
Provisional License	X	15.03.6	6201011	Provisional License: HARRIS, GREG Navy JROTC I (NJROTC - NS1)		

School Details Summary

Student Enrollment

Grade Level	Student Count
09	273
10	221
11	229
12	222

School Information

Total Enrollment	Staff Development Hours	Total Book Volume
945	60	14315

FTE Information

Counselor	Principal	Assistant Principal	Library/Media Specialist
3.00	1.00	1.00	1.00

ARKANSAS DEPARTMENT OF EDUCATION

Stewart Elementary School
2013/14 School Year

Standards Annual Accreditation Report

Stewart Elementary School

Accreditation Status: Accredited

District:

6201000 - Forrest City School District

Superintendent Joye Hughes

625 Irving Street

Forrest City , AR 72335

870-633-1485

ADE Standards Assurance Supervisor:

Mari Beth Nokes

Mari Beth.Nokes@arkansas.gov

Telephone: 501-682-4380

Fax: 501-682-4618

No exceptions found.

School Details Summary

Student Enrollment

Grade Level	Student Count
02	2
03	208
04	209

School Information

Total Enrollment	Staff Development Hours	Total Book Volume
419	60	14759

FTE Information

Counselor	Principal	Assistant Principal	Library/Media Specialist
1.00	1.00	1.00	1.00

ARKANSAS DEPARTMENT OF EDUCATION

Lincoln Academy Of Excellence
2013/14 School Year

Standards Annual Accreditation Report

Lincoln Academy Of Excellence

Accreditation Status: Accredited

District:

6201000 - Forrest City School District

Superintendent Joye Hughes

625 Irving Street

Forrest City , AR 72335

870-633-1485

ADE Standards Assurance Supervisor:

Mari Beth Nokes

Mari Beth.Nokes@arkansas.gov

Telephone: 501-682-4380

Fax: 501-682-4618

Exception Description	Standard	Rule	LEA	Description	Comments	Status
Personnel Not Certified	X	15.03.1	6201702	Personnel Not Certified: CARTER, APRIL 366110 Language Arts Grade 6 (LANGUAGE ARTS)	Sub Waiver	
Personnel Not Certified	X	15.03.1	6201702	Personnel Not Certified: CARTER, APRIL 366130 Reading Grade 6 (READING)	Sub Waiver	
Personnel Not Certified	X	15.03.1	6201702	Personnel Not Certified: CARTER, APRIL 366710 Social Studies Grade 6 (SOCIAL STUDIES)	Sub Waiver	
Personnel Not Certified	X	15.03.1	6201702	Personnel Not Certified: OLIVER, LAURA 366210 Science Grade 6 (SCIENCE)	Sub Waiver	
Personnel Not Certified	X	15.03.1	6201702	Personnel Not Certified: OLIVER, LAURA 366310 Mathematics Grade 6 (MATH)	Sub Waiver	
Job Not Certified	X	15.03.3	6201702	Job Not Certified: OLIVER, LAURA 999800 Prep Period (TEACHER PREP)	Sub Waiver	

School Details Summary

Student Enrollment

Grade Level	Student Count
05	189
06	228

School Information

Total Enrollment	Staff Development Hours	Total Book Volume
417	60	8369

FTE Information

Counselor	Principal	Assistant Principal	Library/Media Specialist

	1.50	1.00	1.00	1.00

ARKANSAS DEPARTMENT OF EDUCATION

Hughes School District
2013/2014 School Year

Standards Annual Accreditation Report

Hughes School District

Accreditation Status:

District:

6202000 - Hughes School District

Superintendent Sheryl Owens

Po Box 9

Hughes , AR 72348

870-339-2570

Schools:

6202022 - Mildred Jackson Elem. School - Probationary

6202024 - Hughes High School - Probationary

ADE Standards Assurance Supervisor:

Mari Beth Nokes

Mari Beth.Nokes@arkansas.gov

Telephone: 501-682-4380

Fax: 501-682-4618

No exceptions found.

District Details Summary

Student Enrollment

Grade Level	Student Count
01	33
02	20
03	19
04	24
05	23
06	28
07	23
08	30
09	34
K	29
10	32
11	27
12	32

District Information

Total Enrollment	Staff Development Hours	Total Book Volume
354	120	20095

FTE Information

Counselor	Principal	Assitant Principal	Library/Media Specialist
0.60	0.00	0.00	1.00

ARKANSAS DEPARTMENT OF EDUCATION

Mildred Jackson Elem. School
2013/14 School Year

Standards Annual Accreditation Report

Mildred Jackson Elem. School

Accreditation Status: Probationary

District:

6202000 - Hughes School District

Superintendent Sheryl Owens

Po Box 9

Hughes , AR 72348

870-339-2570

ADE Standards Assurance Supervisor:

Mari Beth Nokes

Mari Beth.Nokes@arkansas.gov

Telephone: 501-682-4380

Fax: 501-682-4618

Exception Description	Standard	Rule	LEA	Description	Comments	Status
Personnel Not Certified	X	15.03.1	6202022	Personnel Not Certified: Walker, David Music K-6 Comprehensive Review 4/14/14		Probationary
Job Not Certified	X	15.03.3	6202022	Job Not Certified: FOSTER, THOMAS: 200930 K. Physical Education	ALP Licensure Completion Date: 09/01/2016	
Job Not Certified	X	15.03.3	6202022	Job Not Certified: FOSTER, THOMAS: 211930 Grade 1 Physical Education	ALP Licensure Completion Date: 09/01/2016	
Job Not Certified	X	15.03.3	6202022	Job Not Certified: FOSTER, THOMAS: 222930 Grade 2 Physical Education	ALP Licensure Completion Date: 09/01/2016	
Job Not Certified	X	15.03.3	6202022	Job Not Certified: FOSTER, THOMAS: 233930 Grade 3 Physical Education	ALP Licensure Completion Date: 09/01/2016	
Job Not Certified	X	15.03.3	6202022	Job Not Certified: FOSTER, THOMAS: 244930 Grade 4 Physical Education	ALP Licensure Completion Date: 09/01/2016	
Job Not Certified	X	15.03.3	6202022	Job Not Certified: FOSTER, THOMAS: 355810 Physical Education Grade 5	ALP Licensure Completion Date: 09/01/2016	
Job Not Certified	X	15.03.3	6202022	Job Not Certified: FOSTER, THOMAS: 366810 Physical Education Grade 6	ALP Licensure Completion Date: 09/01/2016	

School Details Summary

Student Enrollment

Grade Level	Student Count
01	33
02	20
03	19
04	24
05	23
06	28
K	29

School Information

Total Enrollment	Staff Development Hours	Total Book Volume
176	60	6500

FTE Information

Counselor	Principal	Assistant Principal	Library/Media Specialist
0.00	0.00	0.00	0.50

ARKANSAS DEPARTMENT OF EDUCATION

Hughes High School
2013/14 School Year

Standards Annual Accreditation Report

Hughes High School

Accreditation Status: Probationary

District:

6202000 - Hughes School District

Superintendent Sheryl Owens

Po Box 9

Hughes , AR 72348

870-339-2570

ADE Standards Assurance Supervisor:

Mari Beth Nokes

Mari Beth.Nokes@arkansas.gov

Telephone: 501-682-4380

Fax: 501-682-4618

Exception Description	Standard	Rule	LEA	Description	Comments	Status
Secondary Course Offerings	IV	9.03.3	6202024	Required Course(s) missing: Career and Technical Requirements Comprehensive Review 12/17/13		Probationary
Secondary Course Offerings	IV	9.03.3	6202024	Required Course(s) missing: Instrumental Music Comprehensive Review 4/14/14		Probationary
Secondary Course Offerings	IV	9.03.3	6202024	Required Course(s) missing: Physical Education Comprehensive Review 12/17/13		Probationary
Secondary Course Offerings	IV	9.03.3	6202024	Required Course(s) missing: Vocal Music Comprehensive Review 12/17/13		Probationary
Personnel Not Certified	X	15.03.1	6202024	Personnel Not Certified: Vocational Agriculture Teacher Comprehensive Review 4/14/14		Probationary
Personnel Not Certified	X	15.03.1	6202024	Personnel Not Certified: Walker, David Instrumental Music Comprehensive Review 4/14/14		Probationary
Personnel Not Certified	X	15.03.1	6202024	Personnel Not Certified: Walker, David Vocal Music Comprehensive Review 4/14/14		Probationary
Job Not Certified	X	15.03.3	6202024	Job Not Certified: CASTLE, PATTI: 414000 Oral Communication (.5 credit)	ALP Licensure Completion Date: 09/01/2016	
Job Not Certified	X	15.03.3	6202024	Job Not Certified: FOSTER, THOMAS: 377810 Physical Education Grade 7	ALP Licensure Completion Date: 09/01/2016	

Job Not Certified	X	15.03.3	6202024	Job Not Certified: FOSTER, THOMAS: 388810 Physical Education Grade 8	ALP Licensure Completion Date: 09/01/2016	
Job Not Certified	X	15.03.3	6202024	Job Not Certified: LIGHT, BILLIE: 377110 Language Arts Grade 7	ALP Licensure Completion Date: 09/01/2016	
Job Not Certified	X	15.03.3	6202024	Job Not Certified: LIGHT, BILLIE: 388110 Language Arts Grade 8	ALP Licensure Completion Date: 09/01/2016	
Job Not Certified	X	15.03.3	6202024	Job Not Certified: LIGHT, BILLIE: 410000 English 9	ALP Licensure Completion Date: 09/01/2016	
Job Not Certified	X	15.03.3	6202024	Job Not Certified: ROBERSON, RICKYE: 399100 Career Orientation	ALP Licensure Completion Date: 09/01/2016	

School Details Summary

Student Enrollment

Grade Level	Student Count
07	23
08	30
09	34
10	32
11	27
12	32

School Information

Total Enrollment	Staff Development Hours	Total Book Volume
178	60	13595

FTE Information

Counselor	Principal	Assistant Principal	Library/Media Specialist
0.60	0.00	0.00	0.50

DESEGREGATION INFORMATION

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 27, 2015

The Honorable Attorney General Leslie Rutledge
ATTN: Assistant Attorney General Rosalyn Middleton
Office of the Attorney General
323 Center Street, Suite 200
Little Rock, AR 72201

Re: Proposed Administrative Annexation

Dear Attorney General Rutledge:

Pursuant to Ark. Code Ann. § 6-13-1408 and 6-13-1603, the State Board of Education (State Board) is required to accomplish consolidations and annexations of school districts in a way that does not hamper, delay, or in any manner negatively affect the desegregation of another school district. The petition for annexation is enclosed.

Therefore, I respectfully request your advisory opinion as to whether the proposed annexation of the Hughes School District into the Forrest City School District would negatively affect, hamper or delay the desegregation efforts of the affected or any other school districts.

The Forrest City School District contends that it is subject to a desegregation order in the case of *McKissic, et al. v. Forrest City School District No. 7*, Case No. H-69-C-42, U.S. District Court, Eastern District of Arkansas. The Hughes School District reports that it is not subject to a desegregation order.

The school districts contiguous to the Hughes School District and the Forrest City School District are: Lee County School District, Palestine-Wheatley School District, Brinkley School District, McCrory School District, Wynne School District, Earle School District, Marion School District, and the West Memphis School District. Of the contiguous school districts, the Arkansas Department of Education understands that the following school districts may be subject to desegregation orders:

Brinkley School District, *Jackson, et al. v. Marvell School District*, 425 F.2d 211 (1970); *Fields v. Marvell School District*, 353 Ark. 483, 102 S.W.3d 502 (2003); and

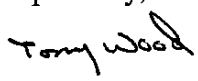
Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

Palestine-Wheatley School District, *Smith v. Palestine-Wheatley School Board*, Case No. 2:89-CV-036, U.S. District Court, Eastern District of Arkansas.[1]

As the State Board must make a decision concerning this consolidation on Thursday, March 12, 2015, your earliest response to this request is greatly appreciated.

Respectfully,



Tony Wood
Commissioner of Education

Enclosure

[1] According to Arkansas Department of Education records, the West Memphis School District (*Yarbrough v. Hulbert-West Memphis School District*, 380 F.2d 962 (1967)) may also be subject to a desegregation order.

APPLICABLE LAWS

A.C.A. § 6-13-1601

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 13 School Districts
Subchapter 16 -- Public Education Reorganization Act

A.C.A. § 6-13-1601 (2013)

6-13-1601. Definitions.

As used in this subchapter:

(1) "Administrative annexation" means the joining of an affected school district or a part of the school district with a receiving district;

(2) "Administrative consolidation" means the joining of two (2) or more school districts to create a new single school district with one (1) administrative unit and one (1) board of directors that is not required to close school facilities;

(3) "Affected district" means a school district that loses territory or students as a result of administrative annexation or administrative consolidation;

(4) "Average daily membership" has the same meaning as defined in § 6-20-2303;

(5) "Receiving district" means a school district or districts that receive territory or students, or both, from an affected district as a result of administrative annexation; and

(6) "Resulting district" means the new school district created from an affected district or districts as a result of administrative consolidation.

HISTORY: Acts 2003 (2nd Ex. Sess.), No. 60, § 3; 2005, No. 2151, § 21; 2013, No. 1073, § 12.

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

A.C.A. § 6-13-1602

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 13 School Districts
Subchapter 16 -- Public Education Reorganization Act

A.C.A. § 6-13-1602 (2013)

6-13-1602. Administrative consolidation list.

By January 1 of each year, the Department of Education shall publish a:

(1) List of all school districts with fewer than three hundred fifty (350) students according to the school district average daily membership in the school year immediately preceding the current school year; and

(2) Consolidation list that includes all school districts with fewer than three hundred fifty (350) students according to the school district average daily membership in each of the two (2) school years immediately preceding the current school year.

HISTORY: Acts 2003 (2nd Ex. Sess.), No. 60, § 3; 2005, No. 2151, § 22; 2011, No. 989, § 10.

View Full
A.C.A. § 6-13-1602
Return to Search Results
A.C.A. § 6-13-1602 (Copy w/ Cite) Pages: 2

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

View Full

A.C.A. § 6-13-1603

Return to Search Results

A.C.A. § 6-13-1603 (Copy w/ Cite) Pages: **3**

A.C.A. § 6-13-1603

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 13 School Districts
Subchapter 16 -- Public Education Reorganization Act

A.C.A. § 6-13-1603 (2013)

6-13-1603. Administrative reorganization.

(a) (1) Any school district included in the Department of Education's consolidation list under § 6-13-1602 may voluntarily agree to administratively consolidate with or be annexed to another school district or districts in accordance with the requirements and limitations of this section.

(2) (A) Any school district on the consolidation list choosing to voluntarily administratively consolidate or annex shall submit a petition for approval to the State Board of Education by March 1 immediately following publication of the list and shall set forth the terms of the administrative consolidation or annexation agreement in the petition.

(B) If the petition is approved by the state board, the administrative consolidation or annexation shall be completed by May 1, to be effective July 1 immediately following the publication of the list required under § 6-13-1602.

(3) Any school district on the consolidation list that does not submit a petition under subdivision (a)(2)(A) of this section or that does not receive approval by the state board for a voluntary consolidation or annexation petition shall be administratively consolidated by the state board with or into one (1) or more school districts by May 1, to be effective July 1 immediately following the publication of the list required under § 6-13-1602.

(4) The state board shall promptly consider petitions or move on its own motion to administratively consolidate a school district on the consolidation list in order to enable the affected school districts to reasonably accomplish any resulting administrative consolidation or annexation by July 1 immediately following the publication of the list required under § 6-13-1602.

(5) The state board shall not deny the petition for voluntary administrative consolidation or annexation of any two (2) or more school districts unless:

(A) The provisions contained in the articles of administrative consolidation or annexation would violate state or federal law; or

(B) The voluntary consolidation or annexation would not contribute to the betterment of the education of students in the school district.

(b) Any school district required to be administratively consolidated under this subchapter shall be administratively consolidated in such a manner as to create a resulting district with an average daily membership meeting or exceeding three hundred fifty (350).

(c) All administrative consolidations or annexations under this section shall be accomplished so as not to create a school district that hampers, delays, or in any manner negatively affects the desegregation of another school district in this state.

(d) In the administratively consolidated or annexed school districts created under this subchapter, the ad valorem tax rate shall be determined as set forth under § 6-13-1409.

(e) Nothing in this section shall be construed to require the closing of any school or school facility.

(f) No administratively consolidated or annexed school district shall have more than one (1) superintendent.

(g) Any school district not designated as being in academic or fiscal distress for the current school year and previous two (2) school years that administratively receives by consolidation or annexation a school district designated by the state board as being in academic or fiscal distress at the time of consolidation or annexation shall not be subject to academic or fiscal distress sanctions for a period of three (3) years from the effective date of consolidation unless:

(1) The school district fails to meet minimum teacher salary requirements; or

(2) The school district fails to comply with the Standards for Accreditation of Arkansas Public Schools and School Districts issued by the department.

(h) Noncontiguous school districts may voluntarily consolidate if the facilities and physical plant of each school district:

(1) Are within the same county, and the state board approves the administrative consolidation; or

(2) Are not within the same county, and the state board approves the administrative consolidation or administrative annexation and finds that:

(A) The administrative consolidation or administrative annexation will result in the overall improvement in the educational benefit to students in all of the school districts involved; or

(B) The administrative consolidation or administrative annexation will provide a significant advantage in transportation costs or service to all of the school districts involved.

(i) Contiguous school districts may administratively consolidate even if they are not in the same county.

(j) The state board shall promulgate rules to facilitate the administration of this subchapter.

(k) The provisions of §§ 6-13-1415 -- 6-13-1417 shall govern the board of directors of each resulting district or receiving district created under this subchapter.

HISTORY: Acts 2003 (2nd Ex. Sess.), No. 60, § 3; 2005, No. 1397, § 1; 2005, No. 1962, § 9; 2005, No. 2151, § 23; 2011, No. 1217, § 5.

View Full

A.C.A. § 6-13-1603

Return to Search Results

A.C.A. § 6-13-1603 (Copy w/ Cite)

Pages: 3

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

View Full
A.C.A. § 6-13-1604
Return to Search Results
A.C.A. § 6-13-1604 (Copy w/ Cite) Pages: **1**

A.C.A. § 6-13-1604

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 13 School Districts
Subchapter 16 -- Public Education Reorganization Act

A.C.A. § 6-13-1604 (2013)

6-13-1604. [Repealed.]

View Full
A.C.A. § 6-13-1604
Return to Search Results
A.C.A. § 6-13-1604 (Copy w/ Cite) Pages: 1

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

View Full

A.C.A. § 6-13-1605

Return to Search Results

A.C.A. § 6-13-1605 (Copy w/ Cite) Pages: **1**

A.C.A. § 6-13-1605

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 13 School Districts
Subchapter 16 -- Public Education Reorganization Act

A.C.A. § 6-13-1605 (2013)

6-13-1605. [Repealed.]

View Full

A.C.A. § 6-13-1605

Return to Search Results

A.C.A. § 6-13-1605 (Copy w/ Cite) Pages: 1

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

View Full

A.C.A. § 6-13-1606

Return to Search Results

A.C.A. § 6-13-1606 (Copy w/ Cite) Pages: **3**

A.C.A. § 6-13-1606

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 13 School Districts
Subchapter 16 -- Public Education Reorganization Act

A.C.A. § 6-13-1606 (2013)

6-13-1606. Development of plan to track student progress.

(a) Following the administrative consolidation or administrative annexation under §§ 6-13-1601 -- 6-13-1603, 6-13-1604 [repealed], and 6-13-1605 [repealed] effective before December 1, 2004, and before any consolidation, annexation, detachment, approval of a conversion charter, or any other type of reclassification or reorganization of a school district after December 1, 2004, each receiving district or resulting district and the Department of Education shall develop a plan to track the educational progress of all students from the affected district and the following subgroups of those students:

(1) Students who have been placed at risk of academic failure as required under § 6-15-1602;

(2) Economically disadvantaged students;

(3) Students from major racial and ethnic groups; and

(4) Specific population groups as identified by the State Board of Education, the department, the affected district, or the receiving district as target groups for closing the achievement gaps.

(b) The receiving or resulting district shall obtain and retain all student records from the affected district for the five (5) years immediately preceding the administrative consolidation or administrative annexation, specifically including, but not limited to:

(1) Individual student records;

(2) Attendance records;

(3) Enrollment records;

(4) Assessment records for assessments required under the Arkansas Comprehensive Testing, Assessment, and Accountability Program Act, § 6-15-401 et seq., specifically including benchmark assessments and end-of-course assessments; and

(5) ACT and SAT results and records.

(c) The school district shall report to the department information determined by the department as necessary to track the educational progress of all students from the affected district as a subgroup and the following subgroups of those transferred students:

(1) Students who have been placed at risk of academic failure as required under § 6-15-1602;

(2) Economically disadvantaged students; and

(3) Students from major racial and ethnic groups.

(d) By November 1, 2005, and by November 1 each year thereafter, the department shall file a written report with the Governor, the chair of the interim House Committee on Education, the chair of the interim Senate Committee on Education, and the secretary of the Legislative Council assessing the educational progress of all students from the affected district as a subgroup and the following subgroups of those transferred students:

(1) Students who have been placed at risk of academic failure as required under § 6-15-1602;

(2) Economically disadvantaged students; and

(3) Students from major racial and ethnic groups.

HISTORY: Acts 2005, No. 1198, § 1; 2009, No. 376, § 12.

View Full

A.C.A. § 6-13-1606

Return to Search Results

A.C.A. § 6-13-1606 (Copy w/ Cite)

Pages: 3

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

View Full

A.C.A. § 6-13-1607

Return to Search Results

A.C.A. § 6-13-1607 (Copy w/ Cite)

Pages: **2**

A.C.A. § 6-13-1607

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 13 School Districts
Subchapter 16 -- Public Education Reorganization Act

A.C.A. § 6-13-1607 (2013)

6-13-1607. Retention of historical records and documents.

Following the annexations or consolidations under § 6-13-1601 et seq. effective prior to December 1, 2004, and prior to any consolidation, annexation, detachment, approval of a conversion charter, or any other type of reclassification or reorganization of a school district after December 31, 2004, a receiving or resulting school district shall obtain and retain all student and historical records and documents from the affected school district, specifically including, but not limited to:

(1) Student transcripts;

(2) Graduation records;

(3) Minutes and other legal documents of the local board of directors;

(4) Maps or boundary documents;

(5) Sports records, trophies, and awards;

(6) Employee records; and

(7) Financial records.

HISTORY: Acts 2005, No. 2146, § 1.

View Full

A.C.A. § 6-13-1607

Return to Search Results

A.C.A. § 6-13-1607 (Copy w/ Cite)

Pages: 2

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

View Full

A.C.A. § 6-13-1608

Return to Search Results

A.C.A. § 6-13-1608 (Copy w/ Cite) Pages: **2**

A.C.A. § 6-13-1608

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 13 School Districts
Subchapter 16 -- Public Education Reorganization Act

A.C.A. § 6-13-1608 (2013)

6-13-1608. Audit required.

(a) The Division of Legislative Audit shall conduct a comprehensive financial review of all the school district's financial matters for any school that is involved in administrative consolidation or administrative annexation or is otherwise reorganized by the State Board of Education.

(b) The comprehensive financial review shall begin no less than ten (10) days after the earliest of:

(1) The publication of the district's name on the consolidation and annexation list under § 6-13-1602;

(2) The filing of a petition for voluntary administrative consolidation or administrative annexation; or

(3) The adoption of a motion by the state board to consolidate, annex, or otherwise reorganize a school district designated as being in academic or fiscal distress.

(c) (1) Beginning on the date of publication of the consolidation list under § 6-13-1602 each year, the Department of Education shall have authority to oversee all fiscal and accounting-related matters of all school districts on the consolidation list and shall require those school districts to have accurate records necessary to close all books within sixty (60) days after the end of the fiscal year.

(2) No contract or other debt obligation incurred by a school district for which the department has oversight authority under this section shall be valid or enforceable against a resulting school district unless the contract or other debt obligation is preapproved in writing by the Commissioner of Education or his or her designee.

(d) Any school that is involved in an administrative consolidation or administrative annexation shall have an audit started within thirty (30) days of the completion of the closing of the books by the school district.

(e) The department and the division shall jointly develop the scope and details of the comprehensive fiscal review consistent with the requirements of this section.

(f) A school district may not incur debt without the prior written approval of the department if the school district is identified by the department under § 6-13-1602(1) as having fewer than three hundred fifty (350) students according to the school district average daily membership in the school year immediately preceding the current school year.

HISTORY: Acts 2005, No. 1236, § 1; 2011, No. 989, § 11.

View Full

A.C.A. § 6-13-1608

Return to Search Results

A.C.A. § 6-13-1608 (Copy w/ Cite)

Pages: 2

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

A.C.A. § 6-13-1609

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 13 School Districts
Subchapter 16 -- Public Education Reorganization Act

A.C.A. § 6-13-1609 (2013)

6-13-1609. Preservation of historical school artifacts.

Following the administrative consolidations or administrative annexations under §§ 6-13-1601 -- 6-13-1603, 6-13-1604 [repealed], and 6-13-1605 [repealed] effective before December 1, 2004, and before any consolidation, annexation, detachment, approval of a conversion charter, or any other type of reclassification or reorganization of a school district after December 31, 2004, a receiving district or resulting district shall obtain, retain, preserve, and, as appropriate, display historical artifacts of the affected district in the same manner as if the historical artifacts were those of the receiving district or resulting district.

HISTORY: Acts 2005, No. 2229, § 1; 2007, No. 1594, § 1; 2009, No. 376, § 13.

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

View Full

A.C.A. § 6-13-1610

Return to Search Results

A.C.A. § 6-13-1610 (Copy w/ Cite) Pages: **3**

A.C.A. § 6-13-1610

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 13 School Districts
Subchapter 16 -- Public Education Reorganization Act

A.C.A. § 6-13-1610 (2013)

6-13-1610. Financial relief for debts acquired as a result of involuntary consolidations.

(a) As used in this section:

(1) "Accounts payable" means a debt owed by a school district on June 30 immediately prior to administrative consolidation, excluding bonded indebtedness or other long-term debt;

(2) "Act 60 school district" means a school district that was on the consolidation list under § 6-13-1602 and was involuntarily consolidated under § 6-13-1603(a)(3);

(3) "Available funding" means funds that are available to a school district for paying accounts payable or are reasonably expected to be collected and available for payment of accounts payable;

(4) "Excess accounts payable" means accounts payable of an Act 60 school district that exceed available funding; and

(5) "Improper expenditure exceptions" means an erroneous expenditure of federal or state funds that is noted as an audit exception and has been determined by the Department of Education to require an expenditure of funds by the resulting school district to be correct.

(b) If on July 1, 2004, or thereafter, the State Board of Education required an involuntary administrative consolidation under § 6-13-1603(a)(3) and the resulting district assumed excess accounts payable or improper expenditure exceptions incurred by the Act 60 school district before the July 1 administrative consolidation date that would have caused deficit spending if paid from the funds of the Act 60 district, the department shall provide supplemental funding to the resulting district.

(c) (1) The amount of the supplemental funding provided under subsection (b) of this section shall be equal to the amount of the excess accounts payable and improper expenditure exceptions assumed by the resulting school district.

(2) (A) The amount of accounts payable, excess accounts payable, improper expenditure exceptions, and available funding shall be determined by the department based on information provided in a final audit and other verifiable fiscal information available to the department.

(B) The audit of an Act 60 school district required under this section shall be completed within the time under § 6-20-1801(d) for school districts in fiscal distress.

(3) No supplemental funding shall be paid under this section until after completion of a final audit by the Division of Legislative Audit or a private certified public accountant that may conduct school district audits under § 6-20-1801.

(d) (1) Beginning on the date of the publication of the consolidation list under § 6-13-1602 each year, the department shall have authority to oversee all fiscal and accounting-related matters of all school districts on the consolidation list and shall require these school districts to have accurate records necessary to close all books within sixty (60) days of the end of the fiscal year.

(2) No contract or other debt obligation incurred by a school district for which the department has oversight authority under this section shall be valid or enforceable against a resulting district unless the contract or other debt obligation is preapproved in writing by the Commissioner of Education or his or her designee.

HISTORY: Acts 2005, No. 2230, § 1.

View Full

A.C.A. § 6-13-1610

Return to Search Results

A.C.A. § 6-13-1610 (Copy w/ Cite)

Pages: 3

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

View Full

A.C.A. § 6-13-1611

Return to Search Results

A.C.A. § 6-13-1611 (Copy w/ Cite) Pages: **2**

A.C.A. § 6-13-1611

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 13 School Districts
Subchapter 16 -- Public Education Reorganization Act

A.C.A. § 6-13-1611 (2013)

6-13-1611. Reports.

(a) By October 1 of each year, the resulting district or receiving district of any school district that was administratively consolidated or administratively annexed under §§ 6-13-1601 -- 6-13-1603, 6-13-1604 [repealed], and 6-13-1605 [repealed] shall file a written report with the interim House Committee on Education, the interim Senate Committee on Education, and the Department of Education indicating:

(1) What efforts were made and the results of those efforts for inclusion of parents from the affected district in the receiving district's or the resulting district's activities, including without limitation:

(A) Parent-teacher associations;

(B) Booster clubs; and

(C) Parent involvement committees;

(2) The number and percentage of students from the affected districts participating in an extracurricular activity, itemized by each extracurricular activity offered by the school district and, for each activity, which school district the student attended before reorganization; and

(3) The employment status of each administrator by name, gender, and race before the administrative annexation or administrative consolidation, which school employed the administrator before administrative consolidation, and his or her employment status in the receiving district or the resulting district.

(b) The department shall develop or approve a survey to be used by the resulting or receiving districts to capture perceptual data from parents and students regarding their opinions on:

(1) Opportunities for inclusion or participation in the resulting or receiving district; and

(2) The efforts, if any, that were made to include parents from the affected district in the

receiving or resulting district's activities, including, but not limited to, parent-teacher associations, booster clubs, and parent involvement committees.

HISTORY: Acts 2005, No. 2321, § 1; 2009, No. 376, § 14.

View Full

A.C.A. § 6-13-1611

Return to Search Results

A.C.A. § 6-13-1611 (Copy w/ Cite)

Pages: 2

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

A.C.A. § 6-13-1612

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 13 School Districts
Subchapter 16 -- Public Education Reorganization Act

A.C.A. § 6-13-1612 (2013)

6-13-1612. Academic support centers.

(a) The purpose of this section is to:

(1) Prevent students who attend administratively consolidated or administratively annexed schools from returning home to communities with little or no opportunities for supplemental academic support;

(2) Increase opportunities for access to library materials, academic resource materials, and educational technology for these students within their local communities; and

(3) Help advance academic performance for these students by providing opportunities for homework and tutorial assistance based on the Arkansas curriculum frameworks.

(b) An academic support center may be established in communities whose schools have been closed by administrative consolidation or administrative annexation under this subchapter to fulfill the objectives identified in subsection (a) of this section.

(c) The Department of Education shall:

(1) Establish rules to implement this section; and

(2) Report annually to the House Interim Committee on Education and the Senate Interim Committee on Education regarding the establishment of academic support centers and their effectiveness.

HISTORY: Acts 2007, No. 1575, § 1.

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

View Full

A.C.A. Tit. 6, Subtit. 2, Ch. 14 Note

Return to Search Results

A.C.A. Tit. 6, Subtit. 2, Ch. 14 Note (Copy w/ Cite) Pages: **1**

A.C.A. Tit. 6, Subtit. 2, Ch. 14 Note

Arkansas Code of 1987 Annotated Official Edition
© 1987-2013 by the State of Arkansas
All rights reserved.

*** Legislation is current through the 2013 Regular Session and updates ***
*** received from the Arkansas Code Revision Commission through ***
*** September 12, 2013. ***

Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 14 School Elections

A.C.A. Tit. 6, Subtit. 2, Ch. 14 Note (2013)

Tit. 6, Subtit. 2, Ch. 14 Note

View Full

A.C.A. Tit. 6, Subtit. 2, Ch. 14 Note

Return to Search Results

A.C.A. Tit. 6, Subtit. 2, Ch. 14 Note (Copy w/ Cite) Pages: 1

LexisNexis® About LexisNexis | Privacy Policy | Terms & Conditions | Contact Us
Copyright © 2013 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

APPLICABLE RULES

ARKANSAS DEPARTMENT OF EDUCATION RULES GOVERNING CONSOLIDATION AND ANNEXATION OF SCHOOL DISTRICTS
September 2014

1.00 PURPOSE

1.01 The purpose of these rules is to establish the requirements and procedures concerning the consolidation and annexation of school districts; the administrative consolidation and annexation of school districts; and the distribution of consolidation/annexation incentive funding.

2.00 AUTHORITY

2.01 The State Board of Education (State Board) enacts these rules pursuant to the authority granted by Ark. Code Ann. §§ 6-11-105, 6-13-1401 et seq., 6-13-1601 et seq., 25-15-201 et seq., Act 1073 of 2013 and annual appropriations of the Arkansas General Assembly.

3.00 DEFINITIONS

3.01 "Administrative annexation" means the joining of an affected school district or a part of the school district with a receiving school district;

3.02 "Administrative consolidation" means the joining of two (2) or more school districts to create a new single school district with one (1) administrative unit and one (1) board of directors that is not required to close school facilities;

3.03 "Affected district" means a school district that:

3.03.1 Loses territory or students as a result of annexation or administrative annexation; or

3.03.2 Is involved in a consolidation or administrative consolidation.

3.04 "Aggrieved district" means the lawfully constituted and existing board of directors of a school district that gains or loses territory or students as a result of an annexation, administrative annexation, consolidation, or administrative consolidation;

3.05 "Annexation" means the joining of an affected school district or part thereof with a receiving district;

3.06 "Average daily membership (ADM)" has the same meaning as defined by the Arkansas General Assembly in Ark. Code Ann. § 6-20-2303.

÷

3.07 "Consolidation" means the joining of two (2) or more affected school districts or parts thereof to create a new single school district;

3.08 "Debt" means a legal liability, encumbrance or contract, including employment contracts, to be paid out of future revenues or current reserves of the school district.

3.09 "Receiving district" means a school district or districts that receive territory or students, or both, from an affected district as a result of annexation or administrative annexation;

3.10 "Resulting district" means the new school district created from affected districts as a result of consolidation or administrative consolidation.

Source: Ark. Code Ann. §§ 6-13-1401 and 6-13-1601

4.00 CONSOLIDATION AND ANNEXATION AUTHORITY OF THE STATE BOARD

4.01 There shall not be any consolidation or annexation of any public school district with any other school district in the state without the prior consent and approval of the State Board.

Source: Ark. Code Ann. § 6-13-1402

CONSOLIDATION AND ANNEXATION OF SCHOOL DISTRICTS

5.00 CONDITIONS UNDER WHICH THE STATE BOARD OF EDUCATION MAY ANNEX SCHOOL DISTRICTS

5.01 The State Board shall consider the annexation of an affected school district or districts to a receiving district or districts under any of the following conditions:

5.01.1 The State Board, after providing thirty (30) days' written notice to the affected school districts, determines that annexation is in the best interest of the affected district or districts and the receiving district based upon failure to meet standards for accreditation or failure to meet academic, fiscal, or facilities distress requirements pursuant to The Quality Education Act of 2003, Ark. Code Ann. § 6-15-201 et seq., the Arkansas Comprehensive Testing, Assessment, and Accountability Program Act, Ark. Code Ann. § 6-15-401 et seq., the Arkansas Fiscal Assessment and Accountability Program, Ark. Code Ann. § 6-20-1901 et seq., and the Arkansas Public School Academic Facilities Program Act, Ark. Code Ann. § 6-21-801 et seq.;

5.01.2 The affected district or districts file a petition with the State Board requesting annexation to a particular receiving district or districts, and a

copy of the petition is filed with the county clerk's office of each county where the affected district or districts are located;

5.01.2.1 The county clerk's office of each county where the affected district or districts are located certifies in writing that the petition has been signed by a majority of the qualified electors of the affected district or districts; and

5.01.2.2 The receiving district or districts provide to the State Board written proof of consent to receive the affected district or districts by annexation as evidenced by either a vote to approve annexation by resolution by a majority of the members of the local receiving board of education or by a vote to approve annexation by a majority of the qualified electors of the receiving district as provided for in Ark. Code Ann. § 6-14-122;

5.01.3 A majority of the qualified electors in the affected district or districts vote to approve the annexation of an affected school district or districts to a receiving district or districts as provided for in Ark. Code Ann. § 6-14-122; and

5.01.3.1 The receiving district or districts provide to the State Board written proof of consent to receive the affected district or districts by annexation as evidenced by either a vote to approve annexation by resolution by a majority of the members of the local receiving board of education or by a vote to approve annexation by a majority of the qualified electors of the receiving district as provided in Ark. Code Ann. § 6-14-122; or

5.01.4 The local board of education of the affected district or districts votes to approve by resolution the annexation of the affected district or districts to a receiving district or districts by a majority of the members of the local board of education of the affected district or districts; and

5.01.4.1 The receiving district or districts provide to the State Board written proof of consent to receive the affected district or districts by annexation as evidenced by either a vote to approve annexation by resolution by a majority of the members of the local receiving board of education or by a vote to approve annexation by a majority of the qualified electors of the receiving districts as provided for in Ark. Code Ann. § 6-14-122.

5.02 The State Board may vote to approve, by a majority of a quorum present of the members of the State Board, the annexation of the affected districts into a receiving district:

5.02.1 The State Board, after providing thirty (30) days written notice to the affected districts, may on its own motion based on a school district's failure to meet standards for accreditation or failure to meet academic, fiscal, or facilities distress requirements pursuant to The Quality Education Act of 2003, Ark. Code Ann. § 6-15-201 et seq., the Arkansas Comprehensive Testing, Assessment, and Accountability Program Act, Ark. Code Ann. § 6-15-401 et seq., the Arkansas Fiscal Assessment and Accountability Program, Ark. Code Ann. § 6-20-1901 et seq., and the Arkansas Public School Academic Facilities Program Act, Ark. Code Ann. § 6-21-801 et seq.; or

5.02.2 Upon receipt of a valid petition for annexation and after receiving proof from the petitioning party of at least one (1) of the required conditions set forth in Ark. Code Ann. § 6-13-1403(a) and Section 5.01 of these rules, and upon receipt of proof of the issuance of public notice of the intent to annex affected districts into a receiving district or districts in the local newspapers of general circulation in the affected districts for a time period of no less than one (1) time a week for two (2) consecutive weeks immediately prior to the time the petition is filed with the State Board.

5.03 In order for the petition for annexation to be valid, it shall be filed with the State Board at least thirty (30) days prior to the next regularly scheduled State Board meeting, at which time the petition will be presented for hearing before the State Board. However, no petition is required for the State Board to annex a school district or districts upon a motion of the State Board as allowed in Ark. Code Ann. § 6-13-1403(b) and Section 5.02 of these rules.

5.04 Upon determination by the State Board to annex a school district or approval of a petition requesting annexation, the State Board shall issue an order dissolving the affected district or districts and establishing the receiving district or districts.

5.04.1 The State Board shall issue an order establishing the boundary lines of the receiving district or districts.

5.04.2 It shall be the duty of the Department of Education to make changes in the maps of the school districts to properly show the boundary lines of the receiving district or districts.

5.05 The State Board shall:

5.05.1 Issue an order establishing the changed boundaries; and

5.05.2 File the order with the:

5.05.2.1 County clerk of each county that contains school district territory of each affected or receiving district;

5.05.2.2 Secretary of State; and

5.05.2.3 Arkansas Geographic Information Office.

5.05.3 The county clerk shall make a permanent record of the order.

5.05.4 A consolidation or annexation order filed with the Secretary of State and the Arkansas Geographic Information Office shall include a digital map showing the boundaries of the resulting district or receiving district in a format prescribed by the Arkansas Geographic Information Office.

5.05.5 The boundaries established by the State Board pursuant to Ark. Code Ann. § 6-13-1403(e) and Section 5.05 of these rules shall be the boundaries of the receiving district or districts until changes are made according to the provisions of law.

5.06 The State Board shall not annex affected districts into a receiving district or districts that are not geographically contiguous unless the following limited conditions are determined to be valid reasons for annexation:

5.06.1 The annexation will result in the overall improvement in the educational benefit to students in all the school districts involved; or

5.06.2 The annexation will provide a significant advantage in transportation costs or service to all the school districts involved.

Source: Ark. Code Ann. §§ 6-13-1403, 6-13-1415, & 6-13-1416

6.00 CONDITIONS UNDER WHICH THE STATE BOARD OF EDUCATION MAY CONSOLIDATE SCHOOL DISTRICTS

6.01 The State Board shall consider the consolidation of affected districts into a new resulting district or districts under the following conditions:

6.01.1 The State Board, after providing thirty (30) days' written notice to the affected school districts, determines consolidation is in the best interest of the affected districts based upon failure to meet standards for accreditation

or academic, fiscal, or facilities distress requirements pursuant to The Quality Education Act of 2003, Ark. Code Ann. § 6-15-201 et seq., the Arkansas Comprehensive Testing, Assessment, and Accountability Program Act, Ark. Code Ann. § 6-15-401 et seq., the Arkansas Fiscal Assessment and Accountability Program, Ark. Code Ann. § 6-20-1901 et seq., and the Arkansas Public School Academic Facilities Program Act, Ark. Code Ann. § 6-21-801 et seq.; or

6.01.2 The affected districts file a petition with the State Board requesting that the affected districts be consolidated into a resulting district or districts;

6.01.2.1 A copy of the petition has been filed with the county clerk's office of each county where the affected districts are located;

6.01.2.2 The county clerk's office certifies in writing to the State Board that the petition has been signed by a majority of the qualified electors of the affected districts;

6.01.2.3 A majority of the qualified electors in the affected districts votes to approve consolidation of the affected districts into a resulting district or districts pursuant to a valid election as provided in Ark. Code Ann. § 6-14-122; and

6.01.2.4 The local board of directors votes to approve by resolution of a majority of the members of each local board of education the consolidation of the affected districts into a resulting district or districts.

6.02 The State Board:

6.02.1 After providing thirty (30) days written notice to the affected districts, may consolidate school districts upon its own motion based upon a school district's failure to meet standards for accreditation or academic, fiscal, or facilities distress requirements pursuant to The Quality Education Act of 2003, Ark. Code Ann. § 6-15-201 et seq., the Arkansas Comprehensive Testing, Assessment, and Accountability Program Act, Ark. Code Ann. § 6-15-401 et seq., the Arkansas Fiscal Assessment and Accountability Program, Ark. Code Ann. § 6-20-1901 et seq., and the Arkansas Public School Academic Facilities Program Act, Ark. Code Ann. § 6-21-801 et seq.; or

6.02.2 May vote to approve by a majority of a quorum present of the members of the State Board the consolidation of the affected districts into a resulting district or districts upon receipt of a valid petition for consolidation after receiving proof from the petitioning party of at least one (1) of the required conditions set forth in Ark. Code Ann. § 6-13-1404(a) and

Section 6.01 of these rules, and upon receipt of proof of the issuance of public notice of the intent to consolidate affected districts into a resulting district or districts in the local newspapers of general circulation in the affected districts for a time period of no less than one (1) time a week for two (2) consecutive weeks immediately prior to the time the petition is filed with the State Board.

6.03 In order for the petition for consolidation to be valid, it shall be filed with the State Board at least thirty (30) days prior to the next regularly scheduled State Board meeting, at which time the petition will be presented for hearing before the State Board. However, no petition is required for the State Board to consolidate a school district or districts on a motion of the State Board as allowed Ark. Code Ann. § 6-13-1404(b) and Section 6.02 of these rules.

6.04 Upon consolidation of a school district by the State Board or approval of a petition requesting consolidation, the State Board shall issue an order dissolving the affected districts and establishing the resulting district or districts.

6.04.1 The State Board shall issue an order establishing the boundary lines of the resulting district or districts.

6.04.2 It shall be the duty of the Department of Education to make changes in the maps of the school districts to properly show the boundary lines of the resulting district or districts.

6.05 The State Board shall:

6.05.1 Issue an order establishing the changed boundaries; and

6.05.2 File the order with the:

6.05.2.1 County clerk of each county that contains school district territory of each affected or resulting district;

6.05.2.2 Secretary of State; and

6.05.2.3 Arkansas Geographic Information Office.

6.05.3 The county clerk shall make a permanent record of the order.

6.05.4 A consolidation or annexation order filed with the Secretary of State and the Arkansas Geographic Information Office shall include a digital map showing the boundaries of the resulting district or receiving district in a format prescribed by the Arkansas Geographic Information Office.

6.05.5 The boundaries established under this subsection shall be the boundaries of the resulting district or districts until changes are made according to the provisions of law.

6.06 The State Board shall not consolidate affected districts that are not geographically contiguous unless the following limited conditions are determined to be valid reasons for consolidation:

6.06.1 The consolidation will result in the overall improvement in the educational benefit to students in all the school districts involved; or

6.06.2 The consolidation will provide a significant advantage in transportation costs or service to all the school districts involved.

Source: Ark. Code Ann. §§ 6-13-1404, 6-13-1415, & 6-13-1416

7.00 RESULTING DISTRICT SUCCESSOR IN INTEREST – WHEN PART OF DISTRICT TAKEN

7.01 Any receiving or resulting district created under Ark. Code Ann. § 6-13-1407 and Section 7.00 of these rules shall become the successor in interest to the property of the school district dissolved, shall become liable for the contracts and debts of such a school district, and may sue and be sued therefor.

7.02 When territory less than the entire school district is annexed or consolidated to a school district, the receiving or resulting district shall take the property of the school district from which the territory was taken, as the State Board shall deem proper, and shall be liable for that part of all indebtedness of the school district from which the territory was taken as shall be assigned to it by the State Board unless otherwise approved by a majority vote of the affected school district's or districts' board or boards of directors.

Source: Ark. Code Ann. § 6-13-1407

8.00 ANNEXATION OR CONSOLIDATION NOT TO NEGATIVELY IMPACT STATE-ASSISTED DESEGREGATION

8.01 The State Board shall not order any annexation or consolidation pursuant to Title 6, Chapter 13, Subchapter 14, or any other act or any combination of acts which hampers, delays, or in any manner negatively affects the desegregation efforts of a school district or districts in this state.

8.02 Prior to the entry of any order under Title 6, Chapter 13, Subchapter 14, 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.

8.03 Any order of annexation or consolidation or combination thereof that violates the provisions of Ark. Code Ann. § 6-13-1408 and Section 8.00 of these rules shall be null and void.

Source: Ark. Code Ann. § 6-13-1408

9.00 OTHER STATE BOARD OF EDUCATION DUTIES

9.01 The State Board shall have the following duties regarding consolidations and annexations:

9.01.1 To form local school districts, change boundary lines of school districts, dissolve school districts and annex the territory of those school districts to another school district, create new school districts, and perform all other functions regarding changes in school districts in accordance with the law;

9.01.2 To transfer funds and attach territory that is in no school district to other school districts as may seem best for the educational welfare of the children; and

9.01.3 To enact rules and regulations regarding the consolidation and annexation of school districts pursuant to Title 6 of the Arkansas Code.

9.02 The millage rate of the electors of an affected district shall remain the same until an election may be held to change the rate of taxation for the resulting or receiving district or districts.

Source: Ark. Code Ann. § 6-13-1409

10.00 APPEAL AND ELECTION

10.01 Notwithstanding any other provision of law or rule of the State Board, the decision of the State Board regarding an administrative consolidation, consolidation, administrative annexation, or annexation shall be final with no further right of appeal except that only an aggrieved district may appeal to Pulaski County Circuit Court pursuant to the Arkansas Administrative Procedure Act, Ark. Code Ann. § 25-15-201 et seq.

Source: Ark. Code Ann. § 6-13-1410

11.00 USE OF FUND BALANCES

11.01 Unless otherwise approved by a unanimous vote of the board of directors of the resulting district, the fund balances of any school district that is consolidated, annexed, or otherwise reorganized shall be used by the resulting district solely for the construction of facilities or the operation, maintenance, or support of the schools that were located in the affected school district from which the fund balance was derived if any of the facilities of the affected district from which the fund balance was derived remain open.

11.02 The provisions of Ark. Code Ann. § 6-13-1411 and Section 11.00 of these rules shall not apply if the consolidation or annexation is because of the school district's failure to meet standards for accreditation or failure to meet academic, ~~or~~ fiscal, or facilities distress requirements pursuant to The Quality Education Act of 2003, Ark. Code Ann. § 6-15-201 et seq., the Arkansas Comprehensive Testing, Assessment, and Accountability Program Act, Ark. Code Ann. § 6-15-401 et seq., the Arkansas Fiscal Assessment and Accountability Program, Ark. Code Ann. § 6-20-1901 et seq., or the Arkansas Public School Academic Facilities Program Act, Ark. Code Ann. § 6-21-801 et seq.

Source: Ark. Code Ann. § 6-13-1411

12.00 INVOLUNTARY ANNEXATION OR CONSOLIDATION – EFFECTIVE DATE – INTERIM BOARD OF DIRECTORS

12.01 Ark. Code Ann. § 6-13-1415 and Section 12.00 of these rules apply to the involuntary consolidation or involuntary annexation of a school district made by a motion of the State Board.

12.02 The effective date of an involuntary consolidation or involuntary annexation of a school district shall be the July 1 after the State Board action unless determined otherwise by the State Board.

12.03 The State Board shall establish the terms and conditions of the involuntary consolidation or involuntary annexation that shall govern the affected districts, resulting districts, and receiving districts.

12.04 If the State Board determines that a new permanent board of directors is necessary, the State Board shall prescribe:

12.04.1 The number of members for the new permanent board of directors of the resulting district or receiving district;

12.04.2 The manner of formation of the new permanent board of directors of the resulting district or receiving district under Ark. Code Ann. § 6-13-1417 and Section 14.00 of these rules; and

12.04.3 Whether the new permanent board of directors will be elected at the first or second school election after the effective date of consolidation or annexation. The election for the new permanent school board of directors may take place during the second school election after the effective date of consolidation or annexation only if the State Board determines that additional time is required to implement singe-member zoned elections.

12.05 If the State Board determines that an interim board of directors is necessary, the State Board shall prescribe:

12.05.1 The number of members for the interim board of directors of the resulting district or receiving district;

12.05.2 The terms of the members of the interim board of directors of the resulting district or receiving district; and

12.05.3 The manner of formation of the interim board of directors of the resulting district or receiving district. The State Board may:

12.05.3.1 Allow the affected districts and receiving districts thirty (30) days to establish an interim board of directors to govern the resulting district or receiving district that consists of either five (5) or seven (7) members selected from the boards of directors from the affected districts and receiving districts based on the proportion of the student population of each of the affected districts and receiving districts before consolidation or annexation;

12.05.3.2 Appoint an interim board of directors to govern the resulting or receiving district that consists of either five (5) or seven (7) members selected from the boards of directors from the affected districts and receiving districts based on the proportion of the student population of each of the affected districts and receiving districts before consolidation or annexation; or

12.05.3.3 Designate the existing board of directors of one (1) affected district in a consolidation or the existing board of directors of the receiving district in an annexation as the interim board to govern the resulting district or receiving district.

12.06 The State Board may determine that an interim board of directors is not necessary and may order the existing board of directors of one (1) affected district in a consolidation or the existing board of directors of the receiving district in an annexation to remain as the permanent school board of directors.

12.07 An interim board of directors shall serve until the first school election after the effective date of consolidation or annexation unless:

12.07.1 Any members of the permanent board of directors of the resulting district or receiving district are elected from single-member zones, then the interim board of directors may serve until the second school election after the effective date of consolidation or annexation under Ark. Code Ann. § 6-13-1415(d)(1)(C) and Section 12.04.3 of these rules; or

12.07.2 All the members of the permanent board of directors of the resulting district or receiving district are elected at-large, then the State Board may stagger the terms of the interim board of directors, which shall be determined by lot so that no more than two (2) members' terms expire during any one (1) year.

12.08 If the State Board allows the local school districts time to establish an interim board of directors, the board of directors of each affected district before the consolidation or each affected district and receiving district before the annexation may determine independently how to select members of the existing board of directors to serve on the interim board of directors, subject to approval by the State Board, by:

12.08.1 The voluntary resignation of one (1) or more members of the existing board of directors;

12.08.2 Selecting one (1) or more members of the existing board of directors by a majority vote of the school board; or

12.08.3 Selecting one (1) or more members of the existing board of directors by a random lot drawing.

12.09 An interim board of directors shall be established by May 31 of the year preceding the effective date of administrative consolidation or administrative annexation under Ark. Code Ann. § 6-13-1603 if the State Board determines that an interim board of directors is necessary.

12.10 A consolidation or annexation order adopted by the State Board shall be filed with the:

12.10.1 County clerk of each county that contains school district territory of each affected district, receiving district, or resulting district;

12.10.2 Secretary of State; and

12.10.3 Arkansas Geographic Information Office.

12.11 A consolidation or annexation order shall include a map of the boundaries of the resulting district or receiving district.

12.12 A consolidation or annexation order filed with the Secretary of State and the Arkansas Geographic Information Office shall include a digital map showing the boundaries of the resulting district or receiving district in a format prescribed by the Arkansas Geographic Information Office.

Source: Ark. Code Ann. § 6-13-1415

13.00 VOLUNTARY CONSOLIDATION OR ANNEXATION – EFFECTIVE DATE – INTERIM BOARD OF DIRECTORS

13.01 Ark. Code Ann. § 6-13-1416 and Section 13.00 of these rules apply to any petition for consolidation or annexation of a school district submitted to the State Board by a school district.

13.02 The effective date of a petition for consolidation or annexation of a school district shall be the July 1 after the State Board approves the consolidation or annexation petition unless the State Board approves an alternative effective date or determines otherwise.

13.03 Each board of directors of an affected district and receiving district shall enter into a written agreement approved by the quorum of the members of each board of directors present and executed by the president and secretary of each school board of directors.

13.03.1 The written agreement may prescribe the effective date of the annexation of the affected district to the receiving district or the effective date of the formation of the resulting district from consolidation of affected districts, subject to approval by the state board.

13.03.2 The written agreement may prescribe the number of members of the permanent board of directors of the resulting district or receiving district and the manner of formation of the permanent board of directors of the resulting district or receiving district under Ark. Code Ann. § 6-13-1417 or as allowed by law.

13.03.2.1 If the written agreement prescribes the formation of a new permanent board of directors, the written agreement shall specify whether the new permanent board of directors will be elected at the first or second school election after the effective date of consolidation or annexation.

13.03.2.2 The election of a new permanent board of directors may take place during the second school election after the effective date of consolidation or annexation only if additional time is necessary to implement single-member zoned elections.

13.04 The written agreement may prescribe for the formation of an interim board of directors, including the number of members, the length of member terms, and the manner of formation as follows:

13.04.1 Establish an interim board of directors to govern the resulting district or receiving district that consists of either five (5) or seven (7) members selected from the boards of directors from the affected districts and receiving districts based on the proportion of the student population of each of the affected districts and receiving districts before consolidation or annexation;

13.04.2 Designate the existing board of directors of one (1) affected district in a consolidation or the existing board of directors of the receiving district in an annexation as the interim board of directors; or

13.04.3 Determine that an interim board of directors is not necessary and may designate the existing board of directors of one (1) affected district in a consolidation or the existing board of directors of the receiving district in an annexation to remain as the permanent school board of directors.

13.05 If the written agreement prescribes the formation of an interim board of directors, the interim board of directors shall serve until the first school election after the effective date of consolidation or annexation unless:

13.05.1 Any members of the permanent board of directors of the resulting district or receiving district are elected from single-member zones, then the interim board of directors may serve until the second school election after the effective date of consolidation or annexation under Ark. Code Ann. § 6-13-1416(c)(3)(B) and Sections 13.03.2.1 and 13.03.2.2 of these rules; or

13.05.2 All the members of the permanent board of directors of the resulting district or receiving district are elected at-large, then the written agreement may stagger the terms of the interim board of directors, which shall be determined by lot so that no more than two (2) members' terms expire during any one (1) year.

13.06 If the written agreement prescribes formation of an interim board of directors, the board of directors of the affected district before the consolidation or the affected district and receiving district before annexation may determine independently how to select members of the existing board of directors to serve on the interim board of directors by:

13.06.1 The voluntary resignation of one (1) or more members of the existing board of directors;

13.06.2 Selecting one (1) or more members of the existing board of directors by a majority vote of the school board; or

13.06.3 Selecting one (1) or more members of the existing board of directors by a random lot drawing.

13.07 If the written agreement in an administrative consolidation or an administrative annexation under Ark. Code Ann. § 6-13-1603 requires the formation of an interim board of directors, the interim board of directors shall be established by May 31 preceding the effective date of the administrative consolidation or administrative annexation.

13.08 An executed copy of the written agreement shall be attached to the petition for consolidation or annexation submitted to the State Board.

13.08.1 If the written agreement is approved by the State Board, the terms of the written agreement shall be binding upon the affected districts, receiving districts, and resulting districts, including the interim and permanent school boards of directors.

13.08.2 A written agreement under Ark. Code Ann. § 6-13-1416 and Section 13.00 of these rules shall not be effective without approval from the State Board.

13.09 A consolidation or annexation petition approved by the State Board along with an executed copy of the written agreement shall be filed with the:

13.09.1 County clerk of each county that contains school district territory of each affected district, receiving district, or resulting district;

13.09.2 Secretary of State; and

13.09.3 Arkansas Geographic Information Office.

13.10 An approved consolidation or annexation petition shall include a map of the boundaries of the resulting district or receiving district.

13.11 An approved consolidation or annexation petition filed with the Secretary of State and the Arkansas Geographic Information Office shall include a digital map showing the boundaries of the resulting district or receiving district in a format prescribed by the Arkansas Geographic Information Office.

Source: Ark. Code Ann. § 6-13-1416

14.00 FORMATION OF A PERMANENT BOARD OF DIRECTORS

14.01 A permanent board of directors shall have either five (5) or seven (7) members unless the school district is allowed to have nine (9) members under Ark. Code Ann. § 6-13-604.

14.02 The length of the terms of the board of directors may be for the time period prescribed by law and:

14.02.1 Prescribed in the written agreement under Ark. Code Ann. § 6-13-1416 and Section 13.00 of these rules; or

14.02.2 Determined by the permanent board of directors.

14.03 At the first meeting of the permanent board of directors, the members shall determine the terms of the board of directors by lot so that not more than two (2) members' terms expire during any one (1) year.

14.04 A vacancy on the board of directors shall be filled as prescribed by law.

14.05 If single-member election zones are not necessary to comply with the Voting Rights Act of 1965 or with any other federal or state law, any or all of the members of the permanent board of directors may be elected at large.

14.06 A minimum of five (5) members of a permanent board of directors shall be elected from single-member election zones if one (1) or more of the following applies:

14.06.1 Single-member election zones are required to comply with the Voting Rights Act of 1965 or other federal law;

14.06.2 The resulting district or receiving district after consolidation or annexation is required to be zoned under Ark. Code Ann. § 6-13-631 or other state law; or

14.06.3 The boards of directors of the affected districts before consolidation or the boards of directors of the affected districts and receiving districts before annexation agree that the permanent board of directors shall be elected from single-member election zones.

14.07 If single-member election zones are necessary to comply with the Voting Rights Act of 1965, other federal law, or state law, the resulting district or receiving district shall:

14.07.1 Review the demographic makeup and boundaries of the zones based on the latest decennial census data of the resulting district or receiving district after consolidation or annexation and rezone the resulting district or receiving district as necessary to comply with the Voting Rights Act of 1965, other federal law, or state law;

14.07.2 Complete the election rezoning no later than one hundred twenty (120) calendar days before the second school election following the effective date of the consolidation or annexation; and

14.07.3 No later than one hundred twenty (120) calendar days before the second school election following the effective date of the consolidation or annexation, file a digital map, in a format prescribed by the Arkansas Geographic Information Office, detailing the election zone boundaries of the resulting district or receiving district with the:

14.07.3.1 Secretary of State;

14.07.3.2 Arkansas Geographic Information Office; and

14.07.3.3 County clerk of each county that contains school district territory of each affected district, receiving district, or resulting district.

Source: Ark. Code Ann. § 6-13-1417

ADMINISTRATIVE CONSOLIDATION AND ANNEXATION OF SCHOOL DISTRICTS

15.00 ADMINISTRATIVE CONSOLIDATION LIST

15.01 By January 1 of each year, the Department of Education shall publish a:

15.01.1 List of all school districts with fewer than three hundred fifty (350) students according to the school district average daily membership in the school year immediately preceding the current school year; and

15.01.2 Consolidation list that includes all school districts with fewer than three hundred fifty (350) students according to the school district average daily membership in each of the two (2) school years immediately preceding the current school year.

Source: Ark. Code Ann. § 6-13-1602

16.00 ADMINISTRATIVE REORGANIZATION

16.01 Any school district included in the Department of Education's consolidation list under Ark. Code Ann. § 6-13-1602 may voluntarily agree to administratively consolidate with or be annexed to another school district or districts in accordance with the requirements and limitations of Ark. Code Ann. § 6-13-1603 and Section 16.00 of these rules.

16.02 Any school district on the consolidation list choosing to voluntarily administratively consolidate or annex shall submit a petition for approval to the State Board by March 1 immediately following publication of the list and shall set forth the terms of the administrative consolidation or annexation agreement in the petition. If the petition is approved by the State Board, the administrative consolidation or annexation shall be completed by May 1, to be effective July 1 immediately following the publication of the list required under Ark. Code Ann. § 6-13-1602 and Section 15.00 of these rules.

16.03 Any school district on the consolidation list that does not submit a petition under Ark. Code Ann. § 6-13-1603(a)(2)(A) or Section 16.02 of these rules, or that does not receive approval by the State Board for a voluntary consolidation or annexation petition, shall be administratively consolidated by the State Board with or into one (1) or more school districts by May 1, to be effective July 1 immediately following the publication of the list required under Ark. Code Ann. § 6-13-1602 and Section 15.00 of these rules.

16.04 The State Board shall promptly consider petitions or move on its own motion to administratively consolidate a school district on the consolidation list in order to

enable the affected school districts to reasonably accomplish any resulting administrative consolidation or annexation by July 1 immediately following the publication of the list required under Ark. Code Ann. § 6-13-1602 and Section 15.00 of these rules.

16.05 The State Board shall not deny the petition for voluntary administrative consolidation or annexation of any two (2) or more school districts unless:

16.05.1 The provisions contained in the articles of administrative consolidation or annexation would violate state or federal law; or

16.05.2 The voluntary consolidation or annexation would not contribute to the betterment of the education of students in the school district.

16.06 Any school district required to be administratively consolidated under Title 6, Chapter 13, Subchapter 16 and Section 16.00 of these rules shall be administratively consolidated in such a manner as to create a resulting district with an average daily membership meeting or exceeding three hundred fifty (350).

16.07 All administrative consolidations or annexations under Ark. Code Ann. § 6-13-1603 and Section 16.00 of these rules shall be accomplished so as not to create a school district that hampers, delays, or in any manner negatively affects the desegregation of another school district in this state.

16.08 In the administratively consolidated or annexed school districts created under Title 6, Chapter 13, Subchapter 16 and Section 16.00 of these rules, the ad valorem tax rate shall be determined as set forth under Ark. Code Ann. § 6-13-1409 and Section 9.00 of these rules.

16.09 Nothing in Ark. Code Ann. § 6-13-1603 or Section 16.00 of these rules shall be construed to require the closing of any school or school facility.

16.10 No administratively consolidated or annexed resulting or receiving school district shall have more than one (1) superintendent.

16.11 Any school district not designated as being in academic or fiscal distress for the current school year and previous two (2) school years that administratively receives by consolidation or annexation a school district designated by the State Board as being in academic or fiscal distress at the time of consolidation or annexation shall not be subject to academic or fiscal distress sanctions for a period of three (3) years from the effective date of consolidation unless:

16.11.1 The school district fails to meet minimum teacher salary requirements; or

16.11.2 The school district fails to comply with the Standards for Accreditation of Arkansas Public Schools and School Districts issued by the Department of Education.

16.12 Noncontiguous school districts may voluntarily consolidate if the facilities and physical plant of each school district:

16.12.1 Are within the same county, and the State Board approves the administrative consolidation; or

16.12.2 Are not within the same county, and the State Board approves the administrative consolidation or administrative annexation and finds that:

16.12.2.1 The administrative consolidation or administrative annexation will result in the overall improvement in the educational benefit to students in all of the school districts involved; or

16.12.2.2 The administrative consolidation or administrative annexation will provide a significant advantage in transportation costs or service to all of the school districts involved.

16.13 Contiguous school districts may administratively consolidate even if they are not in the same county.

16.14 The provisions of Ark. Code Ann. §§ 6-13-1415 through 6-13-1417, and Sections 12.00 through 14.00 of these rules, shall govern the board of directors of each resulting district or receiving district created under this Title 6, Chapter 13, Subchapter 16 and Section 16.00 of these rules.

Source: Ark. Code Ann. § 6-13-1603

17.00 DEVELOPMENT OF PLAN TO TRACK STUDENT PROGRESS

17.01 Following the administrative consolidation or administrative annexation under Ark. Code Ann. §§ 6-13-1601 -- 6-13-1603, 6-13-1604 [repealed], and 6-13-1605 [repealed] effective before December 1, 2004, and before any consolidation, annexation, detachment, approval of a conversion charter, or any other type of reclassification or reorganization of a school district after December 1, 2004, each receiving district or resulting district and the Department of Education shall develop a plan to track the educational progress of all students from the affected district and the following subgroups of those students:

17.01.1 Students who have been placed at risk of academic failure as required under Ark. Code Ann. § 6-15-1602;

17.01.2 Economically disadvantaged students;

17.01.3 Students from major racial and ethnic groups; and

17.01.4 Specific population groups as identified by the State Board, the Department of Education, the affected district, or the receiving district as target groups for closing the achievement gaps.

17.02 The receiving or resulting district shall obtain and retain all student records from the affected district for the five (5) years immediately preceding the administrative consolidation or administrative annexation, specifically including, but not limited to:

17.02.1 Individual student records;

17.02.2 Attendance records;

17.02.3 Enrollment records;

17.02.4 Assessment records for assessments required under the Arkansas Comprehensive Testing, Assessment, and Accountability Program Act, Ark. Code Ann. § 6-15-401 et seq., specifically including benchmark assessments and end-of-course assessments; and

17.02.5 American College Test (ACT) and Standardized Aptitude Test (SAT) results and records.

17.03 The school district shall report to the Department of Education information determined by the Department of Education as necessary to track the educational progress of all students from the affected district as a subgroup and the following subgroups of those transferred students:

17.03.1 Students who have been placed at risk of academic failure as required under Ark. Code Ann. § 6-15-1602;

17.03.2 Economically disadvantaged students; and

17.03.3 Students from major racial and ethnic groups.

17.04 By November 1 of each year, the Department of Education shall file a written report with the Governor, the chair of the House Interim Committee on Education, the chair of the Senate Interim Committee on Education, and the secretary of the Legislative Council assessing the educational progress of all students from the

affected district as a subgroup and the following subgroups of those transferred students:

17.04.1 Students who have been placed at risk of academic failure as required under Ark. Code Ann. § 6-15-1602;

17.04.2 Economically disadvantaged students; and

17.04.3 Students from major racial and ethnic groups.

Source: Ark. Code Ann. § 6-13-1606

18.00 RETENTION OF HISTORICAL RECORDS AND DOCUMENTS

18.01 Following the annexations or consolidations under Ark. Code Ann. § 6-13-1601 et seq. effective prior to December 1, 2004, and prior to any consolidation, annexation, detachment, approval of a conversion charter, or any other type of reclassification or reorganization of a school district after December 31, 2004, a receiving or resulting school district shall obtain and retain all student and historical records and documents from the affected school district, specifically including, but not limited to:

18.01.1 Student transcripts;

18.01.2 Graduation records;

18.01.3 Minutes and other legal documents of the local board of directors;

18.01.4 Maps or boundary documents;

18.01.5 Sports records, trophies, and awards;

18.01.6 Employee records; and

18.01.7 Financial records.

Source: Ark. Code Ann. § 6-13-1607

19.00 AUDIT REQUIRED

19.01 The Division of Legislative Audit shall conduct a comprehensive financial review of all the school district's financial matters for any school that is involved in administrative consolidation or administrative annexation or is otherwise reorganized by the State Board.

19.02 The comprehensive financial review shall begin no less than ten (10) days after the earliest of:

19.02.1 The publication of the district's name on the consolidation and annexation list under Ark. Code Ann. § 6-13-1602;

19.02.2 The filing of a petition for voluntary administrative consolidation or administrative annexation; or

19.02.3 The adoption of a motion by the State Board to consolidate, annex, or otherwise reorganize a school district designated as being in academic or fiscal distress.

19.03 Beginning on the date of publication of the consolidation list under Ark. Code Ann. § 6-13-1602 and Section 16.00 of these rules each year, the Department of Education shall have authority to oversee all fiscal and accounting-related matters of all school districts on the consolidation list and shall require those school districts to have accurate records necessary to close all books within sixty (60) days after the end of the fiscal year.

19.03.1 No contract or other debt obligation incurred by a school district for which the department has oversight authority under Ark. Code Ann. § 6-13-1608 and Section 19.00 of these rules shall be valid or enforceable against a resulting school district unless the contract or other debt obligation is preapproved in writing by the Commissioner of Education or his or her designee.

19.04 Any school that is involved in an administrative consolidation or administrative annexation shall have an audit started within thirty (30) days of the completion of the closing of the books by the school district.

19.05 The Department of Education and the Division of Legislative Audit shall jointly develop the scope and details of the comprehensive fiscal review consistent with the requirements of Ark. Code Ann. § 6-13-1608 and Section 19.00 of these rules.

19.06 A school district may not incur debt without the prior written approval of the Department of Education if the school district is identified by the Department of Education under Ark. Code Ann. § 6-13-1602(1) and Section 15.01.1 of these rules as having fewer than three hundred fifty (350) students according to the school district average daily membership in the school year immediately preceding the current school year.

Source: Ark. Code Ann. § 6-13-1608

20.00 PRESERVATION OF HISTORICAL SCHOOL ARTIFACTS

20.01 Following the administrative consolidations or administrative annexations under Ark. Code Ann. §§ 6-13-1601 -- 6-13-1603, 6-13-1604 [repealed], and 6-13-1605 [repealed] effective before December 1, 2004, and before any consolidation, annexation, detachment, approval of a conversion charter, or any other type of reclassification or reorganization of a school district after December 31, 2004, a receiving district or resulting district shall obtain, retain, preserve, and, as appropriate, display historical artifacts of the affected district in the same manner as if the historical artifacts were those of the receiving district or resulting district.

Source: Ark. Code Ann. § 6-13-1609

21.00 FINANCIAL RELIEF FOR DEBTS ACQUIRED AS A RESULT OF INVOLUNTARY CONSOLIDATIONS

21.01 As used in Section 21.00 of these rules:

21.01.1 "Accounts payable" means a debt owed by a school district on June 30 immediately prior to administrative consolidation, excluding bonded indebtedness or other long-term debt;

21.01.2 "Act 60 school district" means a school district that was on the consolidation list under Ark. Code Ann. § 6-13-1602 and Section 15.00 of these rules and was involuntarily consolidated under Ark. Code Ann. § 6-13-1603(a)(3) and Section 16.03 of these rules;

21.01.3 "Available funding" means funds that are available to a school district for paying accounts payable or are reasonably expected to be collected and available for payment of accounts payable;

21.01.4 "Excess accounts payable" means accounts payable of an Act 60 school district that exceed available funding; and

21.01.5 "Improper expenditure exceptions" means an erroneous expenditure of federal or state funds that is noted as an audit exception and has been determined by the Department of Education to require an expenditure of funds by the resulting school district to be correct.

21.02 If on July 1, 2004, or thereafter, the State Board required an involuntary administrative consolidation under Ark. Code Ann. § 6-13-1603(a)(3) and Section 16.03 of these rules and the resulting district assumed excess accounts payable or improper expenditure exceptions incurred by the Act 60 school district before the July 1 administrative consolidation date that would have caused deficit spending

if paid from the funds of the Act 60 district, the Department of Education shall provide supplemental funding to the resulting district.

21.03 The amount of the supplemental funding provided under Ark. Code Ann. § 6-13-1610(b) and Section 21.02 of these rules shall be equal to the amount of the excess accounts payable and improper expenditure exceptions assumed by the resulting school district.

21.03.1 The amount of accounts payable, excess accounts payable, improper expenditure exceptions, and available funding shall be determined by the Department of Education based on information provided in a final audit and other verifiable fiscal information available to the Department of Education.

21.03.2 The audit of an Act 60 school district required under Ark. Code Ann. § 6-13-1610 and Section 21.00 of these rules shall be completed within the time under Ark. Code Ann. § 6-20-1801(d) for school districts in fiscal distress.

21.03.3 No supplemental funding shall be paid under this section until after completion of a final audit by the Division of Legislative Audit or a private certified public accountant that may conduct school district audits under Ark. Code Ann. § 6-20-1801.

21.04 Beginning on the date of the publication of the consolidation list under Ark. Code Ann. § 6-13-1602 and Section 15.00 of these rules each year, the Department of Education shall have authority to oversee all fiscal and accounting-related matters of all school districts on the consolidation list and shall require these school districts to have accurate records necessary to close all books within sixty (60) days of the end of the fiscal year.

21.04.1 No contract or other debt obligation incurred by a school district for which the Department of Education has oversight authority under Ark. Code Ann. § 6-13-1610 and Section 21.00 of these rules shall be valid or enforceable against a resulting district unless the contract or other debt obligation is preapproved in writing by the Commissioner of Education or his or her designee.

Source: Ark. Code Ann. § 6-13-1610

22.00 ANNUAL REPORTS

22.01 By October 1 of each year, the resulting district or receiving district of any school district that was administratively consolidated or administratively annexed under Ark. Code Ann. §§ 6-13-1601 -- 6-13-1603, 6-13-1604 [repealed], and 6-13-1605 [repealed] shall file a written report with the House Interim Committee on

Education, the Senate Interim Committee on Education, and the Department of Education indicating:

22.01.1 What efforts were made and the results of those efforts for inclusion of parents from the affected district in the receiving district's or the resulting district's activities, including without limitation:

22.01.1.1 Parent-teacher associations;

22.01.1.2 Booster clubs; and

22.01.1.3 Parent involvement committees;

22.01.2 The number and percentage of students from the affected districts participating in an extracurricular activity, itemized by each extracurricular activity offered by the school district and, for each activity, which school district the student attended before reorganization; and

22.01.3 The employment status of each administrator by name, gender, and race before the administrative annexation or administrative consolidation, which school employed the administrator before administrative consolidation, and his or her employment status in the receiving district or the resulting district.

22.02 The Department of Education shall develop or approve a survey to be used by the resulting or receiving districts to capture perceptual data from parents and students regarding their opinions on:

22.02.1 Opportunities for inclusion or participation in the resulting or receiving district; and

22.02.2 The efforts, if any, that were made to include parents from the affected district in the receiving or resulting district's activities, including, but not limited to, parent-teacher associations, booster clubs, and parent involvement committees.

Source: Ark. Code Ann. § 6-13-1611

23.00 ACADEMIC SUPPORT CENTERS

23.01 The purpose of Ark. Code Ann. § 6-13-1612 and Section 23.00 of these rules is to:

23.01.1 Prevent students who attend administratively consolidated or administratively annexed schools from returning home to communities with little or no opportunities for supplemental academic support;

23.01.2 Increase opportunities for access to library materials, academic resource materials, and educational technology for these students within their local communities; and

23.01.3 Help advance academic performance for these students by providing opportunities for homework and tutorial assistance based on the Arkansas curriculum frameworks.

23.02 An academic support center may be established in communities whose schools have been closed by administrative consolidation or administrative annexation under Title 6, Chapter 13, Subchapter 16 of the Arkansas Code to fulfill the objectives identified in Ark. Code Ann. § 6-13-1612(a) and Section 23.00 of these rules.

23.03 The Department of Education shall report annually to the House Interim Committee on Education and the Senate Interim Committee on Education regarding the establishment of academic support centers and their effectiveness.

Source: Ark. Code Ann. § 6-13-1612

CONSOLIDATION AND ANNEXATION INCENTIVE FUNDING

24.00 DEFINITIONS APPLICABLE TO CONSOLIDATION AND ANNEXATION INCENTIVE FUNDING

For the purposes of Sections 24.00 through 26.00 of these rules, the following definitions apply:

24.01 "Annexation" includes both Annexation and Administrative Annexation as defined in Section 3.00 of these Rules.

24.02 "Consolidation" includes both Consolidation and Administrative Consolidation as defined in Section 3.00 of these Rules.

24.03 "Foundation Funding" means an amount of money specified by the General Assembly for each school year to be expended by school districts for the provision of an adequate education for each student.

24.04 "Per Student Foundation Funding Amount" means a dollar amount established by the General Assembly to be multiplied by the ADM of the previous school year for the district foundation funding.

24.05 "Funding Factor" means a factor established by the Arkansas Department of Education (Department) to ensure that the calculated funding does not exceed the funds available for consolidation/annexation incentive funding.

25.00 GUIDELINES FOR THE DISTRIBUTION OF CONSOLIDATION AND ANNEXATION INCENTIVE FUNDING

25.01 The distribution of consolidation and annexation incentive funding is dependent upon appropriation and funding by the Arkansas General Assembly.

25.02 Consolidation/annexation incentive funding shall be determined as follows:

25.02.1 One hundred percent (100%) of the incentive allowance computed as provided in these rules shall be in addition to the school district's aid the first year of consolidation/annexation. The second year of consolidation/annexation the district shall receive fifty percent (50%) of the consolidation/annexation incentive funding received by the district in the previous year in addition to other state aid. Beginning in the third year and each year thereafter no consolidation/annexation incentive funding shall be provided. The consolidation/annexation incentive is intended to supplement the customary state aid the districts would have received had the consolidation/annexation not occurred.

25.02.2 For those school districts not required to be consolidated/annexed in the current school year, if two (2) districts consolidate or one (1) district is annexed to another school district, multiply the prior year ADM of the smaller district by the per student foundation funding amount, then by the funding factor, where the minimum ADM applicable is one hundred (100) and the maximum ADM applicable is three hundred (300).

25.02.3 For those school districts required to be consolidated/annexed in the current school year, if two (2) districts consolidate or one (1) district is annexed to another school district, multiply the prior year ADM of the smaller district by the per student foundation funding amount, then by the funding factor, where the minimum ADM applicable is one hundred (100) and the maximum ADM applicable three hundred (300).

25.02.4 For those school districts not required to be consolidated/annexed in the current school year, if three (3) districts consolidate or two (2) districts are annexed to a third school district, multiply the total prior year ADM of the two (2) smaller districts by the per student foundation funding amount, then by the funding factor, where the minimum ADM applicable is one hundred (100) and the maximum ADM applicable is four hundred (400).

25.02.5 For those school districts required to be consolidated/annexed in the current school year, if three (3) districts consolidate or two (2) smaller districts are annexed to another school district, multiply the prior year ADM of the smaller district by the per student foundation funding amount, then by the funding factor, where the minimum ADM applicable is one hundred (100) and the maximum ADM applicable three hundred (300).

25.02.6 For those school districts not required to be consolidated/annexed in the current school year, if four (4) or more districts consolidate or three (3) or more districts are annexed to another school district, multiply the total prior year ADM of all except the largest district by the per student foundation funding amount, then by the funding factor, where the minimum ADM applicable is one hundred (100) and the maximum ADM applicable is five hundred (500).

25.02.7 For those school districts required to be consolidated/annexed in the current school year, if four (4) or more districts consolidate or three (3) or more districts are annexed to another school district, multiply the prior year ADM of the smaller district by per student the foundation funding amount, then by the funding factor, where

the minimum ADM applicable is one hundred (100) and the maximum ADM applicable is three hundred (300).

25.02.8 If a district is annexed by multiple school districts, the incentive funding shall be computed as in Sections 25.02.1 through 25.02.7 above. The incentive funding shall then be prorated among the receiving districts based upon the percentage of the annexed district's ADM received by each receiving district.

26.00 GENERAL REQUIREMENTS

26.01 Consolidation/annexation incentive funding shall be distributed to either the resulting district(s) established after consolidation or the receiving district(s) after annexation.

26.02 Any district that has received consolidation/annexation incentive funds and subsequently dissolves shall be liable to the Department of Education for the full or apportioned amount of incentive funding received if any of the following conditions result due to the dissolution:

26.02.1 Districts are formed with substantially the same boundaries as the former districts prior to consolidation or annexation;

26.02.2 The ability of any district to desegregate or remain desegregated is inhibited;

26.02.3 The ability of the State to ensure that students are provided a quality education in an efficient manner is inhibited.

26.03 Any repayment due, as required in Section 26.02 above, shall be paid from the assets of the district prior to dissolution of the district. The Department of Education may withhold, from any state funding due the district, the amount of repayment funds or a portion thereof.

26.04 In the event full repayment is not made as required under Section 26.02 above, the Department of Education shall withhold from those districts that are formed as a result of the dissolution, future state funding in the amount of the repayment owed. The repayment shall be apportioned among the districts on a per ADM basis unless the Department of Education determines that such apportionment would be inequitable. In such case, the State Board shall apportion the repayment among the districts upon an equitable basis.

27.00 STATE BOARD HEARING PROCEDURES – VOLUNTARY CONSOLIDATIONS AND ANNEXATIONS

27.01 All persons wishing to testify before the State Board shall first be placed under oath by the Chairperson of the State Board.

27.02 The spokesperson(s) for the petitioning school districts shall have a total of twenty (20) minutes to present the school districts' remarks. The State Board may allow more than twenty (20) minutes if necessary.

27.03 The spokesperson(s) for any individual or group of citizens that opposes the petition shall have a total of twenty (20) minutes to present the remarks of the individual or group of citizens. The State Board may allow more than twenty (20) minutes if necessary.

27.04 The spokesperson(s) for the petitioning school districts shall have a total of ten (10) minutes to present closing remarks to the State Board. The State Board may allow more than ten (10) minutes if necessary.

27.05 The spokesperson(s) for any individual or group of citizens that opposes the petition shall have a total of ten (10) minutes to present closing remarks to the State Board. The State Board may allow more than ten (10) minutes if necessary.

27.06 The State Board shall then discuss, deliberate and vote upon the matter of approving or denying the school districts' petition.

27.07 If it deems necessary, the State Board may take the matter under advisement and announce its decision at a later date, provided that all discussions, deliberations and votes upon the matter take place in a public hearing.

27.08 The State Board shall issue a written order concerning the matter.

28.00 STATE BOARD HEARING PROCEDURES – INVOLUNTARY CONSOLIDATIONS AND ANNEXATIONS

28.01 All persons wishing to testify before the State Board shall first be placed under oath by the Chairperson of the State Board.

28.02 The spokesperson(s) for the Department of Education shall have a total of twenty (20) minutes to present the Department of Education's remarks. The State Board may allow more than twenty (20) minutes if necessary.

28.03 The spokesperson(s) for any individual or group of citizens that opposes the annexation or consolidation shall have a total of twenty (20) minutes to present the remarks of the individual or group of citizens. The State Board may allow more than twenty (20) minutes if necessary.

28.04 The spokesperson(s) for the Department of Education shall have a total of ten (10) minutes to present closing remarks to the State Board. The State Board may allow more than ten (10) minutes if necessary.

28.05 The spokesperson(s) for any individual or group of citizens that opposes the annexation or consolidation shall have a total of ten (10) minutes to present closing remarks to the State Board. The State Board may allow more than ten (10) minutes if necessary.

28.06 The State Board shall then discuss, deliberate and vote upon the matter of approving or denying the school districts' petition.

28.07 If it deems necessary, the State Board may take the matter under advisement and announce its decision at a later date, provided that all discussions, deliberations and votes upon the matter take place in a public hearing.

28.08 The State Board shall issue a written order concerning the matter.

ATTACHMENTS PERTAINING TO ANNEXATIONS AND CONSOLIDATIONS OF SCHOOL DISTRICTS (NON-ADMINISTRATIVE)

BEFORE THE ARKANSAS STATE BOARD OF EDUCATION

IN THE MATTER OF THE ANNEXATION OF _____ SCHOOL DISTRICT(S) OF _____ COUNTY INTO THE _____ SCHOOL DISTRICT OF _____ COUNTY:

PETITION FOR ANNEXATION

COMES NOW the _____ School District(s) of _____ County and the _____ School District of _____ County (Petitioners), acting by and through their respective Superintendent(s) duly authorized, pursuant to Ark. Code Ann. § 6-13-1401 et seq., and petition the Arkansas State Board of Education (Board) to approve the annexation of the petitioning affected school district(s) into the petitioning receiving _____ School District, and hereby would submit to the Board as follows:

1. Pursuant to Ark. Code Ann. § 6-13-1401 et seq., the Petitioners hereby submit and incorporate in this petition as Exhibit A attached hereto, proof of legally binding local board resolutions to annex the _____ School District(s) into the receiving _____ School District as approved by a majority of the members of the local boards of education of the respective Petitioners.

2. The Petitioners hereby submit and incorporate in this petition as Exhibit B attached hereto, proof of public notice of intent to petition this Board to annex the Petitioners into the receiving _____ School District. Said public notice of intent to annex (was)(was not) published in the local newspaper(s) of general circulation (or in a state newspaper of daily circulation if local newspaper does not exist on weekly basis) of the affected districts for a time period of no less than once a week for two (2) consecutive weeks immediately prior to the filing of this petition with this Board.

3. The Petitioners submit that at the proper school election following the petitioned annexation, the receiving _____ School District shall elect ____ local board members in compliance with Ark Code Ann. §§ 6-13-1416 and 6-13-1417.

4. The Petitioners submit that their respective school districts are geographically contiguous or that the Board should approve the petitioned non-contiguous annexation because the annexation will result in (a) the overall improvement in the educational benefit to students in all of the school districts involved, or (b) will provide a significant advantage in transportation costs or service to all of the school districts involved based on the following factual reasons:

_____

_____

_____

_____

5. The Petitioners submit that they hereby request through the State Board, an Attorney General Opinion declaring whether the petitioned annexation will or will not hamper, delay or in any manner negatively affect the desegregation of another school district or districts in this state. Upon receipt, the resulting opinion shall be incorporated herein and attached hereto as Exhibit C.

6. Pursuant to Ark. Code Ann. § 6-13-1401 et seq., the Petitioners hereby submit and declare that the effective date of this petitioned annexation shall be July 1, and that there shall be only one local school board and one local superintendent of the receiving _____ School District.

7. The Petitioners hereby submit an affidavit of facts by the superintendent of the affected school district(s), which is incorporated as Exhibit D, concerning the relevant status of any federal court-ordered supervision or jurisdiction of desegregation cases involving the affected districts.

8. The Petitioners hereby submit and incorporate in this petition as Exhibit E attached hereto, the written agreement required by Ark. Code Ann. § 6-13-1416.

WHEREFORE, Petitioners request that the Board approve the annexation of the _____ School District(s) of _____ County into the receiving _____ School District of _____ County; that it issue an Order dissolving the affected school district(s) and establishing the receiving _____ School District; that it issue an Order establishing the boundary lines of the receiving school district; and that it file its Order with the County Clerks of _____ and _____ Counties, Arkansas, with the Secretary of State and with the Arkansas Geographic Information Office.

Respectfully submitted,

_____ School District

_____ County

By: _____
Superintendent Date

_____
President, School Board Date

_____School District

_____County

By: _____

Superintendent Date

_____

President, School Board Date

BEFORE THE ARKANSAS STATE BOARD OF EDUCATION

IN THE MATTER OF THE CONSOLIDATION OF _____ SCHOOL DISTRICT(S) OF _____ COUNTY AND THE _____ SCHOOL DISTRICT OF _____ COUNTY:

PETITION FOR CONSOLIDATION

COMES NOW the _____ School District(s) of _____ County and the _____ School District of _____ County (Petitioners), acting by and through their respective Superintendent(s) duly authorized, pursuant to Ark. Code Ann. § 6-13-1401 et seq., and petition the Arkansas State Board of Education (Board) to approve the consolidation of the Petitioners into the resulting _____ School District, and hereby would submit to the Board as follows:

1. Pursuant to Ark. Code Ann. § 6-13-1401 et seq., the Petitioners hereby submit and incorporate in this petition as Exhibit A attached hereto, proof of legally binding local board resolutions to consolidate the _____ and _____ School District(s) into the resulting _____ School District as approved by a majority of the members of the local boards of education of the respective Petitioners.

2. The Petitioners hereby submit and incorporate in this petition as Exhibit B attached hereto, proof of public notice of intent to petition this Board to consolidate the Petitioners into the resulting _____ School District. Said public notice of intent to consolidate (was)(was not) published in the local newspaper(s) of general circulation (or in state newspaper of local daily circulation if local newspaper does not exist on weekly basis) of the

affected districts for a time period of no less than once a week for two (2) consecutive weeks immediately prior to the filing of this petition with this Board.

3. The Petitioners submit that at the proper school election following the petitioned consolidation, the resulting _____ School District shall elect ____ local board members in compliance with Ark. Code Ann. §§ 6-13-1416 and 6-13-1417.

4. The Petitioners submit that their respective school districts are geographically contiguous or that the Board should approve the petitioned non-contiguous consolidation because the consolidation will result in (a) the overall improvement in the educational benefits to students in all of the school districts involved, or (b) will provide a significant advantage in transportation costs or service to all of the school districts involved based on the following factual reasons:

_____

_____

_____

_____

5. The Petitioners submit that they hereby request through the State Board, an Attorney General Opinion declaring whether the petitioned consolidation will or will not hamper, delay or in any manner negatively affect the desegregation of another school district or districts in this state. Upon receipt, the resulting opinion shall be incorporated herein and attached hereto as Exhibit C.

6. Pursuant to Ark. Code Ann. § 6-13-1401 et seq., the Petitioners hereby submit and declare that the effective date of this petitioned consolidation shall be July 1, and that there

shall be only one local school board and one local superintendent of the resulting _____ School District.

7. The Petitioners hereby submit an affidavit of facts by the superintendent of the affected school districts, which is incorporated as Exhibit D, concerning the relevant status of any federal court-ordered supervision or jurisdiction of desegregation cases involving the affected districts.

8. The Petitioners hereby submit and incorporate in this petition as Exhibit E attached hereto, the written agreement required by Ark. Code Ann. § 6-13-1416.

WHEREFORE, Petitioners request that the Board approve the consolidation of the _____ School District(s) of _____ County and the _____ School District of _____ County into the resulting _____ School District; that it issue an Order dissolving the affected school districts and establishing the resulting school district; that it issue an Order establishing the boundary lines of the resulting school district; and that it file its Order with the County Clerks of the _____ and _____ Counties, Arkansas, with the Secretary of State and with the Arkansas Geographic Information Office.

Respectfully submitted,

_____School District

_____ County

By: _____
Superintendent Date

_____
President, School Board Date

_____School District

_____County

By: _____
Superintendent Date

_____
President, School Board Date

Exhibit A

SCHOOL BOARD RESOLUTION

COMES NOW the _____ School District Board acting by and through its Superintendent duly authorized and do herein declare:

A special or regular school board meeting was held on _____, 20___, wherein a quorum was present and a majority of the board membership voted to approve the consolidation/annexation of the _____ School District with the _____ School District, and the minutes of said meeting reflect such. Therefore, this document is to serve as the formal resolution of the _____ School District Board of Directors, pursuant to Arkansas law, that said consolidation/annexation is hereby approved.

_____ School District

of _____ County

By: _____
Superintendent Date

By: _____
President, School Board Date

EXHIBIT D

AFFIDAVIT CONCERNING DESEGREGATION ORDERS

COMES NOW the _____ School District, acting by and through its Superintendent, and hereby states and represents to the State Board of Education that, to the best of my knowledge, the _____ School District currently (circle one) (is)(is not) involved in desegregation litigation in a United States Federal Court or is under the continuing jurisdiction of a United States Federal Court Order regarding desegregation of a public school or schools (see "*" at bottom of affidavit).

Further the affiant sayeth not.

IN WITNESS WHEREOF, I hereunto set my hand this _____ day of _____, 20_____.

_____
Superintendent

COUNTY of _____
STATE OF ARKANSAS

Sworn and subscribed before me, Notary Public, this _____ day of _____, 20_____.

_____
Notary Public

My Commission expires:

_____

* = If you answered, "is involved in desegregation litigation, etc." above, please attach a copy of any applicable Court orders or other relevant documentation.

ATTACHMENTS PERTAINING TO ADMINISTRATIVE ANNEXATIONS AND CONSOLIDATIONS OF SCHOOL DISTRICTS

BEFORE THE ARKANSAS STATE BOARD OF EDUCATION

IN THE MATTER OF THE ANNEXATION OF _____ SCHOOL DISTRICT(S) OF _____ COUNTY INTO THE _____ SCHOOL DISTRICT OF _____ COUNTY:

PETITION FOR VOLUNTARY ADMINISTRATIVE ANNEXATION

COMES NOW the _____ School District(s) of _____ County and the _____ School District of _____ County (Petitioners), acting by and through their respective Superintendent(s) duly authorized, pursuant to Ark. Code Ann. § 6-13-1601 et seq., and petition the Arkansas State Board of Education (Board) to approve the voluntary administrative annexation of the petitioning affected school district(s) into the petitioning receiving _____ School District, and hereby would submit to the Board as follows:

1. Pursuant to Ark. Code Ann. § 6-13-1601 et seq., the Petitioners hereby submit and incorporate in this petition as Exhibit A attached hereto, proof of legally binding local board resolutions to annex the _____ School District(s) into the receiving _____ School District as approved by a majority of the members of the local boards of education of the respective Petitioners.

2. The Petitioners hereby submit and incorporate in this petition as Exhibit B attached hereto, (submit only if public notice was published in the newspaper) proof of public notice of intent to petition this Board to annex the Petitioners into the receiving _____ School District. Said public notice of intent to annex (was)(was not) published in the local newspaper(s) of general circulation (or in a state newspaper of daily circulation if local newspaper does not exist on weekly basis) of the affected districts for a time period of no less

than once a week for two (2) consecutive weeks immediately prior to the filing of this petition with this Board.

3. The Petitioners submit that the average daily membership in each of the two (2) school years immediately preceding the _____ school year were _____ and _____ for the _____ School District and _____ and _____ for the _____ School District.

4. Pursuant to Ark. Code Ann. § 6-13-1603(b), the Petitioners submit and incorporate an affidavit of proof as Exhibit C that the previous average daily membership of the affected school districts was a combined average daily membership of _____ for the _____school year, which is an average daily membership meeting or exceeding three hundred fifty (350) total students.

5. The Petitioners submit that at the proper school election following the petitioned annexation, the receiving _____ School District shall elect ____ local board members in compliance with Ark. Code Ann. §§ 6-13-1416 and 6-13-1417.

6. The Petitioners submit that their respective school districts are geographically contiguous or that the Board should approve the petitioned non-contiguous annexation because the annexation will result in (a) the overall improvement in the educational benefit to students in all of the school districts involved, or (b) will provide a significant advantage in transportation costs or service to all of the school districts involved based on the following factual reasons:

_____

_____

_____

_____

7. The Petitioners submit that they hereby request through the State Board, an Attorney General Opinion declaring whether the petitioned annexation will or will not hamper, delay or in any manner negatively affect the desegregation of another school district or districts in this state. Upon receipt, the resulting opinion shall be incorporated herein and attached hereto as Exhibit D.

8. Pursuant to Ark. Code Ann. § 6-13-1601 et seq., the Petitioners hereby submit and declare that the effective date of this petitioned annexation shall be July 1, _____, and that there shall be only one local school board and one local superintendent of the receiving _____ School District.

9. If Petitioners are claiming Isolated School status, Petitioners hereby submit that the _____ School District(s) qualify as an isolated school as certified by the attached affidavit of Isolated School Status incorporated in this petition as Exhibit E attached hereto.

10. The Petitioners hereby submit an affidavit of facts by the superintendent of the affected school district(s), which is incorporated as Exhibit F, concerning the relevant status of any federal court-ordered supervision or jurisdiction of desegregation cases involving the affected districts.

11. The Petitioners hereby submit and incorporate in this petition as Exhibit G attached hereto, the written agreement required by Ark. Code Ann. § 6-13-1416.

WHEREFORE, Petitioners request that the Board approve the annexation of the _____ School District(s) of _____ County into the receiving _____ School District of _____ County; that it issue an Order dissolving the affected school district(s) and establishing the receiving _____ School District; that it issue an Order establishing the boundary lines of the receiving school district; and that it file its

Order with the County Clerks of _____ and _____ Counties, Arkansas, with the Secretary of State and with the Geographic Information Office.

Respectfully submitted,

_____ School District

_____ County

By: _____
Superintendent Date

_____
President, School Board Date

_____School District

_____County

By: _____
Superintendent Date

_____
President, School Board Date

BEFORE THE ARKANSAS STATE BOARD OF EDUCATION

IN THE MATTER OF THE CONSOLIDATION OF _____ SCHOOL DISTRICT(S) OF _____ COUNTY AND THE _____ SCHOOL DISTRICT OF _____ COUNTY:

PETITION FOR VOLUNTARY ADMINISTRATIVE CONSOLIDATION

COMES NOW the _____ School District(s) of _____ County and the _____ School District of _____ County (Petitioners), acting by and through their respective Superintendent(s) duly authorized, pursuant to Ark. Code Ann. § 6-13-1601 et seq., and petition the Arkansas State Board of Education (Board) to approve the voluntary administrative consolidation of the Petitioners into the resulting _____ School District, and hereby would submit to the Board as follows:

1. Pursuant to Ark. Code Ann. § 6-13-1601 et seq. , the Petitioners hereby submit and incorporate in this petition as Exhibit A attached hereto, proof of legally binding local board resolutions to consolidate the _____ and _____ School District(s) into the resulting _____ School District as approved by a majority of the members of the local boards of education of the respective Petitioners.

2. The Petitioners hereby submit and incorporate in this petition as Exhibit B attached hereto, (submit only if public notice was published in the newspaper) proof of public notice of intent to petition this Board to consolidate the Petitioners into the resulting _____ School District. Said public notice of intent to consolidate (was)(was not) published in the local newspaper(s) of general circulation (or in state newspaper of local daily circulation if local newspaper does not exist on weekly basis) of the affected districts for a time period of no less than once a week for two (2) consecutive weeks immediately prior to the filing of this petition with this Board.

3. The Petitioners submit that the average daily membership in each of the two (2) school years immediately preceding the _____ school year were _____ and _____ for the _____ School District and _____ and _____ for the _____ School District.

4. Pursuant to Ark. Code Ann. § 6-13-1603(b), the Petitioners submit and incorporate an affidavit of proof as Exhibit C that the previous average daily membership of the affected school districts was a combined average daily membership of _____ for the _____ school year, which is an average daily membership meeting or exceeding three hundred fifty (350) total students.

5. Pursuant to Ark. Code Ann. § 6-13-1416, the Petitioners submit that this petitioned consolidation is pursuant to Ark. Code Ann. § 6-13-1602 and that an interim local board of seven (7) board members in accord with Ark. Code Ann. § 6-13-1416 shall be established by _____, and the interim board shall be made up of board members of the affected former districts in proportion to the student's population in the former affected districts.

6. The Petitioners submit that at the first regular school election following the petitioned consolidation, the resulting _____ School District shall elect ____ local board members by zoned elections in compliance with Ark. Code Ann. §§ 6-13-1416 and 6-13-1417.

7. The Petitioners submit that their respective school districts are geographically contiguous or that the Board should approve the petitioned non-contiguous consolidation because the consolidation will result in (a) the overall improvement in the educational benefits to students in all of the school districts involved, or (b) will provide a significant advantage in transportation costs or service to all of the school districts involved based on the following factual reasons:

_____

_____

_____

_____

8. The Petitioners submit that they hereby request through the State Board, an Attorney General Opinion declaring whether the petitioned consolidation will or will not hamper, delay or in any manner negatively affect the desegregation of another school district or districts in this state. Upon receipt, the resulting opinion shall be incorporated herein and attached hereto as Exhibit D.

9. Pursuant to Ark. Code Ann. § 6-13-1601 et seq., the Petitioners hereby submit and declare that the effective date of this petitioned consolidation shall be July 1, _____, and that there shall be only one local school board and one local superintendent of the resulting _____ School District.

10. If Petitioners are claiming Isolated School status, Petitioners hereby submit that the _____ School District(s) qualify as isolated schools as certified by the attached affidavit of Isolated School Status incorporated in this petition as Exhibit E attached hereto.

11. The Petitioners hereby submit an affidavit of facts by the superintendent of the affected school district, which is incorporated as Exhibit F, concerning the relevant status of any federal court-ordered supervision or jurisdiction of desegregation cases involving the affected districts.

12. The Petitioners hereby submit and incorporate in this petition as Exhibit G attached hereto, the written agreement required by Ark. Code Ann. § 6-13-1416.

WHEREFORE, Petitioners request that the Board approve the consolidation of the _____ School District(s) of _____ County and the _____ School District of _____ County into the resulting _____ School District; that it issue an Order dissolving the affected school districts and establishing the resulting school district; that it issue an Order establishing the boundary lines of the resulting school district; and that if file its Order with the County Clerks of the _____ and _____ Counties, Arkansas, the Secretary of State and the Arkansas Geographic Information Office.

Respectfully submitted,

_____ School District

_____ County

By: _____
Superintendent Date

_____
President, School Board Date

_____School District

_____County

By: _____
Superintendent Date

_____
President, School Board Date

Exhibit A

SCHOOL BOARD RESOLUTION

COMES NOW the _____ School District Board acting by and through its Superintendent duly authorized and do herein declare:

A special or regular school board meeting was held on _____, _____, wherein a quorum was present and a majority of the membership voted to approve the consolidation/annexation of the _____ School District with the _____ School District, and the minutes of said meeting reflect such. Therefore, this document is to serve as the formal resolution of the _____ School District Board of Directors, pursuant to Arkansas law, that said consolidation/annexation is hereby approved.

_____ School District

of _____ County

By: _____
Superintendent Date

By: _____
President, School Board Date

Exhibit C

AFFIDAVIT OF AVERAGE DAILY MEMBERSHIP

COMES NOW the affiant, _____, Superintendent of the _____ School District, and having been duly sworn, states under oath as follows:

1. The average daily membership (ADM) of the _____ School District, as that term is defined in Ark. Code Ann. § 6-13-1601(4), was _____ students for the _____ school year and _____ students for the _____ school year.

2. The combined average daily membership of the affected school districts was _____ for the _____ school year, an average daily membership meeting or exceeding three hundred fifty (350) total students.

FURTHER, affiant says not.

IN WITNESS WHEREOF, I hereunto set my hand this _____ day of _____, _____.

_____
Superintendent

County of _____
State of Arkansas

Sworn and subscribed before me, Notary Public, this _____ day of _____, _____.

_____
Notary Public

My Commission expires:
_____

Exhibit E

AFFIDAVIT OF ISOLATED SCHOOL STATUS

Comes the affiant, _____, Superintendent of the _____ School District, and having been duly sworn, states under oath as follows:

1. My name is _____. I am the Superintendent of the _____ School District.

2. My business address is _____.

3. I am aware that pursuant to Ark. Code Ann. § 6-20-601 a school district must meet four (4) of five (5) criteria to qualify as an isolated school.

4. I am aware that pursuant to Ark. Code Ann. § 6-20-602 an isolated school must qualify as an isolated school district under Ark. Code Ann. § 6-20-601 prior to the administrative consolidation or annexation petitioned for herein.

5. I hereby submit that prior to the effective date of the administrative consolidation or annexation, the _____ School District qualified as an isolated school district and, therefore, is entitled to the rights and privileges conferred on an isolated school pursuant to Ark. Code Ann. § 6-20-602.

6. I hereby declare that the _____ School District qualifies for isolated status because the school district meets the following list of at least four (4) of the five (5) criteria of being an isolated school district: *(circle appropriate responses and provide relevant data in the blanks)*

   a. There is a distance of twelve (12) miles or more by hard-surfaced highway from the high school of the district to the nearest adjacent high school in an adjoining district. The distance is _____.

b. The density ratio of transported students is less than three (3) students per square mile of area. The density ratio is _____.

c. The total area of the district is ninety-five (95) square miles or greater. The total area is _____ square miles.

d. Less than fifty percent (50%) of bus route miles are on hard-surfaced roads. The percent of bus route miles on hard-surface roads is _____.

e. There are geographic barriers such as lakes, rivers, and mountain ranges which would impede travel to schools that otherwise would be appropriate for consolidation, cooperative programs, and shared services. The geographic barriers are _____.

7. Further the affiant sayeth not.

IN WITNESS WHEREOF, I hereunto set my hand this _____ day of _____, _____.

_____
Superintendent

COUNTY OF _____
STATE OF ARKANSAS

Sworn and subscribed before me, Notary Public, this _____ day of _____, _____.

_____
Notary Public

My Commission expires:

_____

EXHIBIT F

AFFIDAVIT CONCERNING DESEGREGATION ORDERS

COMES NOW the _____ School District, acting by and through its Superintendent, and hereby states and represents to the State Board of Education that, to the best of my knowledge, the _____ School District currently (circle one) (is)(is not) involved in desegregation litigation in a United States Federal Court or is under the continuing jurisdiction of a United States Federal Court Order regarding desegregation of a public school or schools (see "*" at bottom of affidavit).

Further the affiant sayeth not.

IN WITNESS WHEREOF, I hereunto set my hand this _____ day of _____, _____.

_____
Superintendent

COUNTY of _____
STATE OF ARKANSAS

Sworn and subscribed before me, Notary Public, this _____ day of _____, _____.

_____
Notary Public

My Commission expires:
_____

* = If you answered, "is involved in desegregation litigation, etc." above, please attach a copy of any applicable Court orders or other relevant documentation.

ASSOCIATED DOCUMENTS

ARKANSAS DEPARTMENT OF EDUCATION

July 18, 2014

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

Ms. Sheryl Owens, Superintendent
Hughes School District
P.O. Box 9
Hughes, AR 72348

Mr. Rudolph Robinson, Board President
Hughes School District
P.O. Box 9
Hughes, AR 72348

Re: Ark. Code Ann. § 6-13-1602 List

Dear Superintendent Owens and President Robinson:

Ark. Code Ann. § 6-13-1602(2) requires the Arkansas Department of Education (ADE) to publish a list of all school districts with fewer than three hundred fifty (350) students according to the school districts' average daily membership in each of the two (2) school years immediately preceding the current school year. Pursuant to Ark. Code Ann. § 6-13-1603, school districts appearing on this list must be administratively consolidated with or annexed to another school district or districts.

I regret to inform you that the Hughes School District appears on this list for the 2014-2015 school year. That means that the Hughes School District will be required to administratively consolidate with or annex into another school district or districts before the 2015-2016 school year. Pursuant to Ark. Code Ann. § 6-13-1603, the Hughes School District may voluntarily agree to administratively consolidate with or be annexed into another school district or districts. In that event, the Hughes School District must submit a petition for approval to the State Board of Education by March 1, 2015. If the petition is approved by the State Board of Education, the administrative consolidation or annexation will be effective by July 1, 2015.

I am mindful of the impact that these requirements might have upon you and your school district. I respectfully request that you pursue all available opportunities to seek a voluntary administrative annexation or consolidation to or with one or more of your neighboring school districts. I also ask that you provide me with a written report detailing the progress of those efforts, if any, by October 15, 2014.

Should the Hughes School District not submit a voluntary petition for administrative annexation or consolidation as outlined above or does not receive approval from the State Board of Education for such a petition, the State Board of Education will be required to administratively consolidate the Hughes School District with or into one or more school districts by May 1, 2015. Such an administrative consolidation will be effective by July 1, 2015.

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

Please be advised that pursuant to Ark. Code Ann. § 6-13-1608, the Arkansas Department of Education shall have authority to oversee all fiscal and accounting-related matters of the Hughes School District. Additionally, any contracts or debt obligations of the Hughes School District must be preapproved in writing by me. Please route such requests for approval through Dr. Eric Saunders, ADE Assistant Commissioner for Fiscal and Administrative Services.

Thank you for your attention to this matter. Should you have any questions concerning this matter or should you require additional information, please do not hesitate to contact me at (501) 682-4201.

Sincerely,

Tony Wood

Tony Wood
Commissioner of Education

cc: Mr. Mike Hernandez, Deputy Commissioner of Education
Ms. Deborah Coffman, Chief of Staff and State Board of Education Liaison
Dr. Eric Saunders, Assistant Commissioner, Fiscal & Administrative Svcs
Mr. Jeremy Lasiter, General Counsel

ARKANSAS DEPARTMENT OF EDUCATION

RECEIVED
ATTORNEY'S OFFICE
AUG 09 2013
DEPARTMENT OF EDUCATION
GENERAL DIVISION

August 7, 2013

Dr. Tom W. Kimbrell
Commissioner

State Board of Education

Jim Cooper
Melbourne
Chair

Brenda Gullett
Fayetteville
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Sam Ledbetter
Little Rock

Alice Mahony
El Dorado

Toyce Newton
Crossett

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Ms. Sheryl Owens, Superintendent
Hughes School District
P.O. Box 9
Hughes, AR 72348

Mr. Rudolph Robinson, Board President
Hughes School District
P.O. Box 9
Hughes, AR 72348

Re: Ark. Code Ann. § 6-13-1602(1) List

Dear Superintendent Owens and President Robinson:

Ark. Code Ann. § 6-13-1602 now requires the Arkansas Department of Education (ADE) to publish two lists by January 1 of each year. The lists are as follows:

List #1: Ark. Code Ann. § 6-13-1602(1) List

Ark. Code Ann. § 6-13-1602(1) requires the ADE to publish a list of all school districts with fewer than three hundred fifty (350) students according to the school districts' average daily membership in the school year immediately preceding the current school year. Pursuant to Ark. Code Ann. § 6-13-1608(f), school districts appearing on this list may not incur debt without the prior written approval of the ADE. The Hughes School District meets the requirement for inclusion on the Ark. Code Ann. § 6-13-1602(1) list. Accordingly, the Hughes School District may not incur any debt without the prior written approval of the ADE.

The applicable administrative rules define "debt" as "a legal liability, encumbrance or contract, including employment contracts, to be paid out of future revenues or current reserves of the school district." Please forward all such debt requests to my office for approval.

List #2: Ark. Code Ann. § 6-13-1602(2) List (Administrative Consolidation List)

Ark. Code Ann. § 6-13-1602(2) requires the ADE to publish a list of all school districts with fewer than three hundred fifty (350) students according to the school districts' average daily membership in each of the two (2) school years immediately preceding the current school year. Pursuant to Ark. Code Ann. § 6-13-1603, school districts appearing on this list must be administratively consolidated with or annexed to another school district or districts.

The Hughes School District **does not** appear on this list for the 2013-2014 school year. However, should your school district's average daily membership for 2013-

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

2014 remain below 350 students, your district will be required to be administratively consolidated with or annexed to another school district or districts before the 2015-2016 school year.

Thank you for your attention to this matter. Should you have any questions concerning this matter or should you require additional information, please do not hesitate to contact me at (501) 682-4488.

Sincerely,

Mike Hernandez
Assistant Commissioner
Fiscal and Administrative Services

cc: Tom W. Kimbrell, Ed.D, Commissioner of Education
Mr. Tony Wood, Deputy Commissioner of Education
Ms. Deborah Coffman, Chief of Staff and State Board of Education Liaison
Mr. Jeremy Lasiter, General Counsel

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

March 2, 2015

Ms. Sheryl Owens, Superintendent
Hughes School District
310 College Street
Hughes, AR 72348

Dr. Tiffany Hardrick, Superintendent
Forrest City School District
625 Irving Street
Forrest City, AR 72335

Re: Proposed Administrative Annexation
Hughes School District and Forrest City School District
(Regular Mail, Certified Mail and Electronic Mail)

Dear Superintendents:

This letter is to inform you that during its regularly scheduled March 2015 meeting, the Arkansas State Board of Education (State Board) will consider the proposed administrative annexation of the Hughes School District into the Forrest City School District.

The State Board will consider this matter on Thursday, March 12, 2015, beginning at 10:00 a.m., in the Auditorium of the Arkansas Department of Education, Four Capitol Mall, Little Rock, Arkansas. You should plan to be in attendance and be prepared to answer questions that may be posed by the State Board.

The State Board will consider this matter pursuant to the legal authority and jurisdiction vested in it by Ark. Code Ann. §§ 6-11-105, 6-13-1601 et seq., 6-13-1401 et seq. and the Arkansas Department of Education Rules Governing the Consolidation an Annexation of School Districts (Rules). You may find an electronic copy of the Rules here:

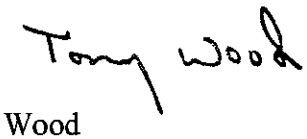
http://www.arkansased.org/divisions/legal/rules/current

You may find the State Board's hearing procedures beginning on pages 31-32 of the Rules, in Section 28.00. Thank you for your attention to this very important matter.

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

Sincerely,



Tony Wood
Commissioner of Education

cc : *VIA U.S. MAIL*
Arkansas State Board of Education
Dr. Arthur Tucker, Superintendent, Brinkley School District
Mr. Rickey Nicks, Superintendent, Earle School District
Ms. Willie Murdock, Superintendent, Lee County School District
Mr. Don Johnston, Superintendent, Marion School District
Mr. Barry Scott, Superintendent, McCrory School District
Mr. Jon Estes, Superintendent, Palestine-Wheatley School District
Mr. Jonathan Collins, Superintendent, West Memphis School District
Mr. Carl Easley, Superintendent, Wynne School District

Hughes School District Three Quarter ADM

Hughes	FY11	FY12	FY13	FY14
ADM	417	391	348	345

Annual Statistical Report 2013/2014

County: ST FRANCIS | HUGHES SCHOOL DISTRICT | LEA: 6202000

	2013/2014 Actual	2014/2015 Budget
1 Area in Square Miles	242	
2 ADA	322	
3 ADA Pct Change over 5 Years	-20%	
4 4 Qtr ADM	341	
5 Prior Year 3 Qtr ADM	348	
6 Assessment	54,291,755	
7 M&O Mills	37.00	
8 URT Mills	25.00	
9 M&O Mills in Excess of URT	12.00	
10 Dedicated M&O Mills	0.00	
11 Debt Service Mills	2.40	
12 Total Mills	39.40	
13 Total Debt Bond/Non Bond	450,000	
State and Local Revenue		
14 Property Tax Receipts (Incl URT)	2,098,025	2,089,000
15 Other Local Receipts	170,735	105,800
16 Revenue From Interm Srcs	0	0
17.1 Foundation Funding (Excl URT)	943,859	916,467
17.2 98% of URT X Assessment less Net Revenues	5,874	5,000
18 Student Growth Funding	0	0
19 Declining Enrollment Funding	136,075	0
20 Consolidation Incentive/Assistance	0	0
21 Isolated Funding	0	0
22 Supplemental Millage Incent. Funds	0	0
23 Other Unrestricted State Funding	0	0
24 Total Unrestricted Revenue from State and Local Sources	**3,354,567**	**3,116,267**
Restricted Revenue from State Sources:		
25 Adult Education	0	0
Regular Education:		
26 Professional Development	15,472	9,188
27 Other Regular Education	80,026	195,000
Special Education:		
28 Gifted And Talented	0	0
29 Alt. Learning Environment (ALE)	1,076	7,597
30 English Language Learner (ELL)	0	0
31 National School Lunch State Categorical Funds (NSL)	279,208	305,768
32 Other Special Education	1,333	1,200
33 Career Education	2,709	2,000
34 School Food Service	1,961	2,000
35 Educational Service Cooperatives	0	0
36 Early Childhood Programs	0	0
37 Magnet School Programs	0	0
38 Other Non-Instructional Program Aid	3,066	1,533
39 Total Restricted Revenue from State Sources	**384,850**	**524,286**
40 Total Restricted Revenue from Federal Sources	**1,566,223**	**1,689,352**
Other Sources of Funds:		
41 Financing Sources	-136,181	0
42 Balances Consol/Annexed District	0	0
43 Indirect Cost Reimbursement	36,326	14,228
44 Gains & Losses - Sale Fixed Assets	0	0
45 Compensation - Loss Of Fixed Assets	0	0
46 Other	0	0
47 Total Other Sources of Funds	**-99,855**	**14,228**
48 Total Revenue and Other Sources of Funds from All Sources	**5,205,785**	**5,344,133**

	2013/2014 Actual	2014/2015 Budget
CURRENT EXPENDITURES		
Instruction:		
49 Regular Instruction	1,332,741	1,184,778
50 Special Education	273,469	238,749
51 Career Education	42,634	90,435
52 Adult Education	0	0
53 Compensatory Education	787,649	704,316
54 Other	92,583	127,852
55 Total Instruction	**2,529,076**	**2,346,130**
District Level Support:		
56 General Administration	330,389	422,118
57 Central Services	136,621	141,165
58 Maintenance & Operations Of Plant	491,956	514,286
59 Student Transportation	66,207	75,160
60 Othr District Level Support Service	46,475	26,228
61 Total District Support Services	**1,071,648**	**1,178,957**
School Level Support:		
62 Student Support Services	163,230	183,791
63 Instructional Staff Support Service	490,771	741,031
64 School Administration	109,925	116,873
65 Total District Support Services	**763,926**	**1,041,695**
Non-Instructional Services:		
66 Food Service Operations	269,542	289,172
67 Other Enterprise Operations	0	0
68 Community Operations	0	1,500
69 Other Non-Instructional Services	0	0
70 Total Non-Instructional Services	**269,542**	**290,672**
71 Facilities Acquisition And Const.	0	0
72 Debt Service	94,022	94,408
75 Other Non-Programmed Costs	0	0
76 Total Expenditures	**4,728,213**	**4,951,861**
77 Less: Capital Expenditures	(10,219)	-8,000
78 Less: Debt Service	(94,022)	-94,408
79 Total Current Expenditures	**4,623,972**	**4,849,453**
80 Exclusions from Current Expenditures	(90,666)	-50,300
81 Net Current Expenditures	**4,533,306**	**4,799,153**
82 Per Pupil Expenditures	14,077	
83 Personnel - Non-Federal Licensed Classroom FTEs	40.02	
83.5 Total Salary - Non-Federal Licensed Classroom FTEs	1,232,659	
84 Avg Salary - Non-Federal Licensed Classroom FTEs	30,801	
85 Personnel - Non-Federal Licensed FTEs	42.04	
85.5 Total Salary - Non-Federal Licensed FTEs	1,372,210	
86 Avg Salary - Non-Federal Licensed FTEs	32,641	
87.1 Legal Balance (funds 1-2-4)	1,802,338	2,210,168
87.2 Categorical Fund Balance	60,661	0
87.3 Deposits With Paying Agents (QZAB)	0	0
87.4 Net Legal Bal (Excl Cat & QZAB)	1,741,676	2,210,168
88 Building Fund Balance (fund 3)	0	0
89 Capital Outlay Balance/Dedicated M&O (fund 5)	179	179

LEA: 6202
County: ST FRANCIS
District: HUGHES

Final
State Aid Notice 2013-14
August 29, 2014

Refer to Commissioner's Memo Number FIN-15-021 for additional information

DATA

1.	2012 Real Assessment	$	42,311,700	15.	Initial Per-Student Revenue	$	3,681.31
2.	2012 Personal Assessment	$	6,854,550	16.	Initial Per-Student Foundation Funding Amount	$	6,393.00
3.	2012 Utility Assessment	$	3,133,855	17.	Initial Per-Student State Foundation Funding Aid	$	2,711.69
4.	2012 Total Assessment	$	52,300,105	18.	PY ALE FTEs (Qtrs. 1-4)		0.25
5.	98% of URT X Assessment	$	1,281,353	19.	CY English Language Learner Students		0
6.	Net Revenues	$	1,275,478	20.	PY NSL Students (Free and Reduced)		291
7.	2012 Calendar Year Calculated Misc. Funds[1]	$	0	21.	Adjusted 1/1/05 Scheduled Debt Payment	$	85,168.76
8.	2013 Calendar Year Calculated Misc. Funds[1]	$	0	22.	State Wealth Index for Bonded Debt Assistance		0.00000
9.	2011-12 ADM (Qtrs. 1-3 Avg.)		390.64	23.	PY ADM of Isolated School Area		0.00
10.	2012-13 ADM (Qtrs. 1-3 Avg.)		348.07	24.	Isolated Funding Amount	$	0
11.	2013-14 ADM for SGF (Qtr. 1)		345.28	25.	District Square Miles		242.18
12.	2013-14 ADM for SGF (Qtr. 2)		346.96	26.	District Total Millage Rate as of 1/1/12		39.40
13.	2013-14 ADM for SGF (Qtr. 3)		341.53	27.	District Total Millage Rate as of 1/1/13		39.40
14.	2013-14 ADM for SGF (Qtr. 4)		331.22				

FUNDING

	Funding Category		Amount	Statutory Code/Act	Restricted	Rev. Code	SOF Code
28.	State Foundation Funding Aid ($6,393)	$	943,859	6-20-2303, 6-20-2305, Acts 322, 557 & 1467	No	31101	2001
29.	98% of URT X Assessment less Net Revenues[2]	$	5,874	6-20-2303, 6-20-2305, Act 557	No	31103	2001
30.	Educational Excellence Trust[3] - R	$	95,755	6-5-301 et seq., Acts 1138 & 1278	Yes		
31.	Alternative Learning Environment ($4,305) - R	$	1,076	6-20-2303, 6-20-2305, Acts 1309 & 1467	Yes	32370	275
32.	English Language Learners ($311) - R	$	0	6-20-2303, 6-20-2305, Act 1467	Yes	32371	276
33.	NSL State Categorical[4] ($517/$1,033/$1,549) - R	$	300,603	6-20-2303, 6-20-2305, Act 1467	Yes	32381	281
34.	NSL Transitional Funding[4] (Rate Varies) – R	$	0	6-20-2305	Yes	32381	281
35.	NSL State Categorical Withholding[4]	$	-21,395	6-20-2305, Act 1220 of 2011			
36.	NSL Growth Funding[4] - R	$	0	6-20-2305	Yes	32381	281
37.	Professional Development ($44.45) - R	$	15,472	6-20-2303, 6-20-2305, Act 1467	Yes	32256	223
38.	Bonded Debt Assistance ($18.03) - R	$	0	6-20-2503, Act 322	Yes	32915	001
39.	State Financial Assistance - GFF - R	$	3,066	6-20-2503	No	32912	392
40.	State Financial Assistance - SMIF - R	$	0	6-20-2503	No	31620	001
41.	Isolated Funding	$	0	6-20-601, 6-20-603	Yes	31500	212
42.	Special Needs Isolated Funding[5]	$	0	6-20-604 (c), (d) & (e), Acts 1073 & 1309	Yes	31500	212
43.	Special Needs Small District Funding[5]	$	0	6-20-604 (f), Act 1309	No	32249	2920
44.	Special Needs Isolated Transportation[5]	$	0	6-20-604 (h), Act 1309	Yes	32248	228
45.	Declining Enrollment Funding[5] - R	$	136,075	6-20-2305	No	31460	218
46.	Declining Enrollment Adequacy	$	0	6-20-2305	No	31460	218
47.	Student Growth-Qtrs.1, 2, 3, & 4[5] - R	$	0	6-20-2303 & 2305	No	31450	217

ACA-Arkansas code annotated, ADM-average daily membership, Avg.-average, ALE-alternative learning environment, CY-current year, Est.-estimated, FTE-full-time equivalent, FY-fiscal year, GFF-general facilities funding, LEA-local education agency, Misc.-miscellaneous, NSL-national school lunch, PY-prior year, Qtr.-quarter, R-state board rule, Rev.-revenue, SGF-student growth funding, SMIF-supplemental millage incentive funding, SOF-source of fund, URT-uniform rate of tax

1) Misc. funds are defined and calculated as per ACA § 6-20-2303 (11), ACA § 6-20-2308, ACA § 6-20-2503 and Act 322 of 2013 (see the temporary language); new Rules pending.
2) Negative funding amounts for 98% of URT X Assessment less Net Revenues indicate funds owed to the state. Districts with negative funding amounts receive written notification that includes information on how to code the repayment transaction.
3) Educational excellence trust funds are included in state foundation funding aid and are restricted pursuant to ACA § 6-5-307.
4) The combination of NSL state categorical, NSL transitional (plus or minus) , NSL state categorical withholding (minus), and NSL growth funding equals the total net NSL state categorical funding received by a school district.
5) Eligible school districts shall receive the higher of student growth funding plus special needs isolated, small district, and transportation funding or declining enrollment funding. No school district shall receive both declining enrollment funding and student growth funding or special needs isolated, small district, and transportation funding. The initial FY14 state aid notice provides declining enrollment funding that has not been compared to student growth funding (est. or actual) and /or special needs isolated, small district, and transportation funding. Subsequent FY14 state aid notices reflect these comparisons. The final determination of FY14 student growth funding is made in FY15.

Annual Statistical Report 2013/2014

County: ST FRANCIS | FORREST CITY SCHOOL DISTRICT | LEA: 6201000

	2013/2014 Actual	2014/2015 Budget
1 Area in Square Miles	345	
2 ADA	2,741	
3 ADA Pct Change over 5 Years	-14%	
4 4 Qtr ADM	2,875	
5 Prior Year 3 Qtr ADM	2,954	
6 Assessment	171,877,095	
7 M&O Mills	25.00	
8 URT Mills	25.00	
9 M&O Mills in Excess of URT	0.00	
10 Dedicated M&O Mills	0.00	
11 Debt Service Mills	7.60	
12 Total Mills	32.60	
13 Total Debt Bond/Non Bond	15,235,000	
State and Local Revenue		
14 Property Tax Receipts (Incl URT)	5,510,209	5,647,000
15 Other Local Receipts	1,160,783	656,918
16 Revenue From Interm Srcs	0	0
17.1 Foundation Funding (Excl URT)	14,775,291	14,638,901
17.2 98% of URT X Assessment less Net Revenues	23,184	25,000
18 Student Growth Funding	0	0
19 Declining Enrollment Funding	458,826	194,847
20 Consolidation Incentive/Assistance	0	0
21 Isolated Funding	0	0
22 Supplemental Millage Incent. Funds	28,756	14,378
23 Other Unrestricted State Funding	0	1,000
24 Total Unrestricted Revenue from State and Local Sources	**21,957,049**	**21,178,044**
Restricted Revenue from State Sources:		
25 Adult Education	0	0
Regular Education:		
26 Professional Development	131,297	77,185
27 Other Regular Education	13,118	0
Special Education:		
28 Gifted And Talented	700	500
29 Alt. Learning Environment (ALE)	252,273	195,760
30 English Language Learner (ELL)	9,019	9,000
31 National School Lunch State Categorical Funds (NSL)	2,529,817	2,494,695
32 Other Special Education	519,401	516,000
33 Career Education	31,417	31,000
34 School Food Service	15,360	15,000
35 Educational Service Cooperatives	0	0
36 Early Childhood Programs	1,180,363	1,156,000
37 Magnet School Programs	0	0
38 Other Non-Instructional Program Aid	198,840	177,115
39 Total Restricted Revenue from State Sources	**4,881,604**	**4,672,255**
40 Total Restricted Revenue from Federal Sources	**6,971,639**	**9,364,223**
Other Sources of Funds:		
41 Financing Sources	9,153	100
42 Balances Consol/Annexed District	0	0
43 Indirect Cost Reimbursement	69,542	77,600
44 Gains & Losses - Sale Fixed Assets	0	0
45 Compensation - Loss Of Fixed Assets	67,109	0
46 Other	0	0
47 Total Other Sources of Funds	**145,804**	**77,700**
48 Total Revenue and Other Sources of Funds from All Sources	**33,956,096**	**35,292,222**

	2013/2014 Actual	2014/2015 Budget
CURRENT EXPENDITURES		
Instruction:		
49 Regular Instruction	10,022,320	10,395,211
50 Special Education	3,110,353	3,091,621
51 Career Education	731,462	665,830
52 Adult Education	0	0
53 Compensatory Education	1,867,115	2,646,898
54 Other	1,870,950	1,478,866
55 Total Instruction	**17,602,199**	**18,278,425**
District Level Support:		
56 General Administration	844,338	1,095,611
57 Central Services	500,635	447,410
58 Maintenance & Operations Of Plant	2,682,683	2,713,289
59 Student Transportation	1,153,872	963,803
60 Othr District Level Support Service	129,763	115,000
61 Total District Support Services	**5,311,292**	**5,335,112**
School Level Support:		
62 Student Support Services	1,290,001	1,386,709
63 Instructional Staff Support Service	3,970,803	5,552,135
64 School Administration	1,724,298	1,699,665
65 Total District Support Services	**6,985,101**	**8,638,508**
Non-Instructional Services:		
66 Food Service Operations	2,375,120	2,196,414
67 Other Enterprise Operations	39,767	0
68 Community Operations	4,559	4,300
69 Other Non-Instructional Services	0	0
70 Total Non-Instructional Services	**2,419,445**	**2,200,714**
71 Facilities Acquisition And Const.	439,133	115,100
72 Debt Service	660,439	686,923
75 Other Non-Programmed Costs	0	0
76 Total Expenditures	**33,417,610**	**35,254,783**
77 Less: Capital Expenditures	(559,303)	-252,100
78 Less: Debt Service	(660,439)	-686,923
79 Total Current Expenditures	**32,197,868**	**34,315,760**
80 Exclusions from Current Expenditures	(1,805,778)	-1,847,458
81 Net Current Expenditures	**30,392,090**	**32,468,302**
82 Per Pupil Expenditures	11,088	
83 Personnel - Non-Federal Licensed Classroom FTEs	207.70	
83.5 Total Salary - Non-Federal Licensed Classroom FTEs	10,370,974	
84 Avg Salary - Non-Federal Licensed Classroom FTEs	49,932	
85 Personnel - Non-Federal Licensed FTEs	233.75	
85.5 Total Salary - Non-Federal Licensed FTEs	12,209,808	
86 Avg Salary - Non-Federal Licensed FTEs	52,234	
87.1 Legal Balance (funds 1-2-4)	3,403,512	3,424,164
87.2 Categorical Fund Balance	235,059	1
87.3 Deposits With Paying Agents (QZAB)	0	0
87.4 Net Legal Bal (Excl Cat & QZAB)	3,168,452	3,424,163
88 Building Fund Balance (fund 3)	1,368,674	1,350,808
89 Capital Outlay Balance/Dedicated M&O (fund 5)	0	0

LEA: 6201
County: ST FRANCIS
District: FORREST CITY

Final
State Aid Notice 2013-14
August 29, 2014

Refer to Commissioner's Memo Number
FIN-15-021 for additional information

DATA

1.	2012 Real Assessment	$	107,537,710	15.	Initial Per-Student Revenue	$	1,392.51
2.	2012 Personal Assessment	$	38,170,505	16.	Initial Per-Student Foundation Funding Amount	$	6,393.00
3.	2012 Utility Assessment	$	21,268,785	17.	Initial Per-Student State Foundation Funding Aid	$	5,000.49
4.	2012 Total Assessment	$	166,977,000	18.	PY ALE FTEs (Qtrs. 1-4)		58.60
5.	98% of URT X Assessment	$	4,090,937	19.	CY English Language Learner Students		29
6.	Net Revenues	$	4,067,752	20.	PY NSL Students (Free and Reduced)		2,449
7.	2012 Calendar Year Calculated Misc. Funds[1]	$	22,275	21.	Adjusted 1/1/05 Scheduled Debt Payment	$	778,936.75
8.	2013 Calendar Year Calculated Misc. Funds[1]	$	17,544	22.	State Wealth Index for Bonded Debt Assistance		0.72153
9.	2011-12 ADM (Qtrs. 1-3 Avg.)		3,097.36	23.	PY ADM of Isolated School Area		0.00
10.	2012-13 ADM (Qtrs. 1-3 Avg.)		2,953.82	24.	Isolated Funding Amount	$	0
11.	2013-14 ADM for SGF (Qtr. 1)		2,933.86	25.	District Square Miles		345.41
12.	2013-14 ADM for SGF (Qtr. 2)		2,895.83	26.	District Total Millage Rate as of 1/1/12		32.60
13.	2013-14 ADM for SGF (Qtr. 3)		2,859.21	27.	District Total Millage Rate as of 1/1/13		32.60
14.	2013-14 ADM for SGF (Qtr. 4)		2,821.79				

FUNDING

	Funding Category		Amount	Statutory Code/Act	Restricted	Rev. Code	SOF Code
28.	State Foundation Funding Aid ($6,393)	$	14,775,291	6-20-2303, 6-20-2305, Acts 322, 557 & 1467	No	31101	2001
29.	98% of URT X Assessment less Net Revenues[2]	$	23,184	6-20-2303, 6-20-2305, Act 557	No	31103	2001
30.	Educational Excellence Trust[3] - R	$	1,498,964	6-5-301 et seq., Acts 1138 & 1278	Yes		
31.	Alternative Learning Environment ($4,305) - R	$	252,273	6-20-2303, 6-20-2305, Acts 1309 & 1467	Yes	32370	275
32.	English Language Learners ($311) - R	$	9,019	6-20-2303, 6-20-2305, Act 1467	Yes	32371	276
33.	NSL State Categorical[4] ($517/$1,033/$1,549) - R	$	2,529,817	6-20-2303, 6-20-2305, Act 1467	Yes	32381	281
34.	NSL Transitional Funding[4] (Rate Varies) – R	$	0	6-20-2305	Yes	32381	281
35.	NSL State Categorical Withholding[4]	$	0	6-20-2305, Act 1220 of 2011			
36.	NSL Growth Funding[4] - R	$	0	6-20-2305	Yes	32381	281
37.	Professional Development ($44.45) - R	$	131,297	6-20-2303, 6-20-2305, Act 1467	Yes	32256	223
38.	Bonded Debt Assistance ($18.03) - R	$	179,258	6-20-2503, Act 322	Yes	32915	001
39.	State Financial Assistance - GFF - R	$	19,582	6-20-2503	No	32912	392
40.	State Financial Assistance - SMIF - R	$	28,756	6-20-2503	No	31620	001
41.	Isolated Funding	$	0	6-20-601, 6-20-603	Yes	31500	212
42.	Special Needs Isolated Funding[5]	$	0	6-20-604 (c), (d) & (e), Acts 1073 & 1309	Yes	31500	212
43.	Special Needs Small District Funding[5]	$	0	6-20-604 (f), Act 1309	No	32249	2920
44.	Special Needs Isolated Transportation[5]	$	0	6-20-604 (h), Act 1309	Yes	32248	228
45.	Declining Enrollment Funding[5] - R	$	458,826	6-20-2305	No	31460	218
46.	Declining Enrollment Adequacy	$	0	6-20-2305	No	31460	218
47.	Student Growth-Qtrs.1, 2, 3, & 4[5] - R	$	0	6-20-2303 & 2305	No	31450	217

ACA-Arkansas code annotated, ADM-average daily membership, Avg.-average, ALE-alternative learning environment, CY-current year, Est.-estimated, FTE-full-time equivalent, FY-fiscal year, GFF-general facilities funding, LEA-local education agency, Misc.-miscellaneous, NSL-national school lunch, PY-prior year, Qtr.-quarter, R-state board rule, Rev.-revenue, SGF-student growth funding, SMIF-supplemental millage incentive funding, SOF-source of fund, URT-uniform rate of tax

1) Misc. funds are defined and calculated as per ACA § 6-20-2303 (11), ACA § 6-20-2308, ACA § 6-20-2503 and Act 322 of 2013 (see the temporary language); new Rules pending.
2) Negative funding amounts for 98% of URT X Assessment less Net Revenues indicate funds owed to the state. Districts with negative funding amounts receive written notification that includes information on how to code the repayment transaction.
3) Educational excellence trust funds are included in state foundation funding aid and are restricted pursuant to ACA § 6-5-307.
4) The combination of NSL state categorical, NSL transitional (plus or minus) , NSL state categorical withholding (minus), and NSL growth funding equals the total net NSL state categorical funding received by a school district.
5) Eligible school districts shall receive the higher of student growth funding plus special needs isolated, small district, and transportation funding or declining enrollment funding. No school district shall receive both declining enrollment funding and student growth funding or special needs isolated, small district, and transportation funding. The initial FY14 state aid notice provides declining enrollment funding that has not been compared to student growth funding (est. or actual) and /or special needs isolated, small district, and transportation funding. Subsequent FY14 state aid notices reflect these comparisons. The final determination of FY14 student growth funding is made in FY15.

Year	DISTRICT LEA	DISTRICT NAME	2 OR MORE RACES	ASIAN	BLACK	HISPANIC	NATIVE AMERICAN/ NATIVE ALASKAN	NATIVE HAWAIIAN/ PACIFIC ISLANDER	WHITE	TOTAL
FY15	6202000	HUGHES SCHOOL DISTRICT	0	1	270	7	0	0	40	318
FY14	6202000	HUGHES SCHOOL DISTRICT	0	0	301	6	0	0	47	354
FY13	6202000	HUGHES SCHOOL DISTRICT	0	0	297	4	0	0	47	348
FY15	6201000	FORREST CITY SCHOOL DISTRICT	17	8	2291	31	4	0	317	2668
FY14	6201000	FORREST CITY SCHOOL DISTRICT	20	9	2431	37	9	2	434	2942
FY13	6201000	FORREST CITY SCHOOL DISTRICT	11	8	2465	38	11	1	440	2974

Sheet1 Sheet2

Arkansas Department of Education

Fund Balance Data

Select School Districts:
6202000 - HUGHES SCHOOL DISTRICT
6201000 - FORREST CITY SCHOOL DISTRICT

	6202000 - HUGHES SCHOOL DISTRICT				
	09-10	10-11	11-12	12-13	13-14
ADM (3 Qtr)	424.77	417.03	390.64	348.07	344.52
Total Assessment	48,879,091	50,397,589	51,579,004	52,300,105	54,291,755
Total Expenditures	$ 6,991,399	$ 6,304,707	$ 5,566,120	$ 5,135,712	$ 4,728,213
Per Pupil Expenditures	$ 14,843	$ 15,559	$ 14,466	$ 14,475	$ 14,077
Total Mills	39.40	39.40	39.40	39.40	39.40
Total Debt	$ 736,673	$ 662,584	$ 588,091	$ 519,268	$ 450,000
Non-Federal Certified FTEs	41.74	35.12	48.40	42.28	42.04
Avg Teacher Salary (Non-Federal Certified FTEs)	$ 50,519	$ 57,593	$ 37,242	$ 41,315	$ 32,641
Mileage From This District To: 6021000 - Forrest City School District	23.35 miles				

	6021000 - FORREST CITY SCHOOL DISTRICT				
	09-10	10-11	11-12	12-13	13-14
ADM (3 Qtr)	3,271.40	3,146.50	3,097.36	2,953.82	2,894.06
Total Assessment	163,027,250	164,698,965	176,999,050	166,977,000	171,877,095
Total Expenditures	$ 39,501,364	$ 42,616,596	$ 35,631,308	$ 34,986,960	$ 33,417,610
Per Pupil Expenditures	$ 11,119	$ 11,383	$ 10,762	$ 11,064	$ 11,088
Total Mills	32.60	32.60	32.60	32.60	32.60
Total Debt	$ 15,695,000	$ 15,255,000	$ 14,805,000	$ 15,130,000	$ 15,235,000
Non-Federal Certified FTEs	233.88	249.50	249.72	250.70	233.75
Avg Teacher Salary (Non-Federal Certified FTEs)	$ 54,713	$ 53,488	$ 51,861	$ 50,572	$ 52,234
Mileage From This District To: 6202000 - Hughes School District	23.35 miles				

Notes:

ADM figures represent actual fiscal year three-quarter average daily membership.
Total Debt includes bonded and non-bonded debt filed with ADE.

Data Sources:
Annual Statistical Reports - Total Assessment, Total Expenditures, Per Pupil Expenditures, Total Mills, Total Debt, Non-Federal Certified FTEs, Avg Teacher Salary
State Aid Notices - ADM
Mileage - MapQuest

Progress Summary Narrative Report
Forrest City School District
February 9, 2015

District

It is noted that the Forrest City School Board of Directors hired a new superintendent with experience in both public and charter school experience. It is further noted that Board is acting in unison with the Superintendent despite push-back from staff seeking to maintain status quo. The new Superintendent acted expediently to fill leadership positions with individuals' knowledgeable and with some demonstrated skill in the turnaround process. Key highlights reported by School Improvement Staff are:

- The district hired a new superintendent with turnaround experience. The superintendent has experience with innovative school models and school restructuring and reform. The superintendent has also demonstrated the ability to improve student achievement results in both district and charter. The superintendent has chosen to take an aggressive and innovative approach to school improvement.
- The Superintendent filled the first administrator opening with a principal experienced in school turnaround.
- The district hired an internal SIS with extensive curriculum experience, professional development, and PLC experience. The superintendent has also continued key external provider services in order to not disrupt the current teacher level support.
- The district hired a deputy superintendent who previously served as a former assistant superintendent, director of special education, and Early Childhood. She founded one of the highest performing Charter schools post Katrina in New Orleans.
- The district contracted external partners to help focus on curriculum instruction and culture. The external partners lead the district efforts in facilitator / principal development. They meet with PLC's on a consistent basis in order ensure collaboration and build capacity among departments while planning lessons and strategies to ensure student academic success. Data talks have become common-place among departments as a result of the services provided by the consultants.
- The superintendent and a panel of impartial school turnaround specialists toured each building and created district expectations for each staff as a result. These expectations were echoed in the Academic Distress recommendations, but were even more detailed. Therefore, most of the Academic Distress recommendations were already being implemented before they were released.
- The new leadership established a rigorous Frontline Leadership Program in order to identify and/or develop talent within the school district who could potentially become a part of the school leadership team to assist in a successful school turnaround. Thus, while initial actions are to fill openings through out of area recruitment strategies, the Superintendent is planning to build local leadership capacity for sustainability of long term improvement processes.

Challenges:

The school improvement process does not come without challenges for the change agents. Two key areas of challenge that must be addressed by the new leadership include:

- Resistance to new leadership: The higher expectation for staff performance has resulted in anticipated push-back. The School Board has maintained support for the superintendent during the initial change phase, and this will be monitored as we move into the second part of the school year.
- Building capacity within the district: The change in the expectations must be balanced with the staff ability to develop more effective skills and attitudes. It is yet to be determined how the Superintendent and her team will fast-cycle both leadership and instructional staff into the new culture.

School Years Grants received

Forrest City Jr. High			2014-2015	2015-2016
Forrest City High School		2012-2013	2013-2014	2014-2015

Amounts

	2012-2013	2013-2014	2014-2015	2015-2016
Forrest City Junior High			$1,402,334	$997,666
Forrest City High School	$1,697,229	$1,617,881	$1,601,465	

Goals of SIG

Forrest City Jr. High

Goal 1: Cultivate effective teachers in order to increase the percentage of students in all identifiable subgroups scoring proficient or above on Literacy and Mathematics exams through use of GANAG lesson planning and design based upon the research of Dr. Jane Pollock, creating distinguished, technology enhanced units of study and implementing standards based grading.

Goal 2: Cultivating effective teachers to increase the percentage of students in all identifiable subgroups scoring proficient or above on Literacy and Mathematics Exams through the use of Common Core State Standards based curriculum and implementation of best practices (including technology) and Next Generation assessments. Teachers will attend monthly "HUB" meetings to receive training on parental involvement, best practices, current curriculum and assessments.

Goal 3: School Leadership and staff will create a school climate and culture of student academic success focused on three ideas: Learning, Collaboration, and Results.

Success:

- Curriculum Huddle in Russellville, Arkansas, July 2014- Forrest City Junior High School staff were trained in the development of a Common Core unit of study with GANAG lesson plans, assessment items, student activities, and instructional materials necessary for the presentation of the unit.
- Each teacher has been assigned a support person (Literacy Facilitator, Math Facilitator, Jane Pollock, Arkansas Public School Resource Center coaches) to aid with curriculum and instruction management. Teachers make at least monthly face to face, digital, or telephone contact with their assigned support person.
- Units of Study have been uploaded to the Forrest City Junior High School website- Instructional Facilitators, Dr. Jane Pollock, and Arkansas Public School Resource Center Coaches have worked to create curriculum documents uniformed and easily accessible to teachers at http://fcjhs.fcmustangs.net/.
- Teachers attend monthly meetings with Dr. Jane Pollock on standards based grading, the use of High Yield strategies and student engagement.
- Chrome book carts are available for regular classroom use. To ensure security, three designated zones are used to secure the carts.
- Differentiated Technology professional development sessions for teachers. Recently, teachers chose a professional development session according to their technological needs in PowerPoint, Google Drive, or Google Classroom.
- One on one Technology support for teachers indicating help on the technology survey is given by the technology sub-committee on areas such as TAC, PowerPoint, and A-Net.
- Monthly HUB meetings attended by Forrest City Junior High School staff in Crowley's Ridge. Some of the topics covered by the Arkansas Public School Resource Center Coach, Ashley McDonald, are strategic planning, strategic lesson and assessment design for literacy and math.
- Teachers work in weekly PLCs around curriculum implementation, student achievement data, and best practices.
- Teachers have gotten A-Net training on how to create and utilize formative assessments.
- Quarterly data analysis nights attended by teachers from 4:30-7:30 pm on October 7, 2014, December 10, 2014, and a tentative data night on February 18, 2015.
- Parent Nights hosted by departments reviewing Project Based Learning and curriculum. Parent nights are hosted for each department within the Project Based Learning window.
    - History/Keyboarding- September 2-19, February 9-27
    - Math/Career Orientation- September 22-October 10, January 19- February 6
    - English/ Reading- November 3-21, March 2-20
    - Science/P.E./ Health- December 1-19, April 20-May 8
- At risk students were identified and parent meetings were held to inform parents of a digital course opportunity.
- College trips to EACC and UAPB were taken by portions of the student body.
- A student support team has been created to monitor Tier III students for attendance and grades
- Teachers have implemented the use of A-Net assessments on October 1st and 2nd, December 2nd and 3rd, tentatively, February 10th and 11th.

- The Principal has redesigned the master schedule to accommodate students needing interventions as identified by the A-Net assessment.
- The Principal and student support team has designed an incentive program to motivate students with shirts, movie passes, field trips, and socks. Also, an incentive program was developed to reward students on shorter intervals of 10 days. The incentives are selected by the Student Council.
- Quarterly awards programs have held to acknowledge student achievement through Principal's List, Honor Roll, Perfect Attendance, One Hundred Point Club, Homeroom Challenges, and classroom level awards.

Challenges:

- Staff buy-in
- Sense of Urgency

Forrest City High School

Barriers to improvement stemming from the 2012-14 school year are as followed:

Principal and Staff turnover
High Number of Teacher / Student Absences
Lack of urgency on behalf of the school and district administration
Failure to commit to building capacity
Teacher buy-in
Low student expectation

2014-2015 School Year

Goal 1: To increase the percentage of students in all identifiable subgroups scoring proficient or above on the 11th grade Literacy, Algebra I and Geometry Exams through the use of standards based essential curriculum and implementation of best practices for instruction/assessment including the use of technology.

Goal 2: School leaders and staff provide a school climate conducive to learning.

Success

- Standards-based curriculum – Engage NY training took place on September 27, 2014. Working through this curriculum via the PARCC standards has allowed the school to see continuous growth in 10th and 11th grade literacy as well as Algebra I and Geometry as determined by the TLI assessments. From Module 1 to Module 4 there have been incremental gains. TLI data shows teacher usage having increased since the start and interim data reviews between principal and teachers has raised the sense of urgency on behalf of teachers. They have to disaggregate all Module data and must do so by performance levels BB (Below Basic), B (Basic), P (Proficient) and A (Advanced). They must also be able to show and articulate the number of students needed to make the respective AMO as well as identify specific students (by name) that gives the best

possible chance of getting the number. This data is color-coded to get a strong visual relative to progress being made. These results are charted and are expected to be posted in all classrooms. The Multiple Choice results have out distanced the Open Response portion of testing. This comes as no surprise to us and when added in with the MC, in many instances, the performance was enough to show gain/proficiency – overall.

- PARCC standards have been chunked, an assessment calendar created a well as common formative assessments to be used between TLI Module testing.

- Teachers are required to implement Marzano's High Yield Strategies into their LD (Lesson Design), with fidelity. They are expected to highlight the strategy/strategies being used. This aids the Principal, Assistant Principals and the SIS (School Improvement Specialist) in determining accuracy and knowledgeable use in instructional practices. It also serves as a means of accountability. It should be noted that the principal, even after appropriate PD (Professional Development), is not satisfied with the overall effort of designing effective lessons by many.

- With regards to technology; the school has one to one piece of technology. (I-pads, etc.). Problems in certain areas of the building with APs (Access Points). All of which should be functional by the next TLI Module assessment period (February 10, 2015).

- The After-School Credit Recovery and Tutoring program is in full implementation. Currently, 120 students have made up credits. The credit recovery effort is fueled by face-to-face instruction as well as the use of the Odyssey Ware software package Monday – Wednesday and on Saturday. There is also an ACT piece connected to the Extended Day Program; not to mention the ACT prep sessions that are held and facilitated by an external provider on two (2) Thursdays and two (2) Saturdays each month.

- Parental involvement supervisor was hired to increase the momentum of parental and community involvement. Parent teacher conferences were increased to every grading period. Parents and stakeholders are informed in a more effective and timely manner, which has improved involvement. The timely communication has also served as an early warning system for at risk students.

- AVID (Advancement Via Individual Determination) program was expanded to the 10th grade. Additional teachers received training in AVID strategies. The District Director continued training in order to ensure certification of the FCHS AVID site.

- The Learning Institute software was purchased to generate interim assessments as well as assist in analyzing data to properly plan instruction to support academic success for students. Representatives from TLI have also provided ongoing professional development.

- Rewards were also given to students on the Principal's list, 1st Honor Roll and 2nd Honor Roll during the newly established awards ceremony each grading period establishing a climate of higher expectation.

Challenges:

- Teacher Turnover
- No building level facilitators were hired to replace the external providers who provided that guidance in previous years.

Lincoln Middle School

Lincoln Middle School was previously identified as a Needs Improvement: Focus School through No Child Left Behind and currently as Academic Distress. Their Literacy performance score was 46.46% and math was 48.29% on the 2014 Augmented Benchmark Exam.

- New standards-based curriculum, EngageNY, Go Math, and Expeditionary Learning, was put into place this school year with job embedded PD to assist teachers with the implementation. There is also an emphasis on the PARCC assessment format. No true curriculum or pacing guide was followed previously leaving teachers with little guidance.
- Achievement Network (ANET) was contracted to provide standards based assessments aligned to the state frameworks. Company representatives have been onsite working with teachers and facilitators to assist the breaking down of data to identify areas of weakness with priority standards and students having difficulty with specific skills. Data analysis is being done after each interim assessment followed by remediation on specific skills and reassessment, an Academic Distress Recommendation. Teachers plan lessons together for remediation based on their findings followed by a retest. This resulted in an increase from:
    - 21% proficient to 86% proficient on specific 5th grade math skills to 25% to 73% proficient in 6th math skills on the first interim assessment
    - 8% to 33% proficient in 5th grade and 28% to 73% on 6th grade specific literacy skills on the first interim assessment
    - 21% - 26% proficient range on specific 5th grade math skills to 60% - 70% proficient range and 38% proficient to 62% and 39% proficient to 44% proficient on 6th grade specific math skills on the second interim assessment
    - 9% - 63% proficient range to 32% - 60% proficient on 6th grade specific literacy skills on the second interim assessment
- Job-embedded PD includes onsite visits from representatives of the new assessment and curriculum companies. These visits included classroom observations and model lessons, followed by meetings with the teachers for reflections and recommendations.
- Student incentives and recognition for proficient or advanced scores are now being provided to students, a new concept.

- The master schedule has been revised to facilitate a faster/smoother transition time between classes which allows more instruction time and a block of time each day for remediation has been added. This change in the master schedule was an Academic Distress recommendation.

  Challenges:
- The vast amount of change in a short period of time has caused some amount of stress and anxiety on the staff which brought about a certain amount of negative feelings in the building. However, there appears to be more of a sense of urgency now and progress is evident in the remediation scores.
- New teaching strategies have been difficult for some teachers to adopt, but with support and guidance from instructional facilitators and consultants, documented positive change is occurring.

This report was compiled cooperatively between Zrano Bowles, SIG and Janie Hickman, SIS.

Lee County School District
LEA # 3904
Lee County

Classified in Fiscal Distress May 8, 2014

Fiscal Distress Indicators and Additional Concerns:

A declining balance determined to jeopardize the fiscal integrity of the school district.

District Profile:	2010-11	2011-12	2012-13	2013-14
Superintendent	**Saul Lusk**	**Saul Lusk**	**Willie Mae Murdock**	**Willie Mae Murdock**
4 QTR ADM	980	956	904	889
Assessment	95,361,565	110,986,175	116,790,227	119,579,181
Total Mills	26.30	26.30	26.30	28.30
Total Debt Bond/Non Bond	300,000	230,000	155,000	1,355,000
Per Pupil Expenditures	13,685	12,258	12,785	11,994
Personnel-Non-Fed Certified FTE	102.82	89.00	79.79	89.60
Personnel-Non-Fed Certified Clsrm FTE	93.59	78.47	69.85	76.60
Avg Salary-Non-Fed Cert Clsrm FTE	42,032	37,259	40,765	41,609
Avg Salary-Non-Fed Cert FTE	44,009	40,078	42,669	44,185
Net Legal Balance (Excl Cat & QZAB)	1,761,891	2,656,434*	239,693	367,255

Total Debt includes Bonded and Non-bonded filed with ADE.
Data Source: Annual Statistical Reports (ASR) and State Aid Notice for school district.
*Includes journal entry errors totaling 1,853,453. The errors were corrected in 2012-13.

District Actions:

The District has included the following objectives in their Fiscal Distress Improvement Plan:

2014-15

- Reduce 8 Certified employees through Reduction in Force
- Reduce 13 Non-Certified employees through Reduction in Force
- Reduce 2 Non-Certified employees through attrition

Lee County School District
LEA #3904
Lee County

Comments:

The District was classified in Fiscal Distress on May 8, 2014. The District began their first full year of Fiscal Distress on July 1, 2014

On April 10, 2014, the Arkansas Department of Education took control of the Lee County School District and the School Board was released from their duties.

The Lee County School District's general operating ending balance of $2,656,434 on June 30, 2012, included journal entry errors totaling $1,853,453. Those errors were corrected in 2012-13.

Increased M&O revenue through a voted 2 mill increase from 26.30 to 28.30 mills in September 2013.

1,275,000 construction bond on October 1, 2013. No principal payment till FY16.

The Office of Intensive Support, Norman Hill Financial Consultant, ADE APSCN and Fiscal Distress Unit have spent extensive hours with the district's finance office.

FY14:

- Applicable expenditures were reclassified to prevent the loss of categorical and/or federal funds
- Financial consultant processed payrolls
- Financial consultant processed accounts payable checks

FY15:

- Processed a number of FY14 account payables
- Expended and/or encumbered federal funds to reduce the carryover balances and provide the technology tools to assist with the academic needs of the students
- District has taken an active role in the accounts payable process
- District is processing payroll every two weeks
- Utilizing Purchase Order System
- Six employees have been trained in purchase order procedures
- One person has been trained in payroll process
- Establishing General Office Procedures
- Filing, record receipts, utilizing time and date stamps for mail, receipts, and payment approvals
- Establishing receipt of goods prior to processing payments
- Numerous maintenance and facility issues resolved
- Addressing state and local fire inspection issues
- Financial consultant , Norman Hill was hired

Arkansas Department of Education
Lee County School District
Unrestricted Funds Report

FY15 as of January 31, 2015			
Beginning Balance 7/1/2014	Revenue	Expenditures	Ending Balance 1/31/2015
367,254	3,758,998	3,204,427	921,825
FY15 Budget			
Beginning Balance 7/1/2014	Revenue	Expenditures	Projected Balance 6/30/2015
367,254	6,660,391	6,188,317	839,329
FY14			
Beginning Balance 7/1/2013	Revenue	Expenditures	Ending Balance 6/30/2014
239,693	7,179,594	7,052,032	367,254
FY13			
Beginning Balance 7/1/2012	Revenue	Expenditures	Ending Balance 6/30/2013
2,656,434	5,263,643	7,680,384	239,693
FY12			
Beginning Balance 7/1/2011	Revenue	Expenditures	Ending Balance 6/30/2012
1,761,891	8,092,204	7,197,662	2,656,434

(Does not include Building, Categorical, Federal, Activity and Food Service Funds)

Arkansas Department of Education
Lee County School District

Unrestricted Funds:
1000|1001|1011|1240|1246|1365|2000|2001|2002|2003|2004|2005|2006|2009|2011|2012|2013|2015|2019|2099|2218|2222|2240|2244|2246|2271|2300|2340|2365|2376|2385|2392|2394|2903|4000

Revenue:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 01/31/15	Variance in FY15 Budget and FY15 YTD
11110	PROPERTY TAXES-CURRENT	2,201,009	0	1,594,523	1,321,000	(273,523)	1,834,184	513,184
11120	PROPERTY TAX-40% BY 6/30	710,122	2,508,431	1,187,216	1,100,000	(87,216)	0	(1,100,000)
11130	PROPERTY TX-40% 7/1-12/31	0	0	0	0	0	0	0
11140	PROPERTY TAX-DELINQUEST	51,520	87,047	95,883	95,000	(883)	0	(95,000)
11150	EXCESS COMMISSION	28,368	872	0	0	(0)	0	0
11160	LAND REDEMP-IN STATE SALE	70,940	125,946	102,472	102,000	(472)	0	(102,000)
11200	SALES AND USE TAX	0	0	0	0	0	0	0
11400	PENALTIES/INTEREST ON TAX	0	0	215	200	(15)	0	(200)
11500	INTER. UNAPP PROPERTY TAX	0	0	0	0	0	0	0
12800	REV IN LIEU OF TAXES	15,144	16,219	15,792	16,000	208	0	(16,000)
13400	SAVE THE CHILDREN	55,199	46,132	0	0	0	0	0
15100	INTEREST ON INVESTMENTS	2,743	618	975	800	(175)	411	(389)
16110	SCHOOL LUNCH PROGRAM	0	0	0	0	0	0	0
16212	PROV 2 STUDENT MEALS	0	0	0	0	0	0	0
16215	A LA CARTE INCOME	0	0	0	0	0	0	0
16220	ADULT	0	0	0	0	0	0	0
16300	SPECIAL FUNCTIONS	0	0	0	0	0	0	0
16400	PERF FREE BASED REIMB	0	0	0	0	0	0	0
16900	OTHER FOOD SVS REVENUE	0	0	0	0	0	0	0
16910	PEPSI FUND	0	0	0	0	0	0	0
17100	ADMISSIONS	0	0	0	0	0	0	0
17110	ATHLETICS-GATE	0	0	0	0	0	0	0
17200	SALES	183	0	60	0	(60)	0	0
17300	ORG MEMBERSHIP DUES/FEES	0	0	0	0	0	0	0
17400	PUPIL FEES-LOCKERS/FINES	0	0	0	0	0	0	0
17500	CONTRACTED SERVICES	0	0	0	0	0	0	0
17900	OTHER STDNT ACTIVITY REV	0	0	0	0	0	0	0
19130	LEA BUILDGS & FACILITIES	20,918	20,941	27,192	21,000	(6,192)	9,955	(11,045)
19140	EQUIPMENT & VEHICLES	0	0	503	0	(503)	0	0
19200	PRIVATE CONTRIBUTIONS	0	0	0	0	0	0	0
19800	REFUNDS OF PRIOR YR EXPEN	0	88,459	18,856	26,000	7,144	23,870	(2,130)
19900	MISC REV FR LOCAL SOURCES	7,225	4,701	79,236	28,500	(50,736)	28,200	(300)
21100	CNTY GENERAL APPORTIONMNT	0	0	0	0	0	0	0
21200	SEVERANCE TAX	0	0	0	0	0	0	0
28000	REVENUE IN LIEU OF TAXES	0	0	0	0	0	0	0
31101	FOUNDATION FUNDING	3,641,400	3,176,218	2,953,190	2,795,636	(157,554)	1,524,894	(1,270,742)
31102	ENHANCED EDUCATIONAL	0	0	0	0	0	0	0
31103	URT COLLECTION ADJUSTMENT	136,019	160,547	174,539	170,000	(4,539)	0	(170,000)
31400	TRANSPORTATION AID	22,358	0	0	0	0	0	0
31460	DECLINING ENROLLMENT	332,237	101,933	133,997	88,979	(45,018)	88,979	0
31900	OTHER	21,211	64,674	59	0	(59)	0	0
32226	HIGH PRIORITY INCENTIVES	224,589	151,975	200,436	200,000	(436)	0	(200,000)
32250	AR PATHWISE MENTOR PROG.	2,600	4,400	6,336	0	(6,336)	2,400	2,400
32253	PIOIOT TEACHER EVAL.	0	0	0	0	0	0	0
32256	PROF.DEVELOPMENT(ACT 59)	0	0	0	0	0	0	0
32290	09 GREATER GRAD PROJ	0	0	0	0	0	0	0
32310	HAND CHILD-SUPV/EXTEND YR	3,986	3,729	3,317	3,000	(317)	0	(3,000)
32314	SP ED EXT YEAR	0	0	0	0	0	0	0
32361	GT-SCH IMP AND PROF DEV	50	150	0	0	0	832	832
32370	ALT LEARNING ENVIRONMENT	0	0	0	0	0	0	0
32381	NSLA (ACT 59)	0	0	0	0	0	0	0
32415	SVAC	0	0	0	0	0	0	0
32430	VOC SPEC NEEDS PROJECT	0	0	0	0	0	0	0
32460	YOUTH APPRENTICESHIP	0	0	0	0	0	0	0
32480	VOC NEW PGM START-UP	0	0	0	0	0	0	0
32520	MATCHING (STATE)	0	0	0	0	0	0	0
32710	AR BETTER CHANCE(ABC)GRNT	495,748	530,782	473,850	475,000	1,150	241,868	(233,132)
32735	EARLY CHILDHOOD-PARENT	0	0	0	0	0	0	0
32790	EARLY CHILDHOOD PROGRAMS	0	0	0	0	0	0	0
32912	GENEREAL FACILITIES	13,616	10,212	6,808	3,404	(3,404)	3,404	0
32915	DEBT SERVICE FUNDING	4,494	1,357	71	0	(71)	0	0
32923	ACADEMIC FAC TRANSITIONAL	0	0	0	0	0	0	0

Arkansas Department of Education
Lee County School District

Unrestricted Funds:
1000|1001|1011|1240|1246|1365|2000|2001|2002|2003|2004|2005|2006|2009|2011|2012|2013|2015|2019|2099|2218|2222|2240|2244|2246|2271|2300|2340|2365|2376|2385|2392|2394|2903|4000

Revenue:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 01/31/15	Variance in FY15 Budget and FY15 YTD
32924	FACILITIES PARTNERSHIP	0	0	0	0	0	0	0
32990	OTHER GRANTS&AID FR STATE	0	0	0	0	0	0	0
41200	WILDLIFE REFUGE	0	0	0	0	0	0	0
41300	REV IN LIEU OF TAXES	0	0	0	0	0	0	0
42100	FOREST RESERVE	30,526	0	25,120	25,000	(120)	0	(25,000)
42200	FLOOD CONTROL	0	0	0	0	0	0	0
42300	MINERAL LEASES	0	0	0	0	0	0	0
42400	FEDERAL GRAZING	0	0	0	0	0	0	0
42500	IMPACT AID	0	0	0	0	0	0	0
45110	ESEA CH1 COMP(R) 100-297	0	0	0	0	0	0	0
45114	ESEA CH1 CPTL EXPENS-PRVT	0	0	0	0	0	0	0
45119	TITLE I ARRA	0	0	0	0	0	0	0
45121	TITLE I ESEA PART D	0	0	0	0	0	0	0
45124	ARRA ESEA SFSF	0	0	0	0	0	0	0
45129	EDUCATION JOB FUNDING	0	0	0	0	0	0	0
45130	ESEA CH2 ELEM/SEC ED ACT	0	0	0	0	0	0	0
45174	DHS SOCIAL WORKER	0	0	0	0	0	0	0
45177	TRANSPORTATION COSTS	0	0	0	0	0	0	0
45310	VOC BASIC GRNT-ENTITLEMNT	0	0	0	0	0	0	0
45325	TITLE II-D	0	0	0	0	0	0	0
45326	ENHANCED ED TECHNOLOGY GR	0	0	0	0	0	0	0
45510	SL 4 LUNCHES-TYPE A	0	0	0	0	0	0	0
45511	LUNCH REIMB DHS	0	0	0	0	0	0	0
45512	FULL PRICE LUNCH	0	0	0	0	0	0	0
45520	BREAKFAST REIMB. ADE	0	0	0	0	0	0	0
45521	BRKFT REIMB DHS	0	0	0	0	0	0	0
45530	BREAKFAST	0	0	0	0	0	0	0
45540	SNACK REIMB ADE	0	0	0	0	0	0	0
45541	SNACK REIMB DHS	0	0	0	0	0	0	0
45550	FOOD SERVICE EQUIP ASSIST	0	0	0	0	0	0	0
45561	REGULAR COMMODITIES (DHS)	0	0	0	0	0	0	0
45562	FFV COMMODITIES	0	0	0	0	0	0	0
45586	ARRA LUNCH EQUIPMENT	0	0	0	0	0	0	0
45613	VIB PASSTHROUGH	0	0	0	0	0	0	0
45621	ARRA IDEA SP ED	0	0	0	0	0	0	0
45801	ARRA NEW CONSTSTRUCTION	0	0	0	0	0	0	0
45802	ARRA MODERNIZATION	0	0	0	0	0	0	0
45803	ARRA RENOVATION	0	0	0	0	0	0	0
45910	MEDICARE CATASTROPHIC COV	0	0	0	0	0	0	0
45913	ARMAC-MEDICAID ADM CLAIM	0	0	0	0	0	0	0
45925	TITLE II-A	0	0	0	0	0	0	0
45971	DRUG EDUCATION	0	0	0	0	0	0	0
45977	TITLE VI	0	0	0	0	0	0	0
45990	OTHER REST.FED THRU STATE	0	0	0	0	0	0	0
48000	REVENUE IN LIEU OF TAXES	0	0	0	0	0	0	0
51100	BONDED INDEBTEDNESS	0	0	3,729	0	(3,729)	0	0
51999	AUDIT ADJUSTMENT	0	(1,853,453)	0	0	0	0	0
52500	TRANS FROM CAPITAL OUTLAY	0	0	0	0	0	0	0
52600	TRANS FROM FEDERAL GRANTS	0	0	0	0	0	0	0
52700	TRANS FROM STUDENT ACTVTY	0	0	0	0	0	0	0
52800	TRANS FROM FOOD SERVICE	0	0	0	0	0	0	0
52900	INDIRECT COST	0	11,753	75,220	188,872	113,652	0	(188,872)
53100	SALE OF EQUIPMENT	0	0	0	0	0	0	0
53400	COMPEN-LOSS FIXED ASSETS	0	0	0	0	0	0	0
Total Revenue		**8,092,204**	**5,263,643**	**7,179,594**	**6,660,391**	**(519,203)**	**3,758,998**	**(2,901,393)**

Arkansas Department of Education
Lee County School District

Unrestricted Funds:
1000|1001|1011|1240|1246|1365|2000|2001|2002|2003|2004|2005|2006|2009|2011|2012|2013|2015|2019|2099|2218|2222|2240|2244|2246|2271|2300|2340|2365|2376|2385|2392|2394|2903|4000

Expenditures:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 01/18/15	Variance in FY15 Budget and FY15 YTD
61110	CERT SALARY	3,136,562	3,232,031	3,393,793	2,752,799	(640,995)	1,311,588	1,441,211
61111	CERT ADDITIONAL DUTIES	0	0	9,900	4,500	(5,400)	0	4,500
61120	CLS SALARY	830,396	1,134,515	906,496	778,805	(127,691)	414,291	364,513
61121	CLS ADDITIONAL	0	0	37,863	24,000	(13,863)	250	23,750
61210	TEMP-CERTIFIED	4,500	0	12,114	12,000	(114)	0	12,000
61220	TEMP-CLASSIFIED	34,233	18,218	9,317	10,000	683	3,636	6,364
61300	OVERTIME	0	0	0	0	0	0	0
61320	OVERTIME-CLASSIFIED	3,485	1,750	0	0	0	250	(250)
61510	CRT STIPEND	296,695	162,075	200,436	200,000	(436)	0	200,000
61511	BONUS CERT	0	0	0	0	0	0	0
61520	CLASS STIPEND	0	0	0	0	0	0	0
61521	BONUS CLASS	0	0	0	0	0	0	0
61610	WORKSHOP	2,000	0	600	0	(600)	1,250	(1,250)
61620	WORKSHOP	0	0	250	0	(250)	0	0
61700	SUBSTITUTES	0	0	0	0	0	0	0
61710	CERT SUBSTITUTES	66,573	15,660	8,107	8,000	(107)	5,043	2,957
61720	CLS SUBSTITUTES	59,388	242,983	82,756	83,000	244	39,222	43,778
61810	CERT UNUSED SICK	12,100	23,580	23,739	24,000	261	0	24,000
61820	CLS UNUSED SICK	425	1,525	18,163	0	(18,163)	0	0
61900	OTHER SALARIES	0	0	0	0	0	0	0
61920	CLS OTHER PAY	0	0	0	0	0	0	0
62110	CERT GROUP INS	0	0	0	0	0	0	0
62120	CLS GROUP INS	0	0	0	0	0	0	0
62210	CERT SOC SEC	244,165	206,743	225,498	186,361	(39,137)	80,034	106,327
62220	CLS SOC SEC	59,412	77,327	57,130	54,938	(2,191)	26,117	28,821
62260	CERT MEDICARE	56,813	48,398	52,736	40,274	(12,463)	18,718	21,556
62270	CLS MEDICARE	13,972	18,420	13,361	12,308	(1,053)	6,108	6,200
62310	CERT TCH RET-CONT	538,099	492,666	532,124	375,350	(156,774)	182,942	192,407
62320	CLS TCH RET - CONT	126,184	174,643	131,848	121,210	(10,638)	61,887	59,323
62420	TUITION REIM-CLASSIFIED	0	0	0	0	0	0	0
62510	CERT UNEMPLOY COMP	10,431	10,944	1,463	0	(1,463)	0	0
62520	CLS UNEMPLOY COMP	8,402	13,958	1,951	0	(1,951)	6,517	(6,517)
62610	CERT WKR'S COMP	8,076	26,517	0	18,193	18,193	7,311	10,881
62620	CLS WKR'S COMP	10,076	44,196	6,050	15,509	9,459	6,948	8,560
62710	CERT HEALTH BENEFITS	238,141	117,169	99,531	108,632	9,101	39,421	69,211
62711	PREMIUM ASSISTANCE	0	0	0	0	0	0	0
62720	CLS HEALTH BENEFITS	123,450	60,694	48,550	45,954	(2,596)	20,796	25,158
62721	PREMIUM ASSISTANCE CLS	0	0	0	0	0	189	
62820	CLS PUB RET CONT	3,313	3,626	3,621	1,995	(1,626)	853	1,142
Salaries & Benefits Totals		**5,886,891**	**6,127,638**	**5,877,396**	**4,877,826**	**(999,570)**	**2,233,372**	**2,644,644**
63130	BOARD OF ED SERVICES	0	0	0	0	0	0	0
63200	PROFESSIONAL-DEVEL.	0	0	0	0	0	0	0
63210	INSTRUCTIONAL	0	0	0	0	0	0	0
63220	SUB-TEACHER-NON-EMPLOYEE	370	0	62,604	95,000	32,396	148,986	(53,986)
63230	ED CONSULTING	0	0	0	0	0	0	0
63310	PD/REG CER	1,750	17,800	2,529	2,500	(29)	4,586	(2,086)
63320	PD/REG CLS	90	13	1,696	150	(1,546)	0	150
63370	ARCHITECT FEE	0	0	0	0	0	0	0
63371	CONSTRUCT MGR FEE	0	0	0	0	0	0	0
63410	PUPIL SERVICES	2,500	8,295	0	0	0	0	0
63420	STATISTICAL SERVICES	0	0	0	0	0	0	0
63440	LEGAL SERVICES	0	0	0	0	0	0	0
63441	LEGAL	107,887	0	0	21,000	21,000	20,315	685
63445	LEGAL RESEARCH & OPINIONS	4,513	8,230	30,969	36,000	5,031	15,926	20,074
63450	MEDICAL	0	0	0	0	0	0	0
63470	ARCHITECTURAL	0	0	0	0	0	0	0
63490	OTHR PROFESSIONAL SERVICE	0	0	623	900	278	0	900
63530	SOFTWARE MAINT & SUPPORT	0	0	0	0	0	0	0
63590	OTHER TECHNICAL SERVICES	0	0	0	0	0	0	0
63900	OTHER PURC PROF/TECH SVS	56,985	81,265	82,024	79,450	(2,574)	77,914	1,536
64100	UTILITY SERVICES	0	0	0	0	0	0	0
64110	WATER/SEWER	28,423	26,949	21,594	22,600	1,006	14,317	8,283
64210	DISPOSAL/SANATATION	0	0	535	600	65	0	600
64240	LAWN CARE	5,691	6,305	1,540	1,800	260	0	1,800
64310	BLDG & EQUIP REPAIR	118,185	165,152	42,255	57,900	15,645	15,270	42,630
64320	REPAIR EQ&VEHH	1,392	1,657	338	400	62	125	275
64400	RENTALS	0	0	0	0	0	0	0

Arkansas Department of Education
Lee County School District

Unrestricted Funds:
1000|1001|1011|1240|1246|1365|2000|2001|2002|2003|2004|2005|2006|2009|2011|2012|2013|2015|2019|2099|2218|2222|2240|2244|2246|2271|2300|2340|2365|2376|2385|2392|2394|2903|4000

Expenditures:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 01/18/15	Variance in FY15 Budget and FY15 YTD
64410	LAND & BLDGS	0		50	0	(50)	0	0
64420	RENTAL EQ&VEH	80,633	82,332	29,191	24,600	(4,591)	51,726	(27,126)
64430	RENTAL EQUIPMENT	0	0	10,465	25,000	14,535	17,642	7,358
64500	CONSTRUCTION SERVICES	0	0	0	0	0	0	0
64900	OTHER PURC PROPERTY SVS	7,315	4,323	952	1,300	349	282	1,018
65000	OTHR PURCH.SERVICES	0	0	0	0	0	0	0
65210	PROPERTY INSURANCE	104,381	122,577	118,465	113,667	(4,798)	113,667	0
65220	LIABILITY INSURANCE	7,919	7,919	7,919	8,000	81	0	8,000
65240	FLEET INSURANCE	15,212	12,000	14,017	14,511	494	14,511	0
65250	ACCIDENT INS FOR STUDENTS	0	0	10,476	10,476	0	10,476	0
65290	OTHER INSURANCE	12,000	11,640	0	0	0	0	0
65300	COMMUNICATIONS	0	0	0	0	0	0	0
65310	TELEPHONE	2,758	32,278	36,330	39,250	2,920	22,618	16,632
65320	POSTAGE	4,000	3,885	5,476	5,500	24	4,805	695
65330	CABLE/INTERNET	800	795	277	600	323	113	487
65400	ADVERTISING	6,060	6,957	6,117	6,800	683	376	6,424
65500	PRINTING & BINDING	3,387	3,569	4,022	4,500	478	0	4,500
65810	TRAVEL-CER	10,122	14,039	3,943	4,950	1,007	371	4,579
65820	TRAVEL-CLS	630	2,559	1,307	3,300	1,993	22	3,278
65830	TRVL CERT-OUT DISTRICT	0	0	0	7,200	7,200	2,284	4,916
65840	TRVL CLS OUT DISTRICT	0	0	0	500	500	2,469	(1,969)
65870	TRAVEL-NON-EMPLOYEE	11,340	4,237	4,171	0	(4,171)	0	0
65890	LODGING	0	0	0	0	0	7,156	(7,156)
65900	MISC PURC SVS	0	0	0	0	0	0	0
65910	SVS PURCHASED LOCALLY	0	0	0	0	0	0	0
66100	GEN SUPPLIES	200,687	262,596	114,089	157,499	43,410	96,548	60,951
66101	CURRICULUM SUPPLIES	9,000	9,000	0	0	0	0	0
66102	PARENT/COM.ACTIVITIES	3,150	1,705	0	0	0	0	0
66107	LOW VALUE EQUIP.	0	0	0	0	0	0	0
66210	NAT.GAS	75,651	75,821	94,291	98,000	3,709	34,995	63,005
66220	ELECTRICITY	180,003	253,341	208,177	182,727	(25,450)	140,601	42,126
66240	OIL	0	0	0	0	0	0	0
66260	GASOLINE/DIESEL	57,000	124,685	35,762	87,000	51,238	52,023	34,977
66290	OTHER	0	0	0	0	0	0	0
66300	FOOD	3,528	1,000	0	0	0	0	0
66301	MILK	0	0	0	0	0	0	0
66302	BREAD	0	0	0	0	0	0	0
66400	BOOKS & PERIODICALS	0	0	0	0	0	0	0
66410	TEXTBOOKS	7,705	7,497	3,138	9,000	5,862	13,387	(4,387)
66420	LIBRARY BOOKS	0	0	0	0	0	0	0
66430	PERIODICALS	0	0	24	50	26	0	50
66500	TECHN SUPPLIES	331	573	117	500	383	0	500
66510	SOFTWARE	2,455	18,649	0	0	0	0	0
66520	TECH(OTHER)	672	0	1,082	1,600	518	0	1,600
66527	LOW VALUE EQUIP/TECH.	694	265	0	0	0	782	(782)
66900	OTHER SUPPLIES & MATERIAL	0	0	0	0	0	0	0
67100	LAND & IMPROVEMENTS	0	0	0	0	0	0	0
67200	BUILDINGS	0	0	0	0	0	0	0
67201	HVAC	0	0	0	0	0	0	0
67202	ELECTRICAL	0	0	0	0	0	0	0
67203	PLUMBING	0	0	0	0	0	0	0
67204	MASONRY	0	0	0	0	0	0	0
67205	ROOF	0	0	0	0	0	0	0
67206	SLAB	0	0	0	0	0	0	0
67207	FLOOR COVERING	0	0	0	0	0	0	0
67208	DOORS	0	0	0	0	0	0	0
67209	WINDOWS	0	0	0	0	0	0	0
67210	ACOUSTICAL CIELINGS	0	0	0	0	0	0	0
67212	SITE CONCRETE	0	0	0	0	0	0	0
67213	FINISHES	0	0	0	0	0	0	0
67300	EQUIPMENT	0	0	0	0	0	0	0
67310	MACHINERY	0	0	0	0	0	0	0
67320	VEHICLES	4,000	33,542	0	0	0	0	0
67330	FURNITURE & FIXTURES	0	0	1,764	1,800	36	0	1,800
67340	TECHNOLOGY EQUIP	4,447	7,785	4,709	1,000	(3,709)	0	1,000
67390	OTHER EQUIPMENT	0	0	0	0	0	0	0
67500	TECHN EQUIP	0	0	0	0	0	0	0
68100	DUES AND FEES	3,136	1,580	84,148	18,238	(65,910)	15,629	2,609

Arkansas Department of Education
Lee County School District

Unrestricted Funds:
1000|1001|1011|1240|1246|1365|2000|2001|2002|2003|2004|2005|2006|2009|2011|2012|2013|2015|2019|2099|2218|2222|2240|2244|2246|2271|2300|2340|2365|2376|2385|2392|2394|2903|4000

Expenditures:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 01/18/15	Variance in FY15 Budget and FY15 YTD
68300	INTEREST	5,075	7,917	21,219	50,544	29,325	51,763	(1,219)
68400	INDIRECT COST	0	0	0	0	0	0	0
68900	MISC EXPENDITURES	158,893	47,014	28,945	34,079	5,133	19,370	14,709
68999	ALLOCATED CHARGES	0	0	0	0	0	0	0
69100	REDEMPTION OF PRINCIPAL	0	75,000	75,000	80,000	5,000	0	80,000
69330	TO BUILDING FUND	0	0	0	0	0	0	0
69350	TO CAPITAL OUTLAY FUND	0	0	0	0	0	0	0
69360	TO FEDERAL GRANTS FUND	0	0	0	0	0	0	0
69370	TO STUDENT ACTIVITY FUND	0	0	0	0	0	0	0
69380	TO FOOD SERVICE FUND	0	0	0	0	0	0	0
69400	PROGRAM FUNDING RETURN	0	0	2,286	0	(2,286)	0	0
69500	TRANSITS	0	0	0	0	0	0	0
69620	PROV 2 STUDENT MEALS	0	0	0	0	0	0	0
Other Expenditure Totals		**1,310,771**	**1,552,745**	**1,174,636**	**1,310,490**	**135,854**	**971,055**	**339,435**
Overall Expenditure Totals		**7,197,662**	**7,680,384**	**7,052,032**	**6,188,317**	**(863,716)**	**3,204,427**	**2,984,079**

Arkansas Department of Education
Fiscal Distress Financial Improvement Plan
Plan Year 2014-2015

School District Lee County **Superintendent** Willie Murdock **Phone Number** 870-295-7100

PART A. NARRATIVE OVERVIEW OF DISTRICT

Insert the narrative overview of the District

Lee County School District is located in Lee County. The district covers 624 square miles. The district operates 11 bus routes that covers 1,074 miles daily. The district has 393,124 square footage insured with its buildings. The assessment for the Lee County School District for the 2013/2014 school year is $116,790,227, and will be $119,579,181 for the 2014/2015 school year. LCSD currently collect taxes on 1.30 debt service mills and 25 M&O mills. For the 2014/15 school year, the M&O mills collected will increase to 27 mills. LCSD has two bond issues outstanding. In the 2013/14 school year, LCSD will pay $80,038 to Metropolitan National Bank and $15,981 to The Citizens Bank of Batesville. For the 2014/15 school year, those amounts will be $82,600 (the final payment for this issue) and $47,944, respectively. The District has zero non- bonded debt payments, lease payments or post-dated warrant payments. LCSD has a declining balance which has jeopardized the fiscal integrity of the school district.

PART B. PLAN OBJECTIVES

Areas of Concern: We need to look at expenditures at both the micro and macro levels to ensure we operate each fiscal year in the black concerning the legal fund balance and maximize our restricted funds in an effective manner to increase student achievement. The Superintendent, School Board (Dr. Kimbrell/ADE as of 05/08/14), and Business Office need to work in tandem to ensure that proper staffing numbers are continuously analyzed throughout the school year to ensure efficiency is achieved. In addition to staffing analysis, purchasing decision makers within the district need to ensure that purchases are always based on need within an established budget and price comparisons are utilized when appropriate. LCSD purchasing policies and procedures need to be adhered to as well as State procurement laws. The district treasurer position has had turnover within a short time frame. Delegating business office responsibilities and increasing hands on process knowledge in completing routine business tasks and high level concept business knowledge needs to be vastly improved. LCSD needs to build a higher level of self sustainability and capacity in the business department.

Why the Problem Occurred: Lack of instituting timely cost cutting measures to effectively maintain non-deficit spending from one fiscal year to the next. As a result, as of 05/13/14, projected to have a negative legal fund balance. Declining enrollment numbers have been a reoccurring trend which has had a domino impact on per pupil funding for both restricted and unrestricted funds.
2011-2012 ADM (Qtrs. 1-3) = 953.85 2012-2013 ADM (Qtrs. 1-3) = 911.93 2013-2014 ADM (Qtr 1) = 879.05
LCSD has a declining balance which has jeopardized the fiscal integrity of the school district.

Specific Strategies to Remedy Problems Identified:

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Fund Sources	Amount of Net Savings	Objective Met Yes	Objective Met No
Objective 1	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$3,534 + 13% Fringe = $3,993.42		

Arkansas Department of Education
Fiscal Distress Financial Improvement Plan
Plan Year 2014-2015

Objective 2	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$3,534 + 13% Fringe = $3,993.42		
Objective 3	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$3,234 + 13% Fringe = $3,654.42		
Objective 4	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$2,580.39 + 13% Fringe = $2,915.84		
Objective 5	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2365	$12,114.83 + 25% Fringe = $15,143.54		
Objective 6	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		6501	$13,155 + 25% Fringe = $16,443.75		
Objective 7	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2281	$13,610 + 25% Fringe = $17,012.50		
Objective 8	Retirement/Non Replace Position/Still Have Outsource Cost/Classified	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	30571.6 + 25% Fringe = $38,214.50 Minus Outsource $20,000 = $18,214.50		
Objective 9	Resignation/Non Replace Position/Still Have Outsource Cost/Classified	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	38,836.00 +25% Fringe = $48,545.00 Minus Outsource $20,000 = $28,545.00		
Objective 10	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$28,736.00 + 25% Fringe = $35,920.00 Minus Outsource $15,000 = $20,920.00		
Objective 11	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	19551.54 + 25% Fringe = $24,439.43 Minus Outsource $15,000 = $9,439.43		
Objective 12	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$6,326 + 13% Fringe = $7,148.38		
Objective 13	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$7,765.00 + 13% Fringe = $8,774.45		
Objective 14	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	5,162.00 + 13% Fringe = $5,833.06		

Arkansas Department of Education
Fiscal Distress Financial Improvement Plan
Plan Year 2014-2015

Objective 15	RIF Classified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$2,581.00 + 13% Fringe = $2,916.53		
Objective 16	RIF Certified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$33,550.00(Not Ath. Stipends and Not 200 days) + 25% Fringe = $41,937.50		
Objective 17	RIF Certified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$38,500 (Not Ath. Stipends and Not 240 Days) + 25% Fringe = $48,125.00		
Objective 18	RIF Certified Position/Offered Reassignment-Classroom	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$55,421.00 + 25% Fringe = $69,276.25 (Remember to Net Out Who They are Replacing for a Reassignment for their salary that may be at a higher cost if relevant so may not be a true $69,276.25 savings. Have to account)		
Objective 19	RIF Certified Position/Offered Reassignment-Classroom	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$59,635.00 + 25% Fringe = $74,543.75 (Remember to Net Out Who They are Replacing for a Reassignment for their salary that may be at a higher cost if relevant so may not be a true $74,543.75 savings. Have to account for)		
Objective 20	RIF Certified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$61,924.00 + 25% Fringe = $77,405.00		
Objective 21	RIF Certified Position/Offered Reassignment-Classroom	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$46,830.00 + 25% Fringe = $58,537.50 (Have to Net Out Who They are Replacing for a Reassignment for their salary that may be at a higher cost if relevant so may not be a true $58,537.50 savings. Have to account for)		
Objective 22	RIF Certified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$33,000 + 25% Fringe = $41,250.00		
Objective 23	RIF Certified Position	Superintendent/Board	Reduce Staff	No - As of 05/14/14		2000	$45,030 + 25% Fringe = $56,287.50		

Superintendent Signature

5-14-14
Date

Lee County School District No. 1

Lee County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2011

LEGISLATIVE JOINT AUDITING COMMITTEE

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
TABLE OF CONTENTS
JUNE 30, 2011

Independent Auditor's Report
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

REGULATORY BASIS FINANCIAL STATEMENTS

	Exhibit
Balance Sheet - Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	Schedule
Schedule of Capital Assets (Unaudited)	1
Schedule of Expenditures of Federal Awards	2
Schedule of Findings and Questioned Costs	3
Federal Award Programs - Summary Schedule of Prior Audit Findings	4
Schedule of Selected Information for the Last Five Years - Regulatory Basis (Unaudited)	5

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Lee County School District No. 1 and School Board Members
Legislative Joint Auditing Committee

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Lee County School District No. 1 (the "District"), as of and for the year ended June 30, 2011, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices prescribed or permitted by Arkansas Code, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2011, or the changes in financial position for the year then ended. Further, the District has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

As discussed in Note 1 to the financial statements, the District changed the classifications of its governmental fund balances on July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

172 STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE (501) 683-8600 • FAX (501) 683-8605
www.arklegaudit.gov

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Capital Assets (Schedule 1), Schedule of Expenditures of Federal Awards (Schedule 2), as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Schedule of Findings and Questioned Costs (Schedule 3), Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4), and Schedule of Selected Information for the Last Five Years - Regulatory Basis (Schedule 5) are presented for purposes of additional analysis and are not a required part of the regulatory basis financial statements. The Schedule of Expenditures of Federal Awards (Schedule 2), Schedule of Findings and Questioned Costs (Schedule 3), and Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4) have been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, in our opinion, are fairly stated in all material respects in relation to the regulatory basis financial statements taken as a whole. The Schedule of Capital Assets (Schedule 1) and the Schedule of Selected Information for the Last Five Years - Regulatory Basis (Schedule 5) have not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, accordingly, we express no opinion on them.

DIVISION OF LEGISLATIVE AUDIT

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

Little Rock, Arkansas
March 5, 2012
EDSD21311

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Lee County School District No. 1 and School Board Members
Legislative Joint Auditing Committee

We have audited the financial statements of each major governmental fund and the aggregate remaining fund information of the Lee County School District No. 1 (the "District"), as of and for the year ended June 30, 2011, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated March 5, 2012. We issued an adverse opinion because the District prepared the financial statements using accounting practices prescribed or permitted by the Arkansas Code, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected or corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
March 5, 2012

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Lee County School District No. 1 and School Board Members
Legislative Joint Auditing Committee

Compliance

We have audited the Lee County School District No. 1 (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
March 5, 2012

Exhibit A

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2011

	Governmental Funds			
	Major			
	General	Special Revenue	Other Aggregate	Fiduciary Fund Types
ASSETS				
Cash	$ 1,276,147			$ 11,504
Investments	151,865			
Accounts receivable	27,362	$ 271,880	$ 16,527	
Property taxes receivable	413,685			
Due from other funds	119,461			
TOTAL ASSETS	$ 1,988,520	$ 271,880	$ 16,527	$ 11,504
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 246,446	$ 79,048		
Due student groups				$ 11,504
Due to other funds		102,934	$ 16,527	
Total Liabilities	246,446	181,982	16,527	11,504
Fund Balances:				
Restricted	25,323	89,898		
Assigned	12,563			
Unassigned	1,704,188			
Total Fund Balances	1,742,074	89,898		
TOTAL LIABILITIES AND FUND BALANCES	$ 1,988,520	$ 271,880	$ 16,527	$ 11,504

The accompanying notes are an integral part of these financial statements.

Exhibit B

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	Major		
	General	Special Revenue	Other Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	$ 2,247,551		
State assistance	7,050,185	$ 5,071	
Federal assistance	32,610	3,082,361	$ 2,618,358
Activity revenues	81,327		
Meal sales		68,063	
Investment income	6,477		
Other revenues	139,522	57,523	
TOTAL REVENUES	9,557,672	3,213,018	2,618,358
EXPENDITURES			
Regular programs	4,722,384	31,235	
Special education	401,701	144,989	
Workforce education programs	394,893	9,962	
Compensatory education programs	368,295	836,569	
Other instructional programs	167,135		
Student support services	284,296	202,824	
Instructional staff support services	922,237	1,040,367	
General administration support services	433,106	88,078	
School administration support services	247,601	68,604	
Central services support services	216,742	60,808	
Operation and maintenance of plant services	1,084,704	319	84,508
Student transportation services	530,895	29,400	91,422
Other support services	24,954		
Food services operations	58,928	712,424	
Community services operations		11,680	
Facilities acquisition and construction services			2,473,200
Non-programmed costs		10,070	
Activity expenditures	84,473		
Debt Service:			
Principal retirement			70,000
Interest and fiscal charges			12,362
TOTAL EXPENDITURES	9,942,344	3,247,329	2,731,492
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(384,672)	(34,311)	(113,134)
OTHER FINANCING SOURCES (USES)			
Transfers in			82,362
Transfers out	(82,362)		
TOTAL OTHER FINANCING SOURCES (USES)	(82,362)		82,362
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(467,034)	(34,311)	(30,772)
FUND BALANCES - JULY 1	2,209,108	124,209	30,772
FUND BALANCES - JUNE 30	$ 1,742,074	$ 89,898	$ 0

The accompanying notes are an integral part of these financial statements.

Exhibit C

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	$ 2,041,732	$ 2,247,551	$ 205,819			
State assistance	6,843,396	7,050,185	206,789	$ 5,500	$ 5,071	$ (429)
Federal assistance	40,000	32,610	(7,390)	6,633,705	3,082,361	(3,551,344)
Activity revenues	81,135	81,327	192			
Meal sales				20,000	68,063	48,063
Investment income	6,600	6,477	(123)			
Other revenues	59,200	139,522	80,322		57,523	57,523
TOTAL REVENUES	9,072,063	9,557,672	485,609	6,659,205	3,213,018	(3,446,187)
EXPENDITURES						
Regular programs	4,506,134	4,722,384	(216,250)	432,036	31,235	400,801
Special education	426,479	401,701	24,778	147,641	144,989	2,652
Workforce education programs	407,104	394,893	12,211		9,962	(9,962)
Compensatory education programs	363,729	368,295	(4,566)	1,370,021	836,569	533,452
Other instructional programs	182,765	167,135	15,630			
Student support services	277,130	284,296	(7,166)	234,348	202,824	31,524
Instructional staff support services	967,193	922,237	44,956	1,067,053	1,040,367	26,686
General administration support services	515,686	433,106	82,580	89,692	88,078	1,614
School administration support services	246,699	247,601	(902)	68,746	68,604	142
Central services support services	283,267	216,742	66,525	64,000	60,808	3,192
Operation and maintenance of plant services	1,309,017	1,084,704	224,313	5,000	319	4,681
Student transportation services	545,740	530,895	14,845	109,078	29,400	79,678
Other support services	12,000	24,954	(12,954)			
Food services operations	50,000	58,928	(8,928)	651,997	712,424	(60,427)
Community services operations					11,680	(11,680)
Facilities acquisition and construction services				2,477,746		2,477,746
Non-programmed costs				2,021	10,070	(8,049)
Activity expenditures	80,935	84,473	(3,538)			
TOTAL EXPENDITURES	10,173,878	9,942,344	231,534	6,719,379	3,247,329	3,472,050

Exhibit C

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (1,101,815)	$ (384,672)	$ 717,143	$ (60,174)	$ (34,311)	$ 25,863
OTHER FINANCING SOURCES (USES)						
Transfers in	4,725,954		(4,725,954)	130,270		(130,270)
Transfers out	(4,812,263)	(82,362)	4,729,901	(130,270)		130,270
TOTAL OTHER FINANCING SOURCES (USES)	(86,309)	(82,362)	3,947	0		0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,188,124)	(467,034)	721,090	(60,174)	(34,311)	25,863
FUND BALANCES - JULY 1	2,385,375	2,209,108	(176,267)	83,854	124,209	40,355
FUND BALANCES - JUNE 30	$ 1,197,251	$ 1,742,074	$ 544,823	$ 23,680	$ 89,898	$ 66,218

The accompanying notes are an integral part of these financial statements.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Board of Education, a seven member group, is the level of government, which has responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Lee County School District (District). There are no component units.

B. Description of Funds

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the District's food services operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Fiduciary Fund types include the following:

Agency Funds – Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

C. Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by Ark. Code Ann. § 10-4-413(c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources. Changes in private-purpose trust funds will be reflected in the notes to the financial statements.

D. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Note 1 F below).

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The District maintains a threshold level of $1,000 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Life in Years
Improvements/infrastructure	20
Buildings	25-50
Equipment	5-20

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes

Property taxes are levied (tax rates are established) in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year. Property taxes are accrued or deferred, as applicable, in accordance with guidelines issued by the Arkansas Department of Education (ADE), which were effective beginning with the fiscal year ended June 30, 2006. Arkansas law defines revenue receipts of a school district and includes 40% of the proceeds of local taxes which are not pledged to secure bonded indebtedness or 40% of the revenue from the uniform rate of tax whichever is greater collected in the succeeding calendar year, commonly known as 40% pullback, within that definition. The ADE has determined that school districts must utilize the 40% pullback amount, as calculated by the ADE and reflected on the respective county's abstract of assessments, in recording property tax revenue as follows:

- If the amount of 40% pullback collected by June 30th is less than the calculated 40% pullback amount, the difference must be accrued;
- If the amount of 40% pullback collected by June 30th is more than the calculated 40% pullback amount, the excess must be recorded as deferred taxes.

Amendment no. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. Ark. Code Ann. § 26-80-101 provides the uniform rate of tax (URT) shall be assessed and collected in the same manner as other school property taxes, but the net revenues from the URT shall be remitted to the State Treasurer and distributed by the State to the county treasurer of each county for distribution to the school districts in that county. For reporting purposes, URT revenues are considered property taxes.

G. Interfund Receivables and Payables

Interfund receivables and payables result from services rendered from one fund to another or from interfund loans.

H. Fund Balance Classifications

1. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

2. Assigned fund balance – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.

3. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

I. Budget and Budgetary Accounting

The District is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Budget and Budgetary Accounting (Continued)

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

J. Stabilization Arrangements

The District's Board of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

K. Minimum Fund Balance Policies

The District's Board of Education has not formally adopted a minimum fund balance policy.

L. Fund Balance Classification Policies and Procedures

The Superintendent, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The District's Board of Education has not adopted a formal policy addressing this authorization.

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds.

The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

M. Encumbrances

The District does not utilize encumbrance accounting.

N. Change in Accounting Principle

The District adopted Governmental Accounting Standards Board (GASB) Statement no. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* on July 1, 2010. GASB Statement no. 54 changed the classifications of governmental fund balances from reserved and unreserved to nonspendable, restricted, committed, assigned, and unassigned.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 401,865	$ 401,865
Collateralized:		
Collateral held by the pledging bank or pledging bank's trust department in the District's name	1,037,651	1,949,312
Total Deposits	$ 1,439,516	$ 2,351,177

The above total deposits include certificates of deposit of $151,865 reported as investments and classified as nonparticipating contracts.

3: ACCOUNTS RECEIVABLE

The accounts receivable balance of $315,769 at June 30, 2011 was comprised of the following:

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Federal assistance		$ 264,016	$ 16,527	$ 280,543
Other	$ 27,362	7,864		35,226
Totals	$ 27,362	$ 271,880	$ 16,527	$ 315,769

4: COMMITMENTS

The District was contractually obligated for the following at June 30, 2011:

A. Construction Contract

Project Name	Completion Date	Contract Balance
Security camera installation	October 18, 2011	$ 290,781

B. Operating Leases (noncapital leases with initial noncancellable lease terms in excess of one year)

General description of leases and leasing arrangements:

(a) On December 25, 2007, the District executed a lease for a postage meter for 48 months at $463 per month.

(b) On October 16, 2009, the District executed a lease for a copier for 60 months at $293 per month.

(c) On July 30, 2010, the District executed a lease for copiers for 60 months at $5,885 per month.

4: COMMITMENTS (Continued)

B. Operating Leases (Continued)

1. Future minimum rental payments (aggregate) at June 30, 2011: $296,978

2. Future minimum rental payments for the succeeding years:

Year Ended June 30,	Amount
2012	$ 76,914
2013	74,136
2014	74,136
2015	71,792
Total	$ 296,978

Rental payments for the operating leases described above were approximately $79,692 for the year ended June 30, 2011.

C. Long-term Debt Issued and Outstanding

The District is presently paying on the following long-term debt:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2011	Maturities To June 30, 2011
10/1/03	6/1/15	2.55 - 3.25%	$ 798,475	$ 300,000	$ 498,475

Changes in Long-term Debt

	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
Bonds payable	$ 370,000	$ 0	$ 70,000	$ 300,000

Total long-term debt principal and interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2012	$ 70,000	$ 9,750	$ 79,750
2013	75,000	7,475	82,475
2014	75,000	5,037	80,037
2015	80,000	2,600	82,600
Totals	$ 300,000	$ 24,862	$ 324,862

5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance of $325,494 at June 30, 2011 was comprised of the following:

	Governmental Funds		
	Major		
Description	General	Special Revenue	Total
Vendor payables	$ 49,594	$ 62,312	$ 111,906
Salaries payable	196,852	16,736	213,588
Totals	$ 246,446	$ 79,048	$ 325,494

6: INTERFUND TRANSFERS

The District transferred $82,362 from the general fund to the other aggregate funds for debt related payments.

7: RETIREMENT PLANS

Arkansas Teacher Retirement System

Plan Description. The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain nonteachers hired before July 1, 1989. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Funding Policy. ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14% of covered salaries, the maximum allowed by State law. The District's contributions to ATRS for the years ended June 30, 2011, 2010, and 2009 were $963,216, $1,092,038, and $1,031,016, respectively, equal to the required contributions for each year.

Arkansas Public Employees Retirement System

Plan Description. The District contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain nonteachers hired before July 1, 1989. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 West Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy. APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the years ended June 30, 2011, 2010, and 2009 were $5,132, $7,692, and $7,385, respectively, equal to the required contributions for each year.

8: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for board liability and student accident coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

The District participates in the Arkansas School Boards Association – Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating, and settling claims that have been filed on behalf of and against member districts. The District contributes annually to this program.

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to $250,000 with a $1,000 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

The District participates in the Public School Property and Vehicle Insurance Trust Fund Program administered by the Risk Management Division of the Arkansas Insurance Department. The program's general objectives are to formulate, develop, and administer, on behalf of member districts, a program of insurance to obtain lower costs for property and vehicles coverage, and to develop a comprehensive loss control program. The fund uses a reinsurance policy to reduce exposure to large losses on insured events. The District pays an annual premium for its coverage of buildings, contents, and vehicles.

9: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled $249,334 for the year ended June 30, 2011.

10: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

	Governmental Funds		
	Major		
Description	General	Special Revenue	Total
Fund Balances:			
Restricted for:			
Alternative learning environment	$ 996		$ 996
Educational programs - national school lunch state categorical funding	13,036		13,036
Professional development	976		976
Child nutrition programs		$ 41,394	41,394
Medical services		12,212	12,212
Special education programs	4,484		4,484
Other purposes	5,831	36,292	42,123
Total Restricted	25,323	89,898	115,221
Assigned to:			
Student activities	12,563		12,563
Unassigned	1,704,188		1,704,188
Totals	$ 1,742,074	$ 89,898	$ 1,831,972

11: PENDING LITIGATION

An Arkansas jury found in favor of a former employee on her Title VII claims of race discrimination and constructive discharge against the District and individual members of the District's Board of Education. The jury awarded $10,000 in compensatory damages on a race discrimination claim, $60,825 in wages and fringe benefits on a constructive discharge claim, and a total of $8,000 in punitive damages against three individual defendants. Following trial, the district court granted the defendants' motion to set aside the constructive discharge and punitive damage verdicts. The former employee appealed to the U.S. Court of Appeals for the Eighth Circuit contending the district court erred in vacating the constructive discharge claim and the punitive damage award. The U.S. Court of Appeals for the Eighth Circuit reversed the district court's ruling and remanded the case for further proceedings.

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2011
(Unaudited)

Schedule 1

	Balance June 30, 2011
Nondepreciable capital assets:	
Land	$ 427,358
Construction in progress	6,841
Total nondepreciable capital assets	434,199
Depreciable capital assets:	
Buildings	8,655,179
Improvements/infrastructure	125,014
Equipment	3,816,177
Total depreciable capital assets	12,596,370
Less accumulated depreciation for:	
Buildings	4,348,683
Improvements/infrastructure	56,541
Equipment	2,816,502
Total accumulated depreciation	7,221,726
Total depreciable capital assets, net	5,374,644
Capital assets, net	$ 5,808,843

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
U. S. Department of Agriculture			
Direct Program:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555		$ 1,621
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	39-04-000	179,886
National School Lunch Program - Cash Assistance	10.555	39-04-000	405,099
Total State Department of Education			584,985
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 4)	10.555	3904000	36,028
Summer Food Service Program for Children - Cash Assistance	10.559	SA14	15,398
Total State Department of Human Services			51,426
TOTAL CHILD NUTRITION CLUSTER			638,032
TITLE I, PART A CLUSTER			
U. S. Department of Education			
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	39-04	1,498,769
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	3904000	164,115
TOTAL TITLE I, PART A CLUSTER			1,662,884
SPECIAL EDUCATION CLUSTER (IDEA)			
U. S. Department of Education			
Passed Through State Department of Education:			
Special Education - Grants to States	84.027	3904	293,093
ARRA - Special Education - Grants to States, Recovery Act	84.391	3904000	89,148
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			382,241
OTHER PROGRAMS			
U. S. Department of Education			
Passed Through State Department of Career Education:			
Career and Technical Education - Basic Grants to States	84.048	L39-04-000	3,773
Tech-Prep Education	84.243	L39-04-000	18,034
Total State Department of Career Education			21,807
Passed Through State Department of Education:			
Safe and Drug-Free Schools and Communities - State Grants	84.186	39-04	22,118
Education Technology State Grants	84.318	3904	14,455
Rural Education	84.358	3904	61,264
Improving Teacher Quality State Grants	84.367	3904	261,823
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	3904000	2,613,395
Total State Department of Education			2,973,055
Total U. S. Department of Education			2,994,862

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
OTHER PROGRAMS (Continued)			
U. S. Department of Health and Human Services			
Passed Through State Department of Career Education:			
Temporary Assistance for Needy Families	93.558	Unavailable	$ 9,961
Passed Through State Department of Human Services:			
Temporary Assistance for Needy Families	93.558	Unavailable	54,000
Child Care and Development Block Grant	93.575	Unavailable	1,200
Total State Department of Human Services			55,200
Total U. S. Department of Health and Human Services			65,161
TOTAL OTHER PROGRAMS			3,060,023
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 5,743,180

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Lee County School District No. 1 under programs of the federal government for the year ended June 30, 2011. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because this schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.

Note 4: Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.

Note 5: During the year ended June 30, 2011, the District received Medicaid funding of $31,296 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above schedule.

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Types of auditor's reports issued: GAAP basis of reporting - adverse
Regulatory basis opinion units - unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☑ no
- Significant deficiency(ies) identified? ☐ yes ☑ none reported

Noncompliance material to financial statements noted? ☐ yes ☑ no

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☑ no
- Significant deficiency(ies) identified? ☐ yes ☑ none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☐ yes ☑ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, and 10.559	Child Nutrition Cluster
84.027 and 84.391	Special Education Cluster (IDEA)
84.394	ARRA - State Fiscal Stabilization Fund (SFSF)- Education State Grants, Recovery Act

Dollar threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as low-risk auditee? ☐ yes ☑ no

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER

2010 - Finding 2010-1: Child Nutrition Cluster (Cash Assistance Programs) - CFDA Numbers 10.553 and 10.555

Condition: The District did not pay to the child nutrition programs the required cost differential for applicable meals served. Based on the year-end information of reduced price and paid breakfasts and lunches served, the Arkansas Department of Education, Child Nutrition Unit (ADE, CNU) calculated an amount due to the child nutrition programs of $ 43,281.

Recommendation: Contract ADE, CNU for proper resolution of this matter.

Current Status: The District transferred $43,281 to the child nutrition programs from the general fund in fiscal year 2011.

Schedule 5

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011
(Unaudited)

	Year Ended June 30,				
General Fund	2011	2010	2009	2008	2007
Total Assets	$ 1,988,520	$ 2,512,866	$ 3,252,812	$ 3,661,450	$ 3,383,269
Total Liabilities	246,446	303,758	334,865	297,028	
Total Fund Balances	1,742,074	2,209,108	2,917,947	3,364,422	3,383,269
Total Revenues	9,557,672	9,862,449	10,558,750	10,899,827	11,742,504
Total Expenditures	9,942,344	10,319,400	10,960,178	10,761,097	11,650,197
Total Other Financing Sources (Uses)	(82,362)	(251,888)	(45,047)	(157,577)	(79,359)
Special Revenue Fund					
Total Assets	271,880	997,747	465,647	767,179	686,662
Total Liabilities	181,982	873,538	8,283	62,861	
Total Fund Balances	89,898	124,209	457,364	704,318	686,662
Total Revenues	3,213,018	4,452,451	3,247,414	3,083,038	2,878,396
Total Expenditures	3,247,329	4,920,523	3,494,368	3,059,712	2,803,032
Total Other Financing Sources (Uses)		134,917		(5,670)	(43,198)
Other Aggregate Funds					
Total Assets	16,527	30,772	323,844	755,909	661,123
Total Liabilities	16,527			6,759	
Total Fund Balances		30,772	323,844	749,150	661,123
Total Revenues	2,618,358		449,962		
Total Expenditures	2,731,492	372,446	956,400	116,952	219,675
Total Other Financing Sources (Uses)	82,362	79,374	81,132	204,979	79,359

Lee County School District No. 1

Lee County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2012

LEGISLATIVE JOINT AUDITING COMMITTEE

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
TABLE OF CONTENTS
JUNE 30, 2012

Independent Auditor's Report
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	Exhibit
Balance Sheet - Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	Schedule
Schedule of Capital Assets (Unaudited)	1
Schedule of Expenditures of Federal Awards	2
Schedule of Findings and Questioned Costs	3
Federal Award Programs - Summary Schedule of Prior Audit Findings	4
Schedule of Selected Information for the Last Five Years - Regulatory Basis (Unaudited)	5

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Lee County School District No. 1 and School Board Members
Legislative Joint Auditing Committee

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Lee County School District No. 1 (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices prescribed or permitted by Arkansas Code, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2012, or the changes in financial position for the year then ended. Further, the District has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

172 STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE (501) 683-8600 • FAX (501) 683-8605
www.arklegaudit.gov

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards (Schedule 2), as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Schedule of Findings and Questioned Costs (Schedule 3), and Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4) are presented for purposes of additional analysis and are not a required part of the regulatory basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards (Schedule 2), Schedule of Findings and Questioned Costs (Schedule 3), and Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4) are fairly stated in all material respects in relation to the regulatory basis financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Capital Assets (Schedule 1) and the Schedule of Selected Information for the Last Five Years - Regulatory Basis (Schedule 5) are presented for the purposes of additional analysis and are not a required part of the regulatory basis financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

DIVISION OF LEGISLATIVE AUDIT

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

Little Rock, Arkansas
March 13, 2013
EDSD21312

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Lee County School District No. 1 and School Board Members
Legislative Joint Auditing Committee

We have audited the financial statements of each major governmental fund and the aggregate remaining fund information of the Lee County School District No. 1 (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated March 13, 2013. We issued an adverse opinion because the District prepared the financial statements using accounting practices prescribed or permitted by the Arkansas Code, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be a material weakness.

172 STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE (501) 683-8600 • FAX (501) 683-8605
www.arklegaudit.gov

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated March 13, 2013.

The District's response to the findings identified in our audit, excluding the management letter finding, is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
March 13, 2013

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Lee County School District No. 1 and School Board Members
Legislative Joint Auditing Committee

Compliance

We have audited the Lee County School District No. 1 (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

As described in item 2012-2 in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding period of availability of federal funds that are applicable to its ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act program. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The results of our auditing procedures also disclosed other instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-3.

172 STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE (501) 683-8600 • FAX (501) 683-8605
www.arklegaudit.gov

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2012-2 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2012-3 to be a significant deficiency.

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
March 13, 2013

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

MANAGEMENT LETTER

Lee County School District No. 1 and School Board Members
Legislative Joint Auditing Committee

We would like to communicate the following item that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations and to improve internal control. This matter was discussed previously with District officials during the course of our audit fieldwork and at the exit conference.

The capital asset subsidiary records were not updated from the previous year. We noted capital purchases of $338,520 that were not added to the subsidiary records, no capital asset deletions, and depreciation records were not updated for the current fiscal year. Additionally, 6 of 47 items selected for observation could not be located.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
March 13, 2013

172 STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE (501) 683-8600 • FAX (501) 683-8605
www.arklegaudit.gov

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2012

Exhibit A

	Governmental Funds			
	Major			
	General	Special Revenue	Other Aggregate	Fiduciary Fund Types
ASSETS				
Cash	$ 1,280,132	$ 52,193		$ 15,894
Investments	27,474			
Accounts receivable	12,939	473,139		
TOTAL ASSETS	$ 1,320,545	$ 525,332	$ 0	$ 15,894
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 178,534	$ 26,296	$ 200	$ 551
Due student groups				15,343
Total Liabilities	178,534	26,296	200	15,894
Fund Balances:				
Restricted	265,621	499,036		
Assigned	27,897			
Unassigned	848,493		(200)	
Total Fund Balances	1,142,011	499,036	(200)	
TOTAL LIABILITIES AND FUND BALANCES	$ 1,320,545	$ 525,332	$ 0	$ 15,894

The accompanying notes are an integral part of these financial statements.

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit B

	Major		
	General	Special Revenue	Other Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	$ 2,430,976		
State assistance	6,365,268	$ 4,602	
Federal assistance	30,526	2,863,982	$ 297,983
Activity revenues	76,461		
Meal sales		67,479	
Investment income	2,743		
Other revenues	218,282	83,686	
TOTAL REVENUES	9,124,256	3,019,749	297,983
EXPENDITURES			
Regular programs	4,028,338	233,726	
Special education	337,472	191,600	
Workforce education programs	340,091		
Compensatory education programs	200,382	627,638	
Other instructional programs	129,475		
Student support services	428,725	202,179	
Instructional staff support services	878,794	387,235	
General administration support services	419,411	57,308	
School administration support services	306,681	52,695	
Central services support services	260,689	169,475	
Operation and maintenance of plant services	1,464,706	1,180	261,175
Student transportation services	564,506	10,496	
Other support services	27,786		
Food services operations	59,389	677,593	
Facilities acquisition and construction services	11,253		36,808
Activity expenditures	61,127		
Debt Service:			
Principal retirement			70,000
Interest and fiscal charges			10,180
TOTAL EXPENDITURES	9,518,825	2,611,125	378,163
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(394,569)	408,624	(80,180)
OTHER FINANCING SOURCES (USES)			
Transfers in		514	79,980
Transfers out	(80,494)		
Settlement of lawsuit	(125,000)		
TOTAL OTHER FINANCING SOURCES (USES)	(205,494)	514	79,980
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(600,063)	409,138	(200)
FUND BALANCES - JULY 1	1,742,074	89,898	
FUND BALANCES - JUNE 30	$ 1,142,011	$ 499,036	$ (200)

The accompanying notes are an integral part of these financial statements.

Exhibit C

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	$ 3,374,992	$ 2,430,976	$ (944,016)			
State assistance	6,707,301	6,365,268	(342,033)	$ 4,602	$ 4,602	
Federal assistance	32,000	30,526	(1,474)	3,519,499	2,863,982	$ (655,517)
Activity revenues	99,988	76,461	(23,527)			
Meal sales				84,479	67,479	(17,000)
Investment income	5,500	2,743	(2,757)			
Other revenues	170,612	218,282	47,670	675	83,686	83,011
TOTAL REVENUES	10,390,393	9,124,256	(1,266,137)	3,609,255	3,019,749	(589,506)
EXPENDITURES						
Regular programs	3,767,770	4,028,338	(260,568)	191,322	233,726	(42,404)
Special education	345,202	337,472	7,730	212,705	191,600	21,105
Workforce education programs	355,694	340,091	15,603	(970)		(970)
Compensatory education programs	368,471	200,382	168,089	1,053,213	627,638	425,575
Other instructional programs	182,842	129,475	53,367			
Student support services	287,345	428,725	(141,380)	249,949	202,179	47,770
Instructional staff support services	943,981	878,794	65,187	857,347	387,235	470,112
General administration support services	517,455	419,411	98,044	85,000	57,308	27,692
School administration support services	346,460	306,681	39,779	13,431	52,695	(39,264)
Central services support services	304,032	260,689	43,343	349,400	169,475	179,925
Operation and maintenance of plant services	1,196,423	1,464,706	(268,283)	283,747	1,180	282,567
Student transportation services	497,636	564,506	(66,870)	39,950	10,496	29,454
Other support services	22,500	27,786	(5,286)			
Food services operations	104,528	59,389	45,139	697,987	677,593	20,394
Facilities acquisition and construction services		11,253	(11,253)	55,000		55,000
Non-programmed costs				1,749		1,749
Activity expenditures	73,200	61,127	12,073			
TOTAL EXPENDITURES	9,313,539	9,518,825	(205,286)	4,089,830	2,611,125	1,478,705

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 1,076,854	$ (394,569)	$ (1,471,423)	$ (480,575)	$ 408,624	$ 889,199
OTHER FINANCING SOURCES (USES)						
Transfers in	11,737,399		(11,737,399)			
Transfers out	(10,465,256)	(80,494)	10,384,762		514	514
Settlement of lawsuit		(125,000)	(125,000)			
TOTAL OTHER FINANCING SOURCES (USES)	1,272,143	(205,494)	(1,477,637)		514	514
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,348,997	(600,063)	(2,949,060)	(480,575)	409,138	889,713
FUND BALANCES - JULY 1	1,803,171	1,742,074	(61,097)	100,460	89,898	(10,562)
FUND BALANCES - JUNE 30	$ 4,152,168	$ 1,142,011	$ (3,010,157)	$ (380,115)	$ 499,036	$ 879,151

The accompanying notes are an integral part of these financial statements.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Board of Education, a seven member group, is the level of government, which has responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Lee County School District (District). There are no component units.

B. Description of Funds

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the District's food services operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Fiduciary Fund types include the following:

Agency Funds – Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

C. Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by Ark. Code Ann. § 10-4-413(c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources. Changes in private-purpose trust funds will be reflected in the notes to the financial statements.

D. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Note 1 F below).

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The District maintains a threshold level of $1,000 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Life in Years
Improvements/infrastructure	20
Buildings	20-50
Equipment	5-20

F. Property Taxes

Property taxes are levied (tax rates are established) in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year.

Ark. Code Ann. § 6-20-401 allows, but does not mandate, the District to accrue the difference between the amount of 2011 calendar year taxes collected by June 30, 2012 and 36 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The District elected not to accrue property taxes.

Amendment no. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. Ark. Code Ann. § 26-80-101 provides the uniform rate of tax (URT) shall be assessed and collected in the same manner as other school property taxes, but the net revenues from the URT shall be remitted to the State Treasurer and distributed by the State to the county treasurer of each county for distribution to the school districts in that county. For reporting purposes, URT revenues are considered property taxes.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fund Balance Classifications

1. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

2. Assigned fund balance – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.

3. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

H. Budget and Budgetary Accounting

The District is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

I. Stabilization Arrangements

The District's Board of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

J. Minimum Fund Balance Policies

The District's Board of Education has not formally adopted a minimum fund balance policy.

K. Fund Balance Classification Policies and Procedures

The Superintendent, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The District's Board of Education has not adopted a formal policy addressing this authorization.

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 277,474	$ 277,474
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	1,098,219	1,971,064
Total Deposits	$ 1,375,693	$ 2,248,538

The above total deposits include certificates of deposit of $27,474 reported as investments and classified as nonparticipating contracts.

3: ACCOUNTS RECEIVABLE

The accounts receivable balance of $486,078 at June 30, 2012 was comprised of the following:

	Governmental Funds		
	Major		
Description	General	Special Revenue	Total
Federal assistance		$ 446,692	$ 446,692
Other	$ 12,939	26,447	39,386
Totals	$ 12,939	$ 473,139	$ 486,078

4: COMMITMENTS

The District was contractually obligated for the following at June 30, 2012:

A. Operating Leases (noncapital leases with initial noncancellable lease terms in excess of one year)

General description of leases and leasing arrangements:

(a) On October 16, 2009, the District executed a lease for a copier for 60 months at $293 per month.

(b) On July 30, 2010, the District executed a lease for copiers for 60 months at $5,885 per month.

4: COMMITMENTS (Continued)

A. Operating Leases (noncapital leases with initial noncancellable lease terms in excess of one year) (Continued)

1. Future minimum rental payments (aggregate) at June 30, 2012: $220,064

2. Future minimum rental payments for the succeeding years:

Year Ended June 30,	Amount
2013	$ 74,136
2014	74,136
2015	71,792
Total	$ 220,064

Rental payments for the operating leases described above were approximately $81,396 for the year ended June 30, 2012.

B. Long-term Debt Issued and Outstanding

The District is presently paying on the following long-term debt:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2012	Maturities To June 30, 2012
10/1/03	6/1/15	2.55 - 3.25%	$ 798,475	$ 230,000	$ 568,475

Changes in Long-term Debt

	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
Bonds payable	$ 300,000	$ 0	$ 70,000	$ 230,000

Total long-term debt principal and interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2013	$ 75,000	$ 7,475	$ 82,475
2014	75,000	5,037	80,037
2015	80,000	2,600	82,600
Totals	$ 230,000	$ 15,112	$ 245,112

5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance of $205,581 at June 30, 2012 was comprised of the following:

	Governmental Funds				
	Major			Fiduciary	
Description	General	Special Revenue	Other Aggregate	Fund Types	Total
Vendor payables	$ 76,025	$ 18,917	$ 200	$ 551	$ 95,693
Salaries payable	88,166	7,379			95,545
Other	14,343				14,343
Totals	$ 178,534	$ 26,296	$ 200	$ 551	$ 205,581

6: INTERFUND TRANSFERS

The District transferred $79,980 from the general fund to other aggregate funds for debt related payments and $514 from the general fund to the special revenue fund to reimburse prior year expenditures pertaining to the Safe and Drug-Free program.

7: RETIREMENT PLANS

Arkansas Teacher Retirement System

Plan Description. The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain nonteachers hired before July 1, 1989. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Funding Policy. ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14% of covered salaries, the maximum allowed by State law. The District's contributions to ATRS for the years ended June 30, 2012, 2011, and 2010 were $947,751, $963,216, and $1,092,038, respectively, equal to the required contributions for each year.

Arkansas Public Employees Retirement System

Plan Description. The District contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain nonteachers hired before July 1, 1989. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 West Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy. APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the years ended June 30, 2012, 2011, and 2010 were $4,487, $5,132, and $7,692, respectively, equal to the required contributions for each year.

8: DEFICIT FUND BALANCES

The deficit unassigned fund balance of $200 in the other aggregate funds in the table below (Note 11) pertains to the debt service fund. The temporary deficit was caused by the recognition of a minor accounts payable at year end.

9: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of $798,475 issued on October 1, 2003. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is $245,112, payable through June 1, 2015. Principal and interest paid for the current year and total property taxes pledged for debt service were $79,750 and $120,162, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 66.37 percent.

10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for board liability and student accident coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

The District participates in the Arkansas School Boards Association - Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating, and settling claims that have been filed on behalf of and against member districts. The District contributes annually to this program.

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to $250,000 with a $2,500 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

The District participates in the Public School Property and Vehicle Insurance Trust Fund Program administered by the Risk Management Division of the Arkansas Insurance Department. The program's general objectives are to formulate, develop, and administer, on behalf of member districts, a program of insurance to obtain lower costs for property and vehicles coverage, and to develop a comprehensive loss control program. The fund uses a reinsurance policy to reduce exposure to large losses on insured events. The District pays an annual premium for its coverage of buildings, contents, and vehicles.

11: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled $186,952 for the year ended June 30, 2012.

12: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Fund Balances:				
Restricted for:				
Alternative learning environment	$ 996			$ 996
Educational programs - national school lunch state categorical funding	226,670			226,670
Professional development	4,767			4,767
Child nutrition programs		$ 74,372		74,372
Medical services		18,349		18,349
Special education programs	4,484			4,484
Title I programs		368,081		368,081
Other purposes	28,704	38,234		66,938
Total Restricted	265,621	499,036		764,657
Assigned to:				
Student activities	27,897			27,897
Unassigned	848,493		$ (200)	848,293
Totals	$1,142,011	$ 499,036	$ (200)	$1,640,847

13: LAWSUIT SETTLEMENT

On March 23, 2012, the District settled a lawsuit with a former finance officer. The amount of the settlement was $125,000 and was paid May 3, 2012.

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)

Schedule 1

	Balance June 30, 2012
Nondepreciable capital assets:	
Land	$ 427,358
Construction in progress	6,841
Total nondepreciable capital assets	434,199
Depreciable capital assets:	
Buildings	8,655,179
Improvements/infrastructure	125,014
Equipment	3,816,177
Total depreciable capital assets	12,596,370
Less accumulated depreciation for:	
Buildings	4,348,683
Improvements/infrastructure	56,541
Equipment	2,816,502
Total accumulated depreciation	7,221,726
Total depreciable capital assets, net	5,374,644
Capital assets, net	$ 5,808,843

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
U. S. Department of Agriculture			
Direct Program:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555		$ 1,912
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	39-04-000	175,583
National School Lunch Program - Cash Assistance	10.555	39-04-000	412,265
Total State Department of Education			587,848
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 4)	10.555	3904000	36,801
Summer Food Service Program for Children - Cash Assistance	10.559	SA14	8,822
Total State Department of Human Services			45,623
TOTAL CHILD NUTRITION CLUSTER			635,383
TITLE I, PART A CLUSTER			
U. S. Department of Education			
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	39-04	1,238,507
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	39040000	4,931
TOTAL TITLE I, PART A CLUSTER			1,243,438
OTHER PROGRAMS			
U. S. Department of Education			
Passed Through State Department of Education:			
Special Education - Grants to States	84.027	3904	218,936
Rural Education	84.358	3904	5,359
Improving Teacher Quality State Grants	84.367	3904	34,274
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	3904000	350,678
ARRA - Education Jobs Fund, Recovery Act	84.410	3904000	218,671
Total State Department of Education			827,918
Passed Through State Department of Career Education:			
Career and Technical Education - Basic Grants to States	84.048	L39-04-000	34,536
Total U. S. Department of Education			862,454
U. S. Department of Health and Human Services			
Passed Through State Department of Human Services:			
Temporary Assistance for Needy Families	93.558	Unavailable	48,750
TOTAL OTHER PROGRAMS			911,204
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 2,790,025

The accompanying notes are an integral part of this schedule.

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Lee County School District No. 1 (District) under programs of the federal government for the year ended June 30, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.

Note 4: Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.

Note 5: During the year ended June 30, 2012, the District received Medicaid funding of $47,037 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above schedule.

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Types of auditor's reports issued: GAAP basis of reporting - adverse
Regulatory basis opinion units - unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☐ yes ☑ none reported

Noncompliance material to financial statements noted? ☐ yes ☑ no

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☑ yes ☐ none reported

Type of auditor's report issued on compliance for major programs: unqualified for all major programs except for the ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act program, which was qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☑ yes ☐ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010 and 84.389	Title I, Part A Cluster
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act
84.410	ARRA - Educational Jobs Fund, Recovery Act

Dollar threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as low-risk auditee? ☐ yes ☑ no

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

2012-1. Misstatements not Detected by Internal Control System

Criteria or specific requirement: Financial accounting records should be accurate to ensure preparation of reliable financial statements that are fairly presented in conformity with the regulatory basis of accounting.

Condition: The District's internal control system did not prevent, or detect and correct material errors in the financial accounting records. Such records are utilized in the preparation of the District's financial statements. The accounting records contained numerous errors totaling $2,411,896 in the general fund, $316,721 in the special revenue fund, and $74,905 in the other aggregate funds. The financial statements were subsequently corrected by adjusting journal entries during audit fieldwork. The errors are summarized below:

	General Fund	Special Revenue	Other Aggregate Fund
Errors in recording expenditures	$ 1,361,207	$ 1,749	$ 74,905
Errors in recording revenues	847,806	53,125	
Errors in recording receivables	11,289	254,468	
Errors in recording payables	191,594	7,379	
Totals	$ 2,411,896	$ 316,721	$ 74,905

Context: Necessary adjustments to the accounting records.

Effect: Misstatements were not detected by the District's internal control system.

Cause: District personnel incorrectly classified various transactions and financial accounting records were not properly monitored.

Recommendation: To achieve accurate financial accounting records, the District should implement procedures to ensure the proper classification of transactions and financial accounting records should be properly monitored.

Views of responsible officials and planned corrective actions: In closing 2011-2012, journal entries were prepared due to exception reports and various errors. A reversing entry was prepared in July 2012 to correct errors after period 13 was closed. Up to period 12-13 all bank statements were balanced, but due to my lack of experience and knowledge APSCN errors were made.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESS

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
ARRA - STATE FISCAL STABILIZATION FUND (SFSF) - EDUCATION STATE GRANTS RECOVERY ACT - CFDA NUMBER 84.394
PASS-THROUGH NUMBER 3904000
AUDIT PERIOD - YEAR ENDED JUNE 30, 2012

2012-2. Period of Availability of Federal Funds

Criteria or specific requirement: State Fiscal Stabilization funds were required to be obligated as of September 30, 2011 by making a written commitment to obtain the services or goods. Employment contracts are not considered to be obligations for the duration of the contract, but are considered obligated as services are rendered.

Condition: The District paid an employee $35,606 from State Fiscal Stabilization funds, for services that were rendered subsequent to September 30, 2011.

Questioned Costs: The amount of questioned costs was $35,606.

Context: Test of disbursements for compliance with applicable regulations requiring funds to be obligated as of September 30, 2011.

Effect: ARRA funds were not obligated as of September 30, 2011 and as a result the period of availability of federal funds requirement was not met.

Cause: Lack of internal controls and adequate management oversight.

Recommendation: The District should contact the Arkansas Department of Education for further guidance regarding this matter.

Views of responsible officials and planned corrective actions: This error was an oversight during close and I will contact ADE for further guidance.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

SIGNIFICANT DEFICIENCY

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - CFDA NUMBER 84.010
PASS-THROUGH NUMBER 39-04
AUDIT PERIOD - YEAR ENDED JUNE 30, 2012

2012-3. Equipment and Real Property Management

Criteria or specific requirement: Proper records should be maintained for equipment acquired with federal awards. Additionally, the District should ensure that disposition of such equipment is in accordance with federal requirements, including the Federal awarding agency is appropriately compensated for its share of any property sold or converted to non-Federal use.

Condition: The District did not properly maintain records for equipment acquired with federal awards. These records were not updated for current year additions of $7,214, or disposition of items no longer in use. The District could not account for three items purchased in previous years with Title I funds. None of these items had a fair market value in excess of $5,000 at the time of disposition. Therefore, federal disposition instructions were not applicable.

Context: Observation of equipment recorded on subsidiary records and review of current year equipment purchases.

Effect: The District's equipment records were not accurate.

Cause: District personnel failed to properly monitor equipment subsidiary records and update records for equipment purchases and dispositions.

Recommendation: Proper records should be maintained for equipment acquired with federal awards.

Views of responsible officials and planned corrective actions: The District is in the process of delegating an employee to maintain fixed assets records.

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 4

There were no findings in the prior audit.

Schedule 5

LEE COUNTY SCHOOL DISTRICT NO. 1
LEE COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)

	Year Ended June 30,				
General Fund	2012	2011	2010	2009	2008
Total Assets	$ 1,320,545	$ 1,988,520	$ 2,512,866	$ 3,252,812	$ 3,661,450
Total Liabilities	178,534	246,446	303,758	334,865	297,028
Total Fund Balances	1,142,011	1,742,074	2,209,108	2,917,947	3,364,422
Total Revenues	9,124,256	9,557,672	9,862,449	10,558,750	10,899,827
Total Expenditures	9,518,825	9,942,344	10,319,400	10,960,178	10,761,097
Total Other Financing Sources (Uses)	(205,494)	(82,362)	(251,888)	(45,047)	(157,577)
Special Revenue Fund					
Total Assets	525,332	271,880	997,747	465,647	767,179
Total Liabilities	26,296	181,982	873,538	8,283	62,861
Total Fund Balances	499,036	89,898	124,209	457,364	704,318
Total Revenues	3,019,749	3,213,018	4,452,451	3,247,414	3,083,038
Total Expenditures	2,611,125	3,247,329	4,920,523	3,494,368	3,059,712
Total Other Financing Sources (Uses)	514		134,917		(5,670)
Other Aggregate Funds					
Total Assets		16,527	30,772	323,844	755,909
Total Liabilities	200	16,527			6,759
Total Fund Balances	(200)		30,772	323,844	749,150
Total Revenues	297,983	2,618,358		449,962	
Total Expenditures	378,163	2,731,492	372,446	956,400	116,952
Total Other Financing Sources (Uses)	79,980	82,362	79,374	81,132	204,979

LEE COUNTY SCHOOL DISTRICT NO. 1

Lee County, Arkansas

REGULATORY BASIS FINANCIAL STATEMENTS AND OTHER REPORTS

FOR THE YEAR ENDED JUNE 30, 2013

PRZYBYSZ
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

LEE COUNTY SCHOOL DISTRICT NO. 1

Lee County, Arkansas

JUNE 30, 2013

CONTENTS

	Page
Independent Auditor's Report	1-3
Regulatory Basis Financial Statements	
Balance Sheet - Regulatory Basis	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Regulatory Basis	5
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund - Regulatory Basis	6
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Special Revenue Fund - Regulatory Basis	7
Notes to Financial Statements	8-17
Additional Required Reports	
Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*	18-19
Independent Auditor's Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By OMB Circular A-133	20-22
Independent Auditor's Report on Compliance with Arkansas State Requirements	23
Supplementary and Other Information	
Schedule of Capital Assets (Unaudited)	24
Schedule of Expenditures of Federal Awards	25-26
Schedule of Expenditures of State Awards	27
Schedule of Findings and Questioned Costs	28-30
Federal Award Programs - Schedule of Prior Audit Findings	31
Schedule of Selected Information for the Last Five Years - Regulatory Basis (Unaudited)	32
Supplemental Data Sheet	33

PRZYBYSZ
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

Independent Auditor's Report

To the School Board
Lee County School District #1
Marianna, Arkansas

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the governmental activities, major funds, and the remaining fund information of the **Lee County School District #1 (the District)**, as of and for the year ended **June 30, 2013**, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Arkansas Code, as described in Note 1, to meet the requirements permitted by the State of Arkansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

4200 Jenny Lind Road, Suite B · Fort Smith, Arkansas 72901
Phone: 479.649.0888 · Fax: 888.343.5852
email: johnp@selectcpa.com

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, to meet the financial reporting requirements permitted by the State of Arkansas, the financial statements are prepared by the District on the basis of the financial reporting provisions of the Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Lee County School District #1, as of June 30, 2013, or the changes in financial position for the year then ended. Further, the District has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2013, and the respective changes in financial position and the budgetary results for the year then ended in accordance with the financial reporting provisions of the Arkansas Code described in Note 1.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basic financial statements. The schedule of capital assets, schedule of selected information for the last five years – regulatory basis, and the supplemental data sheet are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards, and supplemental data sheet are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The schedule of capital assets and schedule of selected information for the last five years – regulatory basis have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Przybysz & Associates

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
January 14, 2014

REGULATORY BASIS FINANCIAL STATEMENTS

LEE COUNTY SCHOOL DISTRICT NO. 1

Lee County, Arkansas

Balance Sheet - Regulatory Basis

AS OF JUNE 30, 2013

	Governmental Funds			
	Major			
	General	Special Revenue	Other Aggregate	Fiduciary Type Funds
Assets				
Cash	$ 633,353	$ -	$ -	$ 18,977
Investments	27,511	-	-	-
Accounts receivable	9,447	423,946	-	-
Due from other funds	169,353	-	-	-
Total Assets	$ 839,664	$ 423,946	$ -	$ 18,977
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 60,043	$ 17,126	$ -	$ -
Due to other funds	-	169,353	-	-
Due to student groups	-	-	-	18,977
Total Liabilities	60,043	186,479	-	18,977
Fund Balances				
Restricted	647,541	237,467	-	-
Assigned	17,717	-	-	-
Unassigned	114,363	-	-	-
Total Fund Balances	779,621	237,467	-	-
Total Liabilities and Fund Balances	$ 839,664	$ 423,946	$ -	$ 18,977

See accompanying notes and independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1

Lee County, Arkansas

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Regulatory Basis

FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Funds		
	Major		
	General Fund	Special Revenue	Other Aggregate
Revenues			
Local property taxes	$ 2,668,741	$ -	$ -
State assistance	5,608,683	4,606	-
Federal assistance	-	2,243,773	-
Activity revenues	56,280	-	-
Meal sales	-	67,549	-
Investment income	618	-	-
Refunded prior years expenses	88,459	-	-
Other revenues	132,028	9,352	200
Total Revenues	8,554,809	2,325,280	200
Expenditures			
Current:			
Regular programs	3,869,309	-	-
Special education	302,138	150,273	-
Workforce education	266,196	-	-
Compensatory education	287,875	357,338	-
Other instructional programs	167,604	-	-
Student support	314,522	244,771	-
Instructional staff support	728,201	1,011,278	-
General administration support	374,590	41,879	-
School administration support	178,023	-	-
Central services support services	293,257	160,622	-
Operation and maintenance support	1,257,129	5,432	-
Student transportation	633,993	-	-
Other support	55,387	-	-
Food service	58,270	596,584	-
Activity expenditures	66,460	-	-
Debt service:			
Principal	-	-	75,000
Interest	-	-	7,475
Paying agent's fees	-	-	442
Total Expenditures	8,852,954	2,568,177	82,917
Excess of Revenues Over (Under) Expenditures	(298,145)	(242,897)	(82,717)
Other Financing Sources (Uses)			
Indirect cost reimbursement	11,753	(11,753)	
Operating transfers in	-	-	82,917
Operating transfers out	(75,998)	(6,919)	-
Total Other Financing Sources (Uses)	(64,245)	(18,672)	82,917
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(362,390)	(261,569)	200
Fund Balance at Beginning of Year,	1,142,011	499,036	(200)
Fund Balance at End of Year	$ 779,621	$ 237,467	$ -

See accompanying notes and independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1
Lee County, Arkansas

Budgetary Comparison Schedule - General Fund - Budgetary Basis

FOR THE YEAR ENDED JUNE 30, 2013

Revenues	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Local property taxes	$ 2,887,763	$ 2,668,741	$ (219,022)
State assistance	6,136,066	5,608,683	(527,383)
Federal assistance - unrestricted	30,000	-	(30,000)
Activity revenues	-	56,280	56,280
Investment income	618	618	-
Refunded prior years expenses	55,520	88,459	32,939
Other revenues	73,080	132,028	58,948
Total Revenues	9,183,047	8,554,809	(628,238)
Expenditures			
Current:			
Regular programs	4,123,925	3,869,309	254,616
Special education	356,202	302,138	54,064
Workforce education	277,730	266,196	11,534
Compensatory education	472,187	287,875	184,312
Other instructional programs	247,755	167,604	80,151
Student support	313,186	314,522	(1,336)
Instructional staff support	891,760	728,201	163,559
General administration support	517,684	374,590	143,094
School administration support	196,275	178,023	18,252
Central services support services	299,410	293,257	6,153
Operation and maintenance support	1,314,650	1,257,129	57,521
Student transportation	606,752	633,993	(27,241)
Other support	46,329	55,387	(9,058)
Food service	99,000	58,270	40,730
Activity expenditures		66,460	(66,460)
Total Expenditures	9,762,845	8,852,954	909,891
Excess of Revenues Over (Under) Expenditures	(579,798)	(298,145)	281,653
Other Financing Sources (Uses)			
Indirect cost reimbursement	12,455	11,753	(702)
Operating transfers out	(80,192)	(75,998)	4,194
Total Other Financing Sources (Uses)	(67,737)	(64,245)	3,492
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(647,535)	(362,390)	285,145
Fund Balance at Beginning of Year	4,152,168	1,142,011	(3,010,157)
Fund Balance at End of Year	$ 3,504,633	$ 779,621	$ (2,725,012)

See accompanying notes and independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1
Lee County, Arkansas

Budgetary Comparison Schedule - Special Revenue Fund - Budgetary Basis

FOR THE YEAR ENDED JUNE 30, 2013

Revenues	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
State assistance	$ 4,606	$ 4,606	$ -
Federal assistance - restricted	3,282,769	2,243,773	(1,038,996)
Meal sales	68,000	67,549	(451)
Other revenues	3,730	9,352	5,622
Total Revenues	3,359,105	2,325,280	(1,033,825)
Expenditures			
Current:			
Special education	182,758	150,273	32,485
Compensatory education	871,531	357,338	514,193
Student support	250,645	244,771	5,874
Instructional staff support	1,596,416	1,011,278	585,138
General administration support	45,560	41,879	3,681
Centeral services support services	187,425	160,622	26,803
Operation and maintenance support	3,900	5,432	(1,532)
Food service	721,332	596,584	124,748
Community services	2,944	-	2,944
Non-programmed costs	1,770	-	1,770
Total Expenditures	3,864,281	2,568,177	1,296,104
Excess of Revenues Over (Under) Expenditures	(505,176)	(242,897)	262,279
Other Financing Sources (Uses)			
Indirect cost reimbursement	(11,753)	(11,753)	-
Operating transfers out	-	(6,919)	6,919
Total Other Financing Sources (Uses)	(11,753)	(18,672)	6,919
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(516,929)	(261,569)	269,198
Fund Balance at Beginning of Year	(380,115)	499,036	879,151
Fund Balance at End of Year	$ (897,044)	$ 237,467	$ 1,148,349

See accompanying notes and independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1

Lee County, Arkansas

Notes to Financial Statements

JUNE 30, 2013

1. Summary of Significant Accounting Policies

a. Financial Reporting Entity

The Lee County School District No. 1 (the District) is a political subdivision of the Arkansas Department of Education, governed by an elected seven-member school board. The statements reflect all funds and accounts directly under the control of the District. Using the criteria of financial accountability, there are no component units that should be included in the District's reporting entity.

b. Description of Funds

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund - The General Fund is the general operating fund and is used to account for all financial resources except those required to be reported in another fund.
Special Revenue Fund - the Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund - The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust fund for individuals, private organizations, or other governments).
Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Fiduciary Funds types include the following:

Agency Funds - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equals liabilities).

c. Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA), which is an Other Comprehensive Basis of Accounting (OCBOA). This basis of accounting is prescribed by Arkansas Code Annotated 10-4-413(c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to the financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

1. Summary of Significant Accounting Policies (continued)

c. Measurement Focus and Basis of Accounting (continued)

The RBA is not in accordance with generally accepted accounting principles, (GAAP). GAAP requires that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Managements Discussion and Analysis, accrual basis of accounting for government-wide financial statements, for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, specific procedures for the identification of governmental funds and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Revenues are reported by major sources and expenditures are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources. Changes in private-purpose trust funds will be reflected in the notes to the financial statements.

d. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with RBA, except for property taxes (see note 1 f below).

e. Capital Assets

Information on capital assets and related depreciation is reported in the Schedule of Capital Assets. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The District maintains a threshold level of $1,000 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Improvements/infrastructure	20 years
Buildings	20-50 years
Equipment	5-20 years

f. Property Taxes

Property taxes are levied in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year.

1. Summary of Significant Accounting Policies (continued)

f. Property Taxes (continued)

Ark. Code Ann. 6-20-401 allows, but does not mandate, the District to accrue the difference between the amount of 2012 calendar year taxes collected by June 30, 2013 and 32 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The option to accrue property taxes was not applicable because the amount of property taxes collected by June 30, 2013 equaled or exceeded the 32 percent calculation.

Amendment No. 74 to the Arkansas Constitution established a uniform minimum property millage rate of 25 mills for maintenance and operation of public schools. Ark. Code Ann. 26-80-101 provides the uniform rate of tax (URT) shall be assessed and collected in the same manner as other school property taxes, but the net revenues shall be remitted to the State Treasurer and distributed by the State to the county treasurer of each county for distribution to the school districts in that county. For reporting purposes, URT revenues are considered property taxes.

g. Fund Balance Classifications

Restricted - fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

Assigned - fund balances that contain self-imposed constraints of the District to be used for a particular purpose, but are neither restricted or committed.

Unassigned - fund balance of the general fund that is not constrained for any particular purpose.

h. Budget and Budgetary Accounting

The District is required by law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures and Changes in Fund Balance - Government - Regulatory Basis.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

i. Stabilization Arrangements

The District's Board of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

1. Summary of Significant Accounting Policies (continued)

j. Minimum Fund Balance Policies

The District's Board of Education has not formally adopted a minimum fund balance policy.

k. Fund Balance Classification Policies and Procedures

The Superintendent, in conjunction with other management and accounting personnel, is authorized to assign amounts for a specific purpose. The District's Board of Education has not adopted a formal policy addressing this authorization.

The District's revenues, expenditures and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

l. Encumbrances

The District does not utilize encumbrance accounting.

2. Cash Deposits With Financial Institutions

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Districts deposit policy for custodial credit risk required compliance with the provisions of state law. State law requires collateralization for all deposits with federal depository insurance; a surety bond; U.S. Treasury and U.S. agencies and instrumentalities bonds or other obligation bonds; bonds of the State of Arkansas or by bonds of a political subdivision thereof which has never defaulted on any of its obligations, in an amount at least equal to the amount of such deposit or by bond executed by a surety company authorized to do business in the State of Arkansas. The Director of Education must approve the surety company.

The Federal Deposit Insurance Company (FDIC) insures bank accounts that earn less than .25% interest and all bank accounts up to $250,000 and the total of all certificates of deposits up to $250,000.

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

2. Cash Deposits With Financial Institutions (continued)

At June 30, 2013, the District had bank balances as follows:

	Book Value	Bank Value
Insured (FDIC)	$ 277,511	$ 277,511
Collateralized:		
Collateral held by the pledging bank or pledging banks trust department in the District's name	402,330	1,331,355
Total	$ 679,841	$ 1,608,866

The above deposits include certificates of deposit of $27,511 reported as investments.

3. Receivables

The accounts receivables of $433,393 at June 30, 2013 was comprised of the following:

Description	General	Special Revenue	Total
Federal Assistance	$ -	$ 423,946	$ 423,946
Other	9,447	-	9,447
Total	$ 9,447	$ 423,946	$ 433,393

4. Accounts Payable

The accounts payables of $77,169 at June 30, 2013 was comprised of the following:

Description	General	Special Revenue	Total
Vendor payables	$ 24,078	$ 17,126	$ 41,204
Other accrued liabilities	35,965	-	35,965
Total	$ 60,043	$ 17,126	$ 77,169

5. Interfund Transfers

The District transferred $82,917 from the general fund to the other aggregate funds for debt related payments. The District transferred $6,919 from the special revenue fund to the general fund which was comprised of $2,500 Child Care and Development Grant funds and $4,419 in Medicaid payments.

LEE COUNTY SCHOOL DISTRICT NO. 1

Lee County, Arkansas

Notes to Financial Statements

JUNE 30, 2013

6. Long-Term Debt

Long-term debt of the District consists of the following:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2013	Maturities To June 30, 2013
10/1/2003	6/1/2015	2.55 - 3.25%	$ 798,475	$ 155,000	$ 643,475

Long-term debt activity for the year ended June 30, 2013:

	Balance July 1, 2012	Debt Additions	Debt Retirements	Balance June 30, 2013
Bonds payable	$ 230,000	$ -	$ 75,000	$ 155,000

Total long-term debt principal and interest payments are as follows

Year ending June 30,	Principal	Interest	Total
2014	$ 75,000	$ 5,038	$ 80,038
2015	80,000	2,600	82,600
Total	$ 155,000	$ 7,638	$ 162,638

7. Leases

The District was contractually obligated for the following operating lease (noncapital lease with initial non-cancellable lease terms in excess of one year) at June 30, 2013:

Lease agreements dated October 16, 2009 and July 30, 2010 for copiers and related equipment at $293 and $5,885 per month through October 16, 2014 and July 30, 2015, respectively.

Rental payments for the operating leases for the year ended June 30, 2013 were approximately $96,073.

Future minimum rental payments as of June 30, 2013 were as follows:

Year ending June 30,	Amount
2014	$ 74,136
2015	71,792
Total	$ 145,928

8. Pledged Revenues

The District has pledged a portion of its property taxes to retire bonds of $798,475 issued on October 1, 2003. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is $162,638 payable through June 1, 2015. Principal and interest paid in the current year was $82,475. Property taxes pledged for debt service were $131,915. The percentage of property taxes pledged for the current year principal and interest payments was 62.52%

9. Retirement Plans

A. Arkansas Teacher Retirement System

Plan Description. The District contributes to the Arkansas Teacher Retirement Systems (ATRS), a cost sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain nonteachers hired prior to July 1, 1989. ATRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publically available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Funding Policy. ATRS has contributory and non-contributory plans. Contributory members are required by State law to Contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14% of covered salaries, the maximum allowed by State law. The District's contributions to ATRS for the years ended June 30, 2013, 2012, and 2011 were $1,067,791, $947,751, and $963,216, respectively, equal to the required contributions for each year.

B. Arkansas Public Employees Retirement System

Plan Description. The District contributes to the Arkansas Publics Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain nonteaching Arkansas public school employees hired before July 1, 1989. APERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to the Arkansas Public Employees Retirement System, One Union National Plaza, 124 W. Capital, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy. APERS has contributory and non-contributory plans. Contributory members are required by law to contribute 5% of their salary. Each participating employer is required by law to contribute at a rate established by the Arkansas General Assembly. The current statutory employer rate is 4% of annual covered payroll. The District's contributions per APERS for the years ended June 30, 2013, 2012, and 2011 were $5,015, $4,487 and $5,132, respectively, equal to the required contributions for each year.

10. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for board liability and student accidents. Settled claims have not exceeded this commercial coverage in any part of the past three years. There were no significant reductions in insurance coverage from prior year in the major categories of risk.

The District participates in the Arkansas School Board Association - Workers Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering worker's compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating and settling claims that have been filed on behalf of and against member districts. The District contributes annually to this program.

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Government Bonding Board. The program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to $250,000 with a $2,500 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

The District participates in the Public School Property and Vehicle Insurance Trust Fund Program administered by the Risk Management Division of the Arkansas Insurance Department. The program's general objectives are to formulate, develop, and administer, on behalf of member districts, a program of insurance to obtain lower costs for property and vehicles coverage, and to develop a comprehensive loss control program. The fund uses a reinsurance policy to reduce exposure to large losses on insured events. The District pays an annual premium for its coverage of buildings, contents and vehicles.

11. Fund Balance Reporting

The District follows GASB 54 as part of its 2012-2013 fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District reports the principal of a non-expendable trust fund as nonspendable.

11. Fund Balance Reporting (continued)

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

Assigned: fund balances that contain self-imposed constraints of the District to be used for a particular purpose.

Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

Spendable: The District has classified the spendable fund balances as Restricted, Committed, Assigned and Unassigned and considered each to have been spent when expenditures are incurred.

Restricted for State Categorical Programs and Debt Service:
Federal Laws, Arkansas Statutes and local ordinances require that certain revenues be specifically designated for the purposes of state categorical programs, debt service, and capital projects. The funds have been included in restricted category of fund balance. The restricted fund balance of $885,808 is for State categorical programs.

Assigned for Student Activities:
The School Board has set aside certain spendable fund balance for various student activities that totaled $17,717.

Unassigned:
The unassigned fund balance for the General Fund is $114,363.

11. Fund Balance Reporting (continued)

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Fund Balances:				
Restricted:				
National school lunch state categorical funding	$ 541,993	$ -	$ -	$ 541,993
Child nutrition programs	-	164,489	-	164,489
Medical services	-	72,978	-	72,978
ABC	44,712	-	-	44,712
General facility	23,828	-	-	23,828
Professional development	3,700	-	-	3,700
Other purpose	33,308	-	-	33,308
Assigned:				
Student Activities	17,717	-	-	17,717
Unassigned	114,363	-	-	114,363
Total Fund Balance	$ 779,621	$ 237,467	$ -	$ 1,017,088

12. On-Behalf Payments

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled $162,750 for the year ended June 30, 2013.

13. Subsequent events

Management has evaluated subsequent events through January 14, 2014 the date the financial statements were available to be issued.

ADDITIONAL REQUIRED REPORTS

PRZYBYSZ
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

To the School Board
Lee County School District #1
Marianna, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements each major governmental fund and the aggregate remaining fund information of the Lee County School District #1 (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated January 14, 2014. We issued an adverse opinion because the District prepared the financial statements using accounting practices prescribed or permitted by the Arkansas Code, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2013, and the respective changes in financial position and budgetary results for the year then ended, on the basis of accounting described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

4200 Jenny Lind Road, Suite B · Fort Smith, Arkansas 72901
Phone: 479.649.0888 · Fax: 888.343.5852
email: johnp@selectcpa.com

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-1 and 2013-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The Lee County School District #1's Response to the Finding

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing* Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Przybysz & Associates

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
January 14, 2014

PRZYBYSZ
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

Independent Auditor's Report on Compliance for Each Major Program And on Internal Control Over Compliance Required by OMB Circular A-133

To the School Board
Lee County School District #1
Marianna, Arkansas

Report on Compliance for each Major Federal Program

We have audited Lee County School District #1's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

4200 Jenny Lind Road, Suite B · Fort Smith, Arkansas 72901
Phone: 479.649.0888 · Fax: 888.343.5852
email: johnp@selectcpa.com

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Lee County School District #1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Lee County School District #1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Przybysz & Associates

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
January 14, 2014

PRZYBYSZ
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

Independent Auditor's Report On
Compliance With Arkansas State Requirements

To the School Board
Lee County School District #1
Marianna, Arkansas

We have examined management's assertions, included in its representation letter dated January 14, 2014, that the Lee County School District #1 substantially complied with the requirements of Arkansas Code Annotated 6-1-101 and applicable laws and regulations listed on Arkansas Department of Education form OCI 95-96 during the year ended June 30, 2013. As discussed in that representation letter, management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, management's assertions that Lee County School District #1 complied with the aforementioned requirements for the year ended June 30, 2013, are fairly stated, in all material respects.

This report is intended solely for the information and used of the School Board, management, and the Arkansas Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

Przybysz & Associates

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
January 14, 2014

4200 Jenny Lind Road, Suite B · Fort Smith, Arkansas 72901
Phone: 479.649.0888 · Fax: 888.343.5852
email: johnp@selectcpa.com

SUPPLEMENTARY AND OTHER INFORMATION

LEE COUNTY SCHOOL DISTRICT NO. 1

Lee County, Arkansas

Schedule of Expenditures of Federal Awards

FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Agency or Pass-Through Entity	Federal CFDA Number	Federal Expen-ditures
U.S. Department of Education			
Title I Grants to Local Education Agencies	AR Department of Education	84.010	$ 1,187,215
Special Education-Grants to States	AR Department of Education	84.027	259,495
Career and Technical Education - Basic Grants to States	State Dept. of Career Education	84.048	34,104
Improving Teacher Quality State Grants	AR Department of Education	84.367	12,219
Rural Education	AR Department of Education	84.358	36,386
Total U.S. Department of Education			1,529,419
U.S. Department of Health and Human Services			
Medical Assistance Program (ARMAC)	AR Department of Education	93.778	45,969
Childcare and Development Block Grant	AR Dept. of Human Services	93.575	2,500
Total U.S. Department of Health and Human Services			48,469
U.S. Department of Agriculture			
Child Nutrition Cluster			
School Breakfast Program - Cash Assistance	AR Department of Education	10.553	182,655
National School Lunch Program - Cash Assistance	AR Department of Education	10.555	403,334
National School Lunch Program - Non-Cash Assistance	AR Dept. of Human Services	10.555	15,745
Summer Food Service Program for Children	AR Dept. of Human Services	10.559	4,895
Total Child Nutrition Cluster			606,629
Total U.S. Department of Agriculture			606,629
Total Federal Awards			$ 2,184,517

See independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1
Lee County, Arkansas

Schedule of Capital Assets (Unaudited)

FOR THE YEAR ENDED JUNE 30, 2013		
Nondepreciable Capital Assets:		
Land	$	427,358
Total Nondepreciable Capital Assets		427,358
Depreciable Capital Assets:		
Buildings		8,655,179
Improvements/infrastructure		444,342
Equipment		3,716,136
Total Depreciable Capital Assets		12,815,657
Total Capital Assets		13,243,015
Less Accumulated Depreciation for:		
Buildings		4,794,825
Improvements/infrasture		62,945
Equipment		3,217,324
Total Accumulated Depreciation		8,075,094
Capital Assets, net	$	5,167,921

See independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1

Lee County, Arkansas

Schedule of Expenditures of Federal Awards

FOR THE YEAR ENDED JUNE 30, 2013

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lee County School District #1 and is presented on the regulatory basis of accounting (RBA). The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the regulatory basis financial statements.

Note B - Nonmonetary Assistance

Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.

Note C - Monetary State Assistance

During the year ended June 30, 2013, the District received Medicaid funding of $59,259 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above schedule.

See independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1
Lee County, Arkansas

Schedule of Expenditures of State Awards

FOR THE YEAR ENDED JUNE 30, 2013

Grantor Agency/Program Title	State Revenues	State Expen-ditures
Arkansas Department of Education on behalf of the Arkansas Early Childhood Commission		
Arkansas Better Chance	$ 528,282	$ 528,282
Total Expenditures of State Awards	$ 528,282	$ 528,282

Note A - Basis of Presentation

The accompanying schedule of expenditures of state awards includes the state grant activity of Lee County School District #1 and is presented on the regulatory basis of accounting.

See independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1

Lee County, Arkansas

Schedule of Findings and Questioned Costs

FOR THE YEAR ENDED JUNE 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Types of auditor's report issued:	GAAP basis of reporting - adverse Regulatory basis opinion units - unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	_x_ yes ___ no
Significant deficiency(ies) identified?	___ yes _x_ none reported
Noncompliance material to financial statements noted?	___ yes _x_ no

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	___ yes _x_ no
Significant deficiency(ies) identified?	___ yes _x_ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	___ yes _x_ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555 & 10.559	Child Nutrition Cluster
84.010	Title I

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as a low-risk auditee?	___ yes _x_ no

See independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1

Lee County, Arkansas

Schedule of Findings and Questioned Costs

FOR THE YEAR ENDED JUNE 30, 2013

Section II - Financial Statement Findings - Current Year

MATERIAL WEAKNESSES

2013-1 - Internal Control

Criteria or specific requirement: Internal control is a process consisting of five interrelated components - *control environment, risk assessment, information and communication, control activities, and monitoring*. Management is responsible for adopting sound accounting policies and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Condition: Deficiencies in the internal control component of control activities adversely affected the District's ability to initiate, authorize, record, process, and report financial data in accordance with the regulatory basis of accounting such that there was a reasonable possibility that a material misstatement of the District's financial statements would not be prevented, or detected and corrected on a timely basis. Financial accounting duties were not adequately segregated among employees responsible for the maintenance of accounting records. Specifically, certain key weaknesses included the following: non-payroll checks were prepared by the same employee responsible for maintenance of accounting record. Payroll checks were prepared by the same employee responsible for changes to the payroll amounts, without compensating controls. The same employee was responsible for receiving the depositing monies collected, maintenance of accounting records, and preparation of bank reconciliations, without compensating controls.

Context: An understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud and to design the nature, timing, and extent of further audit procedures was obtained.

Effect: The District's ability to initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements, as well as the ability to safeguard District assets, was adversely affected by the identified weakness in the above internal control component.

Cause: District management, due to cost/benefit implications, which hindered the District's ability to adequately segregate financial accounting duties amount employees, did not effectively address the deficiencies in internal control.

Recommendation: District management should adopt sound accounting policies and establish and maintain internal control that will initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements and that will safeguard District assets.

Views of responsible officials and planned corrective actions: We concur with the recommendation and will implement corrective procedures to the extent possible.

See independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1
Lee County, Arkansas

Schedule of Findings and Questioned Costs

FOR THE YEAR ENDED JUNE 30, 2013

Section II - Financial Statement Findings - Current Year (continued]

MATERIAL WEAKNESSES (Continued)

2013-2 - Training and Retention of Qualified Financial Staff

Criteria or specific requirement: Hiring and maintaining competent and qualified staff with adequate training is imperative for the District to have accurate and reliable financial records.

Condition: Through inquiry with District personnel at the time of fieldwork, it became clear that the District did not have continuity and/or cohesion amongst central office staff.

Context: The prior audit revealed numerous instances of errors in recording expenditures, revenues, receivables, and payables. The prior year recommendation to achieve accurate financial accounting records was to implement procedures to ensure the proper classification of transaction. This can only be achieved with the hiring and training of competent and qualified staff.

Effect: Incomplete or incorrect financial records.

Cause: The environment of the District may create situations where cohesion and continuity of central office staff is nonexistent.

Recommendation: The District is aware of the situation and on the advise of the Arkansas Department of Education has started to implement strategies to help resolve the issues.

Views of responsible officials and planned corrective actions: We are aware of the conditions. On August 14, 2013, the District entered into an agreement with Valley View School District for financial consultant services.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

See independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1

Lee County, Arkansas

Federal Award Programs - Schedule of Prior Audit Findings

FOR THE YEAR ENDED JUNE 30, 2013

U.S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
ARRA - STATE FISCAL STABILIZATION FUND - EDUCATION STATES GRANT RECOVERY ACT

2012 - Finding 2012-2: ARRA State Fiscal Stabilization Fund - Education State Grants Recovery Act, CFDA number 84.394

Condition: The District paid an employee $35,606 from State Fiscal Stabilization funds, for services that were rendered subsequent to September 30, 2011.

Recommendation: The District should contact the Arkansas Department of Education for further guidance regarding this matter.

Current status: Corrective action was taken.

U.S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES

2012 - Finding 2012-3: Title I Grants to Local Agencies, CFDA Number 84.010

Condition: The District did not properly maintain records for equipment acquired with federal awards. These records were not updated for current year additions of $7,214, or disposition of items no longer in use. The District could not account for three items purchased in previous years with Title I funds. None of these items had a fair market value in excess of $5,000 at the time of disposition. Therefore, federal disposition instructions were not applicable.

Recommendation: Proper records should be maintained for equipment acquired with federal awards.

Current status: The District delegated an individual to maintain fixed asset records during the year.

See independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1
Lee County, Arkansas

Schedule of Selected Information for the Last Five Years - Regulatory Basis (Unaudited)

For the years ended June 30,	2013	2012	2011	2010	2009
General Fund					
Total Assets	$ 839,664	$ 1,320,545	$ 1,988,520	$ 2,512,866	$ 3,252,812
Total Liabilities	60,043	178,534	246,446	303,758	334,865
Total Fund Balances	779,621	1,142,011	1,742,074	2,209,108	2,917,947
Total Revenues	8,554,809	9,124,256	9,557,672	9,862,449	10,558,750
Total Expenditures	8,852,954	9,518,825	9,942,344	10,319,400	10,960,178
Total Other Financing Sources (Uses)	(64,245)	(205,494)	(82,362)	(251,888)	(45,047)
Special Revenue Fund					
Total Assets	423,946	525,332	271,880	997,747	465,647
Total Liabilities	186,479	26,296	181,982	873,538	8,283
Total Fund Balances	237,467	499,036	89,898	124,209	457,364
Total Revenues	2,325,280	3,019,749	3,213,018	4,452,451	3,247,414
Total Expenditures	2,568,177	2,611,125	3,247,329	4,920,523	3,494,368
Total Other Financing Sources (Uses)	(18,672)	514	-	134,917	-
Other Aggregate Funds					
Total Assets	-	-	16,527	30,772	323,844
Total Liabilities	-	200	16,527	-	-
Total Fund Balances	-	(200)	-	30,772	323,844
Total Revenues	200	297,983	2,618,358	-	449,962
Total Expenditures	82,917	378,163	2,731,492	372,446	956,400
Total Other Financing Sources (Uses)	82,917	79,980	82,362	79,374	81,132

See independent auditor's report.

LEE COUNTY SCHOOL DISTRICT NO. 1
Lee County, Arkansas

Supplemental Data Sheet

JUNE 30, 2013

Name:	Lee County School District No. 1
Address:	188 West Chestnut Street, Marianna, AR 72360
EIN Number:	71-6021344
Phone Number:	(870) 295-7100
Administrative Officer:	Willie Murdock
Contact Person:	Willie Murdock
Audit Firm:	Przybysz & Associates, CPAs, P.C.
Lead Auditor:	Marc Lux, CPA

See independent auditor's report.

OFFICE OF INTENSIVE SUPPORT

FINANCIAL REPORT FOR LEE COUNTY SCHOOL DISTRICT

MARCH 2015

FINANCIAL STATUS REPORT ON THE LEE COUNTY SCHOOL DISTRICT

AS OF

FEBRUARY 27, 2015

FINANCIAL

The following recommendations are made in conjunction by the Office of Intensive Support and Mr. Norman Hill, Financial Advisor to Lee County School District:

- IMPLEMENT REOCCURRING EXPENDITURE REDUCTIONS IN THE AMOUNT OF $250,000.00 TO OFFSET CURRENT LOSS OF STUDENT FUNDING. REDUCTION PLAN AND IMPLEMENTATION SHALL INCLUDE A REDUCTION IN FORCE CARRIED OUT AS PART OF THE EXPENDITURE REDUCTION. – TIMELINE FOR DISTRICT: SPRING OF 2015
- MOVE TO 12 PAYROLL PERIODS VS 24 OR 26 - PLANNING AND INTERNAL COMMUNICATION CURRENTLY FOR IMPLEMENTATION – TIMELINE FOR DISTRICT: JULY 1, 2015
- COMPLETE 1003A GRANT/CATEGORICAL SPENDING AS REQUIRED BY MR. HILL AND MR. MARTELLO –TIMELINE FOR DISTRICT: IMMEDIATELY
- SEND OUT PARTIAL RIF LETTERS TO ALL EMPLOYEES AND REDUCE CONTRACTS FROM 192 DAYS TO 190 DAYS - TIMELINE FOR DISTRICT: SPRING OF 2015
- PUT ALL VOCATIONAL TEACHERS ON 190 DAY CONTRACT IF APPLICABLE - TIMELINE FOR DISTRICT: SPRING OF 2015
- MEET WITH MR. MARTELLO AND MR. SYKES TO IMPLEMENT APPROPRIATELY A TECHNOLOGY REPLACEMENT PLAN - TIMELINE FOR DISTRICT: SPRING OF 2015
- MEET WITH MR. HILL TO DISCUSS MEETING YOUR MOE FOR SPECIAL EDUCATION SPENDING - TIMELINE FOR DISTRICT: APRIL 10, 2015

FY15 FUND BALANCE PROJECTION FOR LEE COUNTY SCHOOL DISTRICT – PERIOD 7 (JANUARY)

District : Lee County

Unrestricted

1000|1001|1011|1246|1365|2000|2001|2002|2003|2004|2005|2006|2009|2011|2012|2013|2015|2019|2099|2218|2222|2240|2244|2246|2271|2300|2340|2365|2376|2385|2392|2394|2903|4000

	ACTUAL	projected	projected	projected	projected	projected	Projected	
14-15	**Jan**	**Feb**	**Mar**	**April**	**May**	**June**	**Period 13**	**TOTAL**
BEGINNING BALANCE	**(232,007.90)**	**921,825.71**	**932,455.47**	**1,006,460.74**	**992,748.49**	**643,984.49**	**388,893.49**	
REVENUE								
Local Tax (received July-December)	1,309,748.68	35,000.00	40,000.00	44,000.00	9,000.00	9,000.00	0.00	**1,446,748.68**
Local Tax (received Jan. - June)	0.00	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00	0.00	**600,000.00**
Other Local Revenue	1,507.33	0.00	0.00	0.00	0.00	0.00	0.00	
State Aide	254,149.00	254,149.00	254,149.00	254,149.00	254,149.00	254,149.00	0.00	**1,524,894.00**
Other State Revenue	119,651.04	44,000.00	88,979.00	88,000.00	85,387.00	370,000.00	0.00	**796,017.04**
Loan Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Transfers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Total Revenue	**1,685,056.05**	**453,149.00**	**503,128.00**	**506,149.00**	**468,536.00**	**753,149.00**		**4,369,167.05**
EXPENDITURES	**Jan**	**Feb**	**Mar**	**April**	**May**	**June**	**Period 13**	**TOTAL**
Salaries & Benefits	344,781.53	344,122.73	347,122.73	348,000.00	725,000.00	915,240.00	0.00	**3,024,266.99**
Other Expenditures	162,169.03	98,396.51	82,000.00	93,000.00	92,300.00	93,000.00	0.00	**620,865.54**
Debt Payments (all types of debt)	24,271.88	0.00	0.00	78,861.25	0.00	0.00	0.00	**103,133.13**
Transfers to Bldg fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Transfers to Food Service Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Other:_____								**0.00**
Total Expenditures	**531,222.44**	**442,519.24**	**429,122.73**	**519,861.25**	**817,300.00**	**1,008,240.00**	**0.00**	**3,748,265.66**
ENDING BALANCE	**921,825.71**	**932,455.47**	**1,006,460.74**	**992,748.49**	**643,984.49**	**388,893.49**	**388,893.49**	
	*********Projection. Variance will exist at closure of Fiscal Year**********							

Lee County School District Highlights – Report to ADE Board – March, 2015
-FY15 Purchase Orders Entered into APSCN 1,300 +
-Numerous vendor reconciliations of unpaid FY14 bills in FY15 to make district efficient business office a real time operation for debt encumbrance and expense completion
-Over $900,000 saved in Federal/Categorical dollars for the students of Lee County School District vs. relinquished back to ADE/FDE as of 9/30/14
-100% improvement in ability to process LCSD's own accounts payable transactions (no ability in FY14 to process AP on their own)
-100% improvement in ability to process LCSD's own payroll process (no ability in FY14 to process payroll on their own)
-800% improvement in ability to create LCSD's own purchase orders (All Campus and Departments have processed their own po's)
-Date Stamping Procedures Initiated
-Segregation of Duties Implemented as best possible. IE., 1 person creating purchase order, at least 1 signature for approval, 1 person cutting check
-Introduction of NCR Paper Purchase Orders for Unique Color Copy Going Back to Appropriate Channel (White – Order With, Yellow – Back to Department/School, Pink – To Pay On, Golden Rod – Stays in Business Office. Ensure written documentation on outstanding purchases to see where they stand
-Improved timeline of desired material purchases by business office
-Improved ownership and responsibility for business processes in the different channels
-Business Manager – New to Position – Continuous Training
-Federal Compliance Officer – New to Position (ACSIP Plan Responsibilities) – Continuous Training
-Transportation/Maintenance Director – Relatively New to Position – Continuous Training
-Technology Director – New to Position – Continuous Training
-Food Service Director – Relatively New to Position – Continuous Training

DRAFTED YEAR AT A GLANCE FINANCIAL CALENDAR (REVIEW AND REVISE AS NEEDED)

JANUARY 2015

-FISCAL YEAR ROLLOVER
-DECEMBER BANK RECONCILIATION BY 10TH OF THE MONTH
-W-2'S, 1099'S MAILED OUT BY END OF MONTH (HAVE TO BE RECONCILED)
-QUARTER 4 2014 CALENDAR YEAR - 941 MAILED BY END OF MONTH
-SALES AND USE TAX REPORT
-TEACHER RETIREMENT DECEMBER 2014 DUE BY JANUARY 15, 2015
-APERS DUE BY JANUARY 10, 2015
-W2 BALANCING REPORT EACH MONTH AT THE VERY LEAST IF NOT EVERY PAY PERIOD
-STATE PAYROLL TAX REPORT FOR DECEMBER BY JANUARY 3, 2015
-RUN MONTHLY SALARY REPORT FOR RECORDS
-BALANCING TO EBD BILL (HEALTH INSURANCE)
-PAYROLL RUN DEADLINES
-WEEKLY AP RUNS
-RIFF PREPARATION FOR COMPLETION IN AMPLE TIME BEFORE CONTRACTS
-PREP & RECOMMENDATION FOR MONTHLY PAY TO EMPLOYEES VERSUS 26 PAYS IN FY16
-FISCAL PERIOD ROLLOVER

FEBRUARY 2015

-JANUARY BANK RECONCILIATION BY 10TH OF THE MONTH
-CYCLE 5 DUE FEB. 15
-SALES AND USE TAX REPORT
-ANNUAL STATE PAYROLL TAX REPORT DUE FEB. 28, 2015
-W2 BALANCING REPORT EACH MONTH AT THE VERY LEAST IF NOT EVERY PAY PERIOD
-TEACHER RETIREMENT JANUARY 2015 DUE BY FEBRUARY 15, 2015
-STATE PAYROLL TAX REPORT FOR JANUARY BY FEBRUARY 3, 2015
-RUN MONTHLY SALARY REPORT FOR RECORDS
-BALANCING TO EBD BILL (HEALTH INSURANCE)
-PAYROLL RUN DEADLINES
-WEEKLY AP RUNS
-COMPLETION AND CLOSURE TO ACSIP PLAN (EMERGENCY REVISION IF NEEDED POST BUT BEFORE APRIL 30 CLOSURE)
-FISCAL PERIOD ROLLOVER

MARCH 2015

-FEBRUARY BANK RECONCILIATION BY 10TH OF THE MONTH
-SALES AND USE TAX REPORT
-W2 BALANCING REPORT EACH MONTH AT THE VERY LEAST IF NOT EVERY PAY PERIOD
-TEACHER RETIREMENT FEBRUARY 2015 DUE BY MARCH 15, 2015
-STATE PAYROLL TAX REPORT FOR FEBRUARY BY MARCH 3, 2015
-RUN MONTHLY SALARY REPORT FOR RECORDS
-BALANCING TO EBD BILL (HEALTH INSURANCE)
-PAYROLL RUN DEADLINES
-WEEKLY AP RUNS

-FISCAL PERIOD ROLLOVER

APRIL 2015

-MARCH OCTOBER 2015
-QUARTER 1 - 941 MAILED BY BEGINNING OF MONTH
-CYCLE 6 DUE APRIL 15
-SALES AND USE TAX REPORT
-W2 BALANCING REPORT EACH MONTH AT THE VERY LEAST IF NOT EVERY PAY PERIOD
-TEACHER RETIREMENT MARCH 2015 DUE BY APRIL 15, 2015
-STATE PAYROLL TAX REPORT FOR MARCH BY APRIL 3, 2015
-QUARTERLY UNEMPLOYMENT WAGE REPORT FOR 1ST QUARTER DUE BY APRIL 30, 2015
-RUN QUARTERLY SALARY REPORT FOR RECORDS
-RUN MONTHLY SALARY REPORT FOR RECORDS
-BALANCING TO EBD BILL (HEALTH INSURANCE)
-PAYROLL RUN DEADLINES
-WEEKLY AP RUNS
-FISCAL PERIOD ROLLOVER

MAY 2015

-APRIL BANK RECONCILIATION BY 10TH OF THE MONTH
-SALES AND USE TAX REPORT
-W2 BALANCING REPORT EACH MONTH AT THE VERY LEAST IF NOT EVERY PAY PERIOD
-TEACHER RETIREMENT APRIL 2015 DUE BY MAY 15, 2015
-STATE PAYROLL TAX REPORT FOR APRIL BY MAY 3, 2015
-RUN MONTHLY SALARY REPORT FOR RECORDS
-BALANCING TO EBD BILL (HEALTH INSURANCE)
-PAYROLL RUN DEADLINES
-WEEKLY AP RUNS
-FISCAL PERIOD ROLLOVER

JUNE 2015

-MAY BANK RECONCILIATION BY 10TH OF THE MONTH
-CYCLE 7 DUE JUNE 15
-SALES AND USE TAX REPORT
-W2 BALANCING REPORT EACH MONTH AT THE VERY LEAST IF NOT EVERY PAY PERIOD
-TEACHER RETIREMENT MAY 2015 DUE BY JUNE 15, 2015
-STATE PAYROLL TAX REPORT FOR MAY BY JUNE 3, 2015
-RUN MONTHLY SALARY REPORT FOR RECORDS
-BALANCING TO EBD BILL (HEALTH INSURANCE)
-PAYROLL RUN DEADLINES
-WEEKLY AP RUNS
-PREP FOR FY YEAR END ROLLOVER
-FISCAL PERIOD ROLLOVER

JULY 2015

-JUNE BANK RECONCILIATION BY 10TH OF THE MONTH

-QUARTER 2 - 941 MAILED BY BEGINNING OF MONTH
-CYCLE 8 FY15 DUE JULY 31
-SALES AND USE TAX REPORT
-W2 BALANCING REPORT EACH MONTH AT THE VERY LEAST IF NOT EVERY PAY PERIOD
-QUARTERLY UNEMPLOYMENT WAGE REPORT FOR 2ND QUARTER DUE BY JULY, 2015
-TEACHER RETIREMENT JUNE 2015 DUE BY JULY 15, 2015
-STATE PAYROLL TAX REPORT FOR JUNE BY JULY 3, 2015
-RUN MONTHLY SALARY REPORT FOR RECORDS
-BALANCING TO EBD BILL (HEALTH INSURANCE)
-PAYROLL RUN DEADLINES
-WEEKLY AP RUNS
-FISCAL PERIOD ROLLOVER

AUGUST 2015

-JULY BANK RECONCILIATION BY 10TH OF THE MONTH
-CYCLE 9 FY15 DUE AUG. 31
-SALES AND USE TAX REPORT
-W2 BALANCING REPORT EACH MONTH AT THE VERY LEAST IF NOT EVERY PAY PERIOD
-TEACHER RETIREMENT JULY 2015 DUE BY AUGUST 15, 2015
-STATE PAYROLL TAX REPORT FOR JULY BY AUGUST 3, 2015
-RUN MONTHLY SALARY REPORT FOR RECORDS
-BALANCING TO EBD BILL (HEALTH INSURANCE)
-PAYROLL RUN DEADLINES
-WEEKLY AP RUNS
-FISCAL PERIOD ROLLOVER

SEPTEMBER 2015

-AUGUST BANK RECONCILIATION BY 10TH OF THE MONTH
-CYCLE 1 FY16 DUE SEP. 30
-SALES AND USE TAX REPORT
-W2 BALANCING REPORT EACH MONTH AT THE VERY LEAST IF NOT EVERY PAY PERIOD
-TEACHER RETIREMENT AUGUST 2015 DUE BY SEPTEMBER 15, 2015
-STATE PAYROLL TAX REPORT FOR AUGUST BY SEPTEMBER 3, 2015
-DEADLINE OF SEPTEMBER 30, 2015 FOR SCHOOL YEAR ACSIP PLAN
-RUN MONTHLY SALARY REPORT FOR RECORDS
-BALANCING TO EBD BILL (HEALTH INSURANCE)
-PAYROLL RUN DEADLINES
-WEEKLY AP RUNS
-FISCAL PERIOD ROLLOVER

OCTOBER 2015

-SEPTEMBER BANK RECONCILIATION BY 10TH OF THE MONTH
-QUARTER 3 - 941 MAILED BY BEGINNING OF MONTH
-CYCLE 2 FY16 DUE OCT. 15
-SALES AND USE TAX REPORT
-W2 BALANCING REPORT EACH MONTH AT THE VERY LEAST IF NOT EVERY PAY PERIOD
-QUARTERLY UNEMPLOYMENT WAGE REPORT FOR 3RD QUARTER DUE BY OCTOBER 30, 2015
-TEACHER RETIREMENT SEPTEMBER 2015 DUE BY OCTOBER 15, 2015

-STATE PAYROLL TAX REPORT FOR SEPTEMBER BY OCTOBER 3, 2015
-RUN MONTHLY SALARY REPORT FOR RECORDS
-BALANCING TO EBD BILL (HEALTH INSURANCE)
-PAYROLL RUN DEADLINES
-WEEKLY AP RUNS
-FISCAL PERIOD ROLLOVER

NOVEMBER 2015

-OCTOBER BANK RECONCILIATION BY 10TH OF THE MONTH
-CYCLE 3 FY16 DUE NOV. 15
-SALES AND USE TAX REPORT
-W2 BALANCING REPORT EACH MONTH AT THE VERY LEAST IF NOT EVERY PAY PERIOD
-TEACHER RETIREMENT OCTOBER 2015 DUE BY NOVEMBER 15, 2015
-STATE PAYROLL TAX REPORT FOR OCTOBER BY NOVEMBER 3, 2015
-RUN MONTHLY SALARY REPORT FOR RECORDS
-BALANCING TO EBD BILL (HEALTH INSURANCE)
-PAYROLL RUN DEADLINES
-WEEKLY AP RUNS
-FISCAL PERIOD ROLLOVER

DECEMBER 2015

-NOVEMBER BANK RECONCILIATION BY 10TH OF THE MONTH
-CYCLE 5 DUE
-SALES AND USE TAX REPORT
-W2 BALANCING REPORT EACH MONTH AT THE VERY LEAST IF NOT EVERY PAY PERIOD
-TEACHER RETIREMENT NOVEMBER 2015 DUE BY DECEMBER 15, 2015
-STATE PAYROLL TAX REPORT FOR NOVEMBER BY DECEMBER 3, 2015
-RUN MONTHLY SALARY REPORT FOR RECORDS
-BALANCING TO EBD BILL (HEALTH INSURANCE)
-PAYROLL RUN DEADLINES
-WEEKLY AP RUNS
-FISCAL PERIOD ROLLOVER

The Office of Intensive Support, the ADE School Improvement Specialists, Fetterman and Associates, the Instructional Technology Specialist, and the Lee County Leadership team have put together a drafted Six Month Year at a Glance Calendar with urgent tasks to ensure continued progress and accountability towards completing the Six Month Goals established by the OIS in:

- **Leadership**
- **Curriculum**
- **Assessment and Evaluation**
- **Instruction**
- **School Culture and Climate**

- **Student, Parent, and Community Participation**
- **Professional Growth, Development and Evaluation**
- **Organization Structure and Resources and**
- **Comprehensive and Effective Planning (including ACSIP development, approval, implementation and monitoring; IMO assessment, development, implementation, and monitoring; and assessment and development of urgent district goals).**

LEE COUNTY SCHOOL DISTRICT
TITLE 1-SCHOOL IMPROVEMENT
MRS. WILLIE MURDOCK, SUPERINTENDENT
YEAR AT A GLANCE CALENDAR: 2015-2016

FEBRUARY, 2015 URGENT TASKS

- **COMPLETE PAPER WORK TO CHANGE LEA NUMBERS AND CONSOLIDATE (GET APPROVAL FROM ADE)**
- **WORK ON POLICY CHANGES**
- **DEVELOP SCHOOL CALENDAR FOR 2015-2016**
- **WORK WITH PRE-K PROGRAM ADMINISTRATOR TO PREPARE FOR EARLY KINDERGARTEN ROUNDUP**
- **ENSURE THAT PAPERWORK IS COMPLETED FOR INCENTIVE PAY**
- **ESTABLISH GOALS AND DEADLINES FOR STUDENT REGISTRATION AND STAFF NEEDS AS PROJECTED BY SCHOOLS. (REVIEW CURRENT MASTER SCHEDULES AND STUDENTS CASELOADS)**
- **WORK ON PROJECTIONS FOR 2015-2016 STAFF NEEDS**
- **REVIEW RETURNING STAFFS QUALIFICATIONS**
- **BEGIN POSTING, INTERVIEWING AND HIRING FOR KEY POSITIONS THAT MUST BE REPLACED/HIRED INCLUDING SPECIAL EDUCATION/ELEMENTARY TEACHER**
- **BEGIN PREPARING RECOMMENDATIONS FOR RE-HIRE/DISMISSALS**
- **PREPARE FOR TRANSITION TRAINING FOR REPLACEMENTS OF KEY POSITIONS**
- **MEET WITH LEADERSHIP TEAM AND SUPPORT PROVIDERS TO DEVELOP YEAR AT A GLANCE CALENDAR**
- **ADDRESS THE FACILITIES FINDINGS DURING THE ADE FACILITIES DIVISION SITE VISIT DURING WEEK OF 2/2/15.**
- **ADDRESS THE TRANSPORTATION FINDINGS DURING THE ADE TRANSPORTATION DIVISION SITE VISIT DURING THE MONTH OF FEBRUARY, 2015.**
- **FINALIZE RTI PLAN**

MARCH 2015 URGENT TASKS

- REVIEW CONTRACTS FOR AIMS/ADVANCEMENT PLACEMENT
- REVIEW CONTRACT WITH FETTERMAN AND ASSOCIATES AND SET GOALS FOR ASSISTANCE FOR THE 2015-2016 SCHOOL YEAR
- REVIEW CONTRACT AND GOALS FOR 2015-2016 SCHOOL YEAR FOR JENNIFER KIMBRELL
- DEVELOP A CONTRACT AND GOALS FOR STUDENT SERVICES CONTRACTED PROVIDER
- WORK WITH MS. GINN TO CLEAR UP SPECIAL EDUCATION COMPLIANCE ISSUES/CORRECTIVE ACTIONS
- REVIEW PROJECTED 2015-2016 MASTER SCHEDULES AND STUDENTS CASELOADS
- FINALIZE ON PROJECTIONS FOR 2015-2016 STAFF NEEDS
- CONDUCT AND TALLY PROFESSIONAL DEVELOPMENT SURVEYS
- CONDUCT PROFESSIONAL DEVELOPMENT COMMITTEE MEETINGS TO WORK ON PD PLAN
- CONTINUE POSTING, INTERVIEWING AND HIRING FOR KEY POSITIONS THAT MUST BE REPLACED/HIRED INCLUDING SPECIAL EDUCATION/ELEMENTARY TEACHER
- BEGIN TRANSITION TRAINING FOR REPLACEMENTS OF KEY POSITIONS
- CONTINUE TO MEET WITH LEADERSHIP TEAM AND SUPPORT PROVIDERS TO REFINE YEAR AT A GLANCE CALENDAR
- GET ALL POLICIES CHANGES APPROVED
- COMPLETE AND SUBMIT STUDENT SERVICES ANNUAL REPORT
- CONTINUE MEETING WITH CURRICULUM COMMITTEE TO DEVELOP AND REFINE ALIGNMENT AND MAPPING

APRIL, 2015 URGENT TASKS

- WORK WITH HIGH SCHOOL PRINCIPAL TO ENSURE THAT CURRENT HIGH SCHOOL STUDENTS ARE REGISTERED FOR CONCURRENT CREDIT
- WORK WITH HIGH SCHOOL PRINCIPAL TO ENSURE THAT CONTRACT AND MOU WITH VIRTUAL ARKANSAS HAVE BEEN COMPLETED. REVIEW WITH APPROPRIATE PERSONELL THAT ALL PROCESSES HAVE BEEN COMPLETED AND REQUIREMENTS MET FOR SUCCESSFUL TRANISITION INTO VA FOR THE 2015-2016 SCHOOL YEAR
- PLAN SUMMER SCHOOL/AFTER SCHOOL TUTORING WITH PROJECTED EXPENDITURES
- HIRE OR ASSIGN A DISTRICT DYSLEXIA THERAPIST
- REVIEW AND CONDUCT PROFESSIONAL DEVELOPMENT PLAN SURVEY
- REVIEW THE CURRICULUM ALIGNMENT PROCESS/PLAN AND MAKE ADJUSTMENTS
- REVIEW NON-NEGOTIABLE INSTRUCTIONAL PROCESSES AND ESTABLISH DISTRICT POLICY FOR REQUIRED IMPLEMENTATION
- ISSUE CONTRACTS PRIOR TO MAY 1
- CONDUCT PROFESSIONAL DEVELOPMENT COMMITTEE MEETINGS TO

WORK ON PD PLAN
- CONTINUE MEETING WITH CURRICULUM COMMITTEE TO DEVELOP AND REFINE ALIGNMENT AND MAPPING

MAY, 2015 URGENT TASKS

- DEVELOP AND REVISE PGPS FOR 2015-2016 SCHOOL YEAR
- INTERVIEW FOR OPEN POSITIONS
- EVALUATE ACSIP/ACSIP PLANNING
- ATTEND TEACHER RECRUITMENT FAIRS-CONTINUE RECRUITMENT EFFORTS/INTERVIEWS,
- REVIEW STUDENT AND TEACHER HANDBOOKS (UPDATE)
- CONDUCT PROFESSIONAL DEVELOPMENT COMMITTEE MEETINGS TO WORK ON PD PLAN
- CONTINUE MEETING WITH CURRICULUM COMMITTEE TO DEVELOP AND REFINE ALIGNMENT AND MAPPING

JUNE, 2015 URGENT TASKS

- CONTINUE TO ORIENT SELF TO LEADS AND TESS EVALUATION SYSTEMS
- PARTICIPATE IN TRAINING FOR TEACHERS,
- ENSURE PGP HAS BEEN FINALIZED AND SUBMITTED TO ADE FOR APPROVAL.
- TRAIN DISTRICT LEADERSHIP TEAMS AND APPROPRIATE STAFF ON LEADS AND TESS EVALUATION SYSTEMS
- ORIENT SELF TO EVALUATION CRITERIA IN ALL AREAS.
- FINALIZE PD PLAN AND CALENDAR
- START SUMMER SCHOOL
- CONDUCT A COURSE AUDIT ON STUDENTS FOR GRADES 9-12, USING THE PROVIDED FORMS PROVIDED BY RONNIE HUGHES, TO BE COMPLETED OR UPDATED AT THE END OF EACH SEMESTER IN THE 2014-15 SCHOOL YEAR.
- REVIEW THE MASTER SCHEDULE. NOTIFY STAFF OF ANY CHANGES IN CLASSROOM OR TEACHING ASSIGNMENTS.
- REVIEW MISSION/VISION/BELIEFS STATEMENTS
- UPDATE AND PREPARE TO SHARE SCHOOL DATA ANALYSIS
- REVIEW STUDENT ACHIEVEMENT (GRAD RATES, FAILURE RATES, CORE SUBJECT STUDENT PERFORMANCE DATA)
- SHARE DATA ACQUIRED AFTER SCHOOL ENDED
- CREATE YEARLY SCHOOL IMPROVEMENT MEETINGS CALENDAR
- MEET WITH LEADERSHIP TEAM TO DIALOGUE STRATEGY IMPLEMENTATION BY CONTENT AREA AND/OR GRADE LEVEL
- REVIEW IMPLEMENTATION, MONITOR AND EVALUATION ACTIVITIES IN PIP
- REFINE/UPDATE THE DISTRICT'S YEAR AT A GLANCE CALENDAR
- START TRANSITION EFFORTS (CLOSING BUILDINGS/MOVING),

JULY 2015 URGENT TASKS

- **PREPARE FOR NEW TEACHER ORIENTATION**
- **PREPARE FOR PROFESSIONAL DEVELOPMENT ACTIVITIES**
- **DEVELOP DATA VISUALIZATIONS FOR NEEDS ASSESSMENT AND GOAL DEVELOPMENT**
- **REVIEW SCHOOL AND DISTRICT IMPROVEMENT PLANS**
- **REVIEW SCHOOL IMPROVEMENT GRANT 1003(A) PROPOSALS, IMPLEMENTATION, PROGRESS AND MONITORING PROCESS**
- **SET UP REGISTRATION FOR DISTRICT HOSTED PROFESSIONAL DEVELOPMENT OPPORTUNITIES**
- **MEET WITH EXTERNAL SUPPORT SERVICE PROVIDERS TO DISCUSS RESOURCES, TOOLS, SCHEDULES AND PROCESSES TOWARDS CONTINUOUS IMPROVEMENT EFFORTS**
- **CONTINUE TRANSITION EFFORTS (CLOSING BUILDINGS/MOVING),**
- **PREPARE FOR OPENING SCHOOL**
- **CONDUCT PROFESSIONAL DEVELOPMENT COMMITTEE MEETINGS TO WORK ON PD PLAN**
- **CONTINUE MEETING WITH CURRICULUM COMMITTEE TO DEVELOP AND REFINE ALIGNMENT AND MAPPING**

On February 5, 2015, Lee County conducted its first of a series of community collaborative forums. There were about 100 students, parents, school staff and community leaders present at this forum. The next series of community collaborative forums

will be held at 5:30 pm on the following dates: March 5, April 9, May 7 and June 4. These series will continue into the next fiscal year beginning in July and ending in June of 2016.

Collaborative Task Force Meeting

Thursday, February 5, 2015
5:30 p.m.

Agenda

Welcome.....Preschooler Jayiona Miller

Purpose..... Curriculum Coordinator, Michelle Branch

Recognition of Community Partners & Elected Officials.....Parent Involvement Coordinator, Lafayette Smith

LHS Choir.....Song

Men of Action.....Officer Ocie Banks

I Have A Dream..... Mr. Malik Dukes

I Have A Dream.....Miss Takylar Patton

ADE Update.....Mr. Andrew Tolbert

Performing Arts Team.....Whitten Elementary

Virtual Arkansas At A Glance.....Literacy Instructional Facilitator, Dorisey Brown

Student Recognition.....Mr. Theodore Shumpert

Legislative Update.....Representative Reginald Murdock

Introduction of the Marianna Lions.....Mr. Willie Branch

Anna Strong Cheerleaders

Future Plans for Upcoming School Year.....Superintendent Willie Murdock

Refreshments will be Served

Lee County School District

Collaborative Task Force

Thursday, February 5, 2015
5:30 p.m.

Sign In Sheet

Please Print

Name	Parent/Student/Community Partner	Phone Number
Jamecia Bacote	Student	214-304-0331
Taylor Jones	Student	501-417-8396
Mitchelle Branch	Parent	870-295-7100
Myles Branch	Student	870-319-0295
Terran Williams	Student	870-622-1684
Thomas Johnson	Instructor	870-295-7130
Kimberly Edwards	Compliance Coord/Parent	
Cassandra Branscomb	Student	
LaQuita Slaughter	Parent	
Ella Poole	Grandparent	
Ollie L. Banks	Parent	870-295-0229
Barry William	Parent	(870) 317-4961
Lorenzo Jackson		
Dave Dean		870-768-4216
A.J. Davis	Parent	870-295-6255
Tiffany Shaw		870-268-4820
Derrick Brown	Facilitator/Staff	870-295-7100
Nellie Lemon	Parent	295-4588
Valerie Westbrook	Parent	870-945-1792
Theodore Thomas	Counselor	870-295-6948
James McFadden		870 662 3238
Melanie Holloway	Teacher	
Donna Bragg	Teacher	870-824-1136
Janet Thomas	Teacher	945-5737
Lynetta Chumley	Community Partner	870-633-7338
Willie A. Branch Jr.	Parent	870-319-6099
Leron Shackelford		870 295 3829
Ruby Dilley	Parent	870-295-1126
Dorothy Reynolds	Staff	870-761-3344
Punkie Hill	LHS	Punkie Hill
MICHELLE HOLDEN	PARENT	(870) 295 9247

Lee County School District

Collaborative Task Force

Thursday, February 5, 2015
5:30 p.m.

Sign In Sheet

Please Print

Name	Parent/Student/Community Partner	Phone Number
Kimmy Perry		8102956828
Bettie Gordon	Alisia Bailey	870-295-5889
Glenda Sloan		
Antwanda Byrd		
Jessie Bryant	Parent / community P	870-821-2109
Gionta Wyatt	teacher	870-733-7289
Janie Shaptor	Parent	870-295-3901
Marvin Shaptor	Parent	870-295-3901
[illegible]	LHS JF	
Irinda Steen	LHS	
Nancy Thornton		
Jessica Kent		
Genihagail Collins		
Kimberly Bland	Parent	501-626-1745
Deborah Bland	Community Member	870-362-0323
Verna Williams	Parent	
Tyler Ap	student	(870)821-9122
Robert Scott	community	870-768-4531
William Wyatt		
Delyma Johnson	Dr. Bryd Elementary	870-494-2076
Jehnae Ellis	Parent	
Linda Morgan	Instructional Facilitator	
Molly Davis		~~501-626-7606~~
Lollie Dropy	LCSD	501-626-7606
Yasmine [illegible]		
[illegible]		
[illegible]		
Beverly Massey		870-295-0677
Ashli Harding	Teacher	870-261-2465
Tanya Gray	Parents	870 295 3528
Brandon Gray		

Lee County School District

Collaborative Task Force

Thursday, February 5, 2015
5:30 p.m.

Sign In Sheet

Please Print

Name	Parent/Student/Community Partner	Phone Number
Irene Sutton		870-295-3858
Betty Burlair		870-821-3870
Leroy Burton		870-295-2594
C.L. Highlower		870-821-0120
Tamika Holyfield	Taylor Holyfield	501-813-219
Darrid Brown	Aaron Allen	870-270-9990
Aaron Allen		
Willie Lambert	Willie Lambert	870-295-5577
Elizabeth Brown	elizabeth33@bol.com	
LC Mitchell		
Mildred Appleberry		
Lydia Jackson		
Willie M Taylor		
Laura Hullston		870-298-2845
JIM KEASLER		870-295-7701
[illegible]		
Janie Miller		
[illegible]		
Jasmine Hughes		
Thelma Brown		870-821-1406
Bernice Hill	Bernice Hill / FF	870-846-4519
[illegible] Johnson		870-821-1271
[illegible]		870-[illegible]
Paresse Fletcher	Kameron Boyd	821-0408
Mack Clemons		870-768-5369
Cynthia Lamb	Antwain Jones	870 662-1050
Sylvia Green	Teacher	(901) 734-4169
Doris Wallace	Community Partner	295-3222
Mallory Pott	Teacher	630-723-8750
Tiffany Oliver	Parent	972-707-9917
Shirley Gaynor	Parent	870295-6122

Lee County School District

Collaborative Task Force

I would like to become a member of the Collaborative Task Force Committee on Closing the Achievement Gap.

Please Print

Name	Phone Number	Email
Sonya Westbrook	870-295-5164	
Otha Westbrook	870-295-5164	
[illegible]	870-821-1406	
[illegible] Dayley	870-821-0424	
[illegible]	870 [illegible] 2077	
Barbara Hightower	870-[illegible]-2669	
Lucie Dixie	870 821-0397	
Deborah Seymore	870 821 1024	deborah.seymore@yahoo.com
Lawrence [illegible]	795-5425	
Jammie Factor	501-733-3072	
[illegible]	796-[illegible]	
Napoleon B. Wesp	870821-1723	

ARKANSAS STATE BOARD OF EDUCATION
Executive Summary

Agenda Item Number:	Action Agenda-
Agenda Item:	Continuation of Fiscal Distress Classification under authority of the state for the Pulaski County Special School District; and allowing the community advisory board to remain in place for one (1) additional year
Attachments:	Profile Financial Data Fiscal Distress Plan Audit - 2011 Audit - 2012 Audit - 2013 Act 600
Presenter:	Dr. Eric Saunders and Hazel Burnett

Background Information:

Pursuant to Ark. Code Ann. § 6-20-1905, on March 30, 2011, the Arkansas Department of Education identified the Pulaski County Special School District as a school district in fiscal distress. The Arkansas Department of Education made this identification because the Pulaski County Special School District met the following fiscal distress indicator(s) as set forth in Ark. Code Ann. § 6-20-1904: Material state or federal audit exceptions or violations.

The Pulaski County Special School District appealed the fiscal distress identification. On May 16, 2011, following a public hearing, the State Board of Education classified the Pulaski County Special School District as a school district in fiscal distress, pursuant to Ark. Code Ann. § 6-20-1906. On June 20, 2011, the Arkansas Department of Education exercised its authority under Ark. Code Ann. § 6- 20-1909 to assume authority over the Pulaski County Special School District. The Arkansas Department of Education removed the Pulaski County Special superintendent and school board, and appointed an individual to administratively operate the Pulaski County Special School District under the supervision and approval of the Commissioner of Education.

Pursuant to Ark. Code Ann. § 6-20-1905, on January 19, 2012, the Pulaski County Special School District was identified by the Arkansas Department of Education as a district in fiscal distress based upon the following additional indicator: A declining balance determined to jeopardize the fiscal integrity of a school district. The Pulaski County Special School District did not appeal the fiscal distress identification. On February 13, 2012, following a public hearing, the State Board of Education classified the Pulaski County Special School District as a school district in fiscal distress, with the additional indicator, pursuant to Ark. Code Ann. § 6-20-1906.

On May 13, 2013, the State Board of Education approved the continuation of Fiscal Distress Classification under authority of the state for the Pulaski County Special School District; and approval for the Commissioner of Education to appoint a community advisory board pursuant to Act 600 of 2013.

On September 9, 2013, the State Board of Education approved the appointment of a community advisory board for the Pulaski County Special School District. Pursuant to Ark. Code Ann. § 6-20-1910, by April 1 of each year following the appointment of a community advisory board, the State Board of Education shall determine the extent of a fiscally distressed school district's progress toward correcting all issues that caused the classification of fiscal distress and shall:

(1) Allow the community advisory board to remain in place for one (1) additional year;

(2) Return the school district to local control by calling for the election of a newly elected board of directors if:

    (a) The Arkansas Department of Education certifies in writing to the State Board of Education and to the school district that the school district has corrected all criteria for being placed into fiscal distress; and

    (b) The State Board of Education determines the school district has corrected all criteria for being placed into fiscal distress; or

(3) Annex, consolidate, or reconstitute the school district pursuant to Title 6 of the Arkansas Code.

The Arkansas Department of Education continues to review the status of the Pulaski County Special School District's compliance with its Fiscal Distress Improvement Plan and its efforts to remove itself from fiscal distress. That review is ongoing. Because that ongoing review will extend past the date of this meeting, and because this meeting is the last meeting prior to April 1, we recommend that the Community Advisory Board remain in place at this time. However, should our review indicate that PCSSD is no longer in fiscal distress and has met all of the goals in its Fiscal Distress Improvement Plan, we will return to you with a recommendation that the district be removed from fiscal distress classification and from state authority.

Pulaski County Special School District
LEA # 6003
Pulaski County

Classified in Fiscal Distress May 16, 2011
* Additional indicator of a declining balance added on February 13, 2012

Fiscal Distress Indicators and Additional Concerns:

* Material state or federal audit exceptions or violations
* A declining balance determined to jeopardize the fiscal integrity of the school district

District Profile:	2010-11	2011-12	2012-13	2013-14
Superintendent	**Charles Hopson**	**Jerry Guess**	**Jerry Guess**	**Jerry Guess**
4 QTR ADM	16,618	14,392	17,032	16,864
Assessment	2,352,330,997	2,468,039,116	2,525,539,079	2,644,995,204
Total Mills	40.70	40.70	40.70	40.70
Total Debt Bond/Non Bond	149,919,256	149,101,780	145,498,672	140,957,717
Per Pupil Expenditures	11,392	13,268	10,566	11,115
Personnel-Non-Fed Licensed FTE	1,551.55	1,318.21	1,346.10	1,362.12
Personnel-Non-Fed Licensed Clsrm FTE	1,447.02	1,220.29	1,250.24	1,265.38
Avg Salary-Non-Fed Licensed FTE	48,186	58,079	50,795	51,946
Avg Salary-Non-Fed Licensed Clsrm FTE	44,930	55,541	48,215	49,323
Net Legal Balance (Excl Cat & QZAB)	2,491,321	13,591,944	17,097,470	17,033,527

Total Debt includes Bonded and Non-bonded filed with ADE.
Data Source: Annual Statistical Reports (ASR) and State Aid Notice for school district.

District Actions:

The District has included the following objectives in their Fiscal Distress Improvement Plan:

2011-12

- Revised policy specific to board and employee travel
- Revised policy to discontinue the utilization of blanket purchase orders
- Complied with APSCN timelines for bank statement reconciliation
- Revised procedures to segregate purchasing duties within the business division with respect to fixed assets
- Monitored compliance with Board procedures to add competitive bid awards as a regular agenda item
- Segregated accounting duties in payroll to achieve reliable payroll preparation and authorization
- Segregated accounting duties in regard to receipt of funding
- Developed and implemented a district wide overtime policy
- Enforced policy of employees not working past their contracted days without prior written approval
- Developed and implemented a district wide plan to secure district assets
- Monitored compliance with IRS regulations in regard to use of district provided vehicles
- Monitored compliance with district policy in regard to voiding of outstanding checks
- Monitored compliance with districts policy in regard to cell phone usage, use of gift cards and credit cards
- Published FBI "Corruption Reporting" email and phone number on the District website
- Established a policy for budget adjustments
- Monitored and implemented corrective actions for the 2008 through 2010 audit finding
- Demonstrated a "Tone at the Top" approach to financial accountability
- Monitored all expenses to remain within budget
- Accurately projected future revenue for budget purposes
- Supervised and monitored the procedure for proper federal and local employee coding
- Supervised and monitored proper accounts receivable procedures
- Monitored compliance of coding with the Arkansas Financial Accounting Manual
- Supervised and monitored the issuance of manual checks
- Supervised and monitored the proper use of desegregation funding
- Educated employees on fiscal policies and procedures
- Conducted audits through Legislative Audit
- Submitted Fiscal Distress Plan progress statements as a Board action agenda item
- Reduced 77 licensed and classified positions through RIF

2012-13

- Reduced salaries for 2012-13 through attrition
- Reduced teacher salary schedule from 192 to 190 days
- Implemented a new district-wide copier bid
- Revised employee insurance package
- Changed school bell schedule
- Reduced numerous personnel benefits paid above the state minimum
- Restructured debt through a bond refunding with a lower interest rate
- Established numerous new procedures that corrected past audit findings and strengthened fiscal integrity
- Implemented corrective actions pertaining to the FY11 audit findings
- Identified cost reduction possibilities if state desegregation funding is eliminated
- Reversed the declining balance and build the legal balance to 10% of Annual Expenditures
- Established a policy for budget adjustments

Pulaski County Special School District
LEA # 6003
Pulaski County

Comments:

The District was classified in Fiscal Distress on May 16, 2011. The District began their third full year of Fiscal Distress on July 1, 2013.

On June 20, 2011, the Arkansas Department of Education took control of the Pulaski County Special School District.

On June 20, 2011, Superintendent Charles Hopson and the School Board were released from their duties.

Mr. Bobby Lester Sr. served as Interim Superintendent from June 20-30, 2011.

On July 1, 2012, Dr. Jerry Guess was hired as Superintendent.

On October 10, 2011, the PCSSD hired a Certified Public Accountant to fill the vacant Chief Financial Officer position.

On February 13, 2012, the Arkansas State Board of Education added the following indicator to the Districts Fiscal Distress classification:

* A declining balance determined to jeopardize the fiscal integrity of the school district

The FY12 Unrestricted Legal Balance includes a non-reoccurring revenue receipt of 15.1 million dollars. Act 871 provides for a one-time adjustment to the local tax revenue received January through June. (previously known as 40% pullback).

On May 13, 2013, the State Board of Education approved the recommendation of the Department of Education to extend the fiscal distress classification, under authority of the state, for the 2013-14 school year and to authorize the Commissioner of Education to appoint a community advisory board pursuant to Act 600 of 2013.

On September 9, 2013 the State Board of Education approved the following individuals to serve on the Community Advisory Board for the Pulaski County Special School District:

Zone 1	Mr. Daniel Thaddeus Gray
Zone 2	Miss Tjuana Cynese Byrd
Zone 3	Mr. Ronald McDaniel
Zone 4	Mrs. Margie Anne Snider
Zone 5	Mrs. Lindsey Pierson Gustafson
Zone 6	Dr. Julian Nevon McMurray
Zone 7	Ms. Susie Porchia Marks

On March 28, 2014, the Arkansas State Board of Education approved the continuation of the Pulaski County Special School District Community Advisory Board and the Arkansas Department of Education's continued overview and governance of the Pulaski County Special School District.

The District is currently in the process of addressing the issues related to the desegregation funding.

The District's assessment will be adjusted due to recently identified tax errors.

In September 2014 voters in Jacksonville, AR approved the detachment of the Jacksonville, North Pulaski School District from PCSSD.

On November 13, 2014 the State Board of Education approved the order creating the Jacksonville-North Pulaski School District and appointment of a seven member board. PCSSD is currently in the process of addressing the financial and administrative issues related to the detachment of the newly created district.

In the Legislative Audit December meeting an extension was requested and granted for the FY14 audit. The extension was for 90 days with a completion date of March 31, 2015.

The Arkansas Department of Education continues to review the status of the Pulaski County Special School District's compliance with its Fiscal Distress Improvement Plan and its efforts to remove itself from fiscal distress. That review is ongoing. Because that ongoing review will extend past the date of this meeting, and because this meeting is the last meeting prior to April 1, we recommend that the Community Advisory Board remain in place at this time. However, should our review indicate that PCSSD is no longer in fiscal distress and has met all of the goals in its Fiscal Distress Improvement Plan, we will return to you with a recommendation that the district be removed from fiscal distress classification and from state authority.

Arkansas Department of Education
Pulaski County Special School District
Unrestricted Funds Report

FY15 as of January 31, 2015			
Beginning Balance 7/1/2014	Revenue	Expenditures	Ending Balance 1/31/2015
16,707,516	99,348,899	91,084,236	24,972,178
FY15 Budget			
Beginning Balance 7/1/2014	Revenue	Expenditures	Projected Balance 6/30/2015
16,707,516	178,104,296	177,285,796	17,526,016
FY14			
Beginning Balance 7/1/2013	Revenue	Expenditures	Ending Balance 6/30/2014
16,735,979	174,273,380	174,301,843	16,707,516
FY13			
Beginning Balance 7/1/2012	Revenue	Expenditures	Ending Balance 6/30/2013
13,211,766	170,221,316	166,697,103	16,735,979
FY12			
Beginning Balance 7/1/2011	Revenue	Expenditures	Ending Balance 6/30/2012
2,137,948	194,039,627	182,965,810	13,211,766

(Does not include Building, Categorical, Federal, Activity and Food Service Funds)

Arkansas Department of Education
Pulaski County Special School District

Unrestricted Funds:
1000|1001|1018|1034|1035|1068|1082|1084|1150|1218|1227|1240|1244|1246|1265|1290|1365|1373|1383|1387|1900|1903|2000|2001|2002|2003|2004|2005|2006|2007|2008|2009|2010|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2021|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2037|2038|2039|2040|2041|2042|2043|2044|2045|2046|2047|2048|2049|2050|2051|2052|2053|2054|2055|2056|2057|2058|2059|2060|2061|2062|2063|2064|2065|2066|2067|2068|2069|2070|2071|2072|2073|2082|2084|2150|2204|2213|2218|2219|2225|2227|2229|2232|2234|2240|2244|2246|2250|2255|2260|2265|2271|2290|2300|2330|2331|2340|2361|2362|2365|2373|2376|2383|2386|2387|2388|2392|2394|2396|2398|2399|2900|2901|2903|2931|2995|4000

Revenue:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 01/31/15	Variance in FY15 Budget and FY15 YTD
11110	PROPERTY TAXES-CURRENT	58,825,393	46,078,302	46,807,202	49,145,064	2,337,862	48,960,225	(184,839)
11115	TAX RELIEF SALES TAX	0	0	0	0	0	0	0
11120	PROPERTY TAX-40% BY 6/30	41,261,607	41,557,015	43,496,539	44,662,246	1,165,707	1,239,229	(43,423,017)
11140	PROPERTY TAX-DELINQUENT	5,767,740	4,863,918	5,455,292	5,455,293	1	4,546,206	(909,087)
11150	EXCESS COMMISSION	1,458,303	1,576,016	2,063,034	2,063,034	0	23,521	(2,039,513)
11160	LAND REDEMP-IN STATE SALE	800,345	672,262	877,171	877,171	0	393,503	(483,668)
11400	PENALTIES/INTEREST ON TAX	4,382	4,362	4,166	4,166	(0)	668	(3,498)
12800	REVENUE IN LIEU OF TAXES	25,520	14,545	31,715	31,715	(0)	177,232	145,517
13120	TUITION-SUMMER SCHOOL	20,840	30,270	29,510	29,510	0	1,570	(27,940)
13140	TUITION-DAY CARE	270,940	646,486	515,765	515,765	(0)	250,357	(265,408)
13190	TUITION-OTHER PROGRAMS	2,130	5,220	5,390	5,390	0	0	(5,390)
13195	TUITION-CYBER ACADEMY	0	0	0	0	0	0	0
14290	TRANS FEES OTHER PROGRAMS	0	0	0	0	0	0	0
15100	INTEREST ON INVESTMENTS	26,136	107,951	79,235	79,226	(9)	46,045	(33,181)
15900	OTHER EARNINGS INVESTMENT	758	88	0	0	0	0	0
16110	SCHOOL LUNCH PROGRAM	0	0	0	0	0	0	0
16120	SCHOOL BREAKFAST PROGRAM	0	0	0	0	0	0	0
16215	A LA CARTE INCOME	0	0	0	0	0	0	0
16220	ADULT	0	0	0	0	0	0	0
16300	SPECIAL FUNCTIONS	0	0	0	0	0	0	0
16400	PERFORMANCE BASED REIMB	0	0	0	0	0	0	0
16900	OTHER FOOD SVS REVENUE	0	0	0	0	0	0	0
16910	SALES INSIDE DISTRICT	105,000	0	22,277	22,277	0	6,261	(16,016)
17110	ATHLETICS	0	0	0	0	0	0	0
17120	OTHER SCH SPONSORED EVENT	0	0	0	0	0	0	0
17130	STDNT ORG-EVENTS & ACTIV	0	0	0	0	0	0	0
17200	SALES	0	0	0	0	0	0	0
17210	SCH SPNSRD-PICTURES,ETC	0	0	0	0	0	0	0
17220	STDNT SPON SALES - IE CANDY	0	0	0	0	0	0	0
17300	ORG MEMBERSHIP DUES/FEES	0	0	0	0	0	0	0
17310	STDNT ORG MEMBERSHIP DUES	0	0	0	0	0	0	0
17400	PUPIL FEES-LOCKERS/FINES	0	1,220	0	0	0	0	0
17500	REV FROM ENTERPRISE ACTVT	0	0	0	0	0	0	0
17510	ATHLETIC GUARANTEES	0	0	0	0	0	0	0
17590	OTHER CONTRACTED SERVICES	0	0	0	0	0	0	0
17900	OTHER STDNT ACTIVITY REV	74,744	58,228	86,765	86,765	0	22,587	(64,178)
18100	ATHLETIC	0	0	0	0	0	0	0
18900	OTHER COMMUNITY SVS ACT	0	0	0	0	0	0	0
19130	LEA BUILDGS & FACILITIES	58,662	31,361	44,047	44,047	0	38,516	(5,531)
19200	PRIVATE CONTRIBUTIONS	16,128	0	0	0	0	0	0
19300	SALES OF SUPPLIES & MATER	0	0	0	0	0	0	0
19400	TEXTBOOK SALES & RENTALS	57	0	0	0	0	0	0
19516	STAFF DEVELOPMENT	0	0	0	0	0	0	0
19600	SVS-OTHER GOVNMT UNITS	0	0	68,004	104,130	36,126	52,065	(52,065)
19800	REFUNDS OF PRIOR YR EXPEN	135,810	92,308	139,898	0	(139,898)	271,752	271,752
19900	MISC REV FR LOCAL SOURCES	336,552	203,859	206,202	124,600	(81,602)	103,456	(21,144)
19905	JAX HIGH PRINT SHOP SALES	0	0	0	0	0	0	0
19910	PACT\PASS PRESIDENT	0	0	0	0	0	0	0
19911	TEACHER PROF GROWTH-2082	0	0	0	0	0	0	0
19912	SUPP STAFF PROF GRWTH2084	0	0	0	0	0	0	0
19913	ADM PROF GROWTH-2082	0	0	0	0	0	0	0
19915	AEA PRES REIMB	0	0	0	0	0	0	0
21000	UNREST GRANTS-COUNTY	0	0	0	0	0	0	0
21100	CNTY GENERAL APPORTIONMNT	0	0	0	0	0	0	0
21200	SEVERANCE TAX	22,371	9,551	20,325	20,325	(0)	18,579	(1,746)
22000	RESTRICTED GRANTS	13,787	200	50,382	3,190	(47,192)	1,375	(1,815)
28000	REVENUE IN LIEU OF TAXES	0	0	0	0	0	0	0

Arkansas Department of Education
Pulaski County Special School District

Unrestricted Funds:
1000|1001|1018|1034|1035|1068|1082|1084|1150|1218|1227|1240|1244|1246|1265|1290|1365|1373|1383|1387|1900|1903|2000|2001|2002|2003|2004|2005|2006|2007|2008|2009|2010|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2021|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2037|2038|2039|2040|2041|2042|2043|2044|2045|2046|2047|2048|2049|2050|2051|2052|2053|2054|2055|2056|2057|2058|2059|2060|2061|2062|2063|2064|2065|2066|2067|2068|2069|2070|2071|2072|2073|2082|2084|2150|2204|2213|2218|2219|2225|2227|2229|2232|2234|2240|2244|2246|2250|2255|2260|2265|2271|2290|2300|2330|2331|2340|2361|2362|2365|2373|2376|2383|2386|2387|2388|2392|2394|2396|2398|2399|2900|2901|2903|2931|2995|4000

Revenue:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 01/31/15	Variance in FY15 Budget and FY15 YTD
31100	STATE EQUALIZATION AID	0	0	0	0	0	0	0
31101	FOUNDATION FUNDING	42,845,370	42,447,890	44,882,284	42,883,458	(1,998,826)	23,390,976	(19,492,482)
31102	ENHANCED EDUCATIONAL FUND	0	0	0	0	0	0	0
31103	98% TX COLLECT GUARANTEE	751,006	959,904	1,566,411	1,089,622	(476,789)	0	(1,089,622)
31460	DECLINING ENROLLMENT	1,129,114	1,356,539	0	533,907	533,907	533,907	0
31600	INCENTIVE FUNDING	0	0	0	0	0	0	0
31900	UNRESTRICTED GRANTS-OTHER	0	0	0	0	0	0	0
31910	INSURANCE/T RETIREMENT	0	0	0	0	0	0	0
32110	ADULT BASIC	0	0	0	0	0	0	0
32120	ADULT GENERAL EDUCATION	0	0	0	0	0	0	0
32130	WORKPLACE ADULT EDUCATION	0	0	0	0	0	0	0
32140	ADULT ED SPECIAL PROJECTS	0	0	0	0	0	0	0
32225	ARK EAST TECHNOLOGY GRANT	20,702	0	10,000	15,000	5,000	10,000	(5,000)
32227	COLLEGE PREP ENRICH PGM	0	0	0	0	0	0	0
32229	HIGH TECH TRAINING CENTER	0	0	0	0	0	0	0
32232	ALT LEARNING PROG GRANT	0	0	26,062	0	(26,062)	21,606	21,606
32250	PQE INDUCTION/MENTORING	78,356	114,300	126,400	126,400	0	105,900	(20,500)
32251	CWIP-CHILD WELLNESS INTER	0	0	0	0	0	0	0
32253	PATHWISE MENTOR TRAINING	1,444	0	4,244	112	(4,132)	0	(112)
32256	PROF DEV ACT 59	0	0	0	0	0	0	0
32260	FISH AND WILDLIFE FINES	0	0	1,867	0	(1,867)	0	0
32290	OTHER GRANTS& AID STATE	0	0	1,000	0	(1,000)	0	0
32310	HAND CHILD-SUPV/EXTEND YR	71,313	69,904	64,232	78,247	14,015	0	(78,247)
32314	SPECIAL ED ESY	10,360	6,660	6,808	12,303	5,495	10,064	(2,239)
32330	NON-HAND-RESID TREATMENT	1,166,121	1,171,445	1,293,170	1,293,170	0	338,460	(954,710)
32340	HAND-RESIDENT TREATMENT	1,065,652	1,029,970	1,028,467	1,029,970	1,503	273,840	(756,130)
32350	EARLY CHILDHOOD SPED	0	608,487	558,193	594,909	36,716	297,455	(297,455)
32355	CATASTROPHIC OCCUR. FDG.	504,058	468,540	373,905	373,905	0	0	(373,905)
32361	GIFTED/TALENT-ADVANCE PLA	15,900	16,300	17,700	17,700	0	29,523	11,823
32363	AAIMS ADV PLACE INCENTIVE	0	0	4,514	0	(4,514)	0	0
32370	ALTERNATIVE LEARNING ENV	0	0	0	0	0	0	0
32371	LIMITED ENGISH PROFICIENC	0	0	0	0	0	0	0
32381	NATL SCH LUNCH FUNDING	0	0	0	0	0	0	0
32412	PROJECT LEAD THE WAY	0	0	0	0	0	76,954	76,954
32415	SECONDARY WORKFORCE CTRS	0	0	0	0	0	0	0
32430	WORKFORCE ED-SPEC NEEDS	26,282	15,892	15,142	2,332	(12,810)	2,749	417
32470	TRADITONAL APPRENTICESHIP	112,686	11,492	12,199	66,000	53,801	5,474	(60,526)
32480	WORKFORCE NEW PROG START	40,553	43,544	65,228	373,744	308,516	0	(373,744)
32520	MATCHING (STATE)	0	0	0	0	0	0	0
32611	DL EQT GRANT	0	0	5,000	5,000	0	0	(5,000)
32612	ED COOP TECHNOLOGY CTR	0	18,092	57,916	0	(57,916)	0	0
32710	AR BETTER CHANCE(ABC)GRNT	3,207,600	3,286,048	3,345,964	3,402,000	56,036	2,357,686	(1,044,314)
32727	HIPPY-ABC	222,950	207,200	224,525	236,250	11,725	134,575	(101,675)
32755	SMART START LITERACY	7,490	0	0	0	0	0	0
32811	PULASKI CO MAGNET REVIEW	123,333	154,167	156,267	0	(156,267)	0	0
32812	M TO M REVENUE	11,638,588	11,006,954	10,424,425	0	(10,424,425)	0	0
32813	MAGNET & M TO M TRANSPORT	2,288,032	3,403,958	1,833,811	1,033,737	(800,074)	1,033,737	0
32814	TEACHER RET/INS	7,580,124	6,793,588	6,873,210	0	(6,873,210)	0	0
32901	TOBACCO EXCISE TAX GRANT	0	0	0	0	0	0	0
32903	DESEG LAWSUIT-ATTY FEES	0	0	250,000	0	(250,000)	0	0
32904	DESEG SETTLEMENT	0	0	0	20,804,500	20,804,500	14,134,804	(6,669,697)
32910	WORKER'S COMP INSURANCE	0	0	0	0	0	0	0
32912	GEN FACILITIES FUNDING	92,013	69,010	46,007	23,003	(23,004)	23,003	0
32915	DEBT SERVICE FUNDING SUPP	0	0	0	0	0	0	0
32917	DEPARTMENT OF HEALTH	0	0	0	0	0	0	0
32920	AR GAME & FISH GRANT	6,175	3,036	0	0	0	0	0
32924	FACILITIES PARTNERSHIP	0	0	0	0	0	0	0

Arkansas Department of Education
Pulaski County Special School District

Unrestricted Funds:
1000|1001|1018|1034|1035|1068|1082|1084|1150|1218|1227|1240|1244|1246|1265|1290|1365|1373|1383|1387|1900|1903|2000|2001|2002|2003|2004|2005|2006|2007|2008|2009|2010|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2021|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2037|2038|2039|2040|2041|2042|2043|2044|2045|2046|2047|2048|2049|2050|2051|2052|2053|2054|2055|2056|2057|2058|2059|2060|2061|2062|2063|2064|2065|2066|2067|2068|2069|2070|2071|2072|2073|2082|2084|2150|2204|2213|2218|2219|2225|2227|2229|2232|2234|2240|2244|2246|2250|2255|2260|2265|2271|2290|2300|2330|2331|2340|2361|2362|2365|2373|2376|2383|2386|2387|2388|2392|2394|2396|2398|2399|2900|2901|2903|2931|2995|4000

Revenue:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 01/31/15	Variance in FY15 Budget and FY15 YTD
32931	BROADBAND FACILITIES	0	0	0	229,740	229,740	229,740	0
32990	AFRICAN AMERICAN GRANT	0	0	0	0	0	0	0
41100	SCH AID-FED AFF AREA M/O	0	0	0	0	0	0	0
41200	WILDLIFE REFUGE	0	0	0	0	0	0	0
42100	FOREST RESERVE	160	0	0	0	0	0	0
42500	IMPACT AID	255,749	296,719	219,018	220,372	1,353	88,448	(131,924)
42900	OTHER UN/I FEDERAL-STATE	0	0	0	0	0	0	0
43118	DODEA GRANT	0	0	0	0	0	0	0
43160	ROTC	0	0	0	0	0	0	0
43181	21ST CENTURY GRANT	0	0	0	0	0	0	0
45110	ESEA CH1 COMP(R) 100-297	0	0	0	0	0	0	0
45113	ESEA CH1 STATE PGM IMPROV	0	0	0	0	0	0	0
45114	ESEA CH1 CPTL EXPENS-PRVT	0	0	0	0	0	0	0
45119	TITLE 1 ARRA CFDA #84.389	0	0	0	0	0	0	0
45121	TITLE 1 SUMMER CHALLENGE	0	0	0	0	0	0	0
45124	ESEA STAB-ARA CFDA #84.394	0	0	0	0	0	0	0
45129	EDUC JOBS FUND-ARRA	0	0	0	0	0	0	0
45140	SBMHAA HOMELESS ASSIS ACT	0	0	0	0	0	0	0
45173	DHS-CHLD CARE QUA APPRVD	0	0	0	0	0	0	0
45310	BASIC GRANT-FORMULA GRANT	0	0	0	0	0	0	0
45318	SUPP GRANTS IMP TITLE III	0	0	0	0	0	0	0
45410	DIRECT & EQUIT-SECT 322A	0	0	0	0	0	0	0
45510	FREE/REDUCED PRICE REIMB	0	0	0	0	0	0	0
45520	FREE/REDUCED BREAKFAST	0	0	0	0	0	0	0
45541	SNACK REIMBURSEMENT-DHS	0	0	0	0	0	0	0
45561	REGULAR COMMODITES DHS	0	0	0	0	0	0	0
45613	IDEA TITLE VIB PASS THRU	0	0	0	0	0	0	0
45621	IDEA ARRA CFDA#84.391	0	0	0	0	0	0	0
45630	IDEA EARLY CHILDHOOD 619	0	0	0	0	0	0	0
45679	ECH MEDICAID	0	0	0	0	0	0	0
45802	MODERNIZATION ARRA	0	0	0	0	0	0	0
45803	RENOVATION ARRA	0	0	0	0	0	0	0
45805	ED OF HOMELESS-ARRA	0	0	0	0	0	0	0
45810	SIG ARRA 1003G	0	0	0	0	0	0	0
45910	MEDICARE 6750 FY14 45650	0	0	0	0	0	0	0
45913	ARMAC-MED ADMIN CLAIMING	0	0	0	0	0	0	0
45917	MEDICAID-VISION/HEARING	0	0	0	0	0	0	0
45918	MEDICAID-AUDIOLOGY	0	0	0	0	0	0	0
45925	IMPROVING TEACHER QUALITY	0	0	0	0	0	0	0
45935	ENG LG ACQ TITLE III	0	0	0	0	0	0	0
45992	DEPT OF HERITAGE ARTS	0	0	0	0	0	0	0
51100	BONDED INDEBTEDNESS	0	0	0	0	0	0	0
51999	AUDIT ADJ PRIOR YR ERRORS	(1,138,577)	85,175	0	0	0	512	512
52201	TRANSFER FROM 2001	0	0	30,538	0	(30,538)	0	0
52300	TRANSFER-BUILDING FUND	9,856,316	0	0	0	0	0	0
52600	TRANSFER-FEDERAL GRANTS	0	0	0	0	0	0	0
52900	INDIRECT EXPENSE REIMBURS	377,660	253,408	423,901	385,000	(38,901)	0	(385,000)
53100	SALE OF EQUIPMENT	57,100	44,060	94,292	0	(94,292)	71,288	71,288
53200	SALE OF BLD/TRADE HOUSE	0	0	98,148	0	(98,148)	0	0
53400	COMPEN-LOSS FIXED ASSETS	47,252	312,079	129,614	0	(129,614)	25,051	25,051
56400	EXTRAORDINARY ITEMS	2,351,537	13,795	0	0	0	0	0
	Total Revenue	**194,039,627**	**170,221,316**	**174,273,380**	**178,104,296**	**3,830,916**	**99,348,899**	**(78,755,397)**

Arkansas Department of Education
Pulaski County Special School District

Unrestricted Funds:
1000|1001|1018|1034|1035|1068|1082|1084|1150|1218|1227|1240|1244|1246|1265|1290|1365|1373|1383|1387|1900|1903|2000|2001|2002|2003|2004|2005|2006|2007|2008|2009|2010|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2021|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2037|2038|2039|2040|2041|2042|2043|2044|2045|2046|2047|2048|2049|2050|2051|2052|2053|2054|2055|2056|2057|2058|2059|2060|2061|2062|2063|2064|2065|2066|2067|2068|2069|2070|2071|2072|2073|2082|2084|2150|2204|2213|2218|2219|2225|2227|2229|2232|2234|2240|2244|2246|2250|2255|2260|2265|2271|2290|2300|2330|2331|2340|2361|2362|2365|2373|2376|2383|2386|2387|2388|2392|2394|2396|2398|2399|2900|2901|2903|2931|2995|4000

Expenditures:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 01/31/15	Variance in FY15 Budget and FY15 YTD
61110	REG EMPLOYEES-CERTIFIED	63,288,953	58,142,751	59,086,538	57,045,811	(2,040,726)	27,027,359	30,018,453
61111	BUS DUTY MONITORS	347,680	9,158	6,459	5,000	(1,459)	4,468	532
61115	CERTIFIED ADMINISTRATORS	9,180,791	8,979,976	8,562,286	8,282,407	(279,878)	4,579,527	3,702,880
61117	STAFF DEV-CERT TEACHERS	961,907	497,075	179,101	0	(179,101)	0	0
61118	STAFF DEV-CERT ADMINIST	5,269	9,879	2,887	0	(2,887)	0	0
61119	DEPARTMENTAL CHAIRPERSON	55,218	50,332	52,496	52,588	92	24,729	27,859
61120	REG EMPLOYEES-CLASSIFIED	16,108,664	14,423,733	14,077,267	13,812,559	(264,708)	7,332,108	6,480,451
61121	STAFF DEV-CLASSIFIED	280,275	167,896	77,000	0	(77,000)	0	0
61122	CLASSIFIED CUSTODIANS	1,826,136	1,859,060	2,047,925	2,055,487	7,562	1,050,440	1,005,047
61123	CLASSF CAFETERIA MONITORS	500,169	265,572	337,019	336,930	(89)	149,322	187,608
61124	BUS MONITORS CLASSIFIED	50,006	38,514	30,744	23,781	(6,963)	15,958	7,823
61125	CLASSIFIED ADMINISTRATIVE	956,899	1,031,105	1,190,111	1,176,226	(13,885)	683,922	492,304
61126	CLASSIFIED PROFESSIONAL	5,423,762	7,035,223	9,243,685	8,971,064	(272,620)	4,536,758	4,434,307
61160	NON-CERT CAFE MANAGERS	0	0	0	0	0	0	0
61210	TEMP-CERTIFIED	140	44,516	21,316	35,600	14,284	7,348	28,252
61211	PART-TIME CERTIFIED	63,798	13,018	20,774	5,396	(15,378)	15,086	(9,691)
61220	TEMP-CLASSIFIED	1,386,744	762,346	740,356	831,965	91,609	391,829	440,136
61320	OVERTIME-CLASSIFIED	61,648	50,309	173,317	173,318	1	208,320	(35,002)
61321	OVERTIME-MAINTENANCE	12,668	19,567	1,415	1,415	0	0	1,415
61322	OVERTIME-CUSTODIANS	435	749	1,216	1,216	(0)	0	1,216
61340	DO NOT USE	0	0	0	0	0	0	0
61510	STIPEND-CERTIFIED	333,696	264,461	2,138,348	744,129	(1,394,219)	1,372,514	(628,385)
61511	ATTENDANCE INCENTIVE-CERT	44,203	0	0	0	0	0	0
61512	ATTEND INC-CERT ADMINIST	8,900	0	0	0	0	0	0
61520	STIPEND-CLASSIFIED	20,760	15,933	1,283,408	52,835	(1,230,573)	558,494	(505,659)
61521	ATTENDENCE INCENTIVE CLAS	51,520	400	0	0	0	0	0
61522	BUS DRIVER EXTRA DUTY PAY	963,862	1,021,833	690,172	591,930	(98,242)	310,576	281,354
61610	WORKSHOPS CERTIFIED	0	10,546	600	1,600	1,000	710	890
61620	WORKSHOPS CLASSIFIED	0	0	0	619	619	1,382	(763)
61710	SUBSTITUTES-CERTIFIED	1,730,898	1,622,441	354,164	472,869	118,705	206,681	266,188
61720	SUBSTITUTES-CLASSIFIED	506,387	462,582	266,420	282,700	16,280	134,095	148,605
61810	UNUSED SICK-CERT TEACHERS	456,431	86,124	66,320	75,000	8,681	450	74,550
61811	UNUSED SICK-CERT ADMIN	33,450	18,713	8,288	0	(8,288)	0	0
61820	UNUSED SICK-CLASS REGULAR	33,431	171,335	107,344	107,050	(294)	17,496	89,555
61830	CERT UNUSED VAC LEAVE	0	0	47,757	76,157	28,400	36,535	39,622
61840	CLASS-UNUSED VAC LEAVE	0	0	37,122	37,500	378	13,483	24,017
61910	SEVERANCE-CERT TEACHERS	989,942	30,583	0	0	0	0	0
61911	SEVERANCE-CERT ADMINIST	0	0	0	0	0	0	0
61920	SEVERANCE-CLASSIFIED	140,869	0	0	0	0	0	0
61942	VACATION PAY-CLASSIFIED	0	0	0	0	0	0	0
61960	UNUSED VACATION CRT	10,839	9,999	0	0	0	0	0
61961	UNUSED VACATION CLASSIFD	99,868	50,851	0	0	0	0	0
62110	GROUP INSUR-CERTIFIED	1,325,406	0	0	0	0	0	0
62112	DELTA DENTAL-24 CERT	0	0	82,162	350,147	267,985	135,326	214,821
62113	DELTA VISION-24 CERT	0	0	10,824	45,930	35,105	17,771	28,158
62114	LINCOLN LTD-24 CERT	0	0	45,073	167,689	122,617	64,716	102,974
62115	LINCOLN STD-24 CERT	0	0	25,600	110,857	85,257	42,791	68,067
62116	LINCOLN BASIC LADD-24 CER	0	0	5,293	22,351	17,059	8,692	13,659
62117	HOSPITAL INDEMNITY	0	0	15,515	66,110	50,595	25,565	40,545
62120	GROUP INSUR-CLASSIFIED	850,164	9,103	0	0	0	0	0
62122	DELTA DENTAL-24 CLASS	0	0	37,760	253,177	215,416	105,112	148,065
62123	DELTA VISION-24 CLASS	0	0	4,957	33,115	28,158	13,783	19,331
62124	LINCOLN LTD-24 CLASS	0	0	17,112	62,846	45,735	27,097	35,749
62125	LINCOLN STD-24 CLASS	0	0	7,198	41,694	34,496	17,913	23,781
62126	LINCOLN BASIC LADD 24 CLA	0	0	2,398	15,646	13,248	6,576	9,070
62127	HOSPITAL INDEMNITY	0	0	7,035	46,926	39,891	19,763	27,163
62210	SOCIAL SECURITY-CERTIFIED	4,548,031	4,056,354	4,144,832	3,965,456	(179,376)	1,973,882	1,991,574
62220	SOCIAL SECURITY-CLASS	1,819,041	1,740,628	1,816,032	1,681,833	(134,199)	931,715	750,118
62260	MEDICARE-CERTIFIED	1,064,490	950,555	971,433	989,549	18,116	463,222	526,327
62270	MEDICARE-CLASSIFIED	425,974	407,707	425,508	393,822	(31,686)	218,393	175,429
62310	TEACH RET CONT-CERTIFIED	10,589,609	9,486,246	9,795,890	9,394,029	(401,861)	4,634,598	4,759,431
62320	TEACH RET CONT-CLASSIFIED	4,124,159	4,045,818	4,229,406	3,744,573	(484,833)	2,156,098	1,588,475
62410	TUITION REIMBURSE-CERT	326	0	0	0	0	0	0

Arkansas Department of Education
Pulaski County Special School District

Unrestricted Funds:
1000|1001|1018|1034|1035|1068|1082|1084|1150|1218|1227|1240|1244|1246|1265|1290|1365|1373|1383|1387|1900|1903|2000|2001|2002|2003|2004|2005|2006|2007|2008|2009|2010|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2021|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2037|2038|2039|2040|2041|2042|2043|2044|2045|2046|2047|2048|2049|2050|2051|2052|2053|2054|2055|2056|2057|2058|2059|2060|2061|2062|2063|2064|2065|2066|2067|2068|2069|2070|2071|2072|2073|2082|2084|2150|2204|2213|2218|2219|2225|2227|2229|2232|2234|2240|2244|2246|2250|2255|2260|2265|2271|2290|2300|2330|2331|2340|2361|2362|2365|2373|2376|2383|2386|2387|2388|2392|2394|2396|2398|2399|2900|2901|2903|2931|2995|4000

Expenditures:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 01/31/15	Variance in FY15 Budget and FY15 YTD
62510	UNEMPLOYMENT COMP-CERT	268,205	226,566	62,794	80,000	17,207	2,537	77,463
62520	UNEMPLOYMENT COMP-CLASS	35,464	226,566	62,794	80,000	17,207	2,537	77,463
62610	WORKER'S COMP-CERTIFIED	432,128	133,148	130,011	153,381	23,370	64,950	88,431
62620	WORKER'S COMP-CLASSIFIED	57,258	254,791	276,759	265,164	(11,594)	130,968	134,196
62710	HLTH INS-CERT	2,420,126	3,129,190	3,108,884	3,125,974	17,090	1,178,960	1,947,014
62711	DELTA DEN/EBD PREMIUM ASSISTNCE CF	58,381	0	0	0	0	7,974	(7,974)
62712	DELTA DENTAL-24 CERT	144,802	333,035	272,104	0	(272,104)	0	0
62713	DELTA VISION-24,CERT	19,391	44,131	35,588	0	(35,588)	0	0
62714	LINCOLN LTD-24, CERT	49,668	110,831	118,294	0	(118,294)	0	0
62715	LINCOLN STD-24, CERT	49,255	111,418	86,533	0	(86,533)	0	0
62716	LINCOLN BASIC LADD-24 CER	9,533	21,747	17,574	0	(17,574)	0	0
62717	HOSPITAL INDEMNITY	0	0	13,775	0	(13,775)	0	0
62720	HLTH INS-CLASS	1,463,499	1,954,987	1,995,526	1,925,824	(69,702)	838,119	1,087,705
62721	DELTA DEN/EBD PREMIUM ASSISTNCE CL	59,305	7,618	3,676	0	(3,676)	3,965	(3,965)
62722	DELTA DENTAL-24 CLASS	94,669	241,293	216,864	0	(216,864)	0	0
62723	DELTA VISION-24 CLASS	12,644	31,845	28,152	0	(28,152)	0	0
62724	LINCOLN LTD-24, CLASS	15,824	39,645	46,905	0	(46,905)	0	0
62725	LINCOLN STD-24, CLASS	15,675	39,615	34,549	0	(34,549)	0	0
62726	LINCOLN BASIC LADD 24 CLA	6,100	15,397	13,506	0	(13,506)	0	0
62727	HOSPITAL INDEMNITY	0	0	11,431	256	(11,175)	0	256
62820	PUBLIC RETIRE CONTR-CLASS	28,217	18,707	16,145	13,666	(2,479)	7,901	5,765
62910	CLASSIFIED-DIST CONTRIB	0	0	0	0	0	0	0
62911	CERTIFIED-LIFE INSURANCE	16,095	0	0	0	0	0	0
62912	CLASSIFIED-LIFE INSURANCE	0	0	0	0	0	0	0
62920	CLASSIFIED-DIST CONTRIB	0	0	0	0	0	0	0
62921	CLASSIFIED-LIFE INSURANCE	11,426	76	0	0	0	0	0
Salaries & Benefits Totals		**135,951,082**	**124,803,595**	**129,047,743**	**122,283,168**	**(6,764,575)**	**61,780,514**	**60,502,654**
63110	STAFF SERVICE	16,470	16,470	16,470	20,500	4,030	0	20,500
63111	SUBSTITUTE STAFF SERVICE	16,868	16,419	0	0	0	0	0
63120	MANAGEMENT SERVICE CONSUL	2,000	0	0	0	0	0	0
63210	PROF ED-INSTRUCT SER	157,256	80,236	46,885	169,325	122,440	35,921	133,404
63220	PUR SERV-CERT SUB	0	0	2,284,686	2,248,555	(36,131)	1,150,579	1,097,976
63230	CONSULTING-EDUCATIONAL	2,400	7,700	6,300	70,571	64,271	12,985	57,586
63240	STUDENT ASSESSMENT	0	0	3,000	0	(3,000)	0	0
63310	PROF EMP TR&DEV - CERT	27,037	34,458	36,907	61,957	25,050	22,465	39,491
63320	PROF EMP TR&DEV - CLASS	39,502	24,548	24,063	71,776	47,712	11,926	59,849
63410	PUPIL SERVICES	0	24,500	201,029	3,337,133	3,136,105	3,283,401	53,733
63420	ENGINEERING	450	0	0	403	403	0	403
63430	ACCOUNTING	15,566	15,500	7,500	100,000	92,500	4,425	95,575
63431	AUDIT SERVICES	2,500	0	0	0	0	0	0
63441	LEGAL-LITIGATION:DEFENSE	39,787	55,849	509,400	409,383	(100,017)	299,012	110,371
63445	LEGAL-RESEARCH & OPINIONS	602,295	332,472	38,224	114,617	76,393	27,938	86,680
63450	MEDICAL	0	0	1,080	1,995	915	250	1,745
63460	INFORMATION TECHNOLOGY	88,640	58,412	0	0	0	0	0
63470	ARCHITECTURAL	0	0	225	1,843	1,618	0	1,843
63490	OTHER PROFESSIONAL SERVIC	121,267	92,115	101,610	147,404	45,794	127,390	20,014
63530	SFTWR SUPP	23,722	2,170	121,345	201,016	79,671	155,747	45,269
63590	OTHER TECHNICAL SERVICES	104,727	60,715	159,881	48,194	(111,688)	24,652	23,542
63900	OTHER PURC PROF/TECH SVS	579,637	570,110	796,526	1,067,640	271,114	446,967	620,673
64110	WATER/SEWER	360,869	432,453	480,750	503,088	22,338	202,362	300,726
64210	DISPOSAL/SANATATION	300,015	297,329	297,850	308,400	10,550	101,354	207,046
64230	CUSTODIAL	0	5,144	198,789	405,936	207,147	182,993	222,942
64240	LAWN CARE	386,701	333,470	591,074	549,386	(41,689)	319,417	229,969
64310	NON-TECH REPAIRS & MAINT	3,116,360	1,865,948	1,329,417	1,456,603	127,186	937,897	518,706
64312	HELMET REPAIR	0	6,092	76,457	28,374	(48,084)	(4,437)	32,810
64320	TECH REPAIRS & MAINT.	130,885	85,797	67,081	83,543	16,462	41,227	42,316
64410	RENT OF LAND/BUILDINGS	159,730	127,500	75,097	70,630	(4,467)	37,648	32,982
64420	RENTAL OF EQUIPMENT	570,941	699,750	878,280	826,699	(51,581)	500,116	326,582
64430	RENTAL/LEASE OF COMPUTERS	0	0	0	0	0	0	0
64500	CONSTRUCTION SERVICES	39,363	117,807	450,559	138,092	(312,467)	138,092	0
64900	OTHER PURC PROPERTY SVS	75,989	58,898	42,979	43,939	960	22,397	21,542
65000	OTHER PURCHASED SERVICES	0	0	0	0	0	0	0

Arkansas Department of Education
Pulaski County Special School District

Unrestricted Funds:
1000|1001|1018|1034|1035|1068|1082|1084|1150|1218|1227|1240|1244|1246|1265|1290|1365|1373|1383|1387|1900|1903|2000|2001|2002|2003|2004|2005|2006|2007|2008|2009|2010|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2021|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2037|2038|2039|2040|2041|2042|2043|2044|2045|2046|2047|2048|2049|2050|2051|2052|2053|2054|2055|2056|2057|2058|2059|2060|2061|2062|2063|2064|2065|2066|2067|2068|2069|2070|2071|2072|2073|2082|2084|2150|2204|2213|2218|2219|2225|2227|2229|2232|2234|2240|2244|2246|2250|2255|2260|2265|2271|2290|2300|2330|2331|2340|2361|2362|2365|2373|2376|2383|2386|2387|2388|2392|2394|2396|2398|2399|2900|2901|2903|2931|2995|4000

Expenditures:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 01/31/15	Variance in FY15 Budget and FY15 YTD
65190	FROM OTHER SOURCES	2,000	1,500	3,028	10,600	7,572	200	10,400
65210	PROPERTY INSURANCE	1,321,265	1,328,939	1,738,492	1,670,327	(68,165)	1,669,344	983
65240	FLEET INSURANCE	234,942	234,946	265,116	300,430	35,314	300,430	0
65250	ATHLETIC INSURANCE	87,024	79,427	86,556	75,903	(10,653)	75,903	0
65290	OTHER INSURANCE	33,434	105,208	48,619	46,375	(2,244)	31,421	14,954
65300	COMMUNICATIONS	0	0	0	0	0	0	0
65310	TELEPHONE EXPENSE	391,636	334,267	215,373	224,128	8,754	173,796	50,332
65320	POSTAGE EXPENSE	66,381	49,148	52,725	61,400	8,675	40,000	21,400
65330	NETWORKING/INTERNET SERV	4,212	203,995	52,965	75,221	22,257	75,786	(565)
65331	DIS ITECHNOLOGY	0	120,889	251,701	258,199	6,498	145,376	112,824
65400	ADVERTISING	89,117	95,905	114,274	139,425	25,152	47,767	91,658
65500	PRINTING & BINDING	47,627	44,533	38,945	76,191	37,246	31,467	44,724
65610	TUITION	4,011,230	3,032,007	2,920,059	3,000,000	79,941	677,349	2,322,651
65640	INTERM AGNCY-IN STATE	2,434,959	2,293,387	2,553,634	2,448,984	(104,650)	733,511	1,715,473
65650	INTERM AGNCY-OUT OF STATE	9,480	0	9,438	178,287	168,849	5,400	172,887
65690	OTHER TUITION	0	0	0	0	0	0	0
65810	CERT-IN DISTRICT	45,456	34,658	48,003	59,913	11,910	23,149	36,764
65820	CLASS-IN DISTRICT	12,072	15,001	29,174	39,152	9,978	14,005	25,146
65830	CERT-OUT OF DISTRICT	20,213	18,105	14,933	33,863	18,930	4,410	29,453
65840	CLASS-OUT OF DISTRICT	6,495	7,721	3,529	199,519	195,990	6,572	192,947
65850	CERT-OUT OF STATE	14,435	14,703	17,062	12,209	(4,854)	3,257	8,952
65860	CLASS-OUT OF STATE	1,424	4,497	5,865	10,145	4,280	0	10,145
65870	TRAVEL-NON EMPLOYEE LOCAL	5,208	24,823	2,500	23,224	20,724	908	22,316
65871	FIELD TRIPS	11,716	1,845	1,795	20,264	18,469	602	19,662
65872	ATHLETIC TRAVEL	0	0	0	0	0	0	0
65880	MEALS	0	310	69	0	(69)	0	0
65890	LODGING	0	2,051	1,265	1,000	(265)	311	689
65900	MISC PURC SVS	13,988	152,037	8,450	14,725	6,276	6,397	8,328
65910	SVS PURCHASED LOCALLY	129,900	62,450	130,363	124,900	(5,463)	3,000	121,900
66100	GENERAL SUPPLIES	1,899,998	2,459,103	2,402,438	4,889,075	2,486,637	1,256,123	3,632,952
66101	CUSTODIAL SUPPLIES	240,696	281,214	335,601	290,564	(45,037)	133,598	156,966
66105	NORM REFERENCED TESTING	1,994	3,090	2,366	2,870	504	330	2,540
66107	LOW VALUE EQUIP SUPPLIES	1,415	78,909	89,171	48,330	(40,841)	5,968	42,362
66108	FURNITURE	0	0	105,148	40,546	(64,602)	23,491	17,056
66110	MANDATED CLASSROOM SUPPLY	308,811	300,623	331,720	400,689	68,969	155,599	245,089
66111	MEDIA SUPPLIES	1,036	941	276	3,876	3,600	135	3,741
66112	MINI GRANT	5,563	182	0	0	0	0	0
66115	COPY PAPER	0	0	0	0	0	0	0
66210	NATURAL GAS	410,865	400,068	471,210	496,569	25,359	128,329	368,240
66220	ELECTRICITY	1,913,562	1,926,369	2,047,084	2,082,603	35,519	1,249,685	832,918
66240	OIL	27,285	28,114	32,115	35,000	2,885	11,168	23,832
66260	GASOLINE/DIESEL	2,026,531	2,108,800	2,155,393	2,269,304	113,911	793,220	1,476,084
66300	FOOD	0	18,154	32,383	12,000	(20,383)	9,295	2,705
66400	BOOKS & PERIODICALS	0	0	0	5,500	5,500	0	5,500
66410	TEXTBOOKS	1,052,924	1,005,339	713,713	462,212	(251,501)	125,267	336,945
66411	ETESTBOOKS	0	0	1,215	21,305	20,090	19,974	1,331
66420	LIBRARY BOOKS	125,236	116,735	125,807	139,981	14,174	45,282	94,699
66430	PERIODICALS	8,564	6,438	9,132	13,032	3,900	5,059	7,973
66440	AUDIOVISUAL MATERIALS	24,404	23,501	22,175	25,713	3,538	10,348	15,366
66500	TECHNOLOGY SUPPLIES	0	0	12,071	9,000	(3,071)	0	9,000
66510	SOFTWARE	37,461	13,221	27,818	43,001	15,182	18,498	24,502
66512	TABLET COMPUTERS	0	0	2,172	21,178	19,006	11,281	9,897
66520	OTHER	0	6,757	0	0	0	0	0
66527	LOW VALUE EQUIP TEC SUPPL	254,105	334,818	628,116	1,232,072	603,956	359,086	872,987
66600	BUILDING MATERIALS	0	143	0	500	500	0	500
66700	WAREHOUSE INVENT ADJUST	0	184,485	12,053	0	(12,053)	(17,576)	17,576
66900	OTHER SUPPLIES & MATERIAL	0	250	1,105	431	(674)	0	431
66910	TIRES AND TUBES	122,721	154,641	118,759	128,505	9,747	41,526	86,979
67100	LAND & IMPROVEMENTS	0	0	0	0	0	0	0
67200	BUILDING	0	0	64,342	0	(64,342)	0	0
67300	EQUIPMENT	0	0	0	0	0	0	0
67310	GENERAL EQUIPMENT\MACH	4,872	7,518	13,175	12,670	(505)	0	12,670
67320	VEHICLES	173,695	2,083,060	2,003,426	2,227,842	224,416	2,192,934	34,908

Arkansas Department of Education
Pulaski County Special School District

Unrestricted Funds:
1000|1001|1018|1034|1035|1068|1082|1084|1150|1218|1227|1240|1244|1246|1265|1290|1365|1373|1383|1387|1900|1903|2000|2001|2002|2003|2004|2005|2006|2007|2008|2009|2010|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2021|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2037|2038|2039|2040|2041|2042|2043|2044|2045|2046|2047|2048|2049|2050|2051|2052|2053|2054|2055|2056|2057|2058|2059|2060|2061|2062|2063|2064|2065|2066|2067|2068|2069|2070|2071|2072|2073|2082|2084|2150|2204|2213|2218|2219|2225|2227|2229|2232|2234|2240|2244|2246|2250|2255|2260|2265|2271|2290|2300|2330|2331|2340|2361|2362|2365|2373|2376|2383|2386|2387|2388|2392|2394|2396|2398|2399|2900|2901|2903|2931|2995|4000

Expenditures:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 01/31/15	Variance in FY15 Budget and FY15 YTD
67330	FURNITURE & FIXTURES	18,339	3,631	36,769	3,145	(33,624)	3,182	(37)
67340	TECH RELATED HARDWARE	129,004	1,025,963	685,462	518,120	(167,343)	113,784	404,336
67350	TECHNOLOGY SOFTWARE	15,054	14,155	15,529	180,511	164,983	139,260	41,251
67390	OTHER EQUIPMENT	208,014	577,444	729,064	642,640	(86,423)	194,806	447,834
68100	DUES AND FEES	112,611	80,771	83,849	104,158	20,308	65,403	38,754
68200	JUDGMENTS AGAINST LEA	149,418	875,000	0	0	0	0	0
68300	INTEREST-REGULAR ACTIVITY	6,230,034	5,718,410	5,796,290	5,661,599	(134,691)	5,660,300	1,298
68400	INDIRECT COST	0	0	0	0	0	0	0
68600	PENALTY AND INTEREST	20,552	13,665	346	0	(346)	3,924	(3,924)
68700	OUT OF COURT SETTLEMENTS	250	0	0	0	0	0	0
68800	TAXES	0	0	0	0	0	0	0
68820	IMPROVEMENT TAX	0	0	1,359	20,512	19,153	0	20,512
68830	PROPERTY TAX	0	41,064	19,825	20,000	175	0	20,000
68900	MISCELLANEOUS EXPENDITURE	806	12,170	8,973	77,689	68,716	80,339	(2,650)
68910	STUDENT INCENTIVES	0	0	3,350	15,102	11,752	2,575	12,527
68999	ALLOCATED CHARGES	(42,985)	(1,433)	(20,222)	(87,775)	(67,553)	0	(87,775)
69100	REDEMPTION OF PRINCIPAL	3,369,034	3,639,204	4,039,432	4,237,327	197,895	4,190,390	46,937
69330	TRANSFER TO BUILDING FUND	11,584,222	4,306,174	3,384,223	6,397,713	3,013,490	0	6,397,713
69360	TO FEDERAL GRANTS FUND	0	0	0	0	0	0	0
69370	TRANSFER TO STUDENT ACT	0	0	0	0	0	0	0
69380	TRANSFER TO FOOD SERVICE	603,448	360,602	1,059,513	593,021	(466,493)	0	593,021
69400	PROG RETURN-PRIOR YEAR	0	0	97,063	113,113	16,050	0	113,113
69401	FUNDING RETURN	0	0	0		0	118,053	(118,053)
69410	AR VIRTUAL ACAD CHARTER	0	0	95,895	0	(95,895)	0	0
Other Expenditure Totals		**47,014,728**	**41,893,508**	**45,254,099**	**55,002,627**	**9,748,528**	**29,303,722**	**25,698,905**
Overall Expenditure Totals		**182,965,810**	**166,697,103**	**174,301,843**	**177,285,796**	**2,983,953**	**91,084,236**	**86,201,560**

RECEIVED
AUG 19 2014
ACCOUNTABILITY

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012
Updated April, 2014

School District: Pulaski County Special School District **Superintendent: Dr. Jerry Guess** **Phone Number: (501) 234-2001**

PART A. NARRATIVE OVERVIEW OF DISTRICT

Narrative Contained in Original Fiscal Distress Improvement Plan, May 26, 2011:
The Pulaski County Special School District (PCSSD) was established in 1927 by an act of the Arkansas Legislature joining 38 independent school districts into a "special school district": Now the second largest in the state after the Little Rock School District, the PCSSD is among the 500 largest in the United States. The district contains nearly 750 square miles. PCSSD enrolls students from Little Rock, North Little Rock, Sherwood, Jacksonville, Scott, McAlmont, Maumelle, Woodson, Sweet Home, College Station and Wrightsville.

In Partnership with ADE, in 2009-10, the District completed a financial data system conversion to the Arkansas Public School Network System (APSCN) where the District's entire financial database is hosted by the State. APSCN provides a system of transparency and accountability for local, state and federal funds. During the 2010-11 school year, the district transitioned to a student information system, eSchoolPLUS, as part of a statewide deployment by ADE. This student information system will manage all student data by providing accurate, real-time, and accessible student data.

More than 1,450 certified staff and 1,650 support staff are employed by the District. PCSSD is currently operating under a court ordered desegregation plan.

The Pulaski County Special School District is comprised of one Pre-K center, 24 elementary schools, two stand-alone alternative learning environments, six middle schools and six high schools. All secondary schools are North Central accredited. PCSSD schools are fully accredited by the state of Arkansas. Nothing in this plan will violate the Standards of Accreditation.

During the current school year, the District participated in discussions with the North Central Accrediting Association and is making the commitment to become fully accredited district wide. PCSSD embarked on the development of a comprehensive district-wide strategic plan along with an ambitious facilities renovation and rebuilding plan, Vision 2020, both of which are planned to be implemented in the 2011-12 school year.

Narrative Added with February 23, 2012, Revised Plan:
On May 16, 2011, the Arkansas State Board of Education classified PCSSD as a school district in fiscal distress on the basis of material state or federal audit exceptions or violations. On January 19, 2012, the Arkansas Department of Education identified PCSSD as being a school district in fiscal distress on the basis of a declining balance determined to jeopardize the fiscal integrity of the school district and recommended that the State Board of Education classify PCSSD as being in Fiscal Distress based on this additional indicator. On February 13, 2012, the State Board of Education accepted the recommendation of the Department of Education and classified PCSSD as being in Fiscal Distress on the basis of a declining balance determined to jeopardize the fiscal integrity of the school district. Therefore, the district has added additional objectives to its Fiscal Distress Financial Improvement Plan. The additional objectives begin with number thirty-six (36).

Jerry Guess Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

Narrative Added with April 2012 Revised Plan:
Objectives 36-39 submitted February 23, 2012, dealt in general terms with district plans to address the declining balance the State Board of Education determined as an additional indicator of fiscal distress. Those four objectives have been replaced with a new objective 36 that provides several specific strategies for solving the declining balance problem. Objective 37 relates to the probability of the district losing state desegregation revenue. Objective 38 explains a recent bond refunding that will generate interest savings to be used for academic facilities improvements. Objective 39 provides the strategies for correcting audit findings contained in the financial audit for the fiscal year ended June 30, 2011.

Introduction and Summary

1. The District has unsuccessfully negotiated with the bargaining groups for certified staff and non-certified staff. A stalemate has been reached in these negotiations.

2. A healthy budget conforming to State law requirements cannot be attained unless the stalemate with the unions is broken. Some force or authority must emerge to break the stalemate or otherwise remove this impediment toward the District's ability to comply with State law in fiscal matters. Objective 36 contains specific strategies for reducing cost for the purpose of reversing the district's declining balance. If the cost reduction requires a change to the union agreement we elected to operate under during the 2011-12 school year, the amount of net savings is followed by "PNA" (Professional Negotiations Agreement). If the stalemate with the union cannot be broken, the PNAs should not be followed in 2012-13, should be formally voided and be replaced with board approved personnel policies. Those policies will allow the administration to manage the district and direct personnel with the understanding that decisions will be made reasonably, without discrimination, and consistent with the law.

3. The District has otherwise identified unilateral cuts and expenditure reductions it can make without agreement of the unions to help restore fund balances and begin the process of returning to a sound financial footing.

4. The District must identify ways to generate revenue for facilities funding if it is to ever attain unitary status and extricate itself from federal court supervision.

5. The District continues to believe that a comprehensive settlement of the 1989 Desegregation Agreement is the most effective and efficient means to exit from fiscal distress and welcomes the resumption of meaningful settlement negotiations.

Jerry Brewer Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

Background

Fiscal Distress Status. On May 16, 2011, the District was classified by the State Board of Education as a District in fiscal distress. The reasons cited for the classification were:

- Material state or federal audit exceptions or violations.

The District completed a Fiscal Distress Improvement Plan and submitted it to the Department on May 26, 2011. That plan includes corrective actions for the material state and federal audit exceptions and violations and is currently being implemented. Additional actions may be needed following the completion of the 2010-2011 financial audit being conducted by the Arkansas Division of Legislative Audit. The audit was incomplete as of the date of this submission.

A January 19, 2012, letter from Kathleen Crain, Interim Assistant Commissioner, Fiscal and Administrative Services, Arkansas Department of Education, provided notice that an additional indicator of fiscal distress had been identified:

- A declining balance determined to jeopardize the fiscal integrity of a school district.

(Ark. Code Ann. §6-20-1904(a)(1)(A))

This additional indicator was based upon a joint review of the District's finances by the Department and the District, and the administration of the District agreed with this determination. A balance decline of $5,500,000.00 was identified for the 2010-2011 school year.

In communications with its membership, the union leadership seeks to blame this fund balance decline on the current administration. However, this balance decline was identified for the 2010-2011 school year. Dr. Guess took over the reins of the District on July 1, 2011 or the beginning of the 2011-2012 school year. The other administrators and consultants identified by the union leadership were not hired until later in the 2011-2012 school year.

Jerry Guess Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

Steps Taken to Date

Act 871 provided some time for the District to carefully consider cost-cutting measures that will be necessary in 2012-2013 to balance the budget. That act provides for a one-time adjustment to the 40% pull-back in local tax revenue. This results in a one-time advancement of revenue to the District of $15.1 million. This is not recurring revenue. Unfortunately, the union leadership has taken the position in communications with its membership that the $15.1 million will cure the District's fiscal woes and restore healthy fund balances. Disappointingly, the union leadership fails to inform its members that this is non-recurring revenue and, therefore, its loss has a dramatic impact upon the budget for 2012-2013 and beyond.

The District believes there is a need to make significant changes. Approximately 80% of the district's budget relates to personnel cost, and no significant cost savings can occur without an effect on personnel. Beginning this year, all vacant positions are carefully evaluated before being filled. This has resulted in the reduction of 28.6 positions since the end of the 2010-2011 school year. At the same time, all areas of the organization are being reviewed to implement a Reduction in Force for 2012-2013. It is necessary to revise parts of the negotiated agreements with the Pulaski Association of Classroom Teachers (PACT) and the Pulaski Association of Support Staff (PASS) to reduce personnel costs.

Any modifications to the 1989 Desegregation Settlement Agreement also have the potential to significantly impact the financial future of the District. The State filed a motion on March 26, 2012 to immediately end funding flowing from the Settlement Agreement. The response of all three Pulaski Districts is due April 30, 2012.

The District currently receives approximately $20,000,000.00 each year that the state classifies as desegregation related revenue. About half of these funds are in support of the Majority to Minority (M-to-M) Transfer Program and are in lieu of foundation funding. If the M-to-M program ends, the District would lose the differential between the $10,000,000.00 of M-to-M funding it currently receives but would gain $6,000,000.00 of foundation funding it currently does not receive for a net loss of $4,000,000.00. The District also received about $2,300,000.00 million for transportation related to M-to-M and Magnet School transportation. If those programs end, the transportation cost savings should be equal to the revenue loss. However, there is another $7,300,000.00 of court awarded state revenue awarded because of the District's higher cost for employee health insurance and retirement. These funds allow the District to pay significantly more toward employee health insurance premiums than is required by law. If this funding ends, a significant reduction in the District's contribution toward health insurance may be necessary.

Jerry Guess Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

Due to the discovery of declining balances and the need to plan for the eventual loss of state desegregation funding, the District is including the following additional objectives in its Fiscal Distress Improvement Plan to help build an adequate fund balance and operate within its means:

- Held discussions with representatives of PACT to lower personnel costs required by the Professional Negotiations Agreement between the District and PACT.
- Held discussions with representatives of PASS to lower personnel costs required by the Professional Negotiations Agreement between the District and PASS.
- Lower operating costs for the 2011-2012 school year.
- Lower operating costs for the 2012-2013 school year.

The District has made numerous other changes this year that range from bidding new contracts for copiers to purposely not replacing employees who left if their services could be absorbed in reasonable ways. We have trimmed budgets in communications, learning services, technology, fringe benefits and maintenance. We will change bell schedules for 2012-13, change middle school schedules from eight periods to seven, examine very carefully secondary schedules for increased efficiencies, and more efficiently staff programs and services. We are working to identify by subject area or job classification specific positions to reduce. We understand that reduction means loss of jobs, but we are optimistic that because typically an average of 125 employees retire or resign, many reductions will take place through attrition.

The Status of Negotiations with PACT and PASS

The administration and the union leaders never attempted to resolve the question of whether the existing union contracts were void or voidable. There were two reasons this was not necessary. First, the ADE decided early on the District would observe the language and economics of the union agreements for the 2011-12 school year; second, ADE was willing for the District to negotiate new contracts with PACT and PASS. However, the *sine qua non* for the new contracts would be that they would (1) substantially reform the language in the old agreements that hamstrung the superintendent's ability to manage the district; and (2) achieve the economic reforms necessary to balance the budget for 2012-13. The administration tried both outside and within negotiations to convince the unions this was a "win/win" situation. On the one hand, the administration would gain the freedom to manage the district, as well as the economic relief necessary to balance the budget. On the other hand, once fiscal distress was ended, the unions would still be in place as the exclusive bargaining representatives of the employees with certified and classified contracts, and its dues check-off and other union security language intact. The administration has not succeeded in convincing the unions this is a "win/win" situation for the District and the unions.

Jerry Guess Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

The essence of the parties' starting positions in negotiations was: (1) The District proposed deleting all restrictive language from the agreements to be replaced by general management discretion. That discretion would be restricted by providing that the administration could not act unreasonably, in a discriminatory manner, or contrary to law. An employee believing an administration action was unreasonable, discriminatory, or illegal, would have access to the grievance procedure to challenge the administration action. (2) On economics, the District proposed $7,000,000.00 in savings and the unions *status quo* or zero savings. The unions never agreed to bargain on the language changes, thought it did "discuss" some changes. The unions did move some on economics in the meetings. However, the parties have now clearly reached a stalemate. The union leadership refuses to move, and the District cannot move further. In short, in several meetings over a month the district reduced its proposal for annual savings by almost $3,000,000.00, while the union agreed to cut perhaps $700,000.00 out of a needed $4,200,000.00. At that point the mediator suggested adjournment, and the parties agreed, but not before the union representative stated in the strongest possible terms that the unions would not discuss, much less agree to, any changes in the PACT/PASS agreements. The mediators asked the District if it would agree to meet again. The District agreed, with the qualification that the mediators satisfy themselves that the union was, in fact, willing to move substantially toward the District on economics. The mediators called, said they were so satisfied, and the District agreed to meet. The parties met. The union leadership made no move.

The district needs to identify reductions in expenses equal to $11,000,000.00 for next year. In addition, we need to make changes to the daily operation of the district that will require that both PNAs be replaced by new contracts, or voided and replaced by personnel policies and state law. We identified savings of about $7,000,000.00 and worked to identify contract concessions of about $7,000,000.00 that could be considered. Property tax collections during calendar year 2011 have come in about $2,000,000.00 more than budgeted. We expect spring tax collections to also exceed budget, but we cannot be certain of that. We have reduced our needed savings to about $4,200,000.00 for the 2012-13 school year. During talks with PACT/PASS, we have taken some items out of current consideration. Among those are the bonus for National Board Certification, longevity pay and reducing bus driver aides by one-half. We have insisted that savings are needed, are based on defensible calculations, must be identified and must be realized.

The District has asked for meaningful suggestions from PACT/PASS. Union leadership has offered to propose no raises in salary or fringe benefits for next year. They propose to freeze professional growth increments for next year only, which would amount to $1,400,000.00. The administration noted throughout the process that it was using the 2011-12 expenditure budget as its baseline and was adding and subtracting from that number to project 2012-13 expenditures. This $1,400,000.00 was not shown as an added cost in the administration's projections. Therefore, forgoing that cost does not decrease the projected costs nor increase the projected ending legal balance. That is not a true savings from this year's expenses, but is an anticipated expense in next year's budget based on expected movement as professional growth classes would affect each employee's placement on the salary schedule. The union leadership has further proposed reducing all 12-month contracts (244 days) to 190days. It is not reasonable to assume that the district could operate successfully with reductions of 54 days in those contracts. Twelve-month contracts have been reduced here by 17 days to address past fiscal distress. There are 17 "cut days" listed in the calendar as a result of cost saving efforts in the past that have affected those contracts. The union officials have further "identified" savings of $1,000,000.00 in district office, administration and operations changes. Those are savings that we have also identified and are planning to make.

Jerry Mear Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

The Bottom Line

The District needs to reduce expenditures to State minimum standards to survive financially. The union leadership will not agree. This road block to realizing and constructing a budget for 2012-2013 that is acceptable to the State and conforms to state law must be removed.

Facilities

The District currently lacks the revenue to support all of the facilities projects that need to be completed. However, the District has managed to infuse its building fund with $8,000,000 million, which is available for immediate-needs projects to ultimately make its most needy facilities safe, warm, and dry. That work will start immediately.

The District also recently successfully completed a refunding of bonds from 2004. This refunding will generate savings of approximately $2.5 million over the 23-year remaining life of the bonds with most of the savings occurring over the next five years. Stated another way, this will "free up" approximately $500,000 a year in interest savings that can also be dedicated to facilities projects during the next five years.

It is important that the readers of this Plan understand an additional factor that retards the District's ability to finish its facilities task. The partnership share is determined in part by a school district's local wealth per student. That in turn is a function of the District's enrollment divided into its local tax base. Because the PCSSD has steadily lost enrollment over the past decade, its local wealth per student has been rising to artificially high levels. In other words, on paper, the District appears to be somewhat wealthy when in fact it is a district in double fiscal distress.

Jerry Smith Superintendent's Signature 3/31/14 Date

The artificial increase in the local wealth per student is a function of enrollment decline. The enrollment decline is exacerbated by the proliferation of charter schools and the election of PCSSD students to attend those schools. For instance, from 2009 through the first semester of 2012, 311 students withdrew from PCSSD schools to attend Lighthouse Academy in Jacksonville. At least 66 students have withdrawn from Maumelle area schools to attend Academics Plus Charter School, during the same period of time. No doubt greater numbers transferred in earlier years. Also, at least 70 students have withdrawn from Sherwood area schools to attend LISA Academy schools the last three years.

The enrollment decline began long before charter schools proliferated and was fueled among other reasons by patrons' desires to avoid integrated schools, other desegregation requirements, elections to attend private schools, to home school or simply not relocate or locate in the Pulaski County Special School District.

All of this results or contributes to a substantial reduction in the State's contribution to facilities construction and remodeling in PCSSD and also results in reductions in State aid to PCSSD.

Whatever the State can do to help the PCSSD reverse its enrollment decline will directly and positively impact the PCSSD's ability to attain unitary status in the critical area of facilities.

If the State has suggestions for accelerating the District's ability to become unitary in the area of facilities (understanding that the ADE is currently assisting the PCSSD's efforts toward attaining this status), then those suggestions are welcome whether they take the form of loans (of which the State is now in a position to guarantee repayment in the future), guaranties, or other devices, such as the State building facilities and leasing them back to the PCSSD at attractive rates.

The Potential for a Comprehensive Settlement

With the State's pending motion to terminate funding, the PCSSD is optimistic that this development might reopen stalled settlement discussions. In the meantime, because it is a district in double fiscal distress, the PCSSD has no fiscal choice but to oppose the current motion which seeks an immediate, rather than phased, end to these three categories of State revenue.

Jerry Guess Superintendent's Signature 3/31/14 Date

The PCSSD has always been willing to settle these issues. The PCSSD remains willing to settle these issues, but settlement necessarily must include a reasonable phase-out of the current funding in a way that allows the PCSSD or a newly reconstituted PCSSD to attain financial stability and long-term fiscal health.

All parties, including the State, must acknowledge and work toward not only a reasonable phase-out of the revenue but reasonable and sensible adjustments to the expense side of the equation. This necessarily impacts the Majority to Minority transfer program expenses as well as the stipulation Magnet school expenses. Stated another way, it is only half a loaf to propose a reasonable phase-out of revenues; corresponding reductions on the expenditure side have to occur to make any phase-out proposal meaningful. The PCSSD simply totally lacks the resources to continue to fund the M to M program or the Magnet program without the current sums received from the State.

It will take the concerted effort of all stakeholders to accomplish such a task, but the PCSSD is ready to be a leader in that regard. Perhaps the effort should be approached in segments, such as concentrating first on the M to M program adjustments or elimination, rather than seeking to tackle all of the revenue and expenditure parameters simultaneously.

Particularly problematic is the issue of sums received from the State for teacher retirement and health insurance. These revenues were not part of the original 1989 settlement agreement. Rather, they were awarded by the court presiding in the desegregation case as a judgment against the State for violating the 1989 settlement agreement. While the State claims changed circumstances to terminate all State funding, the fact is that it has not pled or described any changed circumstances justifying the elimination of teacher retirement or health insurance funding. It is a substantial sum of money to the PCSSD, and the District respectfully submits to the State authority that if litigation is inevitable and settlement an impossibility, this aspect of the current State funding may prove the most difficult and problematic for the State to escape.

Again, despite this, the PCSSD is ready, willing, and able to discuss a reasonable settlement agreement, one that provides a reasonable phase-out of revenues at least corresponding to a phase-out of corresponding expenditures.

Jerry Guess Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

Status Update: March 6, 2013

Material State and Federal Audit Findings
As of March 6, 2013, the audit report is still under review by the Arkansas Division of Legislative Audit. The report is expected to be published by March 31, 2013.

Declining Balance
Following the May 16, 2011, State Board of Education Meeting in which the district was classified as being in Fiscal Distress for "material state or federal audit exceptions or violations", the district reported a declining legal balance for the fiscal year ending June 30, 2011. According to the Annual Financial Report the district submitted to the Arkansas Department of Education, the district's legal balance decreased from $9,516,856 to $4,087,687 during the 2010-2011 school year. In addition, the district failed to accurately record an expenditure of $689,855 for workers compensation insurance. With that expenditure added, the district's legal balance decreased by $6,119,024. Therefore at its February 2012 meeting, the State Board of Education added the indicator "a declining balance determined to jeopardize the fiscal integrity of a school district" to the fiscal distress status of the school district.

The district's 2012-2013 budget provides for an increase of approximately $500,000 to its Legal Fund Balance. It also includes approximately $2M budgeted for the replacement of school buses. The district had not had a systematic bus replacement plan. With a fleet of 330 buses it is necessary to purchase 25-30 per year in order to maintain an average bus age of 12 years. As of March 6, 2013, the administration believes it is on track to achieve the budgeted ending Legal Balance of $14.7M. This does include the one-time increase of $15.1M to fund balance that occurred during the 2011-2012 school year due to Act 871 of 2011. (See "Steps Taken to Date" on page 4 above.) If property tax collections between March and June of 2013 match the amount budgeted, the district's declining balance trend should be corrected. However, the district will still be short of its stated objective of having a Legal Balance equal to 10% of annual expenditures. Also, as explained below under "Union Contracts" and under "Desegregation Settlement" there is some pending litigation with some major financial ramifications. The outcome of that litigation is not likely to be known until after the completion of the 2013-2014 budget.

Facilities
The district maintains approximately 3.6M square feet of facilities spread over 730 square miles. The facilities vary in age and condition and the district has been unable to devote sufficient resources to bring many of these facilities up to an acceptable state of condition. Prior to the 2009-2010 school year, the district had made several year-end transfers from its Operating Fund to its Building Fund for the purpose of making facility improvements. After recently spending approximately $7.4M of the Building Fund on a wide-range of projects that addressed "warm, safe and dry" issues, the Building Fund now has a balance of $9.5M. Of this amount, $3.7 million was derived from the legally required transfer of bond refund savings and the remainder was from a 2008-2009 transfer from the district's Operating Fund.

The administration has identified $4.1M of additional high priority "warm, safe and dry" issues and plans to begin those projects soon. The administration is also considering the refunding of two more bond issues (refinance at lower interest rate) that are expected to provide the Building Fund with another $9M over the next three years. Once these funds are expended, there will be no recurring revenue stream for Building Fund projects without a complete restructuring and extending of all debt and/or a debt service millage increase. Because of the district's negligible Facilities Wealth Index, the district qualifies for very little State Partnership Funding for facility additions and improvements. (See previous discussion of Facilities above.)

Jerry Milner Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

Union Contracts

PACT and PASS have filed a notice of appeal from the dismissal of their claims against the State. The record in the case has not yet been lodged with the appellate court, but when it is the court will establish a briefing schedule for the appeal. If the district is required to reinstitute the union contracts retro-actively to the 2012-2013 school year, the district would be obligated to pay approximately $4M more in personnel cost for that year. It would also be required to budget an additional $5.7M for 2013-2014 and an additional $6.7M for 2014-2015.

Desegregation Settlement

The District has proposed a hearing schedule for August and September, 2013. The district court is being asked to separately take up the district's unitary status in special education, one race classes, secondary gifted and talented and staff and personnel. An order addressing the proposed hearing schedule is expected in the near future.

The district submitted a comprehensive status report on February 1, 2013 addressing progress within and tasks remaining to be accomplished in the nine areas remaining for compliance with Plan 2000, its desegregation plan.

The district earlier submitted a response to the state motion to terminate desegregation funding by opposing it, but suggesting that if the court felt the need to modify the 1989 consent decree that it seriously consider redirecting funds toward facilities issues and the creation of a separate Jacksonville school district.

Assuming the approximately $20M of funding for majority to minority transfer students, magnet and majority to minority transportation and health and retirement employer costs were to be eliminated, the net loss to the district would be approximately $14M per year. This assumes a gain of approximately $6M if majority to minority transfer students received remain in PCSSD and start generating state foundation funding.

Jerry Guess Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

Status Update: September 30, 2013

Material State and Federal Audit Findings

The audit for the year ended June 30, 2012, was published following the district's status update dated March 6, 2013. A material weakness relating to the segregation of financial accounting duties was noted in that audit. There were also five Management Letter findings listed. Corrective action has been taken with all of these findings. Completely addressing the segregation of duties may take additional time and additional personnel. Also, more time may be needed to ensure that all fixed assets are properly tagged and serial numbers included in the capital asset listing. The Division of Legislative Audit began auditing the year ended June 30, 2013, September 19, 2013.

Declining Balance

The district ended the 2012-2013 school year with a Legal Fund Balance equal to 10.4% of annual expenditures. The budget for the 2013-2014 school year shows an ending Legal Balance equal to 10.1% of budgeted annual expenditures. The district has met objective number 36: "Reverse the declining balance identified by ADE to jeopardize the fiscal integrity of the school district and build a legal balance equal to 10% of annual expenditures." Some of the specific strategies intended to address that objective had a three-year implementation plan and therefore are still on-going. The outcome of pending litigation, discussed below, could have a material effect on the district's future balances.

Union Contracts

In September 2013 the Arkansas Supreme Court upheld a lower court ruling that the Commissioner of Education had the statutory authority to terminate the union contracts.

Desegregation Settlement

The state's motion to end desegregation payments will be heard in federal court December 9, 2013. The district's share is approximately $20.8M per year. Assuming the district retains its M-to-M students and its Little Rock Magnet School students, the net loss of funding would be about $14M. If these funds are withdrawn, the district would have to eliminate all costs paid with state desegregation revenue. This might have to occur over more than one year and therefore a negative impact on the district's fund balance would be likely.

Jerry Butler Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

Status Update – April 1, 2014

As of the September 30, 2013, update to the district's Fiscal Distress Improvement Plan, all objectives except for objectives 17 and 37 had been met. Objective 17 is "Supervision and monitoring of security for District Properties". The strategy stated in order to meet this objective is to develop and implement a district wide plan to secure district assets. A written plan has been written and is in the process of being implemented. This will be an ongoing effort but the administration believes Objective 17 has been substantially met.

Objective 37 is to "Identify cost reduction possibilities in the event state desegregation funding is eliminated." On January 13, 2014, Federal Judge Price Marshall approved a settlement agreement between the Pulaski County School Districts, the Joshua interveners and the State of Arkansas regarding the 1989 Desegregation Settlement Agreement. This agreement will require the State of Arkansas to continue payments, comparable to the amount the school districts are now receiving, for the next four school years. The fourth year payment is restricted for the construction of academic facilities. Therefore it will be necessary for PCSSD to develop and implement a plan for operating without approximately $20.8M beginning with the 2017-2018 school year. It will be necessary to eliminate programs that are now being funded with desegregation revenue, or find another source of funding for those programs. State Foundation Funding is calculated in order to provide districts with sufficient funds to meet state standards and legal requirements. State categorical funding is provided in order to fund Alternative Learning Environments, English Language Learner Programs, Teacher Professional Development, and programs designed to meet the needs of students from low-income families. If a program being funded with Desegregation Revenue is determined to be essential for student achievement, it may be necessary for it to replace a program or programs currently being funded with state categorical funding. Therefore in order to fully meet Objective 37, it will be necessary to evaluate all programs not required to meet state accreditation standards and use state categorical money to fund the programs showing the greatest impact on student achievement. It will not be possible to continue funding all of the programs that have been made possible due to the state desegregation revenue. The primary cost of all programs is personnel. Therefore it will also be necessary to reduce staff due to the reduction of programs. At this time, substantial work remains in order to meet Objective 37.

On March 20, 2014, the State Board of Education ordered an election for the purpose of creating a new Jacksonville/North Pulaski School District. The new school district would detach area containing ten schools now in PCSSD. The election will likely occur September 2014 and the new district could start operations as early as July 2015. The area being detached from PCSSD contains approximately 25% of the PCSSD students and approximately 14% of the property assessments. If this detachment is approved by voters, State Board of Education, and the Federal Court, a significant number of issues affecting the fiscal stability of PCSSD, and the newly created school district, will have to be considered and carefully addressed.

Jerry Guess Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES-Status Update as of March 6, 2013

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Met Yes	No
Objective 1	Monitor corrective actions of material state or federal audit exceptions or violations	Superintendent, Board, and All Administrators	Monitor implementation of adequate corrective actions for 2007-08, 2008-09 and 2009-10 identified audit findings and deficiencies as listed in Hudson Cisne's audits	Monitor	Monthly School Board Meetings Audit Exit Conference for FY12 on 2/14/13-- No Material Findings	N/A	N/A	Yes	
Objective 2	Promote commitment to financial prudence and consistency with policies and procedures	Superintendent, Board and All Administrators	Demonstrate a "tone at the top "promoting commitment to financial prudence through the adoption and implementation of sound policies and procedures	Policy adoption or revisions	On-going	N/A	N/A	Yes	

Jerry Green Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Yes	Met No
Objective 3	Supervision and Monitoring of district budget	Superintendent, Board and All Administrators	Monitor all expenses to remain within budget	Monitor	On-going	N/A	N/A	Yes	
Objective 4	Supervision and Monitoring of local, state, and federal revenue	Superintendent, Board and All Administrators	Monitor local, state, and federal funding sources to project increases, decreases, or cuts in revenue that affect the annual budget and make the recommended budget revisions	Monitor	On-going	N/A	N/A	Yes	
Objective 5	Strengthen Internal Controls	Superintendent, Board and All Administrators	Monitor implementation and proper management of fiscal oversight responsibility and safeguards to prevent, and timely detect, misappropriation of funds, potential waste and abuse of District assets	Monitor	On-going	N/A	N/A	Yes	

Jerry Gomez Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Met Yes	No
Objective 6	Supervision and Monitoring of all local, in-state and out-of-state travel	Superintendent, Board and All Administrators	Monitor compliance with policy revisions specific to Board and employee travel and adherence to procedures for completing required documentation	Board Policy Adopted Policy DKC Business Procedure 7:01, 7:02 & 7:03	On-going	N/A	N/A	Yes	
Objective 7	Supervision and Monitoring of Purchasing policies and procedures	Chief Financial Officer, Director of Purchasing and Coordinator of Purchasing	Revised Business Procedure 03:02 8/01/2012	Board Policy Adopted Board Policy DJ	On-going	N/A	N/A	Yes	
Objective 8	Timely reconciliation of monthly bank statements	Chief financial Officer, Director of Accounting and Auditing and Coordinator of Accounting and Auditing	Reconcile School Activity Bank Accounts Each Month in Business Office rather than school. Maintain zero unexplained variance.	Monitor	April 30, 2013 Operating Fund bank accounts have been reconciled to zero variance. Goal is to have all 36 Activity Fund and all 36 Food Service Fund accounts up to date with zero variances by April 30, 2013.	N/A	N/A	Yes	

Jerry Moser Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Met Yes	No
Objective 9	Segregate Fixed Asset duties	Chief Financial Officer, Director of Purchasing and Coordinator of Purchasing	Purchasing duties will be segregated within the Business division with respect to fixed assets	Monitor	On-going	N/A	N/A	Yes	
Objective 10	Supervision and Monitoring of Competitive Bid Awards	Chief Financial Officer, Director of Purchasing and Coordinator of Purchasing	Monitor compliance with Board procedures to add competitive bid awards(s) as a regular agenda item	Monitor and adjust board policy Board Policy DJE	Monthly School Board Meetings as needed	N/A	N/A	Yes	
Objective 11	Segregate Payroll duties	Chief Financial Officer, Director of Accounting and Auditing and Coordinator of Accounting and Auditing	Accounting duties in payroll will be segregated within the department to achieve reliable payroll preparation and authorization	Monitor	On-going	N/A	N/A	Yes	

Jerry Morse Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Met Yes	Objective Met No
Objective 12	Segregate Accounting duties	Chief Financial Officer, Director of Accounting and Auditing and Coordinator of Accounting and Auditing	Accounting duties will be segregated within the department to provide accountability and assurance in regard to receipt of funding	Monitor	On-going	N/A	N/A	Yes	
Objection 13	Supervision and monitoring of employee overtime	Chief Executive Officer(CEO) and Director of Human Resources	Amend and implement a district wide over-time procedure	Monitor	Procedure 12:04 Amended February 2013 Policy will be proposed to Classified PPC March 2013	N/A	N/A	Yes	
Objective 14	Supervision and monitoring of employee contracts	Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	Employee(s) will not work past their contracted days without prior written authorization from the CEO, Human Resources and CFO of Business Affairs	Monitor	On-going	N/A	N/A	Yes	

Jerry Green Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Yes	Met No
Objective 15	Supervision and monitoring of coding on local funded employees	Chief Executive Officer, Director of Human Resources	Monitor implementation of Human Resources procedures to approve and document the funding source(s) from which employees are paid from	Monitor	On-going	N/A	N/A	Yes	
Objective 16	Supervision and Monitoring of coding on Federally funded employees	Chief Executive Officer, Director of Human Resources	Monitor implementation of Human Resources procedures to approve and document the funding source(s) from which employees are paid from	Monitor	On-going	N/A	N/A	Yes	
Objective 17	Supervision and monitoring of security for District properties	Chief Operations Officer and Director of Security	Development and implementation of a district wide plan to secure district assets	Monitor	March 31, 2013	N/A	N/A	Yes	

Jerry Brown Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Met Yes	Objective Met No
Objective 18	Supervision and Monitoring of Accounts Receivable	Chief Financial Officer, Director of Accounting and Auditing, Coordinator of Accounting and Auditing, and Budget Managers	Monitor compliance of coding with Business Division procedures regarding payments due to the District	Monitor	On-going	N/A	N/A	Yes	
Objective 19	Supervision and Monitoring of Compliance with the Arkansas Financial Accounting Manual	Chief Financial Officer, Director of Accounting and Auditing, Coordinator of Accounting and Auditing and Budget Managers	Monitor compliance of coding with the Arkansas Financial Accounting Manual	Monitor	On-going	N/A	N/A	Yes	
Objective 20	Supervision and Monitoring of timely voiding of stale outstanding checks	Chief Financial Officer, Director of Accounting and Auditing, coordinator of Accounting and Auditing	Monitor compliance with District in regard to voiding of outstanding checks	Monitor	On-going Procedure 05:03 8/1/2012	N/A	N/A	Yes	
Objective 21	Supervision and Monitoring of District provided vehicles	Chief Operations Officer, Chief Financial Officer, and Director of Accounting and Auditing	Monitor compliance with IRS regulations in regard to use of District provided vehicles	Monitor	On-going	N/A	N/A	Yes	

Jerry Fowler Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Met Yes	Objective Met No
Objective 22	Supervision and Monitoring of Gift Card issuance	Chief Financial Officer, Budget Managers and Director of Accounting and Auditing	Comply with the District's Purchasing Policies and Procedures	Monitor	On-going	N/A	N/A	Yes	
Objective 23	Supervision and Monitoring of Warehouse Inventory	Chief Operations Officer, chief Financial Officer and Director of Accounting and Auditing	Combine Purchasing and Warehouse Operations with Director and staff located at warehouse	Monitor	On-going	N/A	N/A	Yes	
Objective 24	Supervision and Monitoring of the issuance of manual checks	Chief Financial Officer, Director of Accounting and Auditing, Budget Managers, Coordinator of Accounting and Auditing	Monitor compliance with APSCN procedures in regard to the issuance of manual checks	Monitor	On-going	N/A	N/A	Yes	
Objective 25	Supervision and Monitoring of District provided cell phones	Chief Financial Officer, Coordinator of Purchasing and Director of Purchasing	Monitor compliance with District procedure in regard to cell phone usage	Monitor	March 31, 2013 Procedure 07:06	N/A	N/A	Yes	
Objective 26	Supervision and Monitoring of timely payment of accounts payables	All Administrators	Provide vendors with specific information needed for timely payment of invoices. Investigate reasons for late payments and take corrective action.	Monitor	On-going	N/A	N/A	Yes	

Jerry Guess Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Met Yes	Objective Met No
Objective 27	Supervision and Monitoring of desegregation funding	CFO and Assistant Superintendent for Equity and Pupil Services	Monitor expenditures related to desegregation funding	Monitor	On-going	N/A	N/A	Yes	
Objective 28	Educate employees on fiscal policies and procedures	Superintendent, Board, and All Administrators	Educate employees on fiscal policies and procedures	Monitor	On-going	N/A	N/A	Yes	
Objective 29	Supervision and Monitoring of District issued credit cards	Chief Financial Officer. Budget Managers. Director of Purchasing and Coordinator of Purchasing	Monitor the use of District provided credit cards and compliance with District credit card policy	Monitor	On-going	N/A	N/A	Yes	
Objective 30	~~Quarterly~~ Audits	Legislative Audit	~~Quarterly~~ Audits by Legislative Audit	Monitor	~~Quarterly~~ TBD by Legislative Audit FY11 & FY12 Financial Audits Completed	N/A	N/A	Yes	
Objective 31	Supervision and Monitoring of reports charging Fraud and Abuse pertaining to district resources	Superintendent and Division Leaders	Publish FBI "Corruption Reporting" email and phone number on District web site	Monitor	March 1, 2013	N/A	N/A	Yes	

Jerry Guthrie Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Yes	Met No
Objective 32	Supervision and Monitoringof Fiscal Distress Improvement Plan	Superintendent and Division Leaders	Submit Fiscal Distress Plan progress statements as an action agenda item under the section of miscellaneous reports on the Board Agenda	Monitor	March 12, 2013	N/A	N/A	Yes	
Objective 33	Supervision and Monitoring of Budget Adjustments	Superintendent and Division Leaders	Establish a policy for budget adjustments	Policy adoption or revisions Board Policy DB	March 12, 2013	N/A	N/A	Yes	
Objective 34	Supervision and Monitoring of Board Policies	Superintendent and Division Leaders	Superintendent's Cabinet to review ASBA model policies and recommend changes to PCSSD Board Policies	Monitor	On-going	N/A	N/A	Yes	
Objective 35	Supervision and Monitoring of the finance, payroll and technology departments	Superintendent and Division Leaders	Research information on restructuring financial, payroll and technology	Monitor	On-going	N/A	N/A	Yes	
~~Objective 36~~	~~Reduction of Personnel Costs required by PACT PNA~~	~~Superintendent, Division Leaders and Board~~	~~Exhibit 1~~	~~Approve Revised Contract~~	~~Begins 2-22-12~~	~~Various~~	~~Exhibit 1~~		~~No~~
~~Objective 37~~	~~Reduction of Personnel Costs required by PASS PNA~~	~~Superintendent, Division Leaders and Board~~	~~Exhibit 2~~	~~Approved Revised Contract~~	~~Begins 2-22-12~~	~~Various~~	~~Exhibit 2~~		~~No~~

Jerry Mess Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Yes	Met No
~~Objective 38~~	~~Lowering Operating Costs for 2011-2012~~	~~Superintendent, Division Leaders~~	~~Exhibit 3~~	~~Monitor~~	~~On-going~~	~~N/A~~	~~Exhibit 3~~		~~No~~
~~Objective 39~~	~~Lower Operating Costs for 2011-2013~~	~~Superintendent Division Leaders~~	~~Exhibit 4~~	~~Approve Budget~~	~~On-going~~	~~N/A~~	~~Exhibit 4~~		~~No~~
Objective 36	Reverse the declining balance identified by ADE to jeopardize the fiscal integrity of the school district and build a legal balance equal to 10% of annual expenditures	Superintendent, Division Leaders	Various-See Below Strategies		June 30, 2014	Operating		Yes	
			Implement new district-wide copier bid	Approve Contract	June 2012	Operating	$141,228	Strategy Accomplished	
		Superintendent, Division Leaders	Revise Employee Insurance Package	Approve Insurance Package	April 2012	Operating	$1,500,000	Strategy Accomplished	
		Superintendent, Division Leaders	Change school bell schedule	Approve New Bell Schedule	August 2012	Operating	$401,124	Strategy Accomplished	

Jerry Green Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Met Yes	No
		Superintendent, Division Leaders	Do not fill vacant positions 2011-2012	Approve Budget	July 2011 – June 2012	Operating	$775,328	Strategy Accomplished	
		Superintendent, Division Leaders	Reduction in Force – 77 positions	Approve Budget	April 2012 – May 2012	Operating	$3,850,000	Strategy Accomplished	
		Superintendent, Division Leaders	Reduce Teacher Salary Schedule from 192 to 190 Days	Approve	July 2012	Operating	$795,000 PNA	Strategy Accomplished	
		Superintendent, Division Leaders	Reduce amount paid to teachers for non-instructional duties	Approve Budget and Relative Policies	July 2012	Operating	$376,857 PNA	Strategy Accomplished	
		Superintendent, Division Leaders	Eliminate Attendance Incentive Pay for all employees (amounts paid end of each semester and end of each year, not amount	Approve Budget and Relative Policies	July 2012	Operating	$102,615 PNA	Strategy Accomplished	
		Superintendent, Division Leaders	Add Unused Sick Leave Pay to Support Staff to Match Benefit Provided Certified Personnel	Approve Budget and Relative Policies	July 2012	Operating	($154,038) PNA	Strategy Accomplished	
		Superintendent, Division Leaders	Eliminate Bereavement Leave (1)	Approve Budget and Relative Policies	July 2012	Operating	$30,000 PNA	Strategy Accomplished	

Jerry Guess Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Yes	Met No
		Superintendent, Division Leaders	Phase out Placement on Salary Schedule Based on District Courses	Approve Budget and Relative Policies	July 2012-June 2015 Policy in place that will implement 3-yr phase-out	Operating	$2,800,383 PNA		Strategy will not be complete until end of 3-year phase out during 2014-15 school year
		Superintendent, Division Leaders	Phase out Professional Growth Contracts – Certified Personnel	Approve Budget and Relative Policies	July 2012-June 2015 Policy in place that will implement 3-yr phase-out	Operating	$1,200,000 PNA		Strategy will not be complete until end of 3-year phase out during 2014-15 school year
		Superintendent, Division Leaders	Phase out Staff Development Compensation – Support Staff	Approve Budget and Relative Policies	July 2012-June 2015 Policy in place that will implement 3-yr phase-out	Operating	$344,622 PNA		Strategy will not be complete until end of 3-year phase out during 2014-15 school year
		Superintendent, Division Leaders	Eliminate Severance Pay	Approve Budget and Relative Policies	July 2012	Operating	$805,083 PNA	Strategy Accomplished	
		Superintendent, Division Leaders	Change Accrued Leave to Sick Leave as Defined by Arkansas Law	Approve Budget and Relative Policies	July 2012	Operating	$218,970 PNA	Strategy Accomplished	
		Superintendent, Division Leaders	Establish the Authority Of The Administration To Manage The District Personnel Reasonably, Without Discrimination, And Consistent With Law	Approve Relative Policies	July 2012	N/A	N/A	Strategy Accomplished	

Jerry Guess Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

PART B: PLAN OBJECTIVES

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Yes	Met No
Objective 37	Identify cost reduction possibilities in the event state desegregation funding is eliminated	Superintendent, Division Leaders	During the 2012-2013 budget process, code specific expenditures that could be eliminated to the desegregation fund and source of fund codes	Approve	May 31, 2013	N/A	N/A		No-Have not identified all cuts sufficient to offset 100% loss of deseg funds
Objective 38	Refund Bond Issue Dated November 1, 2004	Superintendent, Chief Financial Officer and Board	Issue new bonds in the amount of $21,860,000 to refund 11-1-2004 issue at lower interest rate	Approve	April 2012	Debt Service Mills	$2,528,185 over 23 years restricted to academic facilities projects	Yes	
Objective 39	Implement corrective actions pertaining to FY11 audit findings	Chief Financial Officer	Various-See Below Strategies	Approve	May 31, 2013	N/A	N/A	Strategy Accomplished	
		Chief Financial Officer	Audit Finding 2011-1 Segregate accounting duties to the extent possible.	Approve	February 2013	N/A	N/A	Strategy Accomplished	
		Chief Financial Officer	Audit Finding 2011-2 Develop and implement a process that will identify and record all accounts payable at year end	Approve	June 2012	N/A	N/A	Strategy Accomplished	

Jerry Brown Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Yes	Met No
			Audit Finding 2011-2 Close bank accounts that were incorrectly classified as "investments" and transfer the proceeds to a "cash in bank" account	Approve	March 2012	N/A	N/A	Strategy Accomplished	
			Audit Finding 2011-2 Properly record amount the $689,855 paid for workers compensation insurance	Approve	April 2012	N/A	N/A	Strategy Accomplished	
			Audit Finding 2011-3 Monitor Federal Title 1 expenditures to ensure they comply with the approved ACSIP budget	Approve	June 2012	N/A	N/A	Strategy Accomplished	
			Audit Finding 2011-4 Have all newly purchased Fixed Assets delivered to a central location for proper tagging prior to delivery to final destination.	Approve	July 2012	N/A	N/A	Strategy Accomplished	

Jerry Green Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Met Yes	No
			Audit Finding 2011-5 Give a business office employee or program administrator responsibility for the collection and filing of required time certifications for federally funded positions.	Approve	June 2012	N/A	N/A	Strategy Accomplished	
			Management Letter #1 Notify vendors in writing regarding district procurement policies and require invoices and statements to be mailed to central office.	Approve	June 2012 Second Letter Mailed February 2013	N/A	N/A	Strategy Accomplished	
			Management Letter #1 Within APSCN, clearly indicate the vendor numbers that should no longer be used.	Approve	June 2012	N/A	N/A	Strategy Accomplished	

Jerry Guen Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Yes	Met No
			Management Letter #2 Standardize the insurance products available through payroll deduction and utilize PlanSource software to keep APSCN payroll records in sync with vendor records.	Approve	April 2012	N/A	N/A	Strategy Accomplished	
			Management Letter #2 Change the stated work week to provide more payroll processing and review time without the need for overtime. Investigate timekeeping software that could decrease the payroll keying time.	Approve	June 2012	N/A	N/A	Strategy Accomplished	
			Management Letter #3 Report lease-purchase and all other financing agreements to ADE as required.	Approve	December 2012	N/A	N/A	Strategy Accomplished	

Jerry Green Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Yes	Met No
			Management Letter #4 Continually monitor to ensure sufficient collateral covering district bank deposits.	Approve	February 2013	N/A	N/A	Strategy Accomplished	
			Management Letter # 5 Obtain board approval prior to the disposal of district assets.	Approve	April 2012 Policy DN Procedure 06:05	N/A	N/A	Strategy Accomplished	
			Management Letter #6 Strengthen the internal controls and business procedures related to activity funds and provide training to school personnel.	Monitor	July-August 2012 Procedure 01:01	N/A	N/A	Strategy Accomplished	
			Supplemental Finding #1 District's Chief Technology and Information Officer will document a Disaster Recovery Plan by June 30, 2012.	Monitor	May 2013	N/A	N/A	Strategy Accomplished	
			Supplemental Finding #3 All receipts will be recorded in the period received, or in the case of direct deposits, upon proof of receipt.	Monitor	April 2012	N/A	N/A	Strategy Accomplished	

Jerry Green Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Yes	Met No
			Supplemental Finding #4 New Employees will be required to return signed contracts prior to beginning work.	Monitor	July 2012	N/A	N/A	Strategy Accomplished	
			Supplemental Finding #5 Employee reimbursed district $13 for tip and alcohol claimed and paid by the district for travel. Travel receipts will be more closely monitored to prevent future payments for tips and alcohol.	Monitor	April 2012	N/A	N/A	Strategy Accomplished	
			Supplemental Finding #6 A receipt will be written for all funds received and/or direct deposited into the district's bank account. A separate receipt will be issued to each payer.	Monitor	April 2012	N/A	N/A	Strategy Accomplished	

Jerry Smith Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Yes	Met No
			Supplemental Finding #7 The district's bank will provide check images each month on a CD.	Monitor	April 2012	N/A	N/A	Strategy Accomplished	
			Supplemental Finding #8 The district will work to clear bank reconciliation variances that have occurred over a prolonged period of time. The bank reconciliation process will be completed by about the 10th of each month with the goal of zero variance by June 30, 2013.	Monitor	June 2012 Prior year variances have been cleared. See objective #8	N/A	N/A	Strategy Accomplished	
			Supplemental Finding # 9 Reviewers of free and reduced lunch applications will be cautioned to pay particular attention to the stated frequency of income shown on applications.	Monitor	April 2012	N/A	N/A	Strategy Accomplished	

Jerry Green Superintendent's Signature 3/31/14 Date

ARKANSAS DEPARTMENT OF EDUCATION
FISCAL DISTRESS FINANCIAL IMPROVEMENT PLAN
PLAN YEAR 2011-2012

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date of Action	Funding Sources	Amount of Net Savings	Objective Yes	Met No
			Supplemental Finding #10 The district will further investigate possible rebates earned by its participation in the USC purchasing cooperative and attempt to collect all earned amounts.	Monitor	June 2012	N/A	N/A	Strategy Accomplished	
			Supplemental Finding # 10 The district will follow-up with USABLE regarding Legislative Audit's request for a list of all refund checks issued to either PCSSD or employees of PCSSD.	Monitor	April 2012	N/A	N/A	Strategy Accomplished	
			Supplemental Finding #11 The district will develop policies and procedures for the purpose of providing sufficient controls and accountability on the use of FuelMan Credit Cards.	Monitor	February 2013	N/A	N/A	Strategy Accomplished	

Gary Omer Superintendent's Signature 3/31/14 Date

Pulaski County Special School District

Pulaski County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2011

LEGISLATIVE JOINT AUDITING COMMITTEE

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
TABLE OF CONTENTS
JUNE 30, 2011

Independent Auditor's Report
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	Exhibit
Balance Sheet - Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	Schedule
Schedule of Capital Assets (Unaudited)	1
Schedule of Expenditures of Federal Awards	2
Schedule of Findings and Questioned Costs	3
Federal Award Programs - Summary Schedule of Prior Audit Findings	4
Schedule of Selected Information for the Last Five Years - Regulatory Basis (Unaudited)	5

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Pulaski County Special School District and Arkansas Department of Education
Legislative Joint Auditing Committee

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Pulaski County Special School District (the "District"), as of and for the year ended June 30, 2011, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices prescribed or permitted by Arkansas Code, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2011, or the changes in financial position for the year then ended. Further, the District has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

As discussed in Note 1 to the financial statements, the District changed the classifications of its governmental fund balances on July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

172 STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE (501) 683-8600 • FAX (501) 683-8605
www.arklegaudit.gov

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Capital Assets (Schedule 1), Schedule of Expenditures of Federal Awards (Schedule 2), as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Schedule of Findings and Questioned Costs (Schedule 3), Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4), and Schedule of Selected Information for the Last Five Years - Regulatory Basis (Schedule 5) are presented for purposes of additional analysis and are not a required part of the regulatory basis financial statements. The Schedule of Expenditures of Federal Awards (Schedule 2), Schedule of Findings and Questioned Costs (Schedule 3), and Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4) have been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, in our opinion, are fairly stated in all material respects in relation to the regulatory basis financial statements taken as a whole. The Schedule of Capital Assets (Schedule 1) and the Schedule of Selected Information for the Last Five Years - Regulatory Basis (Schedule 5) have not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, accordingly, we express no opinion on them.

DIVISION OF LEGISLATIVE AUDIT

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

Little Rock, Arkansas
February 16, 2012
EDSD32311

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Pulaski County Special School District and Arkansas Department of Education
Legislative Joint Auditing Committee

We have audited the financial statements of each major governmental fund and the aggregate remaining fund information of the Pulaski County Special School District (the "District"), as of and for the year ended June 30, 2011, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated February 16, 2012. We issued an adverse opinion because the District prepared the financial statements using accounting practices prescribed or permitted by the Arkansas Code, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2011-1 and 2011-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated February 16, 2012.

The District's responses to the findings identified in our audit, excluding the management letter findings, are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
February 16, 2012

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Pulaski County Special School District and Arkansas Department of Education
Legislative Joint Auditing Committee

Compliance

We have audited the Pulaski County Special School District (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

As described in items 2011-3 and 2011-4 in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding reporting and equipment and real property management that are applicable to its Title I Grants to Local Educational Agencies and ARRA - Title I Grants to Local Educational Agencies, Recovery Act programs, respectively. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2011-5.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2011-3 and 2011-4 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2011-5 to be a significant deficiency.

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
February 16, 2012

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

MANAGEMENT LETTER

Pulaski County Special School District and Arkansas Department of Education
Legislative Joint Auditing Committee

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations and to improve internal control. These matters were discussed previously with District officials during the course of our audit fieldwork and at the exit conference.

1. Accounts Payable - We discovered accounts payable totaling $91,198 and $511,443, in the special revenue and other aggregate funds, respectively, at June 30, 2011, which had not been properly recorded by the District. Additionally, we noted deficiencies in the District's internal controls related to accounts payable, some of which are listed below:

   - Vendor invoices are mailed directly to the department heads instead of the central accounting office and there are no compensating controls in place to ensure these invoices are forwarded to the central accounting office and processed in a timely manner, which resulted in the District being past due or delinquent with numerous vendors at year-end.

   - Vendors are set up in APSCN multiple times with different names.

2. Employee payroll withholdings for benefits, totaling approximately $170,000 at June 30, 2011, were not reconciled to benefit provider/vendor payables, which could result in lapses in employees' insurance coverage. Misuse or misappropriation of employee payroll withholdings could have occurred because internal controls or procedures did not exist requiring timely reconciliations of these withholdings to amounts actually paid to benefit providers. Additionally, as shown below, two payroll department employees appear to have excessive amounts of overtime when compared to their respective contract salaries.

	Gross Pay	Contract Amount	Overtime
Payroll specialist	$79,673	$60,234	$19,439
Insurance specialist	$59,711	$39,667	$20,044

3. The District had new debt with HP Financial in the form of a lease-purchase agreement in fiscal year 2011 that was not reported to the Arkansas Department of Education as required by Ark. Code Ann. § 6-20-402. The total unreported debt outstanding at June 30, 2011 was $2,660,824.

4. The District was not in compliance with Ark. Code Ann. § 6-20-222 in that the District had uninsured, uncollateralized deposits totaling $6,504,190 at June 30, 2011.

5. Assets were not properly tagged and serial numbers were not properly included in the capital asset listings for all funds and proper approval was not obtained for disposal of assets.

6. Based on receipts and cash count sheets, College Station School Activity Fund revenue of $2,339 was not deposited during the period July 1, 2010 through October 12, 2011. Also, for the same time period and based on District records, a calculation of picture and candy sales was $3,723 more than activity fund deposits, resulting in total unaccounted for funds of $6,062. Custodian and bookkeeper Kizzie Redd-Howard resigned from District employment and reimbursed the District $600 on October 21, 2011.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
February 16, 2012

Exhibit A

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2011

	Governmental Funds			
	Major			
	General	Special Revenue	Other Aggregate	Fiduciary Fund Types
ASSETS				
Cash	$ 20,552,207	$ 530,335	$ 7,673,738	$ 348,604
Investments			29,864,878	
Accounts receivable	299,450	2,834,589	153,609	
TOTAL ASSETS	$ 20,851,657	$ 3,364,924	$ 37,692,225	$ 348,604
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 1,872,959	$ 1,114,434	$ 4,818,628	
Due student groups				$ 348,604
Deferred taxes	15,419,394		347,763	
Total Liabilities	17,292,353	1,114,434	5,166,391	348,604
Fund Balances:				
Restricted	2,553,509	2,748,286	32,525,834	
Assigned	1,133,582			
Unassigned	(127,787)	(497,796)		
Total Fund Balances	3,559,304	2,250,490	32,525,834	
TOTAL LIABILITIES AND FUND BALANCES	$ 20,851,657	$ 3,364,924	$ 37,692,225	$ 348,604

The accompanying notes are an integral part of these financial statements.

Exhibit B

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	Major		
	General	Special Revenue	Other Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	$ 77,517,967		$ 12,299,977
State assistance	78,806,859	$ 56,119	6,990,550
Federal assistance	340,016	26,727,647	865,775
Activity revenues	2,327,861		
Meal sales		1,818,722	
Investment income	123,394		189,820
Other revenues	1,467,963	59,876	
TOTAL REVENUES	160,584,060	28,662,364	20,346,122
EXPENDITURES			
Regular programs	62,946,839	3,461,174	122,023
Special education	16,058,878	3,931,416	
Workforce education programs	4,786,389	191,657	42,372
Adult/continuing education program	822,124	352,587	
Compensatory education programs	3,200,454	3,285,305	13,250
Other instructional programs	6,984,439	116,608	19,182
Student support services	10,378,892	1,039,513	1,485
Instructional staff support services	8,489,429	4,557,269	210,764
General administration support services	2,841,232	174,062	14,124
School administration support services	11,542,268		
Central services support services	5,810,706		1,314,221
Operation and maintenance of plant services	14,326,293	151,043	851,890
Student transportation services	12,793,747	582,303	238,167
Other support services	157,314		3,628,285
Food services operations	134,376	8,593,206	
Community services operations	1,559	38,736	
Facilities acquisition and construction services	277,153	6,940	52,455,474
Non-programmed costs	3,248,526	237,262	
Activity expenditures	2,273,451		
Debt Service:			
Principal retirement	21,532		3,103,825
Interest and fiscal charges			6,052,001
TOTAL EXPENDITURES	167,095,601	26,719,081	68,067,063
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,511,541)	1,943,283	(47,720,941)
OTHER FINANCING SOURCES (USES)			
Transfers in		950,813	4,626,354
Transfers out	(950,813)	(4,626,354)	
Proceeds from refunding bond issues			32,550,000
Payments to refunding bond escrow agents			(32,281,301)
Net bond issuance costs			(518,483)
Premium on bonds			279,088
Value of capital leases			2,789,649
Refinancing of capital lease			(389,412)
Insurance proceeds	371,022		
Refund to grantors	(114,890)	(91,309)	
TOTAL OTHER FINANCING SOURCES (USES)	(694,681)	(3,766,850)	7,055,895

Exhibit B

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	Major		
	General	Special Revenue	Other Aggregate
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ (7,206,222)	$ (1,823,567)	$ (40,665,046)
FUND BALANCES - JULY 1 (RESTATED)	10,765,526	4,074,057	73,190,880
FUND BALANCES - JUNE 30	$ 3,559,304	$ 2,250,490	$ 32,525,834

The accompanying notes are an integral part of these financial statements.

Exhibit C

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	$ 84,581,010	$ 77,517,967	$ (7,063,043)			
State assistance	77,389,092	78,806,859	1,417,767	$ 59,000	$ 56,119	$ (2,881)
Federal assistance		340,016	340,016	32,736,053	26,727,647	(6,008,406)
Activity revenues		2,327,861	2,327,861			
Meal sales				1,637,300	1,818,722	181,422
Investment income	970,767	123,394	(847,373)			
Other revenues	648,934	1,467,963	819,029		59,876	59,876
TOTAL REVENUES	163,589,803	160,584,060	(3,005,743)	34,432,353	28,662,364	(5,769,989)
EXPENDITURES						
Regular programs	61,756,475	62,946,839	(1,190,364)	342,017	3,461,174	(3,119,157)
Special education	15,028,898	16,058,878	(1,029,980)	3,930,512	3,931,416	(904)
Workforce education programs	4,958,542	4,786,389	172,153	297,811	191,657	106,154
Adult/continuing education program	347,587	822,124	(474,537)	178,606	352,587	(173,981)
Compensatory education programs	4,140,302	3,200,454	939,848	4,690,723	3,285,305	1,405,418
Other instructional programs	6,825,963	6,984,439	(158,476)	177,764	116,608	61,156
Student support services	10,975,043	10,378,892	596,151	1,370,896	1,039,513	331,383
Instructional staff support services	9,435,025	8,489,429	945,596	6,737,853	4,557,269	2,180,584
General administration support services	2,817,875	2,841,232	(23,357)	158,778	174,062	(15,284)
School administration support services	10,832,667	11,542,268	(709,601)			
Central services support services	5,688,844	5,810,706	(121,862)			
Operation and maintenance of plant services	15,670,766	14,326,293	1,344,473	6,536,126	151,043	6,385,083
Student transportation services	10,433,385	12,793,747	(2,360,362)	1,962,874	582,303	1,380,571
Other support services	116,486	157,314	(40,828)			
Food services operations	134,376	134,376		7,301,859	8,593,206	(1,291,347)
Community services operations	5,616	1,559	4,057	43,195	38,736	4,459
Facilities acquisition and construction services	85,409	277,153	(191,744)	7,500	6,940	560
Non-programmed costs	4,000,008	3,248,526	751,482		237,262	(237,262)
Activity expenditures		2,273,451	(2,273,451)			
Debt Service:						
Principal retirement	44,000	21,532	22,468			
TOTAL EXPENDITURES	163,297,267	167,095,601	(3,798,334)	33,736,514	26,719,081	7,017,433

Exhibit C

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 292,536	$ (6,511,541)	$ (6,804,077)	$ 695,839	$ 1,943,283	$ 1,247,444
OTHER FINANCING SOURCES (USES)						
Transfers in	78,566,423		(78,566,423)		950,813	950,813
Transfers out	(78,566,423)	(950,813)	77,615,610		(4,626,354)	(4,626,354)
Insurance proceeds		371,022	371,022			
Refund to grantors		(114,890)	(114,890)		(91,309)	
TOTAL OTHER FINANCING SOURCES (USES)	0	(694,681)	(694,681)		(3,766,850)	(3,675,541)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	292,536	(7,206,222)	(7,498,758)	695,839	(1,823,567)	(2,428,097)
FUND BALANCES - JULY 1	9,516,856	10,765,526	1,248,670	4,074,054	4,074,057	3
FUND BALANCES - JUNE 30	$ 9,809,392	$ 3,559,304	$ (6,250,088)	$ 4,769,893	$ 2,250,490	$ (2,428,094)

The accompanying notes are an integral part of these financial statements.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

On June 20, 2011, the Arkansas Department of Education (ADE) assumed control of the Pulaski County Special School District (District) and dissolved the local school board and replaced the superintendent. There are no component units.

B. Description of Funds

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the District's food services operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Fiduciary Fund types include the following:

Agency Funds – Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

C. Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by Ark. Code Ann. § 10-4-413(c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources. Changes in private-purpose trust funds will be reflected in the notes to the financial statements.

D. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Note 1 F below).

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The District maintains a threshold level of $1,000 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Life in Years
Improvements/infrastructure	20
Buildings	50
Equipment	5-20

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes

Property taxes are levied (tax rates are established) in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year. Property taxes are accrued or deferred, as applicable, in accordance with guidelines issued by the Arkansas Department of Education (ADE), which were effective beginning with the fiscal year ended June 30, 2006. Arkansas law defines revenue receipts of a school district and includes 40% of the proceeds of local taxes which are not pledged to secure bonded indebtedness or 40% of the revenue from the uniform rate of tax whichever is greater collected in the succeeding calendar year, commonly known as 40% pullback, within that definition. The ADE has determined that school districts must utilize the 40% pullback amount, as calculated by the ADE and reflected on the respective county's abstract of assessments, in recording property tax revenue as follows:

- If the amount of 40% pullback collected by June 30th is less than the calculated 40% pullback amount, the difference must be accrued;
- If the amount of 40% pullback collected by June 30th is more than the calculated 40% pullback amount, the excess must be recorded as deferred taxes.

Amendment no. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. Ark. Code Ann. § 26-80-101 provides the uniform rate of tax (URT) shall be assessed and collected in the same manner as other school property taxes, but the net revenues from the URT shall be remitted to the State Treasurer and distributed by the State to the county treasurer of each county for distribution to the school districts in that county. For reporting purposes, URT revenues are considered property taxes.

G. Fund Balance Classifications

1. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

2. Assigned fund balance – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.

3. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

H. Budget and Budgetary Accounting

The District is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Budget and Budgetary Accounting (Continued)

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

I. Stabilization Arrangements

The Arkansas Department of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

J. Minimum Fund Balance Policies

The Arkansas Department of Education has not formally adopted a minimum fund balance policy.

K. Fund Balance Classification Policies and Procedures

The Superintendent, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The Arkansas Department of Education has not adopted a formal policy addressing this authorization.

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

L. Encumbrances

The District does not utilize encumbrance accounting.

M. Change in Accounting Principle

The District adopted Governmental Accounting Standards Board (GASB) Statement no. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* on July 1, 2010. GASB Statement no. 54 changed the classifications of governmental fund balances from reserved and unreserved to nonspendable, restricted, committed, assigned, and unassigned.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 1,347,991	$ 1,485,338
Collateralized:		
Collateral held by the pledging bank or pledging bank's trust department in the District's name	27,756,893	29,134,924
Uninsured, Uncollateralized		6,504,190
Total Deposits	$ 29,104,884	$ 37,124,452

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy addressing custodial credit risk. At June 30, 2011, $6,504,190 of the District's bank balance of $37,124,452 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$6,504,190

3: INVESTMENTS

At June 30, 2011, District funds totaling $29,864,878 were invested in Federated Treasury Obligations Fund, a money market treasury. The money market was rated AAAm by Standard & Poor's and Aaa by Moody's Investors Service and consisted of short-term repurchase agreements and U.S. Treasuries. The effective average maturity was 10 days.

4: ACCOUNTS RECEIVABLE

The accounts receivable balance of $3,287,648 at June 30, 2011 was comprised of the following:

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Federal assistance		$ 2,834,589	$ 153,609	$ 2,988,198
Other	$ 299,450			299,450
Totals	$ 299,450	$ 2,834,589	$ 153,609	$ 3,287,648

5: COMMITMENTS

The District was contractually obligated for the following at June 30, 2011:

A. Construction Contracts

Project Name	Estimated Completion Date	Contract Balance
Clinton Elementary School re-roofing	December 2011	$ 840,533
Oak Grove High School/Maumelle High School	October 2011	11,675,135
Sylvan Hills Middle School replacement	August 2011	5,328,955
Jacksonville High School restroom renovations	December 2011	121,844
Pinewood Elementary School HVAC renovations	December 2011	512,401
Oakbrooke Elementary School HVAC	December 2011	333,478

B. Long-term Debt Issued and Outstanding

The District is presently paying on the following long-term debt:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2011	Maturities To June 30, 2011
11/1/04	6/30/35	4 - 4.75%	$ 23,770,000	$ 21,460,000	$ 2,310,000
11/1/07	2/1/35	3.4 - 4.45%	4,630,000	3,810,000	820,000
6/15/09	2/1/35	4.9%	81,365,000	76,405,000	4,960,000
2/15/10	2/1/32	2 - 4.25%	15,750,000	15,750,000	
1/1/11	2/1/32	2.5 - 4.5%	18,605,000	18,605,000	
10/1/10	2/1/19	1 - 2.5%	1,700,000	1,620,000	80,000
10/15/10	2/1/35	2.25 - 4.125%	12,245,000	12,245,000	
4/16/93	5/30/13		291,076	24,256	266,820
3/31/11	3/31/16	3.92%	389,412	371,694	17,718
3/31/11	3/31/16	3.92%	2,400,237	2,289,130	111,107
Totals			$ 161,145,725	$ 152,580,080	$ 8,565,645

Changes in Long-term Debt

	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
Bonds payable	$ 152,010,000	$ 32,550,000	$ 34,665,000	$ 149,895,000
Notes payable	45,788		21,532	24,256
Capital leases	375,627	2,789,649	504,452	2,660,824
Totals	$ 152,431,415	$ 35,339,649	$ 35,190,984 *	$ 152,580,080

*Includes $32,065,627 early retirement or refinancing of debt - See Note 7.

5: COMMITMENTS (Continued)

B. Long-term Debt Issued and Outstanding (Continued)

Total long-term debt principal and interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2012	$ 3,809,232	$ 6,311,014	$ 10,120,246
2013	4,397,175	6,195,160	10,592,335
2014	4,880,956	6,064,765	10,945,721
2015	5,028,692	5,922,213	10,950,905
2016	4,984,025	5,773,330	10,757,355
2017-2021	25,210,000	26,011,269	51,221,269
2022-2026	30,575,000	21,220,836	51,795,836
2027-2031	37,965,000	13,992,719	51,957,719
2032-2035	35,730,000	4,363,711	40,093,711
Totals	$ 152,580,080	$ 95,855,017	$ 248,435,097

Capital Lease

The District has executed the following capital lease:

Class of Property	Asset Balance June 30, 2011
Computers	$ 2,775,864

	June 30, 2011
Total Minimum Lease Payments	$ 2,925,931
Less: Amount Representing Interest	265,107
Total Present Value of Net Minimum Lease Payments	$ 2,660,824

6: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance of $7,806,021 at June 30, 2011 was comprised of the following:

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Vendor payables	$ 1,608,819	$ 1,114,434	$ 4,818,628	$ 7,541,881
Salaries payable	10,000			10,000
Payroll withholdings and matching	79,639			79,639
Other	174,501			174,501
Totals	$ 1,872,959	$ 1,114,434	$ 4,818,628	$ 7,806,021

7: DEBT REFUNDINGS

On October 1, 2010, the District issued $1,700,000 in general obligation bonds with interest rates of 1 to 2.5 percent to advance refund $1,630,000 of outstanding bonds dated 2002, with interest rates of 3.75 to 4.5 percent. This resulted in a savings of $126,570. The net proceeds of $1,652,135 were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2002 Series bonds. The 2002 Series bonds were called on November 16, 2010. The remaining proceeds of $4,757 (after payment of $43,108 net bond issuance costs) will be utilized by the District for subsequent debt payments.

On January 1, 2011, the District issued $18,605,000 (sold at a premium of $279,088) in general obligation bonds with interest rates of 2.5 to 4.5 percent to advance refund $18,260,000 of outstanding bonds dated 2002, with interest rates of 4 to 4.875 percent. This resulted in a savings of $946,518. The net proceeds of $18,668,689 were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2002 Series bonds. The 2002 Series bonds were called on January 18, 2011. The remaining proceeds of $8,532 (after payment of $206,867 net bond issuance costs) will be utilized by the District for subsequent debt payments.

On October 15, 2010, the District issued $12,245,000 in general obligation bonds with interest rates of 2.25 to 4.125 percent to advance refund $11,800,000 of outstanding bonds dated 2004, with interest rates from 3 to 4.75 percent. This resulted in a savings of $1,054,321. The net proceeds of $11,960,477 were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2004 Series bonds. The 2004 Series bonds were called on November 16, 2010. The remaining proceeds of $16,015 (after payment of $268,508 net bond issuance costs) will be utilized by the District for subsequent debt payments.

On March 31, 2011, the District executed a capital lease of $389,412 to refinance the remaining balance of the capital lease dated January 19, 2009 of $375,627 with interest of $13,785. The 2009 capital lease was executed for computers.

8: INTERFUND TRANSFERS

The District transferred $950,813 from the general fund to the special revenue fund to supplement its food services operations. Additionally, ARRA funds required to be utilized for capital projects of $4,626,354 were transferred from the special revenue fund to the other aggregate funds.

The District transferred excess property taxes of $1,349,248 from the debt service fund to the capital projects fund for refunding savings, required to be utilized for capital expenditures. This transfer is not reflected in the accompanying financial statements because both funds are included in the other aggregate funds.

9: RETIREMENT PLANS

Arkansas Teacher Retirement System

Plan Description. The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain nonteachers hired before July 1, 1989. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Funding Policy. ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14% of covered salaries, the maximum allowed by State law. The District's contributions to ATRS for the years ended June 30, 2011, 2010, and 2009 were $16,936,626, $15,794,860, and $14,704,484, respectively, equal to the required contributions for each year.

Arkansas Public Employees Retirement System

Plan Description. The District contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain nonteachers hired before July 1, 1989. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 West Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy. APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the years ended June 30, 2011, 2010, and 2009 were $38,898, $44,341, and $51,232, respectively, equal to the required contributions for each year.

10: PRIOR YEAR RESTATEMENT

The beginning fund balance of the general fund was increased by $940,599 to reclassify the school-owned activity funds from fiduciary funds.

11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for buildings, contents, vehicles, and legal liability. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

The District participates in the Arkansas School Boards Association – Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating, and settling claims that have been filed on behalf of and against member districts. The District contributes annually to this program.

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to $250,000 with a $1,000 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

12: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled $2,339,359 for the year ended June 30, 2011.

13: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Fund Balances:				
Restricted for:				
Educational programs - national school lunch state categorical funding	$ 942,283			$ 942,283
English-language learners	78,553			78,553
Professional development	573,338			573,338
Adult basic education	57,146			57,146
Other restricted federal grant		$ 83,866		83,866
Education for homeless children and youth		56,003		56,003
ROTC		364,994		364,994
Capital projects			$ 32,525,834	32,525,834
Education technology	124,921			124,921
Medical services		2,046,532		2,046,532
Secondary workforce center	291,436			291,436
Special education programs	360,662			360,662
Title I programs		130,390		130,390
Other purposes	125,170	66,501		191,671
Total Restricted	2,553,509	2,748,286	32,525,834	37,827,629
Assigned to:				
Student activities	992,514			992,514
Other purposes	141,068			141,068
Total Assigned	1,133,582			1,133,582
Unassigned	(127,787)	(497,796)		(625,583)
Totals	$ 3,559,304	$ 2,250,490	$ 32,525,834	$ 38,335,628

14: INSURANCE PROCEEDS

The insurance proceeds of $371,022 consisted of monies received for storm damage of $6,261 sustained on March 27, 2011 and April 6, 2011 to the Plant Planning and Food Service Emergency Management System building and $4,304 sustained on April 21, 2011 to the Sylvan Hills High School. Additionally, the District received bond insurance monies of $348,000 for unauthorized purchases of goods that were made by a Maintenance Department employee during the period March 1, 2004 through May 19, 2009 and $12,457 for loss of funds at Jacksonville High School.

15: DEFICIT FUND BALANCE

The deficit unassigned fund balances of $127,787 in the general fund and $497,796 (Improving Teacher Quality - $9,700, Twenty-First Century Community Learning Centers - $355,757, and child nutrition programs - $132,339) in the special revenue fund, as displayed in Note 13 above, were caused by the recognition of accounts payable at year-end.

16: FISCAL DISTRESS STATUS

On May 16, 2011, the State Board of Education classified the District in fiscal distress. The District, in conjunction with the Arkansas Department of Education, has adopted a plan to implement effective cost reduction measures. As disclosed in Note 1, the Arkansas Department of Education assumed control of the District on June 20, 2011.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2011
(Unaudited)

Schedule 1

	Balance June 30, 2011
Nondepreciable capital assets:	
Land	$ 8,806,063
Construction in progress	90,309,513
Total nondepreciable capital assets	99,115,576
Depreciable capital assets:	
Buildings	116,227,997
Improvements/infrastructure	14,597,959
Equipment	32,739,681
Total depreciable capital assets	163,565,637
Less accumulated depreciation for:	
Buildings	49,683,956
Improvements/infrastructure	592,318
Equipment	22,491,094
Total accumulated depreciation	72,767,368
Total depreciable capital assets, net	90,798,269
Capital assets, net	$ 189,913,845

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
U. S. Department of Agriculture			
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	60-03	$ 1,464,812
National School Lunch Program - Cash Assistance	10.555	60-03	3,774,749
Total State Department of Education			5,239,561
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555	6003000	387,499
Summer Food Service Program for Children - Cash Assistance	10.559	Unavailable	88,941
Total State Department of Human Services			476,440
TOTAL CHILD NUTRITION CLUSTER			5,716,001
TITLE I, PART A CLUSTER			
U. S. Department of Education			
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	60-03	4,805,256
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	60-03	1,106,773
TOTAL TITLE I, PART A CLUSTER			5,912,029
SPECIAL EDUCATION CLUSTER (IDEA)			
U. S. Department of Education			
Passed Through State Department of Education:			
Special Education - Grants to States	84.027	60-03	4,264,076
ARRA - Special Education - Grants to States, Recovery Act	84.391	60-03	934,733
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			5,198,809
EDUCATION FOR HOMELESS CHILDREN AND YOUTH CLUSTER			
U. S. Department of Education			
Passed Through State Department of Education			
Education for Homeless Children and Youth	84.196	60-03	5,997
ARRA - Education for Homeless Children and Youth, Recovery Act	84.387	60-03	22,837
TOTAL EDUCATION FOR HOMELESS CHILDREN AND YOUTH CLUSTER			28,834
CCDF CLUSTER			
U. S. Department of Health and Human Services:			
Passed Through State Department of Human Services:			
Child Care and Development Block Grant	93.575	Unavailable	2,269
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Unavailable	455
ARRA - Child Care and Development Block Grant	93.713	Unavailable	304
TOTAL CCDF CLUSTER			3,028

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
OTHER PROGRAMS			
U. S. Department of Agriculture			
Passed Through State Department of Human Services:			
Child and Adult Care Food Program	10.558	60-03	$ 10,378
National Endowment for the Arts			
Passed Through Department of Arkansas Heritage - Arkansas Arts Council:			
Promotion of the Arts - Partnership Agreements	45.025	Unavailable	290
U. S. Department of Education			
Direct Program:			
Impact Aid	84.041		331,707
Passed Through State Department of Career Education:			
Adult Education - Basic Grants to States	84.002	60-03	352,587
Career and Technical Education - Basic Grants to States	84.048	60-03	192,737
Total State Department of Career Education			545,324
Passed Through State Department of Education:			
Safe and Drug-Free Schools and Communities - State Grants	84.186	60-03	83,232
Twenty-First Century Community Learning Centers	84.287	60-03	325,765
English Language Acquisition Grants	84.365	60-03	116,342
Improving Teacher Quality State Grants	84.367	60-03	1,103,187
ARRA - Education Technology State Grants, Recovery Act	84.386	60-03	2,095
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	60-03	5,973,521
ARRA - Education Jobs Fund, Recovery Act	84.410	60-03	3,230,654
Total State Department of Education			10,834,796
Total U. S. Department of Education			11,711,827
TOTAL OTHER PROGRAMS			11,722,495
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 28,581,196

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Pulaski County Special School District (District) under programs of the federal government for the year ended June 30, 2011. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because this schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.

Note 4: During the year ended June 30, 2011, the District received Medicaid funding of $611,589 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above schedule.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Types of auditor's reports issued: GAAP basis of reporting - adverse
Regulatory basis opinion units - unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☐ yes ☑ none reported

Noncompliance material to financial statements noted? ☐ yes ☑ no

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☑ yes ☐ none reported

Type of auditor's report issued on compliance for major programs: unqualified for all major programs except for the Title I, Part A Cluster, which was qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☑ yes ☐ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, and 10.559	Child Nutrition Cluster
84.010 and 84.389	Title I, Part A Cluster
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act
84.410	ARRA - Education Jobs Fund, Recovery Act

Dollar threshold used to distinguish between type A and type B programs: $ 857,436

Auditee qualified as low-risk auditee? ☐ yes ☑ no

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

2011-1. Internal Control

Criteria or specific requirement: Internal control is a process consisting of five interrelated components - *control environment, risk assessment, information and communication, control activities, and monitoring*. Management is responsible for adopting sound accounting policies and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Condition: Deficiencies in the internal control component of control activities adversely affected the District's ability to initiate, authorize, record, process and report financial data in accordance with the regulatory basis of accounting such that there was a reasonable possibility that a material misstatement of the District's financial statements would not be prevented, or detected and corrected on a timely basis. Financial accounting duties were not adequately segregated among employees. Specifically, certain key weaknesses included the following: all bank reconciliations were prepared by the same employee responsible for the maintenance of accounting records, without compensating controls. Payroll checks were prepared by the same employee responsible for changes to the payroll amounts, without compensating controls. The controller was responsible for recording and depositing monies collected and maintenance of accounting records, without compensating controls.

Context: An understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures was obtained.

Effect: The District's ability to initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements, as well as the ability to safeguard District assets, was adversely affected by the identified weaknesses in the above internal control component.

Cause: District management, due to cost/benefit implications, which hindered the District's ability to adequately segregate financial accounting duties among employees, did not effectively address the deficiencies in internal control.

Recommendation: District management should adopt sound accounting policies and establish and maintain internal control that will initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements and that will safeguard District assets.

View of responsible officials and planned corrective actions: We concur with the recommendation and will implement corrective procedures to the extent possible.

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

MATERIAL WEAKNESSES (Continued)

2011-2. Misstatements not Detected by Internal Control System

Criteria or specific requirement: Financial accounting records should be accurate to ensure the preparation of reliable financial statements that are fairly presented in conformity with the regulatory basis of accounting.

Condition: The District's internal control did not prevent or detect material errors totaling $10,690,960 in the general fund in the financial accounting records. Such records are utilized in the preparation of the District's financial statements. The primary errors noted in the financial accounting records consisted of the following:

- Unrecorded accounts payable totaling $115,560 and payables recorded in error totaling $49,554.
- Deferred taxes, due to a calculation error, were understated by $322,445.
- Checking accounts totaling $9,325,299 were incorrectly classified as investments by the District.
- Accounts receivable listing provided by the District was overstated by $689,855.

These errors were corrected in the financial statements during the audit fieldwork.

Context: identification of misstatements not initially detected by the District's internal control.

Effect: Misstatements were not detected by the District's internal control system.

Cause: Financial records had not been properly monitored.

Recommendation: To achieve reliable financial reporting, the District should exercise due care to ensure all applicable general ledger accounts are properly stated.

Views of responsible officials and planned corrective actions:

- A year-end process will identify and record all invoices pertaining to goods and services received by June 30. These invoices will either be paid by June 30 or recorded by the District as accounts payable.
- Due to Act 871 of 2011 the District will not record deferred revenue in future years.
- The accounts incorrectly classified as investments will be closed with the proceeds transferred to a "cash in bank" account.
- The amount erroneously coded as "accounts receivable" will be reclassified in accordance with APSCN instructions and therefore will decrease the fund balance by $689,855.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESS

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - CFDA NUMBER 84.010
PASS-THROUGH-NUMBER 60-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2011

2011-3. Reporting

Criteria or specific requirement: The District is required to budget Title I expenditures as part of the Arkansas Comprehensive School Improvement Plan (ACSIP) and submit the ACSIP to the Arkansas Department of Education (ADE). Total expenditures may not exceed the budgeted amount. Additionally, expenditures may not exceed the budgeted amounts for specific categories by more than 10 percent without prior approval from the ADE and the submission of budget amendments or adjustments. The annual financial report is compiled at the end of the fiscal year.

Condition: The District either exceeded budgeted amounts by more than the 10 percent allowance without prior approval from the ADE or expended funds from functions/objects that were not budgeted in amounts totaling $3,055,529 from Title I (non-ARRA) funds as shown below:

Function/Object	Unbudgeted Amounts	Variance in Excess of 10% Allowance
Function 1511 - Before/After School Programs		$ 811
Function 1560 - Reading	$ 230,886	
Function 1591 - Title I Schoolwide Instruction		14,315
Function 2294 - Instructional Facilitator - Math		1,281,777
Function 2297 - Instructional Facilitator - Literacy		1,333,347
Function 3352 - Non-public School Public Service	9,415	
Function 5500 - Indirect Costs	182,610	
Object 67000 - Capital Outlay	2,352	
Object 68000 - Other Objects	16	
Totals	$ 425,279	$ 2,630,250

Context: Comparison of budgeted expenditures to actual expenditures as reported on the annual financial report.

Effect: The District did not expend funds from the Title I (non-ARRA) program within the approved budget categories.

Cause: Lack of management oversight in the preparation of the budget and monitoring of budgeted expenditures to actual expenditures.

Recommendation: The District should implement procedures to ensure that program expenditures do not exceed approved budget categories and contact the ADE for further guidance regarding this matter.

Views of responsible officials and planned corrective actions: A primary reason for this audit finding is that actual expenditures were coded differently in APSCN than where they were budgeted in ACSIP. The District will more closely monitor Title I expenditures to ensure correct coding of expenditures and adherence to the approved budget shown in ACSIP. APSCN budgeted expenditures will be coded identically to ACSIP budgeted expenditures in order to fully utilize the budget controls of the APSCN software. The District will also contact the ADE and comply with its direction regarding the budget variances that occurred during the 2010-2011 school year.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

MATERIAL WEAKNESS (Continued)

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
ARRA - TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT - CFDA NUMBER 84.389
PASS-THROUGH-NUMBER 60-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2011

2011-4. Equipment and Real Property Management

Criteria or specific requirement: Proper records should be maintained for equipment acquired with federal awards. Additionally, the District should ensure that disposition of such equipment is in accordance with federal requirements, including the federal awarding agency is appropriately compensated for its share of any property sold or converted to non-federal use.

Condition: The District could not account for four of the nineteen items selected for physical inspection purchased from the Title I ARRA program. The unaccounted for items had a cost of $9,153. Additionally, capital assets were not properly tagged, serial numbers were not properly included in the capital asset listing, and proper internal approval for disposal of capital assets was not obtained.

Context: Physical inspection of equipment recorded on subsidiary records, review of available documentation for dispositions, and interviews with Title I director and employees.

Effect: The District's capital asset subsidiary records were not accurate.

Cause: The District failed to properly account for all capital items to ensure accurate subsidiary records.

Recommendation: Proper subsidiary records should be maintained for capital assets acquired with federal awards.

Views of responsible officials and planned corrective actions: Purchase Orders will specify that all newly purchased fixed assets be delivered to the Central Warehouse where they will be inspected, tagged, and entered in the APSCN Fixed Asset System before delivery to the school or site that placed the order.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

SIGNIFICANT DEFICIENCY

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS) - CFDA NUMBERS 10.553, 10.555, AND 10.559
PASS-THROUGH-NUMBER 60-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2011

2011-5. Allowable Costs/Cost Principles

Criteria or specific requirement: Office of Management and Budget (OMB) Circular A-87 requires the preparation of periodic time certifications when an employees works solely on a single federal program.

Condition: Although standard payroll documentation supporting the employees' work in the child nutrition programs was available for audit inspection, periodic time certifications were not prepared for any of the employees selected for testing, who worked solely with the child nutrition programs.

Context: Examination of documentation substantiating time worked by employees.

Effect: The District was unable to provide required documentation substantiating the time charged to the child nutrition programs.

Cause: The District was unaware of the OMB Circular A-87 requirement pertaining to periodic time certifications.

Recommendation: The District should prepare periodic time certifications for all applicable employees.

Views of responsible officials and planned corrective actions: The Food Service Director will be made aware of the time certification requirements and given responsibility for compliance. A business office employee will be responsible for the semi-annual collection and filing of time certifications for all federally funded positions.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
ARRA - TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT

2010 - Finding 2010-5: ARRA - Title I Grants to Local Educational Agencies, Recovery Act - CFDA Number 84.389

Condition: Controls were not in place to approve and document the funding source from which employees are paid.

Recommendation: The District should ensure that the policy that requires an approved funding source form to be maintained in employee files should be enforced and monitored on a consistent basis.

Current Status: Corrective action was taken.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011
(Unaudited)

Schedule 5

	Year Ended June 30,				
	2011	2010	2009	2008	2007
General Fund					
Total Assets	$ 20,851,657	$ 23,135,490	$ 17,990,428	$ 28,730,750	$ 27,153,220
Total Liabilities	17,292,353	13,310,563	9,097,886	20,053,924	18,564,194
Total Fund Balances	3,559,304	9,824,927	8,892,542	8,676,826	8,589,026
Total Revenues	160,584,060	157,085,868	163,850,964	157,237,887	154,695,634
Total Expenditures	167,095,601	156,726,267	152,102,739	148,828,790	144,917,416
Total Other Financing Sources (Uses)	(694,681)	572,784	(11,532,509)	(8,321,297)	(9,941,667)
Special Revenue Fund					
Total Assets	3,364,924	11,801,392	3,525,761	2,611,906	3,397,887
Total Liabilities	1,114,434	7,727,335	23		8,645
Total Fund Balances	2,250,490	4,074,057	3,525,738	2,611,906	3,389,242
Total Revenues	28,662,364	30,431,428	20,408,780	17,680,317	18,081,810
Total Expenditures	26,719,081	30,564,372	20,189,507	19,502,164	15,972,520
Total Other Financing Sources (Uses)	(3,766,850)	681,263	694,559	1,044,511	586,760
Other Aggregate Funds					
Total Assets	37,692,225	93,872,450	124,785,267	34,682,398	40,886,261
Total Liabilities	5,166,391	20,681,570	14,135,670	8,467,795	7,032,314
Total Fund Balances	32,525,834	73,190,880	110,649,597	26,214,603	33,853,947
Total Revenues	20,346,122	13,743,843	10,179,474	8,141,429	7,780,402
Total Expenditures	68,067,063	49,948,513	17,947,430	27,687,559	12,147,539
Total Other Financing Sources (Uses)	7,055,895	(1,254,047)	92,202,950	11,906,786	13,363,907

Pulaski County Special School District

Pulaski County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2012

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT ARKANSAS

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
TABLE OF CONTENTS
JUNE 30, 2012

Independent Auditor's Report
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	Exhibit
Balance Sheet - Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	Schedule
Schedule of Capital Assets (Unaudited)	1
Schedule of Expenditures of Federal Awards	2
Schedule of Findings and Questioned Costs	3
Federal Award Programs - Summary Schedule of Prior Audit Findings	4
Schedule of Selected Information for the Last Five Years - Regulatory Basis (Unaudited)	5

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Pulaski County Special School District and Arkansas Department of Education
Legislative Joint Auditing Committee

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Pulaski County Special School District (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices prescribed or permitted by Arkansas Code, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2012, or the changes in financial position for the year then ended. Further, the District has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

172 STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE (501) 683-8600 • FAX (501) 683-8605
www.arklegaudit.gov

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards (Schedule 2), as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Schedule of Findings and Questioned Costs (Schedule 3), and Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4) are presented for purposes of additional analysis and are not a required part of the regulatory basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards (Schedule 2), Schedule of Findings and Questioned Costs (Schedule 3), and Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4) are fairly stated in all material respects in relation to the regulatory basis financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Capital Assets (Schedule 1) and the Schedule of Selected Information for the Last Five Years - Regulatory Basis (Schedule 5) are presented for the purposes of additional analysis and are not a required part of the regulatory basis financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

DIVISION OF LEGISLATIVE AUDIT

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

Little Rock, Arkansas
February 14, 2013
EDSD32312

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Pulaski County Special School District and Arkansas Department of Education
Legislative Joint Auditing Committee

We have audited the financial statements of each major governmental fund and the aggregate remaining fund information of the Pulaski County Special School District (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated February 14, 2013. We issued an adverse opinion because the District prepared the financial statements using accounting practices prescribed or permitted by the Arkansas Code, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated February 14, 2013.

The District's response to the findings identified in our audit, excluding the management letter findings, is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
February 14, 2013

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Pulaski County Special School District and Arkansas Department of Education
Legislative Joint Auditing Committee

Compliance

We have audited the Pulaski County Special School District (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
February 14, 2013

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

MANAGEMENT LETTER

Pulaski County Special School District and Arkansas Department of Education
Legislative Joint Auditing Committee

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations and to improve internal control. These matters were discussed previously with District officials during the course of our audit fieldwork and at the exit conference:

1. Employee payroll withholdings for benefits, totaling approximately $176,449 at June 30, 2012, were not reconciled to benefit provider/vendor payables, which could result in a lapse in employee insurance coverage. Misuse or misappropriation of employee payroll withholdings could occur because internal controls or procedures did not exist requiring timely reconciliations of these withholdings to amounts actually paid to benefit providers. A similar finding was reported in the previous audit.

2. The District had new debt in the prior year with HP Financial in a lease-purchase agreement in the amount of $389,412 that was not reported to the Arkansas Department of Education (ADE) at the end of fiscal year 2012. It was confirmed with ADE that the debt was properly registered on December 12, 2012. A similar finding was reported in the previous audit.

3. The District had uninsured, uncollateralized deposits totaling $293,390, $274,296, and $134,516 at Eagle Bank and Trust Company, Regions Bank, and US National Association, respectively, at June 30, 2012. A similar finding was reported in the previous audit.

4. Assets were not properly tagged and serial numbers were not properly included in the capital asset listing for all funds. Additionally, assets were not being properly removed from the asset listing. A similar finding was reported in the previous audit.

5. A comparison of Sylvan Hills Middle School activity fund bank account deposits to cash collection reports submitted by sponsors indicated revenue of $1,142 was not deposited. On October 3, 2012, auditors conducted a cash count for which Bookkeeper Peggy Holladay and custodian of activity funds stated she had provided all funds on hand. Subsequently, on January 15, 2013, Holladay presented $2,105 in cash to auditors and stated she had collected it over a long period of time, had not informed any supervisor about this cash, and did not know the source of the funds.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
February 14, 2013

Exhibit A

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2012

	Governmental Funds			
	Major			
	General	Special Revenue	Other Aggregate	Fiduciary Fund Types
ASSETS				
Cash	$ 15,510,910		$ 2,860,877	$ 307,164
Investments			15,010,898	
Accounts receivable	1,110,210	$ 3,350,016	59,986	
Due from other funds	1,653,153		8,030	
TOTAL ASSETS	$ 18,274,273	$ 3,350,016	$ 17,939,791	$ 307,164
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 3,527,661	$ 108,537	$ 2,020,468	
Due student groups				$ 307,164
Due to other funds	8,030	1,653,153		
Deferred revenues		45,195		
Total Liabilities	3,535,691	1,806,885	2,020,468	307,164
Fund Balances:				
Restricted	9,757,523	1,983,067	15,919,323	
Assigned	1,070,866			
Unassigned	3,910,193	(439,936)		
Total Fund Balances	14,738,582	1,543,131	15,919,323	
TOTAL LIABILITIES AND FUND BALANCES	$ 18,274,273	$ 3,350,016	$ 17,939,791	$ 307,164

The accompanying notes are an integral part of these financial statements.

Exhibit B

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

	Major		
	General	Special Revenue	Other Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	$ 98,950,918		$ 11,939,281
State assistance	79,236,724	$ 53,383	1,598,830
Federal assistance	255,909	22,034,125	1,239,839
Activity revenues	2,302,693		
Meal sales		1,774,956	
Investment income	26,205		3,494
Other revenues	1,433,330	96,796	
TOTAL REVENUES	182,205,779	23,959,260	14,781,444
EXPENDITURES			
Regular programs	66,246,997	218,300	117,238
Special education	15,808,718	3,788,673	
Workforce education programs	5,016,121	203,342	
Adult/continuing education program	820,543	299,695	
Compensatory education programs	4,574,995	4,105,628	
Other instructional programs	6,380,595	49,672	
Student support services	10,247,915	1,024,017	
Instructional staff support services	6,779,391	5,350,694	56,743
General administration support services	2,606,357	183,591	6,717
School administration support services	10,914,006		
Central services support services	5,999,627		828,899
Operation and maintenance of plant services	16,572,538	151,564	307,673
Student transportation services	12,024,581	1,154,452	
Other support services	117,413	22,910	779,986
Food services operations		8,685,402	
Community services operations	340	64,476	
Facilities acquisition and construction services	119,891		20,666,952
Non-programmed costs	4,011,230	376,215	
Activity expenditures	2,329,414		
Debt Service:			
Principal retirement	16,171		3,659,107
Interest and fiscal charges	61,104		6,280,391
TOTAL EXPENDITURES	170,647,947	25,678,631	32,703,706
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	11,557,832	(1,719,371)	(17,922,262)
OTHER FINANCING SOURCES (USES)			
Transfers in		603,448	1,727,906
Transfers out	(2,331,354)		
Proceeds from refunding bond issue			21,860,000
Payment to refunding bond escrow agent			(21,491,129)
Net bond issuance costs			(360,841)
Refunds to grantors		(11,621)	
Early retirement of debt - note payable	(7,115)		
Sale of capital assets	57,100		
Compensation for loss of capital assets	2,351,537		
TOTAL OTHER FINANCING SOURCES (USES)	70,168	591,827	1,735,936
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	11,628,000	(1,127,544)	(16,186,326)
FUND BALANCES - JULY 1 (RESTATED)	3,110,582	2,670,675	32,105,649
FUND BALANCES - JUNE 30	$ 14,738,582	$ 1,543,131	$ 15,919,323

The accompanying notes are an integral part of these financial statements.

Exhibit C

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	$ 93,466,109	$ 98,950,918	$ 5,484,809			
State assistance	79,704,798	79,236,724	(468,074)	$ 59,000	$ 53,383	$ (5,617)
Federal assistance	333,000	255,909	(77,091)	26,158,046	22,034,125	(4,123,921)
Activity revenues		2,302,693	2,302,693			
Meal sales				1,637,300	1,774,956	137,656
Investment income	100,000	26,205	(73,795)			
Other revenues	906,713	1,433,330	526,617		96,796	96,796
TOTAL REVENUES	174,510,620	182,205,779	7,695,159	27,854,346	23,959,260	(3,895,086)
EXPENDITURES						
Regular programs	63,130,469	66,246,997	(3,116,528)	83,708	218,300	(134,592)
Special education	15,267,284	15,808,718	(541,434)	4,255,663	3,788,673	466,990
Workforce education programs	5,095,093	5,016,121	78,972	262,937	203,342	59,595
Adult/continuing education program	809,266	820,543	(11,277)	299,695	299,695	
Compensatory education programs	4,113,015	4,574,995	(461,980)	5,904,067	4,105,628	1,798,439
Other instructional programs	6,395,490	6,380,595	14,895	86,167	49,672	36,495
Student support services	11,164,091	10,247,915	916,176	1,376,193	1,024,017	352,176
Instructional staff support services	9,428,071	6,779,391	2,648,680	6,330,785	5,350,694	980,091
General administration support services	2,717,085	2,606,357	110,728	170,244	183,591	(13,347)
School administration support services	11,737,904	10,914,006	823,898			
Central services support services	6,292,105	5,999,627	292,478	7,296		7,296
Operation and maintenance of plant services	15,147,825	16,572,538	(1,424,713)	147,064	151,564	(4,500)
Student transportation services	11,622,116	12,024,581	(402,465)	1,113,563	1,154,452	(40,889)
Other support services	51,958	117,413	(65,455)	24,300	22,910	1,390
Food services operations				7,345,877	8,685,402	(1,339,525)
Community services operations	11,923	340	11,583	120,157	64,476	55,681
Facilities acquisition and construction services	109,000	119,891	(10,891)	169,082		169,082
Non-programmed costs	3,500,000	4,011,230	(511,230)		376,215	(376,215)
Activity expenditures	137,468	2,329,414	(2,191,946)			
Debt Service:						
Principal retirement	44,000	16,171	27,829			
Interest and fiscal charges		61,104	(61,104)			
TOTAL EXPENDITURES	166,774,163	170,647,947	(3,873,784)	27,696,798	25,678,631	2,018,167

Exhibit C

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 7,736,457	$ 11,557,832	$ 3,821,375	$ 157,548	$ (1,719,371)	$ (1,876,919)
OTHER FINANCING SOURCES (USES)						
Transfers in	79,306,291		(79,306,291)		603,448	603,448
Transfers out	(79,783,041)	(2,331,354)	77,451,687			
Refunds to grantors					(11,621)	(11,621)
Early retirement of debt - note payable		(7,115)				
Sale of capital assets		57,100				
Compensation for loss of capital assets		2,351,537	2,351,537			
TOTAL OTHER FINANCING SOURCES (USES)	(476,750)	70,168	546,918		591,827	591,827
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	7,259,707	11,628,000	4,368,293	157,548	(1,127,544)	(1,285,092)
FUND BALANCES - JULY 1	5,431,747	3,110,582	(2,321,165)	2,894,443	2,670,675	(223,768)
FUND BALANCES - JUNE 30	$ 12,691,454	$ 14,738,582	$ 2,047,128	$ 3,051,991	$ 1,543,131	$ (1,508,860)

The accompanying notes are an integral part of these financial statements.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

On June 20, 2011, the Arkansas Department of Education (ADE) assumed control of the Pulaski County Special School District (District) and dissolved the local school board and replaced the superintendent. There are no component units.

B. Description of Funds

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the District's food services operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Fiduciary Fund types include the following:

Agency Funds – Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

C. Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by Ark. Code Ann. § 10-4-413(c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources. Changes in private-purpose trust funds will be reflected in the notes to the financial statements.

D. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Note 1 F below).

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The District maintains a threshold level of $1,000 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Life in Years
Improvements/infrastructure	20
Buildings	50
Equipment	5-20

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes

Property taxes are levied (tax rates are established) in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year.

Ark. Code Ann. § 6-20-401 allows, but does not mandate, the District to accrue the difference between the amount of 2011 calendar year taxes collected by June 30, 2012 and 36 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The option to accrue property taxes was not applicable because the amount of property taxes collected by June 30, 2012 equaled or exceeded the 36 percent calculation.

Amendment no. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. Ark. Code Ann. § 26-80-101 provides the uniform rate of tax (URT) shall be assessed and collected in the same manner as other school property taxes, but the net revenues from the URT shall be remitted to the State Treasurer and distributed by the State to the county treasurer of each county for distribution to the school districts in that county. For reporting purposes, URT revenues are considered property taxes.

G. Interfund Receivables and Payables

Interfund receivables and payables result from services rendered from one fund to another or from interfund loans.

H. Fund Balance Classifications

1. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

2. Assigned fund balance – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.

3. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

I. Budget and Budgetary Accounting

The District is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Budget and Budgetary Accounting (Continued)

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

J. Stabilization Arrangements

The Arkansas Department of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

K. Minimum Fund Balance Policies

The Arkansas Department of Education has not formally adopted a minimum fund balance policy.

L. Fund Balance Classification Policies and Procedures

The Superintendent, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The Arkansas Department of Education has not adopted a formal policy addressing this authorization.

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

M. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 1,558,590	$ 1,662,474
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	16,749,294	24,547,529
Uninsured and uncollateralized	371,067	702,202
Total Deposits	$ 18,678,951	$ 26,912,205

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy addressing custodial credit risk. At June 30, 2012, $702,202 of the District's bank balance of $26,912,205 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$702,202

3: INVESTMENTS

At June 30, 2012, District funds totaling $15,010,898 were invested in Federated Treasury Obligations Fund, a money market treasury. The money market was rated AAAm by Standard & Poor's and Aaa by Moody's Investors Service and consisted of short-term repurchase agreements and U.S. Treasuries. The effective average maturity was 10 days.

4: ACCOUNTS RECEIVABLE

The accounts receivable balance of $4,520,212 at June 30, 2012 was comprised of the following:

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
State assistance	$ 837,736			$ 837,736
Federal assistance		$3,331,378		3,331,378
Activity fund accounts	4,543			4,543
Other	267,931	18,638	$ 59,986	346,555
Totals	$1,110,210	$3,350,016	$ 59,986	$4,520,212

5: COMMITMENTS

The District was contractually obligated for the following at June 30, 2012:

A. Construction Contracts

Project Name	Estimated Completion Date	Contract Balance
Oak Grove High School/Maumelle High School	March 2013	$ 1,952,872
Sylvan Hills Middle School replacement	March 2013	643,510
Sylvan Hills Elementary School restroom renovation	December 2012	6,989
Fuller Middle School roof repair	December 2012	32,417
Harris Elementary project	December 2012	220,382

B. Long-term Debt Issued and Outstanding

The District is presently paying on the following long-term debt:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2012	Maturities To June 30, 2012
11/1/07	2/1/35	3.4 - 4.45%	$ 4,630,000	$ 3,585,000	$ 1,045,000
6/15/09	2/1/35	4.9%	81,365,000	74,365,000	7,000,000
2/15/10	2/1/32	2 - 4.25%	15,750,000	15,750,000	
1/1/11	2/1/32	2.5 - 4.5%	18,605,000	18,030,000	575,000
10/1/10	2/1/19	1 - 2.5%	1,700,000	1,425,000	275,000
10/15/10	2/1/35	2.25 - 4.125%	12,245,000	12,245,000	
4/1/12	2/1/35	3 - 4%	21,860,000	21,860,000	
3/31/11	3/31/16	3.92%	389,412	317,491	71,921
3/31/11	3/31/16	3.92%	2,400,237	1,949,226	451,011
Totals			$ 158,944,649	$ 149,526,717	$ 9,417,932

Changes in Long-term Debt

	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
Bonds payable	$149,895,000	$ 21,860,000	$ 24,495,000	$147,260,000
Notes payable	23,286 **		23,286	
Capital leases	2,660,824		394,107	2,266,717
Totals	$152,579,110	$ 21,860,000	$ 24,912,393 *	$149,526,717

*Includes $21,237,115 early retirement of debt - See Note 8.
**Includes prior year adjustment to loan balance of $970.

5: COMMITMENTS (Continued)

B. Long-term Debt Issued and Outstanding (Continued)

Total long-term debt principal and interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2013	$ 4,148,755	$ 5,874,399	$ 10,023,154
2014	4,630,409	5,863,982	10,494,391
2015	4,767,925	5,727,901	10,495,826
2016	4,864,628	5,589,218	10,453,846
2017	4,405,000	5,456,724	9,861,724
2018-2022	26,835,000	23,891,726	50,726,726
2023-2027	32,525,000	19,284,581	51,809,581
2028-2032	40,185,000	11,796,305	51,981,305
2033-2035	27,165,000	2,514,303	29,679,303
Totals	$ 149,526,717	$ 85,999,139	$ 235,525,856

Capital Lease

The District has executed the following capital lease:

Class of Property	Asset Balance June 30, 2012
Computers	$ 2,775,864

	June 30, 2012
Total Minimum Lease Payments	$ 2,457,358
Less: Amount Representing Interest	190,641
Total Present Value of Net Minimum Lease Payments	$ 2,266,717

6: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance of $5,656,666 at June 30, 2012 was comprised of the following:

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Vendor payables	$ 3,207,547	$ 108,537	$ 2,020,468	$ 5,336,552
Salaries payable	60,470			60,470
Payroll withholdings and matching	176,449			176,449
Other	83,195			83,195
Totals	$ 3,527,661	$ 108,537	$ 2,020,468	$ 5,656,666

7: DEBT REFUNDINGS

On April 1, 2012, the District issued $21,860,000 in refunding bonds with interest rates of 3 to 4 percent to advance refund $21,230,000 of outstanding bonds dated November 1, 2004 (2004A bonds), with interest rates of 4 to 4.75 percent. This resulted in a savings of $2,536,125. The net proceeds of $21,491,129 were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2004A Series bonds. The 2004A Series bonds were called on May 1, 2012. The remaining proceeds of $8,030 (after net bond issuance costs of $360,841) will be utilized by the District for future debt payments.

Additionally, in fiscal year 2012, the District paid $7,115 to retire the balance of a note payable prior to maturity date.

8: INTERFUND TRANSFERS

The District transferred $1,727,906 from the general fund to the other aggregate funds for debt refunding savings required to be utilized for capital expenditures and $603,448 from the general fund to the special revenue fund to supplement its food services operations.

9: RETIREMENT PLANS

Arkansas Teacher Retirement System

Plan Description. The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain nonteachers hired before July 1, 1989. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

9: RETIREMENT PLANS (Continued)

Arkansas Teacher Retirement System (Continued)

Funding Policy. ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14% of covered salaries, the maximum allowed by State law. The District's contributions to ATRS for the years ended June 30, 2012, 2011, and 2010 were $16,641,163, $16,936,626, and $15,794,860, respectively, equal to the required contributions for each year.

Arkansas Public Employees Retirement System

Plan Description. The District contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain nonteachers hired before July 1, 1989. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 West Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy. APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the years ended June 30, 2012, 2011, and 2010 were $33,976, $38,898, and $44,341, respectively, equal to the required contributions for each year.

10: DEFICIT FUND BALANCES

The deficit unassigned fund balance of $439,936 in the special revenue fund, as displayed in the table at Note 13 below, is the result of journal entries to eliminate child nutrition program inventories from the balance sheet for regulatory basis reporting purposes.

11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for student athletics, buildings, contents, vehicles, and legal liability. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

The District participates in the Arkansas School Boards Association - Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating, and settling claims that have been filed on behalf of and against member districts. The District contributes annually to this program.

11: RISK MANAGEMENT (Continued)

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to $250,000 with a $2,500 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

12: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled $2,067,290 for the year ended June 30, 2012.

13: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Fund Balances:				
Restricted for:				
Educational programs - national school lunch state categorical funding	$ 535,491			$ 535,491
English-language learners	9,432			9,432
Professional development	100,702			100,702
Impact Aid	278,383			278,383
M-to-M program	6,975,979			6,975,979
Magnet and M-to-M transportation	1,093,724			1,093,724
Adult basic education	61,931			61,931
ROTC		$ 506,373		506,373
Education for homeless children and youth		76,537		76,537
Career and technical education		85,394		85,394
Capital projects			$ 15,907,954	15,907,954
Education technology	56,908			56,908
Debt service			11,369	11,369
Medical services		1,287,169		1,287,169
Secondary workforce center	318,248			318,248
Special education programs	79,400			79,400
Other purposes	247,325	27,594		274,919
Total Restricted	9,757,523	1,983,067	15,919,323	27,659,913

13: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE (Continued)

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Fund Balances: (Continued)				
Assigned to:				
Student activities	$ 968,288			$ 968,288
Other purposes	102,578			102,578
Total Assigned	1,070,866			1,070,866
Unassigned	3,910,193	$ (439,936)		3,470,257
Totals	$ 14,738,582	$1,543,131	$ 15,919,323	$ 32,201,036

14: SUBSEQUENT EVENTS

On November 1, 2012, the District issued refunding bonds of $3,755,000 with interest rates of 2 to 3.375 percent to advance refund the District's November 1, 2007 bonds with interest rates from 3.4 to 4.45 percent.

15: SALE OF CAPITAL ASSETS

The District received funds totaling $57,100 from an auction of various equipment items in fiscal year 2012.

16: COMPENSATION FOR LOSS OF CAPITAL ASSETS

The District received insurance proceeds totaling $2,351,537 for tornado damage, water damage, wind damage, flood damage, and the theft of 9 AC units sustained throughout fiscal year 2012 at eleven different campuses.

17: FISCAL DISTRESS STATUS

On May 16, 2011, the State Board of Education classified the District in fiscal distress. The District, in conjunction with the Arkansas Department of Education, has adopted a plan to implement effective cost reduction measures. As disclosed in Note 1, the Arkansas Department of Education assumed control of the District on June 20, 2011.

18: PENDING LITIGATION

Little Rock School District v. Pulaski County Special School District, et at., - No. 4:82-CV-866

After prevailing upon the appeal which affirmed denial of unitary status for the PCSSD, Joshua, a group representing black school children, filed a claim for attorney's fees for work done in the district court.

18: PENDING LITIGATION (Continued)

Little Rock School District v. Pulaski County Special School District, et at., - No. 4:82-CV-866 (Continued)

The District responded, and Judge Price Marshall, who has succeeded Judge Brian Miller in the case, ruled on May 21, 2012 that Joshua's claims regarding unitary hearings come too late, but that he would entertain a claim by Joshua for attorney's fees dating from an unspecified period in the past up until the unitary hearing for "monitoring" activities. In the same Order, Judge Marshall also indicated that Joshua would have a second chance to convince the district court that it should entertain a motion for a late petition for attorney's fees for proceedings had in the district court.

Just before Joshua's further amended petition was due to be filed on June 30, 2012, the parties began negotiations to resolve the issue, and as a result, Joshua was granted an enlargement of time to file its amended and supplemental petition.

On October 26, 2012, the Joshua Intervenors and the District filed a joint motion seeking court approval for a negotiated settlement between the District and Joshua to settle all attorney's fees issues for $875,000. The settlement would be inclusive of all matters from the beginning of time until June 30, 2012. As of November 7, 2012, no other party had responded to the motion. The district court approved the motion on December 10, 2012 and the sums will be paid timely.

19: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of $156,155,000 issued from November 1, 2007 through April 1, 2012. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is $233,068,498 payable through February 1, 2035. Principal and interest paid for the current year and total property taxes pledged for debt service were $9,479,309 and $40,323,709, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 23.51 percent.

20: PRIOR YEAR RESTATEMENT

The beginning fund balance of the special revenue fund was increased by $420,185, and the beginning balance of the other aggregate funds was decreased by the same amount to correct prior year accounts payable transactions. Additionally, the beginning fund balance of the general fund was decreased by $448,722 to correct the District's prior year cash balance by $264,463 and withholdings payable balance by $184,259.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)

Schedule 1

	Balance June 30, 2012
Nondepreciable capital assets:	
Land	$ 8,806,063
Construction in progress	102,649,372
Total nondepreciable capital assets	111,455,435
Depreciable capital assets:	
Buildings	116,339,872
Improvements/infrastructure	16,033,178
Equipment	37,973,593
Total depreciable capital assets	170,346,643
Less accumulated depreciation for:	
Buildings	49,694,470
Improvements/infrastructure	496,164
Equipment	22,513,046
Total accumulated depreciation	72,703,680
Total depreciable capital assets, net	97,642,963
Capital assets, net	$ 209,098,398

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
U. S. Department of Agriculture			
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	60-03	$ 1,523,020
National School Lunch Program - Cash Assistance	10.555	60-03	3,907,420
Total State Department of Education			5,430,440
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555	6003000	462,934
Summer Food Service Program for Children - Cash Assistance	10.559	Unavailable	29,328
Total State Department of Human Services			492,262
TOTAL CHILD NUTRITION CLUSTER			5,922,702
TITLE I, PART A CLUSTER			
U. S. Department of Education			
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	60-03	5,907,905
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	60-03	705,284
TOTAL TITLE I, PART A CLUSTER			6,613,189
SPECIAL EDUCATION CLUSTER (IDEA)			
U. S. Department of Education			
Passed Through State Department of Education:			
Special Education - Grants to States	84.027	60-03	2,950,720
ARRA - Special Education - Grants to States, Recovery Act	84.391	60-03	1,621,349
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			4,572,069
EDUCATION FOR HOMELESS CHILDREN AND YOUTH CLUSTER			
U. S. Department of Education			
Passed Through State Department of Education			
Education for Homeless Children and Youth	84.196	60-03	29,465
ARRA - Education for Homeless Children and Youth, Recovery Act	84.387	60-03	19,403
TOTAL EDUCATION FOR HOMELESS CHILDREN AND YOUTH CLUSTER			48,868
CCDF CLUSTER			
U. S. Department of Health and Human Services:			
Passed Through State Department of Human Services:			
Child Care and Development Block Grant	93.575	Unavailable	3,916
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Unavailable	1,911
TOTAL CCDF CLUSTER			5,827
OTHER PROGRAMS			
U. S. Department of Agriculture			
Passed Through State Department of Human Services:			
Child and Adult Care Food Program	10.558	60-03	75,773
U. S. Department of Defense			
Direct Programs:			
ROTC (Note 4)	12.AR040053		367,451
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556		229,857
Total U. S. Department of Defense			597,308

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
OTHER PROGRAMS (Continued)			
National Endowment for the Arts			
Passed Through Department of Arkansas Heritage - Arkansas Arts Council:			
Promotion of the Arts - Partnership Agreements	45.025	Unavailable	$ 2,469
U. S. Department of Education			
Direct Program:			
Impact Aid	84.041		255,749
Passed Through State Department of Career Education:			
Adult Education - Basic Grants to States	84.002	60-03	299,695
Career and Technical Education - Basic Grants to States	84.048	60-03	119,220
Total State Department of Career Education			418,915
Passed Through State Department of Education:			
Twenty-First Century Community Learning Centers	84.287	60-03	475,900
Special Education - State Personnel Development	84.323	60-03	789
Title I Accountability Grants	84.348	60-03	83,866
English Language Acquisition Grants	84.365	60-03	51,992
Improving Teacher Quality State Grants	84.367	60-03	845,031
School Improvement Grants	84.377	60-03	1,468,206
ARRA - Education Technology State Grants, Recovery Act	84.386	60-03	45,013
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	60-03	916,310
ARRA - Education Jobs Fund, Recovery Act	84.410	60-03	113,834
Total State Department of Education			4,000,941
Total U. S. Department of Education			4,675,605
TOTAL OTHER PROGRAMS			5,351,155
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 22,513,810

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Pulaski County Special School District (District) under programs of the federal government for the year ended June 30, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.

Note 4: The Federal CFDA Number was not available. An alternative identifying number was utilized.

Note 5: During the year ended June 30, 2012, the District received Medicaid funding of $446,449 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above schedule.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Types of auditor's reports issued: GAAP basis of reporting - adverse
Regulatory basis opinion units - unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☐ yes ☑ none reported

Noncompliance material to financial statements noted? ☐ yes ☑ no

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☑ no
- Significant deficiency(ies) identified? ☐ yes ☑ none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☐ yes ☑ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, and 10.559	Child Nutrition Cluster
84.010 and 84.389	Title I, Part A Cluster
84.027 and 84.391	Special Education Cluster (IDEA)
84.367	Improving Teacher Quality State Grant
84.377	School Improvements Grant
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act

Dollar threshold used to distinguish between type A and type B programs: $ 675,414

Auditee qualified as low-risk auditee? ☐ yes ☑ no

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

2012-1. Internal Control

Criteria or specific requirement: Internal control is a process consisting of five interrelated components - *control environment, risk assessment, information and communication, control activities, and monitoring*. Management is responsible for adopting sound accounting policies and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Condition: Deficiencies in the internal control component of control activities adversely affected the District's ability to initiate, authorize, record, process, and report financial data in accordance with the regulatory basis of accounting such that there was a reasonable possibility that a material misstatement of the District's financial statements would not be prevented, or detected and corrected on a timely basis. Financial accounting duties were not adequately segregated among employees. Specifically, certain key weaknesses included the following: all bank reconciliations were prepared by the same employee responsible for the maintenance of accounting records, without compensating controls. Non-payroll checks were prepared by the same employee responsible for the maintenance of accounting records.

Context: An understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures was obtained.

Effect: The District's ability to initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements, as well as the ability to safeguard District assets, was adversely affected by the identified weaknesses in the above internal control component.

Cause: District management, due to cost/benefit implications, which hindered the District's ability to adequately segregate financial accounting duties among employees, did not effectively address the deficiencies in internal control.

Recommendation: District management should adopt sound accounting policies and establish and maintain internal control that will initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements and that will safeguard District assets.

Views of responsible officials and planned corrective actions: We concur with the recommendation and will implement corrective procedures to the extent possible.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 4

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES

2011 - Finding 2011-3: Title I Grants to Local Educational Agencies - CFDA Number 84.010

Condition: The District either exceeded budgeted amounts by more than the 10 percent allowance without prior approval from the Arkansas Department of Education or expended funds from functions/objects that were not budgeted in amounts totaling $3,055,529 from Title I (non-ARRA) funds as shown below:

Function/Object	Unbudgeted Amounts	Variance in Excess of 10% Allowance
Function 1511 - Before/After School Programs		$ 811
Function 1560 - Reading	$ 230,886	
Function 1591 - Title I Schoolwide Instruction		14,315
Function 2294 - Instructional Facilitator - Math		1,281,777
Function 2297 - Instructional Facilitator - Literacy		1,333,347
Function 3352 - Non-public School Public Service	9,415	
Function 5500 - Indirect Costs	182,610	
Object 67000 - Capital Outlay	2,352	
Object 68000 - Other Objects	16	
Totals	$ 425,279	$ 2,630,250

Recommendation: The District should implement procedures to ensure that program expenditures do not exceed approved budget categories and contact the Arkansas Department of Education for further guidance regarding this matter.

Current Status: Corrective action was taken.

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
ARRA - TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT

2011 - Finding 2011-4: ARRA - Title I Grants to Local Educational Agencies, Recovery Act - CFDA Number 84.389

Condition: The District could not account for four of the nineteen items selected for physical inspection purchased from the Title I ARRA program. The unaccounted for items had a cost of $9,153. Additionally, capital assets were not properly tagged, serial numbers were not properly included in the capital asset listing, and proper internal approval for disposal of capital assets was not obtained.

Recommendation: Proper subsidiary records should be maintained for capital assets acquired with federal awards.

Current Status: Corrective action was taken.

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS)

2011 - Finding 2011-5: Child Nutrition Cluster (Cash Assistance Programs) - CFDA Numbers 10.553, 10.555, and 10.559

Condition: Although standard payroll documentation supporting the employees' work in the child nutrition programs was available for audit inspection, periodic time certifications were not prepared for any of the employees selected for testing, who worked solely with the child nutrition programs.

Recommendation: The District should prepare periodic time certifications for all applicable employees.

Current Status: Corrective action was taken.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)

Schedule 5

	Year Ended June 30,				
General Fund	2012	2011	2010	2009	2008
Total Assets	$ 18,274,273	$ 20,851,657	$ 23,135,490	$ 17,990,428	$ 28,730,750
Total Liabilities	3,535,691	17,292,353	13,310,563	9,097,886	20,053,924
Total Fund Balances	14,738,582	3,559,304	9,824,927	8,892,542	8,676,826
Total Revenues	182,205,779	160,584,060	157,085,868	163,850,964	157,237,887
Total Expenditures	170,647,947	167,095,601	156,726,267	152,102,739	148,828,790
Total Other Financing Sources (Uses)	70,168	(694,681)	572,784	(11,532,509)	(8,321,297)
Special Revenue Fund					
Total Assets	3,350,016	3,364,924	11,801,392	3,525,761	2,611,906
Total Liabilities	1,806,885	1,114,434	7,727,335	23	
Total Fund Balances	1,543,131	2,250,490	4,074,057	3,525,738	2,611,906
Total Revenues	23,959,260	28,662,364	30,431,428	20,408,780	17,680,317
Total Expenditures	25,678,631	26,719,081	30,564,372	20,189,507	19,502,164
Total Other Financing Sources (Uses)	591,827	(3,766,850)	681,263	694,559	1,044,511
Other Aggregate Funds					
Total Assets	17,939,791	37,692,225	93,872,450	124,785,267	34,682,398
Total Liabilities	2,020,468	5,166,391	20,681,570	14,135,670	8,467,795
Total Fund Balances	15,919,323	32,525,834	73,190,880	110,649,597	26,214,603
Total Revenues	14,781,444	20,346,122	13,743,843	10,179,474	8,141,429
Total Expenditures	32,703,706	68,067,063	49,948,513	17,947,430	27,687,559
Total Other Financing Sources (Uses)	1,735,936	7,055,895	(1,254,047)	92,202,950	11,906,786

Pulaski County Special School District

Pulaski County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2013

LEGISLATIVE JOINT AUDITING COMMITTEE

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
TABLE OF CONTENTS
JUNE 30, 2013

Independent Auditor's Report
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	Exhibit
Balance Sheet - Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Regulatory Basis	C
Notes to Financial Statements	

SCHEDULES

	Schedule
Schedule of Capital Assets (Unaudited)	1
Schedule of Expenditures of Federal Awards	2
Schedule of Findings and Questioned Costs	3
Federal Award Programs - Summary Schedule of Prior Audit Findings	4
Schedule of Selected Information for the Last Five Years - Regulatory Basis (Unaudited)	5

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Pulaski County Special School District and Arkansas Department of Education
Legislative Joint Auditing Committee

Report on the Financial Statements

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Pulaski County Special School District (the "District"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, as described in Note1, to meet the reporting requirements of the State of Arkansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the State of Arkansas, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraphs, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2013, or the changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2013, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years - Regulatory Basis are presented for the purposes of additional analysis and are not a required part of the regulatory basis financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

The Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years - Regulatory Basis have not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

DIVISION OF LEGISLATIVE AUDIT

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

Little Rock, Arkansas
March 13, 2014
EDSD32313

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Pulaski County Special School District and Arkansas Department of Education
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major governmental fund and the aggregate remaining fund information of the Pulaski County Special School District (the "District"), as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated March 13, 2014. We issued an adverse opinion because the District prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2013, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's regulatory basis financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the Schedule of Findings and Questioned Costs as item 2013-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated March 13, 2014.

District's Response to Findings

The District's response to the findings identified in our audit, excluding the management letter findings, is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
March 13, 2014

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Pulaski County Special School District and Arkansas Department of Education
Legislative Joint Auditing Committee

Report on Compliance for Each Major Federal Program

We have audited the Pulaski County Special School District (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
March 13, 2014

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

MANAGEMENT LETTER

Pulaski County Special School District and Arkansas Department of Education
Legislative Joint Auditing Committee

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations and to improve internal control. These matters were discussed previously with District officials during the course of our audit fieldwork and at the exit conference.

1. Assets were not properly tagged and serial numbers were not properly included in the capital assets listing for all funds, as well as assets not being properly removed from the listing. Additionally, construction projects that had been completed were not properly moved to the asset listing. A similar finding was reported in the previous two audits.

2. The District had uninsured and uncollateralized deposits totaling $487,915 at Regions Bank at June 30, 2013. A similar finding was reported in the previous two audits.

3. District personnel performed, and Division of Legislative Audit staff reviewed, a comparison of Clinton Elementary School activity fund bank account deposits to cash collection reports submitted by sponsors from August 2, 2013 through February 6, 2014. The process indicated revenue of $8,352 was not deposited.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
March 13, 2014

172 STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE (501) 683-8600 • FAX (501) 683-8605
www.arklegaudit.gov

Exhibit A

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2013

	Governmental Funds			
	Major			
	General	Special Revenue	Other Aggregate	Fiduciary Fund Types
ASSETS				
Cash	$ 19,768,337		$ 14,331,858	$ 295,097
Accounts receivable	144,406	$ 3,444,405		
Due from other funds	2,479,759			
Deposit with paying agent	22,437		122,868	
TOTAL ASSETS	$ 22,414,939	$ 3,444,405	$ 14,454,726	$ 295,097
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 4,004,890	$ 146,552	$ 1,078,153	
Deferred revenues		57,415		
Due student groups				$ 295,097
Due to other funds		2,479,759		
Total Liabilities	4,004,890	2,683,726	1,078,153	295,097
Fund Balances:				
Nonspendable	22,437		122,868	
Restricted	8,762,685	1,218,837	10,085,839	
Assigned	1,586,252		3,167,866	
Unassigned	8,038,675	(458,158)		
Total Fund Balances	18,410,049	760,679	13,376,573	
TOTAL LIABILITIES AND FUND BALANCES	$ 22,414,939	$ 3,444,405	$ 14,454,726	$ 295,097

The accompanying notes are an integral part of these financial statements.

Exhibit B

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	Major		
	General	Special Revenue	Other Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	$ 85,540,513		$ 11,352,701
State assistance	79,855,036	$ 54,395	393,439
Federal assistance	543,311	18,876,338	
Activity revenues	2,151,516		
Meal sales		1,528,415	
Investment income	96,859	81	376
Other revenues	1,460,389	126,767	57,426
TOTAL REVENUES	169,647,624	20,585,996	11,803,942
EXPENDITURES			
Regular programs	59,726,379	368,969	7,030
Special education	14,371,786	2,794,066	
Workforce education programs	4,212,848	257,425	
Adult/continuing education program	846,389	293,427	
Compensatory education programs	3,626,831	2,179,421	
Other instructional programs	5,416,040	405,639	
Student support services	9,843,693	1,104,141	
Instructional staff support services	7,601,382	5,604,518	219,865
General administration support services	3,080,164	131,898	
School administration support services	10,414,156	89,797	
Business support services	6,118,001		636,323
Operation and maintenance of plant services	16,783,347	22,627	227,246
Student transportation services	13,823,877	4,526	
Other support services	148,454	28,818	798,637
Food services operations	18,154	8,092,435	
Community services operations	23,427	94,558	
Facilities acquisition and construction services	226,797		6,889,673
Non-programmed costs	3,033,221	256,785	
Activity expenditures	2,179,752		
Debt Service:			
Principal retirement	105,472		4,092,573
Interest and fiscal charges	24,757		5,789,231
TOTAL EXPENDITURES	161,624,927	21,729,050	18,660,578
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8,022,697	(1,143,054)	(6,856,636)
OTHER FINANCING SOURCES (USES)			
Transfers in		360,602	4,302,707
Transfers out	(4,663,309)		
Proceeds from refunding bond issue			3,755,000
Payment to refunding bond escrow agent			(3,662,639)
Net bond issuance costs			(81,182)
Compensation for loss of capital assets	312,079		
TOTAL OTHER FINANCING SOURCES (USES)	(4,351,230)	360,602	4,313,886
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,671,467	(782,452)	(2,542,750)
FUND BALANCES - JULY 1	14,738,582	1,543,131	15,919,323
FUND BALANCES - JUNE 30	$ 18,410,049	$ 760,679	$ 13,376,573

The accompanying notes are an integral part of these financial statements.

Exhibit C

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	$ 85,765,674	$ 85,540,513	$ (225,161)			
State assistance	80,464,261	79,855,036	(609,225)	$ 55,000	$ 54,395	$ (605)
Federal assistance	255,000	543,311	288,311	22,406,027	18,876,338	(3,529,689)
Activity revenues		2,151,516	2,151,516			
Meal sales				1,982,316	1,528,415	(453,901)
Investment income	50,000	96,859	46,859		81	81
Other revenues	435,436	1,460,389	1,024,953	1,140	126,767	125,627
TOTAL REVENUES	166,970,371	169,647,624	2,677,253	24,444,483	20,585,996	(3,858,487)
EXPENDITURES						
Regular programs	62,843,977	59,726,379	3,117,598	717,035	368,969	348,066
Special education	14,609,226	14,371,786	237,440	3,482,606	2,794,066	688,540
Career education programs	4,411,720	4,212,848	198,872	188,220	257,425	(69,205)
Adult/continuing education program	814,532	846,389	(31,857)	250,000	293,427	(43,427)
Compensatory education programs	3,924,751	3,626,831	297,920	2,604,828	2,179,421	425,407
Other instructional programs	5,357,934	5,416,040	(58,106)	422,786	405,639	17,147
Student support services	10,565,697	9,843,693	722,004	1,551,315	1,104,141	447,174
Instructional staff support services	8,033,884	7,601,382	432,502	7,973,468	5,604,518	2,368,950
General administration support services	2,453,948	3,080,164	(626,216)	146,626	131,898	14,728
School administration support services	11,070,039	10,414,156	655,883	98,580	89,797	8,783
Central services support services	6,253,227	6,118,001	135,226			
Operation and maintenance of plant services	16,889,922	16,783,347	106,575	23,945	22,627	1,318
Student transportation services	14,266,506	13,823,877	442,629	32,501	4,526	27,975
Other support services	140,092	148,454	(8,362)	28,714	28,818	(104)
Food services operations	5,000	18,154	(13,154)	7,948,860	8,092,435	(143,575)
Community services operations	60,202	23,427	36,775	140,536	94,558	45,978
Facilities acquisition and construction services	389,637	226,797	162,840	2,550		2,550
Non-programmed costs	3,001,214	3,033,221	(32,007)	374,529	256,785	117,744
Activity expenditures		2,179,752	(2,179,752)			
Debt Service:						
Principal retirement	127,191	105,472	21,719			
Interest and fiscal charges	29,084	24,757	4,327			
TOTAL EXPENDITURES	165,247,783	161,624,927	3,622,856	25,987,099	21,729,050	4,258,049

Exhibit C

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 1,722,588	$ 8,022,697	$ 6,300,109	$ (1,542,616)	$ (1,143,054)	$ 399,562
OTHER FINANCING SOURCES (USES)						
Transfers in	74,377,175		(74,377,175)		360,602	360,602
Transfers out	(75,144,331)	(4,663,309)	70,481,022			
Compensation for loss of capital assets		312,079	312,079			
TOTAL OTHER FINANCING SOURCES (USES)	(767,156)	(4,351,230)	(3,584,074)		360,602	360,602
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	955,432	3,671,467	2,716,035	(1,542,616)	(782,452)	760,164
FUND BALANCES - JULY 1	15,509,682	14,738,582	(771,100)	1,764,145	1,543,131	(221,014)
FUND BALANCES - JUNE 30	$ 16,465,114	$ 18,410,049	$ 1,944,935	$ 221,529	$ 760,679	$ 539,150

The accompanying notes are an integral part of these financial statements.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

On June 20, 2011, the Arkansas Department of Education (ADE) assumed control of the Pulaski County Special School District (District) and dissolved the local school board and replaced the superintendent. There are no component units.

B. Description of Funds

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the District's food services operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Fiduciary Fund types include the following:

Agency Funds – Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

C. Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by Ark. Code Ann. § 10-4-413(c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources. Changes in private-purpose trust funds will be reflected in the notes to the financial statements.

D. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Note 1 F below).

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The District maintains a threshold level of $1,000 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Life in Years
Improvements/infrastructure	20
Buildings	50
Equipment	5-20

F. Property Taxes

Property taxes are levied (tax rates are established) in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year.

Ark. Code Ann. § 6-20-401 allows, but does not mandate, the District to accrue the difference between the amount of 2012 calendar year taxes collected by June 30, 2013 and 32 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The District elected not to accrue property taxes or the option to accrue property taxes was not applicable because the amount of property taxes collected by June 30, 2013 equaled or exceeded the 32 percent calculation.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes (Continued)

Amendment no. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. Ark. Code Ann. § 26-80-101 provides the uniform rate of tax (URT) shall be assessed and collected in the same manner as other school property taxes, but the net revenues from the URT shall be remitted to the State Treasurer and distributed by the State to the county treasurer of each county for distribution to the school districts in that county. For reporting purposes, URT revenues are considered property taxes.

G. Interfund Receivables and Payables

Interfund receivables and payables result from services rendered from one fund to another or from interfund loans.

H. Fund Balance Classifications

1. Nonspendable fund balance – represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

2. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

3. Assigned fund balance – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.

4. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

I. Budget and Budgetary Accounting

The District is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis. Additionally, the District routinely budgets restricted federal programs as part of the special revenue fund. Significant variances may result in the budgetary comparison of the revenues and expenditures of the special revenue fund because of the reclassification of those federal programs primarily utilized for capital projects to the other aggregate funds for reporting purposes.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

J. Stabilization Arrangements

The Arkansas Department of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Minimum Fund Balance Policies

The Arkansas Department of Education has not formally adopted a minimum fund balance policy.

L. Fund Balance Classification Policies and Procedures

The Superintendent, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The Arkansas Department of Education has not adopted a formal policy addressing this authorization.

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

M. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 28,126,209	$ 35,450,821
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	5,781,289	5,802,543
Uninsured and uncollateralized	487,794	487,915
Total Deposits	$ 34,395,292	$ 41,741,279

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy addressing custodial credit risk. At June 30, 2013, $487,915 of the District's bank balance of $41,741,279 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$487,915

3: ACCOUNTS RECEIVABLE

The accounts receivable balance of $3,588,811 at June 30, 2013 was comprised of the following:

	Governmental Funds		
	Major		
Description	General	Special Revenue	Total
State assistance	$ 53,421		$ 53,421
Federal assistance		$3,395,391	3,395,391
Other	90,985	49,014	139,999
Totals	$ 144,406	$3,444,405	$3,588,811

4: COMMITMENTS

The District was contractually obligated for the following at June 30, 2013:

A. Construction Contracts

Project Name	Estimated Completion Date	Contract Balance
Baker Elementary School restroom renovation	January 2014	$ 61,437
Bates Elementary School restroom renovation	January 2014	70,896
Landmark Elementary School restroom renovation	January 2014	76,080
Lawson Elementary School door replacement and restroom renovation	January 2014	42,403
Robinson Elementary School restroom renovation	January 2014	53,085
Mills High School door replacement and University studies renovation	January 2014	50,938
Mills High School boiler door/cooling tower renovation	January 2014	325,004
Bayou Meto Elementary School restroom renovation	October 2013	87,168
Cato Elementary School restroom renovation	October 2013	55,322
Clinton Elementary School restroom renovation	October 2013	45,948
Crystal Hill Elementary School restroom renovation	October 2013	82,235
Dupree Elementary School restroom renovation	October 2013	92,262
Harris Elementary School restroom renovation	October 2013	30,264
Oak Grove Elementary School restroom renovation	October 2013	102,298
Tolleson Elementary School restroom renovation	October 2013	48,563

B. Long-term Debt Issued and Outstanding

The District is presently paying on the following long-term debt:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2013	Maturities To June 30, 2013
6/15/09	2/1/35	4.9%	$ 81,365,000	$ 72,275,000	$ 9,090,000
2/15/10	2/1/32	2 - 4.25%	15,750,000	15,310,000	440,000
1/1/11	2/1/32	2.5 - 4.5%	18,605,000	17,420,000	1,185,000
10/1/10	2/1/19	1 - 2.5%	1,700,000	1,230,000	470,000
10/15/10	2/1/35	2.25 - 4.125%	12,245,000	12,065,000	180,000
4/1/12	2/1/35	3 - 4%	21,860,000	21,860,000	
11/1/12	2/1/35	2 - 3.375%	3,755,000	3,755,000	
3/31/11	3/31/16	3.92%	389,412	223,548	165,864
3/31/11	3/31/16	3.92%	2,400,237	1,360,124	1,040,113
Totals			$ 158,069,649	$ 145,498,672	$ 12,570,977

4: COMMITMENTS (Continued)

B. Long-term Debt Issued and Outstanding (Continued)

Changes in Long-term Debt

	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
Bonds payable	$147,260,000	$ 3,755,000	$ 7,100,000	$143,915,000
Capital leases	2,266,717		683,045	1,583,672
Totals	$149,526,717	$ 3,755,000	$ 7,783,045 *	$145,498,672

*Includes $3,585,000 early retirement of debt – See Note 6.

Total long-term debt principal and interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2014	$ 4,667,096	$ 5,863,017	$ 10,530,113
2015	4,743,715	5,683,505	10,427,220
2016	4,617,861	5,287,832	9,905,693
2017	4,440,000	5,420,991	9,860,991
2018	4,955,000	5,240,936	10,195,936
2019-2023	28,055,000	22,813,740	50,868,740
2024-2028	33,970,000	17,862,208	51,832,208
2029-2033	41,520,000	9,937,170	51,457,170
2034-2035	18,530,000	1,269,194	19,799,194
Totals	$ 145,498,672	$ 79,378,593	$ 224,877,265

Capital Lease

The District has executed the following capital lease:

Class of Property	Asset Balance June 30, 2013
Computers	$ 2,775,864

	June 30, 2013
Total Minimum Lease Payments	$ 1,687,051
Less: Amount Representing Interest	103,379
Total Present Value of Net Minimum Lease Payments	$ 1,583,672

5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance of $5,229,595 at June 30, 2013 was comprised of the following:

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Vendor payables	$ 3,312,233	$ 146,375	$ 1,078,153	$ 4,536,761
Payroll withholdings and matching	425,876	177		426,053
Due to grantors	181,054			181,054
Other	85,727			85,727
Totals	$ 4,004,890	$ 146,552	$ 1,078,153	$ 5,229,595

6: DEBT REFUNDINGS

On November 1, 2012, the District issued $3,755,000 in refunding bonds with interest rates of 2 to 3.375 percent to advance refund $3,585,000 of outstanding bonds dated November 1, 2007 (2007 bonds), with interest rates of 3.4 to 4.45 percent. Net bond proceeds of $3,662,639 were remitted to an escrow agent to provide for all future debt service payments on the 2007 bonds. The 2007 Series bonds were called on February 1, 2013. The remaining proceeds of $11,179 (after payment of net bond issuance costs of $81,182) will be utilized by the District for future debt payments. This refunding resulted in a savings of $408,947 over a period of 23 fiscal years.

7: INTERFUND TRANSFERS

The District transferred $4,302,707 from the general fund to the other aggregate funds for debt refunding savings of $1,138,308 required to be utilized for capital expenditures and to supplement future capital projects by $3,164,399. Additionally, $360,602 was transferred from the general fund to the special revenue fund to supplement the District's food services operations.

8: RETIREMENT PLANS

Arkansas Teacher Retirement System

Plan Description. The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain nonteachers hired before July 1, 1989. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Funding Policy. ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14% of covered salaries, the maximum allowed by State law. The District's contributions to ATRS for the years ended June 30, 2013, 2012, and 2011 were $15,422,446, $16,641,163, and $16,936,626, respectively, equal to the required contributions for each year.

8: RETIREMENT PLANS (Continued)

Arkansas Public Employees Retirement System

Plan Description. The District contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain nonteachers hired before July 1, 1989. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 West Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy. APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the years ended June 30, 2013, 2012, and 2011 were $23,744, $33,976, and $38,898, respectively, equal to the required contributions for each year.

9: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of $155,280,000 issued from June 15, 2009 through November 1, 2012. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is $223,190,214, payable through February 1, 2035. Principal and interest paid for the current year and total property taxes pledged for debt service were $9,216,202 and $35,233,896, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 26.16 percent.

10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for student athletics, buildings, contents, vehicles, and legal liability. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

The District participates in the Arkansas School Boards Association - Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating, and settling claims that have been filed on behalf of and against member districts. The District contributes annually to this program.

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to $250,000 with a $2,500 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

11: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled $2,163,278 for the year ended June 30, 2013.

12: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Fund Balances:				
Nonspendable:				
Deposit with paying agent	$ 22,437		$ 122,868	$ 145,305
Restricted for:				
Alternative learning environment	4,532			4,532
Educational programs - national school lunch state categorical funding	440,061			440,061
English-language learners	12,616			12,616
Professional development	86,076			86,076
Impact Aid	268,348			268,348
M-to-M program	6,133,524			6,133,524
Magnet and M-to-M transportation	474,212			474,212
Adult basic education	69,513			69,513
ROTC		$ 275,994		275,994
Education for homeless children and youth		98,056		98,056
Capital projects			10,085,839	10,085,839
Medical services		701,968		701,968
Soft drink vending contract	57,942			57,942
Arkansas Better Chance	161,894			161,894
Secondary workforce center	291,978			291,978
Special education programs	613,796	112,537		726,333
Other purposes	148,193	30,282		178,475
Total Restricted	8,762,685	1,218,837	10,085,839	20,067,361
Assigned to:				
Capital projects			3,167,866	3,167,866
Student activities	940,051			940,051
Federal indirect costs	536,999			536,999
Other purposes	109,202			109,202
Total Assigned	1,586,252		3,167,866	4,754,118
Unassigned	8,038,675	(458,158)		7,580,517
Totals	$ 18,410,049	$ 760,679	$ 13,376,573	$ 32,547,301

13: FISCAL DISTRESS STATUS

On May 16, 2011, the State Board of Education classified the District in fiscal distress. The District, in conjunction with the Arkansas Department of Education, has adopted a plan to implement effective cost reduction measures. As disclosed in Note 1, the Arkansas Department of Education assumed control of the District on June 20, 2011.

14: PENDING LITIGATION

Joe & Kathy White d/b/a White's Lawn Service and Darryl Beard d/b/a Jewel of a Lawn, LLC v. Pulaski County Special School District; Pulaski County Circuit Court No. 60CV-14-234

On January 17, 2014, the plaintiffs filed suit against the District alleging that the District was guilty of breach of contract, promissory estoppel, and unjust enrichment in connection with plaintiffs' work providing lawn maintenance services for the District. Each plaintiff seeks in excess of $200,000 in damages, plus attorney's fees and costs. This matter has not yet been scheduled for trial. An unfavorable outcome is possible, but not likely.

15: DEFICIT FUND BALANCES

The deficit unassigned fund balance of $458,158 in the special revenue fund, as displayed in the table at Note 12 above, is the result of journal entries to eliminate child nutrition program inventories from the balance sheet for regulatory basis reporting purposes.

16: COMPENSATION FOR LOSS OF CAPITAL ASSETS

The District received insurance proceeds totaling $267,461 for tornado damage, snow and ice damage, water damage, wind damage, and flood damage, and insurance proceeds of $44,618 for vandalism and theft of property sustained throughout fiscal year 2013 at various campuses.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2013
(Unaudited)

Schedule 1

	Balance June 30, 2013
Nondepreciable capital assets:	
Land	$ 8,806,063
Construction in progress	998,002
Total nondepreciable capital assets	9,804,065
Depreciable capital assets:	
Buildings	210,973,313
Improvements/infrastructure	24,022,820
Equipment	40,855,005
Total depreciable capital assets	275,851,138
Less accumulated depreciation for:	
Buildings	49,795,141
Improvements/infrastructure	1,065,643
Equipment	22,807,274
Total accumulated depreciation	73,668,058
Total depreciable capital assets, net	202,183,080
Capital assets, net	$ 211,987,145

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
U. S. Department of Agriculture			
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	60-03	$ 1,494,361
National School Lunch Program - Cash Assistance	10.555	60-03	3,997,871
Total State Department of Education			5,492,232
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555	6003000	486,149
TOTAL CHILD NUTRITION CLUSTER			5,978,381
SPECIAL EDUCATION CLUSTER (IDEA)			
U. S. Department of Education			
Passed Through State Department of Education:			
Special Education - Grants to States	84.027	60-03	2,879,117
Special Education - Preschool Grants	84.173	60-03	48,708
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			2,927,825
SCHOOL IMPROVEMENT GRANTS CLUSTER			
U. S. Department of Education			
Passed Through State Department of Education:			
School Improvement Grants	84.377	60-03	530,942
ARRA - School Improvement Grants, Recovery Act	84.388	60-03	1,418,660
TOTAL SCHOOL IMPROVEMENT GRANTS CLUSTER			1,949,602
OTHER PROGRAMS			
U. S. Department of Defense			
Direct Programs:			
ROTC (Note 4)	12.AR060081		359,432
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556		165,971
Total U. S. Department of Defense			525,403
National Endowment for the Arts			
Passed Through Department of Arkansas Heritage - Arkansas Arts Council:			
Promotion of the Arts - Partnership Agreements	45.025	Unavailable	1,373
U. S. Department of Education			
Direct Program:			
Impact Aid	84.041		296,719
Passed Through State Department of Career Education:			
Adult Education - Basic Grants to States	84.002	60-03	293,427
Career and Technical Education - Basic Grants to States	84.048	60-03	270,285
Total State Department of Career Education			563,712
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	60-03	5,028,553
Education for Homeless Children and Youth	84.196	60-03	73,480
Twenty-First Century Community Learning Centers	84.287	60-03	367,456
English Language Acquisition Grants	84.365	60-03	48,337
Improving Teacher Quality State Grants	84.367	60-03	694,916
Total State Department of Education			6,212,742
Total U. S. Department of Education			7,073,173

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
OTHER PROGRAMS (Continued)			
U. S. Department of Health and Human Services			
Passed Through State Department of Education:			
Temporary Assistance for Needy Families	93.558	0000200549	$ 246,592
TOTAL OTHER PROGRAMS			7,846,541
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 18,702,349

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Pulaski County Special School District (District) under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.

Note 4: The Federal CFDA Number was not available. An alternative identifying number was utilized.

Note 5: During the year ended June 30, 2013, the District received Medicaid funding of $485,582 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above schedule.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Types of auditor's reports issued: GAAP basis of reporting - adverse
Regulatory basis opinion units - unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☑ no
- Significant deficiency(ies) identified? ☑ yes ☐ none reported

Noncompliance material to financial statements noted? ☐ yes ☑ no

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☑ no
- Significant deficiency(ies) identified? ☐ yes ☑ none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☐ yes ☑ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster (IDEA)
84.377 and 84.388	School Improvement Grants Cluster
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs: $ 561,070

Auditee qualified as low-risk auditee? ☐ yes ☑ no

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

2013-001. Internal Control

Criteria or specific requirement: An effective internal control system is the responsibility of management and requires sound accounting policies and proper oversight that will, among other things, help to ensure the proper initiating, authorization, recording, processing, and reporting of transactions consistent with management's assertions embodied in the financial statements.

Condition: Financial accounting duties pertaining to activity funds were not adequately segregated among employees at the offices at the individual campuses located throughout the District to properly receipt, record, and safeguard assets of the District. Specifically, the key weakness at the level of the individual campuses is that one employee is responsible for maintaining the accounting records, without adequate compensating controls.

Context: A lack of controls and inadequate segregation of financial accounting duties could result in unauthorized transactions or misappropriation of District assets

Effect: The District's ability to initiate, authorize, record, process, and report activity fund transactions consistent with management's assertions embodied in the financial statements, as well as the ability to safeguard District assets, was adversely affected by the identified weakness in the above internal control component.

Cause: District management, due to cost/benefit implications, which hindered the District's ability to adequately segregate financial accounting duties among employees at the multiple campuses did not effectively address the deficiency in internal control.

Recommendation: District management should adopt sound accounting policies and establish and maintain internal control that will initiate, authorize, record, process, and report activity fund transactions consistent with management's assertions embodied in the financial statements and that will safeguard District assets at the individual campuses throughout the District.

Views of responsible officials and planned corrective actions: We concur with the recommendation and will implement corrective procedures to the extent possible.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Schedule 4

There were no findings in the prior audit.

Schedule 5

PULASKI COUNTY SPECIAL SCHOOL DISTRICT
PULASKI COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013
(Unaudited)

	Year Ended June 30,				
General Fund	2013	2012	2011	2010	2009
Total Assets	$ 22,414,939	$ 18,274,273	$ 20,851,657	$ 23,135,490	$ 17,990,428
Total Liabilities	4,004,890	3,535,691	17,292,353	13,310,563	9,097,886
Total Fund Balances	18,410,049	14,738,582	3,559,304	9,824,927	8,892,542
Total Revenues	169,647,624	182,205,779	160,584,060	157,085,868	163,850,964
Total Expenditures	161,624,927	170,647,947	167,095,601	156,726,267	152,102,739
Total Other Financing Sources (Uses)	(4,351,230)	70,168	(694,681)	572,784	(11,532,509)
Special Revenue Fund					
Total Assets	3,444,405	3,350,016	3,364,924	11,801,392	3,525,761
Total Liabilities	2,683,726	1,806,885	1,114,434	7,727,335	23
Total Fund Balances	760,679	1,543,131	2,250,490	4,074,057	3,525,738
Total Revenues	20,585,996	23,959,260	28,662,364	30,431,428	20,408,780
Total Expenditures	21,729,050	25,678,631	26,719,081	30,564,372	20,189,507
Total Other Financing Sources (Uses)	360,602	591,827	(3,766,850)	681,263	694,559
Other Aggregate Funds					
Total Assets	14,454,726	17,939,791	37,692,225	93,872,450	124,785,267
Total Liabilities	1,078,153	2,020,468	5,166,391	20,681,570	14,135,670
Total Fund Balances	13,376,573	15,919,323	32,525,834	73,190,880	110,649,597
Total Revenues	11,803,942	14,781,444	20,346,122	13,743,843	10,179,474
Total Expenditures	18,660,578	32,703,706	68,067,063	49,948,513	17,947,430
Total Other Financing Sources (Uses)	4,313,886	1,735,936	7,055,895	(1,254,047)	92,202,950

Stricken language would be deleted from and underlined language would be added to present law.
Act 600 of the Regular Session

State of Arkansas *As Engrossed: H3/11/13*
89th General Assembly **A Bill**
Regular Session, 2013 HOUSE BILL 1770

By: Representatives Perry, D. Altes, Branscum, Carnine, Catlett, Clemmer, Collins, Copenhaver, Dale, Deffenbaugh, J. Dickinson, Eubanks, Farrer, Fielding, Hobbs, Hodges, Holcomb, Jett, Lampkin, Leding, Lowery, Magie, McCrary, Ratliff, Richey, T. Thompson, Wardlaw, D. Whitaker, Word, Wren, *E. Armstrong*
By: Senators J. Key, Bledsoe, E. Cheatham, J. Dismang, J. English, Hester, Holland, Irvin, D. Johnson, U. Lindsey, Maloch, B. Pierce, Rapert, B. Sample, Teague, R. Thompson, E. Williams, *Bookout, Caldwell, Files, J. Hutchinson, B. King, D. Sanders, G. Stubblefield, J. Woods, D. Wyatt*

For An Act To Be Entitled

AN ACT TO EXTEND THE TIME FOR WHICH A PUBLIC SCHOOL OR SCHOOL DISTRICT MAY BE CLASSIFIED AS IN ACADEMIC, FISCAL, OR FACILITIES DISTRESS; TO ALLOW A PUBLIC SCHOOL TO BE CLASSIFIED AS IN ACADEMIC DISTRESS; TO MODIFY THE CRITERIA, SANCTIONS, AND PROCEDURES FOR A PUBLIC SCHOOL OR SCHOOL DISTRICT IN ACADEMIC, FISCAL, OR FACILITIES DISTRESS; TO PROVIDE FOR CAPACITY BUILDING AND INTERIM LEADERSHIP IN A PUBLIC SCHOOL OR SCHOOL DISTRICT IN ACADEMIC, FISCAL, OR FACILITIES DISTRESS; TO AMEND THE ARKANSAS OPPORTUNITY PUBLIC SCHOOL CHOICE ACT OF 2004; TO CLARIFY THE TERMINOLOGY OF THE ACADEMIC FACILITIES DISTRESS PROGRAM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND PROVISIONS OF LAW CONCERNING ACADEMIC, FISCAL, AND FACILITIES DISTRESS OF PUBLIC SCHOOLS AND SCHOOL DISTRICTS; AND TO DECLARE AN EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 6-15-419(32), concerning the definition of "school district in academic distress" is amended to read as follows:

(32) "School or school district in academic distress" means any public school or school district failing to meet the minimum level of academic achievement on the state-mandated augmented, criterion-referenced, or norm-referenced assessments as required by the state board in the program;

SECTION 2. Arkansas Code § 6-15-425 is amended to read as follows:

6-15-425. School improvement or academic distress.

~~(a) Those public individual schools~~ A public school or school district identified by the Department of Education as failing to meet established levels of academic achievement shall be classified as being in:

(1) ~~school~~ School improvement as required by the Arkansas Comprehensive Testing, Assessment, and Accountability Program, § 6-15-401, et seq., rules and regulations~~.~~;

(2) Academic distress as required under § 6-15-428 – 6-15-431; or

~~(b)~~(3) ~~Those public school districts identified by the department as failing to meet established levels of academic achievement shall be classified as being either in school improvement or academic distress, or both,~~ Both, as required by the applicable program rules and regulations.

SECTION 3. Arkansas Code § 6-15-428 is amended to read as follows:

6-15-428. Academic distress identification, notification, classification, and appeal.

(a) The school board president and superintendent of a school district in which the school district or a public school is identified by the Department of Education as being in academic distress shall be notified in writing by the department via certified mail, return receipt requested, and shall have a right of appeal to the State Board of Education.

(b) Any school district identified or in which a public school is identified in academic distress may appeal to the state board by filing a written appeal with the Commissioner of Education via certified mail, return receipt requested, within thirty (30) calendar days of receipt of the written

notice of academic distress status from the department.

(c)(1) The state board shall hear the appeal of the school district within sixty (60) days of receipt of the written appeal in the commissioner's office.

(2) The state board's determination shall be final except that a school district may appeal to Pulaski County Circuit Court under the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(d) ~~Those school districts~~ A school district or public school identified by the department as being in academic distress shall be classified as a school ~~districts~~ district or public school in academic distress upon final determination by the state board.

SECTION 4. Arkansas Code § 6-15-429 is amended to read as follows:

6-15-429. Academic distress – Required action.

(a) ~~A~~ Except as provided under subdivision (b)(3)(B) of this section and § 6-15-430(d), a public school or school district identified as in "academic distress" shall have no more than ~~two (2)~~ five (5) consecutive school years from the date of ~~receipt of notice of identification from the Department of Education~~ classification of academic distress status to be removed from academic distress status.

(b)(1) The State Board of Education may at any time take enforcement action on any school district in academic distress status, ~~including, but not limited to,~~ including without limitation annexation, consolidation, or reconstitution of a school district pursuant to § 6-13-1401 et seq. and the authority of this subchapter~~, except no~~.

(2) The state board may take enforcement action at any time on a public school in academic distress under this subchapter.

(3)(A) Except as provided under subdivision (b)(3)(B) of this section and § 6-15-430(d), a public school or school district shall not be allowed to remain in academic distress status for a time period greater than ~~two (2)~~ five (5) consecutive school years from the date of ~~receipt of notice of identification~~ classification of academic distress ~~from the department~~ status.

(B) The state board may grant additional time for a public school or school district to remove itself from academic distress by issuing a written finding supported by a majority of the state board explaining in

detail that the public school or school district could not remove itself from academic distress during the relevant time period due to impossibility caused by external forces beyond the control of the public school or school district.

(c) If a public school or school district classified as being in academic distress fails to be removed from academic distress status within the allowed ~~two-year~~ five-year time period and has not been granted additional time under subdivision (b)(3)(B) of this section, the state board shall annex, consolidate, or reconstitute the ~~academic distress~~ public school or school district ~~prior to~~ before July 1 of the next school year ~~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 academic distress during the relevant time period due to impossibility caused by external forces beyond the school district's control~~.

SECTION 5. Arkansas Code § 6-15-430 is amended to read as follows:

6-15-430. State Board of Education authority over ~~school~~ a public school or school district in academic distress.

(a) ~~The State Board of Education shall have the following authority regarding any public~~ If a school district is classified as being in academic distress, the State Board of Education may:

(1) ~~To require the superintendent of the school district to relinquish all authority with respect to the school district and to appoint an individual to administratively operate the school district under the supervision of the Commissioner of Education, with the cost to be paid from school district funding~~ Remove permanently, reassign, or suspend on a temporary basis the superintendent of the school district and:

(A) 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

(B) Compensate from school district funds the individual appointed to operate the school district;

(2) ~~To suspend~~ Suspend or remove some or all of the current board of directors and call for the election of a new school board of directors for the school district, in which case the school district shall

reimburse the county board of election commissioners for election costs as otherwise required by law;

(3) ~~To allow~~ Require the school district to operate without ~~the local school~~ a board of directors under the supervision of the ~~local school district administration~~ superintendent or an ~~administration chosen~~ individual or panel appointed by the ~~Commissioner of Education~~ commissioner;

(4) ~~To waive~~ Waive the application of Arkansas law, with the exception of the Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq., and the Public School Employee Fair Hearing Act, § 6-17-1701 et seq., or the ~~Department of Education~~ corresponding state board rules and regulations;

(5) ~~To require~~ Require the annexation, consolidation, or reconstitution of the ~~public~~ school district; ~~and~~

(6) In the absence of a board of directors, direct the commissioner to assume all authority of the board of directors as may be necessary for the day-to-day governance of the school district;

(7) Return the administration of the school district to the former board of directors or to a newly elected board of directors if:

(A) The department certifies in writing to the state board and to the school district that the school district has corrected all issues that caused the classification of academic distress; and

(B) The state board determines that the school district has corrected all issues that caused the classification of academic distress; and

~~(6)~~(8) ~~To take~~ Take any other necessary and proper action, as determined by the state board, that is allowed by law.

(b) If a public school is classified as being in academic distress, the state board may:

(1) Require the reorganization of the public school or reassignment of the administrative, instructional, or support staff of the public school;

(2) Require the public school to institute and fully implement a student curriculum and professional development for teachers and administrators that are based on state academic content and achievement standards, with the cost to be paid by the school district in which the public school is located;

(3) Require the principal of the public school to relinquish all

1 authority with respect to the public school;
2 (4) Waive the application of Arkansas law or the corresponding
3 state board rules, with the exception of:
4 (A) The Teacher Fair Dismissal Act of 1983, § 6-17-1501 et
5 seq.; and
6 (B) The Public School Employee Fair Hearing Act, § 6-17-
7 1701 et seq.;
8 (5) Under The Teacher Fair Dismissal Act of 1983, § 6-17-1501 et
9 seq., reassign or remove some or all of the licensed personnel of the public
10 school and replace them with licensed personnel assigned or hired under the
11 supervision of the commissioner;
12 (6) Remove the public school from the jurisdiction of the school
13 district in which the public school is located and establish alternative
14 public governance and supervision of the public school;
15 (7) Require closure or dissolution of the public school;
16 (8)(A) Remove permanently, reassign, or suspend on a temporary
17 basis the superintendent of the school district in which the public school is
18 located.
19 (B) If the state board takes an action under subdivision
20 (b)(8)(A), it may appoint an individual in place of the superintendent to
21 administratively operate the school district under the supervision and
22 approval of the commissioner and compensate the appointed individual;
23 (9) Take one (1) or more of the actions under subsection (a) of
24 this section concerning the public school district where the school is
25 located;
26 (10) Return the administration of the school district to the
27 former board of directors or to a newly elected board of directors if:
28 (A) The department certifies in writing to the state board
29 and to the school district that the public school has corrected all issues
30 that caused the classification of academic distress and that no public school
31 within the school district is classified as being in academic distress; and
32 (B) The state board determines the public school has
33 corrected all issues that caused the classification of academic distress and
34 that no public school within the school district is classified as being in
35 academic distress; and
36 (11) Take any other appropriate action allowed by law that the

state board determines is needed to assist and address a public school classified as being in academic distress.

~~(b)(1)~~(c) ~~Any~~ A student attending a public school or school district classified as being in academic distress ~~shall~~ is automatically ~~be~~ eligible and entitled pursuant to the ~~Arkansas Public School Choice Act of 1989, § 6-18-206~~ Arkansas Opportunity Public School Choice Act of 2004, § 6-18-227, to transfer to another ~~geographically contiguous~~ public school or public school district not in academic distress during the time period that ~~a~~ the resident public school or public school district is classified as being in academic distress ~~and, therefore, not be required to file a petition by July 1 but shall meet all other requirements and conditions of the Arkansas Public School Choice Act of 1989, § 6-18-206~~.

(2) The cost of transporting the student from the resident district to the nonresident district shall be the cost of the resident district under § 6-18-227.

~~(3) The nonresident district shall count the student for average daily membership purposes.~~

(d) If the state board or the commissioner assumes authority over a public school district in academic distress under subsection (a) or subsection (b) of this section, the state board may pursue the following process for returning a public school district to the local control of its residents:

(1) During the second school year following a public school's or school district's classification of academic distress status, the state board shall determine the extent of the public school's or school district's progress toward correcting all criteria for being classified as in academic distress;

(2)(A) If the state board determines that sufficient progress has been made by a public school or school district in academic distress toward correcting all issues that caused the classification of academic distress, but the public school or school district has not yet resolved all issues that caused the classification of academic distress, the commissioner, with the approval of the state board, may appoint a community advisory board of either five (5) or seven (7) members to serve under the supervision and direction of the commissioner.

(B) The members of the community advisory board shall be

1 residents of the school district and shall serve on a voluntary basis without
2 compensation.
3 (C) the department shall cause to be provided to the
4 community advisory board technical assistance and training in, at a minimum,
5 the areas required in § 6-13-629.
6 (D) The duties of a community advisory board include
7 without limitation:
8 (i) Meeting monthly during a regularly scheduled
9 public meeting with the state-appointed administrator regarding the progress
10 of the public school or school district toward correcting all issues that
11 caused the classification of academic distress;
12 (ii) Seeking community input from the residents of
13 the school district regarding the progress of the public school or school
14 district toward correcting all issues that caused the classification of
15 academic distress;
16 (iii) Conducting hearings and making recommendations
17 to the commissioner regarding personnel and student discipline matters under
18 the appropriate district policies;
19 (iv) Working to build community capacity for the
20 continued support of the school district; and
21 (v) Submitting quarterly reports to the commissioner
22 and the state board regarding the progress of the public school or school
23 district toward correcting all issues that caused the classification of
24 academic distress.
25 (E) The members of the community advisory board shall
26 serve at the pleasure of the commissioner until:
27 (i) The school district is returned to local control
28 and a permanent board of directors is elected and qualified; or
29 (ii) The state board annexes, consolidates, or
30 reconstitutes the school district under this section or under another
31 provision of law;
32 (3)(A) By April 1 of each year following the appointment of a
33 community advisory board under subdivision (d)(2) of this section, the state
34 board shall determine the extent of the public school's or school district's
35 progress toward correcting all issues that caused the classification of
36 academic distress and shall:

1 (i) Allow the community advisory board to remain in
2 place for one (1) additional year;
3 (ii) Return the school district to local control by
4 calling for the election of a newly elected board of directors if:
5 (a) The department certifies in writing to the
6 state board and to the school district that the public school or school
7 district has corrected all issues that caused the classification of academic
8 distress and that no public school within the school district is classified
9 as being in academic distress; and
10 (b) The state board determines the public
11 school or school district has corrected all issues that caused the
12 classification of academic distress and that no public school within the
13 school district is classified as being in academic distress; or
14 (iii) Annex, consolidate, or reconstitute the school
15 district pursuant to this title.
16 (B) If the state board calls for an election of a new
17 school district board of directors, the school district shall reimburse the
18 county board of election commissioners for election costs as otherwise
19 required by law.
20 (4) If the state board calls for an election of a new school
21 district board of directors pursuant to subdivision (d)(3)(A)(ii) of this
22 section, the commissioner, with the approval of the state board, may appoint
23 an interim board of directors to govern the school district until a permanent
24 school district board of directors is elected and qualified.
25 (A) The interim board of directors shall consist of either
26 five (5) or seven (7) members.
27 (B) The members of the interim board of directors shall be
28 residents of the school district and otherwise eligible to serve as school
29 board members under applicable law.
30 (C) The members of the interim board of directors shall
31 serve on a voluntary basis without compensation.
32 (e)(1) If, by the end of the fifth school year following the public
33 school's or school district's classification of academic distress status, the
34 public school or school district in academic distress has not corrected all
35 issues that caused the classification of academic distress, the state board,
36 after a public hearing, shall consolidate, annex, or reconstitute the school

1 district under this section.
2 (2) The state board may grant additional time for a public
3 school or school district to remove itself from academic distress by issuing
4 a written finding supported by a majority of the state board explaining in
5 detail that the public school or school district could not remove itself from
6 academic distress during the relevant time period due to impossibility caused
7 by external forces beyond the control of the public school or school
8 district.
9 (f) Nothing in this section shall be construed to prevent the
10 department or the state board from taking any of the actions listed in this
11 section at any time to address public schools and school districts in
12 academic distress.
13
14 SECTION 6. Arkansas Code § 6-15-431(a), concerning academic distress
15 rules and regulations, is amended to read as follows:
16 (a) The State Board of Education shall promulgate rules and
17 regulations as necessary to identify, evaluate, assist, and address public
18 schools and school districts determined to be in academic distress.
19
20 SECTION 7. Arkansas Code § 6-18-227(a)(2), concerning the Arkansas
21 Opportunity Public School Choice Act of 2004, is amended to read as follows:
22 (2)(A) The purpose of this section is to provide enhanced
23 opportunity for students in this state to gain the knowledge and skills
24 necessary for postsecondary education, a technical education, or the world of
25 work.
26 (B) The General Assembly:
27 (i) Recognizes that the Arkansas Constitution, as
28 interpreted by the Arkansas Supreme Court in Lake View School District No. 25
29 v. Huckabee, 351 Ark. 31 (2002), makes education a paramount duty of the
30 state;
31 (ii) Finds that the Arkansas Constitution requires
32 the state to provide an adequate education;
33 (iii) Further finds that a student should not be
34 compelled against the wishes of the parent, guardian, or the student, if the
35 student is over eighteen (18) years of age, to remain in a public school or
36 school district ~~designated as a level 1 school under § 6-15-2103 for two (2)~~

1 ~~or more consecutive years~~ classified by the State Board of Education as a
2 public school or school district in academic distress under § 6-15-428; and
3 (iv) Shall make available a public school choice
4 option in order to give a child the opportunity to attend a public school or
5 school district that is ~~performing satisfactorily~~ not in academic distress.
6 ~~(C) This section shall take effect with the implementation~~
7 ~~of school performance category levels.~~
8
9 SECTION 8. Arkansas Code § 6-18-227(a)(4), concerning the Arkansas
10 Opportunity Public School Choice Act of 2004, is amended to read as follows:
11 (4) A public school choice program is hereby established to
12 enable any student to transfer from a ~~failing school to another public school~~
13 ~~in the state~~ public school or school district classified by the state board
14 as in academic distress to another public school or school district in the
15 state that is not in academic distress, subject to the restrictions contained
16 in this section.
17
18 SECTION 9. Arkansas Code § 6-18-227(b)(1), concerning the Arkansas
19 Opportunity Public School Choice Act of 2004, is amended to read as follows:
20 (b)(1) Upon the request of a parent, guardian, or the student, if the
21 student is over eighteen (18) years of age, a student may transfer from his
22 or her resident district or public school to another district or public
23 school in accordance with the provisions of this section if:
24 (A) The resident public school or school district has been
25 ~~designated pursuant to § 6-15-2103 as a level 1 school for two (2) or more~~
26 ~~consecutive school years~~ classified by the state board as a public school or
27 school district in academic distress; and
28 (B) The parent, guardian, or the student, if the student
29 is over eighteen (18) years of age, has notified the Department of Education
30 and both the sending and receiving school districts of the request for a
31 transfer no later than July 30 of the first year in which the student intends
32 to transfer.
33
34 SECTION 10. Arkansas Code § 6-18-227(b)(3)(A) and (B), concerning the
35 Arkansas Opportunity Public School Choice Act of 2004, is amended to read as
36 follows:

1 (3)(A) For each student enrolled in or assigned to a public
2 school or school district that has been classified by the state board as
3 being in academic distress ~~designated as a level 1 school for two (2) or more~~
4 ~~consecutive school years~~, a school district shall:
5 (i) Timely notify the parent, guardian, or the
6 student, if the student is over eighteen (18) years of age, as soon as
7 practicable after the designation is made, of all options available pursuant
8 to this section; and
9 (ii) Offer the parent, guardian, or the student, if
10 the student is over eighteen (18) years of age, an opportunity to enroll the
11 student in any public school or school district that has not been ~~designated~~
12 ~~by the state pursuant to § 6-15-2103 as a school performing higher than that~~
13 ~~in which the student is currently enrolled or to which the student has been~~
14 ~~assigned, but not less than annual performance category level 3~~ classified by
15 the state board as being in academic distress. The opportunity to continue
16 attending the ~~higher performing~~ public school or school district that is not
17 in academic distress shall remain in force until the student graduates from
18 high school.
19 (B)(i) The parent or guardian of a student enrolled in or
20 assigned to a public school or school district that has been ~~designated as a~~
21 ~~school in level 1 under § 6-15-2103 for two (2) or more consecutive years~~
22 classified by the state board as being in academic distress may choose as an
23 alternative to enroll the student in a legally allowable ~~category level 3 or~~
24 ~~higher performing~~ public school not in academic distress that is nearest to
25 the student's legal residence.
26 (ii) That school or school district shall accept the
27 student and report the student for purposes of the funding pursuant to
28 applicable state law.
29
30 SECTION 11. Arkansas Code § 6-18-227(c)(2), concerning the Arkansas
31 Opportunity Public School Choice Act of 2004, is amended to read as follows:
32 (2) Upon the transferring public school or school district's
33 removal from academic distress status ~~receiving a category level 3 or higher~~
34 ~~for its annual performance~~, the transportation costs shall no longer be the
35 responsibility of the transferring district, and the student's transportation
36 and the costs of the transportation shall be the responsibility of the

parents or the receiving school district if the receiving school district agrees to bear the transportation costs.

SECTION 12. Arkansas Code § 6-18-227(i), concerning the Arkansas Opportunity Public School Choice Act of 2004, is amended to read as follows:

(i) For purposes of determining a school district's state ~~equalization aid~~ funding, the nonresident student shall be counted as a part of the average daily membership of the district to which the student has transferred.

SECTION 13. Arkansas Code § 6-20-1908(d) through (f), concerning the fiscal distress improvement plans, is amended to read as follows:

(d) ~~No~~ Except under § 6-20-1910(d), a school district shall not be allowed to remain in fiscal distress status for more than ~~two (2)~~ five (5) 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 written recommendations to the district superintendent regarding staffing of the school district and fiscal practices of the school district.

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

SECTION 14. Arkansas Code § 6-20-1908(i), concerning the fiscal distress improvement plans, is amended to read as follows:

(i) ~~The~~ Except under § 6-20-1910(d), 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)~~ five (5) consecutive school years of ~~receipt of notice of identification~~ classification 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.

SECTION 15. Arkansas Code § 6-20-1909(a), concerning department fiscal distress actions, is amended to read as follows:

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

(1) ~~Require the superintendent to relinquish all administrative authority with respect to the school district;~~ Remove permanently, reassign, or suspend on a temporary basis the superintendent of the school district and:

~~(2)~~(A) Appoint an individual in place of the superintendent to administratively operate the school district under the supervision and approval of the ~~Commissioner of Education~~ commissioner; and

(B) ~~to compensate~~ Compensate nondepartment agents operating the school district from school district funding;

(2) Suspend or remove some or all of the current board of directors and call for the election of a new board of directors for the school district, in which case the school district shall reimburse the county board of election commissioners for election costs as otherwise recognized by law;

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

~~(4)~~(3) 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;

(4) Waive the application of Arkansas law or the corresponding state board rules, with the exception of:

(A) The Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq.; and

(B) The Public School Employee Fair Hearing Act, § 6-17-1701 et seq.;

(5) Petition the State Board of Education for the annexation, consolidation, or reconstitution of the school district;

(6) In the absence of a school district board of directors, assume all authority of the board of directors as designated by the state board as may be necessary for the day-to-day governance of the school

1 district;
2 ~~(5)~~(7)(A) ~~Place~~ Return the administration of the school district
3 ~~over~~ to the former board of directors or to a newly elected ~~school~~ board of
4 directors~~; or~~ if:
5 (i) The department certifies in writing to the state
6 board and to the school district that the school district has corrected all
7 issues that caused the classification of fiscal distress; and
8 (ii) The state board determines the school district
9 has corrected all issues that caused the classification of fiscal distress.
10 (B) If the commissioner calls for an election of a new
11 school district board of directors, the school district shall reimburse the
12 county board of election commissioners for election costs as otherwise
13 required by law;
14 (8) Otherwise reconstitute the school district; or
15 ~~(6)~~(9) Take any other action allowed by law that is deemed
16 necessary to assist a school district in removing ~~criteria~~ the classification
17 of fiscal distress.
18
19 SECTION 16. Arkansas Code § 6-20-1910, concerning State Board of
20 Education fiscal distress actions, is amended to add a new subsection to read
21 as follows:
22 (d) If the Commissioner of Education assumes authority over a public
23 school district in fiscal distress under subsection (a) of this section, the
24 state board may pursue the following process for returning a public school
25 district to the local control of its residents:
26 (1) During the second school year following a school district's
27 classification as being in fiscal distress status, the state board shall
28 determine the extent of the school district's progress toward correcting all
29 issues that caused the classification of fiscal distress;
30 (2)(A) If the state board determines that sufficient progress
31 has been made by a school district toward correcting all issues that caused
32 the classification of fiscal distress, but the school district has not yet
33 resolved all issues that caused the classification of fiscal distress, the
34 commissioner, with the approval of the state board, may appoint a community
35 advisory board of either five (5) or seven (7) members to serve under the
36 supervision and direction of the commissioner.

1 (B) The members of the community advisory board shall be
2 residents of the school district and shall serve on a voluntary basis without
3 compensation.
4 (C) The Department of Education shall cause to be provided
5 to the community advisory board technical assistance and training in, at a
6 minimum, the areas required in § 6-13-629.
7 (D) The duties of the community advisory board include
8 without limitation:
9 (i) Meeting monthly during a regularly scheduled
10 public meeting with the state-appointed administrator regarding the progress
11 of the public school or school district toward correcting all issues that
12 caused the classification of fiscal distress;
13 (ii) Seeking community input from the patrons of the
14 school district regarding the progress of the public school or school
15 district toward correcting all issues that caused the classification of
16 fiscal distress;
17 (iii) Conducting hearings and making recommendations
18 to the commissioner regarding personnel and student discipline matters under
19 the appropriate district policies;
20 (iv) Working to build community capacity for the
21 continued support of the school district; and
22 (v) Submitting quarterly reports to the commissioner
23 and the state board regarding the progress of the public school or school
24 district toward correcting all issues that caused the classification of
25 fiscal distress.
26 (E) The members of the community advisory board shall
27 serve at the pleasure of the commissioner until:
28 (i) The school district is returned to local control
29 and a permanent board of directors is elected and qualified; or
30 (ii) The state board annexes, consolidates, or
31 reconstitutes the school district under this section or under another
32 provision of law;
33 (3)(A) By April 1 of each year following the appointment of a
34 community advisory board under subdivision (d)(2) of this section, the state
35 board shall determine the extent of the school district's progress toward
36 correcting all issues that caused the classification of fiscal distress and

1 shall:
2 (i) Allow the community advisory board to remain in
3 place for one (1) additional year;
4 (ii) Return the school district to local control by
5 calling for the election of a newly elected board of directors if:
6 (a) The department certifies in writing to the
7 state board and to the school district that the school district has corrected
8 all criteria for being placed into fiscal distress; and
9 (b) The state board determines the school
10 district has corrected all criteria for being placed into fiscal distress; or
11 (iii) Annex, consolidate, or reconstitute the school
12 district pursuant to this title.
13 (B) If the state board or commissioner calls for an
14 election of a new school district board of directors, the school district
15 shall reimburse the county board of election commissioners for election costs
16 as otherwise required by law;
17 (4) If the state board calls for an election of a new school
18 district board of directors pursuant to subdivision (d)(3)(A)(ii) of this
19 section, the commissioner, with the approval of the state board, may appoint
20 an interim board of directors to govern the school district until a permanent
21 school district board of directors is elected and qualified.
22 (A) The interim board of directors shall consist of either
23 five (5) or seven (7) members.
24 (B) The members of the interim board of directors shall be
25 residents of the school district and otherwise eligible to serve as school
26 board members under applicable law.
27 (C) The members of the interim board of directors shall
28 serve on a voluntary basis without compensation.
29 (e)(1) If, by the end of the fifth school year following the school
30 district's classification of fiscal distress status, the school district in
31 fiscal distress has not corrected all issues that caused the classification
32 of fiscal distress, the state board, after a public hearing, shall
33 consolidate, annex, or reconstitute the school district under this section.
34 (2) The state board may grant additional time for a public
35 school or school district to remove itself from fiscal distress by issuing a
36 written finding supported by a majority of the state board explaining in

1 detail that the public school or school district could not remove itself from
2 fiscal distress during the relevant time period due to impossibility caused
3 by external forces beyond the control of the public school or school
4 district.
5 (f) Nothing in this section shall be construed to prevent the
6 department or the state board from taking any of the actions listed in § 6-
7 20-1909 or this section at any time to address a school district in fiscal
8 distress.
9
10 SECTION 17. Arkansas Code § 6-21-803(5) and (6), concerning the
11 definition of "facilities distress status", is amended to read as follows:
12 (5) "Facilities distress status" means a public school district
13 ~~determined~~ identified by the Division of Public School Academic Facilities
14 and Transportation as being in academic facilities distress status and
15 classified by the Commission for Arkansas Public School Academic Facilities
16 and Transportation as being in academic facilities distress status under this
17 subchapter;
18 (6) "Facilities improvement plan" means a remedial plan
19 developed by a school district for a public school or school district
20 ~~identified~~ classified as being in academic facilities distress that
21 supplements the school district's facilities master plan by:
22 (A) Identifying specific interventions and actions the
23 public school or school district will undertake in order to correct deficient
24 areas of practice with regard to custodial, maintenance, repair, and
25 renovation activities with regard to academic facilities in the school
26 district; and
27 (B) Describing how the school district will remedy those
28 areas in which the school district is experiencing facilities distress,
29 including the designation of the time period by which the school district
30 will correct all deficiencies that placed the school district in facilities
31 distress status;
32
33 SECTION 18. Arkansas Code § 6-21-811(a) and (b), concerning the
34 academic facilities distress program, is amended to read as follows:
35 (a) The Commission for Arkansas Public School Academic Facilities and
36 Transportation shall ~~identify~~ classify a public school or school district as

being in academic facilities distress if the Division of Public School Academic Facilities and Transportation recommends and the commission concurs that the public school or school district has engaged in actions or inactions that result in any of the following:

(1) Any act or violation determined by the division to jeopardize any academic facility used by a public school or school district, including, but not limited to:

(A) Material failure to properly maintain academic facilities in accordance with this subchapter and rules adopted by the commission;

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

(C) Material violation of applicable building code provisions or law;

(D) Material failure to provide timely and accurate facilities master plans to the division;

(E) Material failure to comply with state law governing purchasing, bid requirements, or school-construction-related laws or rules in relation to academic facilities projects;

(F) Material default on any school district debt obligation; or

(G) Material failure to plan and progress satisfactorily toward accomplishing the priorities established by the division and the approved school district's facilities master plan; and

(2) Any other condition of an academic facility or facilities in a public school or school district that is determined by the division to have a detrimental impact on educational services provided by that public school or school district.

(b) The division shall provide written notice, via certified mail, return receipt requested, to the president of the ~~school~~ board of directors and the superintendent of the ~~public school or~~ school district identified <u>or containing a school identified by the division</u> as being in facilities distress.

SECTION 19. Arkansas Code § 6-21-811(d) and (e), concerning the academic facilities distress program, is amended to read as follows:

1 (d)(1) A public school or school district ~~identified~~ classified by the
2 commission as being in facilities distress shall develop a facilities
3 improvement plan within thirty (30) days from the date of ~~receipt of the~~
4 ~~notice~~ classification and promptly submit the facilities improvement plan to
5 the division for review and approval.
6 (2) A public school or school district shall review and revise
7 its facilities improvement plan on a periodic basis as determined by the
8 division and submit the updated facilities improvement plan to the division
9 in order for the division to determine whether the public school or school
10 district is correcting its deficient areas of practice regarding academic
11 facilities.
12 (3) A school district shall use facilities improvement plans as
13 necessary to supplement and update its facilities master plan.
14 (e)(1) Every two (2) years ~~beginning February 1, 2009~~, the division
15 shall determine whether the progress of each school district complies with
16 the school district's facilities master plan and shall notify the school
17 district of any noncompliance.
18 (2) ~~Beginning on February 1, 2008, and each biennium thereafter~~
19 Every two (2) years, the division shall review the applications made for the
20 Academic Facilities Partnership Program established under § 6-20-2507, to
21 identify any school district that did not apply for state funding for
22 necessary facilities to meet adequacy requirements and shall notify the
23 school district of any deficiencies.
24 (3) Within thirty (30) days of receiving the notice provided
25 under subdivision (e)(1) or (e)(2) of this section, the school district shall
26 submit a facilities improvement plan to the division for its review and
27 approval that states how the school district will address the noncompliance
28 issues contained in the notice.
29 (4) If the division does not approve the facilities improvement
30 plan submitted by the school district, it shall identify the school district
31 as being in facilities distress.
32 (5) A school district may appeal the ~~decision~~ identification of
33 the division under this subsection to the commission pursuant to the
34 procedures established by the commission;
35
36 SECTION 20. Arkansas Code § 6-21-811(f)(1)(A)(ii), concerning the

academic facilities distress program, is amended to read as follows:

(ii) Thoroughly discuss and explain the sanctions and requirements that are available to the commission if the school district or a school within the district is ~~identified~~ classified by the commission as being in facilities distress under this section and § 6-21-812.

SECTION 21. Arkansas Code § 6-21-811(g), concerning the academic facilities distress program, is amended to read as follows:

(g) When a school district is ~~identified~~ classified by the commission to be in facilities distress, the division may with the approval of the commission:

(1)(A) Provide on-site technical evaluation and assistance and make written recommendations to the school district superintendent regarding the care and maintenance of any academic facility in the school district.

(B) Any school district ~~identified~~ classified as being in facilities distress status shall accept on-site technical evaluation and assistance from the division.

(C) The written recommendations of the division are binding on the school district, the superintendent, and the ~~school~~ board of directors;

(2) ~~Require the superintendent to relinquish all administrative authority with respect to the school district~~ Remove permanently, reassign, or suspend on a temporary basis the superintendent of the school district, and:

(A) 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

(B) Compensate from school district funds the individual appointed to operate the school district;

~~(3)(A) Appoint an individual in place of the superintendent to administratively operate the school district under the supervision and approval of the Commissioner of Education, or his or her designee.~~

~~(B) The division may direct the school district to compensate from school district funds the individual appointed to operate the school district;~~

~~(4)~~(3) Suspend or remove ~~any~~ some or all ~~members~~ of the current

board of directors and call for the election of a new ~~school~~ board of directors for the school district, in which case the school district shall reimburse the county board of election commissioners for election costs as otherwise required by law;

~~(5)~~(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;

~~(6) Require the school district to operate without a local school board of directors under the supervision of an individual or panel appointed by the Commissioner of Education;~~

(5) Waive the application of Arkansas law or the corresponding state board rules and regulations, with the exception of:

(A) The Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq.; and

(B) The Public School Employee Fair Hearing Act, § 6-17-1701 et seq.;

(6) In the absence of a school district board of directors, direct the commissioner to assume all authority of the board of directors as may be necessary for the day-to-day governance of the school district;

(7)(A) Return the administration of the school district to the former board of directors or place the administration of the school district in a newly elected ~~school~~ board of directors if:

(i) The division certifies in writing to the commission and to the school district that the school district has corrected all issues that caused the classification of facilities distress; and

(ii) The commission determines the school district has corrected all issues that caused the classification of facilities distress.

(B) If the division calls for an election of a new school district board of directors, the school district shall reimburse the county board of election commissioners for election costs as otherwise required by law;

(8) Require school district staff and employees to attend training in areas of concern for the public school or school district;

(9)(A) Require a school district to cease all expenditures related to activities not described as part of an adequate education in § 6-

1 20-2302 and place money that would have been spent on the activities into an
2 academic facilities escrow account to be released only upon approval by the
3 division for use in conjunction with a local academic facilities project.
4 (B) School districts shall include a clause addressing
5 this contingency in all contracts with personnel who are involved with
6 activities not described as part of an adequate education;
7 (10) Notify the public school or school district in writing that
8 the deficiencies regarding academic facilities shall be corrected within a
9 time period designated by the division;
10 (11)(A) Petition the State Board of Education at any time for
11 the consolidation, annexation, or reconstitution of a school district in
12 facilities distress or take other appropriate action as allowed by this
13 subchapter in order to secure and protect the best interest of the
14 educational resources of the state or to provide for the best interest of
15 students in the school district.
16 (B) The state board may approve the petition or take other
17 appropriate action as allowed by this subchapter.
18 (C) ~~The~~ Except as set forth in subsection (m) or
19 subdivision (g)(11)(D) of this section, the state board shall consolidate,
20 annex, or reconstitute any school district that fails to remove itself from
21 the classification of a school district in facilities distress within ~~two (2)~~
22 five (5) consecutive school years of ~~receipt of notice of identification~~
23 classification of facilities distress status ~~by the division~~.
24 (D) The state board may grant additional time for a public
25 school or school district to remove itself from facilities distress by
26 issuing a written finding supported by a majority of the state board
27 explaining in detail that the public school or school district could not
28 remove itself from facilities distress during the relevant time period due to
29 impossibility caused by external forces beyond the control of the public
30 school or school district;
31 (12) Correct the failure of a school district to complete its
32 agreed plan or to pass the millage in the special election under subdivision
33 (f)(2) of this section by contracting for and completing the necessary
34 improvements under the agreed plan;
35 (13)(A) If the division recommends and the commission concurs
36 that the academic facilities in the public school district in facilities

1 distress are inadequate to provide an adequate education, the state board may
2 dissolve the school district and transfer students to public schools in other
3 public school districts.
4 (B) The state board shall assign the public school
5 district's territory, property, and debt; and
6 (14) Take any other action allowed by law that is deemed
7 necessary to assist a public school or school district in ~~removing criteria~~
8 correcting the issues that the classification of facilities distress, to
9 secure and protect the best interest of the educational resources of the
10 state, or to provide for the best interest of students in the school
11 district.
12
13 SECTION 22. Arkansas Code § 6-21-811(k)(1)(A), concerning the academic
14 facilities distress program, is amended to read as follows:
15 (k)(1)(A) If a school district is ~~identified~~ classified by the
16 commission as being in facilities distress and has immediate repairs, growth,
17 or suitability improvement issues, the division, in addition to any other
18 remedy under this section and § 6-21-812, may provide a loan to the school
19 district to be repaid from any funds available that are not required to
20 provide an adequate education.
21
22 SECTION 23. Arkansas Code § 6-21-811, concerning the academic
23 facilities distress program, is amended to add two new subsections as
24 follows:
25 (m) If the division or commissioner assumes authority over a public
26 school district in facilities distress under subsection (g) of this section,
27 the commission may pursue the following process for returning a public school
28 district to the local control of its residents:
29 (1) During the second school year following a school district's
30 classification as being in facilities distress status, the commission shall
31 determine the extent of the school district's progress toward correcting all
32 issues that caused the classification of facilities distress;
33 (2)(A) If the commission determines that sufficient progress has
34 been made by a school district toward correcting all criteria for being
35 classified as in facilities distress, but the school district has not yet
36 resolved all issues that caused the classification of facilities distress,

1 the commissioner, with the approval of the commission, may appoint a
2 community advisory board of either five (5) or seven (7) members to serve
3 under the supervision and approval of the commissioner.
4 (B) The members of the community advisory board shall be
5 residents of the school district and shall serve on a voluntary basis without
6 compensation.
7 (C) The Department of Education shall cause to be provided
8 to the community advisory board technical assistance and training in, at a
9 minimum, the areas required in § 6-13-629.
10 (D) The duties of the community advisory board include
11 without limitation:
12 (i) Meeting monthly during a regularly scheduled
13 public meeting with the state-appointed administrator regarding the progress
14 of the school or school district toward correcting all issues that caused the
15 classification of facilities distress;
16 (ii) Seeking community input from the residents of
17 the school district regarding the progress of the school or school district
18 toward correcting all issues that caused the classification of facilities
19 distress;
20 (iii) Conducting hearings and making recommendations
21 to the commissioner regarding personnel and student discipline matters as set
22 forth in the appropriate district policies;
23 (iv) Working to build community capacity for the
24 continued support of the school district; and
25 (v) Submitting quarterly reports to the commissioner
26 and the commission regarding the progress of the school or school district
27 toward correcting all issues that caused the classification of facilities
28 distress.
29 (E) The members of the community advisory board shall
30 serve at the pleasure of the commissioner until:
31 (i) The school district is returned to local control
32 and a permanent school district board of directors is elected and qualified;
33 or
34 (ii) The state board, upon petition of the
35 commission or division annexes, consolidates or reconstitutes the school
36 district pursuant to this title or under another provision of law;

1 (3) By April 1 of each year following the appointment of a
2 community advisory board pursuant to subdivision (m)(2) of this section, the
3 commission shall determine the extent of the school district's progress
4 toward correcting all criteria for being classified as in facilities distress
5 and shall:
6 (A) Allow the community advisory board to remain in place
7 for an additional year;
8 (B) Return the school district to local control by calling
9 for the election of a newly elected school district board of directors if:
10 (i) The division certifies in writing to the
11 commission and to the school district that the school district has corrected
12 all issues that caused the classification of facilities distress; and
13 (ii) The commission determines the school district
14 has corrected all issues that caused the classification of facilities
15 distress.
16 (iii) If the division or commission calls for an
17 election of a new school district board of directors, the school district
18 shall reimburse the county board of election commissioners for election costs
19 as otherwise required by law; or
20 (C) Petition the state board for the annexation,
21 consolidation, or reconstitution of the school district under this section;
22 (4)(A) If the division, with the approval of the commission,
23 calls for an election of a new school district board of directors pursuant to
24 subdivision (g)(7) of this section, the commissioner, with the approval of
25 the commission, may appoint an interim board of directors to govern the
26 school district until a permanent school district board of directors is
27 elected and qualified.
28 (B) The interim board of directors shall consist of either
29 five (5) or seven (7) members.
30 (C) The members of the interim board of directors shall be
31 residents of the school district and otherwise eligible to serve as board
32 members under applicable law.
33 (D) The members of the interim board of directors shall
34 serve on a voluntary basis without compensation.
35 (n)(1) If, by the end of the fifth school year following the school
36 district's classification of facilities distress status, the school district

1 in facilities distress has not corrected all issues that caused the
2 classification of facilities distress, the state board, upon petition from
3 the commission or division and after a public hearing, shall consolidate,
4 annex, or reconstitute the school district under this section.
5 (2) The state board may grant additional time for a public
6 school or school district to remove itself from facilities distress by
7 issuing a written finding supported by a majority of the state board
8 explaining in detail that the public school or school district could not
9 remove itself from facilities distress during the relevant time period due to
10 impossibility caused by external forces beyond the control of the public
11 school or school district.
12 (o) This section does not prevent the division, commission, or state
13 board from taking any of the actions listed in this section at any time to
14 address a public school or school district in facilities distress.
15
16 SECTION 24. EMERGENCY CLAUSE. It is found and determined by the
17 General Assembly of the State of Arkansas that it is the state's
18 constitutional obligation to provide a general, suitable, and efficient free
19 system of public schools in the state; that state oversight and intervention
20 into distressed school districts is critical to the delivery of a
21 constitutionally adequate education; and that the changes made in this act
22 are immediately necessary for the state to meet this constitutional
23 obligation. Therefore, an emergency is declared to exist, and this act being
24 immediately necessary for the preservation of the public peace, health, and
25 safety shall become effective on:
26 (1) The date of its approval by the Governor;
27 (2) If the bill is neither approved nor vetoed by the Governor,
28 the expiration of the period of time during which the Governor may veto the
29 bill; or
30 (3) If the bill is vetoed by the Governor and the veto is
31 overridden, the date the last house overrides the veto.
32
33 */s/Perry*
34
35
36 **APPROVED: 04/04/2013**

ARKANSAS STATE BOARD OF EDUCATION
Executive Summary

Agenda Item Number:	Action Agenda-
Agenda Item:	Continuation of Fiscal Distress Classification under authority of the state for the Helena-West Helena School District; and allowing the community advisory board to remain in place for one (1) additional year
Attachments:	Profile Financial Data Fiscal Distress Plan Audit – 2011 Audit - 2012 Audit - 2013 Audit – 2014 – Early Release Act 600
Presenter:	Dr. Eric Saunders and Hazel Burnett

Background Information:

Pursuant to Ark. Code Ann. § 6-20-1905, on July 20, 2010, the Arkansas Department of Education identified the Helena-West Helena School District as a school district in fiscal distress. The Arkansas Department of Education made this identification because the Helena-West Helena School District met the following fiscal distress indicator(s) as set forth in Ark. Code Ann. § 6-20-1904: (1) A declining balance determined to jeopardize the fiscal integrity of the school district. (2) Material state or federal audit exceptions or violations.

The Helena-West Helena School District did not appeal the fiscal distress identification. On September 30, 2010, following a public hearing, the State Board of Education classified the Helena-West Helena School District as a school district in fiscal distress, pursuant to Ark. Code Ann. § 6-20-1906. On June 20, 2011, the Arkansas Department of Education exercised its authority under Ark. Code Ann. § 6-20-1909 to assume authority over the Helena-West Helena School District. The Arkansas Department of Education removed the Helena-West Helena superintendent and school board, and appointed an individual to administratively operate the Helena-West Helena School District under the supervision and approval of the Commissioner of Education.

On May 13, 2013, the State Board of Education approved the continuation of Fiscal Distress Classification under authority of the state for the Helena-West Helena School District; and approval for the Commissioner of Education to appoint a community advisory board pursuant to Act 600 of 2013.

On September 9, 2013, the State Board of Education approved the appointment of a community advisory board for the Helena-West Helena School District. Pursuant to Ark. Code Ann. § 6-20-1910, by April 1 of each year following the appointment of a community advisory board, the State Board of Education shall determine the extent of a fiscally distressed school district's progress toward correcting all issues that caused the classification of fiscal distress and shall:

(1) Allow the community advisory board to remain in place for one (1) additional year;

(2) Return the school district to local control by calling for the election of a newly elected board of directors if:

    (a) The Arkansas Department of Education certifies in writing to the State Board of Education and to the school district that the school district has corrected all criteria for being placed into fiscal distress; and

    (b) The State Board of Education determines the school district has corrected all criteria for being placed into fiscal distress; or

(3) Annex, consolidate, or reconstitute the school district pursuant to Title 6 of the Arkansas Code.

Based upon the information presented, the Arkansas Department of Education recommends that the State Board of Education allow the community advisory board to remain in place for one (1) additional year.

Helena-West Helena School District
LEA # 5403
Phillips County

Classified in Fiscal Distress: September 13, 2010

Fiscal Distress Indicators and Additional Concerns:

* A declining balance determined to jeopardize the fiscal integrity of the school district
* Material audit exceptions or violations

District Profile:	2010-11	2011-12	2012-13	2013-14
Superintendent	**Willie Williams**	**Suzann McCommon**	**Suzann McCommon**	**Suzann McCommon**
4 QTR ADM	2,233	1,886	1,651	1,636
Assessment	113,701,999	125,831,037	132,059,051	129,361,076
Total Mills	34.10	34.10	34.10	34.10
Total Debt Bond/Non Bond	7,300,000	7,060,000	7,060,000	6,495,000
Per Pupil Expenditures	11,638	12,724	12,289	13,101
Personnel-Non-Fed Licensed FTE	132.62	175.46	137.09	134.89
Personnel-Non-Fed Licensed Clsrm FTE	101.89	163.15	125.46	118.05
Avg Salary-Non-Fed Licensed FTE	54,170	43,583	41,052	48,423
Avg Salary-Non-Fed Licensed Clsrm FTE	50,561	40,858	46,441	47,132
Net Legal Balance (Excl Cat & QZAB)	3,600,597	5,318,384	6,863,335	6,331,642

Total Debt includes Bonded and Non-bonded filed with ADE.

Data Source: Annual Statistical Reports (ASR) and State Aid Notice for school district.

District Actions:

The District has included the following objectives in their Fiscal Distress Improvement Plan:

2010-11

• Reduced (RIF) 3 administrative office staff
• Reclassified licensed and classified salaries from operating to ARRA funds
• Reclassified licensed and classified salaries from operating to Declining Enrollment funds
• Reclassified licensed and classified salaries from operating to NSLA funds
• Reduced licensed and classified salaries through attrition and reassignment
• Monitored all expenditures
• Eliminated Saturday School Detention Program
• Eliminated custodial/maintenance uniforms
▪ Eliminated After School Discipline Program

2011-12

▪ The District reduced 27 licensed positions through RIF and attrition
▪ The District reduced 54 classified position through RIF and attrition
• Reduced salary and utility costs by transferring kindergarten students to three other schools
▪ Reduced operating costs by utilizing NSLA funds more efficiently
▪ Eliminated operating cost of After School tutorial
• Monitored and implemented corrective actions for the 2011 audit findings

2012-13

• Reduced 30 employees through RIF
• Reclassified salaries of 4 licensed positions from Operating to Categorical and Federal funds
• Reduced expenses through consolidation of campuses
• Refunded district bonds to a lower interest rate

Helena-West Helena School District
LEA # 5403
Phillips County

Comments:

The District was classified in Fiscal Distress on September 13, 2010. The 2013-14 school year began their third full year of Fiscal Distress

On June 20, 2011, the Arkansas Department of Education took control of the Helena/W. Helena School District.

On June 20, 2011, Superintendent Willie Williams and the School Board were released from their duties.

The following appointments were made on June 20, 2011:
Suzann McCommon- Chief Executive Officer
Ulicious Reed- Chief Operating Officer

District had a prior classification with Fiscal Distress program.

- Classified - April 11, 2005
- Reconstitution (State takeover) - September 8, 2005
- Removed - April 21, 2008

The Helena-West Helena School District's general operating ending balance of $3,511,492 on June 30, 2011 included the reclassification of approximately $2.7 million in salaries from general operating funds to American Recovery and Reinvestment Act (ARRA) funds.

For the 2012-13 school year, the District has consolidated campuses from five to three due to declining enrollment. The District's enrollment as of Oct. 1, 2012 was 1,655 students.

On May 13, 2013, the State Board of Education approved the recommendation of the Department of Education to extend the fiscal distress classification, under authority of the state, for the 2013-14 school year and to authorize the Commissioner of Education to appoint a community advisory board pursuant to Act 600 of 2013.

On September 9, 2013 the State Board of Education approved the following individuals to serve on the Community Advisory Board for the Helena-West Helena School District:

Zone 1	Dr. Steven Floyd Murray
Zone 2	Mr. Doug Friedlander
Zone 3	Mr. Marvin Jarrett
Zone 4	Mr. Lynn D. Boone
Zone 5	Mrs. Bettye W. Hendrix
Zone 6	Vacant
Zone 7	Mr. Nathan Bagley

On March 28, 2014, the Arkansas State Board of Education approved the continuation of the Helena-West Helena Community Advisory Board and the Arkansas Department of Education's continued overview and governance of the Helena-West Helena School District.

Effective July 1, 2014, John Hoy was appointed Superintendent of Helena-West Helena School District.

Audit for Fiscal Year 2014 has been early released

Arkansas Department of Education
Helena-West Helena School District
Unrestricted Funds Report

FY15 as of January 31, 2015			
Beginning Balance 7/1/2014	Revenue	Expenditures	Ending Balance 1/31/2015
6,331,641	7,487,096	6,627,375	7,191,363
FY15 Budget			
Beginning Balance 7/1/2014	Revenue	Expenditures	Projected Balance 6/30/2015
6,331,641	12,497,473	13,218,100	5,611,015
FY14			
Beginning Balance 7/1/2013	Revenue	Expenditures	Ending Balance 6/30/2014
6,850,080	12,820,587	13,339,025	6,331,641
FY13			
Beginning Balance 7/1/2012	Revenue	Expenditures	Ending Balance 6/30/2013
5,253,924	15,187,845	13,591,690	6,850,080
FY12			
Beginning Balance 7/1/2011	Revenue	Expenditures	Ending Balance 6/30/2012
3,511,492	16,309,510	14,567,078	5,253,924

(Does not include Building, Categorical, Federal, Activity and Food Service Funds)

Arkansas Department of Education
Helena-West Helena School District

Unrestricted Funds:
1000|1015|1017|1218|1229|1232|1240|1246|1290|1365|1372|2000|2001|2003|2004|2005|2006|2007|2008|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2038|2039|2040|2041|2044|2045|2047|2048|2050|2055|2056|2095|2096|2097|2098|2099|2101|2103|2111|2115|2116|2120|2125|2133|2150|2155|2160|2161|2213|2214|2215|2218|2219|2220|2225|2227|2229|2230|2232|2233|2234|2235|2237|2240|2245|2246|2250|2255|2260|2261|2263|2271|2277|2280|2290|2310|2325|2340|2365|2366|2368|2369|2372|2390|2392|2394|2395|2399|2765|4000|4001|4395

Revenue:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 1/31/15	Variance in FY15 Budget and FY15 YTD
10000	REVENUE FROM LOCAL SOURCE	0	0	0	0	0	0	0
11110	PROPERTY TAXES-CURRENT	2,024,413	2,237,563	2,278,288	2,475,176	196,888	2,612,389	137,213
11115	PROP.TAX RELIEF SALES TAX	0	0	0	0	0	0	0
11120	PROPERTY TAX-40% BY 6/30	311,647	1,434,838	1,023,476	1,225,079	201,603	0	(1,225,079)
11125	TAX REL.40% 1/1-12/31	1,032,328	38,282	0	0	0	0	0
11130	PROPERTY TX-40% 7/1-12/31	0	0	0	0	0	0	0
11135	TAX REL.40% REC.JUL-DEC.	0	0	0	0	0	0	0
11140	PROPERTY TAX-DELINQUENT	193,825	284,627	343,637	378,000	34,363	193,689	(184,311)
11150	EXCESS COMMISSION	0	7,020	117,703	105,000	(12,703)	92,750	(12,250)
11160	LAND REDEMP-IN STATE SALE	225,073	153,945	36,541	50,000	13,459	28,340	(21,660)
11400	PENALTIES/INTEREST ON TAX	0	0	0	0	0	0	0
11900	OTHER TAXES	0	0	0	0	0	0	0
12100	REVENUE IN LIEU OF TAXES	0	0	0	0	0	0	0
12800	REVENUE IN LIEU OF TAXES	29,953	15,892	47,581	45,000	(2,581)	18,217	(26,783)
12900	OTHER LOCAL NON-LEA REVEN	0	0	0	0	0	0	0
13120	SUMMER SCHOOL	0	0	0	0	0	0	0
13190	OTHER PROGRAMS	0	0	0	0	0	0	0
13210	REGULAR DAY SCHOOL	0	0	0	0	0	0	0
13320	SUMMER SCHOOL	0	0	0	0	0	0	0
14190	OTHER PROGRAMS	0	0	0	0	0	0	0
14900	TRANS FEES-OTHER SOURCES	0	0	0	0	0	0	0
15100	INTEREST ON INVESTMENTS	25,748	14,418	15,867	15,000	(867)	6,685	(8,315)
16210	STUDENT	0	0	0	0	0	0	0
16220	ADULT	0	0	0	0	0	0	0
16300	SPECIAL FUNCTIONS/CONT. ME	0	0	0	0	0	0	0
16400	CHILD NUTRITION	0	0	0	0	0	0	0
16900	OTHER FOOD SVS REVENUE	0	0	0	0	0	0	0
17110	ADMISSIONS ATHLETICS	0	0	0	0	0	0	0
17130	STDNT ORG-EVENTS & ACTIV	0	0	0	0	0	0	0
17500	REV.FROM ENTERPRISE ACTIV	0	0	0	0	0	0	0
17900	OTHER STDNT ACTIVITY REV	0	0	0	0	0	0	0
19000	OTHER REV-LOCAL SOURCES	0	0	0	0	0	0	0
19120	OTHER RENT-LAND OWNED LEA	0	0	0	0	0	0	0
19130	RENT LEA BUILDINGS & FACI	1,493	5,000	5,500	1,000	(4,500)	300	(700)
19200	PRIVATE CONTRIBUTIONS	235,805	124,897	166,636	193,024	26,388	50,044	(142,980)
19211	BEECHCREST SAVE THE CHILD	0	0	0	0	0	0	0
19215	SAVE THE CHILDREN	0	0	0	0	0	0	0
19216	WESTSIDE SAVE THE CHILDRE	0	0	0	0	0	0	0
19217	WOODRUFF SAVE THE CHILD	0	0	0	0	0	0	0
19300	SALES OF SUPPLIES & MATER	0	0	0	0	0	0	0
19550	TRANSITS-FLOW THRU MONEY	0	0	0	0	0	0	0
19800	REFUNDS OF PRIOR YR EXPEN	2,003	17,752	91,984	50,000	(41,984)	47,268	(2,732)
19900	MISC REV FR LOCAL SOURCES	6,349	15,386	28,174	15,500	(12,674)	3,170	(12,330)
19910	SBC E-RATE	0	0	0	0	0	0	0
19920	EVEN START/WALMART	0	0	0	0	0	0	0
19925	WOODRUFF/WALMART	0	0	0	0	0	0	0
19950	ARK SCIENCE & TECH GRANT	0	0	0	0	0	0	0
19955	MOCKINGBIRD FOUNDATION	0	0	0	0	0	0	0
21100	CNTY GENERAL APPORTIONMNT	0	0	0	0	0	0	0
21200	SEVERANCE TAX	0	0	0	0	0	0	0
21900	OTHER REV FR COUNTY	0	0	0	0	0	0	0
31100	STATE EQUALIZATION FUNDIN	0	0	0	0	0	0	0
31101	STATE FOUNDATION FUNDS	10,914,166	8,734,208	7,308,369	7,503,176	194,807	4,092,642	(3,410,534)
31102	ENHANCED EDUCATIONAL FUND	0	0	0	0	0	0	0
31103	URT 98% TAX COLL. RATE	109,841	119,651	140,616	0	(140,616)	0	0
31150	STATE EQUALIZATION	0	0	0	0	0	0	0
31200	STATE APPORTIONMENT	0	0	0	0	0	0	0
31400	TRANSPORTATION AID	0	0	0	0	0	0	0
31450	STUDENT GROWTH FUNDING	0	0	0	0	0	0	0
31460	DECLINING ENROLLMENT FUND	224,225	1,080,556	773,809	41,278	(732,531)	41,278	0
31600	INCENTIVE FUNDING	0	0	0	0	0	0	0
31620	SUPPLEMENTAL MILEAGE INCE	142,281	106,711	71,141	35,570	(35,571)	17,785	(17,785)
31650	REVENUE LOSS FUNDING	0	0	0	0	0	0	0

Arkansas Department of Education
Helena-West Helena School District

Unrestricted Funds:
1000|1015|1017|1218|1229|1232|1240|1246|1290|1365|1372|2000|2001|2003|2004|2005|2006|2007|2008|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2038|2039|2040|2041|2044|2045|2047|2048|2050|2055|2056|2095|2096|2097|2098|2099|2101|2103|2111|2115|2116|2120|2125|2133|2150|2155|2160|2161|2213|2214|2215|2218|2219|2220|2225|2227|2229|2230|2232|2233|2234|2235|2237|2240|2245|2246|2250|2255|2260|2261|2263|2271|2277|2280|2290|2310|2325|2340|2365|2366|2368|2369|2372|2390|2392|2394|2395|2399|2765|4000|4001|4395

Revenue:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 1/31/15	Variance in FY15 Budget and FY15 YTD
31900	OTHER	0	0	432	0	(432)	220	220
32100	ADULT EDUCATION	0	0	0	0	0	0	0
32110	ADULT BASIC	0	0	0	0	0	0	0
32120	ADULT GENERAL EDUCATION	0	0	0	0	0	0	0
32214	COMPUTER BASED ED PGM	0	0	0	0	0	0	0
32217	RESTRUCTURING	0	0	0	0	0	0	0
32219	EISENHOWER MATH/SCIENCE	0	0	0	0	0	0	0
32220	CURRICULUM FRAMEWORKS-236	0	0	0	0	0	0	0
32224	ISOLATED GRANTS	0	0	0	0	0	0	0
32227	COLLEGE PREP ENRICH PGM	0	0	0	0	0	0	0
32229	NATIONAL BOARD OF PROF TE	0	0	0	0	0	0	0
32230	PARENTS AS TEACHERS	0	0	0	0	0	0	0
32232	ALTERNATIVE LEARNING PROG	0	0	0	0	0	0	0
32233	JUVENILE DETENTION CENTER	0	0	0	0	0	0	0
32234	DISTANT LEARNING	0	0	0	0	0	0	0
32235	TECH. IMPROVEMENT GRANT	0	0	0	0	0	0	0
32237	MATCH MATH & SCIENCE	0	0	0	0	0	0	0
32245	ARK PATHWISE MENTORING	0	0	0	0	0	0	0
32250	PQE INDUCTION/QUALITY ENH	(1,289)	12,000	6,400	5,100	(1,300)	3,651	(1,449)
32251	CWIP GRANT	0	0	0	0	0	0	0
32256	PROFESSIONAL DEVELOPMENT	0	0	0	0	0	0	0
32260	ACT 799 AR GAME AND FISH	0	0	0	0	0	0	0
32310	HAND CHILD-SUPV/EXTEND YR	7,905	6,705	6,220	0	(6,220)	0	0
32320	G & T-AEGIS PGM	0	0	0	0	0	0	0
32330	NON-HAND-RESID TREATMENT	0	0	0	0	0	0	0
32340	HAND-RESIDENT TREATMENT	0	0	0	0	0	0	0
32350	EARLY CHLD/MEDICAID MATCH	0	0	0	0	0	0	0
32361	IMP&INSTR GIFTED&TALENTED	2,245	200	1,033	0	(1,033)	50	50
32370	ALTERNATIVE LEARNING PROG	0	0	0	0	0	0	0
32372	RES.CENT.JUVENILE DETENTI	0	0	0	0	0	0	0
32380	AID TO HUMAN DEVELOP CNTR	0	0	0	0	0	0	0
32381	NATIONAL SCHOOL LUNCH ACT	0	0	0	0	0	0	0
32400	WORKFORCE EDUCATION	0	0	0	0	0	0	0
32415	SECONDARY WORKFORCE CENTE	0	0	0	0	0	0	0
32420	VOC CAPITAL EQUIP GRANT	0	0	0	0	0	10,000	10,000
32445	WKPL-TECH PREP CORE 11/12	0	0	0	0	0	0	0
32460	YOUTH APPRENTICESHIP	0	0	0	0	0	0	0
32520	MATCHING (STATE)	0	0	0	0	0	0	0
32700	EARLY CHILDHOOD PROGRAMS	0	0	0	0	0	0	0
32710	AR BETTER CHANCE(ABC)GRNT	351,000	277,025	164,850	252,000	87,150	117,502	(134,498)
32715	POVERTY INDEX FUNDING	0	0	0	0	0	0	0
32726	DHS/DCCECE EVEN START SUP	0	0	0	0	0	0	0
32821	SPECIAL OLYMPICS	0	0	0	0	0	0	0
32900	OTHER NON-INSTR.PROGRAMS	0	0	0	0	0	0	0
32910	WORKER'S COMP INSURANCE	0	0	0	0	0	0	0
32912	GENEREAL FACILITIES	32,793	24,595	16,396	8,198	(8,198)	4,099	(4,099)
32915	DEBT SERVICE FUNDING SUPP	179,204	119,315	86,105	91,306	5,201	113,190	21,884
32920	GAME AND FISH	0	1,949	1,976	0	(1,976)	13,828	13,828
32990	OTHER STATE	0	0	0	0	0	0	0
32993	GREATER GRADUATION	0	0	0	0	0	0	0
41300	REV IN LIEU OF TAXES	745	37,095	1,780	0	(1,780)	0	0
42100	FOREST RESERVE	17,509	3,090	0	0	0	0	0
42500	IMPACT AID	0	0	0	0	0	0	0
42900	OTHER UN/I FEDERAL-STATE	0	0	0	0	0	0	0
43160	ROTC	0	0	0	0	0	0	0
43181	21st CENTURY GRANT	0	0	0	0	0	0	0
45110	ESEA CH1 COMP 100-297	0	0	0	0	0	0	0
45113	ESEA CH1 STATE PGM IMPROV	0	0	0	0	0	0	0
45114	ESEA CH1 CPTL EXPENS-PRVT	0	0	0	0	0	0	0
45119	TITLE 1 STIMULUS	0	0	0	0	0	0	0
45124	ARRA STABILIZATION	0	0	0	0	0	0	0
45129	EDUCATION JOBS FUND	0	0	0	0	0	0	0
45310	VOC BASIC GRNT-ENTITLEMNT	0	0	0	0	0	0	0

Arkansas Department of Education
Helena-West Helena School District

Unrestricted Funds:
1000|1015|1017|1218|1229|1232|1240|1246|1290|1365|1372|2000|2001|2003|2004|2005|2006|2007|2008|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2038|2039|2040|2041|2044|2045|2047|2048|2050|2055|2056|2095|2096|2097|2098|2099|2101|2103|2111|2115|2116|2120|2125|2133|2150|2155|2160|2161|2213|2214|2215|2218|2219|2220|2225|2227|2229|2230|2232|2233|2234|2235|2237|2240|2245|2246|2250|2255|2260|2261|2263|2271|2277|2280|2290|2310|2325|2340|2365|2366|2368|2369|2372|2390|2392|2394|2395|2399|2765|4000|4001|4395

Revenue:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 1/31/15	Variance in FY15 Budget and FY15 YTD
45318	VOC-SUPP GRNTS-IMPROV ACT	0	0	0	0	0	0	0
45510	FREE AND REDUCED LUNCH	0	0	0	0	0	0	0
45520	FREE AND REDUCED BREAKFAS	0	0	0	0	0	0	0
45540	AFTER SCHOOL SNACKS	0	0	0	0	0	0	0
45561	REGULAR COMMODITIES	0	0	0	0	0	0	0
45611	BRAILLE INSTRUCTORS	0	0	0	0	0	0	0
45613	VI B PASS THROUGH	0	0	0	0	0	0	0
45621	IDEA-ARRA	0	0	0	0	0	0	0
45802	MODERNIZATION STABILIZATIO	0	0	0	0	0	0	0
45810	TITLE 1 ARRA	0	0	0	0	0	0	0
45910	MEDICARE CATASTROPHIC COV	0	0	0	0	0	0	0
45913	ARMAC/NURSES-HEAR-VISION	0	0	0	0	0	0	0
45925	TITLE IIA(IMP. TEA.QUALITY)	0	0	0	0	0	0	0
45940	WOMENS ED EQUITY ACT	0	0	0	0	0	0	0
45977	REAP RURAL & LOW INCOME	0	0	0	0	0	0	0
51100	BONDED INDEBTEDNESS	7,484	0	0	0	0	0	0
51900	NONCASH RECEIPT	0	0	0	0	0	0	0
51999	AUDIT ADJUSTMENT FOR PRIOR YEAR CODING ERRORS	0	0	0	0	0	0	0
52000	INTERFUND TRANSFERS	0	0	50,429	0	(50,429)	0	0
52300	TRANS FROM BUILDING FUND	0	0	0	0	0	0	0
52600	TRANS FROM FEDERAL GRANTS	0	0	0	0	0	0	0
52700	TRANS FROM STUDENT ACTVTY	0	0	0	0	0	0	0
52800	TRANS FROM FOOD SERVICE	0	0	0	0	0	0	0
52900	INDIRECT COST	215,202	33,823	0	8,066	8,066	0	(8,066)
52950	INTERFUND TRANSFER/CD	0	0	25,977	0	(25,977)	0	0
53100	SALE OF EQUIPMENT	800	0	0	0	0	20,000	20,000
53400	COMPEN-LOSS FIXED ASSETS	16,762	281,302	9,668	0	(9,668)	0	0
Total Revenue		**16,309,510**	**15,187,845**	**12,820,587**	**12,497,473**	**(323,114)**	**7,487,096**	**(5,010,377)**

Arkansas Department of Education
Helena-West Helena School District

Unrestricted Funds:
1000|1015|1017|1218|1229|1232|1240|1246|1290|1365|1372|2000|2001|2003|2004|2005|2006|2007|2008|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2038|2039|2040|2041|2044|2045|2047|2048|2050|2055|2056|2095|2096|2097|2098|2099|2101|2103|2111|2115|2116|2120|2125|2133|2150|2155|2160|2161|2213|2214|2215|2218|2219|2220|2225|2227|2229|2230|2232|2233|2234|2235|2237|2240|2245|2246|2250|2255|2260|2261|2263|2271|2277|2280|2290|2310|2325|2340|2365|2366|2368|2369|2372|2390|2392|2394|2395|2399|2765|4000|4001|4395

Expenditures:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 1/31/15	Variance in FY15 Budget and FY15 YTD
61000	SALARY-PRSNL SVS	0	0	0	0	0	0	0
61110	CERT SALARY	5,556,857	5,269,572	5,484,332	5,402,802	(81,530)	2,440,922	2,961,879
61111	CERT SAL N-CON	79,101	85,946	80,961	12,100	(68,861)	22,172	(10,072)
61120	CLS SALARY	1,358,000	1,471,053	1,424,951	1,465,635	40,683	761,771	703,863
61121	CLS SAL N-CON	87,429	128,038	182,536	82,000	(100,536)	29,579	52,421
61210	TEMP-CERTIFIED	0	0	0	0	0	1,867	(1,867)
61220	TEMP-CLASSIFIED	3,909	3,937	0	9,750	9,750	12,242	(2,492)
61300	OVERTIME	0	0	0	0	0	0	0
61310	PAY FOR PREP/LUNCH PERIOD	0	0	0	0	0	2,210	(2,210)
61320	OVERTIME	0	0	0	0	0	25,179	(25,179)
61510	ADD COMPENSATION	0	0	0	0	0	0	0
61520	ADD COMPENSATION	0	0	0	0	0	0	0
61610	WORKSHOPS	0	0	0	0	0	84	(84)
61620	WORKSHOPS	0	0	0	0	0	0	0
61710	CERT SUBSTITUTES	142,367	131,737	55,052	93,000	37,948	39,554	53,446
61720	CLS SUBSTITUTES	7,765	66,304	113,451	160,573	47,122	52,634	107,940
61810	CERT UNUSED SICK	37,775	13,025	7,550	50,000	42,450	27,325	22,675
61820	CLS UNUSED SICK	7,850	3,350	0	0	0	0	0
61920	CLS SEVERANCE	0	0	0	0	0	0	0
61960	UNUSED VACATION CRT	0	0	0	0	0	0	0
61961	UNUSED VACATION CLS	0	0	0	0	0	0	0
62100	GRP INSURANCE	0	0	0	0	0	0	0
62110	CERT GROUP INS	0	0	0	0	0	0	0
62120	CLS GROUP INS	0	0	0	0	0	0	0
62200	CLS SOC SEC	0	0	0	0	0	0	0
62210	CERT SOC SEC	369,309	314,254	320,702	341,104	20,402	146,265	194,839
62220	CLS SOC SEC	90,915	103,526	104,214	93,115	(11,100)	54,142	38,973
62260	CERT MEDICARE	86,994	73,381	79,771	78,773	(999)	34,207	44,565
62270	CLS MEDICARE	21,263	24,213	24,374	21,768	(2,606)	12,663	9,105
62300	TEACH RET.CONTRIBUTORY	0	0	0	0	0	0	0
62310	CERT TCH RET-CONT	889,501	755,673	743,278	757,392	14,115	348,020	409,372
62320	CLS TCH RET - CONT	205,302	232,758	229,547	195,259	(34,288)	122,862	72,396
62500	UNEMPLY-COMP	0	0	0	0	0	0	0
62510	CERT UNEMPLOY COMP	199,129	165,852	83,617	90,000	6,383	24,587	65,413
62520	CLS UNEMPLOY COMP	199,129	237,811	72,155	71,000	(1,155)	27,733	43,267
62600	WK COMPENSATION	0	0	0	0	0	0	0
62610	CERT WKR'S COMP	17,502	21,043	16,542	0	(16,542)	0	0
62620	CLS WKR'S COMP	17,502	28,058	38,292	0	(38,292)	0	0
62700	HLT BENEFITS	0	0	0	0	0	0	0
62710	CERT HEALTH BENEFITS	212,220	133,082	169,626	174,040	4,414	76,606	97,434
62711	CRT PREM ASSISTANCE EBD	0	0	0	300	300	1,301	(1,001)
62720	CLS HEALTH BENEFITS	68,311	59,727	67,750	65,282	(2,469)	35,286	29,996
62721	CLS PREMIUMASSISTANCE EBD	0	0	0	0	0	316	(316)
62800	PUB.RET-CONTRIBUTIONS	0	0	0	0	0	0	0
62810	CERT PUB RET CONT.	0	0	0	0	0	0	0
62820	CLS PUB RET CONT	3,699	3,848	3,738	3,133	(605)	1,811	1,322
62900	OTHER BENEFITS	0	0	0	0	0	0	0
62910	OTHER BENEFITS-CERTIFIED	0	0	0	0	0	0	0
62920	OTHER BENEFITS-CLASSIFIED	0	0	0	0	0	0	0
Salaries & Benefits Totals		**9,661,825**	**9,326,188**	**9,302,440**	**9,167,025**	**(135,416)**	**4,301,339**	**4,865,686**
63000	PURC SVS-PROF & TECHNICAL	0	0	0	0	0	0	0
63100	OFFICIAL/ADMINISTRATIVE	0	0	0	0	0	0	0
63110	STAFF SERVICES	0	0	0	0	0	0	0
63120	MANAGEMENT SERVICES	0	0	0	0	0	0	0
63130	BOARD OF ED SERVICES	3,973	4,363	4,277	5,000	723	0	5,000
63200	PROFESSIONAL-EDUCATIONAL	0	0	0	0	0	0	0
63210	INSTRUCTIONAL	4,134	2,523	2,671	2,800	129	0	2,800
63220	INST PGRM-IMPROVEMENT SVS	0	0	0	0	0	0	0
63230	CONSULTING	9,954	6,000	36,792	57,200	20,408	19,562	37,638
63300	OTHER PROFESSIONAL	0	0	0	0	0	0	0
63310	TRAINING/DEVEL. SVCS-CRT	1,554	4,402	5,993	9,050	3,057	7,220	1,830
63320	TRAINING/DEVEL. SVCS-CLS	1,955	2,609	2,422	3,918	1,496	275	3,643
63340	LEGAL	0	0	0	0	0	0	0
63370	ARCHITECTURAL	0	0	0	0	0	0	0

Arkansas Department of Education
Helena-West Helena School District

Unrestricted Funds:
1000|1015|1017|1218|1229|1232|1240|1246|1290|1365|1372|2000|2001|2003|2004|2005|2006|2007|2008|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2038|2039|2040|2041|2044|2045|2047|2048|2050|2055|2056|2095|2096|2097|2098|2099|2101|2103|2111|2115|2116|2120|2125|2133|2150|2155|2160|2161|2213|2214|2215|2218|2219|2220|2225|2227|2229|2230|2232|2233|2234|2235|2237|2240|2245|2246|2250|2255|2260|2261|2263|2271|2277|2280|2290|2310|2325|2340|2365|2366|2368|2369|2372|2390|2392|2394|2395|2399|2765|4000|4001|4395

Expenditures:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 1/31/15	Variance in FY15 Budget and FY15 YTD
63400	TECHNICAL	0	0	0	0	0	0	0
63410	DATA PROCESSING SERVICES	0	0	0	0	0	0	0
63420	STATISTICAL SERVICES	0	0	0	0	0	0	0
63430	ACCOUNTING	0	0	0	0	0	0	0
63440	LEGAL	0	1,966	0	0	0	0	0
63441	LEGAL	55,350	37,734	65,444	85,000	19,556	27,905	57,095
63445	LEGAL-RESEARCH & OPINIONS	0	0	0	0	0	0	0
63450	MEDICAL	253	2,368	3,152	3,150	(2)	0	3,150
63470	ARCHITECTURAL	0	0	0	0	0	0	0
63490	OTHER PROF.SERV	17,255	0	0	0	0	0	0
63590	OTHER TECH SERVICES	0	0	0	0	0	0	0
63900	OTHER PURC PROF/TECH SVS	445,136	729,038	714,774	418,045	(296,730)	102,491	315,554
63910	TECHNOLOGY	0	0	0	0	0	0	0
64000	PURCHASED PROPERTY SVS	0	0	0	0	0	0	0
64110	WATER/SEWER	98,904	40,056	35,089	44,000	8,911	17,790	26,210
64210	DISPOSAL/SANATATION	11,105	65,388	33,419	43,000	9,581	18,464	24,536
64230	CUSTODIAL	0	0	0	0	0	0	0
64240	LAWN CARE	0	0	0	0	0	0	0
64310	NON-TECHNOL-REPAIRS&MAINT	15,397	18,519	0	0	0	0	0
64320	TECHNOLOGY-RELATED REPAIR	69	0	0	0	0	0	0
64410	LAND & BLDGS	163	0	0	0	0	0	0
64420	EQUIP & VEHICLES	0	1,426	110	2,000	1,890	0	2,000
64430	RENTAL OF COMPUTERS	207,986	209,369	189,059	203,150	14,091	108,497	94,653
64500	CONSTRUCTION SERVICES	0	222,069	129,244	410,200	280,956	378,700	31,500
64900	OTHER PURC PROPERTY SVS	0	0	0	0	0	0	0
65000	OTHR PURCH.SERVICES	0	0	0	0	0	0	0
65100	STUDENT TRANSPORTATION	0	0	0	0	0	0	0
65190	PUPIL TRANSPORTATION	738,945	3,555	0	0	0	0	0
65210	PROPERTY INSURANCE	409,450	65,936	225,637	180,000	(45,637)	153,223	26,777
65220	LIABILITY INSURANCE	0	0	0	0	0	0	0
65240	FLEET INSURANCE	21,906	29,630	0	50,000	50,000	22,573	27,427
65250	ACCIDENT INS FOR STUDENTS	41,774	58,297	33,007	5,000	(28,007)	0	5,000
65290	OTHER INSURANCE	0	552	1,560	22,573	21,013	0	22,573
65300	COMMUNICATIONS	0	0	0	0	0	0	0
65310	TELEPHONE	57,532	78,408	87,127	100,000	12,873	58,180	41,820
65320	POSTAGE	12,313	9,475	12,058	12,500	442	8,431	4,069
65330	NETWORKING/INTERNET	1,173	1,699	1,349	1,765	416	2,016	(251)
65400	ADVERTISING	12,277	3,034	7,308	10,600	3,292	3,994	6,606
65500	PRINTING & BINDING	5,555	0	0	0	0	0	0
65600	TUITION	0	0	0	0	0	0	0
65610	TO LEA'S WITHIN STATE	2,500	0	0	0	0	0	0
65640	INTERM AGNCY-IN STATE	0	0	0	0	0	0	0
65690	OTHER TUITION	0	0	10,850	0	(10,850)	0	0
65700	FOOD SVS MANAGEMENT	0	0	0	0	0	0	0
65800	TRAVEL	0	0	0	0	0	0	0
65810	TRVL-CERT-IN DISTRICT	444	0	0	0	0	647	(647)
65820	TRVL-CLS IN DISTRICT	15,190	11,151	7,533	4,524	(3,009)	2,526	1,998
65830	TRVL CERT-OUT DISTRICT	2,187	1,742	1,746	3,376	1,630	2,102	1,274
65840	TRVL CLS OUT DISTRICT	968	900	1,628	1,700	72	1,502	198
65850	TRVL CERT OUT STATE	0	0	0	0	0	0	0
65860	TRVL CLS OUT STATE	0	0	0	0	0	0	0
65870	TRAVEL NON-EMPLOYE	9,553	2,333	6,708	6,250	(458)	527	5,724
65880	MEALS	5,059	13,472	19,606	30,535	10,929	2,074	28,461
65890	LODGING	3,967	9,225	11,038	11,650	612	2,893	8,757
65900	MISC PURC SVS	11,290	22,250	19,752	18,200	(1,552)	0	18,200
65910	SVS PURCHASED LOCALLY	0	0	0	0	0	0	0
65930	PURC-OTHER LEA OUT STATE	0	0	0	0	0	0	0
66100	GEN SUPPLIES	248,313	400,238	412,465	426,990	14,525	126,508	300,482
66107	GENERAL SUPPLIES-LOW VALU	1,498	0	0	0	0	0	0
66210	NAT.GAS	121,998	102,824	119,528	145,600	26,072	19,282	126,318
66220	ELECTRICITY	386,015	351,904	340,045	369,500	29,455	196,566	172,934
66230	BOTTLED GAS	0	0	0	0	0	0	0
66260	GASOLINE/DIESEL	140,325	110,002	75,657	107,500	31,843	55,376	52,124
66300	FOOD	0	971	0	0	0	0	0

Arkansas Department of Education
Helena-West Helena School District

Unrestricted Funds:
1000|1015|1017|1218|1229|1232|1240|1246|1290|1365|1372|2000|2001|2003|2004|2005|2006|2007|2008|2011|2012|2013|2014|2015|2016|2017|2018|2019|2020|2022|2023|2024|2025|2026|2027|2028|2029|2030|2031|2032|2033|2034|2035|2036|2038|2039|2040|2041|2044|2045|2047|2048|2050|2055|2056|2095|2096|2097|2098|2099|2101|2103|2111|2115|2116|2120|2125|2133|2150|2155|2160|2161|2213|2214|2215|2218|2219|2220|2225|2227|2229|2230|2232|2233|2234|2235|2237|2240|2245|2246|2250|2255|2260|2261|2263|2271|2277|2280|2290|2310|2325|2340|2365|2366|2368|2369|2372|2390|2392|2394|2395|2399|2765|4000|4001|4395

Expenditures:

Account	Account Description	FY12	FY13	FY14	FY15 Budget	Variance in FY15 Budget and FY14 Actuals	FY15 YTD as of 1/31/15	Variance in FY15 Budget and FY15 YTD
66400	BOOKS & PERIODICALS	0	0	0	0	0	0	0
66410	TEXTBOOKS	175,055	6,331	160,684	255,792	95,108	94,776	161,016
66420	LIBRARY BOOKS	1,931	991	228	500	272	0	500
66430	PERIODICALS	216	2,539	60	500	440	0	500
66440	AUDIOVISUAL MATERIALS	0	0	0	0	0	0	0
66500	TECHN SUPPLIES	34,105	21,675	58,460	51,300	(7,160)	727	50,573
66507	TECHNOLOGY	0	0	0	0	0	0	0
66510	SOFTWARE	0	0	8,629	14,500	5,871	1,528	12,972
66520	OTHER	1,036	0	0	0	0	0	0
66527	TECHNOLOGY SUPPLIES	0	0	0	0	0	0	0
66529	TECHNOLOGY SUPPLIES OTHER	59,235	0	0	0	0	0	0
66600	BUILDING MATERIALS	0	0	0	0	0	0	0
66900	OTHER SUPPLIES & MATERIAL	0	0	0	0	0	0	0
67100	LAND & IMPROVEMENTS	0	0	0	0	0	0	0
67300	EQUIPMENT	0	0	0	0	0	0	0
67310	MACHINERY	8,344	0	4,293	15,500	11,207	9,523	5,977
67320	VEHICLES	897	183,390	91,938	0	(91,938)	91,380	(91,380)
67330	FURNITURE & FIXTURES	0	0	4,419	4,000	(419)	0	4,000
67340	TECHNOLOGY RELATED HARDWA	76,856	17,241	40,907	59,608	18,701	5,320	54,288
67350	TECHNOLOGY SOFTWARE	213,892	6,915	19,688	20,000	312	0	20,000
67390	OTHER EQUIPMENT	0	31,629	48,051	48,500	449	4,500	44,000
67400	INFRASTRUCTURE	0	0	28,284	0	(28,284)	0	0
67500	TECHN EQUIP	0	0	0	0	0	0	0
67900	DEP ACT	0	0	0	0	0	0	0
68100	DUES AND FEES	61,792	143,272	12,895	11,100	(1,795)	5,944	5,156
68200	JUDGMENTS AGAINST LEA	0	0	0	0	0	0	0
68300	INTEREST	289,003	84,225	111,925	106,650	(5,275)	106,650	0
68400	INDIRECT COST	0	0	0	0	0	0	0
68600	PENALTIES AND INTEREST	0	0	3,262	3,300	38	1,314	1,986
68800	TAXES	0	0	0	0	0	0	0
68810	TAX ON RESALE ITEMS	0	13	0	0	0	0	0
68830	PROPERTY TAX	0	0	0	0	0	0	0
68900	MISC EXPENDITURES	0	0	51	50	(1)	51	(1)
68901	CONSTANT VARIANCE PD 9-11	(79,549)	0	0	0	0	0	0
68905	MISCELLANEOUS CORRECTIONS	0	0	1	0	(1)	0	0
68999	ALLOCATED CHARGES	0	0	0	0	0	0	0
69100	REDEMPTION OF PRINCIPAL	470,000	0	565,000	665,000	100,000	665,000	0
69330	TO BUILDING FUND	442,065	993,998	0	0	0	0	0
69360	TO FEDERAL GRANTS FUND	0	0	25,200	0	(25,200)	0	0
69400	PROGRAM FUNDING RETURN	26,956	147,854	235,564	0	(235,564)	0	0
69500	TRANSITS	0	0	0	0	0	0	0
69900	LOAN PAYMENT	0	0	0	0	0	0	0
Other Expenditure Totals		**4,905,252**	**4,265,502**	**4,036,585**	**4,051,076**	**14,490**	**2,326,036**	**1,725,039**
Overall Expenditure Totals		**14,567,078**	**13,591,690**	**13,339,025**	**13,218,100**	**(120,925)**	**6,627,375**	**6,590,725**

Helena-West Helena School District

Fiscal Distress District Improvement Plan

When focusing on the fiscal status of the district, the administration noted the stated areas of concern:

Areas of Concern

- The district operates too many campuses
- The district is overstaffed for number of student served
- The district has Audit Findings to be addressed
- Decrease in Revenue
- Facilities require upgrading and repairs

Analysis of Why Problem Areas Occurred

- The failure to align the use of campuses to students served
- The failure to reduce staff when experiencing a significant loss of students
- Inadequate monitoring/supervision and adherence to adopted policies and procedures
- The failure to adjust expenditures within available revenue
- Lack of maintenance and repair to facilities; the former Facilities Master Plan did not address warm, safe and dry issues.

Helena-West Helena School District

Fiscal Distress District Improvement Plan

The Helena-West Helena School District is located in Eastern Arkansas (Phillips County); its size is 120 square miles. To provide transportation for its students, the district contracts with Durham Bus Services for the transportation of its students. Durham operates twenty-five daily routes with three of these being Special needs routes.

The distance of the routes range from a high 39.5 miles to a low of 5.5 miles (both ways). Twelve of the twenty five buses used on a daily route are owned by Helena-West Helena School District.

On June 20, 2011, the Commissioner of Education removed the Helena-West Helena Board of Directors and the Superintendent. The State assumed control of the school district by appointing Suzann McCommon as the CEO and Ulicious Reed, the COO of the District.

At the present time, the district serves its K-12 students by using six sites located on five campuses. This configuration does not lend itself to effectiveness and efficient use of the district's personnel nor resources. The current assessment valuation of the District is $113,701.999 with the millage rate being 34.10 (25.0 mills = M & O; 9.10 mills = debt service). The school district has an annual bonded debt payment of $683,102.25. It has no non-bonded debt payment, no post-dated warrants, and no current short term cash flow agreements. However, the district has a lease agreement for the transporting of its K-12 students with Durham Bus Service. For the 2011-2012 school year the agreement will cost approximately $900,000.00 for daily student transportation plus additional charges for fuel and any repair which exceeds $500.

The district also has a lease agreement for copy machines which cost approximately $17,000.00 per month or $204,000.00 per year.

In September 2010, the Helena-West Helena School District was classified as being in fiscal distress by the State Board of Education. The reasons for the classification were:

- Declining balance determined to jeopardize the fiscal integrity of the school district.
- Material state or federal audit exceptions or violations.

The district three quarter (K-12) student's enrollment average for 2009-2010 school year was 2,315; it was 2,242 for the 2010-2011 school year. This year the district's two quarter K-12 enrollment is 1876. The decrease of revenue for the 2012-2013 school year is projected at $1,147,086 based on the two quarter average of 1876 thus making it necessary to address the loss in revenue and overstaffing immediately.

The Helena-West Helena School District because of the Reduction in Force that became necessary during the 2010-2011 and 2011-2012 school years has incurred an unemployment debt of approximately $375,000.00 which is now due.

A similar amount will be due next year.

Helena-West Helena School District

Fiscal Distress District Improvement Plan

	Plan Objective	Responsible Party	Specific Strategy	Board Action	Date Of Action	Funding Sources	Amount Of Net Savings	Objective Met Yes	Objective Met No
Objective 1	Reduce Salary Expenditures to align with available revenue	Administration	RIF up to thirty (30) staff members	March 2012	April 30, 2012	Teacher Salary Fund and Operating	$1,191,850.00		
Objective 2	Maximize the use of Categorical dollars	Administration	Move four (4) teachers from foundation dollars to allowable categorical funds	June 2012	July 1, 2012	Categorical Funds	$169,400.00		
Objective 3	Consolidate Campuses	Administration	To reduce operating expenditures	March 2012	June 3, 2012	Operating Fund	$60,000		
* Objective 4	Address Audit findings for fiscal year ending June 30, 2011	Administration	(a) Provide training for needed staff (b) Establish internal controls and increased monitoring of all financial transactions	March 2012	March 2012 and on-going	N/A	N/A		
Objective 5	Address repairs: warm, safe and dry issues on Miller's campus and make urgent repairs on Central's Campus	Administration	Refunding of Bonds to generate saving due to the exceptional low interest rates; use the funds generated by the savings to pay for repairs on Miller and Central campus	April 2012	May 1, 2012	Debt Services Funds and Operating Fund	Projected Savings from refunding of bonds: $625,000 Cost of repairs (Miller and Central) $615,000 Net Savings: $10,000		

Helena-West Helena School District No. 2

Phillips County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2011

LEGISLATIVE JOINT AUDITING COMMITTEE

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
TABLE OF CONTENTS
JUNE 30, 2011

Independent Auditor's Report
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	Exhibit
Balance Sheet - Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	Schedule
Schedule of Capital Assets (Unaudited)	1
Schedule of Expenditures of Federal Awards	2
Schedule of Findings and Questioned Costs	3
Federal Award Programs - Summary Schedule of Prior Audit Findings	4
Schedule of Selected Information for the Last Five Years - Regulatory Basis (Unaudited)	5

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Helena-West Helena School District No. 2 and School Board Members
Legislative Joint Auditing Committee

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Helena-West Helena School District No. 2 (the "District"), as of and for the year ended June 30, 2011, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices prescribed or permitted by Arkansas Code, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2011, or the changes in financial position for the year then ended. Further, the District has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

As discussed in Note 1 to the financial statements, the District changed the classifications of its governmental fund balances on July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

172 STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE (501) 683-8600 • FAX (501) 683-8605
www.arklegaudit.gov

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Capital Assets (Schedule 1), Schedule of Expenditures of Federal Awards (Schedule 2), as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Schedule of Findings and Questioned Costs (Schedule 3), Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4), and Schedule of Selected Information for the Last Five Years - Regulatory Basis (Schedule 5) are presented for purposes of additional analysis and are not a required part of the regulatory basis financial statements. The Schedule of Expenditures of Federal Awards (Schedule 2), Schedule of Findings and Questioned Costs (Schedule 3), and Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4) have been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, in our opinion, are fairly stated in all material respects in relation to the regulatory basis financial statements taken as a whole. The Schedule of Capital Assets (Schedule 1) and the Schedule of Selected Information for the Last Five Years - Regulatory Basis (Schedule 5) have not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, accordingly, we express no opinion on them.

DIVISION OF LEGISLATIVE AUDIT

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

Little Rock, Arkansas
December 8, 2011
EDSD28811

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Helena-West Helena School District No. 2 and School Board Members
Legislative Joint Auditing Committee

We have audited the financial statements of each major governmental fund and the aggregate remaining fund information of the Helena-West Helena School District No. 2 (the "District"), as of and for the year ended June 30, 2011, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated December 8, 2011. We issued an adverse opinion because the District prepared the financial statements using accounting practices prescribed or permitted by the Arkansas Code, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2011-1 and 2011-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated December 8, 2011.

The District's responses to the findings identified in our audit, excluding the management letter findings, are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
December 8, 2011

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Helena-West Helena School District No. 2 and School Board Members
Legislative Joint Auditing Committee

Compliance

We have audited the Helena-West Helena School District No. 2 (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

As described in items 2011-3, 2011-4, and 2011-5 in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding reporting and allowable costs/cost principles that are applicable to the Title I Grants to Local Educational Agencies program and equipment and real property management that are applicable to the Title I, Part A Cluster. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program or cluster.

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2011-6 and 2011-7.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2011-3, 2011-4, and 2011-5 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2011-6 and 2011-7 to be significant deficiencies.

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
December 8, 2011

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

MANAGEMENT LETTER

Helena-West Helena School District No. 2 and School Board Members
Legislative Joint Auditing Committee

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations and to improve internal control. These matters were discussed previously with District officials during the course of our audit fieldwork and at the exit conference.

1. The District identified unaccounted for equipment items valued at approximately $25,000. This equipment, which consisted of laptop computers and musical instruments, had been assigned to a band director and a band consultant, both no longer employed by the District. The District filed a report with the Helena-West Helena Police Department on June 15, 2011, alleging theft of property. Subsequently, the District recovered the equipment

2. The District issued two checks totaling $10,050 to a business for painting a District-owned house. A bid sheet on file at the District indicated two individuals as well as the business that was awarded the contract submitted competitive bids. The two individuals were contacted, and both indicated they had not submitted a bid for the project. Therefore, it appears the District failed to solicit competitive bids for a project costing over $10,000, as required by law.

3. The District was unable to provide adequate documentation for two checks totaling $1,397 that were issued to a former employee after employment with the District ended.

4. The District overstated property taxes receivable by $73,832. The financial statements were corrected during the audit fieldwork.

5. Districts are required to have written salary schedules that reflect actual paying practices of the District for certified and classified personnel. During our examination of payroll records for 61 employees, we detected the following:

    a. Four employees' actual pay did not agree with the salary schedules.
    b. Eleven employees' contracted positions were not reflected on the classified salary schedule.
    c. District personnel could not provide contracts for five classified employees.
    d. Review of time sheets for the former payroll preparer indicated no supervisory approval for paid overtime hours of $2,855.
    e. According to documentation provided, we observed four employees' actual pay exceeded their contracted pay by $200 to $5,177, and one employee appeared to have been underpaid $214.

    A similar finding was reported in the previous audit.

6. The District was unable to locate 4 of 10 equipment items during our verification of equipment.

7. Ark. Code Ann. § 6-20-1907 prohibits a school district identified as being in fiscal distress from incurring debt without prior written approval from the Arkansas Department of Education (ADE). On September 13, 2010, the District was classified as being in fiscal distress. We noted the following instances of noncompliance on February 14, 2011:

    a. An employee was promoted from the position of Secretary to Student Services to the Secretary to Superintendent with an annual salary increase from $27,350 to $33,150.
    b. An employee was promoted from the position of Human Resources Secretary to Payroll Clerk with an annual salary increase from $25,950 to $35,350.

8. The District failed to reconcile the general ledger and payroll records; therefore, the District was unable to provide documentation supporting the general ledger's payroll liability of $308,437.

9. As required by Ark. Code Ann. § 6-17-414, the District failed to obtain required criminal background and Child Maltreatment Central Registry checks for three substitutes during fiscal year 2011. Subsequently, the District obtained the required documentation on September 22, 2011.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
December 8, 2011

Exhibit A

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2011

	Governmental Funds			
	Major			
	General	Special Revenue	Other Aggregate	Fiduciary Fund Types
ASSETS				
Cash	$ 3,862,939		$ 92,962	$ 32,155
Investments	3,614			
Accounts receivable	48,784	$ 2,175,448		
Property taxes receivable	242,803			
Due from other funds	603,972		15,548	
Accrued interest	5			
TOTAL ASSETS	$ 4,762,117	$ 2,175,448	$ 108,510	$ 32,155
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 347,527	$ 306,298	$ 15,548	$ 2,313
Due student groups				29,342
Due to other funds	15,548	603,972		
Total Liabilities	363,075	910,270	15,548	31,655
Fund Balances:				
Restricted	1,143,932	1,265,178		500
Assigned	116,899		92,962	
Unassigned	3,138,211			
Total Fund Balances	4,399,042	1,265,178	92,962	500
TOTAL LIABILITIES AND FUND BALANCES	$ 4,762,117	$ 2,175,448	$ 108,510	$ 32,155

The accompanying notes are an integral part of these financial statements.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2 Exhibit B
PHILLIPS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	Major		
	General	Special Revenue	Other Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	$ 2,944,285		$ 664,481
State assistance	16,214,082	$ 10,790	187,878
Federal assistance	19,180	8,864,682	
Activity revenues	46,549		
Meal sales		107,601	
Investment income	23,663		
Other revenues	438,286	56,134	
TOTAL REVENUES	19,686,045	9,039,207	852,359
EXPENDITURES			
Regular programs	5,574,390	3,204,874	
Special education	999,904	444,825	
Workforce education programs	472,448	38,728	
Compensatory education programs	453,433	580,133	
Other instructional programs	894,749	128,483	
Student support services	787,646	403,907	
Instructional staff support services	1,816,494	1,045,920	
General administration support services	608,560	117,993	
School administration support services	1,489,962	213,142	
Central services support services	538,290	70,157	
Operation and maintenance of plant services	1,832,255	834,889	491,316
Student transportation services	1,068,057		
Other support services	19,420		
Food services operations	90,874	1,327,830	353,503
Facilities acquisition and construction services		61,469	85,699
Activity expenditures	34,966		
Debt Service:			
Principal retirement			450,000
Interest and fiscal charges			309,397
TOTAL EXPENDITURES	16,681,448	8,472,350	1,689,915
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,004,597	566,857	(837,556)
OTHER FINANCING SOURCES (USES)			
Transfers in		87,675	930,518
Transfers out	(1,018,193)		
Refund to grantor		(26,484)	
Compensation for loss of capital assets		48,803	
TOTAL OTHER FINANCING SOURCES (USES)	(1,018,193)	109,994	930,518
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,986,404	676,851	92,962
FUND BALANCES - JULY 1	2,412,638	588,327	
FUND BALANCES - JUNE 30	$ 4,399,042	$ 1,265,178	$ 92,962

The accompanying notes are an integral part of these financial statements.

Exhibit C

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	$ 3,488,587	$ 2,944,285	$ (544,302)			
State assistance	16,035,197	16,214,082	178,885		$ 10,790	$ 10,790
Federal assistance	30,000	19,180	(10,820)	$ 9,996,826	8,864,682	(1,132,144)
Activity revenues		46,549	46,549			
Meal sales				132,000	107,601	(24,399)
Investment income		23,663	23,663			
Other revenues	441,890	438,286	(3,604)		56,134	56,134
TOTAL REVENUES	19,995,674	19,686,045	(309,629)	10,128,826	9,039,207	(1,089,619)
EXPENDITURES						
Regular programs	9,785,300	5,574,390	4,210,910	994,785	3,204,874	(2,210,089)
Special education	813,398	999,904	(186,506)	718,722	444,825	273,897
Workforce education programs	509,033	472,448	36,585		38,728	(38,728)
Compensatory education programs	986,408	453,433	532,975	1,441,984	580,133	861,851
Other instructional programs	856,047	894,749	(38,702)	53,994	128,483	(74,489)
Student support services	956,728	787,646	169,082	403,482	403,907	(425)
Instructional staff support services	4,060,630	1,816,494	2,244,136	2,195,826	1,045,920	1,149,906
General administration support services	466,010	608,560	(142,550)	126,645	117,993	8,652
School administration support services	1,722,046	1,489,962	232,084	210,425	213,142	(2,717)
Central services support services	410,969	538,290	(127,321)	68,851	70,157	(1,306)
Operation and maintenance of plant services	1,783,519	1,832,255	(48,736)	1,232,557	834,889	397,668
Student transportation services	1,027,905	1,068,057	(40,152)	42,324		42,324
Other support services	6,000	19,420	(13,420)			
Food services operations	96,192	90,874	5,318	2,068,878	1,327,830	741,048
Community services operations				2,000		2,000
Facilities acquisition and construction services				1,480,028	61,469	1,418,559
Activity expenditures		34,966	(34,966)			
TOTAL EXPENDITURES	23,480,185	16,681,448	6,798,737	11,040,501	8,472,350	2,568,151

Exhibit C

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (3,484,511)	$ 3,004,597	$ 6,489,108	$ (911,675)	$ 566,857	$ 1,478,532
OTHER FINANCING SOURCES (USES)						
Transfers in	9,630,230		(9,630,230)		87,675	87,675
Transfers out	(9,557,329)	(1,018,193)	8,539,136			
Refund to grantor					(26,484)	(26,484)
Compensation for loss of capital assets					48,803	48,803
TOTAL OTHER FINANCING SOURCES (USES)	72,901	(1,018,193)	(1,091,094)		109,994	109,994
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,411,610)	1,986,404	5,398,014	(911,675)	676,851	1,588,526
FUND BALANCES - JULY 1	2,470,740	2,412,638	(58,102)	658,095	588,327	(69,768)
FUND BALANCES - JUNE 30	$ (940,870)	$ 4,399,042	$ 5,339,912	$ (253,580)	$ 1,265,178	$ 1,518,758

The accompanying notes are an integral part of these financial statements.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Helena-West Helena School District (District), as of June 20, 2011, is under the control of the Arkansas Department of Education. The local school board was dissolved as of that date. See Note 12. There are no component units.

B. Description of Funds

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the District's food services operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Fiduciary Fund types include the following:

Agency Funds – Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).
Private-purpose Trust Funds – Private-purpose trust funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

C. Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by Ark. Code Ann. § 10-4-413(c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources. Changes in private-purpose trust funds will be reflected in the notes to the financial statements.

D. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Note 1 F below).

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The District maintains a threshold level of $1,000 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Life in Years
Improvements/infrastructure	20
Buildings	50
Equipment	5-20

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes

Property taxes are levied (tax rates are established) in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year. Property taxes are accrued or deferred, as applicable, in accordance with guidelines issued by the Arkansas Department of Education (ADE), which were effective beginning with the fiscal year ended June 30, 2006. Arkansas law defines revenue receipts of a school district and includes 40% of the proceeds of local taxes which are not pledged to secure bonded indebtedness or 40% of the revenue from the uniform rate of tax whichever is greater collected in the succeeding calendar year, commonly known as 40% pullback, within that definition. The ADE has determined that school districts must utilize the 40% pullback amount, as calculated by the ADE and reflected on the respective county's abstract of assessments, in recording property tax revenue as follows:

- If the amount of 40% pullback collected by June 30th is less than the calculated 40% pullback amount, the difference must be accrued;
- If the amount of 40% pullback collected by June 30th is more than the calculated 40% pullback amount, the excess must be recorded as deferred taxes.

Amendment no. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. Ark. Code Ann. § 26-80-101 provides the uniform rate of tax (URT) shall be assessed and collected in the same manner as other school property taxes, but the net revenues from the URT shall be remitted to the State Treasurer and distributed by the State to the county treasurer of each county for distribution to the school districts in that county. For reporting purposes, URT revenues are considered property taxes.

G. Interfund Receivables and Payables

Interfund receivables and payables result from services rendered from one fund to another or from interfund loans.

H. Fund Balance Classifications

1. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

2. Assigned fund balance – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.

3. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

I. Budget and Budgetary Accounting

The District is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Budget and Budgetary Accounting (Continued)

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

J. Stabilization Arrangements

The Arkansas Department of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

K. Minimum Fund Balance Policies

The Arkansas Department of Education has not formally adopted a minimum fund balance policy.

L. Fund Balance Classification Policies and Procedures

The Chief Executive Officer, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The Arkansas Department of Education has not adopted a formal policy addressing this authorization.

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

M. Encumbrances

The District does not utilize encumbrance accounting.

N. Change in Accounting Principle

The District adopted Governmental Accounting Standards Board (GASB) Statement no. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* on July 1, 2010. GASB Statement no. 54 changed the classifications of governmental fund balances from reserved and unreserved to nonspendable, restricted, committed, assigned, and unassigned.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 322,946	$ 2,287,811
Collateralized:		
Collateral held by the pledging bank or pledging bank's trust department in the District's name	3,668,724	4,210,474
Total Deposits	$ 3,991,670	$ 6,498,285

The above total deposits include certificates of deposit of $3,614 reported as investments and classified as nonparticipating contracts.

3: ACCOUNTS RECEIVABLE

The accounts receivable balance of $2,224,232 at June 30, 2011 was comprised of the following:

	Governmental Funds		
	Major		
Description	General	Special Revenue	Total
Federal assistance		$ 2,167,590	$ 2,167,590
Other	$ 48,784	7,858	56,642
Totals	$ 48,784	$ 2,175,448	$ 2,224,232

4: COMMITMENTS

The District was contractually obligated for the following at June 30, 2011:

A. Construction Contracts

Project Name	Estimated Completion Date	Contract Balance
ARRA - HVAC equipment renovations	October 1, 2011	$ 153,505
Intercom system	December 31, 2011	197,676

4: COMMITMENTS (Continued)

B. Long-term Debt Issued and Outstanding

The District is presently paying on the following long-term debt:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2011	Maturities To June 30, 2011
6/1/03	2/1/23	3.1 - 4.5%	$ 8,075,000	$ 7,300,000	$ 775,000

Changes in Long-term Debt

	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
Bonds payable	$ 7,750,000	$ 0	$ 450,000	$ 7,300,000

Total long-term debt principal and interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2012	$ 470,000	$ 289,003	$ 759,003
2013	490,000	273,492	763,492
2014	510,000	256,832	766,832
2015	535,000	238,983	773,983
2016	560,000	219,722	779,722
2017-2021	3,215,000	748,663	3,963,663
2022-2023	1,520,000	102,390	1,622,390
Totals	$ 7,300,000	$ 2,129,085	$ 9,429,085

5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance of $671,686 at June 30, 2011 was comprised of the following:

	Governmental Funds				
	Major				
Description	General	Special Revenue	Other Aggregate	Fiduciary Fund Types	Total
Vendor payables	$ 39,090	$ 213,569	$ 15,548	$ 2,313	$ 270,520
Payroll withholdings and matching	308,437				308,437
Due to grantors		92,729			92,729
Totals	$ 347,527	$ 306,298	$ 15,548	$ 2,313	$ 671,686

6: INTERFUND TRANSFERS

The District transferred $87,675 from the general fund to the special revenue fund to supplement its food services operations. The District also transferred $930,518 from general fund to the other aggregate funds to supplement capital expenditures.

7: RETIREMENT PLANS

Arkansas Teacher Retirement System

Plan Description. The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain nonteachers hired before July 1, 1989. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Funding Policy. ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14% of covered salaries, the maximum allowed by State law. The District's contributions to ATRS for the years ended June 30, 2011, 2010, and 2009 were $2,136,232, $2,219,617, and $2,184,829, respectively, equal to the required contributions for each year.

Arkansas Public Employees Retirement System

Plan Description. The District contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain nonteachers hired before July 1, 1989. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 West Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy. APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the years ended June 30, 2011, 2010, and 2009 were $16,594, $21,059, and $21,202, respectively, equal to the required contributions for each year.

8: CHANGES IN PRIVATE-PURPOSE TRUST FUNDS

ADDITIONS		
Donations	$	500
FUND BALANCE - JULY 1		0
FUND BALANCE - JUNE 30	$	500

9: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for student accidents. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

The District participates in the Arkansas School Boards Association – Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating, and settling claims that have been filed on behalf of and against member districts. The District contributes annually to this program.

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to $250,000 with a $1,000 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

The District participates in the Public School Property and Vehicle Insurance Trust Fund Program administered by the Risk Management Division of the Arkansas Insurance Department. The program's general objectives are to formulate, develop, and administer, on behalf of member districts, a program of insurance to obtain lower costs for property and vehicles coverage, and to develop a comprehensive loss control program. The fund uses a reinsurance policy to reduce exposure to large losses on insured events. The District pays an annual premium for its coverage of buildings, contents, and vehicles.

10: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled $401,193 for the year ended June 30, 2011.

11: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Fund Balances:				
Restricted for:				
Alternative learning environment	$ 160,124			$ 160,124
Educational programs - national school lunch state categorical funding	756,561			756,561
English-language learners	3,179			3,179
Professional development	35,312			35,312
Secondary workforce center	89,106			89,106
Child nutrition programs		$ 189,846		189,846
Medical services		122,652		122,652
Reading First program		69,108		69,108
Comprehensive School Reform Demonstration program		57,304		57,304
Special education programs	7,065	20,412		27,477
Title I programs		703,670		703,670
Other purposes	92,585	102,186		194,771
Total Restricted	1,143,932	1,265,178		2,409,110
Assigned to:				
Debt service			$ 92,962	92,962
Student activities	76,860			76,860
Other purposes	40,039			40,039
Total Assigned	116,899		92,962	209,861
Unassigned	3,138,211			3,138,211
Totals	$ 4,399,042	$ 1,265,178	$ 92,962	$ 5,757,182

12: FISCAL DISTRESS STATUS

On September 13, 2010, the State Board of Education classified the District in Fiscal Distress. On June 20, 2011, the Arkansas Department of Education assumed control of the Helena-West Helena School District. Under the authority of Ark. Code Ann. § 6-20-1909, the Arkansas Department of Education dismissed the superintendent, dissolved the local school board, and appointed individuals as chief executive officer and chief operations officer. A plan to implement effective cost reduction measures has been adopted.

13: COMPENSATION FOR LOSS OF CAPITAL ASSETS

As a result of thefts on October 11, 2010 and November 6, 2010 at the Central High School, the District received insurance proceeds of $48,803.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2011
(Unaudited)

Schedule 1

	Balance June 30, 2011
Nondepreciable capital assets:	
Land	$ 528,625
Depreciable capital assets:	
Buildings	14,327,126
Improvements/infrastructure	8,278,221
Equipment	8,733,466
Total depreciable capital assets	31,338,813
Less accumulated depreciation for:	
Buildings	14,904,365
Improvements/infrastructure	204,861
Equipment	6,352,953
Total accumulated depreciation	21,462,179
Total depreciable capital assets, net	9,876,634
Capital assets, net	$ 10,405,259

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
U. S. Department of Agriculture			
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	54-03	$ 403,928
National School Lunch Program - Cash Assistance	10.555	54-03	785,635
Total State Department of Education			1,189,563
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555	5403000	79,143
TOTAL CHILD NUTRITION CLUSTER			1,268,706
TITLE I, PART A CLUSTER			
U. S. Department of Education			
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	54-03	1,374,044
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	54-03	197,408
TOTAL TITLE I, PART A CLUSTER			1,571,452
SPECIAL EDUCATION CLUSTER (IDEA)			
U. S. Department of Education			
Passed Through State Department of Education:			
Special Education - Grants to States	84.027	54-03	449,179
ARRA - Special Education - Grants to States, Recovery Act	84.391	54-03	97,685
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			546,864
OTHER PROGRAMS			
U. S. Department of Defense			
Direct Program:			
ROTC (Note 4)	12.AR05		58,258
U. S. Department of Education			
Passed Through State Department of Career Education:			
Career and Technical Education - Basic Grants to States	84.048	54-03	32,490
Tech-Prep Education	84.243	54-03	10,496
Total State Department of Career Education			42,986
Passed Through State Department of Education:			
Safe and Drug-Free Schools and Communities - State Grants	84.186	54-03	4,780
Reading First State Grants	84.357	54-03	74,707
Rural Education	84.358	54-03	6,527
Improving Teacher Quality State Grants	84.367	54-03	113,920
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	54-03	4,234,836
ARRA - Education Jobs Fund, Recovery Act	84.410	54-03	430,545
Total State Department of Education			4,865,315
Total U. S. Department of Education			4,908,301
TOTAL OTHER PROGRAMS			4,966,559
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 8,353,581

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 2

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Helena-West Helena School District No. 2 (District) under programs of the federal government for the year ended June 30, 2011. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because this schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.

Note 4: The Federal CFDA Number was not available. An alternative identifying number was utilized.

Note 5: During the year ended June 30, 2011, the District received Medicaid funding of $12,482 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above schedule.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Types of auditor's reports issued: GAAP basis of reporting - adverse
Regulatory basis opinion units - unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☐ yes ☑ none reported

Noncompliance material to financial statements noted? ☐ yes ☑ no

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☑ yes ☐ none reported

Type of auditor's report issued on compliance for major programs: unqualified for all major programs except for the Title I, Part A Cluster, which was qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☑ yes ☐ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010 and 84.389	Title I, Part A Cluster
84.027 and 84.391	Special Education Cluster (IDEA)
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act
84.410	ARRA - Education Jobs Fund, Recovery Act

Dollar threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as low-risk auditee? ☐ yes ☑ no

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

2011-1. Internal Control

Criteria or specific requirement: Internal control is a process consisting of five interrelated components - *control environment, risk assessment, information and communication, control activities, and monitoring.* Management is responsible for adopting sound accounting policies and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Condition: Deficiencies in the internal control component of control activities adversely affected the District's ability to initiate, authorize, record, process, and report financial data in accordance with the regulatory basis of accounting such that there was a reasonable possibility that a material misstatement of the District's financial statements would not be prevented, or detected and corrected on a timely basis. Financial accounting duties were not adequately segregated among employees. Specifically, certain key weaknesses included the following: the same employee was responsible for receiving and depositing monies collected, maintenance of accounting records, and preparation of journal entries, without compensating controls. Non-payroll checks were prepared by the same employee responsible for the maintenance of accounting records and such employee has unrestricted access to the District's signature stamp. Payroll checks were prepared by the same employee responsible for changes to the payroll amounts, without compensating controls.

Context: An understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures was obtained.

Effect: The District's ability to initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements, as well as the ability to safeguard District assets, was adversely affected by the identified weaknesses in the above internal control component.

Cause: District management, due to cost/benefit implications, which hindered the District's ability to adequately segregate financial accounting duties among employees, did not effectively address the deficiencies in internal control.

Recommendation: District management should adopt sound accounting policies and establish and maintain internal control that will initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements and that will safeguard District assets.

Views of responsible officials and planned corrective actions: We concur with the recommendation and will implement corrective procedures to the extent possible.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

2011-2. Misstatements not Detected by Internal Control System

Criteria or specific requirement: Financial accounting records should be accurate to ensure the preparation of reliable financial statements that are fairly presented in conformity with the regulatory basis of accounting.

Condition: The District's internal control did not prevent or detect material errors in the financial accounting records. Such records are utilized in the preparation of the District's financial statements. The District did not record accounts payable and accounts receivable of $306,298 and $486,745, respectively, in the special revenue fund. Additionally, expenditures of $139,856 were incorrectly recorded as food service operations instead of operations and maintenance of plant services in the other aggregate funds. The financial statements were corrected during the audit fieldwork.

Context: Identification of misstatements not initially detected by the District's internal control.

Effect: Misstatements were not detected by the District's internal control system.

Cause: Financial records had not been properly monitored.

Recommendation: To achieve reliable financial reporting, the District should exercise due care to ensure all applicable general ledger accounts are properly stated.

Views of responsible officials and planned corrective actions: Actions have been taken to aid the District in its efforts to prevent and detect material errors in its financial accounting records in a timely manner.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESSES

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - CFDA NUMBER 84.010
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2011

2011- 3. Reporting

Criteria or specific requirement: The District is required to budget Title I expenditures as part of the Arkansas Comprehensive School Improvement Plan (ACSIP) and submit the ACSIP to the Arkansas Department of Education (ADE). Expenditures may not exceed the total budgeted expenditures and may not exceed the budgeted amounts for specific categories by more than 10 percent without prior approval from the ADE and the submission of budget amendments or adjustments. Additionally, the annual financial report is compiled at the end of the fiscal year for the program.

Condition: The District exceeded the following functions and object by more than the 10 percent allowed:

Function/Object	Expended amount exceeding 10 percent
Function 1591 - Title I Schoolwide Instruction	$ 206,008
Function 2170 - Parental Involvement	17,709
Function 2220 - Library/Media Services	24,658
Function 2240 - Academic Student Assessment	26,799
Function 2294 - Instructional Facilitator, Math	40,970
Function 2610 - Operation of Buildings	187
Object 66000 - Supplies and Materials	25,657
Total	$ 341,988

Context: Comparison of budgeted expenditures to actual expenditures as reported on the annual financial report.

Effect: Expenditures in various functions and objects exceeded the budgeted amounts by more than 10 percent without prior approval.

Cause: Lack of management oversight in the preparation of the budget and monitoring of budgeted expenditures to actual expenditures.

Recommendation: The District should implement procedures to ensure costs are incurred within the applicable budget categories and contact ADE for further guidance regarding this matter.

Views of responsible officials and planned corrective actions: The District has taken steps including communicating with the specific personnel who direct/coordinate the affected programs to take the necessary actions to ensure expenditures are within the function and object as required.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I, PART A CLUSTER - CFDA NUMBERS 84.010 AND 84.389
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2011

2011-4. Equipment and Real Property Management

Criteria or specific requirement: Proper records should be maintained for equipment acquired with federal awards. Additionally, the District should ensure that disposition of such equipment is in accordance with federal requirements, including the federal awarding agency is appropriately compensated for its share of any property sold or converted to non-federal use.

Condition: The District could not account for seventeen of twenty-seven equipment items for the Title I program with an initial cost of $22,522.

Context: Observation of equipment recorded on subsidiary records, review of available documentation for dispositions, and interview of Title I coordinator and employees.

Effect: The District's equipment subsidiary records were not accurate.

Cause: The District failed to properly account for all equipment items to ensure accurate equipment subsidiary records.

Recommendation: The District should properly account for all equipment items purchased with federal awards.

Views of responsible officials and planned corrective actions: The District has taken steps to ensure increased accountability of its equipment which include randomly checking and the physical viewing of randomly selected equipment periodically during the school year.

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - CFDA NUMBER 84.010
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2011

2011-5. Allowable Costs/Cost Principles

Criteria or specific requirement: Office of Management and Budget (OMB) Circular No. A-87 establishes principles and standards for determining allowable costs from federal awards.

Condition: The District did not provide documentation for one invoice totaling $5,902.

Questioned Costs: Total questioned costs for federal program was $5,902.

Context: Examination of eight invoices pertaining to Title I expenditures.

Effect: The District was unable to provide documents to substantiate the payment of $5,902.

Cause: Lack of management oversight and controls over program expenditures.

Recommendation: The District should maintain documentation to support all payments.

Views of responsible officials and planned corrective actions: The District has established and implemented procedures and regulations regarding the developing and maintaining of appropriate and adequate documentation for all expenditures. These actions/procedures are monitored by Central Office administration.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

SIGNIFICANT DEFICIENCIES

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I, PART A CLUSTER - CFDA NUMBERS 84.010 AND 84.389
SPECIAL EDUCATION CLUSTER (IDEA) - CFDA NUMBERS 84.027 AND 84.391
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2011

2011-6. Procurement and Suspension and Debarment

Criteria or specific requirement: In accordance with 34 CFR 80.35 and part 85, the District must not make or permit any applicable transaction to any vendor which is suspended or debarred or otherwise excluded from participation in federal assistance programs. The District is required to verify the vendor is not suspended or debarred or otherwise excluded. This verification can be accomplished by (a) checking the *Excluded Parties List System (EPLS)*, (b) collecting a certification from the vendor, or (c) adding a clause or condition to the applicable transaction with the vendor. Additionally, the Arkansas Department of Education issued a memorandum to all school districts on December 17, 2009 stipulating verification procedures to be followed regarding suspension and debarment when federal funds are utilized for applicable transactions.

Condition: The District failed to establish internal controls to ensure vendors were not suspended or debarred, thus increasing the risk of the District doing business with prohibited parties. Although goods and services had been properly received or rendered, the District did not verify that applicable vendors had not been suspended or debarred by the Federal Government. However, no vendors with which the District conducted business were identified during the audit period as suspended or debarred parties. A similar finding was reported in the previous audit.

Context: Examination of controls related to the procurement and suspension and debarment and the examination of procurement contracts that were equal to or exceeded $25,000.

Effect: Without adequate internal controls, payments could be made to suspended or debarred vendors with federal funds, which could require repayment to the grantor.

Cause: Lack of internal controls and adequate management oversight.

Recommendation: Establish an internal control system to ensure applicable transactions are not conducted with suspended or debarred parties.

Views of responsible officials and planned corrective actions: Necessary actions have been taken to ensure that all vendors who do business with the District have not been suspended/debarred by the Federal Government.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
SPECIAL EDUCATION - GRANTS TO STATES - CFDA NUMBER 84.027
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2011

2011-7. Equipment and Real Property Management

Criteria or specific requirement: Proper records should be maintained for equipment acquired with federal awards. Additionally, the District should ensure that disposition of such equipment is in accordance with federal requirements including the federal awarding agency is appropriately compensated for its share of any property sold or converted to non-federal use.

Condition: The District could not account for one of eleven equipment items for the special education program with an initial cost of $1,477.

Context: Observation of equipment recorded on subsidiary records, review of available documentation for dispositions, and interview of special education director and employees.

Effect: The District's equipment subsidiary records were not accurate.

Cause: The District failed to properly account for all equipment items to ensure accurate equipment subsidiary records.

Recommendation: The District should properly account for all equipment items purchased with federal awards.

Views of responsible officials and planned corrective actions: The District has taken actions to ensure proper accounting of equipment purchases which include random monitoring and periodical physical viewing of the equipment purchases.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

NONCOMPLIANCE (FEDERAL PROGRAM NOT AUDITED AS A MAJOR PROGRAM)

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS) - CFDA NUMBERS 10.553 AND 10.555
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2011

2011-8. Reporting

Criteria or specific requirement: The Arkansas Department of Education, Child Nutrition Unit (ADE, CNU) requires school districts to submit monthly claims for reimbursement for meals served to all students based on eligibility status.

Condition: A Coordinated Review Effort was completed by ADE, CNU in March 2011. The review noted the District was utilizing an inaccurate method of counting the number of lunches served (tray counting). As a result of this review, the District refunded $92,729 to ADE, CNU on July 13, 2011 for overclaims incurred in the months of November 2010, December 2010, and January 2011.

As part of our audit, we examined the March 2011 through June 2011 claims for reimbursement and daily record forms and observed the following discrepancies:

a. March 2011 - 4 free lunches were over claimed.
b. April 2011 - 92 free breakfasts were over claimed; 3 reduced price breakfasts were over claimed; 5 paid breakfasts were over claimed; and 42 reduced price lunches exceeded the maximum allowable lunches.
c. May 2011 - 369 free breakfasts were under claimed; 74 reduced price breakfasts were over claimed; and 295 paid breakfasts were over claimed.
d. June 2011 - 22 free breakfasts were over claimed; 1 reduced price breakfast was over claimed; 1 free breakfast was over claimed; 30 free lunches were under claimed; 1 reduced price lunch was under claimed; and 3 paid lunches were under claimed.

These discrepancies resulted in a net underclaim of $233.

Additionally, we noted on the claims for reimbursement, the maximum number of students eligible for free and reduced price meals should agree for the breakfast and lunch components; however, all four months differed.

Context: Our examination of claims for reimbursement disclosed numerous errors still exist.

Effect: Meals were not properly reported on the applicable claims for reimbursement.

Cause: Lack of internal controls and management oversight resulted in the reporting errors.

Recommendation: We recommend the District contact ADE, CNU to resolve this matter.

Views of responsible officials and planned corrective actions: The stated findings have been reviewed. Corrective actions including implementing a system which accurately reflects the number of students served and their status; also, the District replaced the Food Service Director who was responsible for the overall operation of the Child Nutrition Program.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 4

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I, PART A CLUSTER
SPECIAL EDUCATION CLUSTER (IDEA)
STATE FISCAL STABILIZATION FUND CLUSTER

2010 - Finding 2010-3: Title I, Part A Cluster - CFDA Numbers 84.010 and 84.389, Special Education Cluster (IDEA) - CFDA Numbers 84.027 and 84.391, and State Fiscal Stabilization Fund Cluster - CFDA Numbers 84.394 and 84.397

Condition: The District failed to establish internal controls to ensure vendors were not suspended or debarred, thus increasing the risk of the District doing business with prohibited parties. Although goods and services had been properly received or rendered, the District did not verify that applicable vendors had not been suspended or debarred by the Federal Government. However, no vendors with which the District conducted business were identified during the audit period as suspended or debarred parties.

Recommendation: Establish an internal control system to ensure applicable transactions are not conducted with suspended or debarred parties.

Current Status: Exceptions were observed during the current audit period for the Title I, Part A Cluster and Special Education Cluster (IDEA). See Finding No. 2011-6 at Schedule 3.

Schedule 5

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011
(Unaudited)

	Year Ended June 30,				
General Fund	2011	2010	2009	2008	2007
Total Assets	$ 4,762,117	$ 2,480,265	$ 4,853,169	$ 6,298,052	$ 6,616,656
Total Liabilities	363,075	67,627	9,992	207,621	
Total Fund Balances	4,399,042	2,412,638	4,843,177	6,090,431	6,616,656
Total Revenues	19,686,045	21,924,790	23,201,790	24,127,471	24,498,802
Total Expenditures	16,681,448	23,823,296	24,014,827	24,066,224	23,800,360
Total Other Financing Sources (Uses)	(1,018,193)	(532,033)	(434,217)	(587,472)	(710,717)
Special Revenue Fund					
Total Assets	2,175,448	761,342	1,049,051	1,538,115	1,978,170
Total Liabilities	910,270	173,015	72,136	32,730	6,653
Total Fund Balances	1,265,178	588,327	976,915	1,505,385	1,971,517
Total Revenues	9,039,207	6,710,342	5,040,504	5,824,270	6,230,708
Total Expenditures	8,472,350	7,086,614	5,568,894	6,424,260	6,019,290
Total Other Financing Sources (Uses)	109,994	(12,316)	(80)	133,858	
Other Aggregate Funds					
Total Assets	108,510			264,531	
Total Liabilities	15,548			235,663	
Total Fund Balances	92,962			28,868	
Total Revenues	852,359	280,838		293,399	
Total Expenditures	1,689,915	812,871	756,524	755,155	785,175
Total Other Financing Sources (Uses)	930,518	532,033	727,656	490,624	752,081

Helena-West Helena School District No. 2

Phillips County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2012

LEGISLATIVE JOINT AUDITING COMMITTEE

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
TABLE OF CONTENTS
JUNE 30, 2012

Independent Auditor's Report
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	Exhibit
Balance Sheet - Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	Schedule
Schedule of Capital Assets (Unaudited)	1
Schedule of Expenditures of Federal Awards	2
Schedule of Findings and Questioned Costs	3
Federal Award Programs - Summary Schedule of Prior Audit Findings	4
Schedule of Selected Information for the Last Five Years - Regulatory Basis (Unaudited)	5

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Helena-West Helena School District No. 2 and Arkansas Department of Education
Legislative Joint Auditing Committee

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Helena-West Helena School District No. 2 (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices prescribed or permitted by Arkansas Code, which Note 1, the practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2012, or the changes in financial position for the year then ended. Further, the District has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards (Schedule 2), as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Schedule of Findings and Questioned Costs (Schedule 3), and Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4) are presented for purposes of additional analysis and are not a required part of the regulatory basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards (Schedule 2), Schedule of Findings and Questioned Costs (Schedule 3), and Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4) are fairly stated in all material respects in relation to the regulatory basis financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Capital Assets (Schedule 1) and the Schedule of Selected Information for the Last Five Years - Regulatory Basis (Schedule 5) are presented for the purposes of additional analysis and are not a required part of the regulatory basis financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

DIVISION OF LEGISLATIVE AUDIT

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

Little Rock, Arkansas
December 14, 2012
EDSD28812

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Helena-West Helena School District No. 2 and Arkansas Department of Education
Legislative Joint Auditing Committee

We have audited the financial statements of each major governmental fund and the aggregate remaining fund information of the Helena-West Helena School District No. 2 (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated December 14, 2012. We issued an adverse opinion because the District prepared the financial statements using accounting practices prescribed or permitted by the Arkansas Code, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2012-1 and 2012-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated December 14, 2012.

The District's responses to the findings identified in our audit, excluding the management letter findings, are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the Arkansas Department of Education and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
December 14, 2012

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Helena-West Helena School District No. 2 and Arkansas Department of Education

Legislative Joint Auditing Committee

Compliance

We have audited the Helena-West Helena School District No. 2 (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

As described in item 2012-3 in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding equipment and real property management that are applicable to its Title I Grants to Local Educational Agencies program and the Special Education - Grants to States program. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2012-4, 2012-5, and 2012-6.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2012-3 to be a material weakness. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2012-4, 2012-5, and 2012-6 to be significant deficiencies.

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the Arkansas Department of Education and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
December 14, 2012

Sen. Bill Pritchard
Senate Chair
Rep. Tim Summers
House Chair
Sen. David Wyatt
Senate Vice Chair
Rep. Toni Bradford
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

MANAGEMENT LETTER

Helena-West Helena School District No. 2 and Arkansas Department of Education
Legislative Joint Auditing Committee

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations and to improve internal control. These matters were discussed previously with District officials during the course of our audit fieldwork and at the exit conference.

1. Although in June 2012 the District made an undocumented $79,549 adjustment increasing its general ledger balance, the District's operating bank account was not reconciled at June 30, 2012 by $689. We also noted the District had unreconciled variances from July 2011 through June 2012 ranging from $14 to $79,549.

2. The District overstated property taxes receivable by $176,779. A similar finding was reported in the previous audit. The financial statements were corrected during the audit fieldwork.

3. The District was unable to locate six of the ten equipment items during our verification of equipment. A similar finding was reported in the previous audit.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the Arkansas Department of Education and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
December 14, 2012

Exhibit A

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2012

	Governmental Funds			
	Major			
	General	Special Revenue	Other Aggregate	Fiduciary Fund Types
ASSETS				
Cash	$ 6,304,295	$ 57,740		$ 17,964
Investments	3,642			
Accounts receivable	92,845	639,407		
Property taxes receivable	27,806			
Due from other funds		50,754	$ 179,083	
TOTAL ASSETS	$ 6,428,588	$ 747,901	$ 179,083	$ 17,964
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 242,456	$ 118,443	$ 179,083	$ 6,835
Due student groups				10,629
Due to other funds	229,837			
Total Liabilities	472,293	118,443	179,083	17,464
Fund Balances:				
Restricted	1,414,129	629,458		500
Assigned	22,322			
Unassigned	4,519,844			
Total Fund Balances	5,956,295	629,458		500
TOTAL LIABILITIES AND FUND BALANCES	$ 6,428,588	$ 747,901	$ 179,083	$ 17,964

The accompanying notes are an integral part of these financial statements.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2 Exhibit B
PHILLIPS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

	Major		
	General	Special Revenue	Other Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	$ 3,663,133		
State assistance	15,510,719	$ 9,457	
Federal assistance	18,254	6,302,556	
Activity revenues	62,090		
Meal sales		78,216	
Investment income	27,001		
Other revenues	531,372		
TOTAL REVENUES	19,812,569	6,390,229	
EXPENDITURES			
Regular programs	7,517,145	26,906	
Special education	1,000,685	313,901	
Workforce education programs	301,556	45,541	
Compensatory education programs	552,411	1,100,169	
Other instructional programs	389,361	5,679	
Student support services	737,407	109,469	
Instructional staff support services	1,152,755	3,602,859	
General administration support services	442,239	87,937	
School administration support services	971,274	2,880	
Central services support services	427,692	47,284	
Operation and maintenance of plant services	2,407,540	1,219	$ 605,600
Student transportation services	851,904	74,885	
Other support services	5,946		
Food services operations	8,948	1,286,948	
Community services operations		48	
Facilities acquisition and construction services	19,307		
Non-programmed costs		215,202	
Activity expenditures	127,023		
Debt Service:			
Principal retirement			470,000
Interest and fiscal charges			290,634
TOTAL EXPENDITURES	16,913,193	6,920,927	1,366,234
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,899,376	(530,698)	(1,366,234)
OTHER FINANCING SOURCES (USES)			
Transfers in			1,265,788
Transfers out	(1,265,788)		
Refund to grantors	(76,335)	(105,022)	
Net bond issuance costs			(116,268)
Payment to refunding bond escrow agent			(6,936,248)
Proceeds from refunding bond issue			7,060,000
TOTAL OTHER FINANCING SOURCES (USES)	(1,342,123)	(105,022)	1,273,272
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,557,253	(635,720)	(92,962)
FUND BALANCES - JULY 1	4,399,042	1,265,178	92,962
FUND BALANCES - JUNE 30	$ 5,956,295	$ 629,458	$ 0

The accompanying notes are an integral part of these financial statements.

Exhibit C

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	$ 3,674,700	$ 3,663,133	$ (11,567)			
State assistance	15,331,415	15,510,719	179,304		$ 9,457	$ 9,457
Federal assistance		18,254	18,254	$ 5,811,336	6,302,556	491,220
Activity revenues		62,090	62,090			
Meal sales					78,216	78,216
Investment income		27,001	27,001			
Other revenues	312,786	531,372	218,586			
TOTAL REVENUES	19,318,901	19,812,569	493,668	5,811,336	6,390,229	578,893
EXPENDITURES						
Regular programs	7,989,189	7,517,145	472,044	186,425	26,906	159,519
Special education	956,055	1,000,685	(44,630)	644,445	313,901	330,544
Workforce education programs	400,667	301,556	99,111	9,601	45,541	(35,940)
Compensatory education programs	427,697	552,411	(124,714)	2,189,364	1,100,169	1,089,195
Other instructional programs	676,796	389,361	287,435		5,679	(5,679)
Student support services	630,944	737,407	(106,463)	154,372	109,469	44,903
Instructional staff support services	1,784,691	1,152,755	631,936	3,833,930	3,602,859	231,071
General administration support services	986,994	442,239	544,755	131,403	87,937	43,466
School administration support services	916,575	971,274	(54,699)		2,880	(2,880)
Central services support services	475,645	427,692	47,953		47,284	(47,284)
Operation and maintenance of plant services	2,030,381	2,407,540	(377,159)		1,219	(1,219)
Student transportation services	1,123,762	851,904	271,858	108,841	74,885	33,956
Other support services	10,215	5,946	4,269			
Food services operations	145,000	8,948	136,052	728,535	1,286,948	(558,413)
Community services operations				2,000	48	1,952
Facilities acquisition and construction services		19,307	(19,307)			
Non-programmed costs				46,553	215,202	(168,649)
Activity expenditures		127,023	(127,023)			
TOTAL EXPENDITURES	18,554,611	16,913,193	1,641,418	8,035,469	6,920,927	1,114,542

Exhibit C

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 764,290	$ 2,899,376	$ 2,135,086	$ (2,224,133)	$ (530,698)	$ 1,693,435
OTHER FINANCING SOURCES (USES)						
Transfers in	10,075,935		(10,075,935)			
Transfers out	(10,835,388)	(1,265,788)	9,569,600			
Refund to grantors		(76,335)	(76,335)		(105,022)	(105,022)
TOTAL OTHER FINANCING SOURCES (USES)	(759,453)	(1,342,123)	(582,670)		(105,022)	(105,022)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,837	1,557,253	1,552,416	(2,224,133)	(635,720)	1,588,413
FUND BALANCES - JULY 1	4,471,342	4,399,042	(72,300)	1,080,145	1,265,178	185,033
FUND BALANCES - JUNE 30	$ 4,476,179	$ 5,956,295	$ 1,480,116	$ (1,143,988)	$ 629,458	$ 1,773,446

The accompanying notes are an integral part of these financial statements.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Helena-West Helena School District (District), as of June 20, 2011, is under the control of the Arkansas Department of Education. The local school board was dissolved as of that date. See Note 14. There are no component units.

B. Description of Funds

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the District's food services operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Fiduciary Fund types include the following:

Agency Funds – Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).
Private-purpose Trust Funds – Private-purpose trust funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

C. Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by Ark. Code Ann. § 10-4-413(c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources. Changes in private-purpose trust funds will be reflected in the notes to the financial statements.

D. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Note 1 F below).

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The District maintains a threshold level of $1,000 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Life in Years
Improvements/infrastructure	20
Buildings	50
Equipment	5-20

F. Property Taxes

Property taxes are levied (tax rates are established) in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year.

Ark. Code Ann. § 6-20-401 allows, but does not mandate, the District to accrue the difference between the amount of 2011 calendar year taxes collected by June 30, 2012 and 36 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The District elected to accrue property taxes.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Property Taxes (Continued)

Amendment no. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. Ark. Code Ann. § 26-80-101 provides the uniform rate of tax (URT) shall be assessed and collected in the same manner as other school property taxes, but the net revenues from the URT shall be remitted to the State Treasurer and distributed by the State to the county treasurer of each county for distribution to the school districts in that county. For reporting purposes, URT revenues are considered property taxes.

G. Interfund Receivables and Payables

Interfund receivables and payables result from services rendered from one fund to another or from interfund loans.

H. Fund Balance Classifications

1. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

2. Assigned fund balance – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.

3. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

I. Budget and Budgetary Accounting

The District is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

J. Stabilization Arrangements

The Arkansas Department of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Minimum Fund Balance Policies

The Arkansas Department of Education has not formally adopted a minimum fund balance policy.

L. Fund Balance Classification Policies and Procedures

The Chief Executive Officer, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The Arkansas Department of Education has not adopted a formal policy addressing this authorization.

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

M. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 253,642	$ 2,578,995
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	6,484,441	6,426,662
Total Deposits	$ 6,738,083	$ 9,005,657

The above total deposits include certificates of deposit of $3,642 reported as investments and classified as nonparticipating contracts. The above carrying amount of the deposits does not include an overdraft of $354,442 in one of the operating bank accounts.

3: ACCOUNTS RECEIVABLE

The accounts receivable balance of $732,252 at June 30, 2012 was comprised of the following:

	Governmental Funds		
	Major		
Description	General	Special Revenue	Total
Federal assistance		$ 639,407	$ 639,407
Other	$ 92,845		92,845
Totals	$ 92,845	$ 639,407	$ 732,252

4: COMMITMENTS

The District was contractually obligated for the following at June 30, 2012:

A. Construction Contracts

Project Name	Estimated Completion Date	Contract Balance
Eliza Miller Elementary School re-roofing	August 15, 2012	$ 186,363
Eliza Miller Elementary School restroom renovations	August 15, 2012	453,029

B. Long-term Debt Issued and Outstanding

The District is presently paying on the following long-term debt:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2012	Maturities To June 30, 2012
5/1/12	2/1/23	1 - 2.2%	$ 7,060,000	$ 7,060,000	$ 0

Changes in Long-term Debt

	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
Bonds payable	$ 7,300,000	$ 7,060,000	$ 7,300,000 *	$ 7,060,000

*Includes $6,830,000 early retirement of debt - See Note 6.

4: COMMITMENTS (CONTINUED)

B. Long-term Debt Issued and Outstanding (Continued)

Total long-term debt principal and interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2013		$ 84,225	$ 84,225
2014	$ 565,000	112,300	677,300
2015	665,000	106,650	771,650
2016	675,000	100,000	775,000
2017	690,000	93,250	783,250
2018-2022	3,670,000	306,510	3,976,510
2023	795,000	17,490	812,490
Totals	$ 7,060,000	$ 820,425	$ 7,880,425

5: ACCOUNTS PAYABLE

The accounts payable balance of $546,817 at June 30, 2012 was comprised of the following:

	Governmental Funds				
	Major			Fiduciary	
Description	General	Special Revenue	Other Aggregate	Fund Types	Total
Vendor payables	$ 242,456	$ 118,443	$ 179,083	$ 6,835	$ 546,817

6: DEBT REFUNDINGS

On May 1, 2012, the District issued $7,060,000 in refunding bonds with interest rates of 1 to 2.2 percent to advance refund $6,830,000 of outstanding bonds dated June 1, 2003 with interest rates of 3.1 to 4.5 percent. The net proceeds of $6,936,248 after payment of bond issuance costs of $116,268 were remitted to an escrow agent to provide for all future debt service payments on the 2003 bonds. The 2003 bonds were called on June 15, 2012. The remaining proceeds of $7,484 were utilized for subsequent debt payments. The debt refunding will result in savings for the District of $713,553 over the next 11 fiscal years. The 2012 bond issue did not extend the debt requirements beyond the original maturity date of fiscal year 2023 for the District.

7: INTERFUND TRANSFERS

The District transferred $1,265,788 from the general fund to the other aggregate funds for debt related payments of $660,188 and to supplement capital expenditures by $605,600.

8: RETIREMENT PLANS

Arkansas Teacher Retirement System

Plan Description. The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain nonteachers hired before July 1, 1989. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Funding Policy. ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14% of covered salaries, the maximum allowed by State law. The District's contributions to ATRS for the years ended June 30, 2012, 2011, and 2010 were $1,602,158, $2,136,232, and $2,219,617, respectively, equal to the required contributions for each year.

Arkansas Public Employees Retirement System

Plan Description. The District contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain nonteachers hired before July 1, 1989. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 West Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy. APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the years ended June 30, 2012, 2011, and 2010 were $11,209, $16,594, and $21,059, respectively, equal to the required contributions for each year.

9: CHANGES IN PRIVATE-PURPOSE TRUST FUNDS

FUND BALANCE - JULY 1	$ 500
FUND BALANCE - JUNE 30	$ 500

10: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of $7,060,000 issued on May 1, 2012. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is $7,880,425, payable through February 1, 2023. Principal and interest paid for the current year and total property taxes pledged for debt service were $759,002 and $977,552, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 77.64 percent.

11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for student accidents. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

The District participates in the Arkansas School Boards Association - Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating, and settling claims that have been filed on behalf of and against member districts. The District contributes annually to this program.

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to $250,000 with a $2,500 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

The District participates in the Public School Property and Vehicle Insurance Trust Fund Program administered by the Risk Management Division of the Arkansas Insurance Department. The program's general objectives are to formulate, develop, and administer, on behalf of member districts, a program of insurance to obtain lower costs for property and vehicles coverage, and to develop a comprehensive loss control program. The fund uses a reinsurance policy to reduce exposure to large losses on insured events. The District pays an annual premium for its coverage of buildings, contents, and vehicles.

12: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled $268,612 for the year ended June 30, 2012.

13: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

	Governmental Funds		
	Major		
Description	General	Special Revenue	Total
Fund Balances:			
Restricted for:			
Alternative learning environment	$ 279,012		$ 279,012
Educational programs - national school lunch state categorical funding	788,596		788,596
English-language learners	3,179		3,179
Professional development	106,959		106,959
Arkansas Better Chance	209,539		209,539
Child nutrition programs		$ 282,398	282,398
Medical services		151,199	151,199
Twenty-first Century Community Learning Centers		60,235	60,235
Comprehensive School Reform Demonstration program		57,304	57,304
Other purposes	26,844	78,322	105,166
Total Restricted	1,414,129	629,458	2,043,587
Assigned to:			
Student activities	11,926		11,926
Other purposes	10,396		10,396
Total Assigned	22,322		22,322
Unassigned	4,519,844		4,519,844
Totals	$ 5,956,295	$ 629,458	$ 6,585,753

14: FISCAL DISTRESS STATUS

On September 13, 2010, the State Board of Education classified the District in Fiscal Distress. On June 20, 2011, the Arkansas Department of Education assumed control of the Helena-West Helena School District. Under the authority of Ark. Code Ann. § 6-20-1909, the Arkansas Department of Education dismissed the superintendent, dissolved the local school board, and appointed individuals as chief executive officer and chief operations officer. A plan to implement effective cost reduction measures has been adopted.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)

Schedule 1

	Balance June 30, 2012
Nondepreciable capital assets:	
Land	$ 528,625
Depreciable capital assets:	
Buildings	14,327,126
Improvements/infrastructure	8,813,583
Equipment	9,350,870
Total depreciable capital assets	32,491,579
Less accumulated depreciation for:	
Buildings	12,067,994
Improvements/infrastructure	3,342,606
Equipment	6,958,458
Total accumulated depreciation	22,369,058
Total depreciable capital assets, net	10,122,521
Capital assets, net	$ 10,651,146

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
U. S. Department of Agriculture			
Direct Program:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555		$ 3,155
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	54-03	382,188
National School Lunch Program - Cash Assistance	10.555	54-03	816,359
Total State Department of Education			1,198,547
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 4)	10.555	5403000	90,125
TOTAL CHILD NUTRITION CLUSTER			1,291,827
TITLE I, PART A CLUSTER			
U. S. Department of Education			
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	54-03	2,073,073
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	54-03	1,002,701
TOTAL TITLE I, PART A CLUSTER			3,075,774
SPECIAL EDUCATION CLUSTER (IDEA)			
U. S. Department of Education			
Passed Through State Department of Education:			
Special Education - Grants to States	84.027	54-03	384,870
ARRA - Special Education - Grants to States, Recovery Act	84.391	54-03	261,188
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			646,058
OTHER PROGRAMS			
U. S. Department of Defense			
Direct Program:			
ROTC (Note 5)	12.AR05		5,679

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
OTHER PROGRAMS (CONTINUED)			
U. S. Department of Education			
Passed Through State Department of Career Education:			
Career and Technical Education - Basic Grants to States	84.048	54-03	$ 45,627
Passed Through State Department of Education:			
Safe and Drug-Free Schools and Communities - State Grants	84.186	54-03	6,000
Twenty-First Century Community Learning Centers	84.287	54-03	89,765
Rural Education	84.358	54-03	23,965
Improving Teacher Quality State Grants	84.367	54-03	389,092
School Improvement Grants	84.377	54-03	1,306,032
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	54-03	11,536
ARRA - Education Jobs Fund, Recovery Act	84.410	54-03	23,636
Total State Department of Education			1,850,026
Total U. S. Department of Education			1,895,653
TOTAL OTHER PROGRAMS			1,901,332
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 6,914,991

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Helena-West Helena School District No. 2 (District) under programs of the federal government for the year ended June 30, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.

Note 4: Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.

Note 5: The Federal CFDA Number was not available. An alternative identifying number was utilized.

Note 6: During the year ended June 30, 2012, the District received Medicaid funding of $3,670 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above schedule.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Types of auditor's reports issued: GAAP basis of reporting - adverse
Regulatory basis opinion units - unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☐ yes ☑ none reported

Noncompliance material to financial statements noted? ☐ yes ☑ no

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☑ yes ☐ none reported

Type of auditor's report issued on compliance for major programs: unqualified for all major programs except for the Title I Grants to Local Educational Agencies program and Special Education - Grants to States program, which were qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☑ yes ☐ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553 and 10.555	Child Nutrition Cluster
84.010 and 84.389	Title I, Part A Cluster
84.027 and 84.391	Special Education Cluster (IDEA)
84.377	School Improvement Grants

Dollar threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as low-risk auditee? ☐ yes ☑ no

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

2012-1. Internal Control

Criteria or specific requirement: Internal control is a process consisting of five interrelated components - *control environment, risk assessment, information and communication, control activities, and monitoring.* Management is responsible for adopting sound accounting policies and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Condition: Deficiencies in the internal control component of control activities adversely affected the District's ability to initiate, authorize, record, process, and report financial data in accordance with the regulatory basis of accounting such that there was a reasonable possibility that a material misstatement of the District's financial statements would not be prevented, or detected and corrected on a timely basis. Financial accounting duties were not adequately segregated among employees. Specifically, the same employee was responsible for receiving and depositing monies collected, maintenance of accounting records, and preparation of journal entries, without compensating controls. Non-payroll checks were prepared by the same employee responsible for the maintenance of accounting records and such employee had unrestricted access to the District's signature stamp. Payroll checks were prepared by the same employee responsible for changes to the payroll accounts, without compensating controls.

Context: An understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures was obtained.

Effect: The District's ability to initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements, as well as the ability to safeguard District assets, was adversely affected by the identified weaknesses in the above internal control component.

Cause: District management, due to cost/benefit implications, which hindered the District's ability to adequately segregate financial accounting duties among employees, did not effectively address the deficiencies in internal control.

Recommendation: District management should adopt sound accounting policies and establish and maintain internal control that will initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements that will safeguard District assets.

Views of responsible officials and planned corrective actions: We concur with the recommendation and will implement corrective procedures to the extent possible.

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

MATERIAL WEAKNESSES (CONTINUED)

2012-2. Misstatements not Detected by Internal Control System

Criteria or specific requirement: Financial accounting records should be accurate to ensure the preparation of reliable financial statements that are fairly presented in conformity with the regulatory basis of accounting.

Condition: The District's internal control did not prevent or detect material errors in the financial accounting records. Such records are utilized in the preparation of the District's financial statements. We noted the District did not record accounts payable of $179,083 in the other aggregate funds. The financial statements were corrected during the audit fieldwork. A similar finding was reported in the previous audit.

Context: Identification of misstatements not initially detected by the District's internal control.

Effect: Misstatements were not detected by the District's internal control system.

Cause: Financial records had not been properly monitored.

Recommendation: To achieve reliable financial reporting, the District should exercise due care to ensure all applicable general ledger accounts are properly stated.

Views of responsible officials and planned corrective actions: Financial personnel are being trained in using the software program - Cognos. Accessing these reports will give accounting personnel a quick view of all prior year payables.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESS

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - CFDA NUMBER 84.010
SPECIAL EDUCATION - GRANTS TO STATES - CFDA NUMBER 84.027
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2012

2012-3. Equipment and Real Property Management

Criteria or specific requirement: Proper records should be maintained for equipment acquired with federal awards. Additionally, the District should ensure that disposition of such equipment is in accordance with federal requirements including the federal awarding agency is appropriately compensated for its share of any property sold or converted to non-federal use.

Condition: The District could not account for nineteen of forty Title I program equipment items and three of thirteen Special Education equipment items costing $25,139 and $3,601, respectively. A similar finding was reported in the previous audit.

Context: Observation of equipment recorded on subsidiary records and interviews of Federal Programs Coordinator, Special Education Supervisor, and employees.

Effect: The District's equipment subsidiary records were not accurate.

Cause: The District failed to properly account for all equipment items to ensure accurate equipment subsidiary records.

Recommendation: The District should properly account for all equipment items purchased with federal awards.

Views of responsible officials and planned corrective actions: The District is in the process of aligning the sites inventory with the District's inventory master listing. Completing this process will result in an accurate accounting and location of equipment in the District.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

SIGNIFICANT DEFICIENCIES

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS) - CFDA NUMBERS 10.553 AND 10.555
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2012

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I, PART A CLUSTER - CFDA NUMBERS 84.010 AND 84.389
SCHOOL IMPROVEMENT GRANTS - CFDA NUMBER 84.377
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2012

2012-4. Procurement and Suspension and Debarment

Criteria or specific requirement: In accordance with 34 CFR 80.35 of the Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments and 34 CFR part 85, Government-wide Debarment and Suspension (Nonprocurement), the District must not make or permit any applicable transaction to any vendor which is suspended or debarred or otherwise excluded from participation in federal assistance programs. The District is required to verify the vendor is not suspended or debarred or otherwise excluded. This verification can be accomplished by (a) checking the *Excluded Parties List System* (*EPLS*), (b) collecting a certification from the vendor, or (c) adding a clause or condition to the applicable transaction with the vendor. Additionally, the Arkansas Department of Education (ADE) issued a memorandum to all school districts on December 17, 2009, stipulating verification procedures to be followed regarding suspension and debarment when federal funds are utilized for applicable transactions.

Condition: The District failed to establish internal controls, including retention of verification documentation, to ensure vendors were not suspended or debarred, thus increasing the risk of the District doing business with prohibited parties. The goods and services had been properly received or rendered, and District personnel indicated the *EPLS* website was used to verify that applicable vendors had not been suspended or debarred by the Federal Government; however, supporting documentation was not maintained of the *EPLS* website verification as required by ADE Commissioner's Memo FIN-10-047. No vendors with which the District conducted business were identified during the audit period as suspended or debarred parties. A similar finding was reported in the previous two audits.

Context: Examination of controls related to the procurement and suspension and debarment and the examination of procurement contracts that were equal to or exceeded $25,000.

Effect: Without adequate internal controls, including retention of verification documentation, payments could be made to suspended or debarred vendors with federal funds, which could require repayment to the grantor.

Cause: Lack of internal controls, verification documentation, and adequate management oversight.

Recommendation: Establish an internal control system, including retention of verification documentation, to ensure applicable transactions are not conducted with suspended or debarred parties.

Views of responsible officials and planned corrective actions: Supporting documentation will be maintained to verify suspended/debarred vendors.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

SIGNIFICANT DEFICIENCIES (CONTINUED)

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - CFDA NUMBER 84.010
SPECIAL EDUCATION CLUSTER (IDEA) - CFDA NUMBERS 84.027 AND 84.391
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2012

2012-5. Allowable Costs/Cost Principles

Criteria or specific requirement: Costs charged to a federal program must be allowable per the applicable cost principles. Indirect costs claimed must be calculated in accordance with a prescribed formula.

Condition: The District claimed indirect costs in excess of the allowable amounts by $95,753 for Title I, $14,623 for Special Education, and $469 for the Special Education ARRA program.

Questioned costs: The amount of questioned costs for Title I was $95,753 and $15,092 for the Special Education Cluster.

Context: An examination of Title I and Special Education (non-ARRA and ARRA) disbursements disclosed the District claimed costs in excess of the allowable amounts by $95,753, $14,623, and $469, respectively.

Effect: The District claimed excessive indirect costs of $95,753 for Title I, $14,623 for Special Education, and $469 for Special Education ARRA.

Cause: Lack of internal controls and management oversight regarding indirect costs contributed to the claiming of excessive costs.

Recommendation: The District should contact the Arkansas Department of Education to resolve this issue.

Views of responsible officials and planned corrective actions: The District will take the necessary action(s) to ensure the correct rate is used when calculating indirect cost.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

SIGNIFICANT DEFICIENCIES (CONTINUED)

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS) - CFDA NUMBERS 10.553 AND 10.555
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2012

2012-6. Allowable Costs/Cost Principles

Criteria or specific requirement: Office of Management and Budget (OMB) Circular A-87 requires the preparation of periodic time certifications when an employee works solely on a single federal program.

Condition: Although standard payroll documentation supporting the employees' work in the applicable program was available for audit inspection, periodic time certifications were not prepared for the District's child nutrition employees who worked solely on a single federal program.

Context: Examination of documentation substantiating time worked by employees.

Effect: The District was unable to provide required documentation substantiating the time charged to the child nutrition program.

Cause: There was no management oversight in the District's preparation of periodic time certifications for the child nutrition program.

Recommendation: The District should prepare periodic time certifications for all applicable employees.

Views of responsible officials and planned corrective actions: The Food Service Director was new to the position. She did not know time certification forms were required for full-time employees. The Director was given correct instruction regarding time certification forms. Time certification forms for food service employees have been implemented.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

NONCOMPLIANCE (FEDERAL PROGRAM NOT AUDITED AS A MAJOR PROGRAM)

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF CAREER EDUCATION
CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES - CFDA NUMBER 84.048
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2012

2012-7. Allowable Costs/Cost Principles

Criteria or specific requirement: Office of Management and Budget (OMB) Circular A-87 requires the District to provide adequate supporting documentation for federal award expenditures, to maintain proper records of equipment purchased with federal funds, and to implement the use of this equipment.

Condition: The Arkansas Department of Career Education conducted a monitoring visit in September 2011. This review noted that the District did not provide adequate supporting documentation for twenty-one transactions, failed to implement the use of ten equipment items, and could not locate three equipment items. As a result of these findings, the District reimbursed the Arkansas Department of Career Education $26,956.

Context: Arkansas Department of Career Education's monitoring visit.

Effect: The District had unallowable expenditures.

Cause: Lack of internal controls and management oversight resulted in unallowable expenditures.

Recommendation: The District should maintain proper documentation for all expenditures, properly utilize purchased equipment within the program, and properly account for such equipment.

Views of responsible officials and planned corrective actions: This finding has been addressed.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 4

U.S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES

2011 - Finding 2011-3: Title Grants to Local Educational Agencies - CFDA Number 84.010

Condition: The District exceeded the following functions and object by more than the 10 percent allowed:

Function/Object	Expended Amount Exceeding 10%
Function 1591 – Title I Schoolwide Instruction	$ 206,008
Function 2170 - Parental Involvement	17,709
Function 2220 - Library/Media Services	24,658
Function 2240 - Academic Student Assessment	26,799
Function 2294 - Instructional Facilitator, Math	40,970
Function 2610 - Operation of Buildings	187
Object 66000 - Supplies and Materials	25,657
Total	$ 341,988

Recommendation: The District should implement procedures to ensure costs are incurred within the applicable budget categories and contact ADE for further guidance regarding this matter.

Current Status: Corrective action was taken.

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I, PART A CLUSTER

2011 - Finding 2011-4: Title I Part A Cluster - CFDA Numbers 84.010 and 84.389

Condition: The District could not account for seventeen of twenty-seven equipment items for the Title I program with an initial cost of $22,522.

Recommendation: The District should properly account for all federal equipment items purchased with federal awards.

Current Status: Exceptions were observed in the current audit period. See finding 2012-3 at Schedule 3.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES
(CONTINUED)

2011 - Finding 2011-5: Title I Grants to Local Educational Agencies - CFDA Numbers 84.010

Condition: The District did not provide documentation for one invoice totaling $5,902.

Recommendation: The District should maintain documentation to support all payments.

Current Status: Corrective action was taken.

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I, PART A CLUSTER
SPECIAL EDUCATION CLUSTER (IDEA)

2011 - Finding 2011-6: Title I, Part A Cluster - CFDA Numbers 84.010 and 84.389 and Special Education Cluster (IDEA) - CFDA Numbers 84.027 and 84.391

Condition: The District failed to establish internal controls to ensure vendors were not suspended or debarred, thus increasing the risk of the District doing business with prohibited parties. Although goods and services had been properly received or rendered, the District did not verify that applicable vendors had not been suspended or debarred by the Federal Government. However, no vendors with which the District conducted business were identified during the audit period as suspended or debarred parties. A similar finding was reported in the previous audit.

Recommendation: Establish an internal control system to ensure applicable transactions are not conducted with suspended or debarred parties.

Current Status: Corrective action was taken for the Special Education Cluster (IDEA). Exceptions were observed in the current audit period for Title I, Part A Cluster. See finding 2012-4 at Schedule 3.

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
SPECIAL EDUCATION - GRANTS TO STATES

2011 - Finding 2011-7: Special Education - Grants to States - CFDA Number 84.027

Condition: The District could not account for one of eleven equipment items for the special education program with an initial cost of $1,477.

Recommendation: The District should properly account for all equipment items purchased with federal awards.

Current Status: Exceptions were observed in the current audit period. See finding 2012-3 at Schedule 3.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 4

U.S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER

2011 - Finding 2011-8: Child Nutrition Cluster (Cash Assistance Programs) - CFDA Numbers 10.553 and 10.555

Condition: A Coordinated Review Effort was completed by the Arkansas Department of Education, Child Nutrition Unit (ADE CNU) in March 2011. The review noted the District was utilizing an inaccurate method of counting the number of children served (tray counting). As a result of this review, the District refunded $92,729 to ADE, CNU on July 13, 2011 for overclaims incurred in the months of November 2010, December 2010, and January 2011.

As part of our audit, we examined the March 2011 through June 2011 claims for reimbursement and daily record forms and observed the following discrepancies:

a. March 2011 - 4 lunches were over claimed.
b. April 2011 - 92 free breakfasts were over claimed; 3 reduced price breakfasts were over claimed; 5 paid breakfasts were over claimed; and 42 reduced price lunches exceeded the maximum allowable lunches.
c. May 2011 - 369 free breakfasts were under claimed; 74 reduced breakfasts were over claimed; and 295 paid breakfasts were over claimed.
d. June 2011 - 22 free breakfasts were over claimed; 1 reduced price breakfast was over claimed; 1 free breakfast was over claimed; 30 free lunches were under claimed; 1 reduced price lunch was under claimed; and 3 paid lunches were under claimed.

These discrepancies resulted in a net underclaim of $233.

Additionally, we noted on the claims for reimbursement, the maximum number of students eligible for free and reduced price meals should agree for the breakfast and lunch components; however, all four months differed.

Current Status: Corrective action was taken.

Schedule 5

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)

	Year Ended June 30,				
General Fund	2012	2011	2010	2009	2008
Total Assets	$ 6,428,588	$ 4,762,117	$ 2,480,265	$ 4,853,169	$ 6,298,052
Total Liabilities	472,293	363,075	67,627	9,992	207,621
Total Fund Balances	5,956,295	4,399,042	2,412,638	4,843,177	6,090,431
Total Revenues	19,812,569	19,686,045	21,924,790	23,201,790	24,127,471
Total Expenditures	16,913,193	16,681,448	23,823,296	24,014,827	24,066,224
Total Other Financing Sources (Uses)	(1,342,123)	(1,018,193)	(532,033)	(434,217)	(587,472)
Special Revenue Fund					
Total Assets	747,901	2,175,448	761,342	1,049,051	1,538,115
Total Liabilities	118,443	910,270	173,015	72,136	32,730
Total Fund Balances	629,458	1,265,178	588,327	976,915	1,505,385
Total Revenues	6,390,229	9,039,207	6,710,342	5,040,504	5,824,270
Total Expenditures	6,920,927	8,472,350	7,086,614	5,568,894	6,424,260
Total Other Financing Sources (Uses)	(105,022)	109,994	(12,316)	(80)	133,858
Other Aggregate Funds					
Total Assets	179,083	108,510			264,531
Total Liabilities	179,083	15,548			235,663
Total Fund Balances		92,962			28,868
Total Revenues		852,359	280,838		293,399
Total Expenditures	1,366,234	1,689,915	812,871	756,524	755,155
Total Other Financing Sources (Uses)	1,273,272	930,518	532,033	727,656	490,624

Helena-West Helena School District No. 2

Phillips County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2013

LEGISLATIVE JOINT AUDITING COMMITTEE

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
TABLE OF CONTENTS
JUNE 30, 2013

Independent Auditor's Report
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	Exhibit
Balance Sheet - Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Regulatory Basis	C
Notes to Financial Statements	

SCHEDULES

	Schedule
Schedule of Capital Assets (Unaudited)	1
Schedule of Expenditures of Federal Awards	2
Schedule of Findings and Questioned Costs	3
Federal Award Programs - Summary Schedule of Prior Audit Findings	4
Schedule of Selected Information for the Last Five Years - Regulatory Basis (Unaudited)	5

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Helena-West Helena School District No. 2 and Arkansas Department of Education
Legislative Joint Auditing Committee

Report on the Financial Statements

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Helena-West Helena School District No. 2 (the "District"), as of and for the year ended June 30, 2013, and the related notes to the financial statements. which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, as described in Note1, to meet the reporting requirements of the State of Arkansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonable of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the State of Arkansas, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraphs, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2013, or the changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2013, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years - Regulatory Basis are presented for the purposes of additional analysis and are not a required part of the regulatory basis financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

The Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years - Regulatory Basis have not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

DIVISION OF LEGISLATIVE AUDIT

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

Little Rock, Arkansas
November 19, 2013
EDSD28813

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Helena-West Helena School District No. 2 and Arkansas Department of Education
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major governmental fund and the aggregate remaining fund information of the Helena-West Helena School District No. 2 (the "District"), as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated November 19, 2013. We issued an adverse opinion because the District prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2013, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's regulatory basis financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated November 19, 2013.

District's Response to Findings

The District's response to the findings identified in our audit, excluding the management letter findings, is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
November 19, 2013

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Helena-West Helena School District No. 2 and Arkansas Department of Education
Legislative Joint Auditing Committee

Report on Compliance for Each Major Program Federal Program

We have audited the Helena-West Helena School District No. 2 (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

Basis for Qualified Opinion on CFDA 10.553 and 10.555 Child Nutrition Cluster (Cash Assistance Programs) and CFDA 84.010 Title I Grants to Local Educational Agencies

As described in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding CFDA 10.553 and 10.555 Child Nutrition Cluster (Cash Assistance Programs) and CFDA 84.010 Title I Grants to Local Educational Agencies, as described in finding number 2013-003 for Equipment and Real Property Management. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to these programs.

Qualified Opinion on CFDA 10.553 and 10.555 Child Nutrition Cluster (Cash Assistance Programs) and CFDA 84.010 Title I Grants to Local Educational Agencies

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 10.553 and 10.555 Child Nutrition Cluster (Cash Assistance Programs) and CFDA 84.010 Title I Grants to Local Educational Agencies for the year ended June 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-004, 2013-005, 2013-006, and 2013-007. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2013-003 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-004, 2013-005, 2013-006, and 2013-007 to be significant deficiencies.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
November 19, 2013

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

MANAGEMENT LETTER

Helena-West Helena School District No. 2 and Arkansas Department of Education
Legislative Joint Auditing Committee

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations and to improve internal control. These matters were discussed previously with District officials during the course of our audit fieldwork and at the exit conference.

1. The District's operating bank account was not reconciled at June 30, 2013 by $1,034. We also noted the District had unreconciled variances from July 2012 through June 2013, ranging from $657 to $1,227,374. A similar finding was reported in the previous audit.

2. The District was unable to locate eight of the ten equipment items during our verification of equipment. A similar finding was reported in the previous two audits.

3. During the course of our audit, we noted the following internal control deficiencies which resulted in penalties and loss of revenue:
   a. The District was assessed late filing penalties and interest of $48,789 for not making timely tax deposits for the quarter ending June 30, 2011.
   b. The District was assessed a late filing penalty of $734 for not making timely tax deposits for the quarter ending September 30, 2012.
   c. The District did not deposit a Medicaid reimbursement of $7,858, and upon notification that the reimbursement remained outstanding, the District failed to follow Medicaid's prescribed procedures for claiming said reimbursement.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
November 19, 2013

172 STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE (501) 683-8600 • FAX (501) 683-8605
www.arklegaudit.gov

Exhibit A

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2013

	Governmental Funds			
	Major			
	General	Special Revenue	Other Aggregate	Fiduciary Fund Types
ASSETS				
Cash	$ 8,822,365	$ 715,747		$ 13,567
Investments	3,668			
Accounts receivable	49,329	640,370	$ 314,942	
Due from other funds	39,425	35,514		
TOTAL ASSETS	$ 8,914,787	$ 1,391,631	$ 314,942	$ 13,567
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 104,936	$ 24,853	$ 201,528	
Due student groups				$ 13,067
Due to other funds			74,939	
Total Liabilities	104,936	24,853	276,467	13,067
Fund Balances:				
Restricted	2,235,218	1,366,778	38,475	500
Assigned	20,799			
Unassigned	6,553,834			
Total Fund Balances	8,809,851	1,366,778	38,475	500
TOTAL LIABILITIES AND FUND BALANCES	$ 8,914,787	$ 1,391,631	$ 314,942	$ 13,567

The accompanying notes are an integral part of these financial statements.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2 Exhibit B
PHILLIPS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	Major		
	General	Special Revenue	Other Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	$ 4,333,054		
State assistance	13,476,183	$ 8,614	$ 655,440
Federal assistance	71,854	5,804,747	
Activity revenues	52,126		
Meal sales		163,752	
Investment income	13,215		
Other revenues	241,732		
TOTAL REVENUES	18,188,164	5,977,113	655,440
EXPENDITURES			
Regular programs	5,972,010	12,625	
Special education	891,294	266,376	
Career education programs	309,867	81,037	
Compensatory education programs	246,374	627,547	
Other instructional programs	255,257		
Student support services	641,495	117,460	
Instructional staff support services	1,580,771	2,592,970	
General administration support services	358,668	111,905	
School administration support services	781,434		
Central services support services	573,330	37,206	
Operation and maintenance of plant services	1,963,907	8,388	
Student transportation services	769,993	33,835	
Other support services	16,818		
Food services operations	17,174	1,206,326	
Facilities acquisition and construction services	244,370		1,431,881
Non-programmed costs		33,823	
Activity expenditures	55,580		
Debt Service:			
Interest and fiscal charges			84,800
TOTAL EXPENDITURES	14,678,342	5,129,498	1,516,681
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,509,822	847,615	(861,241)
OTHER FINANCING SOURCES (USES)			
Transfers in			899,716
Transfers out	(899,716)		
Refund to grantors	(37,852)	(110,295)	
Compensation for loss of capital assets	281,302		
TOTAL OTHER FINANCING SOURCES (USES)	(656,266)	(110,295)	899,716
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,853,556	737,320	38,475
FUND BALANCES - JULY 1	5,956,295	629,458	
FUND BALANCES - JUNE 30	$ 8,809,851	$ 1,366,778	$ 38,475

The accompanying notes are an integral part of these financial statements.

Exhibit C

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	$ 4,116,508	$ 4,333,054	$ 216,546			
State assistance	14,118,234	13,476,183	(642,051)		$ 8,614	$ 8,614
Federal assistance	22,000	71,854	49,854	$ 7,716,745	5,804,747	(1,911,998)
Activity revenues		52,126	52,126			
Meal sales				74,400	163,752	89,352
Investment income		13,215	13,215			
Other revenues	245,371	241,732	(3,639)			
TOTAL REVENUES	18,502,113	18,188,164	(313,949)	7,791,145	5,977,113	(1,814,032)
EXPENDITURES						
Regular programs	9,156,049	5,972,010	3,184,039		12,625	(12,625)
Special education	886,114	891,294	(5,180)	352,958	266,376	86,582
Career education programs	511,059	309,867	201,192	79,380	81,037	(1,657)
Compensatory education programs	283,129	246,374	36,755	1,896,215	627,547	1,268,668
Other instructional programs	365,557	255,257	110,300			
Student support services	655,856	641,495	14,361	134,690	117,460	17,230
Instructional staff support services	1,693,577	1,580,771	112,806	3,317,241	2,592,970	724,271
General administration support services	341,606	358,668	(17,062)	131,230	111,905	19,325
School administration support services	764,287	781,434	(17,147)			
Central services support services	304,341	573,330	(268,989)	46,851	37,206	9,645
Operation and maintenance of plant services	3,019,733	1,963,907	1,055,826		8,388	(8,388)
Student transportation services	657,360	769,993	(112,633)	118,062	33,835	84,227
Other support services		16,818	(16,818)			
Food services operations		17,174	(17,174)	1,138,047	1,206,326	(68,279)
Community services operations				1,200		1,200
Facilities acquisition and construction services		244,370	(244,370)			
Non-programmed costs				140,000	33,823	106,177
Activity expenditures		55,580	(55,580)			
TOTAL EXPENDITURES	18,638,668	14,678,342	3,960,326	7,355,874	5,129,498	2,226,376

Exhibit C

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (136,555)	$ 3,509,822	$ 3,646,377	$ 435,271	$ 847,615	$ 412,344
OTHER FINANCING SOURCES (USES)						
Transfers in	22,061,260		(22,061,260)			
Transfers out	(22,825,028)	(899,716)	21,925,312			
Refund to grantors		(37,852)	(37,852)		(110,295)	(110,295)
Compensation for loss of capital assets		281,302	281,302			
TOTAL OTHER FINANCING SOURCES (USES)	(763,768)	(656,266)	107,502		(110,295)	(110,295)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(900,323)	2,853,556	3,753,879	435,271	737,320	302,049
FUND BALANCES - JULY 1	6,619,962	5,956,295	(663,667)	464,350	629,458	165,108
FUND BALANCES - JUNE 30	$ 5,719,639	$ 8,809,851	$ 3,090,212	$ 899,621	$ 1,366,778	$ 467,157

The accompanying notes are an integral part of these financial statements.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Helena-West Helena School District (District), as of June 20, 2011, is under the control of the Arkansas Department of Education. The local school board was dissolved as of that date. See Note 14. There are no component units.

B. Description of Funds

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the District's food services operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Fiduciary Fund types include the following:

Agency Funds – Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).
Private-purpose Trust Funds – Private-purpose trust funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

C. Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by Ark. Code Ann. § 10-4-413(c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources. Changes in private-purpose trust funds will be reflected in the notes to the financial statements.

D. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Note 1 F below).

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The District maintains a threshold level of $1,000 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Life in Years
Improvements/infrastructure	20
Buildings	50
Equipment	5-20

F. Property Taxes

Property taxes are levied (tax rates are established) in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year.

Ark. Code Ann. § 6-20-401 allows, but does not mandate, the District to accrue the difference between the amount of 2012 calendar year taxes collected by June 30, 2013 and 32 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The District elected not to accrue property taxes or the option to accrue property taxes was not applicable because the amount of property taxes collected by June 30, 2013 equaled or exceeded the 32 percent calculation.

Amendment no. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. Ark. Code Ann. § 26-80-101 provides the uniform rate of tax (URT) shall be assessed and collected in the same manner as other school property taxes, but the net revenues from the URT shall be remitted to the State Treasurer and distributed by the State to the county treasurer of each county for distribution to the school districts in that county. For reporting purposes, URT revenues are considered property taxes.

G. Interfund Receivables and Payables

Interfund receivables and payables result from services rendered from one fund to another or from interfund loans.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fund Balance Classifications

1. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

2. Assigned fund balance – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.

3. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

I. Budget and Budgetary Accounting

The District is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis. Additionally, the District routinely budgets restricted federal programs as part of the special revenue fund. Significant variances may result in the budgetary comparison of the revenues and expenditures of the special revenue fund because of the reclassification of those federal programs primarily utilized for capital projects to the other aggregate funds for reporting purposes.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

J. Stabilization Arrangements

The Arkansas Department of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

K. Minimum Fund Balance Policies

The Arkansas Department of Education has not formally adopted a minimum fund balance policy.

L. Fund Balance Classification Policies and Procedures

The Chief Executive Officer, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The Arkansas Department of Education has not adopted a formal policy addressing this authorization.

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 453,718	$ 503,668
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	8,797,046	10,855,899
Total Deposits	$ 9,250,764	$ 11,359,567

The above total deposits do not include cash of $304,583 which was held in the County Treasury. The above total deposits include certificates of deposit of $3,668 reported as investments and classified as nonparticipating contracts.

3: ACCOUNTS RECEIVABLE

The accounts receivable balance of $1,004,641 at June 30, 2013, was comprised of the following:

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
State assistance			$ 314,942	$ 314,942
Federal assistance	$ 13,219	$ 640,370		653,589
Other	36,110			36,110
Totals	$ 49,329	$ 640,370	$ 314,942	$1,004,641

4: COMMITMENTS

The District was contractually obligated for the following at June 30, 2013:

A. Construction Contract

Project Name	Estimated Completion Date	Contract Balance
Central Campus renovations	August 2013	$ 100,015

B. Long-term Debt Issued and Outstanding

The District is presently paying on the following long-term debt:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2013	Maturities To June 30, 2013
5/1/12	2/1/23	1 - 2.2%	$ 7,060,000	$ 7,060,000	$ 0

4: COMMITMENTS (Continued)

B. Long-term Debt Issued and Outstanding (Continued)

Changes in Long-term Debt

	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
Bonds payable	$ 7,060,000	$ 0	$ 0	$ 7,060,000

Total long-term debt principal and interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2014	$ 565,000	$ 112,300	$ 677,300
2015	665,000	106,650	771,650
2016	675,000	100,000	775,000
2017	690,000	93,250	783,250
2018	700,000	85,315	785,315
2019-2023	3,765,000	238,685	4,003,685
Totals	$ 7,060,000	$ 736,200	$ 7,796,200

5: ACCOUNTS PAYABLE

The accounts payable balance of $331,317 at June 30, 2013, was comprised of the following:

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Vendor payables	$ 104,936	$ 24,853	$ 201,528	$ 331,317

6: INTERFUND TRANSFERS

The District transferred $899,716 from the general fund to the other aggregate funds for the following: $84,800 for debt related payments, $46,116 to supplement capital expenditures, and $768,800 in debt refunding savings required to be expended for capital expenditures.

7: RETIREMENT PLANS

Arkansas Teacher Retirement System

Plan Description. The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain nonteachers hired before July 1, 1989. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Funding Policy. ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14% of covered salaries, the maximum allowed by State law. The District's contributions to ATRS for the years ended June 30, 2013, 2012, and 2011 were $1,479,447, $1,602,158, and $2,136,232, respectively, equal to the required contributions for each year.

7: RETIREMENT PLANS (Continued)

Arkansas Public Employees Retirement System

Plan Description. The District contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain nonteachers hired before July 1, 1989. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 West Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy. APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the years ended June 30, 2013, 2012, and 2011 were $9,986, $11,209, and $16,594, respectively, equal to the required contributions for each year.

8: CHANGES IN PRIVATE-PURPOSE TRUST FUNDS

FUND BALANCE - JULY 1	$ 500
FUND BALANCE - JUNE 30	$ 500

9: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of $7,060,000 issued on May 1, 2012. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is $7,796,200, payable through February 1, 2023. Principal and interest paid for the current year and total property taxes pledged for debt service were $84,225 and $1,156,328, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 7.28 percent.

10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for vacant property and student accidents. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

The District participates in the Arkansas School Boards Association - Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating, and settling claims that have been filed on behalf of and against member districts. The District contributes annually to this program.

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to $250,000 with a $2,500 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

The District participates in the Public School Property and Vehicle Insurance Trust Fund Program administered by the Risk Management Division of the Arkansas Insurance Department. The program's general objectives are to formulate, develop, and administer, on behalf of member districts, a program of insurance to obtain lower costs for property and vehicles coverage, and to develop a comprehensive loss control program. The fund uses a reinsurance policy to reduce exposure to large losses on insured events. The District pays an annual premium for its coverage of buildings, contents, and vehicles.

11: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled $243,836 for the year ended June 30, 2013.

12: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

	Governmental Funds			
	Major			
Description	General	Special Revenue	Other Aggregate	Total
Fund Balances:				
Restricted for:				
Alternative learning environment	$ 222,152			$ 222,152
Educational programs - national school lunch state categorical funding	1,721,331			1,721,331
English-language learners	3,101			3,101
Professional development	15,941			15,941
Capital projects			$ 38,475	38,475
Child nutrition programs		$ 356,594		356,594
Medical services		162,885		162,885
Special education programs	3,486			3,486
Title I programs		638,084		638,084
Arkansas Better Chance	209,364			209,364
Twenty-first Century Community Learning Centers		68,933		68,933
Improving Teacher Quality		109,583		109,583
Other purposes	59,843	30,699		90,542
Total Restricted	2,235,218	1,366,778	38,475	3,640,471
Assigned to:				
Student activities	8,473			8,473
Other purposes	12,326			12,326
Total Assigned	20,799			20,799
Unassigned	6,553,834			6,553,834
Totals	$8,809,851	$1,366,778	$ 38,475	$ 10,215,104

13: COMPENSATION FOR LOSS OF CAPITAL ASSETS

During the year ended June 30, 2013, the District received insurance proceeds totaling $281,302 for tornado damage to the Eliza Miller campus and for theft of equipment at the Beechcrest and Central campuses.

14: FISCAL DISTRESS STATUS

On September 13, 2010, the State Board of Education classified the District in Fiscal Distress. On June 20, 2011, the Arkansas Department of Education assumed control of the Helena-West Helena School District. Under the authority of Ark. Code Ann. § 6-20-1909, the Arkansas Department of Education dismissed the superintendent, dissolved the local school board, and appointed individuals as chief executive officer and chief operations officer. A plan to implement effective cost reduction measures has been adopted.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2013
(Unaudited)

Schedule 1

	Balance June 30, 2013
Nondepreciable capital assets:	
Land	$ 528,625
Depreciable capital assets:	
Buildings	14,327,126
Improvements/infrastructure	8,850,615
Equipment	9,633,623
Total depreciable capital assets	32,811,364
Less accumulated depreciation for:	
Buildings	12,158,175
Improvements/infrastructure	3,559,350
Equipment	7,558,827
Total accumulated depreciation	23,276,352
Total depreciable capital assets, net	9,535,012
Capital assets, net	$ 10,063,637

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
U. S. Department of Agriculture			
Direct Program:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555		$ 1,999
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	54-03	325,684
National School Lunch Program - Cash Assistance	10.555	54-03	710,457
Total State Department of Education			1,036,141
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 4)	10.555	5403000	70,015
TOTAL CHILD NUTRITION CLUSTER			1,108,155
SCHOOL IMPROVEMENT GRANTS CLUSTER			
U. S. Department of Education			
Passed Through State Department of Education:			
School Improvement Grants	84.377	54-03	886,024
ARRA - School Improvement Grants, Recovery Act	84.388	54-03	768,070
TOTAL SCHOOL IMPROVEMENT GRANTS CLUSTER			1,654,094
OTHER PROGRAMS			
U. S. Department of Education			
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	54-03	990,375
Special Education - Grants to States	84.027	54-03	522,293
Twenty-First Century Community Learning Centers	84.287	54-03	113,079
Rural Education	84.358	54-03	75,600
Improving Teacher Quality State Grants	84.367	54-03	469,771
ARRA - Education Jobs Fund, Recovery Act	84.410	54-03	8,311
Total State Department of Education			2,179,429
Passed Through State Department of Career Education:			
Career and Technical Education - Basic Grants to States	84.048	54-03	58,033
Total U. S. Department of Education			2,237,462
U. S. Department of Health and Human Services			
Passed Through State Department of Education:			
Temporary Assistance for Needy Families	93.558	0000200285	18,628
TOTAL OTHER PROGRAMS			2,256,090
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 5,018,339

The accompanying notes are an integral part of this schedule.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Schedule 2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Helena-West Helena School District No. 2 (District) under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.

Note 4: Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.

Note 5: During the year ended June 30, 2013, the District received Medicaid funding of $20,007 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above schedule.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Types of auditor's reports issued: GAAP basis of reporting - adverse
Regulatory basis opinion units - unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☐ yes ☑ none reported

Noncompliance material to financial statements noted? ☐ yes ☑ no

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☑ yes ☐ none reported

Type of auditor's report issued on compliance for major programs: unmodified for all major programs except for the Child Nutrition Cluster (Cash Assistance Programs) and the Title I Grants to Local Educational Agencies, which were qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☑ yes ☐ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553 and 10.555	Child Nutrition Cluster
84.377 and 84.388	School Improvement Grants Cluster
84.010	Title I Grants to Local Educational Agencies
84.027	Special Education - Grants to States
84.367	Improving Teacher Quality State Grants

Dollar threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as low-risk auditee? ☐ yes ☑ no

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

2013-001. Internal Control

Criteria or specific requirement: Internal control is a process consisting of five interrelated components - *control environment, risk assessment, information and communication, control activities, and monitoring*. Management is responsible for adopting sound accounting policies and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Condition: Deficiencies in the internal control component of control activities adversely affected the District's ability to initiate, authorize, record, process, and report financial data in accordance with the regulatory basis of accounting such that there was a reasonable possibility that a material misstatement of the District's financial statements would not be prevented, or detected and corrected on a timely basis. Financial accounting duties were not adequately segregated among employees. Specifically, the same employee was responsible for receiving and depositing monies collected, maintenance of accounting records, and preparation of journal entries, without compensating controls. Non-payroll checks were prepared by the same employee responsible for the maintenance of accounting records and such employee had unrestricted access to the District's signature stamp. Payroll checks were prepared by the same employee responsible for changes to the payroll accounts, without compensating controls.

Context: An understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures was obtained.

Effect: The District's ability to initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements, as well as the ability to safeguard District assets, was adversely affected by the identified weaknesses in the above internal control component.

Cause: District management, due to cost/benefit implications, which hindered the District's ability to adequately segregate financial accounting duties among employees, did not effectively address the deficiencies in internal control.

Recommendation: District management should adopt sound accounting policies and establish and maintain internal control that will initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements and that will safeguard District assets.

Views of responsible officials and planned corrective actions: We concur with the recommendation and will implement corrective procedures to the extent possible.

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

2013-002. Misstatements not Detected by Internal Control System

Criteria or specific requirement: Financial accounting records should be accurate to ensure the preparation of reliable financial statements that are fairly presented in conformity with the regulatory basis of accounting.

Condition: The District's internal control did not prevent or detect material errors in the financial accounting records. Such records are utilized in the preparation of the District's financial statements. We noted the District did not record accounts receivable of $324,176 in the special revenue fund and $140,232 in the other aggregate funds. The financial statements were corrected during the audit fieldwork. A similar finding was reported in the two previous audits.

Context: Identification of misstatements not initially detected by the District's internal control.

Effect: Misstatements were not detected by the District's internal control system.

Cause: Financial records were not properly monitored.

Recommendation: To achieve reliable financial reporting, the District should exercise due care to ensure all applicable general ledger accounts are properly stated.

Views of responsible officials and planned corrective actions: The District's bookkeeping personnel only recorded accounts with a negative balance. The personnel has been instructed to list the amount of funds to be received of all accounts where funds have been expended but not been received.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESS

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS) - CFDA NUMBERS 10.553 AND 10.555
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2013

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - CFDA NUMBER 84.010
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2013

2013-003. Equipment and Real Property Management

Criteria or specific requirement: Proper records should be maintained for equipment acquired with federal awards. Additionally, the District should ensure that disposition of such equipment is in accordance with federal requirements, including the federal awarding agency is appropriately compensated for its share of any property sold or converted to non-federal use.

Condition: The District could not account for seven of eleven Child Nutrition equipment items costing $18,962 and twenty-four of thirty-six Title I equipment items costing $31,640. A similar finding was reported in the previous two audits.

Context: Observation of equipment recorded on subsidiary records, review of available documentation for dispositions, and interviews of Federal Programs Coordinator, Food Service Director, and employees.

Effect: The District's equipment subsidiary records were not accurate.

Cause: The District failed to properly account for all equipment items to ensure accurate equipment subsidiary records.

Recommendation: The District should properly account for all equipment items purchased with federal awards.

Views of responsible officials and planned corrective actions: The District has currently assigned an employee to the inventory. This employee is reviewing all of the District equipment (including location of equipment) to get an accurate accounting of all District equipment. Items which have been discarded/no longer in use will be removed from the inventory listing.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

SIGNIFICANT DEFICIENCIES

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS) - CFDA NUMBERS 10.553 AND 10.555
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2013

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - CFDA NUMBER 84.010
SCHOOL IMPROVEMENT GRANTS CLUSTER - CFDA NUMBERS 84.377 AND 84.388
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2013

2013-004. Allowable Costs/Cost Principles

Criteria or specific requirement: Office of Management and Budget (OMB) Circular A-87 requires salaries charged to federal programs be supported by monthly personnel activity reports or equivalent documentation when District employees work multiple activities. Periodic time certifications are required when an employee works solely on a single federal program.

Condition: Although standard payroll documentation supporting the employees' work in the applicable program was available for audit inspection, monthly personnel activity reports for one employee and periodic time certifications for two employees were not properly prepared for employees paid from the Title I program. Additionally, periodic time certifications were not properly prepared for two employees who worked solely with the School Improvement Grants program. Further, periodic time certifications for three employees were not properly prepared for employees paid from the Child Nutrition program. A similar finding was reported in the previous audit.

Context: An examination of documentation substantiating time worked by employees.

Effect: The District was unable to provide required documentation substantiating the time charged to the Title I, School Improvement Grants, and Child Nutrition programs.

Cause: Lack of internal controls and management oversight resulted in the lack of required supporting documentation pertaining to time charged to federal programs.

Recommendation: The District should properly prepare the monthly personnel activity reports or periodic time certifications for all applicable employees.

Views of responsible officials and planned corrective actions: The District has instructed supervisors and program coordinators to prepare time certification forms as required by law for all applicable employees. Random monitoring of this action will be by supervisors/coordinators. Central office administrators will verify program coordinators' and supervisors' practices and procedures.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - CFDA NUMBER 84.010
IMPROVING TEACHER QUALITY STATE GRANTS - CFDA NUMBER 84.367
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2013

2013-005. Reporting

Criteria or specific requirement: The District is required to budget program expenditures. Expenditures may not exceed the budgeted amounts for specific categories by more than 10 percent without prior approval from the Arkansas Department of Education (ADE) and the submission of budget amendments or adjustments. An annual financial report is compiled at the end of the fiscal year.

Condition: Title I expenditures for function 1591 (Title I School-wide Instruction) exceeded the budgeted amount by $30,590 more than the 10 percent allowed. Additionally, Improving Teacher Quality program expenditures for function 2295 (Instructional Facilitator, Science) exceeded the budgeted amount by $15,539 more than the 10 percent allowed.

Context: Comparison of budgeted expenditures to actual expenditures as reported on the annual financial report.

Effect: The District did not operate the Title I and Improving Teacher Quality programs within the approved budget classifications.

Cause: Lack of management oversight in the preparation of the budget and monitoring of budgeted expenditures to actual expenditures.

Recommendation: The District should implement procedures to ensure costs are incurred within the applicable budget categories and contact the ADE for further guidance regarding this matter.

Views of responsible officials and planned corrective actions: The Federal Program Coordinator has been instructed to align Title I budget expenditures with the approved ACSIP. Also, she was directed to incur cost only within the applicable budget categories.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
IMPROVING TEACHER QUALITY STATE GRANTS - CFDA NUMBER 84.367
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2013

2013-006. Special Tests and Provisions

Criteria or specific requirement: The District must provide all eligible private school children and their teachers the opportunity to participate in the program by engaging in a timely and meaningful consultation with private school officials.

Condition: The District did not contact applicable private school officials for possible participation in the Improving Teacher Quality program.

Context: Inquiry of District personnel about procedures and documentation used to notify applicable private schools for possible participation in the program.

Effect: The District did not comply with the requirement to notify applicable private schools about possible participation in the program.

Cause: The District was unaware of the requirement to notify applicable private schools of possible participation in this program.

Recommendation: The District should implement procedures to ensure that all private schools that could be eligible to participate in the program are properly notified.

Views of responsible officials and planned corrective actions: The Title I Coordinator has been directed to contact private school officials regarding participation in Teacher Quality Program and provide Central Administration with supporting documentation.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
SPECIAL EDUCATION - GRANTS TO STATES - CFDA NUMBER 84.027
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2013

2013-007. Equipment and Real Property Management

Criteria or specific requirement: Proper records should be maintained for equipment acquired with federal awards. Additionally, the District should ensure that disposition of such equipment is in accordance with federal requirements, including the federal awarding agency is appropriately compensated for its share of any property sold or converted to non-federal use.

Condition: The District could not account for one of thirteen Special Education equipment items costing $1,477. A similar finding was reported in the previous two audits.

Context: Observation of equipment recorded on subsidiary records, review of available documentation for dispositions, and interviews of Special Education Director and employees.

Effect: The District's equipment subsidiary records were not accurate.

Cause: The District failed to properly account for all equipment items to ensure accurate equipment subsidiary records.

Recommendation: The District should properly account for all equipment items purchased with federal awards.

Views of responsible officials and planned corrective actions: The District is currently reviewing all its equipment to get an accurate accounting. The permanent inventory will be adjusted accordingly. The applicable federal official will be contacted if needed.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Schedule 4

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES
SPECIAL EDUCATION - GRANTS TO STATES

2012 - Finding 2012-3: Title I Grants to Local Educational Agencies - CFDA Number 84.010 and Special Education - Grants to States - CFDA Number 84.027

Condition: The District could not account for nineteen of forty Title I program equipment items and three of thirteen Special Education equipment items costing $25,139 and $3,601, respectively. A similar finding was reported in the previous audit.

Recommendation: The District should properly account for all equipment items purchased with federal awards.

Current Status: Exceptions were observed in the current audit period. See findings 2013-003 and 2013-007 at Schedule 3.

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS)

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I, PART A CLUSTER
SCHOOL IMPROVEMENT GRANTS

2012 - Finding 2012-4: Child Nutrition Cluster (Cash Assistance Programs) - CFDA Numbers 10.553 and 10.555; Title I, Part A Cluster - CFDA Numbers 84.010 and 84.389; and School Improvement Grants - CFDA Number 84.377

Condition: The District failed to establish internal controls, including retention of verification documentation, to ensure vendors were not suspended or debarred, thus increasing the risk of the District doing business with prohibited parties. The goods and services had been properly received or rendered, and District personnel indicated the *EPLS* website was used to verify that applicable vendors had not been suspended or debarred by the Federal Government; however, supporting documentation was not maintained of the *EPLS* website verification as required by Arkansas Department of Education Commissioner's Memo FIN-10-047. No vendors with which the District conducted business were identified during the audit period as suspended or debarred parties. A similar finding was reported in the previous two audits.

Recommendation: Establish an internal control system, including retention of verification documentation, to ensure applicable transactions are not conducted with suspended or debarred parties.

Current Status: Corrective action was taken.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Schedule 4

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES
SPECIAL EDUCATION CLUSTER (IDEA)

2012 - Finding 2012-5: Title I Grants to Local Educational Agencies - CFDA Number 84.010 and Special Education Cluster (IDEA) - CFDA Numbers 84.027 and 84.391

Condition: The District claimed indirect costs in excess of the allowable amounts by $95,753 for Title I, $14,623 for Special Education, and $469 for the Special Education ARRA program.

Recommendation: The District should contact the Arkansas Department of Education to resolve this issue.

Current Status: Corrective action was taken.

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS)

2012 - Finding 2012-6: Child Nutrition Cluster (Cash Assistance Programs) - CFDA Numbers 10.553 and 10.555

Condition: Although standard payroll documentation supporting the employees' work in the applicable program was available for audit inspection, periodic time certifications were not prepared for the District's child nutrition employees who worked solely on a single federal program.

Recommendation: The District should prepare periodic time certifications for all applicable employees.

Current Status: Exceptions were observed in the current audit period. See finding 2013-004 at Schedule 3.

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF CAREER EDUCATION
CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES

2012 - Finding 2012-7: Career and Technical Education - Basic Grants to States - CFDA Number 84.048

Condition: The Arkansas Department of Career Education conducted a monitoring visit in September 2011. This review noted that the District did not provide adequate supporting documentation for twenty-one transactions, failed to implement the use of ten equipment items, and could not locate three equipment items. As a result of these findings, the District reimbursed the Arkansas Department of Career Education $26,956.

Recommendation: The District should maintain proper documentation for all expenditures, properly utilize purchased equipment within the program, and properly account for such equipment.

Current Status: Corrective action was taken.

Schedule 5

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013
(Unaudited)

	Year Ended June 30,				
General Fund	2013	2012	2011	2010	2009
Total Assets	$ 8,914,787	$ 6,428,588	$ 4,762,117	$ 2,480,265	$ 4,853,169
Total Liabilities	104,936	472,293	363,075	67,627	9,992
Total Fund Balances	8,809,851	5,956,295	4,399,042	2,412,638	4,843,177
Total Revenues	18,188,164	19,812,569	19,686,045	21,924,790	23,201,790
Total Expenditures	14,678,342	16,913,193	16,681,448	23,823,296	24,014,827
Total Other Financing Sources (Uses)	(656,266)	(1,342,123)	(1,018,193)	(532,033)	(434,217)
Special Revenue Fund					
Total Assets	1,391,631	747,901	2,175,448	761,342	1,049,051
Total Liabilities	24,853	118,443	910,270	173,015	72,136
Total Fund Balances	1,366,778	629,458	1,265,178	588,327	976,915
Total Revenues	5,977,113	6,390,229	9,039,207	6,710,342	5,040,504
Total Expenditures	5,129,498	6,920,927	8,472,350	7,086,614	5,568,894
Total Other Financing Sources (Uses)	(110,295)	(105,022)	109,994	(12,316)	(80)
Other Aggregate Funds					
Total Assets	314,942	179,083	108,510		
Total Liabilities	276,467	179,083	15,548		
Total Fund Balances	38,475		92,962		
Total Revenues	655,440		852,359	280,838	
Total Expenditures	1,516,681	1,366,234	1,689,915	812,871	756,524
Total Other Financing Sources (Uses)	899,716	1,273,272	930,518	532,033	727,656

Helena-West Helena School District No. 2

Phillips County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2014

LEGISLATIVE JOINT AUDITING COMMITTEE

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
TABLE OF CONTENTS
JUNE 30, 2014

Independent Auditor's Report
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	Exhibit
Balance Sheet - Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Regulatory Basis	C
Notes to Financial Statements	

SCHEDULES

	Schedule
Schedule of Capital Assets (Unaudited)	1
Schedule of Expenditures of Federal Awards	2
Schedule of Findings and Questioned Costs	3
Federal Award Programs - Summary Schedule of Prior Audit Findings	4
Schedule of Selected Information for the Last Five Years - Regulatory Basis (Unaudited)	5

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Helena-West Helena School District No. 2 and School Board Members
Legislative Joint Auditing Committee

Report on the Financial Statements

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Helena-West Helena School District No. 2 (the "District"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, as described in Note 1, to meet the requirements of the State of Arkansas. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the State of Arkansas, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraphs, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2014, or the changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2014, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years - Regulatory Basis are presented for the purposes of additional analysis and are not a required part of the regulatory basis financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

The Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years - Regulatory Basis have not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

DIVISION OF LEGISLATIVE AUDIT

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

Little Rock, Arkansas
December 2, 2014
EDSD28814

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Helena-West Helena School District No. 2 and School Board Members
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major governmental fund and the aggregate remaining fund information of the Helena-West Helena School District No. 2 (the "District"), as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated December 2, 2014. We issued an adverse opinion because the District prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2014, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's regulatory basis financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we reported to management of the District in a separate letter dated December 2, 2014.

District's Response to Findings

The District's response to the findings identified in our audit, excluding the management letter findings, is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
December 2, 2014

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Helena-West Helena School District No. 2 and School Board Members
Legislative Joint Auditing Committee

Report on Compliance for Each Major Federal Program

We have audited the Helena-West Helena School District No. 2 (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Basis for Qualified Opinion on CFDA 84.010 Title I Grants to Local Educational Agencies and CFDA 10.553 and 10.555 Child Nutrition Cluster (Cash Assistance Programs)

As described in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding CFDA 84.010 Title I Grants to Local Educational Agencies as described in finding number 2014-002 for Matching, Level of Effort, Earmarking and finding number 2014-003 for Equipment and Real Property Management and CFDA 10.553 and 10.555 Child Nutrition Cluster (Cash Assistance Programs) as described in finding number 2014-003 for Equipment and Real Property Management. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to those programs.

Qualified Opinion on CFDA 84.010 Title I Grants to Local Educational Agencies and CFDA 10.553 and 10.555 Child Nutrition Cluster (Cash Assistance Programs)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 84.010 Title I Grants to Local Educational Agencies and CFDA 10.553 and 10.555 Child Nutrition Cluster (Cash Assistance Programs) for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item(s) 2014-004, 2014-005, 2014-006, 2014-007, and 2014-008. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002 and 2014-003 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-004, 2014-005, 2014-006, 2014-007, and 2014-008 to be significant deficiencies.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
December 2, 2014

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

MANAGEMENT LETTER

Helena-West Helena School District No. 2 and School Board Members
Legislative Joint Auditing Committee

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. These matters were discussed previously with District officials during the course of our audit fieldwork and at the exit conference.

1. The District was unable to locate 2 of the 10 equipment items during our verification of equipment. A similar finding was reported in the previous three audits.

2. During the examination of payroll records for 17 employees, DLA staff noted the following:
   a. Timesheets were not always properly completed or accurate.
   b. Two employees were underpaid; due to being paid incorrect raise amounts.
   c. One employee was overpaid; due to being paid an incorrect raise amount.
   d. One employee's contract could not be traced to the appropriate salary schedule.
   e. One employee was overpaid $200 due to sick leave days not being adjusted for her resigning in January 2014.
   f. Three employees' contracts did not state stipends received.

3. The Disaster Recovery Plan in place was inadequate (both technical and end-user) for restoring from short-term or long-term interruptions of computer processing. This situation could cause the entity to be without computer processing for an extended period of time in the event of a disaster or major interruption and could also place a financial and personnel burden on the resources of the entity.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

Larry W. Hunter

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
December 2, 2014

Exhibit A

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2014

	Governmental Funds			
	Major			
	General	Special Revenue	Other Aggregate	Fiduciary Fund Types
ASSETS				
Cash	$ 7,133,440			$ 16,264
Accounts receivable	33,860	$ 774,973	$ 38,697	
Due from other funds	104,909			
TOTAL ASSETS	$ 7,272,209	$ 774,973	$ 38,697	$ 16,264
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 533,647	$ 142,880		
Due student groups				$ 15,764
Due to other funds		76,450	$ 28,459	
Total Liabilities	533,647	219,330	28,459	15,764
Fund Balances:				
Restricted	448,556	555,643	10,238	500
Assigned	59,462			
Unassigned	6,230,544			
Total Fund Balances	6,738,562	555,643	10,238	500
TOTAL LIABILITIES AND FUND BALANCES	$ 7,272,209	$ 774,973	$ 38,697	$ 16,264

The accompanying notes are an integral part of these financial statements.

Exhibit B

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	Major		
	General	Special Revenue	Other Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	$ 3,799,645		
State assistance	10,255,843	$ 7,490	$ 208,952
Federal assistance	45,190	4,642,988	
Activity revenues	83,344		
Meal sales		154,985	
Investment income	15,885		
Other revenues	278,186	58,533	
TOTAL REVENUES	14,478,093	4,863,996	208,952
EXPENDITURES			
Regular programs	6,437,478		
Special education	723,017	392,727	
Career education programs	308,551	11,621	
Compensatory education programs	191,019	627,257	
Other instructional programs	423,563		
Student support services	561,928	142,372	
Instructional staff support services	2,668,402	3,060,854	
General administration support services	345,302	97,317	
School administration support services	765,209		
Central services support services	495,975		
Operation and maintenance of plant services	1,804,406		
Student transportation services	620,938	8,732	
Other support services	17,054		
Food services operations	44,694	1,249,741	
Facilities acquisition and construction services	156,602		237,189
Non-programmed costs		25,977	
Activity expenditures	71,466		
Debt Service:			
Principal retirement			565,000
Interest and fiscal charges			113,214
TOTAL EXPENDITURES	15,635,604	5,616,598	915,403
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,157,511)	(752,602)	(706,451)
OTHER FINANCING SOURCES (USES)			
Transfers in			678,214
Transfers out	(678,214)		
Refund to grantors	(235,564)	(58,533)	
TOTAL OTHER FINANCING SOURCES (USES)	(913,778)	(58,533)	678,214
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,071,289)	(811,135)	(28,237)
FUND BALANCES - JULY 1	8,809,851	1,366,778	38,475
FUND BALANCES - JUNE 30	$ 6,738,562	$ 555,643	$ 10,238

The accompanying notes are an integral part of these financial statements.

Exhibit C

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	$ 4,367,484	$ 3,799,645	$ (567,839)			
State assistance	10,848,302	10,255,843	(592,459)		$ 7,490	$ 7,490
Federal assistance		45,190	45,190	$ 6,009,613	4,642,988	(1,366,625)
Activity revenues		83,344	83,344			
Meal sales					154,985	154,985
Investment income	7,000	15,885	8,885			
Other revenues	228,958	278,186	49,228		58,533	58,533
TOTAL REVENUES	15,451,744	14,478,093	(973,651)	6,009,613	4,863,996	(1,145,617)
EXPENDITURES						
Regular programs	7,481,318	6,437,478	1,043,840			
Special education	926,809	723,017	203,792	501,931	392,727	109,204
Career education programs	429,416	308,551	120,865	19,528	11,621	7,907
Compensatory education programs	285,509	191,019	94,490	423,627	627,257	(203,630)
Other instructional programs	275,787	423,563	(147,776)			
Student support services	613,140	561,928	51,212	219,665	142,372	77,293
Instructional staff support services	1,275,766	2,668,402	(1,392,636)	3,088,052	3,060,854	27,198
General administration support services	547,250	345,302	201,948	77,980	97,317	(19,337)
School administration support services	871,603	765,209	106,394			
Central services support services	458,675	495,975	(37,300)	49,843		49,843
Operation and maintenance of plant services	2,190,657	1,804,406	386,251			
Student transportation services	758,027	620,938	137,089	73,605	8,732	64,873
Other support services	6,000	17,054	(11,054)			
Food services operations	12,050	44,694	(32,644)	1,285,619	1,249,741	35,878
Community services operations				1,200		1,200
Facilities acquisition and construction services	238,000	156,602	81,398			
Non-programmed costs				13,643	25,977	(12,334)
Activity expenditures		71,466	(71,466)			
TOTAL EXPENDITURES	16,370,007	15,635,604	734,403	5,754,693	5,616,598	138,095

Exhibit C

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (918,263)	$ (1,157,511)	$ (239,248)	$ 254,920	$ (752,602)	$ (1,007,522)
OTHER FINANCING SOURCES (USES)						
Transfers in	8,428,012		(8,428,012)			
Transfers out	(9,105,312)	(678,214)	8,427,098			
Refund to grantors		(235,564)	(235,564)		(58,533)	(58,533)
TOTAL OTHER FINANCING SOURCES (USES)	(677,300)	(913,778)	(236,478)		(58,533)	(58,533)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,595,563)	(2,071,289)	(475,726)	254,920	(811,135)	(1,066,055)
FUND BALANCES - JULY 1	8,846,751	8,809,851	(36,900)	1,050,141	1,366,778	316,637
FUND BALANCES - JUNE 30	$ 7,251,188	$ 6,738,562	$ (512,626)	$ 1,305,061	$ 555,643	$ (749,418)

The accompanying notes are an integral part of these financial statements.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Helena-West Helena School District (District), as of June 20, 2011, is under the control of the Arkansas Department of Education. The local school board was dissolved as of that date. See Note 13. There are no component units.

B. Description of Funds

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the District's food services operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.
Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Fiduciary Fund types include the following:

Agency Funds – Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).
Private-purpose Trust Funds – Private-purpose trust funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

C. Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by Ark. Code Ann. § 10-4-413(c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources. Changes in private-purpose trust funds will be reflected in the notes to the financial statements.

D. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Note 1 F below).

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The District maintains a threshold level of $1,000 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Life in Years
Improvements/infrastructure	20
Buildings	50
Equipment	5-20

F. Property Taxes

Property taxes are levied (tax rates are established) in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year.

Ark. Code Ann. § 6-20-401 allows, but does not mandate, the District to accrue the difference between the amount of 2013 calendar year taxes collected by June 30, 2014 and 28 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The District elected not to accrue property taxes or the option to accrue property taxes was not applicable because the amount of property taxes collected by June 30, 2014 equaled or exceeded the 28 percent calculation.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes (Continued)

Amendment no. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. Ark. Code Ann. § 26-80-101 provides the uniform rate of tax (URT) shall be assessed and collected in the same manner as other school property taxes, but the net revenues from the URT shall be remitted to the State Treasurer and distributed by the State to the county treasurer of each county for distribution to the school districts in that county. For reporting purposes, URT revenues are considered property taxes.

G. Interfund Receivables and Payables

Interfund receivables and payables result from services rendered from one fund to another or from interfund loans.

H. Fund Balance Classifications

1. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

2. Assigned fund balance – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.

3. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

I. Budget and Budgetary Accounting

The District is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis. Additionally, the District routinely budgets restricted federal programs as part of the special revenue fund. Significant variances may result in the budgetary comparison of the revenues and expenditures of the special revenue fund because of the reclassification of those federal programs primarily utilized for capital projects to the other aggregate funds for reporting purposes.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

J. Stabilization Arrangements

The Arkansas Department of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Minimum Fund Balance Policies

The Arkansas Department of Education has not formally adopted a minimum fund balance policy.

L. Fund Balance Classification Policies and Procedures

The Superintendent, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The Arkansas Department of Education has not adopted a formal policy addressing this authorization.

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

M. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 358,552	$ 500,000
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	6,526,109	9,105,275
Total Deposits	$ 6,884,661	$ 9,605,275

The above total deposits do not include cash of $265,043 which was held in the County Treasury.

3: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014 were comprised of the following:

	Governmental Funds		
	Major		
Description	General	Special Revenue	Other Aggregate
State assistance			$ 38,697
Federal assistance		$ 767,315	
Meal sales		7,658	
Other	$ 33,860		
Totals	$ 33,860	$ 774,973	$ 38,697

4: COMMITMENTS

The District was contractually obligated for the following at June 30, 2014:

A. Operating Lease (noncapital lease with initial noncancellable lease terms in excess of one year)

General description of lease and leasing arrangements: On August 30, 2010, the District executed a lease for copiers. The stipulations of the agreement require 60 monthly payments in the amount of $14,750 each.

1. Future minimum rental payments (aggregate) at June 30, 2014: $177,000

2. Future minimum rental payments for the succeeding year:

Year Ended June 30,	Amount
2015	$ 177,000

Rental payments for the operating lease described above were approximately $177,000 for the year ended June 30, 2014.

B. Long-term Debt Issued and Outstanding

The District is presently paying on the following long-term debt:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2014	Maturities To June 30, 2014
5/1/12	2/1/23	1 - 2.2%	$ 7,060,000	$ 6,495,000	$ 565,000

Changes in Long-term Debt

	Balance July 1, 2013	Issued	Retired	Balance June 30, 2014
Bonds payable	$ 7,060,000	$ 0	$ 565,000	$ 6,495,000

4: COMMITMENTS (Continued)

B. Long-term Debt Issued and Outstanding (Continued)

Future Principal and Interest Payments

Year Ended June 30,	Principal	Interest	Total
2015	$ 665,000	$ 106,650	$ 771,650
2016	675,000	100,000	775,000
2017	690,000	93,250	783,250
2018	700,000	85,315	785,315
2019	715,000	75,515	790,515
2020-2023	3,050,000	163,170	3,213,170
Totals	$ 6,495,000	$ 623,900	$ 7,118,900

Security for Debt Payments

Ark. Code Ann. § 6-20-1204 specifies procedures to be followed if a school district is delinquent in a payment to the paying agent for bonded debt. As additional security, any delinquent payment for bonded debt will be satisfied by the Arkansas Department of Education (ADE). Depending on the date of the bond issue, ADE will recover the full amount of any delinquency payment through the withholding of a school district's state funding or a direct payment from the school district. There were no delinquent bond payments incurred by the District during the audit period.

5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at June 30, 2014 were comprised of the following:

	Governmental Funds	
	Major	
Description	General	Special Revenue
Vendor payables	$ 62,461	$ 83,338
Salaries payable	471,186	59,542
Totals	$ 533,647	$ 142,880

6: INTERFUND TRANSFERS

The District transferred $678,214 from the general fund to the other aggregate funds for debt related payments.

7: RETIREMENT PLANS

Arkansas Teacher Retirement System

Plan Description. The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain non-teaching school employees. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

7: RETIREMENT PLANS (Continued)

Arkansas Teacher Retirement System (Continued)

Funding Policy. ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14% of covered salaries, the maximum allowed by State law. The District's contributions to ATRS for the years ended June 30, 2014, 2013, and 2012 were $1,510,776, $1,479,447, and $1,602,158, respectively, equal to the required contributions for each year.

Arkansas Public Employees Retirement System

Plan Description. The District contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain non-teaching school employees. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 West Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy. APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the years ended June 30, 2014, 2013, and 2012 were $8,126, $9,986, and $11,209, respectively, equal to the required contributions for each year.

8: CHANGES IN PRIVATE-PURPOSE TRUST FUNDS

FUND BALANCE - JULY 1	$ 500
FUND BALANCE - JUNE 30	$ 500

9: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of $7,060,000 issued on May 1, 2012. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is $7,118,900, payable through February 1, 2023. Principal and interest paid for the current year and total property taxes pledged for debt service were $677,300 and $1,013,982, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 66.80 percent.

10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for vacant property and student accidents. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

10: RISK MANAGEMENT (Continued)

The District participates in the Arkansas School Boards Association - Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating, and settling claims that have been filed on behalf of and against member districts. The District contributes annually to this program.

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to $250,000 with a $2,500 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

The District participates in the Arkansas Public School Insurance Trust Fund Program administered by the Risk Management Division of the Arkansas Insurance Department. The program's general objectives are to formulate, develop, and administer, on behalf of member districts, a program of insurance to obtain lower costs for property and vehicles coverage, and to develop a comprehensive loss control program. The fund uses a reinsurance policy to reduce exposure to large losses on insured events. The District pays an annual premium for its coverage of buildings, contents, and vehicles.

11: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled $293,185 for the year ended June 30, 2014.

12: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

	Governmental Funds		
	Major		
Description	General	Special Revenue	Other Aggregate
Fund Balances:			
Restricted for:			
Alternative learning environment	$ 82,769		
Educational programs - national school lunch state categorical funding	244,539		
English-language learners	3,412		
Professional development	65,965		
Capital projects			$ 10,238
Child nutrition programs		$ 335,956	
Medical services		177,320	
Special education programs	3,714		
Other purposes	48,157	42,367	
Total Restricted	448,556	555,643	10,238
Assigned to:			
Student activities	24,037		
Other purposes	35,425		
Total Assigned	59,462		
Unassigned	6,230,544		
Totals	$ 6,738,562	$ 555,643	$ 10,238

13: FISCAL DISTRESS STATUS

On September 13, 2010, the State Board of Education classified the District in Fiscal Distress. On June 20, 2011, the Arkansas Department of Education (ADE) assumed control of the Helena-West Helena School District. Under the authority of Ark. Code Ann. § 6-20-1909, ADE dismissed the superintendent, dissolved the local school board, and appointed individuals as chief executive officer and chief operations officer. ADE subsequently appointed a superintendent to direct the District's operations in coordination with ADE. A plan to implement effective cost reduction measures has been adopted.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2014
(Unaudited)

Schedule 1

	Balance June 30, 2014
Nondepreciable capital assets:	
Land	$ 528,625
Depreciable capital assets:	
Buildings	14,327,126
Improvements/infrastructure	9,024,659
Equipment	7,572,331
Total depreciable capital assets	30,924,116
Less accumulated depreciation for:	
Buildings	12,248,267
Improvements/infrastructure	3,778,482
Equipment	5,746,479
Total accumulated depreciation	21,773,228
Total depreciable capital assets, net	9,150,888
Capital assets, net	$ 9,679,513

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
U. S. Department of Agriculture			
Direct Program:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555		$ 5,999
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	54-03	304,306
National School Lunch Program - Cash Assistance	10.555	54-03	697,245
Total State Department of Education			1,001,551
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 4)	10.555	5403000	59,077
TOTAL CHILD NUTRITION CLUSTER			1,066,627
SCHOOL IMPROVEMENT GRANTS CLUSTER			
U. S. Department of Education			
Passed Through State Department of Education:			
School Improvement Grants	84.377	54-03	729,510
ARRA - School Improvement Grants, Recovery Act	84.388	54-03	1,161,959
TOTAL SCHOOL IMPROVEMENT GRANTS CLUSTER			1,891,469
OTHER PROGRAMS			
U. S. Department of Education			
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	54-03	1,334,809
Special Education - Grants to States	84.027	54-03	663,830
Twenty-First Century Community Learning Centers	84.287	54-03	103,971
Rural Education	84.358	54-03	24,940
Improving Teacher Quality State Grants	84.367	54-03	259,343
Total State Department of Education			2,386,893
Passed Through State Department of Career Education:			
Career and Technical Education - Basic Grants to States	84.048	54-03	58,640
Total U. S. Department of Education			2,445,533
U. S. Department of Health and Human Services			
Passed Through State Department of Education:			
Temporary Assistance for Needy Families	93.558	0000200285	9,048
TOTAL OTHER PROGRAMS			2,454,581
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 5,412,677

The accompanying notes are an integral part of this schedule.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule 2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Helena-West Helena School District No. 2 (District) under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.

Note 4: Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.

Note 5: During the year ended June 30, 2014, the District received Medicaid funding of $15,623 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Types of auditor's reports issued: GAAP basis of reporting - adverse
Regulatory basis opinion units - unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☐ yes ☑ none reported

Noncompliance material to financial statements noted? ☐ yes ☑ no

FEDERAL AWARDS

Internal control over major federal programs:

- Material weakness(es) identified? ☑ yes ☐ no
- Significant deficiency(ies) identified? ☑ yes ☐ none reported

Type of auditor's report issued on compliance for major federal programs: unmodified for all major programs except for the Child Nutrition Cluster (Cash Assistance Programs) and the Title I Grants to Local Educational Agencies, which were qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☑ yes ☐ no

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553 and 10.555	Child Nutrition Cluster
84.377 and 84.388	School Improvement Grants Cluster
84.010	Title I Grants to Local Educational Agencies
84.027	Special Education - Grants to States

Dollar threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as low-risk auditee? ☐ yes ☑ no

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

2014-001. Internal Control

Criteria or specific requirement: Internal control is a process consisting of five interrelated components - control environment, risk assessment, information and communication, control activities, and monitoring. Management is responsible for adopting sound accounting policies and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Condition: Deficiencies in the internal control component of control activities adversely affected the District's ability to initiate, authorize, record, process, and report financial data in accordance with the regulatory basis of accounting such that there was a reasonable possibility that a material misstatement of the District's financial statements would not be prevented, or detected and corrected on a timely basis. Financial accounting duties were not adequately segregated among employees. Specifically, the same employee was responsible for depositing monies collected, maintenance of accounting records, and preparation of journal entries, without compensating controls. Non-payroll checks were prepared by the same employee responsible for the maintenance of accounting records and such employee had unrestricted access to the District's signature stamp. Payroll checks were prepared by the same employee responsible for changes to the payroll accounts, without compensating controls.

Context: An understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures was obtained.

Effect: The District's ability to initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements, as well as the ability to safeguard District assets, was adversely affected by the identified weaknesses in the above internal control component.

Cause: District management, due to cost/benefit implications, which hindered the District's ability to adequately segregate financial accounting duties among employees, did not effectively address the deficiencies in internal control.

Recommendation: District management should adopt sound accounting policies and establish and maintain internal control that will initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements that will safeguard District assets.

Views of responsible officials and planned corrective actions: We concur with the recommendation and will implement corrective procedures to the extent possible.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESSES

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - CFDA NUMBER 84.010
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2014

2014-002. Matching, Level of Effort, Earmarking

Criteria or specific requirement: In accordance with Title I, Part A, Section 1120A(b) of 20 USC § 6321(b), the District is required to use federal funds only to supplement the funds that would, in the absence of such federal funds, be made available from non-federal sources for the education of participating students, and not to supplant such funds.

Condition: The District expended $43,124 for the purchase of copy paper from the Title I program to supplant rather than supplement District non-payroll expenditures.

Questioned Costs: Total questioned costs were $43,124.

Context: An examination of 8 checks and supporting documentation from a total population of 75 non-payroll checks.

Effect: The District used federal funding to supplant rather than to supplement non-federal funds.

Cause: Lack of internal controls and management oversight resulted in the District using federal funds to supplant rather than supplement non-federal funds.

Recommendation: Establish an internal control system to ensure Title I funds are used to supplement and not supplant other funds and contact the Arkansas Department of Education for guidance regarding this matter.

Views of responsible officials and planned corrective actions: The financial personnel staff, along with the Federal Coordinator's assistance with the ADE Office of Intensive Support, will establish an internal control system to ensure that all Federal funds are used to supplement and not supplant other funds.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

MATERIAL WEAKNESSES (Continued)

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS) - CFDA NUMBERS 10.553 AND 10.555
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2014

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - CFDA NUMBER 84.010
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2014

2014-003. Equipment and Real Property Management

Criteria or specific requirement: In accordance with the Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and applicable Federal awarding agency regulations, proper records should be maintained for equipment acquired with federal awards. Additionally, the District should ensure that disposition of such equipment is in accordance with federal requirements, including the federal awarding agency is appropriately compensated for its share of any property sold or converted to non-federal use.

Condition: The District could not account for 8 of 11 Child Nutrition equipment items costing $19,445 and 15 of 25 Title I equipment items costing $26,096. A similar finding was reported in the previous three audits.

Context: Observation of equipment recorded on subsidiary records on a test basis, review of available documentation for dispositions, and interviews of Federal Programs Coordinator, Food Service Director, and employees.

Effect: The District's equipment subsidiary records were not accurate.

Cause: The District failed to properly account for all equipment items to ensure accurate equipment subsidiary records.

Recommendation: The District should properly account for all equipment items purchased with federal awards.

Views of responsible officials and planned corrective actions: The District will establish a room-by-room fixed assets inventory for all active buildings in early spring semester of 2014-2015. All personnel will be required to account for all equipment at this time. Beginning in May/June of 2015, all staff will be required to account for all assigned equipment prior to check-out. Beginning in August 2015 and continuing thereafter, all staff will be required to do an inventory of fixed assets as a part of the check-in process. Beginning in January 2015, all staff will begin utilizing transfer forms when equipment is moved. The District will establish a point person for maintaining and updating the fixed assets inventory.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

SIGNIFICANT DEFICIENCIES

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - CFDA NUMBER 84.010
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2014

2014-004. Allowable Costs/Cost Principles

Criteria or specific requirement: Office of Management and Budget (OMB) Circular A-87 requires disbursements from federal awards to be supported by proper documentation.

Condition: The District did not provide adequate supporting documentation for three of eight Title I program non-payroll disbursements examined. The three disbursements totaled $2,171.

Twenty-three employees' Title I payroll disbursements were examined. We noted two timesheets did not provide adequate supporting documentation totaling $243. In addition, the District overpaid one employee $300.

Questioned Costs: Total questioned costs were $2,714.

Context: Examination of 8 checks and supporting documentation from a total population of 75 non-payroll checks and payroll expenditures of 23 employees from a total population of 222 employees.

Effect: The District was unable to provide required documentation supporting expenditures of federal awards.

Cause: The District failed to maintain adequate documentation to support expenditures charged to the Title I program.

Recommendation: The District should maintain adequate documentation to support expenditures of federal awards and contact the Arkansas Department of Education for guidance regarding this matter.

Views of responsible officials and planned corrective actions: The District bookkeeper will maintain supporting documentation and will identify and or develop a system for balancing payroll and implement during this school year. The District will seek reimbursements for overpayments.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

SIGNIFICANT DEFICIENCIES (Continued)

2014-005. Allowable Costs/Cost Principles

Criteria or specific requirement: Office of Management and Budget (OMB) Circular No. A-87 established principles and standards for determining allowable costs from federal awards. Program expenditures must be incurred in accordance with the District's Arkansas Comprehensive School Improvement Plan (ACSIP).

Condition: Title I expenditures must be approved in the ACSIP. The District's ACSIP did not include Title I program payroll expenditures for child maltreatment and time certification staff development totaling $11,710 and $2,720, respectively.

Questioned Costs: Total amount of known questioned costs was $14,430.

Context: An examination of payroll expenditures for 23 employees from a total population of 222 employees and examination of a listing of all payroll expenditures for child maltreatment and time certification staff development.

Effect: The District disbursed Title I Funds to pay for training not included in the District's ACSIP.

Cause: Lack of internal controls and management oversight over program expenditures.

Recommendation: The District should contact the Arkansas Department of Education for guidance regarding this matter and implement proper controls over program expenditures.

Views of responsible officials and planned corrective actions: The District will work collaboratively with the ADE and the Office of Intensive Support to establish proper controls to ensure that all Federal fund expenditures are in accordance within the approved guidelines.

2014-006. Allowable Costs/Cost Principles

Criteria or specific requirement: Office of Management and Budget (OMB) Circular A-87 requires periodic time certifications for employees who work solely on a single federal program or monthly personnel activity reports when District employees work multiple activities.

Condition: Although standard payroll documentation supporting the employees' work in the various federal programs was available for audit inspection, periodic time certifications were not prepared for seven employees who worked with the Title I program for after school tutoring and summer school activities. A similar finding was reported in the previous audit.

Context: Examination of documentation substantiating time worked by applicable employees in the payroll test of 23 employees from a total population of 222 employees.

Effect: The District was unable to provide required documentation substantiating the time charged to the Title I program.

Cause: The District was unaware of the OMB Circular A-87 requirement pertaining to periodic time certifications or monthly personnel activity reports for after school tutoring and summer school activities of the Title I program.

Recommendation: The District should prepare periodic time certifications or monthly personnel activity reports for all applicable employees.

Views of responsible officials and planned corrective actions: The District will require periodic time certifications or monthly activity reports for all applicable employees.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

SIGNIFICANT DEFICIENCIES (Continued)

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS) - CFDA NUMBERS 10.553 AND 10.555
PASS-THROUGH NUMBER 54-03
AUDIT PERIOD - YEAR ENDED JUNE 30, 2014

2014-007. Eligibility

Criteria or specific requirement: The U. S. Department of Agriculture (USDA) guidelines require an entity to perform verification procedures for a specific number of applicants for free and reduced price meals. As part of this process, the District is required to follow standard sampling procedures, which includes the identification of certain error prone applications.

Condition: The District did not follow standard sampling procedures when personnel verified free and reduced price meal applications. Three of the forty applications that we examined for eligibility should have been identified as error prone and subsequently included in the applications selected for verification; however, the District did not identify these applications as error prone and did not select the applications for verification. Additionally, one application that we selected for verification testing was not reclassified from a free status to a reduced price status as required by the documentation submitted during the verification process. The amount of excess reimbursement for the difference in eligibility status could not be readily determined.

Context: An examination of one of the nine applications selected for verification and verification procedures for free and reduced price meal applications. District personnel only identified two error prone applications for verification purposes.

Effect: The verification sample was not selected from all of the error prone applications and one verified application was incorrectly classified as free instead of reduced price meals.

Cause: District personnel did not properly monitor the verification procedures to ensure that all error prone applications were selected for verification and did not properly update the participation status based on documentation submitted during the verification process.

Recommendation: The District should implement procedures to ensure that standard sampling procedures are followed and that the verification process is properly performed.

Views of responsible officials and planned corrective actions: The Food Service Director will review and or receive training on sampling procedures and will implement procedures to ensure that the proper procedures are followed and that the verification process is properly performed.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

SIGNIFICANT DEFICIENCIES (Continued)

2014-008. Allowable Costs/Cost Principles

Criteria or specific requirement: Office of Management and Budget (OMB) Circular A-87 establishes principles and standards for determining allowable costs from federal awards.

Condition: The District's internal control did not prevent or detect payroll errors. As a result, during our examination of the Child Nutrition Cluster payroll expenditures, we observed two of three employees were overpaid $105 and $82, respectively.

Questioned Costs: Total amount of known questioned costs was $187.

Context: Examination of documentation substantiating amount paid to 3 employees from a total population of 28 employees.

Effect: The District's internal controls did not prevent or detect payroll errors for employees of the child nutrition program and employees were overpaid.

Cause: Improper calculation of payroll amounts and lack of management oversight.

Recommendation: The District should implement controls to ensure payroll amounts are properly calculated and errors are detected and corrected on a timely basis.

Views of responsible officials and planned corrective actions: The District, with the assistance of the ADE Office of Intensive Support, will review and refine internal controls to ensure payroll is properly calculated and errors are detected and corrected on a timely basis. Underpayments will be paid and the District will seek reimbursements for overpayments.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS)

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES

2013 - Finding 2013-003: Child Nutrition Cluster (Cash Assistance Programs) - CFDA Numbers 10.553 and 10.555 and Title I Grants to Local Educational Agencies - CFDA Number 84.010

Condition: The District could not account for seven of eleven Child Nutrition equipment items costing $18,962 and twenty-four of thirty-six Title I equipment items costing $31,640. A similar finding was reported in the previous two audits.

Recommendation: The District should properly account for all equipment items purchased with federal awards.

Current Status: Exceptions were observed in the current audit period. See finding 2014-003 at Schedule 3.

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER (CASH ASSISTANCE PROGRAMS)

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES
SCHOOL IMPROVEMENT GRANTS CLUSTER

2013 - Finding 2013-004: Child Nutrition Cluster (Cash Assistance Programs) - CFDA Numbers 10.553 and 10.555; Title I Grants to Local Educational Agencies - CFDA Number 84.010; and School Improvement Grants Cluster - CFDA Numbers 84.377 and 84.388

Condition: Although standard payroll documentation supporting the employees' work in the applicable program was available for audit inspection, monthly personnel activity reports for one employee and periodic time certifications for two employees were not properly prepared for employees paid from the Title I program. Additionally, periodic time certifications were not properly prepared for two employees who worked solely with the School Improvement Grants program. Further, periodic time certifications for three employees were not properly prepared for employees paid from the Child Nutrition program. A similar finding was reported in the previous audit.

Recommendation: The District should properly prepare the monthly personnel activity reports or periodic time certifications for all applicable employees.

Current Status: Exceptions were observed in the current audit period for the Title I program. See finding 2014-006 at Schedule 3.

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule 4

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES
IMPROVING TEACHER QUALITY STATE GRANTS

2013 - Finding 2013-005: Title I Grants to Local Educational Agencies - CFDA Numbers 84.010 and Improving Teacher Quality State Grants - CFDA Number 84.367

Condition: Title I expenditures for function 1591 (Title I School-wide Instruction) exceeded the budgeted amount by $30,590 more than the 10 percent allowed. Additionally, Improving Teacher Quality program expenditures for function 2295 (Instructional Facilitator, Science) exceeded the budgeted amount by $15,539 more than the 10 percent allowed.

Recommendation: The District should implement procedures to ensure costs are incurred within the applicable budget categories and contact the Arkansas Department of Education for further guidance regarding this matter.

Current Status: Corrective action was taken.

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
IMPROVING TEACHER QUALITY STATE GRANTS

2013 - Finding 2013-006: Improving Teacher Quality State Grants - CFDA Number 84.367

Condition: The District did not contact applicable private school officials for possible participation in the Improving Teacher Quality program.

Recommendation: The District should implement procedures to ensure that all private schools that could be eligible to participate in the program are properly notified.

Current Status: Corrective action was taken.

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
SPECIAL EDUCATION - GRANTS TO STATES

2013 - Finding 2013-007: Special Education - Grants to States - CFDA Number 84.027

Condition: The District could not account for one of thirteen Special Education equipment items costing $1,477. A similar finding was reported in the previous two audits.

Recommendation: The District should properly account for all equipment items purchased with federal awards.

Current Status: Corrective action was taken.

Schedule 5

HELENA-WEST HELENA SCHOOL DISTRICT NO. 2
PHILLIPS COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2014
(Unaudited)

	Year Ended June 30,				
General Fund	2014	2013	2012	2011	2010
Total Assets	$ 7,272,209	$ 8,914,787	$ 6,428,588	$ 4,762,117	$ 2,480,265
Total Liabilities	533,647	104,936	472,293	363,075	67,627
Total Fund Balances	6,738,562	8,809,851	5,956,295	4,399,042	2,412,638
Total Revenues	14,478,093	18,188,164	19,812,569	19,686,045	21,924,790
Total Expenditures	15,635,604	14,678,342	16,913,193	16,681,448	23,823,296
Total Other Financing Sources (Uses)	(913,778)	(656,266)	(1,342,123)	(1,018,193)	(532,033)
Special Revenue Fund					
Total Assets	774,973	1,391,631	747,901	2,175,448	761,342
Total Liabilities	219,330	24,853	118,443	910,270	173,015
Total Fund Balances	555,643	1,366,778	629,458	1,265,178	588,327
Total Revenues	4,863,996	5,977,113	6,390,229	9,039,207	6,710,342
Total Expenditures	5,616,598	5,129,498	6,920,927	8,472,350	7,086,614
Total Other Financing Sources (Uses)	(58,533)	(110,295)	(105,022)	109,994	(12,316)
Other Aggregate Funds					
Total Assets	38,697	314,942	179,083	108,510	
Total Liabilities	28,459	276,467	179,083	15,548	
Total Fund Balances	10,238	38,475		92,962	
Total Revenues	208,952	655,440		852,359	280,838
Total Expenditures	915,403	1,516,681	1,366,234	1,689,915	812,871
Total Other Financing Sources (Uses)	678,214	899,716	1,273,272	930,518	532,033

Stricken language would be deleted from and underlined language would be added to present law.
Act 600 of the Regular Session

State of Arkansas *As Engrossed: H3/11/13*
89th General Assembly **A Bill**
Regular Session, 2013 HOUSE BILL 1770

By: Representatives Perry, D. Altes, Branscum, Carnine, Catlett, Clemmer, Collins, Copenhaver, Dale, Deffenbaugh, J. Dickinson, Eubanks, Farrer, Fielding, Hobbs, Hodges, Holcomb, Jett, Lampkin, Leding, Lowery, Magie, McCrary, Ratliff, Richey, T. Thompson, Wardlaw, D. Whitaker, Word, Wren, *E. Armstrong*
By: Senators J. Key, Bledsoe, E. Cheatham, J. Dismang, J. English, Hester, Holland, Irvin, D. Johnson, U. Lindsey, Maloch, B. Pierce, Rapert, B. Sample, Teague, R. Thompson, E. Williams, *Bookout, Caldwell, Files, J. Hutchinson, B. King, D. Sanders, G. Stubblefield, J. Woods, D. Wyatt*

For An Act To Be Entitled

AN ACT TO EXTEND THE TIME FOR WHICH A PUBLIC SCHOOL OR SCHOOL DISTRICT MAY BE CLASSIFIED AS IN ACADEMIC, FISCAL, OR FACILITIES DISTRESS; TO ALLOW A PUBLIC SCHOOL TO BE CLASSIFIED AS IN ACADEMIC DISTRESS; TO MODIFY THE CRITERIA, SANCTIONS, AND PROCEDURES FOR A PUBLIC SCHOOL OR SCHOOL DISTRICT IN ACADEMIC, FISCAL, OR FACILITIES DISTRESS; TO PROVIDE FOR CAPACITY BUILDING AND INTERIM LEADERSHIP IN A PUBLIC SCHOOL OR SCHOOL DISTRICT IN ACADEMIC, FISCAL, OR FACILITIES DISTRESS; TO AMEND THE ARKANSAS OPPORTUNITY PUBLIC SCHOOL CHOICE ACT OF 2004; TO CLARIFY THE TERMINOLOGY OF THE ACADEMIC FACILITIES DISTRESS PROGRAM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND PROVISIONS OF LAW CONCERNING ACADEMIC, FISCAL, AND FACILITIES DISTRESS OF PUBLIC SCHOOLS AND SCHOOL DISTRICTS; AND TO DECLARE AN EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 6-15-419(32), concerning the definition of "school district in academic distress" is amended to read as follows:

(32) "School or school district in academic distress" means any public school or school district failing to meet the minimum level of academic achievement on the state-mandated augmented, criterion-referenced, or norm-referenced assessments as required by the state board in the program;

SECTION 2. Arkansas Code § 6-15-425 is amended to read as follows:

6-15-425. School improvement or academic distress.

~~(a) Those public individual schools~~ A public school or school district identified by the Department of Education as failing to meet established levels of academic achievement shall be classified as being in:

(1) ~~school~~ School improvement as required by the Arkansas Comprehensive Testing, Assessment, and Accountability Program, § 6-15-401, et seq., rules and regulations~~.~~;

(2) Academic distress as required under § 6-15-428 – 6-15-431; or

~~(b)~~(3) ~~Those public school districts identified by the department as failing to meet established levels of academic achievement shall be classified as being either in school improvement or academic distress, or both,~~ Both, as required by the applicable program rules and regulations.

SECTION 3. Arkansas Code § 6-15-428 is amended to read as follows:

6-15-428. Academic distress identification, notification, classification, and appeal.

(a) The school board president and superintendent of a school district in which the school district or a public school is identified by the Department of Education as being in academic distress shall be notified in writing by the department via certified mail, return receipt requested, and shall have a right of appeal to the State Board of Education.

(b) Any school district identified or in which a public school is identified in academic distress may appeal to the state board by filing a written appeal with the Commissioner of Education via certified mail, return receipt requested, within thirty (30) calendar days of receipt of the written

notice of academic distress status from the department.

(c)(1) The state board shall hear the appeal of the school district within sixty (60) days of receipt of the written appeal in the commissioner's office.

(2) The state board's determination shall be final except that a school district may appeal to Pulaski County Circuit Court under the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(d) ~~Those school districts~~ A school district or public school identified by the department as being in academic distress shall be classified as a school ~~districts~~ district or public school in academic distress upon final determination by the state board.

SECTION 4. Arkansas Code § 6-15-429 is amended to read as follows:

6-15-429. Academic distress – Required action.

(a) ~~A~~ Except as provided under subdivision (b)(3)(B) of this section and § 6-15-430(d), a public school or school district identified as in "academic distress" shall have no more than ~~two (2)~~ five (5) consecutive school years from the date of ~~receipt of notice of identification from the Department of Education~~ classification of academic distress status to be removed from academic distress status.

(b)(1) The State Board of Education may at any time take enforcement action on any school district in academic distress status, ~~including, but not limited to,~~ including without limitation annexation, consolidation, or reconstitution of a school district pursuant to § 6-13-1401 et seq. and the authority of this subchapter~~, except no~~.

(2) The state board may take enforcement action at any time on a public school in academic distress under this subchapter.

(3)(A) Except as provided under subdivision (b)(3)(B) of this section and § 6-15-430(d), a public school or school district shall not be allowed to remain in academic distress status for a time period greater than ~~two (2)~~ five (5) consecutive school years from the date of ~~receipt of notice of identification~~ classification of academic distress ~~from the department~~ status.

(B) The state board may grant additional time for a public school or school district to remove itself from academic distress by issuing a written finding supported by a majority of the state board explaining in

detail that the public school or school district could not remove itself from academic distress during the relevant time period due to impossibility caused by external forces beyond the control of the public school or school district.

(c) If a public school or school district classified as being in academic distress fails to be removed from academic distress status within the allowed ~~two-year~~ five-year time period and has not been granted additional time under subdivision (b)(3)(B) of this section, the state board shall annex, consolidate, or reconstitute the ~~academic distress~~ public school or school district ~~prior to~~ before July 1 of the next school year ~~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 academic distress during the relevant time period due to impossibility caused by external forces beyond the school district's control~~.

SECTION 5. Arkansas Code § 6-15-430 is amended to read as follows:

6-15-430. State Board of Education authority over ~~school~~ a public school or school district in academic distress.

(a) ~~The State Board of Education shall have the following authority regarding any public~~ If a school district is classified as being in academic distress, the State Board of Education may:

(1) ~~To require the superintendent of the school district to relinquish all authority with respect to the school district and to appoint an individual to administratively operate the school district under the supervision of the Commissioner of Education, with the cost to be paid from school district funding~~ Remove permanently, reassign, or suspend on a temporary basis the superintendent of the school district and:

(A) 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

(B) Compensate from school district funds the individual appointed to operate the school district;

(2) ~~To suspend~~ Suspend or remove some or all of the current board of directors and call for the election of a new school board of directors for the school district, in which case the school district shall

reimburse the county board of election commissioners for election costs as otherwise required by law;

(3) ~~To allow~~ Require the school district to operate without ~~the local school~~ a board of directors under the supervision of the ~~local school district administration~~ superintendent or an ~~administration chosen~~ individual or panel appointed by the ~~Commissioner of Education~~ commissioner;

(4) ~~To waive~~ Waive the application of Arkansas law, with the exception of the Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq., and the Public School Employee Fair Hearing Act, § 6-17-1701 et seq., or the ~~Department of Education~~ corresponding state board rules and regulations;

(5) ~~To require~~ Require the annexation, consolidation, or reconstitution of the ~~public~~ school district; ~~and~~

(6) In the absence of a board of directors, direct the commissioner to assume all authority of the board of directors as may be necessary for the day-to-day governance of the school district;

(7) Return the administration of the school district to the former board of directors or to a newly elected board of directors if:

(A) The department certifies in writing to the state board and to the school district that the school district has corrected all issues that caused the classification of academic distress; and

(B) The state board determines that the school district has corrected all issues that caused the classification of academic distress; and

~~(6)~~(8) ~~To take~~ Take any other necessary and proper action, as determined by the state board, that is allowed by law.

(b) If a public school is classified as being in academic distress, the state board may:

(1) Require the reorganization of the public school or reassignment of the administrative, instructional, or support staff of the public school;

(2) Require the public school to institute and fully implement a student curriculum and professional development for teachers and administrators that are based on state academic content and achievement standards, with the cost to be paid by the school district in which the public school is located;

(3) Require the principal of the public school to relinquish all

1 authority with respect to the public school;
2 (4) Waive the application of Arkansas law or the corresponding
3 state board rules, with the exception of:
4 (A) The Teacher Fair Dismissal Act of 1983, § 6-17-1501 et
5 seq.; and
6 (B) The Public School Employee Fair Hearing Act, § 6-17-
7 1701 et seq.;
8 (5) Under The Teacher Fair Dismissal Act of 1983, § 6-17-1501 et
9 seq., reassign or remove some or all of the licensed personnel of the public
10 school and replace them with licensed personnel assigned or hired under the
11 supervision of the commissioner;
12 (6) Remove the public school from the jurisdiction of the school
13 district in which the public school is located and establish alternative
14 public governance and supervision of the public school;
15 (7) Require closure or dissolution of the public school;
16 (8)(A) Remove permanently, reassign, or suspend on a temporary
17 basis the superintendent of the school district in which the public school is
18 located.
19 (B) If the state board takes an action under subdivision
20 (b)(8)(A), it may appoint an individual in place of the superintendent to
21 administratively operate the school district under the supervision and
22 approval of the commissioner and compensate the appointed individual;
23 (9) Take one (1) or more of the actions under subsection (a) of
24 this section concerning the public school district where the school is
25 located;
26 (10) Return the administration of the school district to the
27 former board of directors or to a newly elected board of directors if:
28 (A) The department certifies in writing to the state board
29 and to the school district that the public school has corrected all issues
30 that caused the classification of academic distress and that no public school
31 within the school district is classified as being in academic distress; and
32 (B) The state board determines the public school has
33 corrected all issues that caused the classification of academic distress and
34 that no public school within the school district is classified as being in
35 academic distress; and
36 (11) Take any other appropriate action allowed by law that the

state board determines is needed to assist and address a public school classified as being in academic distress.

~~(b)(1)~~(c) ~~Any~~ A student attending a public school or school district classified as being in academic distress ~~shall~~ is automatically ~~be~~ eligible and entitled pursuant to the ~~Arkansas Public School Choice Act of 1989, § 6-18-206~~ Arkansas Opportunity Public School Choice Act of 2004, § 6-18-227, to transfer to another ~~geographically contiguous~~ public school or public school district not in academic distress during the time period that ~~a~~ the resident public school or public school district is classified as being in academic distress ~~and, therefore, not be required to file a petition by July 1 but shall meet all other requirements and conditions of the Arkansas Public School Choice Act of 1989, § 6-18-206~~.

(2) The cost of transporting the student from the resident district to the nonresident district shall be the cost of the resident district under § 6-18-227.

~~(3) The nonresident district shall count the student for average daily membership purposes.~~

(d) If the state board or the commissioner assumes authority over a public school district in academic distress under subsection (a) or subsection (b) of this section, the state board may pursue the following process for returning a public school district to the local control of its residents:

(1) During the second school year following a public school's or school district's classification of academic distress status, the state board shall determine the extent of the public school's or school district's progress toward correcting all criteria for being classified as in academic distress;

(2)(A) If the state board determines that sufficient progress has been made by a public school or school district in academic distress toward correcting all issues that caused the classification of academic distress, but the public school or school district has not yet resolved all issues that caused the classification of academic distress, the commissioner, with the approval of the state board, may appoint a community advisory board of either five (5) or seven (7) members to serve under the supervision and direction of the commissioner.

(B) The members of the community advisory board shall be

1 residents of the school district and shall serve on a voluntary basis without
2 compensation.
3 (C) the department shall cause to be provided to the
4 community advisory board technical assistance and training in, at a minimum,
5 the areas required in § 6-13-629.
6 (D) The duties of a community advisory board include
7 without limitation:
8 (i) Meeting monthly during a regularly scheduled
9 public meeting with the state-appointed administrator regarding the progress
10 of the public school or school district toward correcting all issues that
11 caused the classification of academic distress;
12 (ii) Seeking community input from the residents of
13 the school district regarding the progress of the public school or school
14 district toward correcting all issues that caused the classification of
15 academic distress;
16 (iii) Conducting hearings and making recommendations
17 to the commissioner regarding personnel and student discipline matters under
18 the appropriate district policies;
19 (iv) Working to build community capacity for the
20 continued support of the school district; and
21 (v) Submitting quarterly reports to the commissioner
22 and the state board regarding the progress of the public school or school
23 district toward correcting all issues that caused the classification of
24 academic distress.
25 (E) The members of the community advisory board shall
26 serve at the pleasure of the commissioner until:
27 (i) The school district is returned to local control
28 and a permanent board of directors is elected and qualified; or
29 (ii) The state board annexes, consolidates, or
30 reconstitutes the school district under this section or under another
31 provision of law;
32 (3)(A) By April 1 of each year following the appointment of a
33 community advisory board under subdivision (d)(2) of this section, the state
34 board shall determine the extent of the public school's or school district's
35 progress toward correcting all issues that caused the classification of
36 academic distress and shall:

1 (i) Allow the community advisory board to remain in
2 place for one (1) additional year;
3 (ii) Return the school district to local control by
4 calling for the election of a newly elected board of directors if:
5 (a) The department certifies in writing to the
6 state board and to the school district that the public school or school
7 district has corrected all issues that caused the classification of academic
8 distress and that no public school within the school district is classified
9 as being in academic distress; and
10 (b) The state board determines the public
11 school or school district has corrected all issues that caused the
12 classification of academic distress and that no public school within the
13 school district is classified as being in academic distress; or
14 (iii) Annex, consolidate, or reconstitute the school
15 district pursuant to this title.
16 (B) If the state board calls for an election of a new
17 school district board of directors, the school district shall reimburse the
18 county board of election commissioners for election costs as otherwise
19 required by law.
20 (4) If the state board calls for an election of a new school
21 district board of directors pursuant to subdivision (d)(3)(A)(ii) of this
22 section, the commissioner, with the approval of the state board, may appoint
23 an interim board of directors to govern the school district until a permanent
24 school district board of directors is elected and qualified.
25 (A) The interim board of directors shall consist of either
26 five (5) or seven (7) members.
27 (B) The members of the interim board of directors shall be
28 residents of the school district and otherwise eligible to serve as school
29 board members under applicable law.
30 (C) The members of the interim board of directors shall
31 serve on a voluntary basis without compensation.
32 (e)(1) If, by the end of the fifth school year following the public
33 school's or school district's classification of academic distress status, the
34 public school or school district in academic distress has not corrected all
35 issues that caused the classification of academic distress, the state board,
36 after a public hearing, shall consolidate, annex, or reconstitute the school

1 district under this section.
2 (2) The state board may grant additional time for a public
3 school or school district to remove itself from academic distress by issuing
4 a written finding supported by a majority of the state board explaining in
5 detail that the public school or school district could not remove itself from
6 academic distress during the relevant time period due to impossibility caused
7 by external forces beyond the control of the public school or school
8 district.
9 (f) Nothing in this section shall be construed to prevent the
10 department or the state board from taking any of the actions listed in this
11 section at any time to address public schools and school districts in
12 academic distress.
13
14 SECTION 6. Arkansas Code § 6-15-431(a), concerning academic distress
15 rules and regulations, is amended to read as follows:
16 (a) The State Board of Education shall promulgate rules and
17 regulations as necessary to identify, evaluate, assist, and address public
18 schools and school districts determined to be in academic distress.
19
20 SECTION 7. Arkansas Code § 6-18-227(a)(2), concerning the Arkansas
21 Opportunity Public School Choice Act of 2004, is amended to read as follows:
22 (2)(A) The purpose of this section is to provide enhanced
23 opportunity for students in this state to gain the knowledge and skills
24 necessary for postsecondary education, a technical education, or the world of
25 work.
26 (B) The General Assembly:
27 (i) Recognizes that the Arkansas Constitution, as
28 interpreted by the Arkansas Supreme Court in Lake View School District No. 25
29 v. Huckabee, 351 Ark. 31 (2002), makes education a paramount duty of the
30 state;
31 (ii) Finds that the Arkansas Constitution requires
32 the state to provide an adequate education;
33 (iii) Further finds that a student should not be
34 compelled against the wishes of the parent, guardian, or the student, if the
35 student is over eighteen (18) years of age, to remain in a public school or
36 school district ~~designated as a level 1 school under § 6-15-2103 for two (2)~~

1 ~~or more consecutive years~~ classified by the State Board of Education as a
2 public school or school district in academic distress under § 6-15-428; and
3 (iv) Shall make available a public school choice
4 option in order to give a child the opportunity to attend a public school or
5 school district that is ~~performing satisfactorily~~ not in academic distress.
6 ~~(C) This section shall take effect with the implementation~~
7 ~~of school performance category levels.~~
8
9 SECTION 8. Arkansas Code § 6-18-227(a)(4), concerning the Arkansas
10 Opportunity Public School Choice Act of 2004, is amended to read as follows:
11 (4) A public school choice program is hereby established to
12 enable any student to transfer from a ~~failing school to another public school~~
13 ~~in the state~~ public school or school district classified by the state board
14 as in academic distress to another public school or school district in the
15 state that is not in academic distress, subject to the restrictions contained
16 in this section.
17
18 SECTION 9. Arkansas Code § 6-18-227(b)(1), concerning the Arkansas
19 Opportunity Public School Choice Act of 2004, is amended to read as follows:
20 (b)(1) Upon the request of a parent, guardian, or the student, if the
21 student is over eighteen (18) years of age, a student may transfer from his
22 or her resident district or public school to another district or public
23 school in accordance with the provisions of this section if:
24 (A) The resident public school or school district has been
25 ~~designated pursuant to § 6-15-2103 as a level 1 school for two (2) or more~~
26 ~~consecutive school years~~ classified by the state board as a public school or
27 school district in academic distress; and
28 (B) The parent, guardian, or the student, if the student
29 is over eighteen (18) years of age, has notified the Department of Education
30 and both the sending and receiving school districts of the request for a
31 transfer no later than July 30 of the first year in which the student intends
32 to transfer.
33
34 SECTION 10. Arkansas Code § 6-18-227(b)(3)(A) and (B), concerning the
35 Arkansas Opportunity Public School Choice Act of 2004, is amended to read as
36 follows:

1 (3)(A) For each student enrolled in or assigned to a public
2 school or school district that has been classified by the state board as
3 being in academic distress ~~designated as a level 1 school for two (2) or more~~
4 ~~consecutive school years~~, a school district shall:
5 (i) Timely notify the parent, guardian, or the
6 student, if the student is over eighteen (18) years of age, as soon as
7 practicable after the designation is made, of all options available pursuant
8 to this section; and
9 (ii) Offer the parent, guardian, or the student, if
10 the student is over eighteen (18) years of age, an opportunity to enroll the
11 student in any public school or school district that has not been ~~designated~~
12 ~~by the state pursuant to § 6-15-2103 as a school performing higher than that~~
13 ~~in which the student is currently enrolled or to which the student has been~~
14 ~~assigned, but not less than annual performance category level 3~~ classified by
15 the state board as being in academic distress. The opportunity to continue
16 attending the ~~higher performing~~ public school or school district that is not
17 in academic distress shall remain in force until the student graduates from
18 high school.
19 (B)(i) The parent or guardian of a student enrolled in or
20 assigned to a public school or school district that has been ~~designated as a~~
21 ~~school in level 1 under § 6-15-2103 for two (2) or more consecutive years~~
22 classified by the state board as being in academic distress may choose as an
23 alternative to enroll the student in a legally allowable ~~category level 3 or~~
24 ~~higher performing~~ public school not in academic distress that is nearest to
25 the student's legal residence.
26 (ii) That school or school district shall accept the
27 student and report the student for purposes of the funding pursuant to
28 applicable state law.
29
30 SECTION 11. Arkansas Code § 6-18-227(c)(2), concerning the Arkansas
31 Opportunity Public School Choice Act of 2004, is amended to read as follows:
32 (2) Upon the transferring public school or school district's
33 removal from academic distress status ~~receiving a category level 3 or higher~~
34 ~~for its annual performance~~, the transportation costs shall no longer be the
35 responsibility of the transferring district, and the student's transportation
36 and the costs of the transportation shall be the responsibility of the

parents or the receiving school district if the receiving school district agrees to bear the transportation costs.

SECTION 12. Arkansas Code § 6-18-227(i), concerning the Arkansas Opportunity Public School Choice Act of 2004, is amended to read as follows:

(i) For purposes of determining a school district's state ~~equalization aid~~ funding, the nonresident student shall be counted as a part of the average daily membership of the district to which the student has transferred.

SECTION 13. Arkansas Code § 6-20-1908(d) through (f), concerning the fiscal distress improvement plans, is amended to read as follows:

(d) ~~No~~ Except under § 6-20-1910(d), a school district shall not be allowed to remain in fiscal distress status for more than ~~two (2)~~ five (5) 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 written recommendations to the district superintendent regarding staffing of the school district and fiscal practices of the school district.

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

SECTION 14. Arkansas Code § 6-20-1908(i), concerning the fiscal distress improvement plans, is amended to read as follows:

(i) ~~The~~ Except under § 6-20-1910(d), 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)~~ five (5) consecutive school years of ~~receipt of notice of identification~~ classification 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.

SECTION 15. Arkansas Code § 6-20-1909(a), concerning department fiscal distress actions, is amended to read as follows:

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

(1) ~~Require the superintendent to relinquish all administrative authority with respect to the school district;~~ Remove permanently, reassign, or suspend on a temporary basis the superintendent of the school district and:

~~(2)~~(A) Appoint an individual in place of the superintendent to administratively operate the school district under the supervision and approval of the ~~Commissioner of Education~~ commissioner; and

(B) ~~to compensate~~ Compensate nondepartment agents operating the school district from school district funding;

(2) Suspend or remove some or all of the current board of directors and call for the election of a new board of directors for the school district, in which case the school district shall reimburse the county board of election commissioners for election costs as otherwise recognized by law;

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

~~(4)~~(3) 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;

(4) Waive the application of Arkansas law or the corresponding state board rules, with the exception of:

(A) The Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq.; and

(B) The Public School Employee Fair Hearing Act, § 6-17-1701 et seq.;

(5) Petition the State Board of Education for the annexation, consolidation, or reconstitution of the school district;

(6) In the absence of a school district board of directors, assume all authority of the board of directors as designated by the state board as may be necessary for the day-to-day governance of the school

1 district;
2 ~~(5)~~(7)(A) ~~Place~~ Return the administration of the school district
3 ~~over~~ to the former board of directors or to a newly elected ~~school~~ board of
4 directors~~; or~~ if:
5 (i) The department certifies in writing to the state
6 board and to the school district that the school district has corrected all
7 issues that caused the classification of fiscal distress; and
8 (ii) The state board determines the school district
9 has corrected all issues that caused the classification of fiscal distress.
10 (B) If the commissioner calls for an election of a new
11 school district board of directors, the school district shall reimburse the
12 county board of election commissioners for election costs as otherwise
13 required by law;
14 (8) Otherwise reconstitute the school district; or
15 ~~(6)~~(9) Take any other action allowed by law that is deemed
16 necessary to assist a school district in removing ~~criteria~~ the classification
17 of fiscal distress.
18
19 SECTION 16. Arkansas Code § 6-20-1910, concerning State Board of
20 Education fiscal distress actions, is amended to add a new subsection to read
21 as follows:
22 (d) If the Commissioner of Education assumes authority over a public
23 school district in fiscal distress under subsection (a) of this section, the
24 state board may pursue the following process for returning a public school
25 district to the local control of its residents:
26 (1) During the second school year following a school district's
27 classification as being in fiscal distress status, the state board shall
28 determine the extent of the school district's progress toward correcting all
29 issues that caused the classification of fiscal distress;
30 (2)(A) If the state board determines that sufficient progress
31 has been made by a school district toward correcting all issues that caused
32 the classification of fiscal distress, but the school district has not yet
33 resolved all issues that caused the classification of fiscal distress, the
34 commissioner, with the approval of the state board, may appoint a community
35 advisory board of either five (5) or seven (7) members to serve under the
36 supervision and direction of the commissioner.

1 (B) The members of the community advisory board shall be
2 residents of the school district and shall serve on a voluntary basis without
3 compensation.
4 (C) The Department of Education shall cause to be provided
5 to the community advisory board technical assistance and training in, at a
6 minimum, the areas required in § 6-13-629.
7 (D) The duties of the community advisory board include
8 without limitation:
9 (i) Meeting monthly during a regularly scheduled
10 public meeting with the state-appointed administrator regarding the progress
11 of the public school or school district toward correcting all issues that
12 caused the classification of fiscal distress;
13 (ii) Seeking community input from the patrons of the
14 school district regarding the progress of the public school or school
15 district toward correcting all issues that caused the classification of
16 fiscal distress;
17 (iii) Conducting hearings and making recommendations
18 to the commissioner regarding personnel and student discipline matters under
19 the appropriate district policies;
20 (iv) Working to build community capacity for the
21 continued support of the school district; and
22 (v) Submitting quarterly reports to the commissioner
23 and the state board regarding the progress of the public school or school
24 district toward correcting all issues that caused the classification of
25 fiscal distress.
26 (E) The members of the community advisory board shall
27 serve at the pleasure of the commissioner until:
28 (i) The school district is returned to local control
29 and a permanent board of directors is elected and qualified; or
30 (ii) The state board annexes, consolidates, or
31 reconstitutes the school district under this section or under another
32 provision of law;
33 (3)(A) By April 1 of each year following the appointment of a
34 community advisory board under subdivision (d)(2) of this section, the state
35 board shall determine the extent of the school district's progress toward
36 correcting all issues that caused the classification of fiscal distress and

1 shall:
2 (i) Allow the community advisory board to remain in
3 place for one (1) additional year;
4 (ii) Return the school district to local control by
5 calling for the election of a newly elected board of directors if:
6 (a) The department certifies in writing to the
7 state board and to the school district that the school district has corrected
8 all criteria for being placed into fiscal distress; and
9 (b) The state board determines the school
10 district has corrected all criteria for being placed into fiscal distress; or
11 (iii) Annex, consolidate, or reconstitute the school
12 district pursuant to this title.
13 (B) If the state board or commissioner calls for an
14 election of a new school district board of directors, the school district
15 shall reimburse the county board of election commissioners for election costs
16 as otherwise required by law;
17 (4) If the state board calls for an election of a new school
18 district board of directors pursuant to subdivision (d)(3)(A)(ii) of this
19 section, the commissioner, with the approval of the state board, may appoint
20 an interim board of directors to govern the school district until a permanent
21 school district board of directors is elected and qualified.
22 (A) The interim board of directors shall consist of either
23 five (5) or seven (7) members.
24 (B) The members of the interim board of directors shall be
25 residents of the school district and otherwise eligible to serve as school
26 board members under applicable law.
27 (C) The members of the interim board of directors shall
28 serve on a voluntary basis without compensation.
29 (e)(1) If, by the end of the fifth school year following the school
30 district's classification of fiscal distress status, the school district in
31 fiscal distress has not corrected all issues that caused the classification
32 of fiscal distress, the state board, after a public hearing, shall
33 consolidate, annex, or reconstitute the school district under this section.
34 (2) The state board may grant additional time for a public
35 school or school district to remove itself from fiscal distress by issuing a
36 written finding supported by a majority of the state board explaining in

1 detail that the public school or school district could not remove itself from
2 fiscal distress during the relevant time period due to impossibility caused
3 by external forces beyond the control of the public school or school
4 district.
5 (f) Nothing in this section shall be construed to prevent the
6 department or the state board from taking any of the actions listed in § 6-
7 20-1909 or this section at any time to address a school district in fiscal
8 distress.
9
10 SECTION 17. Arkansas Code § 6-21-803(5) and (6), concerning the
11 definition of "facilities distress status", is amended to read as follows:
12 (5) "Facilities distress status" means a public school district
13 ~~determined~~ identified by the Division of Public School Academic Facilities
14 and Transportation as being in academic facilities distress status and
15 classified by the Commission for Arkansas Public School Academic Facilities
16 and Transportation as being in academic facilities distress status under this
17 subchapter;
18 (6) "Facilities improvement plan" means a remedial plan
19 developed by a school district for a public school or school district
20 ~~identified~~ classified as being in academic facilities distress that
21 supplements the school district's facilities master plan by:
22 (A) Identifying specific interventions and actions the
23 public school or school district will undertake in order to correct deficient
24 areas of practice with regard to custodial, maintenance, repair, and
25 renovation activities with regard to academic facilities in the school
26 district; and
27 (B) Describing how the school district will remedy those
28 areas in which the school district is experiencing facilities distress,
29 including the designation of the time period by which the school district
30 will correct all deficiencies that placed the school district in facilities
31 distress status;
32
33 SECTION 18. Arkansas Code § 6-21-811(a) and (b), concerning the
34 academic facilities distress program, is amended to read as follows:
35 (a) The Commission for Arkansas Public School Academic Facilities and
36 Transportation shall ~~identify~~ classify a public school or school district as

being in academic facilities distress if the Division of Public School Academic Facilities and Transportation recommends and the commission concurs that the public school or school district has engaged in actions or inactions that result in any of the following:

(1) Any act or violation determined by the division to jeopardize any academic facility used by a public school or school district, including, but not limited to:

(A) Material failure to properly maintain academic facilities in accordance with this subchapter and rules adopted by the commission;

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

(C) Material violation of applicable building code provisions or law;

(D) Material failure to provide timely and accurate facilities master plans to the division;

(E) Material failure to comply with state law governing purchasing, bid requirements, or school-construction-related laws or rules in relation to academic facilities projects;

(F) Material default on any school district debt obligation; or

(G) Material failure to plan and progress satisfactorily toward accomplishing the priorities established by the division and the approved school district's facilities master plan; and

(2) Any other condition of an academic facility or facilities in a public school or school district that is determined by the division to have a detrimental impact on educational services provided by that public school or school district.

(b) The division shall provide written notice, via certified mail, return receipt requested, to the president of the ~~school~~ board of directors and the superintendent of the ~~public school or~~ school district identified <u>or containing a school identified by the division</u> as being in facilities distress.

SECTION 19. Arkansas Code § 6-21-811(d) and (e), concerning the academic facilities distress program, is amended to read as follows:

1 (d)(1) A public school or school district ~~identified~~ classified by the
2 commission as being in facilities distress shall develop a facilities
3 improvement plan within thirty (30) days from the date of ~~receipt of the~~
4 ~~notice~~ classification and promptly submit the facilities improvement plan to
5 the division for review and approval.
6 (2) A public school or school district shall review and revise
7 its facilities improvement plan on a periodic basis as determined by the
8 division and submit the updated facilities improvement plan to the division
9 in order for the division to determine whether the public school or school
10 district is correcting its deficient areas of practice regarding academic
11 facilities.
12 (3) A school district shall use facilities improvement plans as
13 necessary to supplement and update its facilities master plan.
14 (e)(1) Every two (2) years ~~beginning February 1, 2009~~, the division
15 shall determine whether the progress of each school district complies with
16 the school district's facilities master plan and shall notify the school
17 district of any noncompliance.
18 (2) ~~Beginning on February 1, 2008, and each biennium thereafter~~
19 Every two (2) years, the division shall review the applications made for the
20 Academic Facilities Partnership Program established under § 6-20-2507, to
21 identify any school district that did not apply for state funding for
22 necessary facilities to meet adequacy requirements and shall notify the
23 school district of any deficiencies.
24 (3) Within thirty (30) days of receiving the notice provided
25 under subdivision (e)(1) or (e)(2) of this section, the school district shall
26 submit a facilities improvement plan to the division for its review and
27 approval that states how the school district will address the noncompliance
28 issues contained in the notice.
29 (4) If the division does not approve the facilities improvement
30 plan submitted by the school district, it shall identify the school district
31 as being in facilities distress.
32 (5) A school district may appeal the ~~decision~~ identification of
33 the division under this subsection to the commission pursuant to the
34 procedures established by the commission;
35
36 SECTION 20. Arkansas Code § 6-21-811(f)(1)(A)(ii), concerning the

academic facilities distress program, is amended to read as follows:

(ii) Thoroughly discuss and explain the sanctions and requirements that are available to the commission if the school district or a school within the district is ~~identified~~ classified by the commission as being in facilities distress under this section and § 6-21-812.

SECTION 21. Arkansas Code § 6-21-811(g), concerning the academic facilities distress program, is amended to read as follows:

(g) When a school district is ~~identified~~ classified by the commission to be in facilities distress, the division may with the approval of the commission:

(1)(A) Provide on-site technical evaluation and assistance and make written recommendations to the school district superintendent regarding the care and maintenance of any academic facility in the school district.

(B) Any school district ~~identified~~ classified as being in facilities distress status shall accept on-site technical evaluation and assistance from the division.

(C) The written recommendations of the division are binding on the school district, the superintendent, and the ~~school~~ board of directors;

(2) ~~Require the superintendent to relinquish all administrative authority with respect to the school district~~ Remove permanently, reassign, or suspend on a temporary basis the superintendent of the school district, and:

(A) 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

(B) Compensate from school district funds the individual appointed to operate the school district;

~~(3)(A) Appoint an individual in place of the superintendent to administratively operate the school district under the supervision and approval of the Commissioner of Education, or his or her designee.~~

~~(B) The division may direct the school district to compensate from school district funds the individual appointed to operate the school district;~~

~~(4)~~(3) Suspend or remove ~~any~~ some or all ~~members~~ of the current

board of directors and call for the election of a new ~~school~~ board of directors for the school district, in which case the school district shall reimburse the county board of election commissioners for election costs as otherwise required by law;

~~(5)~~(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;

~~(6) Require the school district to operate without a local school board of directors under the supervision of an individual or panel appointed by the Commissioner of Education;~~

(5) Waive the application of Arkansas law or the corresponding state board rules and regulations, with the exception of:

(A) The Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq.; and

(B) The Public School Employee Fair Hearing Act, § 6-17-1701 et seq.;

(6) In the absence of a school district board of directors, direct the commissioner to assume all authority of the board of directors as may be necessary for the day-to-day governance of the school district;

(7)(A) Return the administration of the school district to the former board of directors or place the administration of the school district in a newly elected ~~school~~ board of directors if:

(i) The division certifies in writing to the commission and to the school district that the school district has corrected all issues that caused the classification of facilities distress; and

(ii) The commission determines the school district has corrected all issues that caused the classification of facilities distress.

(B) If the division calls for an election of a new school district board of directors, the school district shall reimburse the county board of election commissioners for election costs as otherwise required by law;

(8) Require school district staff and employees to attend training in areas of concern for the public school or school district;

(9)(A) Require a school district to cease all expenditures related to activities not described as part of an adequate education in § 6-

1 20-2302 and place money that would have been spent on the activities into an
2 academic facilities escrow account to be released only upon approval by the
3 division for use in conjunction with a local academic facilities project.
4 (B) School districts shall include a clause addressing
5 this contingency in all contracts with personnel who are involved with
6 activities not described as part of an adequate education;
7 (10) Notify the public school or school district in writing that
8 the deficiencies regarding academic facilities shall be corrected within a
9 time period designated by the division;
10 (11)(A) Petition the State Board of Education at any time for
11 the consolidation, annexation, or reconstitution of a school district in
12 facilities distress or take other appropriate action as allowed by this
13 subchapter in order to secure and protect the best interest of the
14 educational resources of the state or to provide for the best interest of
15 students in the school district.
16 (B) The state board may approve the petition or take other
17 appropriate action as allowed by this subchapter.
18 (C) ~~The~~ Except as set forth in subsection (m) or
19 subdivision (g)(11)(D) of this section, the state board shall consolidate,
20 annex, or reconstitute any school district that fails to remove itself from
21 the classification of a school district in facilities distress within ~~two (2)~~
22 five (5) consecutive school years of ~~receipt of notice of identification~~
23 classification of facilities distress status ~~by the division~~.
24 (D) The state board may grant additional time for a public
25 school or school district to remove itself from facilities distress by
26 issuing a written finding supported by a majority of the state board
27 explaining in detail that the public school or school district could not
28 remove itself from facilities distress during the relevant time period due to
29 impossibility caused by external forces beyond the control of the public
30 school or school district;
31 (12) Correct the failure of a school district to complete its
32 agreed plan or to pass the millage in the special election under subdivision
33 (f)(2) of this section by contracting for and completing the necessary
34 improvements under the agreed plan;
35 (13)(A) If the division recommends and the commission concurs
36 that the academic facilities in the public school district in facilities

1 distress are inadequate to provide an adequate education, the state board may
2 dissolve the school district and transfer students to public schools in other
3 public school districts.
4 (B) The state board shall assign the public school
5 district's territory, property, and debt; and
6 (14) Take any other action allowed by law that is deemed
7 necessary to assist a public school or school district in ~~removing criteria~~
8 correcting the issues that the classification of facilities distress, to
9 secure and protect the best interest of the educational resources of the
10 state, or to provide for the best interest of students in the school
11 district.
12
13 SECTION 22. Arkansas Code § 6-21-811(k)(1)(A), concerning the academic
14 facilities distress program, is amended to read as follows:
15 (k)(1)(A) If a school district is ~~identified~~ classified by the
16 commission as being in facilities distress and has immediate repairs, growth,
17 or suitability improvement issues, the division, in addition to any other
18 remedy under this section and § 6-21-812, may provide a loan to the school
19 district to be repaid from any funds available that are not required to
20 provide an adequate education.
21
22 SECTION 23. Arkansas Code § 6-21-811, concerning the academic
23 facilities distress program, is amended to add two new subsections as
24 follows:
25 (m) If the division or commissioner assumes authority over a public
26 school district in facilities distress under subsection (g) of this section,
27 the commission may pursue the following process for returning a public school
28 district to the local control of its residents:
29 (1) During the second school year following a school district's
30 classification as being in facilities distress status, the commission shall
31 determine the extent of the school district's progress toward correcting all
32 issues that caused the classification of facilities distress;
33 (2)(A) If the commission determines that sufficient progress has
34 been made by a school district toward correcting all criteria for being
35 classified as in facilities distress, but the school district has not yet
36 resolved all issues that caused the classification of facilities distress,

1 the commissioner, with the approval of the commission, may appoint a
2 community advisory board of either five (5) or seven (7) members to serve
3 under the supervision and approval of the commissioner.
4 (B) The members of the community advisory board shall be
5 residents of the school district and shall serve on a voluntary basis without
6 compensation.
7 (C) The Department of Education shall cause to be provided
8 to the community advisory board technical assistance and training in, at a
9 minimum, the areas required in § 6-13-629.
10 (D) The duties of the community advisory board include
11 without limitation:
12 (i) Meeting monthly during a regularly scheduled
13 public meeting with the state-appointed administrator regarding the progress
14 of the school or school district toward correcting all issues that caused the
15 classification of facilities distress;
16 (ii) Seeking community input from the residents of
17 the school district regarding the progress of the school or school district
18 toward correcting all issues that caused the classification of facilities
19 distress;
20 (iii) Conducting hearings and making recommendations
21 to the commissioner regarding personnel and student discipline matters as set
22 forth in the appropriate district policies;
23 (iv) Working to build community capacity for the
24 continued support of the school district; and
25 (v) Submitting quarterly reports to the commissioner
26 and the commission regarding the progress of the school or school district
27 toward correcting all issues that caused the classification of facilities
28 distress.
29 (E) The members of the community advisory board shall
30 serve at the pleasure of the commissioner until:
31 (i) The school district is returned to local control
32 and a permanent school district board of directors is elected and qualified;
33 or
34 (ii) The state board, upon petition of the
35 commission or division annexes, consolidates or reconstitutes the school
36 district pursuant to this title or under another provision of law;

1 (3) By April 1 of each year following the appointment of a
2 community advisory board pursuant to subdivision (m)(2) of this section, the
3 commission shall determine the extent of the school district's progress
4 toward correcting all criteria for being classified as in facilities distress
5 and shall:
6 (A) Allow the community advisory board to remain in place
7 for an additional year;
8 (B) Return the school district to local control by calling
9 for the election of a newly elected school district board of directors if:
10 (i) The division certifies in writing to the
11 commission and to the school district that the school district has corrected
12 all issues that caused the classification of facilities distress; and
13 (ii) The commission determines the school district
14 has corrected all issues that caused the classification of facilities
15 distress.
16 (iii) If the division or commission calls for an
17 election of a new school district board of directors, the school district
18 shall reimburse the county board of election commissioners for election costs
19 as otherwise required by law; or
20 (C) Petition the state board for the annexation,
21 consolidation, or reconstitution of the school district under this section;
22 (4)(A) If the division, with the approval of the commission,
23 calls for an election of a new school district board of directors pursuant to
24 subdivision (g)(7) of this section, the commissioner, with the approval of
25 the commission, may appoint an interim board of directors to govern the
26 school district until a permanent school district board of directors is
27 elected and qualified.
28 (B) The interim board of directors shall consist of either
29 five (5) or seven (7) members.
30 (C) The members of the interim board of directors shall be
31 residents of the school district and otherwise eligible to serve as board
32 members under applicable law.
33 (D) The members of the interim board of directors shall
34 serve on a voluntary basis without compensation.
35 (n)(1) If, by the end of the fifth school year following the school
36 district's classification of facilities distress status, the school district

1 in facilities distress has not corrected all issues that caused the
2 classification of facilities distress, the state board, upon petition from
3 the commission or division and after a public hearing, shall consolidate,
4 annex, or reconstitute the school district under this section.
5 (2) The state board may grant additional time for a public
6 school or school district to remove itself from facilities distress by
7 issuing a written finding supported by a majority of the state board
8 explaining in detail that the public school or school district could not
9 remove itself from facilities distress during the relevant time period due to
10 impossibility caused by external forces beyond the control of the public
11 school or school district.
12 (o) This section does not prevent the division, commission, or state
13 board from taking any of the actions listed in this section at any time to
14 address a public school or school district in facilities distress.
15
16 SECTION 24. EMERGENCY CLAUSE. It is found and determined by the
17 General Assembly of the State of Arkansas that it is the state's
18 constitutional obligation to provide a general, suitable, and efficient free
19 system of public schools in the state; that state oversight and intervention
20 into distressed school districts is critical to the delivery of a
21 constitutionally adequate education; and that the changes made in this act
22 are immediately necessary for the state to meet this constitutional
23 obligation. Therefore, an emergency is declared to exist, and this act being
24 immediately necessary for the preservation of the public peace, health, and
25 safety shall become effective on:
26 (1) The date of its approval by the Governor;
27 (2) If the bill is neither approved nor vetoed by the Governor,
28 the expiration of the period of time during which the Governor may veto the
29 bill; or
30 (3) If the bill is vetoed by the Governor and the veto is
31 overridden, the date the last house overrides the veto.
32
33 */s/Perry*
34
35
36 **APPROVED: 04/04/2013**

2014-2015 Application Cycle

Notification of Charter Authorizing Panel Decision

Fountain Lake Charter High School
Fountain Lake School District

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 19, 2015

Mr. Brad Sullivan
Fountain Lake School District
4207 Park Avenue
Hot Springs, Arkansas 71901

RE: Charter Authorizing Panel Decision-Fountain Lake Charter High School Requirement to Report on Progress

Dear Mr. Sullivan:

On December 11, 2014 the Arkansas State Board of Education (State Board) voted to review the decision of the Charter Authorizing Panel to approve the application of Fountain Lake Charter High School. On January 8, 2015 the State Board conducted a review on the Fountain Lake Charter High School application and voted to affirm the decision of the Charter Authorizing Panel to approve the application for Fountain Lake Charter High School, which included a requirement for Fountain Lake to report to the Charter Authorizing Panel in the spring on the progress of the charter. On February 18, 2015 the Charter Authorizing Panel voted **not to require** Fountain Lake Charter High School to return in the spring with a report on progress.

I look forward to assisting you and other members of your team as you prepare to open Fountain Lake Charter High School for the 2015-2016 school year. Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue, Director
Office of Educational Options

C: Mr. Darin Beckwith, Superintendent, Fountain Lake School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

2014-2015 Application Cycle

State Board of Education Decision Letter

Fountain Lake Charter High School

Fountain Lake School District

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

January 12, 2014

Mr. Brad Sullivan
Fountain Lake School District
4207 Park Avenue
Hot Springs, Arkansas 71901

RE: State Board Review-Fountain Lake Charter High School District Conversion Public Charter School Application

Dear Mr. Sullivan:

On December 11, 2014 the Arkansas State Board of Education (State Board) voted to review the decision of the Charter Authorizing Panel to approve the application of Fountain Lake Charter High School. On January 8, 2015 the State Board conducted a review on the Fountain Lake Charter High School application and voted to affirm the decision of the Charter Authorizing Panel to approve the application for Fountain Lake Charter High School. The approval of the application is final.

I look forward to assisting you and other members of your team as you prepare to open Fountain Lake Charter High School for the 2015-2016 school year. Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue

Cindy Hogue, Director
Office of Educational Options

C: Mr. Darin Beckwith, Superintendent, Fountain Lake School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

2014-2015 Application Cycle

State Board of Education Review Letter

Fountain Lake Charter High School

Fountain Lake School District

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

December 15, 2014

Mr. Brad Sullivan
Fountain Lake School District
4207 Park Avenue
Hot Springs, Arkansas 71901

RE: State Board Review-Fountain Lake Charter High School District Conversion Public Charter School Application

Dear Mr. Sullivan:

On December 11, 2014 the Arkansas State Board of Education (State Board) voted to review the decision of the Charter Authorizing Panel to approve the application of Fountain Lake Charter High School. The State Board will conduct a hearing on the Fountain Lake Charter High School application at its regularly scheduled meeting on Thursday, January 8, 2015. The meeting will begin at 10:00 a.m. in the Auditorium of the Arch Ford Building, Four Capitol Mall, Little Rock, Arkansas.

The State Board will conduct a full hearing pursuant to Ark. Code Ann. §6-23-101 and Section 10.02.2 of the Arkansas Department of Education Rules Governing Public Charter Schools (Charter School Rules). A copy of the Charter School Rules can be found at the following link under the heading, "Charter School (PDF)".

http://www.arkansased.org/divisions/legal/rules/current

At its December 11, 2014 meeting the State Board discussed that it would like to further explore Fountain Lake Charter High School's plans due to the Charter Authorizing Panels concerns and request that Fountain Lake representatives return in the spring with a report to update the Charter Authorizing Panel on the progress of their plans. Please keep in mind that the State Board will conduct a full hearing on the entire application and the State Board's discussion of the application may not necessarily be limited only to the areas of concern addressed by the State Board at its December 11, 2014 meeting. Therefore, you should be prepared to discuss the entire application. Any modifications to the application that were made orally before the Charter Authorizing Panel may not be considered part of the application before the State Board. If the applicant wishes to make any of these same or other modifications, the applicant should address the modifications either in its written materials provided to the State Board or in its presentation of its application to the State Board. The applicant should attend the hearing and bring any personnel and documentation necessary to address any questions the State Board of Education may have.

The State Board will be provided copies of the entire packet that was presented to the Charter Authorizing Panel. If the parties have additional written information to present to the State Board, the parties must provide that written information to the Charter Office, ade.charterschools@arkansas.gov by 10:00 a.m. on December 19, 2014.

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

For your information and reference, the transcripts from the Charter Authorizing Panel meetings are available at:

http://www.arkansased.org/about-ade/charter-authorizing-panel/minutes/archive/2014

If you wish to present an electronic presentation to the State Board, please provide an electronic copy of the presentation to the Charter Office, ade.charterschools@arkansas.gov, by 4:30 p.m. on Friday, January 2, 2015.

Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue, Director
Office of Educational Options

C: Mr. Darin Beckwith, Superintendent, Fountain Lake School District

Charter Authorizing Panel Decision Letter

Fountain Lake Charter High School

Fountain Lake School District

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

November 21, 2014

Mr. Brad Sullivan
Fountain Lake School District
4207 Park Avenue
Hot Springs, Arkansas 71901

RE: Notice of Charter Authorizing Panel Decision
Fountain Lake Charter High School

Dear Mr. Sullivan:

On November 20, 2014, the Charter Authorizing Panel met and approved the application for Fountain Lake Charter High School. Ark. Code Ann. § 6-23-702(b)(2)(A) allows charter applicants and affected school districts **to request** that the State Board of Education review a final decision of the Charter Authorizing Panel. A request must state the specific reasons that the board should review the decision.

Ark. Code Ann. § 6-23-703(a) requires the State Board of Education to consider requests for review of Charter Authorizing Panel decisions at its next meeting after the decisions are made. Therefore, a review **request** must be submitted, via email, no later than **4:00 p.m. on Tuesday, November 25, 2014,** in order for the request to be included in the State Board of Education agenda materials for the meeting on December 11, 2014. Email the request to ade.charterschools@arkansas.gov. Be advised that the decision of whether to review a Charter Authorizing Panel decision is discretionary. See Ark. Code Ann. § 6-23-702(b)(3). Regardless of whether a review of the panel's decision is requested, the application will be an action item for the State Board of Education on November 13, and, at that time, the board will determine whether or not to review the panel's decision. If the State Board decides to review the panel's decision, the review will take place at a later meeting.

Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue

Cindy Hogue, Director
Office of Educational Options

C: Mr. Darin Beckwith, Superintendent, Fountain Lake School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

Fountain Lake Charter High School Summary

Fountain Lake Charter High School

Fountain Lake School District

Fountain Lake Charter High School

School District:	**Fountain Lake School District**
Grade Levels:	**9-12**
Student Enrollment Cap:	**800**
Address of Proposed Charter:	**4207 Park Avenue, Hot Springs, 71901**

Mission Statement

The mission statement of the Fountain Lake Charter High School is “Graduate Every Student Prepared for Success”.

Issues that Remain Unresolved as Determined by the Charter Internal Review Committee

- None noted

Documentation Provided in Support of the Charter

Letters of Support Included in Application

John A. Hogan	President, National Park Community College
Neal Harrington	Owner, Express Employment Professionals
Jim Fram	President and CEO, Greater Hot Springs Chamber of Commerce
Alan Clark	State Senator, District 13
Ashley and David Twiggs	Parents

ADE Legal Desegregation Analysis

Fountain Lake Charter High School

Fountain Lake School District

MEMO

ARKANSAS DEPARTMENT OF EDUCATION

DATE: November 7, 2014

TO: Charter Authorizing Panel

FROM: ADE Legal Staff

SUBJECT: Desegregation Analysis, District Conversion Public Charter School Applications

I. Introduction

Five public school districts submitted applications for district conversion charter schools:

- Farmington School District, proposing a charter school to provide instruction in grades ten (10) through twelve (12) with an enrollment cap of 650 students;
- Fountain Lake School District, proposing a charter school to provide instruction in grades nine (9) through twelve (12) with an enrollment cap of 800 students;
- Siloam Springs School District, proposing a charter school to provide instruction in grades nine (9) through twelve (12) with an enrollment cap of 350 students;
- Southside School District, proposing a charter school to provide instruction in grades nine (9) through twelve (12) with an enrollment cap of 1,200 students;
- Warren School District, proposing a charter school to provide instruction in grades nine (9) through (12) with an enrollment cap of 600 students.

II. Statutory Requirements

Ark. Code Ann. § 6-23-106(a) requires the applicants for a charter school, the board of directors of the school district in which a proposed charter school would be located, and the authorizer to "carefully review the potential impact of an application for a charter school on the efforts of a public school district or public school districts to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools." Ark. Code Ann. § 6-23-106(b) requires the authorizer to "attempt to measure the likely impact of a proposed public charter school on the efforts of public school districts to achieve and maintain a unitary system." Ark. Code Ann. § 6-23-106(c) states that the authorizer "shall not approve any public charter school under this chapter or any other act or any combination of acts that hampers, delays, or in any manner negatively affects the desegregation efforts of a public school district or public school districts in this state." This analysis is provided to inform the decision-making of the authorizer with regard to the effect, if any, of the proposed charter schools upon the desegregation efforts of a public school district.

III. INFORMATION SUBMITTED BY THE APPLICANT AND THE AFFECTED SCHOOL DISTRICTS

Each applicant addressed Desegregation Assurances in its application. The Department is unaware of any desegregation-related opposition to these applications from any other school district. The applicants' responses are as follows:

Farmington School District, Farmington Career Academies: "The Farmington School District will continue to comply with all state and federal laws in maintaining a desegregated public school. Currently, the Farmington School District is not under any court orders concerning the desegregation of schools. None of the surrounding schools that might be affected by the Farmington Career Academies enrollment are under any court orders concerning the desegregation of schools."

Fountain Lake School District, Fountain Lake Charter High School: "The Garland County School Desegregation Case Comprehensive Settlement Agreement requires that the applicant district, as well as the other school districts in Garland County, is required to participate in inter-district school choice within the parameters of Act 609 of 1989. The applicant hereby confirms that the operation of a conversion charter high school would not inhibit its compliance with the Agreement. The District is currently involved in litigation which seeks to terminate the requirements of the Agreement. The applicant will keep the Arkansas Department of Education and the charter authorizing panel apprised of the status of the litigation as the application process progresses."

Siloam Springs School District, Career Academies of Siloam Springs: "The Siloam Springs School District will continue to operate in compliance with all applicable Arkansas laws and will continue to operate in such a manner as to maintain a desegregated school district, and not impede on any school district's ability to maintain a desegregated school district. The Siloam Springs School District is not under any court orders concerning the desegregation of its schools, nor are any of its surrounding schools."

Southside School District, Southside Charter High School and Southside Freshman Academy: "The Southside School District will continue to operate in compliance with all applicable Arkansas laws and will continue to operate in a manner so as to maintain a desegregated school district, and not impede any district's ability to maintain a desegregated school district. The Southside School District is not under any court orders concerning the desegregation of schools."

Warren School District, Warren High School: "Warren School District and Warren High School will continue to operate in compliance with all applicable Arkansas laws and will continue to operate in such a manner so as to maintain a desegregated school district, and not impede on any school district's ability to maintain a desegregated school district. The Warren School District is not under any court orders concerning the desegregation of its schools."

IV. ANALYSIS FROM THE DEPARTMENT

"Desegregation" is the process by which a school district eliminates, to the extent practicable, the lingering negative effects or "vestiges" of prior *de jure* (caused by official action) racial discrimination.

As stated above, Arkansas law does not allow the authorizer to approve any public charter school that "hampers, delays, or in any manner negatively affects the desegregation efforts" of a public school district. Ark. Code Ann. § 6-23-106(c). 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,* 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).

V. CONCLUSION

The Department is unaware of any data demonstrating that any of the proposed charter schools are motivated by an impermissible intent to segregate schools. However, the authorizer should carefully examine the proposed charter school applications in an attempt to determine whether there are legitimate, non-racially motivated reasons for the charter schools' existence.

Additionally, only one conversion charter school applicant, the Fountain Lake Charter High School, would operate in a school district that is subject to a desegregation order. As noted by the applicant, the conversion charter school will not impede the Fountain Lake School District's obligations to participate in inter-district school choice as provided in the controlling desegregation order.

ADE Evaluation and Applicant Responses

Fountain Lake Charter High School

Fountain Lake School District

Fountain Lake Charter High School

PART A - GENERAL INFORMATION

School District:	**Fountain Lake School District**
Grade Levels:	**9-12**
Enrollment Cap:	**800**
Address of Proposed School:	**4207 Park Avenue, Hot Springs, AR 71901**

PRE-APPLICATION MATERIALS

The Arkansas Department of Education requires that all applicants submit a Letter of Intent, outlining a general description of the proposed charter school.

Evaluation Criteria:

- A Letter of Intent was filed with Arkansas Department of Education on time and included all the necessary information

Fully Responsive

PART B EXECUTIVE SUMMARY

The Arkansas Department of Education requires all applicants to include an executive summary.

Evaluation Criteria:
A mission statement (with content to be evaluated for Prompt #2 of Part C)
The key programmatic features of the proposed charter school

Fully Responsive

PART C NARRATIVE DESCRIPTION OF THE PROPOSED CHARTER

C1: PUBLIC HEARING RESULTS

All districts must conduct a public hearing before applying for a district conversion or limited charter school, to assess support for the school's establishment. Applicants are asked both to document the logistics of the hearing and to include a narrative of the hearing results.

Evaluation Criteria:

- A thorough description of the results of the public hearing
- Evidence of public support exhibited at the hearing
- Documentation of required notice published to garner public attention to the hearing
- Documentation of required notices about the hearing being sent to the community, certified school personnel, and parents of all students enrolled at the public school for which the school district initiated the application

Fully Responsive

C2: MISSION STATEMENT

The Mission Statement should be meaningful and indicate what the school intends to do, for whom, and to what degree.

Evaluation Criteria:

- A mission statement that is clear and succinct

Fully Responsive
Concerns and Additional Questions

C3: EDUCATIONAL NEED

The Educational Need section should explain the need for a charter school in the proposed location and the innovative educational option offered by the charter school.

Evaluation Criteria:

- Valid, reliable, and verifiable data substantiate an educational need for the charter,
- Innovations that would distinguish the charter from other schools

Fully Responsive

C4: ACADEMIC ACHIEVEMENT GOALS

The Academic Achievement Goals section should define the performance expectations for students and the school as whole and support the charter's mission.

Evaluation Criteria:

- Specific goals in reading and mathematics that are clear, measurable, and attainable;
- Valid and reliable assessment tools to be used to measure the goals; and
- Attainment of the goals demonstrate that the charter is meeting the identified educational need for the school and fulfilling its mission

Partially Responsive-FULLY RESPONSIVE (BASED ON RESPONSE)
Concerns and Additional Questions

Explain how the attainment of the goals will demonstrate that the charter is meeting the identified educational need for the school and fulfilling its mission.

The mission of the Fountain Lake Charter High School is to "Graduate Every Student Prepared for Success". Every student will have a Personalized Success Plan (PSP) and be engaged in a career pathway. As a part of the PSP the student, parent and advisor will participate in a formal conference as needed to ensure that progress is being made towards their desired career goal. Within this plan data will be used to document progress towards that goal. The data used for this plan will include but not be limited to academic achievement, Explore, Plan and ACT scores, NWEA, Interest Inventories, high school and college transcripts, internship hours, industry certifications and any other pertinent information that would give direction to success for that individual student.

The goal of the district is to meet or exceed the state average on the Next Generation Assessment, increase the number of students reaching all college and career readiness benchmarks on the ACT, and increase the number of students involved in career

internships, college hours and industry certification programs. The district understands that our students will be competing globally for jobs and we will need to understand how our students compare to students across the state, nation and world. As a district we are committed to preparing all students for success and will use all available resources to make that happen.

C5: EDUCATIONAL PROGRAM

The Educational Program section should describe the educational foundation of the school and the teaching and learning strategies that will be employed.

Evaluation Criteria:

- A clear description of the proposed educational program, including but not limited to the foundational educational philosophy and curricular and instructional strategies to be employed
- Specific reasons that the school would be viable
- A description of the length of school day and school year that meets minimum state requirements

Fully Responsive

Concerns and Additional Questions

Provide an example of a daily schedule that includes the pathways and describe what a typical day would look like for a charter student.

An individual student's daily schedule will be determined by their PSP. For instance, the following table shows the coursework a typical senior at FLCHS might experience during their last year of high school:

	Period	1st Semester	2nd Semester
12th Grade	1st	Math (Pathway Focused) Examples of Possible Pathway Specific Math for Seniors... • Computer Science Pathway- Algebra III or College Algebra or AP Calculus • Advanced Academic Pathway- AP Calculus or College Algebra • Criminal Justice Pathway- Algebra III or College Algebra • Machine Tool Technology Pathway- Algebra III or TBD	Math (Pathway Focused) Examples of Possible Pathway Specific Math for Seniors... • Computer Science Pathway- Algebra III or College Algebra or AP Calculus • Advanced Academic Pathway- AP Calculus or College Algebra • Criminal Justice Pathway- Algebra III or College Algebra • Machine Tool Technology Pathway- Algebra III or TBD
	2nd	English	English
	3rd	Science (Pathway Focused) Examples of Possible Pathway Specific Science for Seniors... • Biomedical Science Pathway- AP Chemistry and/or AP Biology • Aeronautics Pathway- Physics • Engineering Pathway- Physics or AP Physics • Clean Energy Technology Pathway-Environmental Science	Science (Pathway Focused) Examples of Possible Pathway Specific Science for Seniors... • Biomedical Science Pathway- AP Chemistry and/or AP Biology • Aeronautics Pathway-Physics • Engineering Pathway-Physics or AP Physics • Clean Energy Technology Pathway-Environmental Science
	4th	Capstone/Senior Project	Capstone/Senior Project
	5th	Career Pathway Elective 3 (On Campus or at NPTC)	
	6th	Career Pathway Elective 4 (On Campus or at NPTC)	
	7th	Activity	

C6: CHARTER MODEL

Evaluation Criteria:

- Specific reasons why it is critical for the district to have a charter school rather than implementing the plan outlined in the application on an existing traditional campus

Fully Responsive

C7: AUTONOMY

Evaluation Criteria:

A clear description of all the ways in which the charter school will have more autonomy than traditional schools in the district, specifically pertaining to personnel, budget, day-to-day operations, and the school calendar.

Fully Responsive

C8: SCHOOL IMPROVEMENT PLAN

Evaluation Criteria:

- Meaningful and realistic ways to involve licensed employees and parents in developing and implementing the school improvement plan, identifying performance criteria, and evaluating the effectiveness of the improvement plan
- A plan that addresses how the charter school will improve student learning and meet the state education goals

Fully Responsive

C9: CURRICULUM ALIGNMENT

The Curriculum Alignment section should define the process by which the charter will ensure that the curriculum aligns with Arkansas Curriculum Frameworks and Common Core State Standards.

Evaluation Criteria:

- Evidence that the applicant has a process to ensure all curriculum materials , used in the educational program, align with the Arkansas Department of Education's curriculum frameworks and the Common Core State Standards

Fully Responsive

C10: STUDENT SERVICES

The Student Services section should describe how the school will address specific services for its student body.

Evaluation Criteria:

A description of the ways in which the following services will be provided to students **even in those areas for which a waiver is requested**:

- A guidance program that will serve all students;
- A health services program that will serve all students;
- A plan for a media center for use by all students;
- Sound plans for educating special education students that reflect the full range of programs and services required to provide such students with a high quality education;
- A transportation plan that will serve all **eligible** students;
- An alternative education plan for eligible students, including those determined to be at-risk and to offer access to one or more approved Alternative Learning Environments;
- A plan to serve students who are English language learners; and
- Plans for a gifted and talented program for eligible students

Fully Responsive

Concerns and Additional Questions

Confirm that the charter will comply with all state and federal special education regulations.

Fountain Lake Charter High School will comply with all state and federal special education regulations.

C11: ANNUAL PROGRESS REPORTS

The Annual Progress Reports section should define how the academic progress of individual students and the school as a whole will be measured, analyzed, and reported.

Evaluation Criteria:

- A timeline for data compilation and completion of an annual report to parents, the community and the authorizer, **separate from the district's annual report to the public**, that outlines the school's progress;
- A plan for dissemination of the annual report to appropriate stakeholders

Fully Responsive

C12: ENROLLMENT CRITERIA AND PROCEDURES

The Enrollment Criteria and Procedures section should describe how the school will attract and enroll its student body, including any criteria for admission and enrollment. Applicants must also provide assurances for a random, anonymous lottery selection process.

Evaluation Criteria:

- A student recruitment plan that will provide equal opportunity for all parents and students to learn about and apply to the school
- An enrollment and admissions process that is open, fair, and in accordance with applicable law
- A process for, and a guarantee of, a random, anonymous lottery process should there be more student applications than can be accommodated under the terms of the charter

Fully Responsive

C13: PRIOR CHARTER INVOLVEMENT

Evaluation Criteria:

- A complete Prior Charter Involvement Template for each individual connected with the propose charter;
- Accurate data in each Prior Charter Involvement Template, including active links to assessment data

Fully Responsive

C14: STAFFING PLAN

The Staffing Plan section should describe the job duties of the school administrator(s) and other key personnel. This section should also describe the professional qualifications which will be required of employees.

Evaluation Criteria:

- A job description for the school administrators and other key personnel, including but not limited to counselors, teachers, etc.
- An outline of the professional qualifications required for administrators, teachers, counselors, etc.
- A staffing plan that clearly outlines both the types and numbers of positions to be filled at the school and salary scales for such positions

Fully Responsive

Explain if the professional qualifications listed for all of the positions are minimum qualification, or desired qualifications.

The qualifications listed on each of the specific job positions are desired because in specific circumstances, the pool of applicants may be limited for specialty areas. All certified staff positions will meet the minimum requirements set forth by the ADE.

C15: ARKANSAS PUBLIC SCHOOL COM PUTER N ETWORK ASSURANCES

The Arkansas Public School Computer Network (APSCN) Assurances section should provide documentation of the applicant's understanding of and participation in the required state finance and educational data reporting system.

Evaluation Criteria:

- Assurance that the charter school will participate in APSCN and will comply with all state statutory requirements regarding the APSCN finance and educational data reporting system

Fully Responsive

C16: FACILITIES

The Facilities section should identify and describe the facilities to be used by the school and any changes to be made to the facilities.

Evaluation Criteria:

- An identified facility appropriate to meet the needs of the school over the term of its charter
- A realistic plan for remodeling or adapting a facility, if necessary, to ensure that it is appropriate and adequate for the school's program, the school's targeted population, and the public
- Evidence that the school understands the costs of securing and improving a facility and has access to the necessary resources to fund the facility plan
- A sound plan for continued operation, maintenance, and repair of the facility

Fully Responsive

C17: FOOD SERVICES

This section should describe how the school will address food services for its student body.

Evaluation Criteria:

- A food service plan that will serve all eligible students
- A management plan that reflects a clear understanding of federal law and requirements if the charter school plans to participate in the National School Lunch program

Fully Responsive

C18: PARENTAL INVOLVEMENT

The Parental Involvement section should describe how parents or guardians of enrolled students, the school employees, and other members of the community will make a positive impact on the school and its educational program.

Evaluation Criteria:

- A plan for involving parents and guardians in the school's education programs
- A proposal that involves the parents of students, employees and the broader community in
- carrying out the terms of the charter

Fully Responsive

C19: WAIVERS

The Waivers section should discuss all waivers requested from local or state law.

Evaluation Criteria:

- Each law, rule, and standard by title, number, and description for which a waiver is requested
- A rationale for each waiver request
- An explanation of the way that each waiver would assist in implementing the educational program of the charter and/or fulfilling the charter's mission

SEE LEGAL COMMENTS

C20: DESEGREGATION ASSURANCES

The Desegregation Assurances section should describe the applicant's understanding of applicable statutory and regulatory obligations to create and maintain a unitary system of desegregated public schools.

Evaluation Criteria:

- Assurance that the charter school will comply with all applicable federal and state statutory and regulatory requirements regarding the creation and maintenance of desegregated public schools
- An outline of the potential impact of the proposed charter school on those desegregation efforts already in place in affected public school districts

SEE LEGAL COMMENTS

C23: SUSTAINABILITY OF THE PROGRAM

The Sustainability section should describe the applicants' plan to ensure continued success of the charter school over time.

Evaluation Criteria:

- The plan to ensure the sustainability of the charter in the future.

Fully Responsive

Legal Review of Waivers Requested

Fountain Lake Charter High School

Fountain Lake School District

Fountain Lake Charter High School
Waivers Requested in Original Application
2014 District Conversion Application

1. Keyboarding and Career Orientation (withdrawn)

Section 9.03.3.9 ("Career and Technical Education ") of the ADE Rules Governing the Standards for Accreditation

The Fountain Lake Middle School is required to teach the Career and Technical Education curriculum requirements as separate classes (such as Keyboarding and Career Orientation) to its 7th and 8th grade students

To prepare students for the Charter High School experience, the applicant is asking for a waiver of that requirement in order that curriculum meeting the requirements of the ADE Standards Rules, Arkansas Frameworks and all applicable rubrics may be embedded within other courses to be provided by the conversion charter school, and/or teach certain courses in the manner listed below. The applicant ensures that students will receive instruction concerning the required material in the Career and Technical Education classes meeting or exceeding all state curriculum requirements through embedding the curriculum within the students' required coursework. Specifically, the Applicant requests to embed the course content of the Career Orientation class into other portions of the Middle School curriculum; introduce the Family Consumer Science course at the eighth (8th) grade level; and introduce the Survey of Ag Science course at the eighth (8th) grade level.
This waiver is needed to help students in the seventh and eighth grades be better prepared to participate in, and derive the most educational benefit from, the Fountain Lake Charter High School. Although the seventh and eighth grades are not part of this application, the applicant strongly believes that the ability to present the Career and Technical Education curriculum to those students in the manner set forth in the waiver request will help provide a valuable link from the Charter Middle School to the Charter High School.

Legal Comments: The standard imposes a requirement for grades 5-8. The applicant seeks a charter for grades 9-12. The authorizer cannot grant a waiver for grades the charter will not serve.

Response: *The Fountain Lake School District wishes to withdraw this waiver request.*

Remaining Issues: None

2. Oral Communications

Section 9.03.4.1 ("Language Arts") of the ADE Rules Governing the Standards for Accreditation

The Fountain Lake School District is required to teach Oral Communication as a separate class. The Applicant is asking for a waiver of that requirement in order that the curriculum meets requirements of the ADE Standards Rules, Arkansas Frameworks and all applicable rubrics may be embedded within other courses to be provided by the conversion charter school.
The Applicant ensures that students will receive instruction concerning the required material in the Oral Communication class meeting or exceeding all state curriculum requirements through embedding

the curriculum within the students' required coursework.

Legal Comments: None

Remaining Issues: None

3. Health

Section 9.03.4.9 ("Health and Safety Education") of the ADE Rules Governing the Standards for Accreditation

The Fountain Lake Charter High School is required to provide a one-half unit Health and Safety Education course to the meet the requirements of this Standard. The applicant is asking for a waiver of that requirement in order that curriculum meeting the requirements of the ADE Standards Rules, Arkansas Frameworks and all applicable rubrics may be embedded within other courses to be provided by the conversion charter school. The applicant ensures that students will receive instruction concerning the required material in the Health and Safety Education class meeting or exceeding all state curriculum requirements through embedding the curriculum within the students' required coursework. Specifically, the Applicant desires to embed the course content from the Health and Safety class within its Biology course.

Legal Comments: None

Remaining Issues: None

4. Instructional Day

Section 10.01.4 ("Planned Instructional Day") of the ADE Rules Governing the Standards for Accreditation

Due to the unique nature of the Fountain Lake Charter High School's educational offerings as outlined in this application, the applicant is requesting a waiver of the Planned Instructional Day requirements. The curricular offerings of the high school, while meeting all curriculum requirements, may be capable of being provided in less than thirty (30) hours per week.

Legal Comments: Rationale should be provided as to why this waiver is necessary to achieve the Applicant's goals. In order to effectuate this waiver, waiver of Ark. Code Ann. § 6-16-102 is also necessary.

Response: *In order for the Fountain Lake Charter High School to focus on the each student's PSP (Personalized Success Plan) the applicant is requesting this waiver to allow students to participate in job shadowing, internships, digital/online courses, and other instructional strategies that would contribute to student success on their PSP. To effectuate this waiver, the applicant also requests a waiver of Ark. Code Ann.§ 6-16-102.*

Remaining Issues: None

5. Class Size

Section 10.02 ("Class Size and Teaching Load") of the ADE Rules Governing the Standards for Accreditation and specifically subsection 10.02.5

In order to obtain the flexibility to fully implement the Fountain Lake Charter High School experience, the applicant wishes to request a waiver of the Class Size and Teaching Load requirements. The applicant believes that the unique curriculum delivery system that will be utilized in the Charter High School is truly an example of an "exceptional case" worthy of a waiver under Section 10.02.5 of the Standards Rules. A waiver is being specifically requested for our teachers to be able to instruct no more than 180 students, with a maximum of no more than 30 students per class.

Legal Comments: None

Remaining Issues: None

6. Clock Hours

Section 14.03 of the ADE Rules Governing the Standards for Accreditation (concerning required clock hours for units of credit)

The applicant is not, by this waiver request, asking for a waiver of graduation requirements. The applicant is requesting only a waiver of the 120 clock hour requirement. In accordance with prior ADE comments on this type of waiver request, the applicant herby affirms that it will adhere to full curriculum alignment with Arkansas Frameworks, and will be glad to submit to the ADE and/or the Charter Authorizing Panel any additional information that may be desired.

Legal Comments: Rationale should be provided as to how this waiver will help the applicant meets its goals. Explanation should be provided as to how this waiver would be implemented, what classes it would apply to, and how the applicant will ensure all frameworks will be taught.

Response: *The waiver is essential to the Charter to assure that with the Charter's pathways there would be the necessary flexibility to allow for individualized instruction based on the student's PSP. With the ability of students to take online/digital courses, there will be the need for a flexible time to allow for PSP activities that are student PSP directed. Without this waiver, as career pathways are implemented, the lack of flexibility could impact students' ability to engage in the PSP activities that are essential to their success.*

Remaining Issues: It is unclear how this waiver would be implemented, what classes it would apply to, and how the applicant will ensure all frameworks are taught.

7. Licensure

Ark. Code Ann. §§6-15-1004, 6-17-302, 6-17-309, 6-17-401, 6-17-902, and 6-17-919;
Sections 15.02 and 15.03 of the ADE Rules Governing Standards for Accreditation
ADE Rules Governing Education Licenses

The applicant is requesting a waiver from the above-listed statutes and rules, to the extent that it may be necessary to hire professionals in the community who possess outstanding credentials and work history in the various areas of coursework provided in the Charter High School, even if they do not possess a teaching license. Any individuals hired as a result of this waiver will meet all other requirements, such as Highly Qualified Teacher status if applicable, and the successful completion of criminal background and Child Maltreatment Registry checks. We see this as a part of the collaboration process between the school district and the community which will further the linkage process created by the school and the district with the community.

As a specific example of the use of this waiver, the applicant would wish to serve its Charter High School Gifted and Talented (GT) students with a teacher who is not certified in GT.

Legal Comments: Applicant should confirm that it understands AP courses must meet licensure and training requirements unless additional waivers are sought.

Response: *The applicant understands that AP courses must meet licensure and training requirements of the ADE.*

Remaining Issues: None

8. Gifted and Talented

Ark. Code Ann. §§6-20-2208(c)(6) and 6-42-109; Section 18.0 of the ADE Rules Governing the Standards for Accreditation, and the ADE Rules Governing Gifted and Talented Program Approval Standards (concerning Gifted and Talented Students)

The applicant requests a waiver of the above listed statutes and rules, to the extent necessary to permit it to assign students who meet the requirements for placement in the Gifted and Talented (GT) programs to students in grades (9-12) into appropriate pre-advanced placement and advanced placement courses. All roles and responsibilities of this position will be addressed by the Advanced Placement (AP) Coordinator to ensure the needs of all GT students are covered through AP courses and their Personalized Success Plan.

Legal Comments: Applicant should explain how this waiver will help the charter meet its goals and how this placement will differ from a GT program in a traditional school.

Response: *The applicant desires to go beyond using AP/Pre-AP courses to address GT students' needs. The GT student's PSP will enable the district to focus on project based learning, curriculum and instructional opportunities that will support the GT student in their plan for success.*

Remaining Issues: Based on the information provided, it does not appear this waiver is necessary. Additional discussion with the Applicant may be necessary to determine how its program will differ from a secondary GT program in a traditional school.

DESEGREGATION ANALYSIS: Fully responsive

Application

Fountain Lake Charter High School

Fountain Lake School District

RECEIVED
Arkansas Department of Education
Charter and Home School Office
September 9, 2014

ARKANSAS DEPARTMENT OF EDUCATION

2014 Application
District Conversion
Public Charter School

Deadline for Receipt of Submission: Tuesday, September 9, 2014, 4:00 p.m.
Applications will not be accepted after this time.

Name of Proposed Charter School:

Fountain Lake Charter High School

Any application that is substantially incomplete will not be forwarded to the authorizer for consideration. An application will be considered substantially incomplete if it does not provide enough information to enable staff at the Arkansas Department of Education to provide a meaningful review.

Arkansas Department of Education
Charter School Office
Four Capitol Mall Little Rock,
AR 72201
501.683.5313

ARKANSAS DEPARTMENT OF EDUCATION
2014 APPLICATION
DISTRICT CONVERSION PUBLIC CHARTER SCHOOL

A. GENERAL INFORMATION

Name of Proposed Charter School: Fountain Lake Charter High School

Grade Level(s) for the School: 9-12 Student Enrollment Cap: 800

Name of School District: Fountain Lake School District

Name of Contact Person: Brad Sullivan

Address: 4207 Park Avenue City: Hot Springs, AR

ZIP: 71901 Daytime Phone Number: (501) 701-1744 FAX: (501) 623-6447

Email: bsullivan@flcobras.com

Charter Site Address: 4207 Park Avenue

City: Hot Springs, AR

ZIP: 71901 Date of Proposed Opening: August 17, 2015

Name of Superintendent: Darin Beckwith

Address: 4207 Park Avenue City: Hot Springs, AR

ZIP: 71901 Daytime Phone Number: (501) 701-1744

B. EXECUTIVE SUMMARY

Provide the mission statement of the proposed school.

Applicant Response:

The mission statement of the Fountain Lake Charter High School is “Graduate Every Student Prepared For Success”.

Briefly describe the key programmatic features that the school will implement in order to accomplish the mission.

Applicant Response:

- FLCHS students will be engaged in career pathways.
- Employability skills will be embedded into instruction.
- Every student will have a Personalized Success Plan (PSP).
- Students will earn college hours, industry certificate or both while in high school.
- Student will experience work-based learning that leads to life-long earning potential, future workforce development and economic benefits.

C. NARRATIVE DESCRIPTION OF THE PROPOSED CHARTER SCHOOL

The applicant for the proposed charter school, if approved by the authorizer, agrees to operate the educational program described below in accordance with the provisions described within this document, Arkansas Code Annotated §6-23-101 et seq., the State Board of Education Rules Governing Charter Schools, and the attached assurances.

Provide a narrative description of the various components of the proposed charter school by responding to the following prompts:

1. Describe the results of the public hearing, called by the school board, which was held for the purposes of assessing support for the establishment of this public charter school. Provide copies of supporting evidence.

Applicant Response:

Twenty-five people participated in a public meeting at Fountain Lake High School on August 25, 2014. Donald Westerman, High School Principal, presented the proposed charter to the assembly (See attached Power Point) Following the presentation, several patrons asked questions and made comments about the proposed charter. Darin Beckwith, Superintendent of Schools, Brad Sullivan, Director of Curriculum and Mr. Westerman fielded the questions and responded to comments. The majority of questions focused on curriculum, guidance and the development of the pathways to be included in the charter. Most comments were very supportive of the school's efforts to address needs of students. Some participants were enthusiastic about the possibility of the district creating a seamless transition from the Cobra Digital Academy to high school and beyond. Many comments from both parents and school personnel focused on the realization that change is needed and that students deserve the opportunities for success beyond high school that the proposed charter will create.

See Appendix "A" for school personnel meeting and power point.

Attach documentation to demonstrate that each of the following requirements of Arkansas Code Annotated §6-23-302 was met:

A. The notice of public hearing was distributed to the community, certified school personnel, and parents of all students enrolled at the public school for which the school district initiated the application.

B. The notice of the public hearing was published in a newspaper having general circulation in the school district in which the school will be located at least three weeks prior to the date of the meeting.

2. Give the mission statement for the proposed charter school.

Applicant Response:

The mission statement of the Fountain Lake Charter High School is “Graduate Every Student Prepared For Success”.

3. Describe the educational need for the school by responding to the following prompts. Include the innovations that will distinguish the charter from other schools.

Complete the following charts to include 2013 literacy and mathematics performance assessment data and graduation rates for the district in which the charter would be located and the schools closest to the proposed charter.

DISTRICT DATA			
District Name	Fountain Lake School District		
District Status			
	LITERACY 2013 ESEA Report Percentage Achieving or Advanced	MATH 2013 ESEA Report Percentage Achieving or Advanced	Graduation Rate 2012-2013 2013 Report Card Percent Graduated
All Students (Combined)	82.84	84.36	89.25
Targeted Achievement Gap Group	75.93	79.15	77.14
African American	70.00	60.00	
Hispanic	79.41	85.29	
White/Caucasian	83.42	83.43	89.29
Economically Disadvantaged	78.02	81.38	78.12
English Language Learners/ Limited English Proficient	72.73	83.33	
Students with Disabilities	39.53	50.57	

CAMPUS DATA - CAMPUS PROPOSED FOR CONVERSION TO CHARTER			
District Name	Fountain Lake School District		
Campus Name	Fountain Lake High School		
Grade Levels	9-12		
Campus Status			
	LITERACY 2013 ESEA Report Percentage Achieving or Advanced	MATH 2013 ESEA Report Percentage Achieving or Advanced	Graduation Rate 2012-2013 2013 Report Card Percent Graduated IF APPLICABLE
All Students (Combined)	76.00	89.04	89.25
Targeted Achievement Gap Group	59.09	85.45	77.14
African American			
Hispanic			
White/Caucasian	76.14	90.00	89.29
Economically Disadvantaged	60.98	86.54	78.12
English Language Learners/ Limited English Proficient			
Students with Disabilities		80.00	

CAMPUS DATA - HIGH SCHOOL CLOSEST TO THE PROPOSED CHARTER LOCATION			
District Name	Jessieville School District		
Campus Name	Jessieville High School		
Grade Levels	9-12		
Campus Status			
	LITERACY 2013 ESEA Report Percentage Achieving or Advanced	MATH 2013 ESEA Report Percentage Achieving or Advanced	Graduation Rate 2012-2013 2013 Report Card Percent Graduated IF APPLICABLE
All Students (Combined)	60.66	60.47	83.95
Targeted Achievement Gap Group	46.67	54.02	82.14
African American			
Hispanic		57.14	
White/Caucasian	60.00	59.77	84.51
Economically Disadvantaged	42.86	55.29	84.91
English Language Learners/ Limited English Proficient			
Students with Disabilities		33.33	84.62

CAMPUS DATA - OTHER CAMPUS IN FEEDER PATTERN OF PROPOSED CONVERSION CHARTER			
District Name	Fountain Lake School District		
Campus Name	Fountain Lake Middle School		
Grade Levels	5-8		
Campus Status			
	LITERACY 2013 ESEA Report Percentage Achieving or Advanced	MATH 2013 ESEA Report Percentage Achieving or Advanced	Graduation Rate 2012-2013 2013 Report Card Percent Graduated IF APPLICABLE
All Students (Combined)	82.47	79.76	
Targeted Achievement Gap Group	76.31	73.54	
African American			
Hispanic	81.82	82.61	
White/Caucasian	82.69	79.72	
Economically Disadvantaged	78.95	76.69	
English Language Learners/ Limited English Proficient	75.00	82.35	
Students with Disabilities	39.29	35.71	

Explain the educational need for the charter in light of the academic performance by the district, the campus proposed to be converted, and at the schools in the same feeder pattern as the proposed charter. Explain other significant factors. Be certain to include the source for information presented.

Applicant Response:

Fountain Lake High School is a traditional, comprehensive high school serving 425 students in grades 9-12 located in rural Garland County, Arkansas. The student population is 88 percent white, three percent black, five percent Hispanic and four percent other. 63 percent of FLHS students receive free or reduced lunches and ten percent are special needs.

As a participant in the Voluntary Universal ACT Assessment Program, FLHS gives the ACT test to all juniors during the spring semester. ACT data shows that only 17 percent of the FLHS graduating seniors in 2014 met all four of the ACT College and Career Readiness benchmarks. Only about a third of FLHS students met the math benchmark with half meeting the English benchmark. A benchmark score is the minimum score needed on an ACT subject-area test to indicate a 50 percent chance of obtaining a B or higher or a 75 percent chance of obtaining a C or higher in the corresponding credit-bearing college course.

Sixty percent of last year's graduating class was pulled in a random sample and given the High Schools That Work Assessment in the spring of 2014. This assessment showed it was discovered that only 40 percent of those taking the assessment met SREB's criteria for the HSTW Award of Educational Achievement (score at or above SREB's readiness goals in reading, mathematics and science on the HSTW Assessment and complete a college-preparatory curriculum consisting of at least two of the following: four courses in college-preparatory English/ language arts, four courses in college preparatory mathematics and three courses in science with at least two courses at the college-preparatory level, and completion of a career/technical, mathematics/science or humanities concentration).

The Class of 2013 had 47 Career and Technical Program Completers. A follow-up survey in the fall of 2013 found 44 percent enrolled in post-secondary studies, 9 percent enlisted in the military, 11 percent employed in their field of study and 36 percent either unemployed or employed in a field outside their field of study.

The data emphasizes that Fountain Lake students need to be better prepared for entering college or the workplace upon graduation. We believe a hands-on, authentic approach to school will contribute to students being motivated to attain college and career readiness. We believe that as students select a career path of focus, are exposed to professionals working in the field and become engaged in “real-world” job activities, they will find

a purpose to school and improved academic performance. This model will not only provide rigorous course opportunities but also real-life application experiences. In order to implement this model, FLHS needs flexibility granted through waivers. Research supports that when students are actively engaged, true learning occurs. The Fountain Lake High School team believes in every student, every day. In order to move to the next level of educational personalization, flexibility is vital. Becoming a conversion charter will allow for the flexibility to meet each student's needs. We believe this approach will not only provide our students with a value-added high school diploma (college credit or certifications) , but will also assist them in making community connections that will put them a step ahead in their next phase of life.
If the requested waivers for embedding Oral Communications and Health standards into other classes are granted, additional time will become available for FLCHS students to participate in career pathway specific coursework.
Many students do not realize until the third year of college that their career choice is not good for them. Our career pathway based model, flexibility of scheduling, providing internship opportunities and embedding coursework experiences will assist our students in discovering those professions that are a good fit.

If the performance of students at schools and or/districts not noted in the previous charts demonstrate the need for the charter, provide the student performance data and its source and explain.

Applicant Response:

Data examined from border district high schools revealed that each school has an overall NEEDS IMPROVEMENT on ESEA Report.

Describe the innovations that will distinguish the charter from other schools.

Applicant Response:

As we work toward graduating all students, prepared for success at the next level, we must ask ourselves what is success and what is the next level. Students in the traditional high school are often caught between a set of standards that teach and measure one set of skills while a rapidly evolving workplace that demands another. In considering success at the next level, we must take into account the needs of a changing workforce. FLCHS will utilize career pathways to provide the knowledge and skills necessary to increase college and career success. Each career pathway will follow the broad structure of the 16 career clusters identified by The Arkansas

Department of Workforce Education and organized in the National Career Clusters Framework®. FLCHS Career Pathways will be distinguished by a three part framework:

1. The Secondary Pathway(grades 9-12) component:

- Meet Arkansas academic standards
- Meet postsecondary (college) entry/placement requirements.
- Provide foundation knowledge and skills in a chosen career cluster.
- Provide opportunities for students to earn college credit through dual/concurrent enrollment or articulation agreements.

2. The Postsecondary Pathway component provides:

- Opportunities for students to earn college credit through dual/concurrent enrollment or articulation agreements.
- Alignment and articulation with baccalaureate programs.
- Industry-recognized skills and knowledge in each cluster area.
- Opportunities for placement in the chosen career clusters at multiple exit points.

3. The Pathway Partnerships

- Collaboration between FLCHS faculty, business/industry partners, and post-secondary partners in planning as well as decision-making.
- Ongoing dialog between secondary, postsecondary, and business partners will assist in determining course offerings, course content and learning outcomes.

Employability skills will be embedded into instruction. Individuals require many skills to be college and career ready, including academic knowledge, technical expertise, and a set of general, cross-cutting abilities called employability skills. Employability skills are general skills that are necessary for success in the labor market at all employment levels and in all sectors their skills will be embedded into instruction. These same skills are necessary for completion of coursework at the postsecondary level and have a number of names -- soft skills, workforce readiness skills, career readiness skills. They all speak to the same set of core skills necessary for long-term success in career and/or college.

As FLCHS works to make sure all students graduate prepared, student buy-in is critical. It is our belief that well-developed career pathway courses will enable and encourage all students to:

- Discover if they enjoy doing the work that high-skill and middle-skill workers often do in particular career pathways.
- Deepen understanding of literacy, mathematics and science concepts by completing authentic projects.
- Increase motivation to take and succeed in advanced mathematics and science courses.
- Identify and explore newfound academic interests and pursuits.
- Complete an accelerated program of study with projects collaboratively planned and supported by academic and elective teachers.
- Deliver a fresh context for learning by using authentic, project-based experiences that allow students to develop the habits and behaviors of highly skilled and qualified workers.

Every FLCHS student will have a Personalized Success Plan (PSP). A PSP is a map of the pathway a student needs to follow to achieve learning goals commensurate with standards expected for all students. A PSP describes a clear destination for the student in terms of goals for learning. The PSP identifies the potential obstacles that might impede student attaining their goals, and charts assists in overcoming those obstacles.

Fountain Lake Charter High School will develop strong partnerships with both business/ industry and higher education. Business/industry will initially be asked to serve in an advisory role as career pathways are developed and implemented. Eventually they will be invited to serve as training partners for internship placements. It is the goal of FLCHS that each student experience work-based learning that leads to life-long earning potential.

4. On the following table, list the specific measurable goals in reading, reading comprehension, and mathematics, based on the state mandated assessments, and any other assessment tools if used, for improving student academic achievement for each year of the public charter school's initial five-year period. For each goal, include the following:
    - The tool to be used to measure the academic performance;
    - The level of performance that will demonstrate success; and
    - The timeframe for the achievement of the goal.

GOAL	Assessment Instrument for Measuring Performance	Performance Level that Demonstrates Achievement	When Attainment of the Goal Will Be Assessed
Meet or exceed the state average in ELA on the PARCC assessment	PARCC	Meet or Exceed State Average	Annually
Increase the number of students participating in internships	PSP – Personalized Success Plan documentation	Increase 3%	Annually
Meet or exceed the state average in Mathematics on the PARCC assessment	PARCC	Meet or Exceed State Average	Annually
Increase the number of students who earn college hours, or complete a program of study	PSP – Personalized Success Plan documentation	Increase 3%	Annually
Increase the number of students who reach all 4 college/career benchmarks	ACT	Meet or exceed National Average	Graduating Class of 2020

Explain how the attainment of the goals will demonstrate that the charter is meeting the identified educational need for the school and fulfilling its mission.

Applicant Response:

Fountain Lake Charter High School will always set goals to meet or exceed those set by the state as demonstrating mastery. The district has an ongoing process of examining teacher and student accountability with the use of data-driven information. PARCC assessments will be used to measure the academic performance of students.

5. Describe the educational program to be offered by the charter school.

Applicant Response:

The Fountain Lake Middle School Cobra Digital Prep Academy opened in the Fall of 2014 with a mission to provide students with the knowledge and skills to prepare for high school, college and career success. The Fountain Lake Charter High School will provide a seamless transition from middle school to secondary school for those students who have developed and are immersed in a Personalized Success Plan. FLCHS will provide opportunities for an authentic academic experience to insure success in those plans. This authentic academic experience will be built on five pillars:

FLCHS students will be engaged in career pathways.
Employability skills will be embedded into instruction.
Every student will have a Personalized Success Plan (PSP).
Students will earn college hours, industry certificate or both while in high school.
Students will experience work-based learning that leads to life-long economic benefits.

A curriculum model like the Southern Regional Education Board's Advanced Careers will be utilized to ensure FLCHS students are being taught the correct content at a rigorous level. Advanced Careers is an academically rigorous, career focused curriculum, that shows students how learning connects to life and work outside the schoolhouse walls. Hands-on, minds-on projects where students test-drive careers in high-demand fields while they learn rigorous academic math, science, reading,writing, and technical skills are the hallmark of the Advanced Careers Curriculum.

Advanced Careers is currently available in four course sequences that cover a wide array of high demand, high skill career pathways. These sequences include: Aerospace Engineering, Innovations in Science and Technology, STEM Education and Training, Integrated Production Technologies, Informatics, Global Logistics,

Project Management, Automated Materials Joining Technologies, Health Informatics, Clean Energy Technology and Energy and Power.

After reviewing the trends in career interests and aptitudes, we believe an initial career pathway for FLCHS will come from the Health Science Career Cluster. The ACT Profile for the Class of 2014 revealed that 30 percent were interested in or had plans to earn a living in the medical professions. As students explore career pathways at the Cobra Digital Academy through Project Lead the Way's Launch program, many will develop an interest in the medical professions. Project Lead the Way's Biomedical Sciences program would be a natural transition for students moving from the Digital Academy to FLCHS.

Administrators and faculty at National Park Community College have agreed to further develop a strong partnership with Fountain Lake School District. NPCC will provide the opportunity for students to receive college credit for Advanced Placement coursework as well as providing more opportunities for FLCHS students to be enrolled in concurrent credit courses while in high school. FLCHS students will have the opportunity to receive Industry Certifications while enrolled at FLCHS and National Park Technology Center. FLCHS and NPTC will focus efforts to develop adult career training opportunities through a satellite campus on the FLCHS campus as well as traditional enrollment in on-site post-secondary training partnerships.

6. Explain why a charter school is necessary to better meet student academic needs instead of a traditional district school.

Applicant Response:

Fountain Lake High School is a traditional, comprehensive high school serving 425 students in grades 9-12 located in rural Garland County, Arkansas. The school has undertaken a comprehensive restructuring of its curriculum in this charter application and would not be able to meet the needs of students and the workforce unless the waivers requested are granted. The greater flexibility would allow for the establishment of a comprehensive restructuring effort focusing on establishing and implementing career pathways for every student.

Many of our students do not attend college or receive training after high school. A significant number of our students enter the workforce before completing a post-secondary degree. Current data serves to identify the need for existence of a charter school that is able to assist students to acquire the real-world skills necessary to find success in a career.

Business and industry in our region is seeking individuals to fill vacancies. They are recruiting potential employees who are ready to make an immediate impact within their companies. Colleges and Universities are also looking for students who are leaving high school prepared for success. By creating personalized success plans for each student, the Fountain Lake Charter High School will be able to guide all students down a well-defined, broad career pathway. Students graduating from FLCHS will do so with goals, a plan and the skills to be successful in the first two years following high school graduation.

Fountain Lake is examining a variety of innovative curriculum models to be utilized in the Fountain Lake Charter High School. These models include Advanced Career from SREB, Project Lead the Way, Curriculum for Agriculture Science Education and the EAST Core Initiative. The adoption of new curricula will always be accomplished after making modifications that personalize it for our school and community.

7. Explain how the charter school will have more autonomy than traditional schools in the district. Discuss each of the following:
   A) Employing personnel;
   B) Developing and controlling the charter school budget;
   C) Managing day-to-day charter school operations;
   D) Developing and controlling the school calendar; and
   E) Other areas of autonomy to be afforded to the charter.

Applicant Response:

A) Employing Personnel: Fountain Lake is seeking autonomy in the form of flexibility. Fountain Lake is working to partner with community and business leaders in order to offer student authentic instruction in specialty areas. In order to do this, the school needs the ability to hire skilled instructors regardless if they are Arkansas licensed.

B) Developing and controlling the charter school budget: Fountain Lake currently operates under site based budgets. Building level principals already have the ability to approve needed purchases. With the process already in place, Fountain Lake administrators are well equipped to utilize the autonomy of the charter budget to allocate resources to the area of greatest need.

C) Managing day-to-day charter school operations: Fountain Lake has a highly qualified, dedicated high school administration team already in place to manage the day to day operations. The principal and assistant principal will share the responsibilities of overseeing finances, discipline, evaluating faculty and facilities. In addition to the two building administrators, an instructional facilitator will oversee the project based instruction and the Development Facilitator will oversee the student internship placements. The guidance counselor and the Career Development Facilitator will lead a team of teachers serving as senior project advisors, assisting them as needed with career exploration, administration of student interest instruments and college applications.

D) Developing and controlling the school calendar: Fountain Lake High School being part of a K-12 district on one campus, sharing transportation, will not have as much autonomy in the school calendar. However, a flexible time within the school day will be the key to meeting the diverse needs of high school students. Exploration of early morning and evening classes would allow for more instruction conducive to student participation with college classes and internships. This type of scheduling could vary from year to year based on the needs of the current students.

E) Other areas of autonomy to be afforded to the charter:
Fountain Lake's autonomy will come in the form of flexibility. This flexibility will allow Fountain Lake High School to partner with the community college, other technical schools and local area businesses. This partnership will allow local professionals to instruct when needed and will allow students to spend time off campus for internship experiences.

8. Describe the school improvement plan by addressing the following:

A) Explain how the licensed employees and parents of the students to be enrolled in the charter school will be involved in developing and implementing the school improvement plan, identifying performance criteria, and evaluating the effectiveness of the improvement plan.

Applicant Response:

Fountain Lake High School plans to utilize their parental advisory panel and licensed staff to develop goals and evaluate the school improvement plan to be submitted to ADE. Each year this group will determine needs, set goals and analyze results. These will be the stakeholder groups that will participate in the development and implementation of the ACSIP plan that also includes specific target groups (TAGG), Wellness and ELL.

B) Describe a plan for school improvement that addresses how the charter school will improve student learning and meet the state education goals.

Applicant Response:

Fountain Lake High School will implement strategies such as project based learning (PBL) and leadership education to improve student learning which will increase student achievement. PBL will not only give the instructors a method to meet the Common Core State Standards but will allow for embedded authentic learning experiences for the students of FLHS. This program will not only give teachers and students flexibility to connect learning to work, but will also allow time to focus on ACT prep, concurrent coursework and AP coursework, thus preparing our students for success beyond high school.

9. Describe the process that will be used to ensure curriculum alignment with the Arkansas Curriculum Frameworks and the curriculum requirements of the Common Core State Standards as adopted by the State Board of Education.

Applicant Response:

A foundational piece of the Fountain Lake Charter High School will be the development of partnerships between the high school and industry and between the high school and post-secondary educational institutions. These partnerships will lay the ground work for each student to begin the high school experience focused on a 4+2 model. This model will consist of each student spending four years of high school immersed in a career focused pathway followed by two more years of career preparation beyond high school. The success of students moving into the two year post-high school experience is incumbent on students being college and career ready.

Arkansas has adopted the Common Core State Standards as the standard curriculum designed to move students to college and career readiness. Fountain Lake School District has adopted and implemented the CCSS. At FLHS, implementation of the standards is monitored closely during teacher team meetings, classroom observations and through formative assessments. The school district has contracted with the Arkansas Advanced Initiative for Math, English and Science to begin the process of vertical alignment of the district's science curriculum. Additionally, a project based instructional facilitator has been employed to assist FLHS staff develop Project Based Lessons aligned to the Common Core State Standards and the Arkansas Curriculum Frameworks.

FLCHS will partner with providers offering rigorous project based curriculum, professional development and instructional strategies aligned to Arkansas Curriculum Frameworks and Common Core State Standards. The Buck Institute for Education, Project Lead the Way, Cambridge Educational Services, Boy's Town and Southern Regional Education Board are organizations that have been identified as possible partners in the FLHS charter process.

10. Describe the manner in which the school will make provisions for the following student services, even in those areas for which a waiver is requested:

A) Guidance program;

Applicant Response:

The Fountain Lake Charter High School guidance program will maintain the focus on each student's Personalized Success Plan started at the Fountain Lake Middle School Digital Prep Academy. The digital PSP will follow each student to the high school where the college and career ready component will be recognized during the junior and senior years. The FLCHS guidance counselor and Career Development Facilitator will track each student's progress in the PSP and assist them in monitoring the acquisition of graduation requirements, college readiness, concurrent course work, career direction, community service involvement and all other options, such as internships and job training opportunities, available to the students

B) Health services;

Applicant Response:

Fountain Lake School District has a full time registered nurse that will continue to serve as full time nurse for Fountain Lake Charter High School.

C) Media center;

Applicant Response:

Fountain Lake High School currently houses a well-equipped media center containing a computer lab and multiple resources for student use. Fountain Lake Charter High School will continue to make use of the media center. In addition to the school media center, each classroom will serve as a media center with the use of technology (through chromebooks, interactive white boards and other resources) across the curriculum.

D) Special education;

Applicant Response:

Fountain Lake High School provide many opportunities to ensure that children with disabilities have the opportunity to receive a free appropriate public education in the least restrictive environment. Within the construct of the curriculum laid out for the Fountain Lake Charter High School, students with special needs would continue to thrive and operate within those proven effective settings and in methods that will be conducive to learning as laid out by the individualized education plan (IEP). Co-taught classes have proven effective in the past and will continue to be provided in the future. Students in need of more intensive services will be provided in-depth support, additional resources and classes that assist with the project assignments in other classes.

E) Transportation;

Applicant Response:

Fountain Lake School District will provide transportation services to all eligible students in its region and will comply with all transportation guidelines.

F) Alternative education, including Alternative Learning Environments;

Applicant Response:

Fountain Lake Charter High School will house its alternative education program on the campus of the Fountain Lake High School. Students will be assigned to the ALE based on academic need. Placement preference will be given to students who are chronologically juniors and seniors behind in credits to graduate. Teachers in the alternative education program will be trained to deliver instruction in non-traditional formats including Project Based Learning and digital courses.

G) English Language Learner (ELL) instruction

Applicant Response:

The Fountain Lake School District recognizes the opportunities for differentiated instruction that can be provided through the Fountain Lake Charter High School for students who are English Language Learners. ELL services which are appropriate for the needs of students enrolled and are in accordance with each student's ELL program will be provided. One Highly Qualified ELL teacher will continue to provide services. The district and the FLCHS will comply with all aspects of ELL regulations.

H) Gifted and Talented Program.

Applicant Response:

A wide array of Advanced Placement courses will be offered and GT Students will be encouraged to engage in enrichment projects by a campus GT facilitator.

11. Describe the plan for the school officials to provide an annual report to parents, the community, and the authorizer, **separate from the district's annual report to the public**, that demonstrates the progress made by the charter school during any previous academic year in meeting its academic performance objectives. (*See Arkansas Code Annotated 6-23-202.)*

Applicant Response:

At the conclusion of the school year, a report outlining progress toward meeting the mission of the charter will be published on the district webpage and made available in paper form to all patrons.

12. Describe the enrollment criteria and student admission, recruitment and selection processes for the proposed public charter school.

Applicant Response:

All high school aged students living within the boundaries of the Fountain Lake School District who meet requirements set forth by the State of Arkansas will be served.

It is affirmed that a random, anonymous student selection method will be utilized in the event that more students apply for admission to the public charter school than can be accommodated under the terms of the charter.

- [x] Yes
- [ ] No

13. Name any district personnel, and/or leaders of the proposed charter who have any prior involvement in the operation of one or more other charter schools and complete a Prior Charter Involvement **template** for each individual listed.

Applicant Response:

Darin Beckwith, Superintendent, Brad Sullivan, Director of Curriculum, and the district administration support staff have been involved in the planning and implementation process of the Fountain Lake Middle School Cobra Digital Prep Academy.

14. Summarize the job descriptions of the school administrator(s) and other key personnel. Specify the qualifications to be met by professional employees (administrators, teachers, counselors, etc.) of the program. List the types of administrative positions, teaching positions, and support positions for the school.

Applicant Response:

I. Superintendent (District Administrator) Responsibilities:

- Act as chief executive officer of the district and carry out the district's mission.
- Make recommendations to the school board for hiring and terminating faculty and staff.
- Carry out evaluations as set forth by the state-adopted principal evaluation system (LEADS).
- Monitor the status of resources in order to fulfill the district mission.
- Prepare an annual budget to be presented to the board.
- Ensure building maintenance and safety as well as oversee custodial services.

Qualifications: The qualifications of superintendent will meet state requirements for a district level administrator and be significant, substantive and strong experience in education and an advanced terminal degree in the field of education

II. Assistant District Administrators Responsibilities:

- Act as support to the district administrator and assist in carrying out district's mission.
- Assist building administrator with evaluations, interviews for new faculty and staff and other personnel-related matters.
- Assist building administrators in monitoring student academic achievement and overseeing the implementation of curriculum.

Qualifications: The qualifications of assistant district administrators will meet state requirements for a district level administrator and be significant, substantive and strong experience in education and an advanced terminal degree in the field of education

III. Administrator (Building Administrator) Responsibilities::

- Act as chief executive officer of the school and carry out the school and district missions.
- Select, make recommendations to the superintendent for hiring and terminating faculty and staff.
- Carry out evaluations as set forth by the state-adopted teacher evaluation system (TESS).
- Monitor the status of resources in order to fulfill the school and district missions.
- Prepare an annual budget to be presented to the board.
- Ensure building maintenance and safety as well as oversee custodial services.
- Oversee the implementation for the curriculum.
- Monitor student academic achievement regularly.

Qualifications: The qualifications of an administrator will meet state requirements and be significant, substantive and strong experience in education and an advanced terminal degree in the field of education.

IV. Assistant Administrators Responsibilities:

- Act as support to the building administrator and assist in carrying out school and district missions.
- Assist building administrator with evaluations, interviews for new faculty and staff and other personnel-related matters.
- Assist building administrator in monitoring student academic achievement and overseeing the implementation of curriculum.

Qualifications: The qualifications of an assistant administrator will meet state requirements and have significant, substantive and strong experience in education and an advanced terminal degree in the field of education.

V. Counselor Responsibilities:

- Provide academic, social and emotional supports.
- Disseminate and clarify graduation requirements.
- Coordinate post-secondary opportunities.
- Coordinate internship opportunities in conjunction with seminar classes and school leadership.
- Aid in student scheduling and creating of master schedule and course catalog.

• Facilitate state-mandated assessments.
Qualifications: The counselor qualifications will be a Master's degree and experience within the field of education.

VI. Instructional Facilitator Responsibilities: (included in teacher salary on budget)
• On-going professional development for teachers.
• Provide demonstrations to strengthen the instructional process.
• Provide content development for teachers in regards to technology.
• Plan and conduct professional team meetings.
• Collect data, analyze results, and report findings.
• Evaluate student achievement and assist with placing students in appropriate intervention and support services.
• Identify needs and make recommendations for appropriate materials.
• Meet regularly with the principal to report on progress and plan next steps.
• Network with other district instructional facilitators, co-op specialists and trainers in developing, researching, and implementing programs and to further develop their own knowledge, skills, and confidence.

VII. Career Development Facilitator:
• Support Career and Technical Education (CTE) and coordinate career development services for students participating in CTE.
• Works collaboratively with administrators, student services personnel, and teachers to ensure the delivery of career development services.
• Facilitates linkages with parents, business/industry, postsecondary institutions and community organizations to support students' transition to postsecondary education and employment.

VIII. Teacher Responsibilities:
• Conduct classroom instruction.
• Work collaboratively with colleagues to plan and teach courses.
• Maintain an atmosphere conducive to learning.
• Reach as many different levels and kids of learners as possible.
• Attend professional development, implement new learning and share with colleagues.
• Continually teach, assess and modify for each student.

15. It is affirmed that the public charter school will participate in the Arkansas Public School Computer Network, as required by state statute and by State Board of Education rule, for reporting **both education data and financial data**, including grant funds or private donations received directly by the charter school.

- [x] Yes
- [ ] No

16. Describe the facilities to be used. Give the present use of the facility and its use for the past three years.

Applicant Response:

Fountain Lake High School currently serves approximately four hundred twenty (425) students in grades nine (9) through twelve (12). The current high school facilities containing 9 permanent buildings with 128,160 square feet will continue to serve students after the conversion to a charter school.

The facility will comply with all requirements for accessibility in accordance with the Americans with Disabilities Act (ADA) and Individuals with Disabilities Education Act (IDEA) and all other state and federal laws and local zoning ordinances.

- [x] Yes
- [ ] No

If the facility does not currently meet these requirements, provide a list of items that will need to be addressed to bring the facility into compliance. Also include a statement of permissible uses for the facility from the local zoning authority, and whether there are any alcohol sales within 1,000 feet of the facility.

Applicant Response:

See Attached Appendix "D"

17. Describe the manner in which the school will make provisions for food services. State whether the proposed charter school will apply to participate in the federal National School Lunch program or other federal nutrition programs.

Applicant Response:

Fountain Lake Charter High School will utilize existing school facilities, staff, National School Lunch Program and other federal nutrition programs.

18. Describe how the parents or guardians of the enrolled students and other members of the community will be involved with the school to positively impact the charter school's educational programs.

Applicant Response:

Parents, guardians and other community members will play a key role in the development and implementation of Fountain Lake Charter High School's educational programs. FLCHS will include parents and guardians in developing each student's personalized success plan. Parents and guardians will be involved in making decisions about Career Pathways and course selection inside the Career Pathway.

Other members of the community will be asked to serve in an advisory capacity for different program areas. FLCHS will actively seek the input of community members who have been recognized as leaders in business, industry, education and service to serve on Career Pathway specific advisory panels. The input of these community members will influence course offerings and course content.

19. List the provisions of Title 6 of the Arkansas Code Annotated (Education Code), State Board of Education rules, and sections of the *Standards for Accreditation of Arkansas Public Schools and School Districts* from which the public charter school seeks to be exempted in order to meet the goals of the school. Identify the specific statute, rule, or standard requested to be waived by title and section number if applicable**. Provide a brief description of the rationale for each waiver requested.**

Applicant Response:

1. Section 9.03.3.9 ("Career and Technical Education ") of the ADE Rules Governing the Standards for Accreditation:

The Fountain Lake School District is required to teach the Career and Technical Education curriculum requirements as separate classes (such as Keyboarding and Career Orientation) to its seventh (7th) and eighth (8th) grade students.

To prepare students for the Charter High School experience, the applicant is asking for a waiver of that requirement in order that curriculum meeting the requirements of the ADE Standards Rules, Arkansas Frameworks and all applicable rubrics may be embedded within other courses to be provided by the conversion charter school, and/or teach certain courses in the manner listed below.

The applicant ensures that students will receive instruction concerning the required material in the Career and Technical Education classes meeting or exceeding all state curriculum requirements through embedding the curriculum within the students' required coursework. Specifically, the Applicant requests to embed the course content of the Career Orientation class into other portions of the Middle School curriculum; introduce the Family Consumer Science course at the eighth (8th) grade level; and introduce the Survey of Ag Science course at the eighth (8th) grade level.

This waiver is needed to help students in the seventh and eighth grades be better prepared to participate in, and derive the most educational benefit from, the Fountain Lake Charter High School. Although the seventh and eighth grades are not part of this application, the applicant strongly believes that the ability to present the Career and Technical Education curriculum to those students in the manner set forth in the waiver request will help provide a valuable link from the Charter Middle School to the Charter High School.

2. Section 9.03.4.1 ("Language Arts") of the ADE Rules Governing the Standards for Accreditation:

The Fountain Lake School District is required to teach Oral Communication as a separate class to its ninth (9) grade students.

The Applicant is asking for a waiver of that requirement in order that curriculum meeting the requirements of the ADE Standards Rules, Arkansas Frameworks and all applicable rubrics may be embedded within other courses to be provided by the conversion charter school.

The Applicant ensures that students will receive instruction concerning the required material in the Oral Communication class meeting or exceeding all state curriculum requirements through embedding the curriculum within the students' required coursework.

3. Section 9.03.4.9 ("Health and Safety Education") of the ADE Rules Governing the Standards for Accreditation:

The Fountain Lake Charter High School is required to provide a one-half unit Health and Safety Education course to the meet the requirements of this Standard.

The applicant is asking for a waiver of that requirement in order that curriculum meeting the requirements of the ADE Standards Rules, Arkansas Frameworks and all applicable rubrics may be embedded within other courses

to be provided by the conversion charter school.

The applicant ensures that students will receive instruction concerning the required material in the Health and Safety Education class meeting or exceeding all state curriculum requirements through embedding the curriculum within the students' required coursework. Specifically, the Applicant desires to embed the course content from the Health and Safety class within its Biology course.

4. Section 10.01.4 ("Planned Instructional Day") of the ADE Rules Governing the Standards for Accreditation:

Due to the unique nature of the Fountain Lake Charter High School's educational offerings as outlined in this application, the applicant is requesting a waiver of the Planned Instructional Day requirements. The curricular offerings of the high school, while meeting all curriculum requirements, may be capable of being provided in less than thirty (30) hours per week.

5. Section 10.02 ("Class Size and Teaching Load") of the ADE Rules Governing the Standards for Accreditation and specifically subsection 10.02.5:

In order to obtain the flexibility to fully implement the Fountain Lake Charter High School experience, the applicant wishes to request a waiver of the Class Size and Teaching Load requirements. The applicant believes that the unique curriculum delivery system that will be utilized in the Charter High School is truly an example of an "exceptional case" worthy of a waiver under Section 10.02.5 of the Standards Rules.

A waiver is being specifically requested for our teachers to be able to instruct no more than 180 students, with a maximum of no more than 30 students per class.

6. Section 14.03 of the ADE Rules Governing the Standards for Accreditation (concerning required clock hours for units of credit):

The applicant is not, by this waiver request, asking for a waiver of graduation requirements. The applicant is requesting only a waiver of the 120 clock hour requirement. In accordance with prior ADE comments on this type of waiver request, the applicant herby affirms that it will adhere to full curriculum alignment with Arkansas Frameworks, and will be glad to submit to the ADE and/or the Charter Authorizing Panel any additional information that may be desired.

7. Ark. Code Ann. §§6-15-1004, 6-17-302, 6-17-309, 6-17-401, 6-17-902, and 6-17-919; Sections 15.02 and 15.03 of the ADE Rules Governing the Standards for Accreditation; and the ADE Rules Governing Educator Licensure (all concerning Teacher Licensure):

The applicant is requesting a waiver from the above-listed statutes and rules, to the extent that it may be necessary to hire professionals in the community who possess outstanding credentials and work history in the various areas of coursework provided in the Charter High School, even if they do not possess a teaching license. Any individuals hired as a result of this waiver will meet all other requirements, such as Highly Qualified Teacher status if applicable, and the successful completion of criminal background and Child Maltreatment Registry checks. We see this as a part of the collaboration process between the school district and the community which will further the linkage process created by the school and the district with the community.

As a specific example of the use of this waiver, the applicant would wish to serve its Charter High School Gifted and Talented (GT) students with a teacher who is not certified in GT.

8. Ark. Code Ann. §§6-20-2208(c)(6) and 6-42-109; Section 18.0 of the ADE Rules Governing the Standards for Accreditation, and the ADE Rules Governing Gifted and Talented Program Approval Standards (concerning Gifted and Talented Students):

The applicant requests a waiver of the above listed statutes and rules, to the extent necessary to permit it to assign students who meet the requirements for placement in the Gifted and Talented (GT) programs to students

in grades (9-12) into appropriate pre-advanced placement and advanced placement courses. All roles and responsibilities of this position will be addressed by the Advanced Placement (AP) Coordinator to ensure the needs of all GT students are covered through AP courses and their Personalized Success Plan.

20. Describe the potential impact of the proposed public charter school on the efforts of affected public school district(s) to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools.

Applicant Response:

The Garland County School Desegregation Case Comprehensive Settlement Agreement requires that the applicant district, as well as the other school districts in Garland County, is required to participate in inter-district school choice within the parameters of Act 609 of 1989. The applicant hereby confirms that the operation of a conversion charter high school would not inhibit its compliance with the Agreement. The District is currently involved in litigation which seeks to terminate the requirements of the Agreement. The applicant will keep the Arkansas Department of Education and the charter authorizing panel apprised of the status of the litigation as the application process progresses.

21. Explain what the charter founders and other leaders are doing or will do to ensure the success of the charter school in perpetuity.

Applicant Response:

The Fountain Lake Administrative Team and School Board has been planning to change the way students are educated for the past four years. The District desires to prepare every student for success after high school. In order to accomplish that goal the district saw the need to begin this change at the middle school focusing on individual success at the 5th grade and continuing that focus until two years after high school. The School Board is committed to provide the resources for this change. The district understands the need to make this change as our students are finishing high school without the skills and experience needed for success in the world of work. We as a district understand that this change process is a long-term commitment that will be directed by the needs of our students and the workforce.

Appendix A

Mid-Summer Professional Development
Thursday July 24, 2014

8:00-8:30...General Comments and Agenda Review

8:30-9:45...Fountain Lake Charter High School Announcement (Westerman, Beckwith, Sullivan)

- What is a charter?
- Mission of the FLCHS
- Five pillars supporting the charter mission
- School's responsibilities if granted a charter
- State's responsibilities if a charter is granted
- Timeline
- Questions

9:45-10:00... Monday Reads (Vice)

10:00-10:15...Break

10:15-10:30...Team Assignments (Bennett, Craver)

High School 101 (9th Grade)...*Nancy Yarberry, Debbie Tripp, Michelle McCullough, Steve Masters, Carrie Bloomquist, Karen Vice/Joyce Hendrix (**Media Center**)

Life 101 (10th Grade)...*Danton Robertson, Carroll Mercer, Josh Wesson, Susan Mangrum, Matt Kinsinger, Laura Mills (**Media Center**)

CCR (11th Grade)...*Julie Wade, Mary Kate Crumpler, Celeste Byrd, Jennifer Cox, Jolie Wang, Doug Rountree (**High School Principal's Office**)

Capstone (12th Grade)...*Mike Wiles/Carmen Keys, Dana Smith, Melody Gilleran, Lynn Janaskie, Susan Newcomb, Katie Wesson (**Counselor's Outer Office**)

10:30-11:30...

High School 101 and **Life 101** (Craver)... Research and Develop list of "soft-skills" necessary for success in school, employment and in life relationships. Identify top 10 most important for students to learn this school year. Select three from the list to teach during first 9 weeks of the school year. Answer the question, "How will students be motivated to participate and complete assignments-will we use a carrot or spurs"

CCR (Westerman)...Introductory webinar with Cambridge Educational Services. **"How will students be motivated to participate and complete assignments-will we use a carrot or spurs?"**

Capstone (Wiles/Keys)...Review Capstone Goals and Process. "How will students be motivated to participate and complete assignments-will we use a carrot or spurs?"

11:30-12:30...

Lunch in FACS Classroom

12:30-2:30...

High School 101 and **Life 101...Project Design**

CCR... Scope and Sequence

Capstone...Calendar of Activities with a semester storyboard

2:30...

Wrap-up in Media Center

H/S Enrichment Curriculum Planning

(7/24/2014 8:00:00 AM - 7/24/2014 2:00:00 PM)

Meeting Dates: #1: 7/24/2014 8:00 am - 2:00 pm at H/S Media Center

Hours: 6 hr

Enrollment: 37 / 50

		Name	Signature	Building
1.	CB	Bennett, Candiss	Candiss Bennett	Administration
2.	CB	Bloomquist, Carrie	Carrie Bloomquist	FL High School
3.		Bristow, Samuel		FL High School
4.	CB	Byrd, Celeste	Celeste Byrd	FL High School
5.	JC	Cox, Jennifer	Jennifer Cox	FL High School
6.	LC	Craver, Larry	Larry L Craver	FL High School
7.	MKC	Crumpler, Mary K	Mary Kate	FL High School
8.		Davis, Glenn		FL High School
9.		Dearmon, David		FL High School
10.		East, Sarah		FL High School
11.		Faulkner, Leslie		FL High School
12.	mg	Gilleran, Melody	Melody E Gilleran	FL High School
13.		Gray, William		FL High School
14.	LJ	Janaskie, Lynn	Lynn Janaskie	FL High School
15.	CK	Keys, Carmen	Carmen Keys	Administration
16.	AK	Kinsinger, Andrea	Andrea Kinsinger	FL High School
17.		Kinsinger, Matthew		FL High School
18.	SM	Mangrum, Suzanne	Suzanne Mangrum	FL High School
19.		McCullough, Michelle		FL High School
20.	CM	Mercer, Carroll	Carroll Mercer	FL High School
21.	LM	Mills, Laura	Laura Mills	FL High School
22.	JP	Perdrix-Wang, Jolie	Jolie Wang	FL High School
23.	AR	Robertson, Amanda	Amanda Robertson	FL High School
24.	DR	Robertson, Danton	D Robertson	FL High School
25.	DR	Rountree, Doug	Doug Rountree	FL High School
26.	MS	Sargo, Mary	Mary Sargo	FL High School
27.		Shelton, Kenny		FL High School

(7/24/2014 8:00:00 AM - 7/24/2014 2:00:00 PM)

	Name	Signature	Building
28.	DMS Smith, Dana	Dana M. Smith	FL High School
29.	Smith, Rebecca		Administration
30.	Tripp, Debra	D Tripp	FL High School
31.	Vice, Karen	Karen Vice	FL High School
32.	Wade, Juli	Juli M Wade	FL High School
33.	Wesson, Joshua		FL High School
34.	Wesson, Katy	Katy Wesson	FL High School
35.	Westerman, Donald		Administration
36.	Wiles, Mike	Mike Wiles	FL High School
37.	Yarberry, Nancy	Nancy Yarberry	FL High School
38.	SN Dawsonde, Susan	Susan P Dawsonde	
39.	Masters, Steve	Steve Masters	
40.			
41.			
42.			
43.			
44.			
45.			
46.			
47.			
48.			
49.			
50.			

FOUNTAIN LAKE CONVERSION CHARTER HIGH SCHOOL PUBLIC MEETING AGENDA

August 25, 2014 – 6:30 PM

AUDITORIUM

1. Tony Garn
2. Amy Garnen
3. Jaclyn Beckwith
4. [illegible]
5. Mark & Christy Hedrick
6. Candis Bennett
7. Joy Cover
8. Dana M. Smith
9. Lisa Bracy
10. Sharon Westerman
11. Deride Thomas
12. Allyn Florini
13. Greg Frank
14. Ashley Twiggs
15. Salem Twiggs
16. Carmen Keys
17.
18.
19.
20.

FOUNTAIN LAKE CONVERSION CHARTER HIGH SCHOOL PUBLIC MEETING

AGENDA

August 25, 2014 – 6:30 PM

AUDITORIUM

1. LeAnn Westerman
2. Grace Westerman
3. Eusebia Vasquez
4. Paul Vasquez
5.
6.
7.
8.
9.
10.
11.
12.
13.
14.
15.
16.
17.
18.
19.
20.

FOUNTAIN LAKE CONVERSION CHARTER HIGH SCHOOL PUBLIC MEETING AGENDA August 25, 2014 – 6:30 PM AUDITORIUM

ITEM 1: INTRODUCTION

ITEM 2: PRESENTATION

ITEM 3: QUESTIONS

News and Announcements

Website

High School Charter Public Meeting

Fountain Lake School District will hold a Public Meeting – Monday August 25, 2014
at 6:30 PM in the Fountain Lake High School Auditorium located at 4207 Park Avenue, Hot Springs, AR. Purpose of this meeting is to inform the public of Fountain Lake School District's plans to file an application with Arkansas State Board of Education for a Conversion Charter School for grades 9th through 12th; to be called Fountain Lake Conversion Charter High School. All interested persons are invited to attend.

Contact person: Brad Sullivan at (501)

Official Fountain Lake School District

Posted by Cobra Gold Rain

3 hours ago

Fountain Lake School District will hold a Public Meeting – Monday August 25, 2014 at 6:30 PM in the Fountain Lake High School Auditorium located at 4207 Park Avenue, Hot Springs, AR. Purpose of this meeting is to inform the public of Fountain Lake School District's plans to file an application with Arkansas State Board of Education for a Conversion Charter School for grades 9th through 12th; to be called Fountain Lake Conversion Charter High School. All interested persons are invited to attend. Contact person: Brad Sullivan at (501) 701-1700.

Like Comment Share

Stacie Traurig and 9 others like this

I, Debe Johnson Manager, of The Sentinel-Record a newspaper of general circulation published, and having bonifide circulation in Hot Springs, Garland County, Arkansas, hereby certify that the legal notice hereto attached was published in said newspaper for 1 consecutive insertions and that the

NOTICE
Fountain Lake School District will hold a Public Meeting - Monday August 25, 2014 at 6:30 PM in the Fountain Lake High School Auditorium located at 4207 Park Avenue, Hot Springs, AR. Purpose of this meeting is to inform the public of Fountain Lake School District's plans to file an application with Arkansas State Board of Education for a Conversion Carter School for grades 9th through 12th; to be called Fountain Lake Conversion Charter High School. All interested persons are invited to attend. Contact person: Brad Sullivan at (501) 701-1700.

First Insertion was on the	30th	Day of	July	2014
Second Insertion was		Day of		2014
Third Insertion was		Day of		2014
Fourth Insertion was		Day of		2014
Fifth Insertion was		Day of		2014
and the last insertion was	30th	Day of	July	2014

Debe Johnson
Manager

Sworn before me this 4th Day of August A.D. 2014

Merry Bellomy
Notary Public

Merry Bellomy
County Of Garland
Notary Public - Arkansas
My Commission Exp. 03/10/2015

Fountain Lake Charter High School

What is a Charter?

Charter schools are public schools that operate under a "charter," or "charter contract" which frees them from many regulations created for traditional public schools while holding them accountable for academic and financial results.

A charter is simply an agreement between the school and the state that school will be done differently.

It's all about beginning with the end in mind...

What will different look like?

Every Student Graduates-
Every Student Prepared

Every Student Graduates- Every Student Prepared

- Every Stud ent will have a Person Plan
- Every St College Hou Certificate or Both while in High School
- Every Student will experience work-based learning leading to career success.

- Every Stud t will be oad
- will istrate the skills needed to get a job, keep a job and be a productive citizen

As part of the agreement

The School Will...

- Request waivers on certain standards i.e. Teacher Certification, Start and End Dates for School Year, Grading Scale, Course Offerings, etc.
- Develop Partnerships with Business and Industry and Post-Secondary Education
- Engage in Professional Development and Training for Implementation of Best Practices
- Provide relevant and innovative programs of study based on the needs of students, community and workforce

The State Will...

- Grant waivers for certain standards.
- Provide funding for Professional Development and Training for Implementation of Best Practices
- Provide funding for new and innovative programs of study

Phase 1-Timeline

July 21	Letter of Intent to Apply for Charter-ADE	X
July 24	Presentation-High School Faculty	X
August 5	Presentation-High School Faculty	X
August 25	Public Hearing for High School Charter	X
Sept 5	Completion of District Conversion Public Charter School Application	
Sept 9	Submit District Conversion Public Charter School Application -ADE	
Nov TBA	Presentation to Charter Authorizing Committee-ADE	

Questions?

Appendix B

NATIONAL PARK COMMUNITY COLLEGE
AT HOT SPRINGS

101 College Drive • Hot Springs National Park, Arkansas 71913
(501) 760-4222 • Fax (501) 760-4100 • www.npcc.edu

Office of the President

August 25, 2014

The Arkansas Department of Education
Charter School Office
Four Capitol Mall, Room 302-B
Little Rock, AR 72201

Dear Madam/Sir:

I'd like to offer the full support of National Park Community College to the Fountain Lake School District's effort to implement an innovative charter school. Please consider this letter as our highest endorsement. We are confident that this effort will result in better preparing students for lifelong learning, professional success, and academic attainment.

I am personally very encouraged by the advocacy for students in which this effort will result, and I know student success lies at the center of this innovation. National Park enjoys a robust partnership with the leadership at Fountain Lake, and we intend to leverage our relationship in order to develop appropriate educational and workforce pathways for the students of Garland County.

This approach is innovative, cutting edge, designed for student success, and will result in more students ultimately achieving their workforce and human potential. Moreover, this will build a foundation for future synergy and growth of our local educational enterprise.

If we can offer further support, please let me know.

Best regards,

John A. Hogan, Ph.D.
President

September 4, 2014

Arkansas Department of Education
Charter School Office
Four Capitol Mall, Room 302–B
Little Rock, AR 72201

Dear Sir/Madam:

Express Employment Professionals is in full support of the Fountain Lake Conversion Charter School application. As a staffing agency, we see a humongous need for an improved workforce in our market on a daily basis. We believe the implementation of the conversion charter school at Fountain Lake High School will help tremendously in preparing students in their upcoming job search. There is a consensus among the hundreds of companies that we work with in our community that a better trained and educated pool of potential employees is desperately needed. The job openings are here, but many go unfilled due to the lack of technical and career skills.

As Hot Springs continues to grow, so will the need to have graduates that are prepared to work. Our local economy will benefit as more students can be hired by companies in our market. I wholeheartedly support this application for a Fountain Lake Conversion Charter School.

Please feel free to contact me if I can be of further assistance in this process.

Sincerely,

Neal Harrington
Owner
Express Employment Professionals
Phone: 501-520-0333
Neal.Harrington@Expresspros.com

Express® EMPLOYMENT PROFESSIONALS
Respecting People. Impacting Business.™

©2012 Express Services Inc. All rights reserved.

M205 2/12

HOT SPRINGS
ARKANSAS
Growing Hot Springs

Arkansas Department of Education
Charter School Office
Four Capitol Mall, Room 302-B
Little Rock, Arkansas 72210

Dear Sir/Madam:

On behalf of the Greater Hot Springs Chamber of Commerce and the Hot Springs Metro Partnership, we fully support and endorse the efforts of the Fountain Lake Charter High School and its program of "Graduate Every Student Prepared For Success" mission.

We manage a robust program of gauging the needs of our region's employer base as to workforce both now and in future years. The program proposed by the Fountain Lake Charter High School will prepare Garland County and Hot Springs future employees to be productive and successful leading to the general lifting of the area's economy.

We enthusiastically support the efforts of this outstanding group of education professionals.

Sincerely,

Jim Fram, CEcD, CCE, FM
President & CEO
Greater Hot Springs Chamber of Commerce
Hot Springs Metro Partnership

JF;s

659 Ouachita Ave., Hot Springs, Arkansas 71901
P: (501) 321-1700 or (501) 624-6807 C: (501) 318-4231
jimfram@hotspringschamber.com www.growhotspringschamber.com

ALAN CLARK
SENATOR
13TH DISTRICT
OFFICE: 501-262-3360
alanclark4statesenate@yahoo.com

POST OFFICE BOX 211
LONSDALE, ARKANSAS 72087

THE SENATE
STATE OF ARKANSAS

MEMBER:
JOINT BUDGET
JOINT AUDIT
EDUCATION
JOINT RETIREMENT & SOCIAL SECURITY
RULES, RESOLUTIONS & MEMORIALS
AGRICULTURE, FORESTRY & ECONOMIC DEVELOPMENT

August 28, 2014

Arkansas Department of Education
Charter School Office
4 Capitol Mall, Room 302-B
Little Rock, Arkansas 72201

TO WHOM IT MAY CONCERN:

Please accept this letter as the Fountain Lake School District applies to establish the Fountain Lake Charter High School. I am writing to express my wholehearted support for this project.

I believe the school, if approved, will provide students increased opportunities for learning and encourage more involvement from parents and the community. Equipping our young people with a quality education is essential if they are to succeed in the future, and establishing Fountain Lake Charter High is an opportunity to do that.

Thank you for your time and attention in this matter. I would ask those with the power to do so to give the school district's application every possible consideration. If I can be of further assistance in this matter, please do not hesitate to contact me.

Sincerely,

Alan Clark
State Senator
District 13

AC:lag

Fountain Lake
School District

Michelle Durmon <mdurmon@flcobras.com>

FW: Letter

1 message

DONALD WESTERMAN <dwesterman@flcobras.com> Wed, Sep 3, 2014 at 11:01 PM
To: Michelle Durmon <mdurmon@flcobras.com>
Cc: Brad Sullivan <BSullivan@flcobras.com>, Darin Beckwith <DBeckwith@flcobras.com>

Michelle,
A copy of this email needs to go in the supporting evidence section of the charter application.

Thank You!

DWW

From: Ashley Twiggs
Sent: 9/3/2014 7:17 PM
To: dwesterman@flcobras.com
Subject: Letter

We are writing in support of Fountain Lake High School converting to a public charter school. As parents of 5th and 8th graders, we are already familiar with the benefits and changes regarding Fountain Lake's recent middle school conversion.

We are impressed with the progressive and positive plans for restructuring the teaching methods; and we would like for this model to continue at the high school level. The faculty and staff at Fountain Lake is capable of leading this type of change successfully and with a positive energy.

Fountain Lake is not changing what they teach. They are changing how they teach. By providing more project based instruction; the teachers are not only instructing for audio and visual learners, but for kinesthetic learners, as well. With this shifting focus, they are actively encouraging students (and their parents) to remain partners in their educational process through high school.

By identifying each student's intellectual strengths, as well as their interests, a charter Fountain Lake will be better able to guide students in achieving their potential. Discerning their students' purpose beyond high school--whether that involves four year college/university, community college, trade school, or the work force--is a key component to a successful high school experience.

Exciting and interesting electives designed to engage students will also encourage them to remain in school. Vocational arts are just as important as traditional electives. Bridging the gap between academics and industry should begin at the high school level.

It is not just about good grades. It's about connecting with students and the community and producing graduates who are equipped with a bigger picture and a plan on how to succeed in their chosen path. Fountain Lake understands this, and we are proud to be a part of their plan for our children's future.

Many thanks,
Ashley & David Twiggs

Sent from my iPad

Appendix C

2015-2016 SY PROPOSED (PRELIMINARY) CALENDAR

1st Day TEACHERS – August 10th, 2015
Last Day TEACHERS – May 31st, 2016
** Aug. 17th, 2015 – FIRST Day – Students
** May 31st, 2016 - LAST Day – Students

STAFF DEVELOPMENT
July/August (3 days to be set by Principals)
August 11th-13th, 2015 (3 Days) **10th & 14th – OFF
January 4th, 2016
February 12th, 2016

Monday 3:30-5:30 (2 Days) on the following dates:
(10/12/15; 11/9/15; 12/7/15; 3/7/16; 4/11/16; 5/9/16)

HOLIDAYS/NO SCHOOL (IF IT IS NOT NEEDED FOR SNOW)
Sept. 7th, 2015 (Labor Day)
October 23rd, 2015
Nov. 25th-27th, 2015 (Thanksgiving)
Dec. 21st - Jan. 2nd, 2016 (Christmas Break)
Jan. 18th, 2016 (MLK Day)
February 15th, 2016 (President's Day)
March 21st – 25th, 2016 (Spring Break)
May 30th, 2016 (Memorial Day)

PARENT/TEACHER CONFERENCES
October 20th & 22nd, 2015 **3:30 PM to 6:30 PM
February 11th, 2016 ****3:30 PM to 8:30 PM(HS CAP included)**

190 Teacher Days
178 Student Days

MAKE-UP DAYS If needed**
1/18/2016; 2/15/2016; 6/01/2016; 6/02/2016; 6/03/2016

**Act 1469(2009) requires public school districts to include 5 make-up days in addition to student interaction days. These days will be used as needed. If not needed, school will end on the 178th day of school.

High School Bell Schedule

First Bell---7:55

1st Period---8:00-8:50

2nd Period---8:55-9:45

3rd Period---9:50-10:40

4th Period---10:45-11:35

5th Period--11:40-12:30

Lunch---12:30-1:00

6th Period---1:05-1:55

Enrichment---2:00-2:35

7th Period---2:40-3:30

Appendix D

2014 APPLICATION
DISTRICT CONVERSION PUBLIC CHARTER SCHOOL
STATEMENT OF ASSURANCES

The signature of the superintendent of the school district proposing the public charter school certifies that the following statements are and will be addressed through policies adopted by the public charter school; and, if the application is approved, the local board, administration, and staff of the district conversion public charter school shall abide by them:

1. The information submitted in this application is true to the best of my knowledge and belief.

2. The district conversion public charter school shall be open to all students, on a space-available basis, and shall not discriminate in its admission policy on the basis of gender, national origin, race, ethnicity, religion, disability, or academic or athletic eligibility.

3. In accordance with federal and state laws, the district conversion public charter school hiring and retention policies of administrators, teachers, and other employees shall not discriminate on the basis of race, color, national origin, creed, sex, ethnicity, sexual orientation, mental or physical disability, age, ancestry, or special need.

4. Any educator employed by a school district before the effective date of a charter for a district conversion public charter school operated at a school district facility shall not be transferred to or employed by the public charter school over the educator's objection.

5. The district conversion public charter school shall operate in accordance with federal laws and rules governing public schools; applicable provisions of the Arkansas Constitution; and state statutes or regulations governing public schools not waived by the approved charter.

6. The district conversion public charter school shall ensure that any of its employees who qualify for membership in the Arkansas Teacher Retirement System or the State and Public School Employee Insurance Program shall be covered under those systems to the same extent any other qualified employee of the school district is covered.

7. The district conversion public charter school shall comply with all health and safety laws, rules and regulations of the federal, state, county, region, or community that may apply to the facilities and school property.

8. The employees and volunteers of the district conversion public charter school are held immune from liability to the same extent as other school district employees and volunteers under applicable state laws.

9. The district conversion public charter school shall be reviewed for its potential impact on the efforts of a public school district to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools.

10. The applicant confirms the understanding that certain provisions of state law shall not be waived. The district conversion public charter school is subject to any prohibition, restriction, or requirement imposed by Title 6 of the Arkansas Code Annotated and any rule and regulation approved by the State Board of Education under this title relating to:

    (a) Monitoring compliance with Arkansas Code Annotated § 6-23-101 et seq. as determined by the Commissioner of the Department of Education;

    (b) Conducting criminal background checks for employees;

    (c) High school graduation requirements as established by the State Board of Education;

    (d) Special education programs as provided by this title;

    (e) Public school accountability under this title;

    (f) Ethical guidelines and prohibitions as established by Arkansas Code Annotated § 6-24-101 *et seq.*, and any other controlling state or federal law regarding ethics or conflicts of interest; and

    (g) Health and safety codes as established by the State Board of Education and local governmental entities.

11. The facilities of the public charter school shall comply with all requirements for accessibility for individuals with disabilities in accordance with the ADA and IDEA and all other state and federal laws.

Signature of Superintendent of School District

9/4/14

Date

Darin Beckwith

Printed Name

Fountain Lake School District

Darin Beckwith • Superintendent

September 23, 2011

ABC Administration
1515 West 7th Street
Suite 503
Little Rock, AR 72201

RE: Application – Dollar General Store #12461

Please accept this document as a formal letter of opposition to the application made by Dollar General Store #12461 at 4310 Park Avenue, Hot Springs, AR 71901. As the representative for the Fountain Lake School Board, we declare our opposition to the granting of this license request due to the potential negative impact relating to the store's proximity to Fountain Lake School's location and population. While we appreciate the location of this store for many reasons – including convenience and value, we are equally concerned about the safety of our students.

Please review our request and notify us of your decision when it does come available. Should you have any questions or need further information, please do not hesitate to contact me at the number below. Thank you in advance for your help in this matter.

Sincerely,

Darin Beckwith
Superintendent

DB:cs

COBRAS

4207 Park Avenue • Hot Springs, AR 71901 • Phone: 501.701.1700 • Fax: 501.623.6447 • Email: dbeckwith@flcobras.com

STATE OF ARKANSAS
ALCOHOLIC BEVERAGE CONTROL DIVISION
1515 West 7th Street, Suite 503
Little Rock, Arkansas 72201
Telephone (501) 682-1105
Fax (501) 682-2221

Michael W. Langley
Director

Donald R. Bennett
Attorney

Milton R. Lueken
Attorney

BOARD MEMBERS:

Thomas P. Powell, Jr., Chairman
Ron Fuller
Tony Ellis
Jean Hervey
Martin B. Silverfield

March 9, 2012

Mr. Darin Beckwith, Superintendent
Fountain Lake School District
4207 Park Avenue
Hot Springs, Arkansas 71901

Dear Mr. Beckwith:

In reviewing the file on Michael Anderson, d/b/a Dollar General Store #12461, 4310 Park Avenue, Fountain Lake, we find that you have voiced objections to his application for a retail beer permit.

We have scheduled a hearing before the Alcoholic Beverage Control Board on this matter for Wednesday, March 21, 2012, at the hour of 11:00 a.m., in the Fifth Floor Conference Room of the 1515 Bldg., 1515 West 7th St., Little Rock, Arkansas.
It would be helpful in the Board's determination if you or a representative could appear at this hearing and state your reasons why this application should not be approved.

Documents may be submitted into the record as exhibits at the hearing, and should consist of an original and six (6) copies in order to facilitate Board Member review.

Sincerely,

Michael W. Langley, Director
Alcoholic Beverage Control Division

MWL/jkc

Fountain Lake School District

Darin Beckwith • Superintendent

March 13, 2012

State of Arkansas
Alcoholic Beverage Control Division
1515 West 7th Street
Suite 503
Little Rock, AR 72201

RE: HEARING – Michael Anderson d/b/a Dollar General Store #12461

We are in receipt of the letter of notice for the hearing on the application for a retail beer permit for the Dollar General Store #12461. The letter states that the hearing is scheduled for March 21, 2012. Due to the short notice of the scheduled hearing and the fact that all public schools in Arkansas will be on Spring Break, (i.e.-vacation plans have been made well in advance) we will be unable to attend the hearing.

We would like to submit a copy of our original letter of opposition and hope this information alone will suffice in having this application denied. We are sorry for any inconvenience this may have caused.

Sincerely,

Darin Beckwith
Superintendent

DB:cs

COBRAS

4207 Park Avenue • Hot Springs, AR 71901 • Phone: 501.701.1700 • Fax: 501.623.6447 • Email: dbeckwith@flcobras.com

2013 ESEA Information

Fountain Lake Charter High School

Fountain Lake School District

District:FOUNTAIN LAKE SCHOOL DISTRICT	Superintendent:DARIN BECKWITH
School:FOUNTAIN LAKE SCHOOL DISTRICT	Principal:
LEA:2602000	Grades:K-12
Address:4207 PARK AVE.	Enrollment:1284
HOT SPRINGS, AR 71901	Attendance (3 QTR AVG):95.48
Phone:501-701-1700	Poverty Rate:56.85

OVERALL SCHOOL STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED

PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	717	726	98.76	716	725	98.76
Targeted Achievement Gap Group	441	448	98.44	462	470	98.30
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	12	12	100.00	11	12	91.67
Hispanic	37	37	100.00	37	37	100.00
White	620	628	98.73	616	624	98.72
Economically Disadvantaged	410	417	98.32	431	439	98.18
English Language Learners	22	22	100.00	24	24	100.00
Students with Disabilities	90	91	98.90	91	92	98.91

STUDENT PERFORMANCE -- LITERACY

LITERACY STATUS:	ACHIEVING									
	STATUS PERFORMANCE -- LITERACY					GROWTH PERFORMANCE -- LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2013 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2013 AMO	90TH PCTL
All Students	555	670	82.84	81.48	91.00	360	443	81.26	80.88	93.00
Targeted Achievement Gap Group	306	403	75.93	76.25	91.00	218	284	76.76	75.83	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2013 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2013 AMO	90TH PCTL
All Students	1592	1943	81.94	81.48	91.00	1078	1311	82.23	80.88	93.00
Targeted Achievement Gap Group	896	1184	75.68	76.25	91.00	646	834	77.46	75.83	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2013 AMO		# Achieved	# Tested	Percentage	2013 AMO	
African American	7	10	70.00	89.58					100.00	
Hispanic	27	34	79.41	86.11		20	24	83.33	85.51	
White	483	579	83.42	80.34		312	386	80.83	80.04	
Economically Disadvantaged	291	373	78.02	78.38		209	267	78.28	76.82	
English Language Learners	16	22	72.73	86.84		14	17	82.35	88.09	
Students with Disabilities	34	86	39.53	46.56		22	52	42.31	51.39	

STUDENT PERFORMANCE -- MATHEMATICS

MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	STATUS PERFORMANCE -- MATHEMATICS					GROWTH PERFORMANCE -- MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2013 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2013 AMO	90TH PCTL
All Students	561	665	84.36	82.05	92.00	320	443	72.23	77.64	81.00
Targeted Achievement Gap Group	334	422	79.15	79.58	92.00	188	284	66.20	74.91	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2013 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2013 AMO	90TH PCTL
All Students	1761	2162	81.45	82.05	92.00	950	1313	72.35	77.64	81.00
Targeted Achievement Gap Group	1035	1340	77.24	79.58	92.00	563	836	67.34	74.91	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2013 AMO		# Achieved	# Tested	Percentage	2013 AMO	
African American	6	10	60.00	79.17					58.33	
Hispanic	29	34	85.29	78.26		20	24	83.33	71.02	
White	453	543	83.43	81.86		275	386	71.24	77.41	
Economically Disadvantaged	319	392	81.38	81.02		181	267	67.79	77.15	
English Language Learners	20	24	83.33	77.28		15	17	88.24	70.24	
Students with Disabilities	44	87	50.57	58.73		18	52	34.62	45.83	

2012 SCHOOL GRADUATION RATE

GRADUATION RATE STATUS:	NEEDS IMPROVEMENT				
	2012 SCHOOL GRADUATION RATE				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2012 AMO	90TH PCTL
All Students	83	93	89.25	86.25	94.00
Targeted Achievement Gap Group	27	35	77.14	83.33	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2012 AMO	90TH PCTL
All Students	246	298	82.55	86.25	94.00
Targeted Achievement Gap Group	83	109	76.15	83.33	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2012 AMO	
African American				100.00	
Hispanic				72.23	
White	75	84	89.29	85.96	
Economically Disadvantaged	25	32	78.12	84.85	
English Language Learners					
Students with Disabilities				73.96	

Report created on October 31, 2013 - 3:00PM

****** FINAL REPORT - REDACTED ******

District:FOUNTAIN LAKE SCHOOL DISTRICT	**Superintendent:DARIN BECKWITH**
School:FOUNTAIN LAKE HIGH SCHOOL	Principal:KEITH BAKER
LEA:2602006	Grades:09-12
Address:4207 PARK AVE.	Enrollment:432
HOT SPRINGS, AR 71901	Attendance (3 QTR AVG):93.65
Phone:501-701-1706	Poverty Rate:50.00

OVERALL SCHOOL STATUS: NEEDS IMPROVEMENT

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	103	107	96.26	80	84	95.24
Targeted Achievement Gap Group	45	47	95.74	58	61	95.08
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American						
Hispanic						
White	90	93	96.77	66	69	95.65
Economically Disadvantaged	42	44	95.45	55	58	94.83
English Language Learners						
Students with Disabilities				10	10	100.00

STUDENT PERFORMANCE -- LITERACY					
LITERACY STATUS:	NEEDS IMPROVEMENT				
	STATUS PERFORMANCE -- LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2013 AMO	90TH PCTL
All Students	76	100	76.00	76.33	91.00
Targeted Achievement Gap Group	26	44	59.09	73.96	91.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2013 AMO	90TH PCTL
All Students	207	276	75.00	76.33	91.00
Targeted Achievement Gap Group	79	120	65.83	73.96	91.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2013 AMO	
African American				100.00	
Hispanic				58.33	
White	67	88	76.14	76.19	
Economically Disadvantaged	25	41	60.98	77.01	
English Language Learners				16.67	
Students with Disabilities				50.00	

STUDENT PERFORMANCE -- MATHEMATICS					
MATHEMATICS STATUS:	ACHIEVING				
	STATUS PERFORMANCE -- MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2013 AMO	90TH PCTL
All Students	65	73	89.04	76.27	92.00
Targeted Achievement Gap Group	47	55	85.45	70.47	92.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2013 AMO	90TH PCTL
All Students	278	373	74.53	76.27	92.00
Targeted Achievement Gap Group	154	217	70.97	70.47	92.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2013 AMO	
African American				100.00	
Hispanic				54.54	
White	54	60	90.00	77.44	
Economically Disadvantaged	45	52	86.54	71.07	
English Language Learners				58.33	
Students with Disabilities	8	10	80.00	75.49	

2012 SCHOOL GRADUATION RATE					
GRADUATION RATE STATUS:	NEEDS IMPROVEMENT				
	2012 SCHOOL GRADUATION RATE				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2012 AMO	90TH PCTL
All Students	83	93	89.25	86.25	94.00
Targeted Achievement Gap Group	27	35	77.14	83.33	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2012 AMO	90TH PCTL
All Students	246	298	82.55	86.25	94.00
Targeted Achievement Gap Group	83	109	76.15	83.33	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2012 AMO	
African American				100.00	
Hispanic				72.23	
White	75	84	89.29	85.96	
Economically Disadvantaged	25	32	78.12	84.85	
English Language Learners					
Students with Disabilities				73.96	

Report created on October 31, 2013 - 3:00PM

****** FINAL REPORT - REDACTED ******

February 2015

Notification of Charter Authorizing Panel Decision

Haas Hall Academy
Fayetteville, Arkansas

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 19, 2015

Dr. Martin Schoppmeyer
3155 North College Ave, Ste. 108
Fayetteville, Arkansas 72703

RE: Notice of Charter Authorizing Panel Hearing Decision
Haas Hall Academy, Fayetteville

Dear Dr. Schoppmeyer:

On February 18, 2015, the Charter Authorizing Panel met and approved the amendment request for Haas Hall Academy, Fayetteville. Ark. Code Ann. § 6-23-702(b)(2)(A) allows charter applicants and affected school districts **to request** that the State Board of Education review a final decision of the Charter Authorizing Panel. A request must state the specific reasons that the board should review the decision.

Ark. Code Ann. § 6-23-703(a) requires the State Board of Education to consider requests for review of Charter Authorizing Panel decisions at its next meeting after the decisions are made. Therefore, a review **request** must be submitted, via email, no later than **4:00 p.m. on Tuesday, February 24, 2015,** in order for the request to be included in the State Board of Education agenda materials for the meeting on March 12, 2015. Email the request to ade.charterschools@arkansas.gov. Be advised that the decision of whether to review a Charter Authorizing Panel decision is discretionary. See Ark. Code Ann. § 6-23-702(b)(3). Regardless of whether a review of the panel's decision is requested, the application will be an action item for the State Board of Education on March 12, and, at that time, the board will determine whether or not to review the panel's decision. If the State Board decides to review the panel's decision, the review will take place at a later meeting.

Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue, Director
Office of Educational Options

C: Dr. Paul Hewitt, Superintendent, Fayetteville School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

Request for Waiver of Submission Deadline

HAAS HALL ACADEMY
Fayetteville, Arkansas

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 13, 2015

Dr. Martin Schoppmeyer
Haas Hall
3155 North College Avenue
Fayetteville, AR 72703

Re: Charter Authorizing Panel-Amendment Request

Dear Dr. Schoppmeyer:

I received your February 10, 2015, letter requesting a waiver of Sections 4.02.4 and 4.02.5 of the ADE Rules Governing Public Charter Schools that requires amendment requests to be submitted thirty-five (35) days before the Charter Authorizing Panel meeting where the amendment request will be heard.

Haas Hall Academy-Fayetteville has requested an amendment to relocate its currently approved location and to expand to the 7th grade with an increase in enrollment cap from 320 to 400. Fayetteville Public Schools is reconfiguring their grades. Starting in the Fall 0f 2015, junior high will be 7th and 8th grade in Fayetteville Public Schools. Haas Hall wishes to expand to 7th grade to keep students who transition from Fayetteville Public Schools to Haas Hall from having to change schools for both 7th and 8th grades. The new facility will allow Haas Hall to accommodate the new grade level.

Pursuant to Section 4.02.4 of the ADE Rules Governing Public Charter Schools, I will grant a waiver of the 35-day requirement and allow this amendment request to appear on the February agenda of the Charter Authorizing Panel. You should bring the proposed desegregation analysis to submit to the Charter Authorizing Panel at the February. If the district wishes to submit any desegregation-related objections, those objections should be submitted in writing to the Charter Authorizing Panel during its meeting. ADE staff will also provide a desegregation analysis to the Panel at its meeting.

Sincerely,

Tony Wood

Tony Wood
Commissioner

c: Paul Hewitt, Superintendent, Fayetteville School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

HENRY LAW FIRM

February 12, 2015

Commissioner of Education
Arkansas Department of Education
Four Capitol Mall, Mail Slot #3
Little Rock, Arkansas 72201

RE: Applicant: Haas Hall Academy – Fayetteville, AR
Scheduled Hearing Date: February 18, 2015

Request for Waiver of 35-day time requirement to submit desegregation analysis in connection with Charter Amendment Request

---

To the Commissioner:

I represent Haas Hall Academy. Haas Hall Academy timely submitted its application to amend its charter to accomplish two things: (1) move to a new and improved location one mile away and (2) expand the Charter to serve the 7th Grade. Our application is scheduled to be heard by the Charter Authorizing Panel on February 18.

Yesterday we were notified by the Department of Education that the application would not be considered at next week's hearing because the application did not include a desegregation analysis. The Department's published instructions for completing the Charter Amendment Request Form expressly enumerate seven items of documentation to include with the request, and we properly included all seven items with our request. The desegregation analysis, however, is not referenced by the Department's instructions, and we inadvertently omitted such analysis.

Haas Hall Academy is not asking for a departure from the requirement to present such analysis, but rather is asking the Commissioner for a waiver from the requirement that such desegregation analysis be submitted 35 days before the hearing.

If you approve such waiver of the timing requirement, then Haas Hall Academy stands ready to present the required desegregation analysis to the Charter Authorizing Panel at the hearing next week. Attached to this letter is the proposed desegregation analysis for the Fayetteville campus and also a *Memorandum from the Arkansas Department of Education* concerning the very recent Haas Hall Academy Bentonville Charter Application. It was the conclusion that Haas Hall Academy Bentonville had no impermissible motivation to segregate schools, and of course there is none in the present application.

POST OFFICE BOX 8850 | FAYETTEVILLE AR 72703
479 695 1330 f479 695 1332 | www.IdeasAreValuable.com

We understand next week's hearing is the only scheduled opportunity to present our requested amendment prior to the beginning of the next school year. Accordingly, we believe the Commissioner is both authorized to grant this waiver of the 35-day requirement and has good cause to do so.

Not allowing the Charter Authorizing Panel to consider the otherwise complete amendment application would negatively impact the continuation of educational services offered by Haas Hall Academy and the safety and welfare of students.

The reasons for moving to a safer, newer, larger, and improved location are documented in our application to amend.

Our rationale for requesting to include the 7th Grade is also fully set forth in the application. The request relates to Fayetteville Public School's restructuring of its grade levels. Haas Hall Academy desires to minimize the number of times the student changes to a new school, as repeated transitions can be disruptive to the educational experience. Haas Hall Academy therefore needs its addition of the 7th Grade to coincide with Fayetteville Public School's grade restructuring—which will occur in the upcoming 2015-2016 school year. If Haas Hall's amendment request is postponed until next October's hearing, then rising 7th Graders wishing to attend Haas Hall Academy will inevitably be required to change schools both in the 7th Grade and again in the 8th Grade. With the approval of Haas Hall Academy's addition of the 7th Grade, the students will benefit from the continuity between 7th and 8th Grades and beyond. Haas Hall Academy Bentonville was approved to include the 7th Grade.

Taking into consideration economic feasibility and size of the new location, Haas Hall Academy Fayetteville's request to relocate its campus coincides with and contemplates a successful addition of the 7th Grade. As discussed in the amendment application, the relocation site has many benefits including enhanced safety of all students.

We would be happy to provide you with any additional information you need to support your decision to grant this waiver of the 35-day requirement of providing the desegregation analysis to the Charter Authorizing Panel.

A speedy and favorable response is very much appreciated,

Very truly yours,

Mark Murphey Henry

cc: Paul Hewitt - Fayetteville School District Superintendent
Sky Bledsoe - Charter School Authorizing Panel

Part B: Desegregation Analysis

Describe the impact, both current and potential, of the public charter school on the efforts of affected public school district(s) to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools.

Haas Hall Academy Fayetteville is an open-enrollment public school charter that has served for years many scholars across all of Northwest Arkansas. Most scholars originated from the several school districts located within Washington and Benton counties.

The recent approval by the Board of Education of the Charter for the Haas Hall Academy in Bentonville may have some practical impact on the source of the scholars.

Haas Hall Academy Bentonville is an open- enrollment public charter school unconfined by district boundaries; however, Haas Hall Academy Bentonville anticipates the majority of its students will originate from within the boundaries of Benton County, including the Bentonville, Decatur, Gentry, Gravette, Pea Ridge, Rogers and Siloam Springs School Districts.

Haas Hall Academy Fayetteville remains an open-enrollment public charter school unconfined by district boundaries; however, Haas Hall Academy Fayetteville expects the majority of its students will originate from within the boundaries of Washington County, including the Fayetteville, Springdale, Elkins, Farmington, Lincoln, Prairie Grove, West Fork, and Greenland School Districts.

In carefully reviewing the potential impact that Hass Hall Academy Fayetteville would have upon the efforts of the surrounding school districts to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools, the applicant finds that neither the Fayetteville School District nor any of its contiguous or neighboring school districts are currently subject to, or have ever been subject to, any court orders or judicial decrees concerning the desegregation of its schools. Haas Hall Academy Fayetteville does not expect the addition of the 7th Grade to adversely impact the previously approved desegregation analysis.

As an open- enrollment public charter school, Haas Hall Academy Fayetteville must be race-neutral, and non- discriminatory in its student selection and admission processes, and its operation will not serve to hamper, delay or in any manner negatively affect the desegregation efforts of any public school district or districts within the state.

ARKANSAS DEPARTMENT OF EDUCATION

MEMORANDUM

To: ADE Charter Authorizing Panel

From: ADE Staff

Re: Desegregation Analysis of Open-Enrollment Public Charter School Application for Haas Hall Academy

Date: October 3, 2014

I. INTRODUCTION

The Academy, Inc. submitted an application for an open-enrollment public charter school, Haas Hall Academy. The proposed charter school would be located within the boundaries of the Bentonville School District. The proposed charter school would provide instruction in grades seven through twelve (7-12) and possess a student enrollment cap of 500. According to its application, the proposed charter school expects to draw students from the Bentonville, Gentry, Rogers, Gravette, Decatur, and Pea Ridge school districts.

II. STATUTORY REQUIREMENTS

Ark. Code Ann. § 6-23-106(a) requires the applicants for a charter school, the board of directors of the school district in which a proposed charter school would be located, and the charter authorizer to "carefully review the potential impact of an application for a charter school on the efforts of a public school district or public school districts to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools." Ark. Code Ann. § 6-23-106(b) requires the charter authorizer to "attempt to measure the likely impact of a proposed public charter school on the efforts of public school districts to achieve and maintain a unitary system." Ark. Code Ann. § 6-23-106(c) states that the charter authorizer "shall not approve any public charter school under this chapter or any other act or any combination of acts that hampers, delays, or in any manner negatively affects the desegregation efforts of a public school district or public school districts in this state." This analysis is provided to inform the decision-making of the charter authorizer with regard to the effect, if any, of the proposed public charter school upon the desegregation efforts of a public school district.

III. INFORMATION SUBMITTED BY THE APPLICANT AND THE AFFECTED SCHOOL DISTRICTS

The applicant addresses Desegregation Assurances on page 19 of its response. The applicant provided the following analysis:

> *Haas Hall Academy intends to replicate within the boundaries of the Bentonville school district. Haas Hall Academy expects scholars will enroll primarily from the Bentonville, Rogers, Decatur, Gentry, Gravette, Pea Ridge and Siloam Springs school districts. In reviewing the potential impact that Haas Hall Academy would have upon the efforts of the surrounding school districts to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools, we find neither the Bentonville School District nor any of its contiguous school districts are currently subject to, or have ever been subject to, any court orders or judicial decrees concerning the desegregation of its schools.*

To date, none of the affected school districts have submitted a desegregation analysis.

IV. ANALYSIS FROM THE DEPARTMENT

The October 1, 2013, enrollment for the school districts listed by the applicant as affected by its proposed school, and for open-enrollment charter schools operating in Benton and Washington Counties, is:

	2 or More Races	Asian	Black/ African American	Hispanic	Native Am. Hawaiian/ Pacific Islander	White	Totals
Affected School Districts							
Bentonville School District	515	881	430	1,607	242	11,406	15,081
	3.41%	5.84%	2.85%	10.66%	1.60%	75.63%	--
Decatur School District	2	35	11	175	18	299	540
	0.37%	6.48%	2.04%	32.41%	3.33%	55.37%	--
Gentry School District	65	117	8	169	108	970	1,437
	4.52%	8.14%	0.56%	11.76%	7.52%	67.50%	--
Gravette School District	38	21	11	114	52	1,615	1,851
	2.05%	1.13%	0.59%	6.16%	2.81%	87.25%	--
Pea Ridge School District	24	5	20	98	15	1,588	1,750
	1.37%	0.29%	1.14%	5.60%	0.86%	90.74%	--
Rogers School District	244	287	235	6,335	260	7,396	14,757
	1.65%	1.94%	1.59%	42.93%	1.76%	50.12%	--
DISTRICTS TOTAL	**888**	**1,346**	**715**	**8,498**	**695**	**23,274**	**35,416**
	2.51%	**3.80%**	**2.02%**	**23.99%**	**1.96%**	**65.72%**	**--**

Open-Enrollment Public Charter Schools in Washington and Benton Counties							
Arkansas Arts Academy	41	11	16	100	16	607	791
	5.2%	1.4%	2.0%	12.6%	2.0%	76.7%	
Haas Hall Academy	0	15	5	20	9	271	320
	0.0%	4.7%	1.6%	6.3%	2.8%	84.7%	
Northwest Arkansas Classical Academy	17	53	4	53	2	271	400
	4.3%	13.3%	1.0%	13.3%	0.5%	67.8%	
CHARTER TOTAL	**58**	**79**	**25**	**173**	**27**	**1,149**	**1,511**
	3.8%	**5.2%**	**1.7%**	**11.4%**	**1.8%**	**76.0%**	

"Desegregation" is the process by which a school district eliminates, to the extent practicable, the lingering negative effects or "vestiges" of prior *de jure* (caused by official action) racial discrimination. The goal of a desegregation case with regard to assignment of students to schools is to "achieve a system of determining admission to the public schools on a non-racial basis." *Pasadena City Board of Education v. Spangler*, 427 U.S. 424, 435 (1976) (*quoting Brown v. Board of Education,* 349 U.S. 294, 300-301 (1955)). ADE is unaware of any active desegregation orders affecting any of the identified school districts.

V. CONCLUSION

As stated above, Arkansas law does not allow the authorizer to approve any public charter school that "hampers, delays, or in any manner negatively affects the desegregation efforts" of a public school district. Ark. Code Ann. § 6-23-106(c). 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, 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).*

It is difficult to conclude, from data currently available, that the proposed charter school is motivated by an impermissible intent to segregate schools. The ADE is unaware of any active desegregation orders which could be impacted by the proposed charter school. However, the authorizer should carefully examine the proposed charter school application in an attempt to determine whether there are legitimate, non-racially motivated reasons for the charter school's existence.

February 2015

Amendment Request

Haas Hall Academy
Fayetteville, Arkansas

From:	Mark Henry
To:	ADE Charter Schools
Cc:	Paul Hewitt; ADE Martin Schoppmeyer
Subject:	Haas Hall Academy - Charter Amendment Request
Date:	Wednesday, January 14, 2015 12:39:59 PM
Attachments:	Charter Amendment Request Form with attachments FINAL.pdf

---

To the Charter School Authorizing Panel:

Thank you for your time. Haas Hall Academy requests your authorization to move locations and also to expand enrollment to the 7th grade.

We located a larger and more modernized facility approximately one mile from our existing building. Attached are the supporting documents for the request to change location.

We are also asking to increase enrollment to include public school scholars beginning with the 7th Grade. Today we serve scholars in 8th-12th grades. The requested change coincides with a substantial reconfiguration of grades by the Fayetteville Public Schools ("FPS").

A brief explanation may help clarify the timing of our request: Facing consistent student population growth, FPS tasked the McKibben Demographic Research Group to create enrollment forecasts. With that information, FPS elected to reconfigure grades into the following categories: Elementary is K-4th, Middle School is 5th-6th, Junior High is 7th-8th, and High School is 9th-12th. These changes begin Fall 2015.

Under the current system, Junior High serves 8th-9th graders, and Haas Hall accepts students beginning in the 8th grade. This is an easy transition. The scholar makes only one transition out of Middle School. With the FPS reconfiguration, it makes sense for Haas Hall to begin accepting students in the 7th grade so as to continue coinciding with the students' transition from Middle School to Junior High.

Haas Hall will of course continue to follow all current educational standards and comply with all laws, offer our high-achieving curriculum to all scholars, and maintain the same level of services for 7th grade scholars.

Pursuant to the Charter Amendment Request Form instructions, we provide you now with the completed Charter Amendment Request Form and the required supporting documents contained within the same .pdf file.

1. **Budget projections.** These projections contemplate a reasonable increase as tied to the inclusion of 7th grade and are not calculated on the maximum number of students for which Haas Hall Academy seeks approval. Administration sets forth a reasonable projection to confirm this request will not place an undue financial burden on the charter. Similar to our move in 2009 from Farmington to our current location, all costs will be covered with parental involvement and private funds. Improvements to the new location are contemplated by the lease and the lessor, although no lease has been signed because of the requirement of pre-approval by the Arkansas Department of Education.

2**.** The **Current Year to Date Enrollment by Race and Grade** is attached.

3. Haas Hall Academy is not participating in the state or federal subsidized lunch program and

therefore does not have this data.

4. The **most recent ESEA report** is attached.

5. **Maps of the present location and proposed location** are attached. The proposed location is not only larger and more modern, but it may minimize current traffic congestion. It is not directly on College Avenue but is conveniently located about one mile from our current location.

6. The signed **Facilities Utilization Agreement** is attached to the Charter Amendment Request Form. It defines our projected monthly cost, size of facility, and length of the proposed lease.

Please confirm receipt of this Amendment Request Form and supporting documents in computer-readable format, and please do not hesitate to call me if you have any problems or questions. You can also contact Dr. Martin Schoppmeyer directly if you need anything.

Thank you again,

Mark Henry

_____

Mark Murphey Henry
HENRY LAW FIRM
P.O. Box 8850
Fayetteville, AR 72703
(479) 695-1330
(479) 695-1332 (fax)
mark@henry.lawyer

cc: Fayetteville Superintendent Paul Hewitt

ARKANSAS DEPARTMENT OF EDUCATION

CHARTER AMENDMENT REQUEST FORM

Charter Name Haas Hall Academy

LEA Number 7240700

Type of Amendment Requested:

[X] **Relocate existing campus**

Current campus address
3155 North College Avenue, Ste. 108
Fayetteville, AR 72703

Proposed campus address
3880 Front Street
Fayetteville, AR 72703

School district in which the campus will be located Fayetteville

[X] **Increase enrollment cap**

Current cap 320

Proposed cap 400

[X] **Change grade levels served**

Current grade levels served 8-12

Proposed grade levels 7-12

Charter Leader Dr. Martin W. Schoppmeyer, Jr.

Email address MartinSchoppmeyer@haashall.org

Phone number (479) 966.4930

HAAS HALL ACADEMY

EVERY SCHOLAR, EVERY DAY – COLLEGE BOUND

3155 NORTH COLLEGE AVENUE, SUITE 108

FAYETTEVILLE, AR 72703.3500

(479) 966.4930 | (479) 966.4932 – FAX | HAASHALL.ORG

Haas Hall Academy
2015.2016 Proposed Budget Summary

2015.2016 Revenue Summary

Revenue	Amount	Total
State Foundation Aid	$6,521.00 x (360)	$2,347,560.00
Grants	$0.00	$0.00
Total Operational Funds		$2,347,560.00

2015.2016 Expenditure Summary

Salaries and Benefits	Amount	Total
Salaries	$1,190,000.00	
Benefits	$166,600.00	
Total Salaries and Benefits		$1,356,600.00

Operations	Amount	Total
Equipment & Vehicles	$23,460.30	
Technology	$100,210.40	
General Supplies	$116,003.00	
Textbooks	$62,968.20	
Classroom Equipment	$120,620.00	
Dues and Fees	$18,700.00	
Bookkeeping	$17,500.00	
Legal	$25,500.00	
Purchased Services	$34,500.00	
Office Equipment	$27,500.00	
Water/Sewer	$3,600.00	
Disposal/Sanitation	$2,166.50	
Liability Insurance	$15,000.00	
Electricity/Gas	$35,190.00	
Lease	$360,000.00	
Total Operating Expenditures		$972,918.40
Total Expenditures		$2,329,518.40
Revenues minus Expenditures		(+$28,041.60)

HAAS HALL ACADEMY DOES NOT DISCRIMINATE ON THE BASIS OF SEX, NATIONAL ORIGIN, RACE, ETHNICITY, RELIGION, DISABILITY OR ATHLETIC ELIGIBILITY.

Haas Hall Academy

HAAS HALL ACADEMY
ENROLLMENT REPORT
Enrollment Date: Jan 9, 2015

Enrollment Count		08	09	10	11	12	Race Totals
Asian	Females	2	4		4	1	11
	Males	3	4	4	1		12
	Gender Totals	**5**	**8**	**4**	**5**	**1**	**23**
Black	Females	1			1	3	5
	Males	1	1			1	3
	Gender Totals	**2**	**1**		**1**	**4**	**8**
Hispanic	Females	4	4	2			10
	Males	1	1	4	2	2	10
	Gender Totals	**5**	**5**	**6**	**2**	**2**	**20**
Native American	Females					2	2
	Males		2		1	1	4
	Gender Totals		**2**		**1**	**3**	**6**
Two or More	Females	1					1
	Gender Totals	**1**					**1**
White	Females	22	24	31	31	25	133
	Males	20	25	23	31	30	129
	Gender Totals	**42**	**49**	**54**	**62**	**55**	**262**
Grade Totals		**55**	**65**	**64**	**71**	**65**	**320**

Run Date of Report: Jan 9, 2015

District:	HAAS HALL ACADEMY	**Superintendent:**	MARTIN SCHOPPMEYER		Report created on: 10/29/2014
LEA:	7240700	**Enrollment:**	320		**% Prof/Adv.**
Address:	3155 NORTH COLLEGE	**Attendance:**	100.00	**2014 Math + Literacy**	99.6
Address:	FAYETTEVILLE, AR 72703	**Poverty Rate:**	0.63	**2013 Math + Literacy**	99.3
Phone:	479-966-4930			**2012 Math + Literacy**	99.4

OVERALL DISTRICT STATUS:	ACHIEVING

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	113	117	96.58	158	165	95.76
Targeted Achievement Gap Group	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Hispanic	n < 10	n < 10	n < 10	14	14	100.00
White	94	98	95.92	128	135	94.81
Economically Disadvantaged	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	ACHIEVING									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	113	113	100.00	98.50	91.00	45	45	100.00	100.00	93.00
Targeted Achievement Gap Group	n < 10	n < 10	n < 10		91.00	n < 10	n < 10	n < 10		93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	346	346	100.00	98.50	91.00	96	96	100.00	100.00	93.00
Targeted Achievement Gap Group	n < 10	n < 10	n < 10		91.00	n < 10	n < 10	n < 10		93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	n < 10	n < 10	n < 10	100.00		n < 10	n < 10	n < 10	100.00	
Hispanic	n < 10	n < 10	n < 10	100.00		n < 10	n < 10	n < 10	100.00	
White	94	94	100.00	98.25		36	36	100.00	100.00	
Economically Disadvantaged	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		

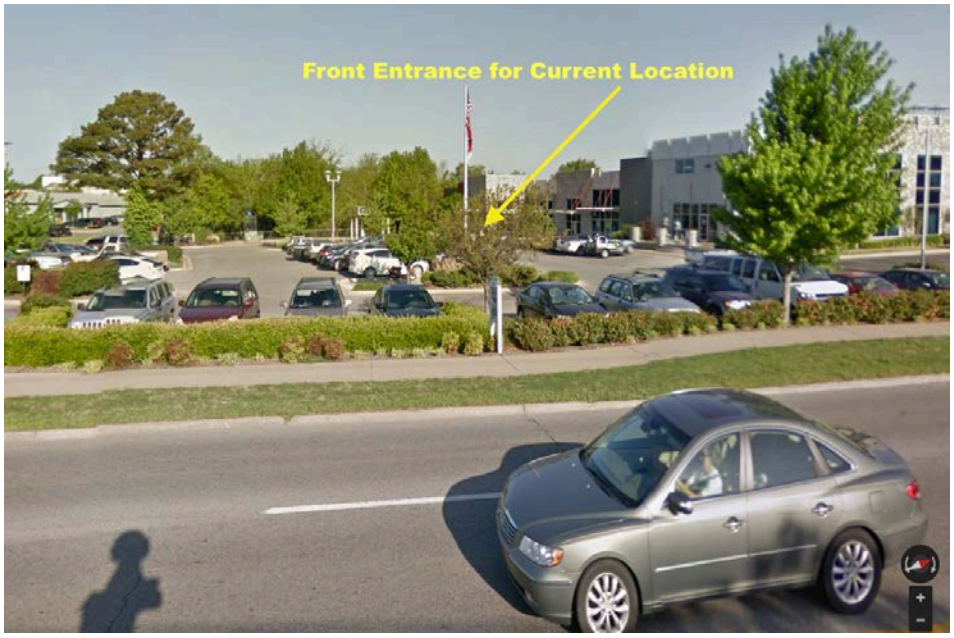
STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	ACHIEVING									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	157	158	99.37	95.49	92.00	44	45	97.78	95.94	81.00
Targeted Achievement Gap Group	n < 10	n < 10	n < 10		92.00	n < 10	n < 10	n < 10		81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	512	517	99.03	95.49	92.00	95	96	98.96	95.94	81.00
Targeted Achievement Gap Group	n < 10	n < 10	n < 10		92.00	n < 10	n < 10	n < 10		81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	n < 10	n < 10	n < 10	87.50		n < 10	n < 10	n < 10	100.00	
Hispanic	14	14	100.00	90.63		n < 10	n < 10	n < 10	75.00	
White	127	128	99.22	95.86		35	36	97.22	97.66	
Economically Disadvantaged	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		

2013 SCHOOL GRADUATION RATE					
GRADUATION RATE STATUS:	ACHIEVING				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	58	58	100.00	95.59	94.00
Targeted Achievement Gap Group	n < 10	n < 10	n < 10		94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	152	155	98.06	95.59	94.00
Targeted Achievement Gap Group	n < 10	n < 10	n < 10		94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	n < 10	n < 10	n < 10	100.00	
Hispanic	n < 10	n < 10	n < 10	100.00	
White	47	47	100.00	95.00	
Economically Disadvantaged	n < 10	n < 10	n < 10		
English Language Learners	n < 10	n < 10	n < 10		
Students with Disabilities	n < 10	n < 10	n < 10		

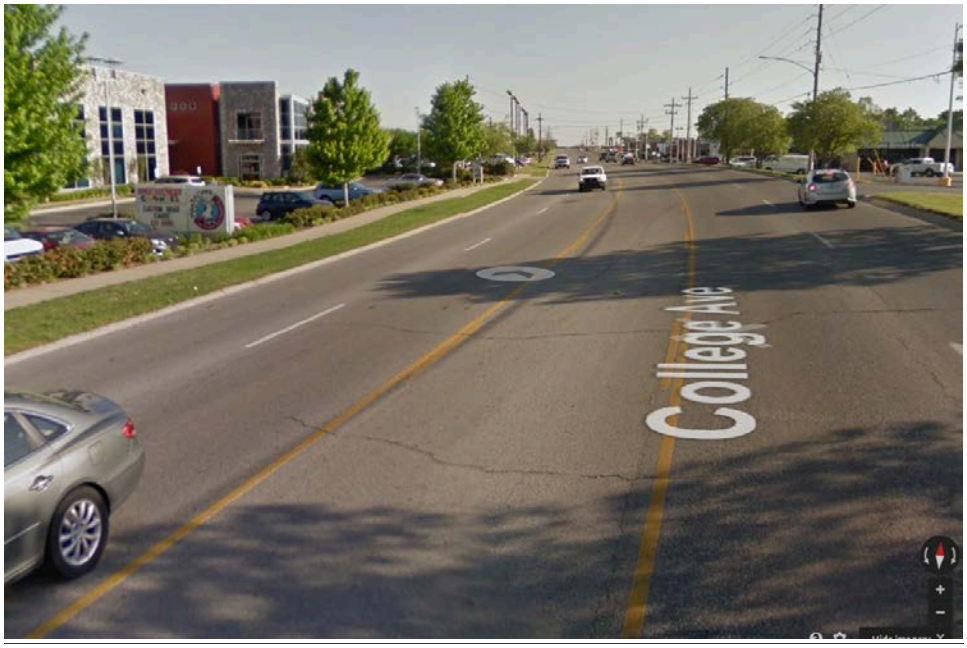
Haas Hall Academy
Charter Amendment Request - Supporting Documents
Relocation of Existing Campus

Current Location – 3155 N. College Avenue, Suite 108, Fayetteville

Frontage View – Current Location



Street View – Current Location



Aerial View – Current Location

Proposed New Location – 3880 Front Street, Fayetteville

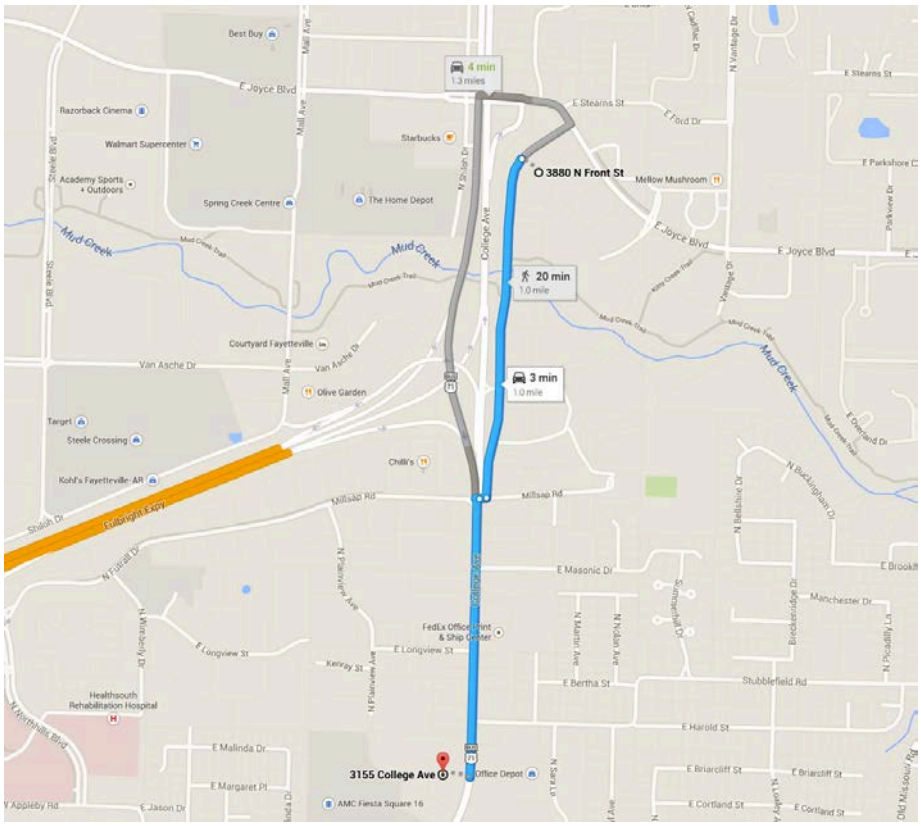
Frontage View – Proposed New Location

Street View – Proposed New Location

Aerial View – Proposed New Location

Driving Distance between Current and Proposed Location

Approximately 1 mile



FACILITIES UTILIZATION AGREEMENT

To be completed and submitted with an amendment request to add a new campus or relocate an existing campus

Lessor(Owner): MSC Investments LLC

Lessee(Tenant): Haas Hall Academy

Any information regarding affiliation, family ties, or other relationships between the Lessor (Owner) and Lessee (Tenant) must be disclosed with the facilities lease agreement.

Describe the present use of the facility:
Vacant stand alone facility.

Address of Premises: 3880 Front Street
Fayetteville, AR 72703

Square Footage: 18,750

Terms of Lease: 7 years

Rental Amount: $30,000 , **$360,000/yr**

Contingency: The terms of this agreement are contingent upon

Haas Hall Academy
Charter School

receiving approval by the Authorizer to operate an open-enrollment public charter school at the premises identified.

Statutory Language Concerning No Indebtedness:
No indebtedness of any kind incurred or created by the open-enrollment public charter school shall constitute an indebtedness of the State of Arkansas or its political subdivisions, and no indebtedness of the open-enrollment public charter school shall involve or be secured by the faith, credit, or taxing power of the state or its political subdivisions. An open-enrollment public charter school shall not incur any debt, including any lease, without the prior review and approval of the Commissioner of Education.

Lessee: MSC INVESTMENTS

By: _____ Date 01 / 13 / 2015
Signature

Lessor: Haas Hall Academy

By: _____ Attorney for Haas Hall Academy Date 01/14/2015
Signature

February 2015

Notification of Charter Authorizing Panel Decision

KIPP Delta Public Schools
Forrest City, Arkansas

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 19, 2015

Mr. Scott Shirey
215 Cherry Street
Helena, Arkansas 72342

RE: Notice of Charter Authorizing Panel Hearing Decision
KIPP Delta Public Schools, Forrest City

Dear Mr. Shirey:

On February 18, 2015, the Charter Authorizing Panel met and approved the amendment request for KIPP Delta Public Schools, Forrest City. Ark. Code Ann. § 6-23-702(b)(2)(A) allows charter applicants and affected school districts **to request** that the State Board of Education review a final decision of the Charter Authorizing Panel. A request must state the specific reasons that the board should review the decision.

Ark. Code Ann. § 6-23-703(a) requires the State Board of Education to consider requests for review of Charter Authorizing Panel decisions at its next meeting after the decisions are made. Therefore, a review **request** must be submitted, via email, no later than **4:00 p.m. on Tuesday, February 24, 2015,** in order for the request to be included in the State Board of Education agenda materials for the meeting on March 12, 2015. Email the request to ade.charterschools@arkansas.gov. Be advised that the decision of whether to review a Charter Authorizing Panel decision is discretionary. See Ark. Code Ann. § 6-23-702(b)(3). Regardless of whether a review of the panel's decision is requested, the application will be an action item for the State Board of Education on March 12, and, at that time, the board will determine whether or not to review the panel's decision. If the State Board decides to review the panel's decision, the review will take place at a later meeting.

Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue

Cindy Hogue, Director
Office of Educational Options

C: Dr. Tiffany Hardrick, Superintendent, Forrest City School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

February 2015

Additional Materials Submitted by the Applicant for the Hearing

KIPP Delta Public Schools

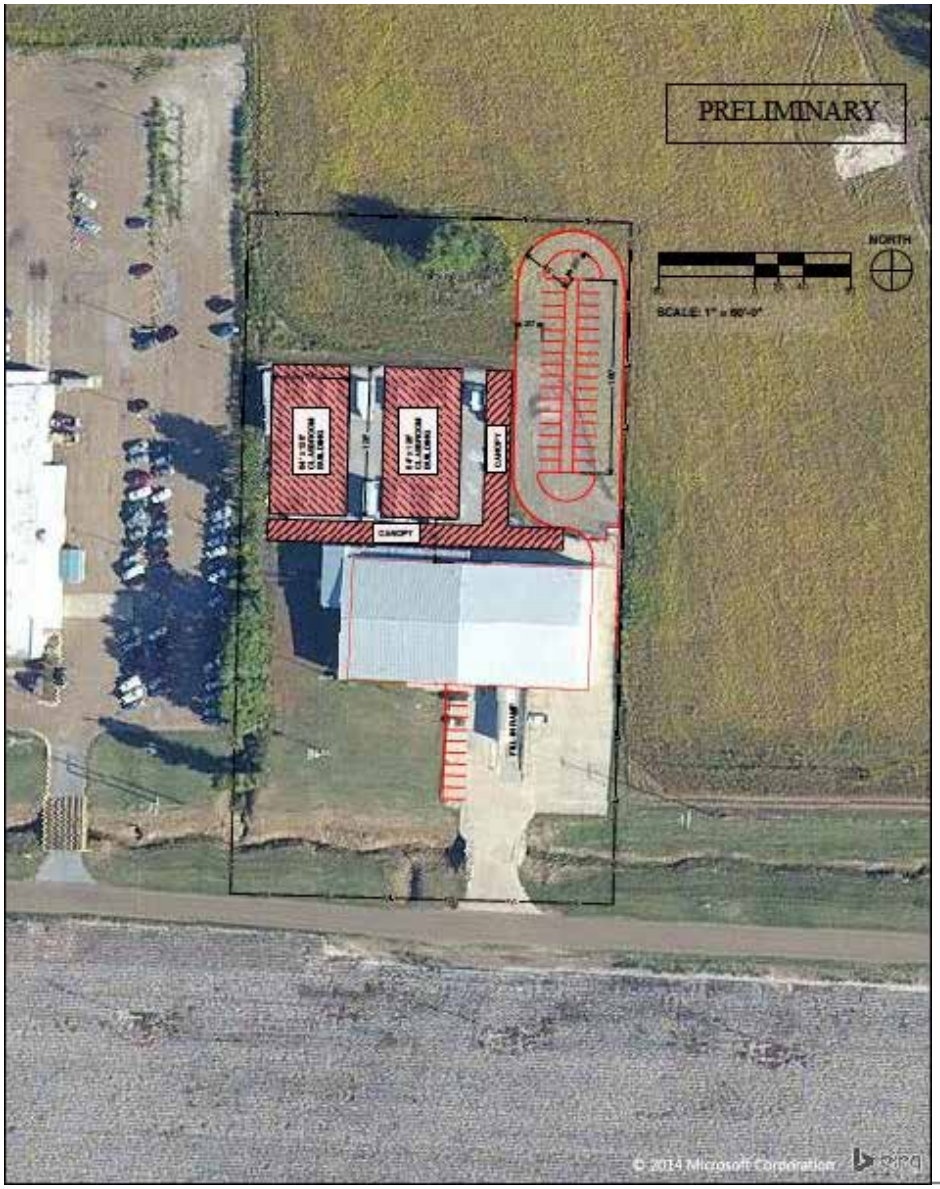
Forrest City, Arkansas

KIPP DELTA PUBLIC SCHOOLS

KIPP Forrest City College Preparatory School

Charter Amendment Request
To Change Proposed Location

Originally Proposed Location



Facility Provides:

- 39,000SF
- 20 Classrooms (16 modular)
- Kitchen/Cafeteria/Auditorium/Gym
- Multiple Office Spaces
- Green Space

Lease Price: $80,000/year ($4.00/SF/Year)

Est. Renovations: $1,840,000 - $2,185,000
($80.00/SF - $95.00/SF)
*Includes Site Improvements

Modular Price: $851,000 ($53.18/SF)

Total Construction Budget: $2,646,000 - $3,030,600 ($67.85/SF – $77.85/SF))

New Proposed Location

Facility Provides:

- 7,840SF + 8000 SF in modular
- Classrooms (8 modular)
- Kitchen/Multipurpose Space
- Multiple Office Spaces
- Green Space

Lease Price: $15,680/year ($2.00/SF/Year)

Est. Renovations: $100,000* ($12.75/SF)

Modular Price: $500,000 ($62.50/SF)
Phase 1: $200,000

Total Construction Budget: $600,000($37.87/SF)

*includes modular install

Why the Switch?

Saving on cost of lease (more than $60k annually)

Saving on cost of renovations (more than $60/SF)

Saving on modular prices (more than $300k)

Reducing total construction budget (more than $2mil)

Specifics on the Proposed Budget

OLD BUDGET

Facilities:		
Lease/Purchase Contract for One Full Year	$80,000.00	$80,000.00
Facility Upgrades - List Upgrades Below		
Classroom Furniture ($350/student)	$29,750.00	$29,750.00
Office Furniture	$10,000.00	$7,000.00
Property Insurance for One Full Year	$8,000.00	$8,000.00
Content Insurance for One Full Year	$2,000.00	$2,000.00
Total Facilities:	$129,750.00	$126,750.00

NEW BUDGET

Facilities:		
Lease/Purchase Contract for One Full Year	$15,680.00	$15,680.00
Facility Upgrades - List Upgrades Below		
Classroom Furniture ($350/student)	$29,750.00	$29,750.00
Office Furniture	$10,000.00	$7,000.00
Property Insurance for One Full Year	$8,000.00	$8,000.00
Content Insurance for One Full Year	$2,000.00	$2,000.00
Total Facilities:	$65,430.00	$62,430.00

Request for Waiver of Submission Deadline

KIPP DELTA PUBLIC SCHOOLS
Forrest City, Arkansas

KIPP DELTA PUBLIC SCHOOLS

415 Ohio Street
Helena-West Helena
Arkansas, 72342

Phone: 870.753.9035
Fax: 870.753.9440

www.kippdelta.org

February 11, 2015

Arkansas Department of Education
Tony Wood, Commissioner
Four Capitol Mall, Room 304-A
Little Rock, AR 72201

Dear Commissioner Wood,

It has recently been brought to my attention that a map of the current location for KIPP Forrest City College Preparatory School was omitted from our Charter Amendment Request submitted on January 7, 2015. I would like to immediately rectify this by sharing the enclosed map of our originally proposed location with the panel members who are considering our Charter Amendment Request. Please note that the street address of our originally proposed location is 1142 Eldridge, Forrest City, AR, as shown on the enclosed map, and not 1402 Eldridge, Forrest City, AR, as presented in the Charter Application and Charter Amendment Request.

In order to resolve this matter, and in accordance with section 4.02.7 of the Rules Governing Public Charter Schools, KIPP Delta Public Schools requests a waiver of the requirement that the current location map be submitted with the amendment request 35 days before the hearing. An inability to present to the panel members at the February 18th hearing and to amend our charter to include the new proposed location of our school will negatively impact the continuation of educational services offered by our public charter school. The location change we seek in our amendment request will significantly reduce facility expenses, improve cash flow, and give us increased ability to serve our students.

Thank you for your consideration. I look forward to hearing your response.

Sincerely,

Scott Shirey
Executive Director

Enclosure: Map of Originally Proposed Location

cc: Dr. Tiffany Hardrick, Forrest City School District Superintendent

KIPP DELTA COMMUNITIES

HELENA-WEST HELENA

BLYTHEVILLE

FORREST CITY

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 13, 2015

Mr. Scott Shirey
KIPP Delta Public Schools
415 Ohio Street
Helena-West Helena, AR 72342

Re: Charter Authorizing Panel-Amendment Request

Dear Mr. Shirey:

I received your February 10, 2015, letter requesting a waiver of Section 4.02.4 of the ADE Rules Governing Public Charter Schools that requires amendment requests to be submitted thirty-five (35) days before the Charter Authorizing Panel meeting where the amendment request will be heard.

KIPP Delta has requested an amendment to relocate its currently approved location for its Forrest City campus. The facility KIPP Delta is seeking approval for will significantly reduce facility expenses, improve cash flow, and give KIPP Delta an increased ability to serve its students. Pursuant to Section 4.02.4 of the ADE Rules Governing Public Charter Schools, I will grant a waiver of the 35-day requirement and allow this amendment request to appear on the February agenda of the Charter Authorizing Panel.

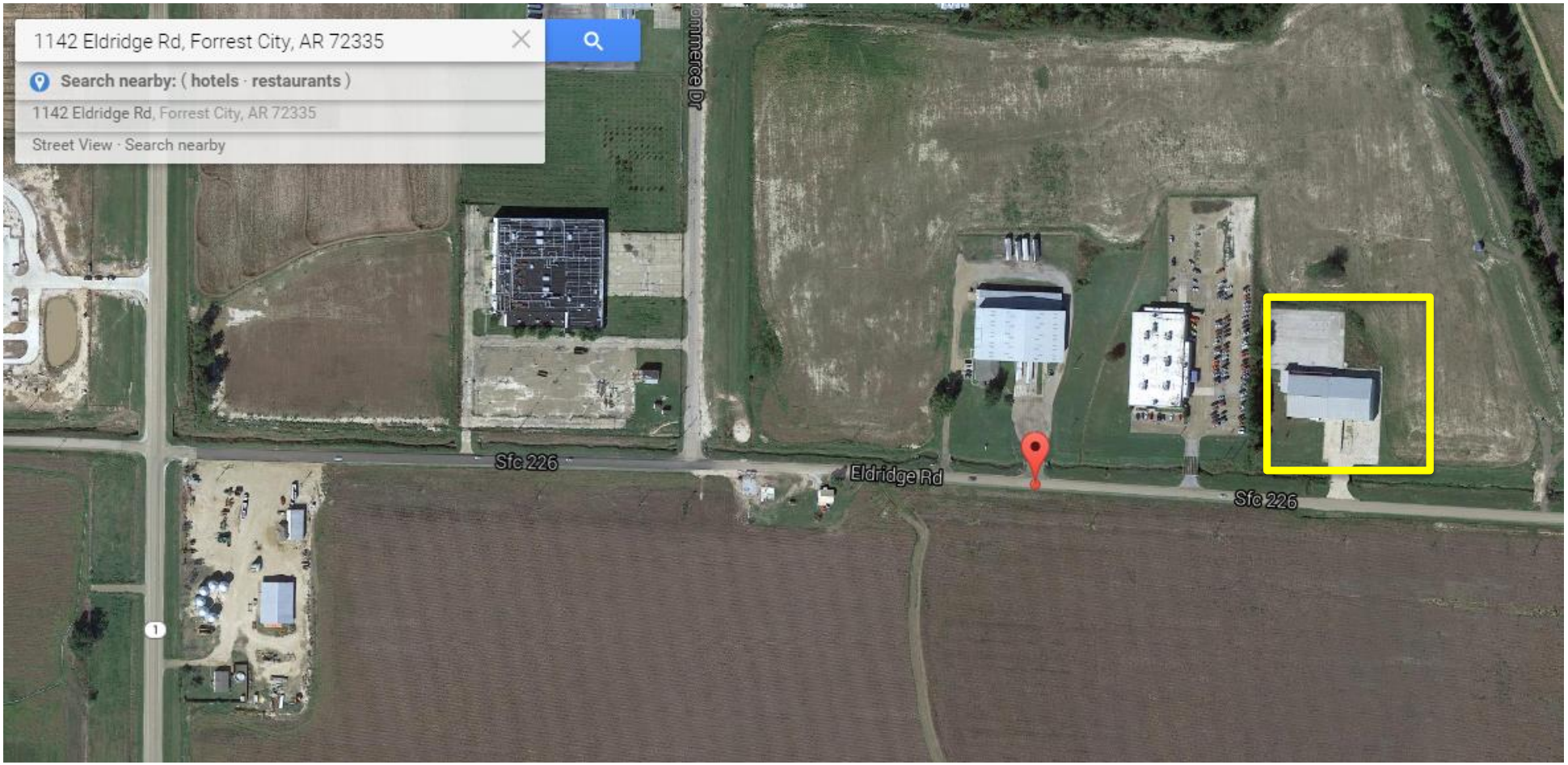
Sincerely,

Tony Wood
Commissioner

c: Dr. Tiffany Hardrick, Superintendent, Forrest City School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer



Originally Proposed Location

February 2015

Amendment Request

KIPP Delta Public Schools
Forrest City, Arkansas

ARKANSAS DEPARTMENT OF EDUCATION

CHARTER AMENDMENT REQUEST FORM

Charter Name KIPP Delta Public Schools

LEA Number 5440700

Type of Amendment Requested:

[X] **Other:**

This request is to change the address proposed for the recently approved KIPP Delta Forrest City College Preparatory School campus from 1402 Eldrige, Forrest City, AR 72335 to 637 S. Washington, Forrest City, AR 72335. Please see letter and enclosures for more details.

Charter Leader Scott Shirey

Email address scott.shirey@kippdelta.org

Phone number 870-817-8859

KIPP: DELTA
PUBLIC SCHOOLS

415 Ohio Street
Helena-West Helena
Arkansas, 72342
Phone: 870.753.9035
Fax: 870.753.9440
www.kippdelta.org

January 7, 2015

Arkansas Department of Education
Charter School Office
Four Capitol Mall
Little Rock, AR 72201

Dear Members of the Panel,

On behalf of the entire Team and Family of KIPP Delta Public Schools, thank you for approving our recent request to open KIPP Forrest City College Preparatory School in Forrest City for the 2015-2016 school year. We appreciate your commitment to excellence in education and value your time and consideration during this process.

We are happy to inform you that we have found a new facility to open KIPP Forrest City College Preparatory that will better accommodate our students' needs and cost the organization significantly less to lease and maintain. We are seeking your approval of this change in location and believe it will be benefical to our overall success as it will significantly lower our upfront capital costs and give us more time to find a proper permanent location.

Provided below is a summary of how this change in location impacts the budget and application that was originally submitted and approved by the Board.

Section A. Charter Site Address (Pg. 2 of original application)The school's address has been updated to 637 S. Washington Street, Forrest City, AR 72335.

Section C. Narrative Description of the Proposed Charter School, Item 17 (Pg. 36-38 of original application), the "Updated Narrative on Facilities" has been revised

Page 10 of Appendix F, 2015-2016 and 2016-2017 Salary Schedule and Budget Template has been updated to reflect the reduced facility expense. The location we had identified when our application was originally submitted was expected to cost $80,000 per year. The new location we are seeking approve of will only cost $2.00/SF plus

negotiated terms annually. This will result in a savings of approximately $64,320 for 2015-2016 and $64,320 for 2016-2017.

Also, enclosed are our updated budget, letter from the City of Forrest City regarding zoning usage, our signed facilities utilization agreement for the new location, a map of the new location, and the completed amendment request form.

Thank you again for your time and consideration. I look forward to hearing your response.

Sincerely,

Scott Shirey
Executive Director

Enclosures
Updated Budget
City of Forrest City Letter
Facilities Utilization Agreement
Map of New Location
Amendment Request Form
Updated Narrative on Facilities

2015-2016
Public Charter School Application
Personnel Salary Schedule

Administrative Positions:

Line#	List Positions	2015-2016 No. FTEs	2015-2016 Salary	2016-2017 No. FTEs	2016-2017 Salary
1	School Director	1	$75,000.00	1	$77,250.00
2	Office Manager	1	$35,000.00	1	$38,110.00
3					
4					
5					
6					
7	**Subtotal:**		$110,000.00		$115,360.00
8	Fringe Benefits (rate used 25%)		$27,500.00		$28,840.00
9	**Total Administration:**		$137,500.00		$144,200.00

Regular Classroom Instruction:

		2015-2016 No. FTEs		2016-2017 No. FTEs	
10	Teachers	3	$37,276.00	7	$37,276.00
11	Aides				
12	**Subtotal:**		$111,828.00		$260,932.00
13	Teacher Fringe Benefits (rate used 25%)		$27,957.00		$65,233.00
14	Aide Fringe Benefits (rate used _____)				
15	**Total Regular Classroom Instruction:**		$139,785.00		$326,165.00

Special Education:

		2015-2016 No. FTEs		2016-2017 No. FTEs	
16	Teachers	1	$40,047.00	1	$44,058.00
17	Aides	0		0	
18	**Subtotal:**		$40,047.00		$44,058.00
19	Teacher Fringe Benefits (rate used 25%)		$10,011.75		$11,014.50
20	Aide Fringe Benefits (rate used _____)		$0.00		$0.00
21	**Total Special Education:**		$50,058.75		$55,072.50

Gifted and Talented Program:

		2015-2016 No. FTEs		2016-2017 No. FTEs	
22	Teachers	0		0	
23	Aides	0		0	
24	**Subtotal:**		$0.00		$0.00
25	Teacher Fringe Benefits (rate used _____)		$0.00		$0.00
26	Aide Fringe Benefits (rate used _____)		$0.00		$0.00
27	**Total Gifted and Talented Program:**		$0.00		$0.00

Alternative Education Program/ Alternative Learning Environments:

		2015-2016 No. FTEs	2015-2016 Salary	2016-2017 No. FTEs	2016-2017 Salary
28	Teachers	0		0	
29	Aides	0		0	
30	**Subtotal:**		$0.00		$0.00
31	Teacher Fringe Benefits (rate used _____)		$0.00		$0.00
32	Aide Fringe Benefits (rate used _____)		$0.00		$0.00
33	**Total Alternative Education Program/ Alternative Learning Environments:**		$0.00		$0.00

English Language Learner Program:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
34	Do not anticipate this being a need,	0		0	
35	but services could be supported by the				
36	KIPP Delta Region.				
37					
38					
39	**Subtotal:**		$0.00		$0.00
40	Fringe Benefits (rate used _____)		$0.00		$0.00
41	**Total English Language Learner Program:**		$0.00		$0.00

Guidance Services:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
42	Supported by KIPP Delta Region	0		0	
43					
44					
45					
46					
47	**Subtotal:**		$0.00		$0.00
48	Fringe Benefits (rate used _____)		$0.00		$0.00
49	**Total Guidance Services:**		$0.00		$0.00

Health Services:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
50	School Nurse	0.25	$40,000.00	0.5	$40,000.00
51	Also supported by KIPP Delta Region				
52					
53					
54					
55	**Subtotal:**		$10,000.00		$20,000.00
56	Fringe Benefits (rate used 25%)		$2,500.00		$5,000.00
57	**Total Health Services:**		$12,500.00		$25,000.00

Media Services:

	List Positions	2015-2016 No. FTEs	2015-2016 Salary	2016-2017 No. FTEs	2016-2017 Salary
58	Waiver	0		0	
59					
60					
61					
62					
63	**Subtotal:**		$0.00		$0.00
64	Fringe Benefits (rate used _____)		$0.00		$0.00
65	**Total Media Services:**		$0.00		$0.00

Fiscal Services:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
66	Supported by KIPP Delta Region	0		0	
67					
68					
69					
70					
71	**Subtotal:**		$0.00		$0.00
72	Fringe Benefits (rate used _____)		$0.00		$0.00
73	**Total Fiscal Services:**		$0.00		$0.00

Maintenance and Operation:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
74	Custodian	0.6	$20,000.00	1	$20,600.00
75					
76					
77					
78					
79	**Subtotal:**		$12,000.00		$20,600.00
80	Fringe Benefits (rate used _____)		$0.00		$0.00
81	**Total Maintenance and Operation:**		$12,000.00		$20,600.00

Pupil Transportation:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
82	Bus Drivers	2	$13,200.00	3	$13,596.00
83					
84					
85					
86					
87	**Subtotal:**		$26,400.00		$40,788.00
88	Fringe Benefits (rate used 25%)		$6,600.00		$10,197.00
89	**Total Pupil Transportation:**		$33,000.00		$50,985.00

Food Services:

	List Positions	2015-2016 No. FTEs	2015-2016 Salary	2016-2017 No. FTEs	2016-2017 Salary
90	Food Service Associate	1	$17,000.00	1	$17,510.00
91					
92					
93					
94					
95	**Subtotal:**		$17,000.00		$17,510.00
96	Fringe Benefits (rate used 25%)		$4,250.00		$4,377.50
97	**Total Food Services:**		$21,250.00		$21,887.50

Data Processing:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
98	Covered through Management Fee	0		0	
99					
100					
101					
102					
103	**Subtotal:**		$0.00		$0.00
104	Fringe Benefits (rate used _____)		$0.00		$0.00
105	**Total Data Processing:**		$0.00		$0.00

Substitute Personnel:

		2015-2016 No. FTEs		2016-2017 No. FTEs	
106	Number of Certified Substitutes _____				
107	Number of Classified Substitutes _____				
108	**Subtotal:**				
109	Certified Fringe Benefits (rate used _____)				
110	Classified Fringe Benefits (rate used _____)				
111	**Total Substitute Personnel:**				

112	**TOTAL EXPENDITURES FOR SALARIES:**	$406,093.75	$643,910.00

Public Charter School Application
Estimated Budget Template

REVENUES

State Public Charter School Aid:

Line#						2015-2016 Amount:	2016-2017 Amount:
	2015-2016						
1	No. of Students	85	x	$6,521.00	State Foundation Funding	$554,285.00	
2	No. of Students	85	x	$26.67	Professional Development	$2,266.95	
3	No. of Students	75	x	$1,033.00	eligible rate* NSL Funding	$77,475.00	
4	No. of Students		x		Other: *Explain Below*		
5							
	2016-2017						
6	No. of Students	170	x	$6,521.00	State Foundation Funding		$1,108,570.00
7	No. of Students	170	x	$26.67	Professional Development		$4,533.90
8	No. of Students	150	x	$1,033.00	eligible rate* NSL Funding		$154,950.00
9	No. of Students		x		Other: *Explain Below*		
10							
11	**Total State Charter School Aid:**					$634,026.95	$1,268,053.90

Other Sources of Revenues:
(MUST UPLOAD DOCUMENTATION VERIFYING ALL AMOUNTS LISTED AS OTHER SOURCES OF REVENUE)

12	Private Donations or Gifts		
13	Federal Grants (List the amount)		
14	Special Grants (List the amount)		
	Other *(Specifically Describe)*		
15	Walton Family Foundation Start-up	$250,000.00	
16	**Total Other Sources of Revenues:**	$250,000.00	
17	**TOTAL REVENUES:**	$884,026.95	$1,268,053.90

EXPENDITURES

	Administration:	2015-2016 Amount:	2016-2017 Amount:
18	Salaries and Benefits	$137,500.00	$144,200.00
	Purchased Services - List Vendors Below		
19	**V - AD 1**		
20	**V - AD 2**		
21	**V - AD 3**		
22	**V - AD 4**		
23	**V - AD 5**		
24	Supplies and Materials	$5,000.00	$5,000.00
25	Equipment	$6,000.00	$3,000.00
	Other (List Below)		
26	Travel	$3,000.00	$3,000.00
27	Staff Development	$5,000.00	$5,000.00
28	Miscellaneous	$1,000.00	$1,000.00
29			
30			
31	**Total Administration:**	$157,500.00	$161,200.00

			2015-2016 Amount:	2016-2017 Amount:
		Regular Classroom Instruction:		
32		Salaries and Benefits	$139,785.00	$326,165.00
		Purchased Services - List Vendors Below		
33	V - CI 1			
34	V - CI 2			
35	V - CI 3			
36	V - CI 4			
37	V - CI 5			
38		Supplies and Materials	$12,000.00	$24,000.00
39		Equipment	$18,000.00	$18,000.00
		Other (List Below)		
40		Textbooks ($150/student)	$12,750.00	$25,500.00
41		Reading Materials ($70/student)	$5,600.00	$5,600.00
42		Testing Materials ($38/student)	$3,000.00	$6,000.00
43		Parental Involvement	$1,500.00	$3,000.00
44		Professional Development/Travel ($3K/staff)	$9,000.00	$21,000.00
45		**Total Regular Classroom Instruction:**	$201,635.00	$429,265.00
		Special Education:		
46		Salaries and Benefits	$50,058.75	$55,072.50
		Purchased Services - List Vendors Below		
47	V - SE1	Speech Language Pathologist	$3,000.00	$6,000.00
48	V - SE 2	Occupational Therapy	$3,000.00	$6,000.00
49	V - SE 3	Physical Therapy	$3,000.00	$6,000.00
50	V - SE 4			
51	V - SE 5			
52		Supplies and Materials	$5,000.00	$7,000.00
53		Equipment	$3,000.00	$6,000.00
		Other (List Below)		
54				
55				
56				
57				
58				
59		**Total Special Education:**	$67,058.75	$86,072.50
		Gifted and Talented Program:		
60		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below		
61	V - GT1			
62	V - GT2			
63	V - GT3			
64	V - GT4			
65	V - GT5			
66		Supplies and Materials		
67		Equipment		
		Other (List Below)		
68				
69				
70				
71				
72				
73		**Total Gifted and Talented Program:**	$0.00	$0.00

		2015-2016 Amount:	2016-2017 Amount:
	Alternative Education Program/ Alternative Learning Environments:		
74	Salaries and Benefits	$0.00	$0.00
	Purchased Services - List Vendors Below		
75	V - ALE1		
76	V - ALE2		
77	V - ALE3		
78	V - ALE4		
79	V - ALE5		
80	Supplies and Materials		
81	Equipment		
	Other (List Below)		
82			
83			
84			
85			
86			
87	**Total Alternative Education Program/ Alternative Learning Environments:**	$0.00	$0.00
	English Language Learner Program:		
88	Salaries and Benefits	$0.00	$0.00
	Purchased Services - List Vendors Below		
89	V - ELL1		
90	V - ELL2		
91	V - ELL3		
92	V - ELL4		
93	V - ELL5		
94	Supplies and Materials		
95	Equipment		
	Other (List Below)		
96			
97			
98			
99			
100			
101	**Total English Language Learner Program:**	$0.00	$0.00
	Guidance Services:		
102	Salaries and Benefits	$0.00	$0.00
	Purchased Services - List Vendors Below		
103	V - GS1 Waiver		
104	V - GS2 Contract with Community Provider	$5,000.00	$5,000.00
105	V - GS3		
106	V - GS4		
107	V - GS5		
108	Supplies and Materials	$2,000.00	$4,000.00
109	Equipment		
	Other (List Below)		
110			
111			
112			
113			
114			
115	**Total Guidance Services:**	$7,000.00	$9,000.00

			2015-2016 Amount:	2016-2017 Amount:
	Health Services:			
116		Salaries and Benefits	$12,500.00	$25,000.00
		Purchased Services - List Vendors Below		
117	V - HS1	Waiver		
118	V - HS2	Contract with Community Provider	$4,000.00	$6,000.00
119	V - HS3			
120	V - HS4			
121	V - HS5			
122		Supplies and Materials	$1,000.00	$2,000.00
123		Equipment		
		Other (List Below)		
124				
125				
126				
127				
128				
129		**Total Health Services:**	$17,500.00	$33,000.00
	Media Services:			
130		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below		
131	V - MS1	Waiver		
132	V - MS2			
133	V - MS3			
134	V - MS4			
135	V - MS5			
136		Supplies and Materials		
137		Equipment		
		Other (List Below)		
138				
139				
140				
141				
142				
143		**Total Media Services:**	$0.00	$0.00
	Fiscal Services:			
144		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below		
145	V - FS1	KIPP Foundation Fee (1%-Gen. Purpose + PD)	$5,565.52	$11,132.84
146	V - FS2	Supported by KIPP Delta Region Years 1 & 2		
147	V - FS3			
148	V - FS4			
149	V - FS5			
150		Supplies and Materials		
151		Equipment		
		Other (List Below)		
152				
153				
154				
155				
156				
157		**Total Fiscal Services:**	$5,565.52	$11,132.84

			2015-2016 Amount:	2016-2017 Amount:
	Maintenance and Operation:			
158		Salaries and Benefits	$12,000.00	$20,600.00
		Purchased Services - List Vendors Below INCLUDE UTILITIES		
159	V - MO1			
160	V - MO2	Repairs & Maintenance	$7,000.00	$15,000.00
161	V - MO3	Utilities	$13,500.00	$27,000.00
162	V - MO4	Insurance	$28,000.00	$28,000.00
163	V - MO5			
164		Supplies and Materials	$3,000.00	$8,000.00
165		Equipment		
		Other (List Below)		
166				
167				
168				
169				
170				
171		**Total Maintenance and Operation:**	$63,500.00	$98,600.00
	Pupil Transportation:			
172		Salaries and Benefits	$33,000.00	$50,985.00
		Purchased Services - List Vendors Below		
173	V - PT1			
174	V - PT2			
175	V - PT3			
176	V - PT4			
177	V - PT5			
178		Supplies and Materials	$15,000.00	$30,000.00
179		Equipment	$25,000.00	$30,000.00
		Other (List Below)		
180				
181				
182				
183				
184				
185		**Total Pupil Transportation:**	$73,000.00	$110,985.00
	Food Services:			
186		Salaries and Benefits	$21,250.00	$21,887.50
		Purchased Services - List Vendors Below		
187	V - FD1		$6,000.00	$12,000.00
188	V - FD2			
189	V - FD3			
190	V - FD4			
191	V - FD5			
192		Supplies and Materials	$50,000.00	$100,000.00
193		Equipment	$40,000.00	$15,000.00
		Other (List Below)		
194				
195				
196				
197				
198				
199		**Total Food Services:**	$117,250.00	$148,887.50

			2015-2016 Amount:	2016-2017 Amount:
		Data Processing:		
200		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below		
201	V - DP1	Supported by KIPP Delta Region Years 1 & 2		
202	V - DP2			
203	V - DP3			
204	V - DP4			
205	V - DP5			
206		Supplies and Materials		
207		Equipment		
		Other (List Below)		
208				
209				
210				
211				
212				
213		**Total Data Processing:**	$0.00	$0.00
		Substitute Personnel:		
214		Salaries and Benefits		
		Purchased Services - List Vendors Below		
215	V - SB1			
216	V - SB2			
217	V - SB3			
218	V - SB4			
219	V - SB5			
220		**Total Substitute Personnel:**		
		Facilities:		
221		Lease/Purchase Contract for One Full Year	$15,680.00	$15,680.00
		Facility Upgrades - List Upgrades Below		
222		Classroom Furniture ($350/student)	$29,750.00	$29,750.00
223		Office Furniture	$10,000.00	$7,000.00
224				
225				
226				
227				
228				
229		Property Insurance for One Full Year	$8,000.00	$8,000.00
230		Content Insurance for One Full Year	$2,000.00	$2,000.00
231		**Total Facilities:**	$65,430.00	$62,430.00

		2015-2016 Amount:	2016-2017 Amount:
	Debt Expenditures:		
	List Debts Below		
232	(See narrative)		
233			
234			
	Total Debts:		
	Other Expenditures:		
	List Other Expenditures Below		
235			
236			
237			
238			
239			
240			
241	**TOTAL EXPENDITURES:**	$775,439.27	$1,150,572.84
242	**Net Revenue over Expenditures:**	$108,587.68	$117,481.06

Note: If any major area is zero, type explanation where items would be listed. Example: No funds budgeted for GT because of waiver.

City of Forrest City

The Hub of Commerce & Industry for Eastern Arkansas

Larry Bryant, Mayor

January 7, 2015

Scott Shirley
KIPP Delta Public School
415 Ohio
Helen-West Helena, AR 72342

RE: Zoning for KIPP Forrest City Preparatory School

To Whom It May Concern:

Zoning for KIPP Forrest City Preparatory School at 637 South Washington, Forrest City, AR 72335 is C-2 Highway Commercial District, which also meets the same requirement as C-3. Thus, the school falls within the zoning guidelines according to the attached copy of Permit Uses.

If you should have any questions, you may contact us at 870-633-1315.

Sincerely,

Connie Muqtasid,
Code Enforcement Officer

P.O. Box 1074 Forrest City, Arkansas 72336-1074 Phone (870) 633-1315 Fax (870) 261-1424

F. R-6 Manufactured Home District. This district is intended to provide districts specifically designed for manufactured homes. The district will be similar to other residential districts in all aspects except that maximum lot sizes may be reduced.

1. Permitted Uses.

(a) One manufactured home per lot.

(b) Public utilities such as water storage, power substations, and sewer lift stations.

(c) Accessory structures and uses pertinent to the principal structure and use.

2. Conditional Uses.

(a) Churches

Zoning map was revised 10/16/09

3. Bulk and Area Regulations.

(a) Minimum lot area: 5000 square feet

(b) Minimum lot width: 40 feet

(c) Required yard setbacks: Same as R - 2 District

(d) Maximum building height: Same as R - 2 District

(e) Maximum structure coverage: Same as R - 2 District

(f) Parking requirements: Two hard surfaced spaces per lot

(g) Sign requirements: Same as R - 2 District

G. C-1 Central Business District

In general terms, the Central Business District is the area generally regarded as "Downtown Forrest City." This commercial zone is intended for the conduct of personal and business services and the general retail business of the community. Persons living in the community and in the surrounding trade territory require direct and frequent access. Traffic generated by the uses will be primarily passenger vehicles and only those trucks and commercial vehicles required for stocking and delivery of retail goods. This district is exempted from normal off street parking requirements and setbacks. This area is not expected to expand geographically but is expected to expand in

diversity of use, including residential.

1. Permitted Uses.

Property and buildings in the C-1-Central Business District shall be used only for the following purposes:

(a) Retail establishments providing goods and services such as grocery, drug, hardware, and variety stores.

(b) Hotels, restaurants, and bed and breakfast facilities.

(c) Office and bank buildings and uses.

(d) Apartments, townhouses, and condominiums, including conversion of upper stories of retail building for residential use. Off-site parking may be used to meet parking requirements for residential development.

(e) Processing, manufacturing, wholesaling and warehousing that by reason of operation do not constitute a nuisance to adjacent uses in respect to noise, odor, dust, vibration, etc.

(f) Public and institutional uses and buildings.

2. Conditional Uses. Those uses listed in Section 4 of Article IX that are not permitted uses, as stated in G.1, above.

3. Minimum Lot Area. There is no minimum lot area in the C-1 zoning district.

4. Maximum Height of Main Building. There are no height restrictions in the C-1 zoning district.

5. Minimum Yard Dimensions.

(a) Front: None

(b) Side Yard: None, except 10 feet when abutting an "R" Zone

(c) Rear Yard: 20 feet from property line or center of alley, where one exists.

6. Coverage. No limit.

H. C-2 Highway Commercial.

1. Permitted Uses. Same as C-3 plus storage and public garages, funeral homes, hotels/motels, barrooms, nightclubs, radio and television studios, bus depots, touring R.V. sites, new and used car sales lots and similar highway commercial establishments. Service stations and dwellings, whether single or multiple family.

2. Conditional Uses. All those in Section 4 of Article IX.

3. Minimum Lot Area. 7,500 square feet.

4. Maximum Height of Main Building. 50 feet.

5. Minimum Yard Dimensions.

   (a) Front, Depth: 25 feet from the right-of-way line.

   (b) Front, Width: 75 feet at the building line.

   (c) Side Yard: 10 feet when abutting an "R" Zone.

   (d) Rear Yard: 10 feet when abutting an "R" Zone.

6. Coverage. The maximum coverage of any lot shall not exceed 50% of the total lot area.

7. When a C-2 Commercial District abuts a residential district, there shall be a twenty (20) foot wide landscaped buffer on the side abutting the residential district. The Planning Commission shall approve the design and layout of the buffer on a case by case basis before completion of the project.

I. C-3 Neighborhood Shopping. The neighborhood Shopping District is intended to serve primarily the residents of nearby neighborhoods. No use in this District shall be open for service before 5:30 A.M. or after 8:30 P.M.

1. Permitted Uses.

Retail stores
Business and professional offices
Business and trade schools
Churches
Clinic, medical, dental, or optical
Clothing store
Dry cleaners

Hardware store
Hobby shop
Food stores catering to neighborhood business
Private school
Personal service shops
Restaurants
Studios
Repair shops
Laundromats
Studios
Similar establishments for the convenience of neighboring residents and farms.

2. Conditional Uses. All those in Section 4 of Article IX.

3. Minimum Lot Area. 7,500 square feet.

4. Maximum Height of Main Building. 30 feet.

5. Minimum Yard Dimensions.

   (a) Front, Depth: 25 feet from the right-of-way line.

   (b) Front, Width: 75 feet at the building line.

   (c) Side Yard: 10 feet when abutting an "R" Zone.

   (d) Rear Yard: 10 feet when abutting an "R" Zone.

6. Coverage. The maximum coverage of any lot shall not exceed 50% of the total lot area.

7. Installation. Each manufactured home shall be installed and anchored in accordance with regulations set forth by the Arkansas Manufactured Home Commission.

J. M-1 Light Manufacturing.

1. Permitted Uses. Same as C-3 plus all other uses except junk yards and all uses which may be obnoxious or offensive by reason of emission of dust, smoke, odor, gas, excessive glare, light, noise, or vibration, plus all similar heavy manufacturing uses. Also warehouses and bulk storage. No dwellings are permitted in the M-1 District.

2. Conditional Uses. All those in Section 4 of Article IX.

OPEN-ENROLLMENT PUBLIC CHARTER SCHOOL
FACILITIES UTILIZATION AGREEMENT

Lessor(Owner): St. Francis Catholic Church

Lessee(Tenant): KIPP Delta Public Schools

Any information regarding affiliation, family ties, or other relationships between the Lessor (Owner) and Lessee (Tenant) must be disclosed with the facilities lease agreement.

Describe the present use of the facility:

The facility is currently used for St. Francis Catholic Church events.

Address of Premises: 637 S Washington St, Forrest City, AR 72335

Square Footage: 7840

Terms of Lease: 2 years

Rental Amount: $2.00/SF plus negotiated terms

Contingency: The terms of this agreement are contingent upon

KIPP Delta Public Schools
Sponsoring Entity

receiving a charter to operate an open-enrollment public charter school approved by the authorizer by August of 20 15

Statutory Language Concerning No Indebtedness:
No indebtedness of any kind incurred or created by the open-enrollment public charter school shall constitute an indebtedness of the State of Arkansas or its political subdivisions, and no indebtedness of the open-enrollment public charter school shall involve or be secured by the faith, credit, or taxing power of the state or its political subdivisions. An open-enrollment public charter school shall not incur any debt, including any lease, without the prior review and approval of the Commissioner of Education.

Lessee: KIPP Delta Public Schools

By: _____ Date 1/7/15

Lessor: St. Francis Catholic Church

By: _____ Date 12/19/14

Anthony B. Taylor, Bishop
Roman Catholic Diocese **of Little Rock**

637 S Washington Street Forrest City, AR 72335
637 S Washington St
Street View
Search nearby
S Washington St
S Washington St
S Rosser St
Monica
Explore

KIPP: DELTA
PUBLIC SCHOOLS

415 Ohio Stre
Helena-West Hele
Arkansas, 723
Phone: 870.753.90
Fax: 870.753.94
www.kippdelta.o

17. Describe the facilities to be used. Give the present use of the facility. If the facility to be used for the school is a facility of a school district, describe the terms established by the local school board of the district stipulating the relationship between the proposed public charter school and the district pertaining to the use of the facility. Attach a copy of the agreement, signed by the president of the local school board, the chair or president of the governing body of the proposed open-enrollment public charter school, and the chief operating officer of the proposed charter. If the facility is not operated by a school district, attach a copy of the Facilities Utilization Agreement, signed by the entity owning or operating the facility and the chief operating officer of the proposed charter. A proposed lease may also be submitted but is not required. Please note that any lease or other debt must be approved by the Commissioner of Education.

Updated Applicant Response:

KIPP Forrest City's facility will be located at 637 S. Washington Street in Forrest City, Arkansas, a building owned by St. Francis Catholic Church. Though the building is owned by a sectarian group, KIPP Forrest City Preparatory School is in no way religious-affiliated and will continue to maintain its nonsectarian programs and operations throughout the duration of its lease at the location.

The building is approximately 7,840 square feet, and the school will pay $2.00/SF plus negotiated terms per year to lease the building. The building is a former parish hall that sits on approximately two acres of land with ample room for outdoor play space and room to accommodate eight modular classrooms. The building is one story and contains office space and multi-purpose space as well as a kitchen for meal preparation.

Identify the owner(s) of the proposed facility and describe their relationship, if any, with:

(1) Members of the local board of the public school district where the proposed open-enrollment public charter school will be located,

(2) Employees of the public school district where the proposed open-enrollment public charter school will be located,

(3) The eligible entity sponsoring the open-enrollment public charter school, or

(4) Employees/directors/administrators of the sponsoring entity or proposed open-enrollment public charter school.

Updated Applicant Response:

The owner of the building is St. Francis Catholic Church, an organization that, to our knowledge, does not have any relationships with any of the individuals listed above.

415 Ohio Stre
Helena-West Hele
Arkansas, 723
Phone: 870.753.90
Fax: 870.753.94
www.kippdelta.o

The facility will comply with all requirements for accessibility in accordance with the Americans with Disabilities Act (ADA) and Individuals with Disabilities Education Act (IDEA) and all other state and federal laws and local zoning ordinances.

- [x] Yes
- [ ] No

If the facility does not currently meet these requirements, provide a list of items that will need to be addressed to bring the facility into compliance. Also include a statement of permissible uses for the facility from the local zoning authority, and whether there are any alcohol sales within 1,000 feet of the facility.

Updated Applicant Response:

KIPP Delta is currently working with WER Architects based in Little Rock, Arkansas to perform a needs assessment of improvements that need to be made to ensure it is in compliance with all regulations. Once this list is made, KIPP Delta will utilize its Finance and Development teams to determine funding options to ensure the building is ready by Fall, 2015.

Our initial assessment revealed the building to be in good shape with only minor cosmetic improvements needed.

The proposed building does not have difficult barriers to overcome. However, KIPP Delta in coordination with WER Architects is planning to install four modular classrooms on the property to ensure adequate classrooms for the facilities are available. These classrooms will meet all ADA and life safety code requirements. KIPP Delta will ensure that accessible parking and accessible pathways between the main building and modular units will be established. This, along with all other building components that do not currently meet ADA guidelines, will be corrected within the scope of renovation.

Our architects have confidence that these improvements are possible and will require moderate investment in building alterations.

The Office Manager and School Director will work with the KIPP Delta region to procure a custodial contract or hire a part-time custodian in the start-up years. Any maintenance issue beyond their scope, will be supported by the KIPP Delta regional operations team.

KIPP Delta Public Schools will finance or fundraise capital facility expenditures in years one and two, thus minimizing capital expenditures on the school's budget.

KIPP: DELTA
PUBLIC SCHOOLS

415 Ohio Stre
Helena-West Hele
Arkansas, 723
Phone: 870.753.90
Fax: 870.753.94
www.kippdelta.o

KIPP Delta has a strong history of writing facilities grants. Furthermore, KIPP Delta has an agreement with Arvest Bank to obtain up to $10 million in facility financing. We also plan on utilizing start-up grants that should be available under federal legislation to spend on facility improvements.

Please also find in Appendix P (City of Forrest City Letter) confirmation that the identified facility is in the appropriate zone to be a school building. Also, there are no alcohol sales within 1,000 feet of the premises.

February 2015

Notification of Charter Authorizing Panel Decision

Northwest Arkansas Classical Academy
Bentonville, Arkansas

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 19, 2015

Mr. Chris Baumann
Responsive Education Solutions
1301 Waters Ridge Dr.
Lewisville, Texas 75057

RE: Notice of Charter Authorizing Panel Hearing Decision
Northwest Arkansas Classical Academy

Dear Mr. Baumann:

On February 18, 2015, the Charter Authorizing Panel met and approved the amendment request for Northwest Arkansas Classical Academy. Ark. Code Ann. § 6-23-702(b)(2)(A) allows charter applicants and affected school districts **to request** that the State Board of Education review a final decision of the Charter Authorizing Panel. A request must state the specific reasons that the board should review the decision.

Ark. Code Ann. § 6-23-703(a) requires the State Board of Education to consider requests for review of Charter Authorizing Panel decisions at its next meeting after the decisions are made. Therefore, a review **request** must be submitted, via email, no later than **4:00 p.m. on Tuesday, February 24, 2015,** in order for the request to be included in the State Board of Education agenda materials for the meeting on March 12, 2015. Email the request to ade.charterschools@arkansas.gov. Be advised that the decision of whether to review a Charter Authorizing Panel decision is discretionary. See Ark. Code Ann. § 6-23-702(b)(3). Regardless of whether a review of the panel's decision is requested, the application will be an action item for the State Board of Education on March 12, and, at that time, the board will determine whether or not to review the panel's decision. If the State Board decides to review the panel's decision, the review will take place at a later meeting.

Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue

Cindy Hogue, Director
Office of Educational Options

C: Mr. Michael A. Poore, Superintendent, Bentonville School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

February 2015

Amendment Request

Northwest Arkansas Classical Academy

Bentonville, Arkansas

January 14, 2015

Via E-mail (sky.bledsoe@arkansas.gov)
Ms. Sky Bledsoe, Coordinator
Charter and Home Schools Office
Arkansas Department of Education
Division of Learning Services
Four Capitol Mall, Mail Slot #3
Little Rock, Arkansas 72201

Re: Northwest Arkansas Classical Academy: Waiver Rescission

Ms. Bledsoe:

As you are aware, Responsive Education Solutions ("ResponsiveEd") is the charter holder for Northwest Arkansas Classical Academy (the "School"), a K-9 open-enrollment public charter school located at 1302 Melissa Drive, Bentonville, Arkansas 72712. On September 10, 2014, ResponsiveEd submitted a charter amendment request for the School to the Charter Authorizing Panel ("Panel"). The School sought a waiver of Rule 9.03.4 of the ADE Rules Governing Standards for Accreditation of Arkansas Public School Districts to the extent that the rule requires courses to be taught annually totaling 38 units of credit. Instead, the School, which currently serves only Grades K-9, sought permission to phase in course offerings until such a time as the School serves Grade 12, at which time all 38 units of credit will be offered. The Panel met on October 15, 2014, and unanimously approved ResponsiveEd's charter amendment request for the School.

Since the Panel meeting, we have been informed by representatives from both ADE's Office of Legal Services and Standards Assurance Unit that our requested waiver is not required; that Rule 9.03.4 does not even apply where, as here, the School is not serving Grades 9-12; and that the lack of a waiver under these circumstances will not cause the School to be subject to sanctions by the ADE's Standards Assurance Unit. With this understanding, we would like to rescind our waiver request.

Sincerely,

Chris Baumann
General Counsel

Cc: Mr. Jeremy Lasiter (jeremy.lasiter@arkansas.gov)
Ms. Sky Bledsoe (sky.bledsoe@arkansas.gov)
Mr. Chuck Cook (ccook@responsiveed.com)
Dr. Alan Wimberley (awimberley@responsiveed.com)
Mr. Timm Petersen (tpetersen@responsivee.com)

Materials Regarding the Approved Amendment Request in October 2014

October 2014

Notice of Charter Authorizing Panel Decision Letter

Northwest Arkansas Classical Academy

Bentonville, Arkansas

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

October 17, 2014

Mr. Chris Baumann
Responsive Education Solutions
1301 Waters Ridge Dr.
Lewisville, Texas 75057

RE: Notice of Charter Authorizing Panel Decision
Northwest Arkansas Classical Academy Amendment Request

Dear Mr. Baumann:

On October 15, 2014, the Charter Authorizing Panel met and approved the amendment request for Northwest Arkansas Classical Academy. Ark. Code Ann. § 6-23-702(b)(2)(A) allows charter applicants and affected school districts **to request** that the State Board of Education review a final decision of the Charter Authorizing Panel. A request must state the specific reasons that the board should review the decision.

Ark. Code Ann. § 6-23-703(a) requires the State Board of Education to consider requests for review of Charter Authorizing Panel decisions at its next meeting after the decisions are made. Therefore, a review **request** must be submitted, via email, no later than **4:00 p.m. on Wednesday, October 22, 2014,** in order for the request to be included in the State Board of Education agenda materials for the meeting on November 13, 2014. Email the request to ade.charterschools@arkansas.gov. Be advised that the decision of whether to review a Charter Authorizing Panel decision is discretionary. See Ark. Code Ann. § 6-23-702(b)(3). Regardless of whether a review of the panel's decision is requested, the amendment request will be an action item for the State Board of Education on November 13, and, at that time, the board will determine whether or not to review the panel's decision. If the State Board decides to review the panel's decision, the review will take place at a later meeting.

Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue

Cindy Hogue, Director
Office of Educational Options

C: Mr. Michael A. Poore, Superintendent, Bentonville School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

October 2014

Amendment Request

Northwest Arkansas Classical Academy

Bentonville, Arkansas

ARKANSAS DEPARTMENT OF EDUCATION

CHARTER AMENDMENT REQUEST FORM

Charter Name Northwest Arkansas Classical Academy

LEA Number 0442700/0442702

Type of Amendment Requested:

[x] **Other:** Northwest Arkansas Classical Academy ("NWACA") seeks a waiver of Rule 9.03.4 of the ADE Rules Governing Standards for Accreditation of Arkansas Public School Districts to the extent that the rule requires courses to be taught annually totaling 38 units of credit. Instead, NWACA, which currently serves Grades K-9, seeks permission to phase in course offerings until such a time as the school serves Grade 12, at which time all 38 units of credit will be offered.

Charter Leader Charles Cook

Email address ccook@responsiveed.com

Phone number 972.316.3663

Additional Materials Distributed at the Hearing

Northwest Arkansas Classical Academy

Bentonville, Arkansas

RESPONSIVEED

Course List 2014-15

Course Category	Course Name (aka-Course Equivalent)	Course Abbreviation (To be used on transcript as course name)	Total Credit Earned	Curriculum Options	Units for 1/2 credit	Units for full credit
English/Language Arts						
	ELA/Reading 6th Grade	n/a	n/a	ResponsiveEd Units	n/a	n/a
	ELA/Reading 7th Grade	n/a	n/a	ResponsiveEd Units	n/a	n/a
	ELA/Reading 8th Grade	n/a	n/a	ResponsiveEd Units	n/a	n/a
	Reading 1 (9th-12th Grade)	READ1	.5/1	ELA teacher and the use of Reading Horizons, and/or READSMART/READMATE	n/a	n/a
	Reading 2 (9th-12th Grade)	READ2	.5/1	ELA teacher and the use of Reading Horizons, and/or READSMART/READMATE	n/a	n/a
	Reading 3 (9th-12th Grade)	READ3	.5/1	ELA teacher and the use of Reading Horizons, and/or READSMART/READMATE	n/a	n/a
	English I	ENG 1	1.0	Comprehend, ResponsiveEd Units 2nd Edition	1-5	6-10
	English II	ENG 2	1.0	**Comprehend,** ResponsiveEd Units 2nd Edition	1-5	6-10
	English III	ENG 3	1.0	Comprehend, ResponsiveEd Units	1-5	6-10
	English IV	ENG 4	1.0	Comprehend, ResponsiveEd Units	1-5	6-10
	English I SOL	ENG1 SOL	1.0	English Discoveries *Must be taught by an ESL-certified teacher.	1-5	6-10
	English II SOL	ENG2 SOL	1.0	English Discoveries *Must be taught by an ESL-certified teacher.	1-5	6-10
	Creative Writing	CREAT WR	.5 or 1	ResponsiveEd Units	1-5	6-10
	Literary Genres	LIT GENR	.5 or 1	Comprehend, ResponsiveEd Units	1-5	6-10
	Reading 1	READ1	1.0	Teacher led; with campus director's approval	*	*
	Reading 2	READ2	1.0	Teacher led; with campus director's approval	*	*
	Reading 3	READ3	1.0	Teacher led; with campus director's approval	*	*
	Communication Applications	COMMAPP	0.5	Comprehend, ResponsiveEd Units	1-5	n/a
*** Reading Credit Options:**	**Any of the following options can be for 1.0 reading credit:**					
	Basic Science Mysteries (BSM)		1.0	PAC Works	1-5	
	Natural Science Mysteries (NSM)		1.0	PAC Works	1-5	
	America's Founding Fathers, Events & Documents		1.0	PAC Works	Sr. Project	
Math						
	Math 5th Grade	n/a	n/a	ResponsiveEd Units	n/a	n/a
	Math 6th Grade	n/a	n/a	ResponsiveEd Units	n/a	n/a
	Math 7th Grade	n/a	n/a	ResponsiveEd Units	n/a	n/a
	Math 8th Grade	n/a	n/a	ResponsiveEd Units	n/a	n/a
	Algebra I	ALG 1	1.0	Comprehend, ResponsiveEd Units, VideoText w/worktexts	5	10
	Geometry	GEOM	1.0	Comprehend, ResponsiveEd Units, VideoText w/worktexts	5	10
	Algebra II	ALG 2	1.0	**Comprehend,** ResponsiveEd Units, VideoText w/worktexts	5	10
	Precalculus	PRE CALC	1.0	Comprehend, ResponsiveEd Units	5	10
	Math Models	MTHMOD	1.0	Comprehend, ResponsiveEd Units	5	10

Course Category	Course Name (aka-Course Equivalent)	Course Abbreviation (To be used on transcript as course name)	Total Credit Earned	Curriculum Options	Units for 1/2 credit	Units for full credit
Social Studies						
	World Cultures 6th Grade		n/a	ResponsiveEd Units 2nd Edition	n/a	n/a
	Texas History 7th Grade		n/a	Comprehend, ResponsiveEd Units	n/a	n/a
	US History up to 1877 8th Grade		n/a	ResponsiveEd Units	n/a	n/a
	World Geography	W GEO	1.0	Comprehend, ResponsiveEd Units	1-5	6-10
	World History	W HIST	1.0	Comprehend, ResponsiveEd Units	1-5	6-10
	US History	US HIST	1.0	Comprehend, ResponsiveEd Units 2nd Edition	1-5	6-10
	Government	GOVT	0.5	Comprehend, ResponsiveEd Units	1-5	n/a
	Social Studies Advanced Studies (First Time Taken) Personal Finance	SS ADV	0.5-1	Dave Ramsay's Financial Peace Curriculum **(For Seniors only)** (Check your J: drive for Syllabi and tests)	45 day syllabus	90 day syllabus
	Special Topics in Social Studies:Hebrew Scripture (Old Testament)	HEBSCSS	0.5	Comprehend, ResponsiveEd Units Bible Literacy - Old Testament	1-5	n/a
	Special Topics in Social Studies: New Testament	NEWTSS	0.5	Comprehend, ResponsiveEd Units Bible Literacy - New Testament	1-5	n/a
	Psychology	PSYCH	0.5	Eagle PAKS	1-6	n/a
Economics						
	Economics	ECO-FE	0.5	Comprehend, ResponsiveEd Units	1-5	n/a
Science						
	Science 6th Grade		n/a	ResponsiveEd Units	n/a	n/a
	Science 7th Grade		n/a	ResponsiveEd Units	n/a	n/a
	Science 8th Grade		n/a	ResponsiveEd Units	n/a	n/a
	Biology	BIO	1.0	Comprehend, ResponsiveEd Units w/EOC Supplemental Unit	1-5	6-10
	Integrated Physics And Chemistry	IPC	1.0	Comprehend, ResponsiveEd Units	1-5	6-10
	Physics	PHYSICS	1.0	Comprehend, ResponsiveEd Units	1-5	6-10
	Chemistry	CHEM	1.0	Comprehend, ResponsiveEd Units	1-5	6-10
	Astronomy	ASTRMY	1.0	Comprehend, ResponsiveEd Units	1-5	6-10
	Aquatic Science	AQUA SCI	1.0	Comprehend, ResponsiveEd Units	1-5	6-10
	Environmental Systems	ENVIRSYS	1.0	ResponsiveEd Units	1-5	6-10
Health						
	HEALTH 6th Grade		n/a	OW (course can be used once for 6, 7 or 8th grade); Health & Wellness 6th Gr.	n/a	n/a
	HEALTH ED 7th		n/a	OW; Health & Wellness 7th Gr.	n/a	n/a
	HEALTH ED 8th		n/a	OW; Health & Wellness 8th Gr.	n/a	n/a
	Health Education	HLTH ED	0.5	OW, DU, Glencoe w/study guides	1-5	n/a
Physical Education						
	Foundations of Personal Fitness	PEFOUND	0.5	Eagle PAKS	1-6	n/a
	PE Substitution Athletics 1- 4	SUBATH1 - SUBATH4	0.5/1	On-Site or off-Site (with approval) ***Physical Activity Log must be used. 40 hours of physical activity are required per .5 credit.***	.5	1
	Adventure/Outdoor Education	PEAOA	0.5	On-Site	.5	n/a
	Individual or Team Sports	PEITS	0.5	On-Site	.5	n/a
	Aerobic Activities	PEAA	0.5	On-Site	.5	n/a

Course Category	Course Name (aka-Course Equivalent)	Course Abbreviation (To be used on transcript as course name)	Total Credit Earned	Curriculum Options	Units for 1/2 credit	Units for full credit
Languages Other than English						
	Spanish I	SPAN 1	1.0	OW (Units 1 - 6), Power Speak	1-3	4-6
	Spanish II	SPAN 2	1.0	OW (Units 7 - 12), Power Speak	7-9	10-12
	Spanish III	SPAN 3	1.0	OW (Units 13 - 18), Power Speak	13-15	16-18
	Spanish I	SPAN 1	1.0	Power Speak	half	half
	Spanish II	SPAN 2	1.0	Power Speak	half	half
	Spanish III	SPAN 3	1.0	Power Speak	half	half
	Languages Other Than English Level II – French	FREN 2	1.0	Power Speak **ONLY FOR STUDENTS ENROLLING WITH A CREDIT IN FRENCH**	half	half
	Languages Other Than English Level III – French	FREN 3	1.0	Power Speak **ONLY FOR STUDENTS ENROLLING WITH A CREDIT IN FRENCH**	half	half
	Languages Other Than English Level II – German	GERMAN 2	1.0	Power Speak **ONLY FOR STUDENTS ENROLLING WITH A CREDIT IN GERMAN**	half	half
Fine Arts						
	Art I	ART 1	1.0	Comprehend, ResponsiveEd Units	1-5	6-10
Electives						
Innovative	College Transitions	CLGTRN	0.5/1	ResponsiveEd Units - College & Career Transitions **(REQUIREMENT for Graduates)**	1-5	6-10
Innovative	Logic I	LOGIC1	0.5	ResponsiveEd Units	1-5	n/a
CTE - Business Management & Administration Cluster	Touch Systems Data Entry	TSDATAE	0.5	Textbook Century 21: Keyboarding, Formatting and Document Processing" w/Keyboarding Study Guide (1 unit)	1	n/a
CTE - Business Management & Administration Cluster	Business Management	BUSMGT	0.5	Textbook-Southwest w/study guides	1-6	n/a
CTE - Finance Cluster	Accounting	ACCOUNT1	1.0	DU	1-5	6-10
CTE- Health Science Cluster	Medical Terminology	MEDTERM	0.5	Eagle PAKS	1-5	n/a
CTE - Human Services Cluster	Child Development	CHILDDEV	0.5	ResponsiveEd Units 2nd Edition	5 units	n/a
CTE - Human Services Cluster	Principles of Human Services	PRINHUSR	0.5	ResponsiveEd Units 2nd Edition	5 units	n/a
CTE - Information Technology Cluster	Principles of Information Technology	PRINIT	.5/1.0	http://www.gcflearnfree.org/office2010	Word/ Excel	PP/ Access

Campus Specific Courses

Course Category	Course Name (aka-Course Equivalent)	Course Abbreviation (To be used on transcript as course name)	Total Credit Earned	Curriculum Options	Units for 1/2 credit	Units for full credit
Abilene						
CTE - Arts, A/V Technology, and Communications Cluster	Principles of Arts, Audio Video Technology, and Communications	PRINAAVTC	.5/1	CTE	.5	1.0
Fine Arts	Art II Drawing	ART2DRAW	1.0	Fine Arts	1	
Fine Arts	Art III Drawing	ART3DRAW	1.0	Fine Arts	1	
Fine Arts	Art III Printmaking	ART3PRNT	1.0	Fine Arts	1	
Fine Arts	Art III History	ART3HIST	1.0	Fine Arts	1	
Fine Arts	Music I Choir - Music IV Choir	MUS1CHOR - MUS4CHOR	1.0	Fine Arts	1	
Fine Arts	Music I Instrumental Ensemble - Music IV Instrumental Ensemble	MUS1INEN - MUS4INEN	1.0	Fine Arts	1	
Fine Arts	Music I Theory	MUS1THY	1.0	Fine Arts	1	
Amarillo (Vista)						
Fine Arts	Dance 1	DANCE 1	.5/1	Fine Arts	.5	0.5
Brownsville						
Human Services Cluster	Principles of Health Science	PRINHLSC	.5/1	CTE	.5	1
Human Services Cluster	Family and Community Services	FAMCOSRV	.5/1	CTE	.5	1
Law, Public Safety, Corrections, and Security Cluster	Principles of Law, Public Safety, Corrections, and Security	PRINLPCS	.5/1	CTE	.5	1
Comanche						
Health Science Cluster	Anatomy and Physiology	ANATPHYS	1.0	Science	1	
Del Rio						
Human Services Cluster	Family and Community Services	FAMCOSRV	.5/1	CTE	.5	1
Law, Public Safety, Corrections, and Security Cluster	Principles of Law, Public Safety, Corrections, and Security	PRINLPCS	.5/1	CTE	.5	1
Ft. Worth						
Health Science Cluster	Principles of Health Science	PRINHLSC	0.5	CTE Curriculum Found at: www.cte.unt.edu.	0.5	
Granbury						
Fine Arts	Music I Choir - Music IV Choir	MUS1CHOR - MUS4CHOR	1.0	Fine Arts	1	
Fine Arts	Music I Theory	MUS1THY	1.0	Fine Arts	1	
Fine Arts	Music I Vocal Ensemble - Music IV Vocal Ensemble	MUS1VOEN - MUS4VOEN	1.0	Fine Arts	1	
Fine Arts	Music I History	MUS1HIST	1.0	Fine Arts	1	
Laredo						
Human Services Cluster	Family and Community Services	FAMCOSRV	.5/1	CTE	.5	1
Law, Public Safety, Corrections, and Security Cluster	Principles of Law, Public Safety, Corrections, and Security	PRINLPCS	.5/1	CTE	.5	1
Lubbock						
Principles of Business, Marketing, and Finance	Principles of Business, Marketing, and Finance	PRINBMF	.5	Curriculum Found at: www.cte.unt.edu.	.5	
North Austin						
Fine Arts	Art II Drawing	ART2DRAW	1.0	Fine Arts	1	
Fine Arts	Music I Theory	MUS1THY	1.0	Fine Arts	1	

Campus Specific Courses Continued

Course Category	Course Name (aka-Course Equivalent)	Course Abbreviation (To be used on transcript as course name)	Total Credit Earned	Curriculum Options	Units for 1/2 credit	Units for full credit
Palmview						
Human Services Cluster	Family and Community Services	FAMCOSRV	.5/1	CTE	.5	1
Law, Public Safety, Corrections, and Security Cluster	Principles of Law, Public Safety, Corrections, and Security	PRINLPCS	.5/1	CTE	.5	1
Pharr						
Human Services Cluster	Family and Community Services	FAMCOSRV	.5/1	CTE	.5	1
Law, Public Safety, Corrections, and Security Cluster	Principles of Law, Public Safety, Corrections, and Security	PRINLPCS	.5/1	CTE	.5	1
San Juan						
Human Services Cluster	Family and Community Services	FAMCOSRV	.5/1	CTE	.5	1
Law, Public Safety, Corrections, and Security Cluster	Principles of Law, Public Safety, Corrections, and Security	PRINLPCS	.5/1	CTE	.5	1
Richardson						
Human Services Cluster	Principles of Health Science	PRINHLSC	.5/1	CTE	.5	1
Business Management and Administration Cluster	Principles of Business, Marketing, and Finance	PRINBMF	.5	Curriculum Found at: www.cte.unt.edu.	.5	

Course Category	Course Name (aka-Course Equivalent)	Course Abbreviation (To be used on transcript as course name)	Total Credit Earned	Curriculum Options	Units for 1/2 credit	Units for full credit
iSchool - Flower Mound						
	Graphic Design and Illustration	GRAPHDI	1.0	CTE	1	
	Principles of Arts, Audio Video Technology, and Communications	PRINAAVTC	.5/1	CTE	.5	1.0
	Audio Video Production	AVPROD	1.0	CTE	1	
	Advanced Audio Video Production	ADVAVPRO	2.0	CTE	1	2
	Advanced Graphic Design and Illustration	ADVGRADI	2.0	CTE	1	
	Principles of Business, Marketing, and Finance	PRINBMF (Novice: Business and Marketing)	0.5	CTE	.5	
	Advertising and Sales Promotion	ADVSALPR (Apprentice: Merchandising I)	0.5	CTE	.5	
	Retailing and E-Tailing	RETAILE (Apprentice: Merchandising II)	0.5	CTE	.5	
	Retailing and E-Tailing	FASHMKTG (Apprentice: Merchandising III)	0.5	CTE	.5	
	Retailing and E-Tailing	RETAILE (Apprentice: Merchandising IV)	0.5	CTE	.5	
	Marketing Dynamics	MKTGDYN (Mentor: Merchandising)	2.0	CTE	1	2
	Fashion Design	FASHDSN (Mentor: Fashion Design)	2.0	CTE	1	2
	Practicum in Marketing Dynamics	PRACMKTG (Entrepreneur: Merchandising)	2.0	CTE	1	2
	Advanced Fashion Design	ADVFASHD (Entrepreneur: Fashion Design)	2.0	CTE	1	2
	Commercial Photography	COMMPHOT	1.0	CTE	1	
	Advanced Commercial Photography	ADVCOMMP	2.0	CTE	1	1
	Theatre Arts I	TH1	.5/1	Fine Arts	.5	1
	Theatre Arts II	TH2	.5/1	Fine Arts	.5	1
	Theatre Arts III	TH3	.5/1	Fine Arts	.5	1
	Theatre Arts IV	TH4	.5/1	Fine Arts	.5	1
	Dance I	DANCE 1	.5/1	Fine Arts	.5	1
	Dance II	DANCE 2	.5/1	Fine Arts	.5	1
	Dance III	DANCE 3	.5/1	Fine Arts	.5	1
	Dance IV	DANCE 4	.5/1	Fine Arts	.5	1
	Music I Vocal Ensemble	MUS1VOEN	.5/1	Fine Arts	.5	1
	Music II Vocal Ensemble	MUS2VOEN	.5/1	Fine Arts	.5	1
	Music III Vocal Ensemble	MUS3VOEN	.5/1	Fine Arts	.5	1
	Music IV Vocal Ensemble	MUS4VOEN	.5/1	Fine Arts	.5	1
	Music I Instrumental Ensemble	MUS1INEN	.5/1	Fine Arts	.5	1
	Music II Instrumental Ensemble	MUS2INEN	.5/1	Fine Arts	.5	1
	Music III Instrumental Ensemble	MUS3INEN	.5/1	Fine Arts	.5	1
	Music IV Instrumental Ensemble	MUS4INEN	.5/1	Fine Arts	.5	1

Course Category	Course Name (aka-Course Equivalent)	Course Abbreviation (To be used on transcript as course name)	Total Credit Earned	Curriculum Options	Units for 1/2 credit	Units for full credit
iSchool - Lewisville						
	Concepts of Engineering and Technology	CONCENGT	.5/1	1st year Engineering program	.5	1.0
	Engineering Design and Presentation	ENGDSPR	1.0	2nd year of Engineering Program	1	
	Advanced Engineering Design and Presentation	ADVENGDP	2/3	3rd year of Engineering Program	2/3	
	Robotics and Automation	ROBOTA	1.0	4th year of Engineering Program	1	
	Robotics Programming and Design	TARBPD	.5/1	Technology Applications	.5	1
	Discrete Mathematics for Computer Science	TADISMA	.5/1	Technology Applications	.5	1
	AP English 3 - AP English Language And Composition	APENGLAN	.5/1	AP	.5	1
	AP English 4 - AP English Literature And Composition	APENGLIT	.5/1	AP	.5	1
	AP U.S. Government and Politics	APUSGOVT	0.5	AP	.5	n/a
	AP World History	APWHIST	1.0	AP	1	
	AP United States History	APUSHIST	1.0	AP	1	
	AP Biology	AP-BIO	1.0	AP	1	
	AP Chemistry	AP-CHEM	1.0	AP	1	
	AP Physics 1	APPHYS1	1.0	AP	1	
	AP Environmental Science	AP-ENVIR	1/1.5	AP	1/1.5	
	AP Psychology	APPSYCH	0.5	AP	.5	n/a
	AP Calculus AB	APCALCAB	.5/1	AP	.5	1
	AP Macroeconomics	APMACECO	0.5	AP	.5	
	AP Languages Other Than English Level IV (Vergil)– Latin	APLATVG	1.0	AP	1	
	German 1	GERMAN 1	1.0	LOTE	1	
	German 2	GERMAN 2	1.0	LOTE	1	
	German 3	GERMAN 3	1.0	LOTE	1	
	Advanced Journalism: Yearbook I	YBK1	.5/1	Elective	.5	1
	Advanced Journalism: Yearbook II	YBK2	.5/1	Elective	.5	1
	Sociology	SOC	0.5	Elective	.5	n/a
	Independent Study In Mathematics (First Time Taken)	INSTUMTH	.5/1	Math First time taking DC Math Course	.5	1
	Independent Study In Mathematics (2nd Time Taken)	INSTMTH2	.5/1	Math Second time Taking DC Math Course	.5	1
	Applied Music I	MUS1APL	1.0	Fine Arts	1	
	Applied Music II	MUS2APL	1.0	Fine Arts	1	
	Art II Drawing	ART2DRAW	1.0	Fine Arts	1	
	Art II Painting	ART2PATG	1.0	Fine Arts	1	
	Art III Graphic Design	ART3GRAP	1.0	Fine Arts	1	
	Art III History	ART3HIST	1.0	Fine Arts	1	
	Music I Instrumental Ensemble	MUS1INEN	1.0	Fine Arts	1	
	Music I Vocal Ensemble	MUS1VOEN	1.0	Fine Arts	1	
	Environmental Systems	ENVIRSYS	1.0	Science	1	

Course Category	Course Name (aka-Course Equivalent)	Course Abbreviation (To be used on transcript as course name)	Total Credit Earned	Curriculum Options	Units for 1/2 credit	Units for full credit
Founders						
	AP English 3 - AP English Language And Composition	APENGLAN	.5/1	AP	.5	1
	AP English Literature And Composition	APENGLIT	1.0	AP	.5	1
	AP Biology	AP-BIO	1.0	AP	1	
	Communication Applications	COMMAPP (Rhetoric)	0.5	Comprehend, ResponsiveEd Units	1-5	n/a
	Debate I	DEBATE 1	.5/1	English Language Arts	.5	1
	Music I Choir	MUS1CHOR	1.0	Fine Arts	1	
	Music II Choir	MUS2CHOR	1.0	Fine Arts	1	
	Music III Choir	MUS3CHOR	1.0	Fine Arts	1	
	Art II Drawing	ART2DRAW	1.0	Fine Arts	1	
	Art II Painting	ART2PATG	1.0	Fine Arts	1	
	Theatre Arts I	TH1	1.0	Fine Arts	1	
	Languages Other Than English Level I – Latin	LATIN 1	1.0	LOTE	1	
	Languages Other Than English Level II – Latin	LATIN 2	1.0	LOTE	1	
	Languages Other Than English Level III – Latin	LATIN 3	1.0	LOTE	1	
	Languages Other Than English Level IV – Latin	LATIN 4	1.0	LOTE	1	
	Social Studies Advanced Studies (First Time Taken)	SS ADV (Western Civilization II)	.5/1	English Language Arts	.5	1
	Social Studies Advanced Studies (Second Time Taken)	SS ADV2 (Western Civilization III)	.5/1	Social Studies	.5	1
	Social Studies Advanced Studies (Third Time Taken)	SS ADV3 (Paideia)	.5/1	Social Studies	.5	1
	Special Topics in Social Studies (First Time Taken)	SPTSS (Moral Philosophy I)	0.5	Social Studies	.5	n/a
	Special Topics in Social Studies (Second Time Taken)	SPTSS2 (Philosophy: Great Themes of Western Philosophy)	0.5	Social Studies	.5	n/a
	Research Methods in the Humanities	RESHUM (Classical Composition)	1.0	Innovative	1	
	Logics I	LOGIC1	0.5	Innovative	.5	n/a
	Logics II	LOGIC2	0.5	Innovative	.5	n/a
	AP Calculus AB	APCALCAB	1.0	AP	.5	1
	Anatomy and Physiology	ANATPHYS	1.0	CTE	1	

Course Category	Course Name (aka-Course Equivalent)	Course Abbreviation (To be used on transcript as course name)	Total Credit Earned	Curriculum Options	Units for 1/2 credit	Units for full credit
Quest - Coppell						
	Saddler Oxford Vocabulary 6-8			Used with ELA		
	Brain Builders			Jr. High Elective		
	Skill for Living			Jr. High Elective		
	Journalism			Jr. High Elective		
	Science Olympiad			Jr. High Elective		
	Dramatic Arts			Jr. High Elective		
	Cheer			Jr. High Elective		
	Algebra I	ALG 1	1.0	VideoText w/worktexts, OW ***8th grade only. High School Credit - Add "J" code on Achievement***	5	10
	Languages Other Than English Level I – Spanish	SPAN 1	.5-1	Power Speak - ***8th grade only. High School Credit - Add "J" code on Achievement Screen***	.5	1.0
	Health Education	HLTH ED	0.5	OW, DU, Glencoe w/study guides ***8th grade only. High School Credit - Add "J" code on Achievement***	1-5	n/a
	Special Topics in Social Studies:Hebrew Scripture (Old Testament)	HEBSCSS	0.5	Comprehend, ResponsiveEd Units Bible Literacy - Old Testament - ***8th grade only. High School Credit - Add "J" code on Achievement***	1-5	n/a
	Special Topics in Social Studies: New Testament	NEWTSS	0.5	Comprehend, ResponsiveEd Units Bible Literacy - New Testament - ***8th grade only. High School Credit - Add "J" code on Achievement***	1-5	n/a
Quest - Lewisville						
	Glencoe Lit Texas Treasures 1			Glencoe Read & Write Texas Treasures 1		
	Glencoe Lit Texas Treasures 2			Glencoe Read & Write Texas Treasures 2		
	Glencoe Lit Texas Treasures 3			Glencoe Read & Write Texas Treasures 3		
	Saddler Oxford Vocabulary 6-8			used with ELA		
	no textbook			Elective		
	GYM			PE		
	adopted Latin Textbooks			used with ELA		
	Computer Skills			Jr. High Elective		
	Fine Arts			Jr. High Elective		
	Fine Arts			Jr. High Elective		
	Speech - grade 7			Jr. High Elective		
	Speech - grade 8			Jr. High Elective		
	Algebra I	ALG 1	1.0	VideoText w/worktexts, OW ***8th grade only. High School Credit - Add "J" code on Achievement***	5	10
	Languages Other Than English Level I – Spanish	SPAN 1	.5-1	Power Speak - ***8th grade only. High School Credit - Add "J" code on Achievement***	.5	1.0
	Health Education	HLTH ED	0.5	OW, DU, Glencoe w/study guides ***8th grade only. High School Credit - Add "J" code on Achievement***	1-5	n/a
	Special Topics in Social Studies:Hebrew Scripture (Old Testament)	HEBSCSS	0.5	Comprehend, ResponsiveEd Units Bible Literacy - Old Testament - ***8th grade only. High School Credit - Add "J" code on Achievement***	1-5	n/a
	Special Topics in Social Studies: New Testament	NEWTSS	0.5	Comprehend, ResponsiveEd Units Bible Literacy - New Testament - ***8th grade only. High School Credit - Add "J" code on Achievement***	1-5	n/a
Vista - Jasper, Garland, Willis, Woodlands						
	Algebra I	ALG 1	1.0	VideoText w/worktexts, OW ***8th grade only. High School Credit - Add "J" code on Achievement***	5	10
	Languages Other Than English Level I – Spanish	SPAN 1	.5-1	Power Speak - ***8th grade only. High School Credit - Add "J" code on Achievement***	.5	1.0
	Health Education	HLTH ED	0.5	OW, DU, Glencoe w/study guides ***8th grade only. High School Credit - Add "J" code on Achievement***	1-5	n/a
	Special Topics in Social Studies:Hebrew Scripture (Old Testament)	HEBSCSS	0.5	Comprehend, ResponsiveEd Units Bible Literacy - Old Testament - ***8th grade only. High School Credit - Add "J" code on Achievement***	1-5	n/a
	Special Topics in Social Studies: New Testament	NEWTSS	0.5	Comprehend, ResponsiveEd Units Bible Literacy - New Testament - ***8th grade only. High School Credit - Add "J" code on Achievement***	1-5	n/a
TXVA	See "TCPA Courses Reaching Approved Rating" List					

SMART CORE COURSE CODE LIST FOR GRADUATING CLASS OF 2014 AND AFTER

ENGLISH - 4 UNITS

9th Grade English - One Unit

410000 English 9
510010 ADE Approved English 9 Honors
510020 ADE Approved English 9
510040 ESL English 9
519910 Concurrent Credit English 9

10th Grade English - One Unit

411000 English 10
511010 ADE Approved English 10 Honors
511020 ADE Approved English 10
511030 ESL English 10
519920 Concurrent Credit English 10

11th Grade English - One Unit

412000 English 11
512010 ADE Approved English 11 Honors
512020 ADE Approved English 11
512030 ESL English 11
517030 AP English Language and Composition
517040 AP English Literature and Composition
517100 IB English 11
519930 Concurrent Credit English 11

12th Grade English - One Unit

413000 English 12
513010 ADE Approved English 12 Honors
513020 ADE Approved English 12
513030 ESL English 12
517030 AP English Language and Composition
517040 AP English Literature and Composition
517200 IB English 12
519940 Concurrent Credit English 12

ORAL COMMUNICATION - 0.5 UNIT

Oral Communication - 0.5 Unit

414000 Oral Communication (0.5 credit)
414010 Oral Communication (1 credit)
414020 Forensics I
414050 Debate I
414100 Integrated Oral Communication NT
514010 ADE Approved Oral Communication Honors
514020 ADE Approved Oral Communication
514000 Concurrent Credit Oral Communication

NATURAL SCIENCE - 3 UNITS

Biology - One Unit

420000 Biology
520010 ADE Approved Biology Honors
520020 ADE Approved Biology
529030 IB Biology
529910 Concurrent Credit Biology

Two units chosen from the following three options:

Physical Science - Choose one

423000 Physical Science
523000 Principles of Technology I
523010 ADE Approved Physical Science Honors
523020 ADE Approved Physical Science
523100 ESL Physical Science
529920 Concurrent Credit Physical Science

Chemistry - Choose One

421000 Chemistry
521010 ADE Approved Chemistry Honors
521020 ADE Approved Chemistry
521030 AP Chemistry
521040 IB Chemistry
529930 Concurrent Credit Chemistry

Physics - Choose One

422000 Physics
522000 Principles of Technology II
522010 ADE Approved Physics Honors
522020 ADE Approved Physics
522030 AP Physics B
522040 AP Physics C: Electricity and Magnetism
522050 AP Physics C: Mechanics
522060 IB Physics
522070 Physics in Context
529940 Concurrent Credit Physics

FINE ARTS - 0.5 UNIT

Fine Arts - 0.5 Unit *Credit chosen from courses coded:*
450000 through 459999 OR 550010 through 559999

559000 Concurrent Credit Fine Arts

MATHEMATICS - 4 UNITS

(ONE UNIT MUST BE TAKEN AT 11TH OR 12TH GRADE)

Algebra 1 - One Unit

430000 Algebra I
530010 ADE Approved Algebra I Honors
530020 ADE Approved Algebra I
530030 IB Algebra I
539910 Concurrent Credit Algebra I

OR BOTH

430100 First Part Algebra I
430200 Second Part Algebra I

SMART CORE COURSE CODE LIST FOR GRADUATING CLASS OF 2014 AND AFTER

Geometry - One Unit

431000	Geometry
531010	ADE Approved Geometry Honors
531020	ADE Approved Geometry
531030	IB Geometry
539920	Concurrent Credit Geometry

OR BOTH

431100	First Part Geometry
431200	Second Part Geometry

Algebra II - One Unit

432000	Algebra II
532010	ADE Approved Algebra II Honors
532020	ADE Approved Algebra II
532030	IB Algebra II
539930	Concurrent Credit Algebra II

Beyond Algebra II - One Unit

433000	Pre Calculus
434010	Calculus
439050	Advanced Topics and Modeling in Mathematics
439070	Algebra III
439080	Mathematical Applications and Algorithms
439090	Linear Systems and Statistics
533010	ADE Approved Pre Calculus Honors
533020	ADE Approved Pre Calculus
533160	IB Pre Calculus/Trig
534020	ADE Approved Calculus Honors
534040	AP Calculus AB
534050	AP Calculus BC
534060	IB Calculus
539030	AP Statistics
539040	IB Trigonometry
539060	IB Mathematical Studies
539070	IB Mathematics SL
539900	Concurrent Credit Beyond Algebra II

SOCIAL STUDIES - 3 UNITS

(SEE NOTE UNDER ECONOMICS)

Civics - 0.5 Unit

472000	Civics (0.5 credit)
472100	Civics (1 credit)
572000	ADE Approved Civics (0.5 credit)
572020	ADE Approved Civics/Government Honors
572030	IB American Government
572040	ADE Enhanced AP United States Government & Politics
572100	ADE Approved Civics/American Government
579930	Concurrent Credit Civics

World History - One Unit

471000	World History
571000	ADE Approved World History
571010	ADE Approved World History Honors
571020	AP World History
579910	Concurrent Credit World History

American History - One Unit

470000	American History
570010	ADE Approved American History Honors
570020	AP United States History
570030	ADE Approved American History
570050	IB History of the Americas
579920	Concurrent Credit American History

ECONOMICS - 0.5 UNIT

(MAY BE COUNTED TOWARD SOCIAL STUDIES OR CAREER FOCUS)

Economics - 0.5 Unit

474300	Economics (0.5 credit)
492280	Economics (0.5 credit)
574000	Concurrent Credit Economics with Personal Finance
579130	ADE Approved AP Macroeconomics & Personal Finance (0.5 credit)
579140	ADE Approved AP Microeconomics & Personal Finance (0.5 credit)

HEALTH AND SAFETY - 0.5 UNIT

Health and Safety - 0.5 Unit

480000	Health and Wellness (0.5 Credit)
480950	JROTC Health
580010	ADE Approved Health and Safety
580900	Concurrent Credit Health and Safety

PHYSICAL EDUCATION - 0.5 UNIT

Physical Education - 0.5 Unit

485000	Physical Education and Leisure
485010	Personal Fitness for Life (0.5 credit)
485950	JROTC Physical Education
585010	ADE Approved Physical Education
585900	Concurrent Credit Physical Education

CAREER FOCUS - 6 UNITS CHOSEN FROM COURSE CODES BEGINNING WITH A 4 OR 5

Updated August 1, 2013

NWACA High School Course Offerings & Sequence

ENGLISH – 4 credits required			
9th	10th	11th	12th
English I – Classical Lit.	English II – British Lit.	English III – American Lit.	Eng. IV – Modern Lit*

MATH – 4 credits required (at least 1 Algebra unit and 1 Geometry unit) (**SMART Core requires ALG I, GEOM, ALG II, plus 1 higher level math course)**										
9th			10th			11th			12th	
Alg I	Geometry	Alg II	Geometry	Alg II	Pre-Cal	Alg II	Pre-Cal	Calculus	Calculus*	Probability Statistics*

SCIENCE – 3 credits required (at least 1 physical science unit & 1 biology unit) **(SMART Core requires Chemistry and/or Physics)**					
9th	10th	11th	12th		
Biology	Chemistry	Physics	Bio II*	Chem II*	Phy II*

SOCIAL STUDIES – 4 credits required			
9th	10th	11th	12th
Western Civ I – Classical	Western Civ II – World History*	American History*	Modern European History

WORLD LANGUAGE AND MANDATORY ACADEMIC ELECTIVES – Must have through Latin II, Composition, Formal Logic, Moral Philosophy and Senior Thesis for NWACA requirements. Oral Communication, Keyboarding, Civics, and Government are state requirements.								
9th		10th			11th			12th
Latin I	Latin II	Latin II						Senior Thesis
Composition		Formal Logic (1/2 Credit)	Keyboarding (1/2 Credit)		Rhetoric (oral communication) (1/2 Credit)	Moral Philosophy (1/2 Credit)	Civics (1/2 credit)	American Government* (1/2 Credit)

NON-ACADEMIC & OTHER ACADEMIC ELECTIVES – Must have PE and Health to fulfill state requirements.									
9th		10th		11th			12th		
Physical Education (1/2 Credit)	Health (1/2 Credit)	Latin III	Modern Foreign Language	Latin III	Modern Foreign Language	Modern Foreign Language II	Latin IV*	Modern Foreign Language II	Modern Foreign Language III
		Team Sports, Chorus, Orchestra, and Art will be Electives offered at grades 10 – 12.							

* Option to take the associated AP Exam in May.

Graduation Requirements:

Students must earn at least a total of 27 credits, have a 2.0 or higher GPA, and complete the Senior Thesis to graduate.

Distinguished Diplomas:

Cum Laude Graduates must have 27 credits, 3.5 GPA, Latin II or higher
Magna Cum Laude Graduates must have 27 credits, 3.75 GPA, Latin III or higher
Summa Cum Laude Graduates must have 27 credits, 4.0 GPA, Latin III or higher, Advanced Science Course

My Graduation Plan

Class of _____

Student's Name: _____ ID Number _____

9th Grade		
Courses	**1st Semester**	**2nd Semester**
English	English I – Classical Lit. (Greece / Rome)	English I – Classical Lit. (Greece / Rome)
History	Western Civ I – Classical (Greece / Rome)	Western Civ I – Classical (Greece / Rome)
Science	Biology	Biology
Math		
Latin		
Elective	Composition	Composition
Physical Education ½ credit / Health ½ credit		

10th Grade		
Courses	**1st Semester**	**2nd Semester**
English	English II – British Lit	English II – British Lit
History	Western Civ II – World History	Western Civ II – World History
Science	Chemistry	Chemistry
Math		
Latin or Elective		
Elective		
Formal Logic ½ credit / Keyboarding ½ credit		

11th Grade		
Courses	**1st Semester**	**2nd Semester**
English	English III – American Lit	English III – American Lit
History	American History	American History
Science	Physics	Physics
Math		
Latin or Elective		
Elective		
Rhetoric ½ credit / Moral Philosophy ½ credit		

12th Grade		
Courses	**1st Semester**	**2nd Semester**
English	English IV – Modern Lit	English IV – Modern Lit
History	Modern European History	Modern European History
Optional Advanced Science or Elective		
Math		
Latin or Elective		
Elective		
Civics ½ credit / American Government ½ credit		

NWACA High School Course Offerings & Sequence

ENGLISH – 4 credits required			
9th	10th	11th	12th
English I – Classical Lit.	English II – British Lit.	English III – American Lit.	Eng. IV – APLit*

MATH – 4 credits required (at least 1 Algebra unit and 1 Geometry unit) (**SMART Core requires ALG I, GEOM, ALG II, plus 1 higher level math course)**										
9th			10th			11th			12th	
Alg I	Geometry	Alg II	Geometry	Alg II	Pre-Cal	Alg II	Pre-Cal	APCAL*	APCAL*	APSTAT*

SCIENCE – 3 credits required (at least 1 physical science unit & 1 biology unit) **(SMART Core requires Chemistry and/or Physics)**					
9th	10th	11th	12th		
Biology	Chemistry	Physics	APBIO*	APCHEM*	APPHYS*

SOCIAL STUDIES – 4 credits required			
9th	10th	11th	12th
Western Civ I – Classical	Western Civ II – AP World History*	American History*	AP European History*

WORLD LANGUAGE AND MANDATORY ACADEMIC ELECTIVES – Must have through Latin II, Composition, Formal Logic, Moral Philosophy and Senior Thesis for NWACA requirements. Oral Communication, Keyboarding, Civics, and Government are state requirements.								
9th		10th			11th			12th
Latin I	Latin II	Latin II			AP Psych*			Senior Thesis
Composition		Formal Logic (1/2 Credit)		Keyboarding (1/2 Credit)	Rhetoric (oral communication) (1/2 Credit)		Moral Philosophy (1/2 Credit)	AP American Government*

NON-ACADEMIC & OTHER ACADEMIC ELECTIVES – Must have PE and Health to fulfill state requirements.									
9th		10th		11th			12th		
Physical Education (1/2 Credit)	Health (1/2 Credit)	Latin III	Modern Foreign Language	Latin III	Modern Foreign Language	Modern Foreign Language II	AP Latin IV*	Modern Foreign Language II	Modern Foreign Language III
Team Sports, Chorus, Orchestra, and Art will be Electives offered at all grade levels.									

* Option to take the associated AP Exam in May.

Graduation Requirements:

Students must earn at least a total of 27 credits, have a 2.0 or higher GPA, and complete the Senior Thesis to graduate.

Distinguished Diplomas:

Cum Laude Graduates must have 27 credits, 3.5 GPA, Latin II or higher
Magna Cum Laude Graduates must have 27 credits, 3.75 GPA, Latin III or higher
Summa Cum Laude Graduates must have 27 credits, 4.0 GPA, Latin III or higher, Advanced Science Course

My Graduation Plan

Class of _____

Student's Name: _____ ID Number _____

9th Grade		
Courses	**1st Semester**	**2nd Semester**
English	English I – Classical Lit. (Greece / Rome)	English I – Classical Lit. (Greece / Rome)
History	Western Civ I – Classical (Greece / Rome)	Western Civ I – Classical (Greece / Rome)
Science	Biology	Biology
Math		
Latin		
Elective	Composition	Composition
Physical Education ½ credit / Health ½ credit		
Elective		

10th Grade		
Courses	**1st Semester**	**2nd Semester**
English	English II – British Lit	English II – British Lit
History	Western Civ II – World History	Western Civ II – World History
Science	Chemistry	Chemistry
Math		
Latin or Elective		
Elective		
Formal Logic ½ credit / Keyboarding ½ credit		
Elective		

11th Grade		
Courses	**1st Semester**	**2nd Semester**
English	English III – American Lit	English III – American Lit
History	American History	American History
Science	Physics	Physics
Math		
Latin or Elective		
Elective		
Rhetoric ½ credit / Moral Philosophy ½ credit		
Elective		

12th Grade		
Courses	**1st Semester**	**2nd Semester**
English	English IV – Modern Lit	English IV – Modern Lit
History	Modern European History	Modern European History
Optional Advanced Science or Elective		
Math		
Latin or Elective		
Elective		
Civics ½ credit / American Government ½ credit		
Elective		

Founders Classical Academy Graduation Requirements: Includes Texas Foundation Plan, Distinguished Achievement, Endorsements, and Performance Acknowledgements

History
_____Western Civilization I (Ancient)
_____Western Civilization II (Med-Enl.)
_____Western Civilization III (Early US)
_____Western Civilization IV (Modern)

Government and Economics
_____American Government (.5 credit)
_____Economics (.5 credit)

Literature
_____English I (Greco-Roman)
_____English II (Medieval-Romantic)
_____English III (American)
_____English IV (Modern)

Composition & Rhetoric
_____ Composition I
_____Rhetoric (.5 credit)

Mathematics (only four credits needed)
_____ [Algebra I]
_____ [Geometry]
_____Algebra II
_____Pre-Calculus
_____AP Calculus AB

Science
_____Biology
_____Chemistry
_____AP Biology <u>or</u> Anatomy/Physiology
_____Physics or AP Physics

Foreign Language (at least three)
_____Latin I
_____Latin II
_____Latin III
_____Additional Language Course(s)

Philosophy
_____Logic I (.5 credit)
_____Logic II (.5 credit)
_____Paideia
_____Moral Philosophy (.5 credit)

Fine Arts (one credit needed for graduation)
_____Art (.5 credit)
_____Music (.5 credit)
_____Theatre (.5 credit)

College Readiness / Senior Thesis
_____College Transitions (.5 credit)
*includes thesis work

Physical Education (one full credit needed)
_____ PE, In-School or External

Electives
_____ _____
_____ _____
_____ _____

Distinguished Level of Achievement
A student may earn a distinguished level of achievement by successfully completing the Foundation Plan courses including:
___Four credits in mathematics, which must include Algebra II
___Four credits in science
___Curriculum requirements for at least one endorsement

*A student must earn distinguished level of achievement to be eligible for top 8% automatic admission.

Endorsements
A student may earn an endorsement by successfully completing: curriculum requirements for the endorsement (see below), four credits in mathematics, four credits in science, and two elective credits beyond the FP.

1. Arts and Humanities (one or more)
___A total of five social studies credits (includes history, government, economics, philosophy)
___Four levels of the same language in a language other than English
___Four credits of fine arts, in one or two categories, in sequence

2. Multi-Disciplinary Studies (one or both)
___Four credits in each of the four foundation subject areas to include English IV and chemistry and/or physics
___Four credits in Advanced Placement courses selected from English, Mathematics, Science, Social Studies, Economics, Languages other than English, or Fine Arts.

3. STEM (one or more)
___Five credits in mathematics by successfully completing Algebra I, Geometry, Algebra II and two additional mathematics course for which Algebra II is a prerequisite.
___Five credits in science by successfully completing Biology, Chemistry, Physics, and two additional science courses.
___ In addition to Algebra II, Chemistry, and Physics a coherent sequence of three additional credits from no more than two of the areas listed just above.

Performance Acknowledgements

1) Bi-literacy: A student may earn a performance acknowledgment in bilingualism and bi-literacy by demonstrating proficiency in accordance with local school district grading policy in two or more languages by:
___completing all English Language Arts requirements and maintaining a minimum grade point average (GPA) of the equivalent of 80 on a scale of 100; and satisfying one of the following:
•completion of a minimum of three credits in the same language in a language other than English with a minimum GPA of the equivalent of 80 on a scale of 100; **or**
•demonstrated proficiency in the Texas Essential Knowledge and Skills for Level IV or higher in a language other than English with a minimum GPA of the equivalent of 80 on a scale of 100; or
•demonstrated proficiency in one or more languages other than English through one of the following methods:
•a score of 3 or higher on a College Board AP exam for a language other than English; or
•performance on a national assessment of language proficiency in a language other than English of at least Intermediate High or its equivalent

2) Advanced Placement: A student may earn a performance acknowledgment on the student's diploma and transcript for outstanding performance on a College Board advanced placement examination by earning:
___a score of 3 or above on a College Board advanced placement examination

3) Achievement and Aptitude Tests (College Entrance): A student may earn a performance acknowledgment on the student's diploma and transcript for outstanding performance on the PSAT®, the ACT-PLAN®, the SAT®, **or** the ACT® (must achieve at least one of the following):
___earning a score on the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT®) that qualifies the student for recognition as a commended scholar or higher by the College Board and National Merit Scholarship Corporation, as part of the National Hispanic Recognition Program (NHRP) of the College Board **or** as part of the National Achievement Scholarship Program of the National Merit Scholarship Corporation
___achieving the college readiness benchmark score on at least two of the four subject tests on the ACT-PLAN® examination
___earning a combined critical reading and mathematics score of at least 1250 on the SAT®; or
___earning a composite score on the ACT® examination of 28 (excluding the writing subscore)

Graduation Requirements

To graduate from Northwest Arkansas Classical Academy, a student must earn a minimum of twenty-seven (27) credits and have a minimum cumulative grade point average of 2.0000 (GPA is carried out four places). Credits are earned at the rate of 0.5 credit per class per semester.

Graduation Requirements		
Subject	**NWACA Requirements**	**Smart Core Requirements**
English	**5 Total Credits** 1 credit English I 1 credit English II 1 credit English III 1 credit English IV 1 credit Composition	**4 Total Credits** 1 credit English I 1 credit English II 1 credit English III 1 credit English IV
Math	**4 Total Credits** 1 credit Algebra I or its equivalent 1 credit Geometry or its equivalent 1 credit Algebra II or its equivalent 1 credit of math higher than Algebra II*	**4 Total Credits** 1 credit Algebra I or its equivalent 1 credit Geometry or its equivalent 1 credit Algebra II or its equivalent 1 credit of math higher than Algebra II*
Science	**3 Total Credits** 1 credit of a physical science 1 credit of biology 1 additional science credit	**3 Total Credits** 1 credit biology 2 credits from the physical sciences (physical science, chemistry and/or physics)
Social Studies	**5.5 Total Credits** 1 credit of Western Civilizations 1 credit of World History 1 credit of US (American) History 1 credit of Modern European History 0.5 credit Civics** 0.5 credit Government** 0.5 credit Economics	**3 Total Credits** 1 credit of World History 1 credit of US (American) History 0.5 credit Civics or 0.5 credit Government** 0.5 credit Economics
Physical Education	**0.5 Credits**	**0.5 Credits**
Health	**0.5 Credits**	**0.5 Credits**
Oral Communications	**0.5 Credits** 0.5 credit Rhetoric	**0.5 Credits**
Fine Arts	**0.5 Credits** (visual, theatrical, or musical arts)	**0.5 Credits** (visual, theatrical, or musical arts)
World Languages	**2.0 Credits** 2.0 credits Latin (Additional requirements for Distinguished Diplomas)	Not required, recommended
Senior Thesis	**1 Credit** 1.0 credit of Senior Thesis	Not required
Formal Logic	**0.5 Credit** 0.5 credit Formal Logic	Not required
Moral Philosophy	**0.5 Credit** 0.5 credit Moral Philosophy	Not required
Total Credits	Additional electives (3.5 credits) to equal a total of at least **27** credits.	Additional electives to equal a total of at least **22** credits. Note: NWACA requirement, 27 total credits must be completed.

*Fourth math choices: Pre-Calculus, Calculus, Probability Statistics, College Algebra & Finite Math NWACC, College Algebra & Plane Trigonometry NWACC

**AP US Government and Politics may be substituted for 0.5 credits of Civics and 0.5 credits of Government

SMART CORE Requirements

SMART CORE graduation requirements were developed by the Arkansas Department of Education to prepare students for college and other post-secondary educational opportunities. To qualify for the Arkansas Academic Challenge Scholarship, students must complete all SMART CORE requirements and obtain a 2.5 cumulative GPA or an ACT composite score of 19 or higher. The SMART CORE graduation requirements differ slightly from NWACA graduation requirements and must be completed within the 27 credits required by NWACA for graduation. See table above for a list of Smart Core requirements.

Arkansas Academic Challenge Scholarship

The Arkansas Department of Higher Education sponsors the Arkansas Academic Challenge Scholarship Program to recognize selected students for scholastic achievement as measured by their academic records and ACT Assessment scores. Scholars for 2014 are announced in the summer before entering college and the scholarship may be renewed for up to 4 years. Visit http://www.adhe.edu for more information.

Eligibility Requirements

- Graduate from an Arkansas public high school and successfully complete the Smart Core curriculum established by the Arkansas Department of Education; and either achieve at least a 2.5 HIGH SCHOOL GPA; or achieve a minimum composite score of nineteen (19) on the ACT or the equivalent score on an ACT equivalent.

- Applicants who have a disability who have been formally identified and who graduate from an Arkansas public high school but did not complete the Smart Core curriculum because the applicant's individualized education program did not require it, shall achieve at least a 2.5 high school GPA; and either; achieve a minimum composite score of nineteen (19) on the ACT or the equivalent score on an ACT equivalent; or score proficient or higher on all state-mandated end-of-course assessments, including without limitation, end-of-course assessments on: Algebra I; Geometry, Biology; and Literacy, beginning with the 2013-2014 school year.

- Graduate from a private school, out-of-state high school and achieve a minimum composite score of nineteen (19) on the ACT or the equivalent score on an ACT equivalent.

- Classes of 2014 & beyond **must** complete the Smart Core curriculum to be eligible.

- The application opens on January 1st of every year and must be submitted by June 1st.

- There are no family income restrictions associated with the Challenge Scholarship.

To learn more about the Arkansas Academic Challenge Scholarship, visit www.adhe.edu .

Current CTE Career Clusters Offered

Arts, A/V Technology & Communications
Architecture and Construction
Business Management and Administration
Health Science
Humans Services
Law, Public Safety, Corrections & Security
Marketing
Science, Technology, Engineering & Mathematics

Approved CTE Course List

Business Management & Administration Cluster	Touch System Data Entry	TSDATAE
Business Management & Administration Cluster	Business Management	BUSMGT
Architecture and Construction	Principles of Architecture and Construction	PRINARCH
Architecture and Construction	Construction Technology	CONSTECH
Architecture and Construction	Advanced Construction Technology	ADVCONST
Architecture and Construction	Practicum in Construction Management	PRACCONS
Arts, A/V Technology, and Communications Cluster	Principles of Arts, Audio Video Technology, and Communications	PRINAAVTC
Arts, A/V Technology, and Communications Cluster	Graphic Design and Illustration	GRAPHDI
Arts, A/V Technology, and Communications Cluster	Principles of Arts, Audio Video Technology, and Communications	PRINAAVTC
Arts, A/V Technology, and Communications Cluster	Audio Video Production	AVPROD
Arts, A/V Technology, and Communications Cluster	Advanced Audio Video Production	ADVAVPRO
Arts, A/V Technology, and Communications Cluster	Advanced Graphic Design and Illustration	ADVGRADI
Arts, A/V Technology, and Communications Cluster	Fashion Design	FASHDSN

Arts, A/V Technology, and Communications Cluster	Advanced Fashion Design	ADVFASHD
Arts, A/V Technology, and Communications Cluster	Commercial Photography	COMMPHOT
Arts, A/V Technology, and Communications Cluster	Advanced Commercial Photography	ADVCOMMP
Business Management & Administration Cluster	Principles of Business, Marketing, and Finance	PRINBMF
Finance Cluster	Accounting	ACCOUNT1
Health Science Cluster	Medical Terminology	MEDTERM
Health Science Cluster	Principles of Health Science	PRINHLSC
Health Science Cluster	Anatomy and Physiology	ANATPHYS
Human Services Cluster	Child Development	CHILDDEV
Human Services Cluster	Principles of Human Services	PRINHUSR
Information Technology Cluster	Principles of Information Technology	PRINIT
Law, Public Safety, Corrections & Security	Principles of Law, Public Safety, Corrections, and Security	PRINLPCS
Marketing Cluster	Advertising and Sales Promotion	ADVSALPR
Marketing Cluster	Retailing and E-Tailing	RETAILE
Marketing Cluster	Fashion Marketing	FASHMKTG
Marketing Cluster	Marketing Dynamics	MKTGDYN
Marketing Cluster	Practicum in Marketing Dynamics	PRACMKTG
Science, Technology, Engineering & Mathematics	Concepts of Engineering and Technology	CONCENGT
Science, Technology, Engineering & Mathematics	Engineering Design and Presentation	ENGDSPR
Science, Technology, Engineering & Mathematics	Advanced Engineering Design and Presentation	ADVENGDP
Science, Technology, Engineering & Mathematics	Robotics and Automation	ROBOTA

February 2015

Notification of Charter Authorizing Panel Decision

Ozark Montessori Academy
Springdale, Arkansas

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 19, 2015

Dr. Christine Silano
PO Box 114
Springdale, Arkansas 72765

RE: Notice of Charter Authorizing Panel Hearing Decision
Ozark Montessori Academy

Dear Dr. Silano:

On February 18, 2015, the Charter Authorizing Panel met and approved the amendment request for Ozark Montessori Academy with a requirement that Ozark Montessori will provide a 5 year financial report to the Charter Authorizing Panel at a later date. Ark. Code Ann. § 6-23-702(b)(2)(A) allows charter applicants and affected school districts **to request** that the State Board of Education review a final decision of the Charter Authorizing Panel. A request must state the specific reasons that the board should review the decision.

Ark. Code Ann. § 6-23-703(a) requires the State Board of Education to consider requests for review of Charter Authorizing Panel decisions at its next meeting after the decisions are made. Therefore, a review **request** must be submitted, via email, no later than **4:00 p.m. on Tuesday, February 24, 2015,** in order for the request to be included in the State Board of Education agenda materials for the meeting on March 12, 2015. Email the request to ade.charterschools@arkansas.gov. Be advised that the decision of whether to review a Charter Authorizing Panel decision is discretionary. See Ark. Code Ann. § 6-23-702(b)(3). Regardless of whether a review of the panel's decision is requested, the application will be an action item for the State Board of Education on March 12, and, at that time, the board will determine whether or not to review the panel's decision. If the State Board decides to review the panel's decision, the review will take place at a later meeting.

Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue, Director
Office of Educational Options

C: Dr. Jimmy Rollins, Superintendent, Springdale School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

February 2015

Materials Distributed by the Applicant at the Hearing

Ozark Montessori Academy
Springdale, Arkansas

OPEN-ENROLLMENT PUBLIC CHARTER SCHOOL
FACILITIES UTILIZATION AGREEMENT

Lessor(Owner): Jones Trust

Lessee(Tenant): Ozark Education, Inc.

Any information regarding affiliation, family ties, or other relationships between the Lessor (Owner) and Lessee (Tenant) must be disclosed with the facilities lease agreement.

Describe the present use of the facility:

The Jones Center for Families is a community center that provides a variety of recreation and enrichment opportunities and spaces for diverse community members of all ages.

Address of Premises: 922 E Emma Ave
Springdale, Arkansas 72764

Square Footage: 8,570

Terms of Lease: 2 year term

Rental Amount: 2 years @ $13.70 Sf per year

Contingency: The terms of this agreement are contingent upon

Ozark Montessori Academy
Sponsoring Entity

receiving a charter to operate an open-enrollment public charter school approved by the authorizer by August of 20 15

Statutory Language Concerning No Indebtedness:
No indebtedness of any kind incurred or created by the open-enrollment public charter school shall constitute an indebtedness of the State of Arkansas or its political subdivisions, and no indebtedness of the open-enrollment public charter school shall involve or be secured by the faith, credit, or taxing power of the state or its political subdivisions. An open-enrollment public charter school shall not incur any debt, including any lease, without the prior review and approval of the Commissioner of Education.

Lessee: Ozark Education, Inc.

By: [signature] Date 7/16/14

Lessor: Jones Trust

By: [signature] C.O.O. Date 7/16/2014

THE Jones CENTER

The **one** center where everyone can learn, play, & belong!

February 17, 2015

Arkansas Department of Education
Charter Authorizing Panel
Four Capitol Mall
Little Rock, AR 72201

RE: Ozark Montessori Academy

Dear ADE Charter Authorizing Panel,

This letter is submitted as documentation and assurance that **Ozark Montessori Academy is released from any obligation to pay any amount to The Jones Center** for Families per the Facilities Utilization Agreement signed by me on July 16, 2014, should your panel approve the charter school's change of address request.

In addition, **should there be a delay** in the completion of renovation construction of the Holcomb facility in preparation for the start of school, be it assured that as previously promised, **The Jones Center for Families will accommodate Ozark Montessori Academy by providing classroom and administrative space** adequate to house 120 students until the construction project is completed and an opening in the academic calendar allows for a move.

If you have further questions in regards to The Jones Center leadership's commitment to the success of Ozark Montessori Academy as demonstrated by the flexibility described above, please do not hesitate to call me at (479) 756-8090.

Sincerely,
THE JONES CENTER FOR FAMILIES

Mike Gilbert
COO

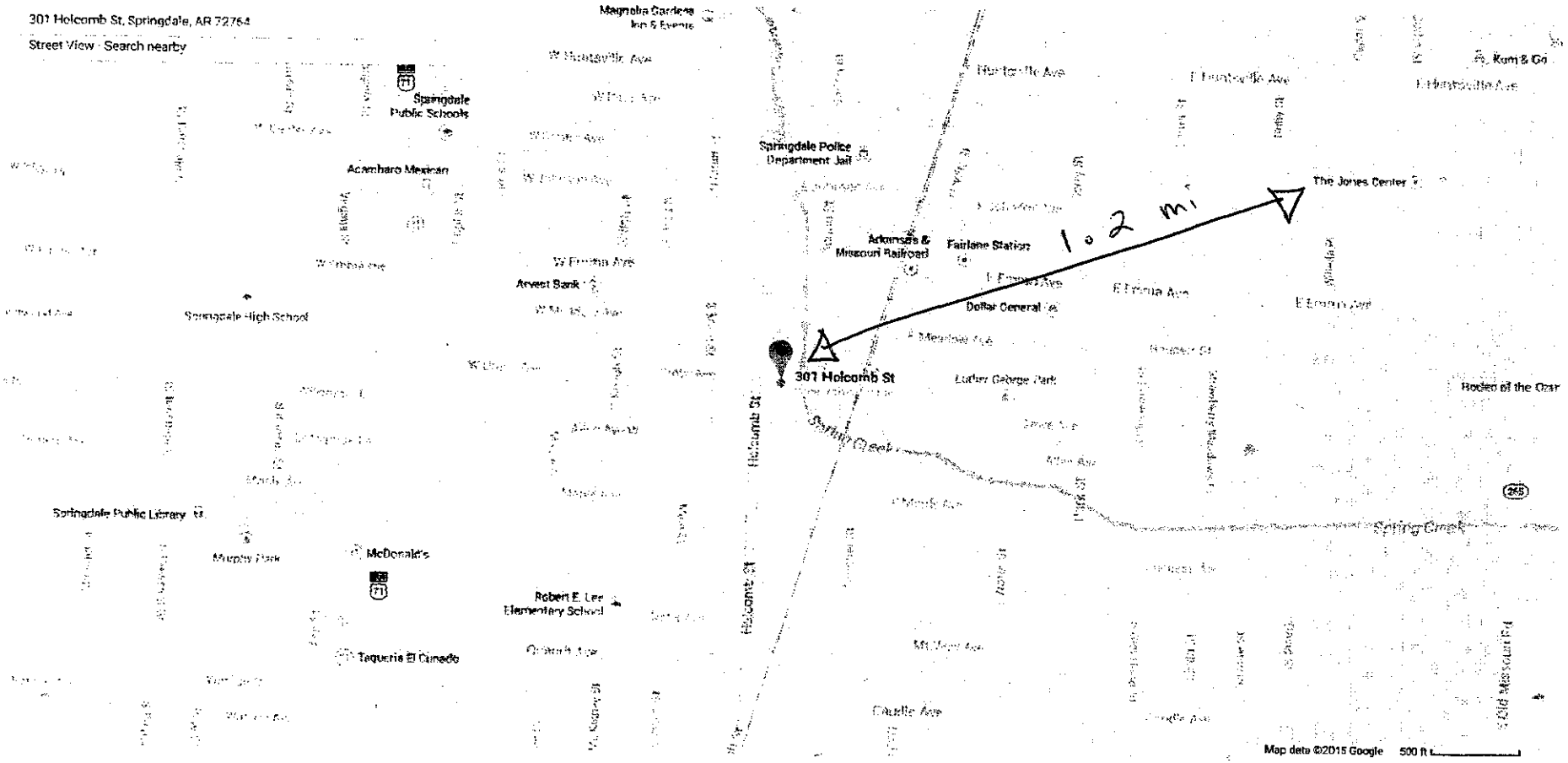
ORIGINAL - JONES CTR

			2015-2016 Amount:	2016-2017 Amount:
		Maintenance and Operation:		
158		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below INCLUDE UTILITIES		
159	V - MO1	(Included in lease agreement in Year 1)		
160	V - MO2	Custodial Services in Year 2		$20,250.00
161	V - MO3	Water/ Sewer/ Sanitation		$9,000.00
162	V - MO4	Electricity and Gas		$27,000.00
163	V - MO5	Classroom and office furniture		$27,000.00
164		Supplies and Materials		
165		Equipment		
		Other (List Below)		
166				
167				
168				
169				
170				
171		**Total Maintenance and Operation:**	$0.00	$83,250.00
		Pupil Transportation:		
172		Salaries and Benefits	$27,527.39	$28,838.22
		Purchased Services - List Vendors Below		
173	V - PT1	Certified Used School Buses @ $27,500 each	$55,000.00	
174	V - PT2	Fuel @ $50 per day	$9,400.00	$9,588.00
175	V - PT3	Vehicle mainenance @ $2,500 each bus	$5,000.00	$5,000.00
176	V - PT4	Fleet insurance	$2,500.00	$2,500.00
177	V - PT5	Accident insurance	$2,500.00	$2,500.00
178		Supplies and Materials		
179		Equipment		
		Other (List Below)		
180				
181				
182				
183				
184				
185		**Total Pupil Transportation:**	$101,927.39	$48,426.22
		Food Services:		
186		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below		
187	V - FD1	Meals @ $5.40 per day per NSL student	$121,824.00	$182,736.00
188	V - FD2			
189	V - FD3			
190	V - FD4			
191	V - FD5			
192		Supplies and Materials		
193		Equipment	$2,500.00	$5,000.00
		Other (List Below)		
194				
195				
196				
197				
198				
199		**Total Food Services:**	$124,324.00	$187,736.00

			2015-2016 Amount:	2016-2017 Amount:
		Data Processing:		
200		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below		
201	V - DP1	(See Admin. Asst. position)		
202	V - DP2			
203	V - DP3			
204	V - DP4			
205	V - DP5			
206		Supplies and Materials		
207		Equipment		
		Other (List Below)		
208				
209				
210				
211				
212				
213		**Total Data Processing:**	$0.00	$0.00
		Substitute Personnel:		
214		Salaries and Benefits	$10,340.00	$15,510.00
		Purchased Services - List Vendors Below		
215	V - SB1			
216	V - SB2			
217	V - SB3			
218	V - SB4			
219	V - SB5			
220		**Total Substitute Personnel:**	$10,340.00	$15,510.00
		Facilities:		
221		Lease/Purchase Contract for One Full Year	$117,409.00	$105,000.00
		Facility Upgrades - List Upgrades Below		
222		Wifi hard-wiring and maintenance	$10,950.00	$2,500.00
223				
224				
225				
226				
227				
228				
229		Property Insurance for One Full Year	$3,000.00	$3,000.00
230		Content Insurance for One Full Year	$2,000.00	$2,000.00
231		**Total Facilities:**	$133,359.00	$112,500.00

		2015-2016 Amount:	2016-2017 Amount:
	Debt Expenditures:		
	List Debts Below		
232	None	$0.00	$0.00
233			
234			
	Total Debts:	$0.00	$0.00
	Other Expenditures:		
	List Other Expenditures Below		
235	None	$0.00	$0.00
236			
237			
238			
239			
240			
241	**TOTAL EXPENDITURES:**	$1,159,150.10	$1,460,302.92
242	**Net Revenue over Expenditures:**	$80,884.30	$83,069.68

Note: If any major area is zero, type explanation where items would be listed. Example: No funds budgeted for GT because of waiver.


301 Holcomb St, Springdale, AR 72764
Street View · Search nearby
Magnolia Gardens Inn & Events
Springdale Public Schools
Acambaro Mexican
Springdale High School
Arvest Bank
Springdale Public Library
Murphy Park
McDonald's
Robert E. Lee Elementary School
Taqueria El Canado
Springdale Police Department Jail
Arkansas & Missouri Railroad
Fairlane Station
Dollar General
301 Holcomb St
Luther George Park
The Jones Center
Rodeo of the Ozarks
Spring Creek
Holcomb St
Map data ©2015 Google
500 ft

OPEN-ENROLLMENT PUBLIC CHARTER SCHOOL
FACILITIES UTILIZATION AGREEMENT

Lessor(Owner): [redacted] Leasing

Lessee(Tenant): Ozark Montessori Academy

Any information regarding affiliation, family ties, or other relationships between the Lessor (Owner) and Lessee (Tenant) must be disclosed with the facilities lease agreement.

Describe the present use of the facility:

Veteran's rehabilitation program.

Address of Premises: 301 S. Holcomb St., Springdale, AR 72764

Square Footage [redacted]

Terms of Lease [redacted]

Rental Amount: [redacted]

Contingency: The terms of this agreement are contingent upon

ADE approval of address change
Sponsoring Entity

receiving a charter to operate an open-enrollment public charter school approved by the authorizer by August of 20___

Statutory Language Concerning No Indebtedness:
No indebtedness of any kind incurred or created by the open-enrollment public charter school shall constitute an indebtedness of the State of Arkansas or its political subdivisions, and no indebtedness of the open-enrollment public charter school shall involve or be secured by the faith, credit, or taxing power of the state or its political subdivisions. An open-enrollment public charter school shall not incur any debt, including any lease, without the prior review and approval of the Commissioner of Education.

Lessee: Ozark Montessori Academy

By: Christina Sillano Date 2/13/15

Lessor: Robert C. Smith — KLS Leasing

By: Robert C. Smith Date 2/13/15

5 YR. FACILITY LEASE SCHEDULE OF PAYMENTS

YEAR	ENROLLI	(Found. Funds) REVENUE	(PD, ELL, etc.) 5% ADDL REVENUE	TOTAL REVENUE	% REVEI	PAYMENT
YR 1	120	$ 762,957.00	$ 38,147.85	$ 801,104.85	0.0750	$ 60,082.86
YR 2	180	$ 1,144,435.00	$ 57,221.75	$ 1,201,656.75	0.1000	$ 120,165.68
YR 3	240	$ 1,525,914.00	$ 76,295.70	$ 1,602,209.70	0.1225	$ 196,270.69
YR 4	300	$ 1,907,392.00	$ 95,369.60	$ 2,002,761.60	0.1300	$ 260,359.01
YR 5	360	$ 2,288,871.00	$ 114,443.55	$ 2,403,314.55	0.1350	$ 324,447.46
TOTAL				**$ 8,011,047.45**	**0.1200**	$ 961,325.69

NEW- HOLCOMB ST.

			2015-2016 Amount:	2016-2017 Amount:
		Maintenance and Operation:		
158		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below INCLUDE UTILITIES		
159	V - MO1			
160	V - MO2	Custodial Services	$9,600.00	$13,900.00
161	V - MO3	Water/ Sewer/ Sanitation	$13,780.00	$23,780.00
162	V - MO4	Electricity and Gas	$30,000.00	$40,000.00
163	V - MO5	Pest Control	$2,700.00	$2,700.00
164		Supplies and Materials		
165		Equipment		
		Other (List Below)		
166				
167				
168				
169				
170				
171		**Total Maintenance and Operation:**	$56,080.00	$80,380.00
		Pupil Transportation:		
172		Salaries and Benefits	$27,527.39	$28,838.22
		Purchased Services - List Vendors Below		
173	V - PT1	Certified Used School Buses @ $27,500 each	$55,000.00	
174	V - PT2	Fuel @ $50 per day	$9,400.00	$9,588.00
175	V - PT3	Vehicle mainenance @ $2,500 each bus	$5,000.00	$5,000.00
176	V - PT4	Fleet insurance	$2,500.00	$2,500.00
177	V - PT5	Accident insurance	$2,500.00	$2,500.00
178		Supplies and Materials		
179		Equipment		
		Other (List Below)		
180				
181				
182				
183				
184				
185		**Total Pupil Transportation:**	$101,927.39	$48,426.22
		Food Services:		
186		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below		
187	V - FD1	Meals @ $5.40 per day per NSL student	$121,824.00	$182,736.00
188	V - FD2			
189	V - FD3			
190	V - FD4			
191	V - FD5			
192		Supplies and Materials		
193		Equipment	$2,500.00	$5,000.00
		Other (List Below)		
194				
195				
196				
197				
198				
199		**Total Food Services:**	$124,324.00	$187,736.00

			2015-2016 Amount:	2016-2017 Amount:
		Data Processing:		
200		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below		
201	V - DP1	(See Admin. Asst. position)		
202	V - DP2			
203	V - DP3			
204	V - DP4			
205	V - DP5			
206		Supplies and Materials		
207		Equipment		
		Other (List Below)		
208				
209				
210				
211				
212				
213		**Total Data Processing:**	$0.00	$0.00
		Substitute Personnel:		
214		Salaries and Benefits	$10,340.00	$15,510.00
		Purchased Services - List Vendors Below		
215	V - SB1			
216	V - SB2			
217	V - SB3			
218	V - SB4			
219	V - SB5			
220		**Total Substitute Personnel:**	$10,340.00	$15,510.00
		Facilities:		
221		Lease/Purchase Contract for One Full Year	$60,082.86	$120,165.68
		Facility Upgrades - List Upgrades Below		
222		Wifi hard-wiring and maintenance	$9,000.00	$15,000.00
223				
224				
225				
226				
227				
228				
229		Property Insurance for One Full Year	$4,000.00	$4,000.00
230		Content Insurance for One Full Year	$2,908.00	$2,908.00
231		**Total Facilities:**	$75,990.86	$142,073.68

		2015-2016 Amount:	2016-2017 Amount:
	Debt Expenditures:		
	List Debts Below		
232	None	$0.00	$0.00
233			
234			
	Total Debts:	$0.00	$0.00
	Other Expenditures:		
	List Other Expenditures Below		
235	None	$0.00	$0.00
236			
237			
238			
239			
240			
241	**TOTAL EXPENDITURES:**	$1,157,861.96	$1,487,006.60
242	**Net Revenue over Expenditures:**	$82,172.44	$56,366.00

Note: If any major area is zero, type explanation where items would be listed. Example: No funds budgeted for GT because of waiver.

Doc ID: 016077860002 Type: REL
Kind: ORDINANCE
Recorded: 02/03/2015 at 08:56:41 AM
Fee Amt: $20.00 Page 1 of 2
Washington County, AR
Kyle Sylvester Circuit Clerk
File 2015-00002750

ORDINANCE NO. 4881

AN ORDINANCE AMENDING ORDINANCE NO. 3307 THE SAME BEING THE ZONING ORDINANCE OF THE CITY OF SPRINGDALE, ARKANSAS, AND THE PLAT PERTAINING THERETO BY REZONING CERTAIN LANDS FROM GENERAL COMMERCIAL DISTRICT (C-2) TO INSTITUTIONAL DISTRICT (P-1) AND DECLARING AN EMERGENCY:

WHEREAS, the Planning Commission of the City of Springdale, Arkansas, Washington County, gave notice required by law and set a hearing date of January 26, 2015 for hearing the matter of a petition of Decision Point requesting that the following described tract of real estate be zoned from General Commercial District (C-2) to Institutional District (P-1):

Layman's Description: 301 Holcomb

Legal Description: Block Fourteen (14) in the Railroad Addition to the Town (now city) of Springdale, LESS AND EXCEPT Part of block Fourteen (14) in the Railroad Addition to the Town (now city) of Springdale, more particularly described as being 83.0 feet of equal and uniform width off the South side of said Block. Also, less and except that portion of Spring Street lying between block Fourteen (14) and Block Twenty-three (23) of Railroad Addition to the City of Springdale, Arkansas.

ALSO conveyed herein, Lots Five (5) and Six (6) and the South Nineteen (19) feet of equal and uniform width of Lot Four (4), of block Eleven (11) in the Railroad Addition to the town (now city) of Springdale, Arkansas.

AND WHEREAS, after notice as required by law, the Springdale Planning Commission held a hearing and after hearing arguments for and against such rezoning, recommends to the Springdale City Council that the area described herein should be rezoned from General Commercial District (C-2) to Institutional District (P-1) for the purposes of that Zoning Ordinance would be more properly carried out by such rezoning, and that unless granted, citizens of Springdale will suffer irreparable harm and damage, and will be substantially deprived of the use of their property.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SPRINGDALE, ARKANSAS:

SECTION 1: That Ordinance No. 3307, the Amendments thereto, and the Zoning Plat pertaining thereto of the City of Springdale, Arkansas, should be and the same is amended as follows:

From General Commercial District (C-2) to Institutional District (P-1).

SECTION 2: That all ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: **EMERGENCY CLAUSE:** It is hereby declared that an emergency exists and this ordinance, being necessary for the preservation of the health, safety and welfare of the citizens of Springdale, Arkansas, shall be in effect immediately upon its passage and approval.

PASSED AND APPROVED THIS 27th DAY OF January, 2015

Doug Sprouse, Mayor

ATTEST:

Denise Pearce, City Clerk

APPROVED AS TO FORM:

Ernest Cate, City Attorney

Request for Waiver of Submission Deadline

Ozark Montessori Academy
Springdale, Arkansas

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 13, 2015

Dr. Christine Silano
Ozark Montessori Academy
P.O. Box 114
Springdale, AR 72765

Re: Charter Authorizing Panel-Amendment Request

Dear Dr. Silano:

I received your February 10, 2015, letter requesting a waiver of Section 4.02.4 of the ADE Rules Governing Public Charter Schools that requires amendment requests to be submitted thirty-five (35) days before the Charter Authorizing Panel meeting where the amendment request will be heard.

Ozark Montessori Academy has requested an amendment to relocate its currently approved location. The currently approved location is based on a temporary two-year agreement. The relocation would allow the school to operate long term in a high needs area. Pursuant to Section 4.02.4 of the ADE Rules Governing Public Charter Schools, I will grant a waiver of the 35-day requirement and allow this amendment request to appear on the February agenda of the Charter Authorizing Panel.

Sincerely,

Tony Wood
Commissioner

c: Dr. Jim Rollins, Superintendent, Springdale School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

OZARK
EDUCATION, INC

PO Box 114
Springdale, AR &2765-0114

email: ozarkcca@gmail.com
ph. (479) 935-9992

February 10, 2105

School Commissioner Tony Wood
Four Capitol Mall, Rm. 304-A
Little Rock, Arkansas, 72201

RE: Charter School Change of Facility Request

Dear Commissioner Wood,

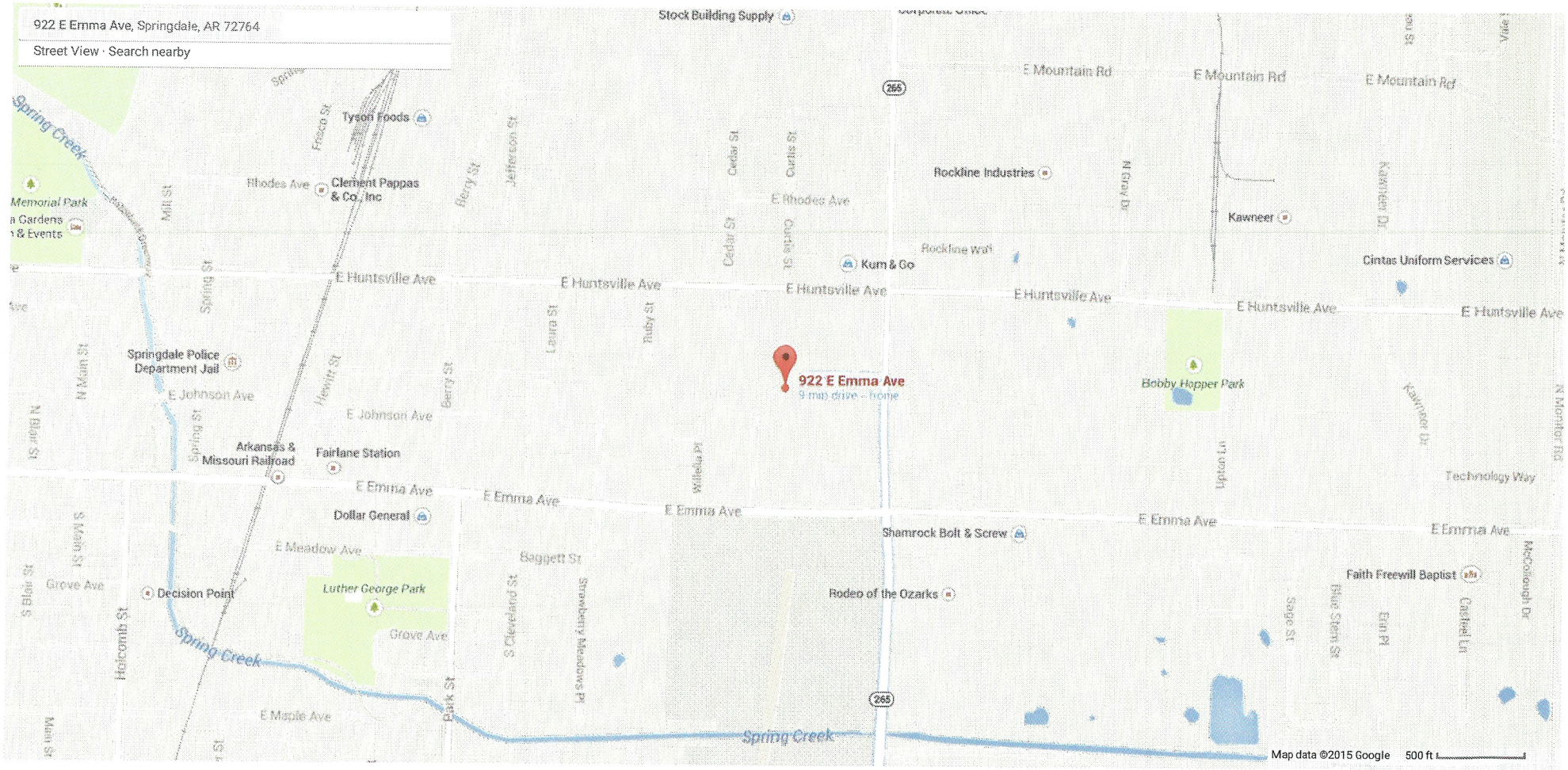
Ozark Montessori Academy is a newly-approved K-8 charter school in Springdale. We recently submitted a request for facility change of address that was added to the Charter Authorizing Panel agenda for February 18. Today it was brought to my attention that we were remiss in not submitting maps showing our formerly-authorized school address and our requested address to the panel.

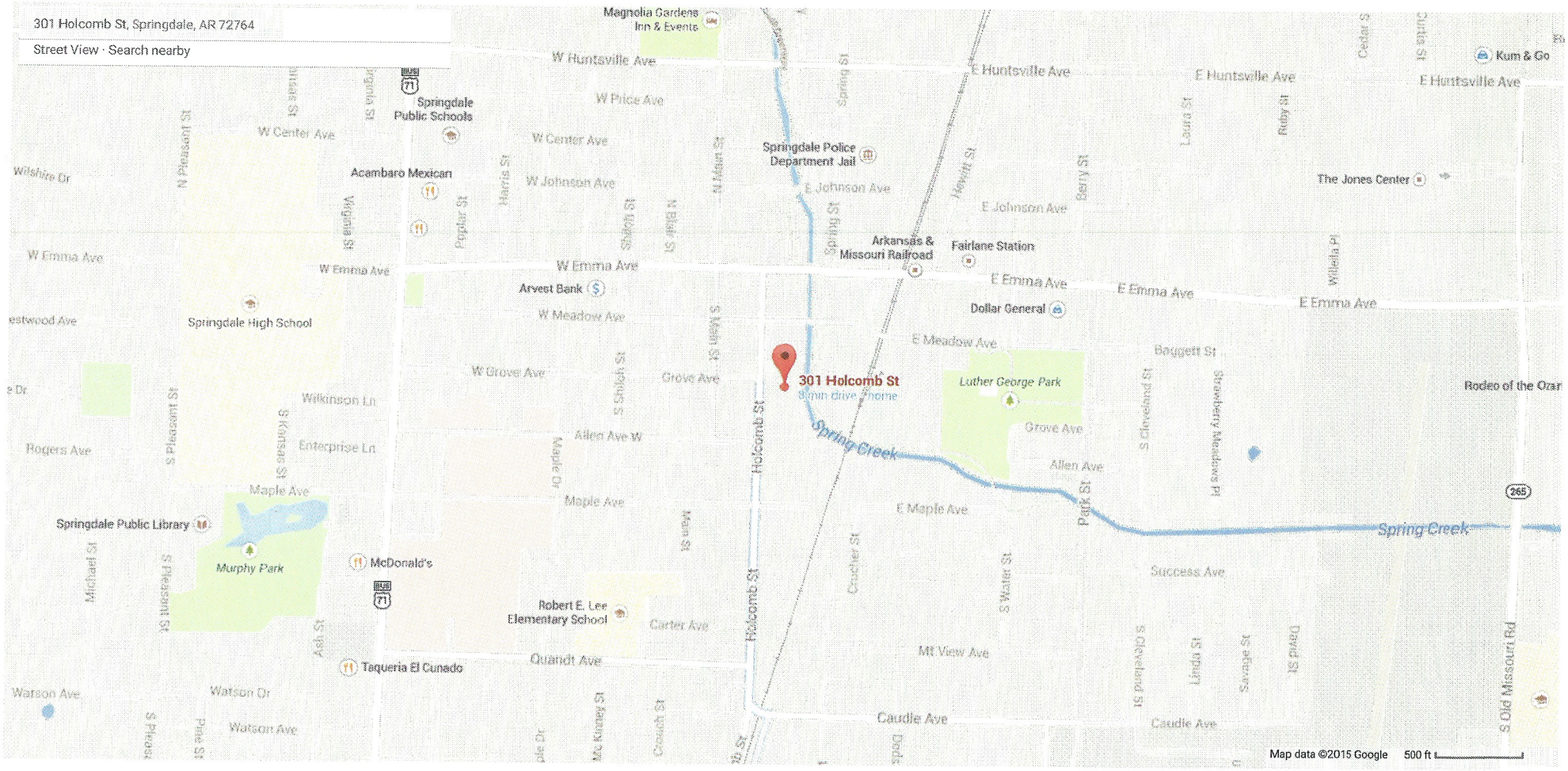
The rules pertaining to the requirements, including one that allows the Commissioner to waive the 35-day deadline, are found in sections 4.02.4, 4.02.4.2, and 4.02.7. For you to waive the rule, we must show a negative impact on education services if the waiver is not granted. In this situation, the negative impact we are trying to avoid is an inability to find another suitable facility should we lose this opportunity. Our current approved school address is based on a temporary, two-year agreement. We have searched high and low for another suitable space in the neediest sections in town, and have found one that is the right size, has been approved for re-zoning by our city, is in a high-need neighborhood, and that has caught the attention of an investor who has offered to pay for renovations and lease it back to us at a rate we can afford.

Please see the attached maps and consider our request.

Sincerely,

Christine Silano, Ph.D.
Executive Director
Ozark Education, Inc.


922 E Emma Ave, Springdale, AR 72764
Street View · Search nearby
Stock Building Supply
E Mountain Rd
E Mountain Rd
E Mountain Rd
Tyson Foods
Rhodes Ave
Clement Pappas & Co., Inc
Memorial Park
Rockline Industries
E Rhodes Ave
Kawneer
Rockline Wall
Kum & Go
Cintas Uniform Services
E Huntsville Ave
E Huntsville Ave
E Huntsville Ave
E Huntsville Ave
E Huntsville Ave
E Huntsville Ave
Springdale Police Department Jail
E Johnson Ave
E Johnson Ave
922 E Emma Ave
9 min drive - home
Bobby Hopper Park
Arkansas & Missouri Railroad
Fairlane Station
E Emma Ave
E Emma Ave
E Emma Ave
E Emma Ave
E Emma Ave
Technology Way
Dollar General
Shamrock Bolt & Screw
E Meadow Ave
Baggett St
Faith Freewill Baptist
Grove Ave
Decision Point
Luther George Park
Rodeo of the Ozarks
Grove Ave
Spring Creek
Spring Creek
Spring Creek
E Maple Ave
Map data ©2015 Google
500 ft


301 Holcomb St, Springdale, AR 72764
Street View · Search nearby
Magnolia Gardens Inn & Events
W Huntsville Ave
E Huntsville Ave
Kum & Go
Springdale Public Schools
W Price Ave
W Center Ave
Springdale Police Department Jail
Acambaro Mexican
W Johnson Ave
E Johnson Ave
The Jones Center
Wilshire Dr
W Emma Ave
Arkansas & Missouri Railroad
Fairlane Station
E Emma Ave
Arvest Bank
Dollar General
Springdale High School
W Meadow Ave
E Meadow Ave
Baugett St
W Grove Ave
Grove Ave
301 Holcomb St
Luther George Park
Rodeo of the Ozar
Wilkinson Ln
Enterprise Ln
Allen Ave W
Allen Ave
Rogers Ave
Maple Ave
E Maple Ave
Spring Creek
Springdale Public Library
Murphy Park
McDonald's
Success Ave
Robert E. Lee Elementary School
Carter Ave
Quandt Ave
Taqueria El Cunado
Mt View Ave
Watson Ave
Watson Dr
Caudle Ave
Holcomb St
Park St
S Old Missouri Rd
265
Map data ©2015 Google
500 ft

February 2015

Amendment Request

Ozark Montessori Academy
Springdale, Arkansas

OZARK
EDUCATION, INC

PO Box 114
Springdale, AR 72764

email: ozarkcca@gmail.com
website: ozarkcca.org

January 14, 2015

Dear ADE Charter Authorizing Panel,

Please consider our request to change address effective for the 2015-2016 school year.

As you may recall, we were authorized to open our program at our local community center, The Jones Center for Families. We have a two-year, non-binding, facility usage agreement. I will bring documentation that this is a non-binding agreement to your February 18 meeting.

Our new landlord is an investor who is anonymous right now; however, we have been assured by a trustworthy source that the investor has initiated a purchase contract for the property that we had told you we were looking at during our original authorization hearing. As the property is presently in escrow, procuring a signed lease or facility usage agreement is not possible at this time. However, we will be sure to have a written agreement in hand at the meeting.

The investor is supportive of our mission, and does not want to place financial stress on our program in our first years. Therefore, our actual lease payments would not be increased right away. However, in years 3-5, as our enrollment cap increases, our lease payments will increase so that over the 5 years of the initial lease, we will pay approximately 12% of our school revenue, a total of $1,135,520.

In the attached documents, please see our 10 year budget projection. At this rate, paying the amount agreed to on our original budget in the first two years, our lease payment would jump to $300,234 per year in years 3-5. If you look at the Expense line for Operating Income, you will see that our budget is well able to accommodate the additional $140,000 needed in Year 3. Another additional expense will be housekeeping, maintenance, and utilities. If we receive the Federal Startup Grant funds as planned, the offset in our favor will accommodate these expenses as well. If we are not awarded the grant, our first year reserve fund will be tapped, but not drained.

Please let me know what additional documentation will be needed or if you have questions in advance of the meeting day.

Sincerely,

Christine Silano, Ph.D.
Executive Director
cell: (479) 601-2776

ARKANSAS DEPARTMENT OF EDUCATION

CHARTER AMENDMENT REQUEST FORM

Charter Name Ozark Montessori Academy

LEA Number 7241

Type of Amendment Requested:

[X] **Relocate existing campus**

Current campus address

922 E. Emma Ave.

Springdale

Proposed campus address

301 S. Holcomb Ave.

Springdale

School district in which the campus will be located Springdale

Charter Leader Christine Silano

Email address ozarkcca@gmail.com

Phone number (479) 601-2776

FACILITIES UTILIZATION AGREEMENT

To be completed and submitted with an amendment request to add a new campus or relocate an existing campus

Lessor(Owner): TBA

Lessee(Tenant): Ozark Montessori Academy

Any information regarding affiliation, family ties, or other relationships between the Lessor (Owner) and Lessee (Tenant) must be disclosed with the facilities lease agreement.

Describe the present use of the facility:
Veteran's Drug & Alcohol Treatment Facility

Address of Premises: 301 S. Holcomb, Springdale, AR 72764

Square Footage: approx. 45,000 sf

Terms of Lease: 5 years

Rental Amount: 12% of school revenue

Contingency: The terms of this agreement are contingent upon

Ozark Montessori Academy was authorized in November, 2014.
Charter School

receiving approval by the Authorizer to operate an open-enrollment public charter school at the premises identified.

Statutory Language Concerning No Indebtedness:
No indebtedness of any kind incurred or created by the open-enrollment public charter school shall constitute an indebtedness of the State of Arkansas or its political subdivisions, and no indebtedness of the open-enrollment public charter school shall involve or be secured by the faith, credit, or taxing power of the state or its political subdivisions. An open-enrollment public charter school shall not incur any debt, including any lease, without the prior review and approval of the Commissioner of Education.

Lessee: Ozark Montessori Academy

By: Christi Sale Date 1/14/15
Signature

Lessor: TBA

By: _____ Date _____
Signature

2015-2016
Public Charter School Application
Personnel Salary Schedule

Administrative Positions:

Line#	List Positions	2015-2016 No. FTEs	2015-2016 Salary	2016-2017 No. FTEs	2016-2017 Salary
1	Program Director	1	$50,000.00	1	$51,000.00
2	Administrative Assistant	1	$25,500.00	1	$26,000.00
3					
4					
5					
6					
7	**Subtotal:**		$75,500.00		$77,000.00
8	Fringe Benefits (rate used 31%)		$23,467.54		$23,933.78
9	**Total Administration:**		$98,967.54		$100,933.78

Regular Classroom Instruction:

		2015-2016 No. FTEs		2016-2017 No. FTEs	
10	Teachers	6	$35,000.00	9	$35,525.00
11	Aides	5	$15,000.00	8	$15,225.00
12	**Subtotal:**		$285,000.00		$441,525.00
13	Teacher Fringe Benefits (rate used 31%)		$65,273.95		$99,379.59
14	Aide Fringe Benefits (rate used 31%)		$23,312.12		$37,858.89
15	**Total Regular Classroom Instruction:**		$373,586.07		$578,763.48

Special Education:

		2015-2016 No. FTEs		2016-2017 No. FTEs	
16	Teachers	1	$43,000.00	1.5	$43,500.00
17	Aides	0		0	
18	**Subtotal:**		$43,000.00		$65,250.00
19	Teacher Fringe Benefits (rate used 31%)		$13,365.62		$20,281.55
20	Aide Fringe Benefits (rate used _____)		$0.00		$0.00
21	**Total Special Education:**		$56,365.62		$85,531.55

Gifted and Talented Program:

		2015-2016 No. FTEs		2016-2017 No. FTEs	
22	Teachers	0		0	
23	Aides	0		0	
24	**Subtotal:**		$0.00		$0.00
25	Teacher Fringe Benefits (rate used _____)		$0.00		$0.00
26	Aide Fringe Benefits (rate used _____)		$0.00		$0.00
27	**Total Gifted and Talented Program:**		$0.00		$0.00

Alternative Education Program/ Alternative Learning Environments:

		2015-2016 No. FTEs	2015-2016 Salary	2016-2017 No. FTEs	2016-2017 Salary
28	Teachers	0		0	
29	Aides	0		0	
30	**Subtotal:**		$0.00		$0.00
31	Teacher Fringe Benefits (rate used _____)		$0.00		$0.00
32	Aide Fringe Benefits (rate used _____)		$0.00		$0.00
33	**Total Alternative Education Program/ Alternative Learning Environments:**		$0.00		$0.00

English Language Learner Program:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
34	ELL Teacher/Director	1	$38,000.00	1	$38,500.00
35					
36					
37					
38					
39	**Subtotal:**		$38,000.00		$38,500.00
40	Fringe Benefits (rate used 31%)		$11,811.48		$11,966.89
41	**Total English Language Learner Program:**		$49,811.48		$50,466.89

Guidance Services:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
42					
43					
44					
45					
46					
47	**Subtotal:**				
48	Fringe Benefits (rate used _____)				
49	**Total Guidance Services:**				

Health Services:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
50	(See Vendors)				
51					
52					
53					
54					
55	**Subtotal:**				
56	Fringe Benefits (rate used _____)				
57	**Total Health Services:**				

Media Services:

	List Positions	2015-2016 No. FTEs	2015-2016 Salary	2016-2017 No. FTEs	2016-2017 Salary
58	Waiver for Media Services	0			
59					
60					
61					
62					
63	**Subtotal:**		$0.00		
64	Fringe Benefits (rate used _____)		$0.00		
65	**Total Media Services:**		$0.00		

Fiscal Services:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
66	(See Vendors)	0		0	
67					
68					
69					
70					
71	**Subtotal:**		$0.00		$0.00
72	Fringe Benefits (rate used _____)		$0.00		$0.00
73	**Total Fiscal Services:**		$0.00		$0.00

Maintenance and Operation:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
74	Provided by Lessor	0		0	
75					
76					
77					
78					
79	**Subtotal:**		$0.00		$0.00
80	Fringe Benefits (rate used _____)		$0.00		$0.00
81	**Total Maintenance and Operation:**		$0.00		$0.00

Pupil Transportation:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
82	Bus Driver	2	$10,500.00	2	$11,000.00
83					
84					
85					
86					
87	**Subtotal:**		$21,000.00		$22,000.00
88	Fringe Benefits (rate used 31%)		$6,527.39		$6,838.22
89	**Total Pupil Transportation:**		$27,527.39		$28,838.22

Food Services:

	List Positions	2015-2016 No. FTEs	2015-2016 Salary	2016-2017 No. FTEs	2016-2017 Salary
90	Contracted caterer.	0		0	
91					
92					
93					
94					
95	**Subtotal:**		$0.00		$0.00
96	Fringe Benefits (rate used _____)		$0.00		$0.00
97	**Total Food Services:**		$0.00		$0.00

Data Processing:

	List Positions	2015-2016 No. FTEs		2016-2017 No. FTEs	
98	(See Admin. Asst. and Accountant)	0		0	
99					
100					
101					
102					
103	**Subtotal:**		$0.00		$0.00
104	Fringe Benefits (rate used _____)		$0.00		$0.00
105	**Total Data Processing:**		$0.00		$0.00

Substitute Personnel:

		2015-2016 No. FTEs		2016-2017 No. FTEs	
106	Number of Certified Substitutes 1	1	$10,340.00	1.5	$10,340.00
107	Number of Classified Substitutes _____				
108	**Subtotal:**		$10,340.00		$15,510.00
109	Certified Fringe Benefits (rate used 0%)		$0.00		$0.00
110	Classified Fringe Benefits (rate used 0%)		$0.00		$0.00
111	**Total Substitute Personnel:**		$10,340.00		$15,510.00

112	**TOTAL EXPENDITURES FOR SALARIES:**	$616,598.10	$860,043.92

Public Charter School Application
Estimated Budget Template

REVENUES

Line#	State Public Charter School Aid:		2015-2016 Amount:	2016-2017 Amount:
	2015-2016			
1	No. of Students 120 x $6,521.00	State Foundation Funding	$782,520.00	
2	No. of Students 120 x $26.67	Professional Development	$3,200.40	
3	No. of Students 84 x $1,033.00	eligible rate* NSL Funding	$86,772.00	
4	No. of Students 65 x $317.00	Other: *Explain Below*	$20,605.00	
5	ELL @ 54% of population			
	2016-2017			
6	No. of Students 180 x $6,521.00	State Foundation Funding		$1,173,780.00
7	No. of Students 180 x $26.67	Professional Development		$4,800.60
8	No. of Students 126 x $1,033.00	eligible rate* NSL Funding		$130,158.00
9	No. of Students 97 x $317.00	Other: *Explain Below*		$30,749.00
10	ELL @ 54% of population			
11	**Total State Charter School Aid:**		$893,097.40	$1,339,487.60

	Other Sources of Revenues: *(MUST UPLOAD DOCUMENTATION VERIFYING ALL AMOUNTS LISTED AS OTHER SOURCES OF REVENUE)*		
12	Private Donations or Gifts	$220,000.00	$0.00
13	Federal Grants (List the amount)	$126,937.00	$203,885.00
14	Special Grants (List the amount)	$0.00	$0.00
	Other *(Specifically Describe)*		
15			
16	**Total Other Sources of Revenues:**	$346,937.00	$203,885.00
17	**TOTAL REVENUES:**	$1,240,034.40	$1,543,372.60

EXPENDITURES

	Administration:	2015-2016 Amount:	2016-2017 Amount:
18	Salaries and Benefits	$98,967.54	$100,933.78
	Purchased Services - List Vendors Below		
19	V - AD 1 Background checks @ $25 per staff	$425.00	$125.00
20	V - AD 2 Office supplies	$1,500.00	$1,500.00
21	V - AD 3 Copier and printing supplies	$3,000.00	$3,000.00
22	V - AD 4 Phone/wifi	$2,000.00	$2,040.00
23	V - AD 5 Software	$1,500.00	$1,500.00
24	Supplies and Materials		
25	Equipment		
	Other (List Below)		
26			
27			
28			
29			
30			
31	**Total Administration:**	$107,392.54	$109,098.78

			2015-2016 Amount:	2016-2017 Amount:
	Regular Classroom Instruction:			
32		Salaries and Benefits	$373,586.07	$578,763.48
		Purchased Services - List Vendors Below		
33	V - CI 1	Montessori training @ $8,000 per staff	$30,000.00	$40,000.00
34	V - CI 2			
35	V - CI 3			
36	V - CI 4			
37	V - CI 5			
38		Supplies and Materials		
39		Equipment		
		Other (List Below)		
40		Montessori materials & manipulatives	$60,000.00	$30,000.00
41		learning.com software subscriptions	$1,800.00	$2,700.00
42		Rosetta Stone subscriptions	$1,800.00	$2,700.00
43		Renaissance Learning assessments	$2,400.00	$3,600.00
44				
45		**Total Regular Classroom Instruction:**	$469,586.07	$657,763.48
	Special Education:			
46		Salaries and Benefits	$56,365.62	$85,531.55
		Purchased Services - List Vendors Below		
47	V - SE1	Testing materials and services	$2,500.00	$1,000.00
48	V - SE 2			
49	V - SE 3			
50	V - SE 4			
51	V - SE 5			
52		Supplies and Materials	$675.00	$675.00
53		Equipment		
		Other (List Below)		
54				
55				
56				
57				
58				
59		**Total Special Education:**	$59,540.62	$87,206.55
	Gifted and Talented Program:			
60		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below		
61	V - GT1	Waiver for GT		
62	V - GT2			
63	V - GT3			
64	V - GT4			
65	V - GT5			
66		Supplies and Materials		
67		Equipment		
		Other (List Below)		
68				
69				
70				
71				
72				
73		**Total Gifted and Talented Program:**	$0.00	$0.00

		2015-2016 Amount:	2016-2017 Amount:
	Alternative Education Program/ Alternative Learning Environments:		
74	Salaries and Benefits	$0.00	$0.00
	Purchased Services - List Vendors Below		
75	V - ALE1 Waiver for ALE		
76	V - ALE2		
77	V - ALE3		
78	V - ALE4		
79	V - ALE5		
80	Supplies and Materials		
81	Equipment		
	Other (List Below)		
82			
83			
84			
85			
86			
87	**Total Alternative Education Program/ Alternative Learning Environments:**	$0.00	$0.00
	English Language Learner Program:		
88	Salaries and Benefits	$49,811.48	$50,466.89
	Purchased Services - List Vendors Below		
89	V - ELL1		
90	V - ELL2		
91	V - ELL3		
92	V - ELL4		
93	V - ELL5		
94	Supplies and Materials	$675.00	$675.00
95	Equipment		
	Other (List Below)		
96			
97			
98			
99			
100			
101	**Total English Language Learner Program:**	$50,486.48	$51,141.89
	Guidance Services:		
102	Salaries and Benefits		
	Purchased Services - List Vendors Below		
103	V - GS1		
104	V - GS2		
105	V - GS3		
106	V - GS4		
107	V - GS5		
108	Supplies and Materials	$350.00	$400.00
109	Equipment		
	Other (List Below)		
110			
111			
112			
113			
114			
115	**Total Guidance Services:**	$350.00	$400.00

			2015-2016 Amount:	2016-2017 Amount:
	Health Services:			
116		Salaries and Benefits		
		Purchased Services - List Vendors Below		
117	V - HS1	Outsourced Nursing Staff @ $27 per hour	$20,304.00	$20,710.00
118	V - HS2	(Includes inflation in Year 2)		
119	V - HS3			
120	V - HS4			
121	V - HS5			
122		Supplies and Materials	$500.00	$500.00
123		Equipment	$500.00	$500.00
		Other (List Below)		
124				
125				
126				
127				
128				
129		**Total Health Services:**	$21,304.00	$21,710.00
	Media Services:			
130		Salaries and Benefits	$0.00	
		Purchased Services - List Vendors Below		
131	V - MS1	Waiver for Media Services		
132	V - MS2			
133	V - MS3			
134	V - MS4			
135	V - MS5			
136		Supplies and Materials	$0.00	$0.00
137		Equipment		
		Other (List Below)		
138		Interactive whiteboards @ $2500 ea.	$2,500.00	$5,000.00
139		Laptops	$12,000.00	$12,000.00
140		Classroom library materials	$6,000.00	$9,000.00
141		Adobe Creative Cloud subscriptions	$540.00	$810.00
142		Service agreements	$1,500.00	$750.00
143		**Total Media Services:**	$22,540.00	$27,560.00
	Fiscal Services:			
144		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below		
145	V - FS1	Accounting Service	$50,000.00	$50,000.00
146	V - FS2	Annual Audit	$8,000.00	$8,000.00
147	V - FS3			
148	V - FS4			
149	V - FS5			
150		Supplies and Materials		
151		Equipment		
		Other (List Below)		
152				
153				
154				
155				
156				
157		**Total Fiscal Services:**	$58,000.00	$58,000.00

			2015-2016 Amount:	2016-2017 Amount:
	Maintenance and Operation:			
158		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below INCLUDE UTILITIES		
159	V - MO1			
160	V - MO2	Custodial Services	$20,250.00	$20,250.00
161	V - MO3	Water/ Sewer/ Sanitation	$9,000.00	$9,000.00
162	V - MO4	Electricity and Gas	$27,000.00	$27,000.00
163	V - MO5			
164		Supplies and Materials		
165		Equipment		
		Other (List Below)		
166				
167				
168				
169				
170				
171		**Total Maintenance and Operation:**	$56,250.00	$56,250.00
	Pupil Transportation:			
172		Salaries and Benefits	$27,527.39	$28,838.22
		Purchased Services - List Vendors Below		
173	V - PT1	Certified Used School Buses @ $27,500 each	$55,000.00	
174	V - PT2	Fuel @ $50 per day	$9,400.00	$9,588.00
175	V - PT3	Vehicle mainenance @ $2,500 each bus	$5,000.00	$5,000.00
176	V - PT4	Fleet insurance	$2,500.00	$2,500.00
177	V - PT5	Accident insurance	$2,500.00	$2,500.00
178		Supplies and Materials		
179		Equipment		
		Other (List Below)		
180				
181				
182				
183				
184				
185		**Total Pupil Transportation:**	$101,927.39	$48,426.22
	Food Services:			
186		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below		
187	V - FD1	Meals @ $5.40 per day per NSL student	$121,824.00	$182,736.00
188	V - FD2			
189	V - FD3			
190	V - FD4			
191	V - FD5			
192		Supplies and Materials		
193		Equipment	$2,500.00	$5,000.00
		Other (List Below)		
194				
195				
196				
197				
198				
199		**Total Food Services:**	$124,324.00	$187,736.00

			2015-2016 Amount:	2016-2017 Amount:
	Data Processing:			
200		Salaries and Benefits	$0.00	$0.00
		Purchased Services - List Vendors Below		
201	V - DP1	(See Admin. Asst. position)		
202	V - DP2			
203	V - DP3			
204	V - DP4			
205	V - DP5			
206		Supplies and Materials		
207		Equipment		
		Other (List Below)		
208				
209				
210				
211				
212				
213		**Total Data Processing:**	$0.00	$0.00
	Substitute Personnel:			
214		Salaries and Benefits	$10,340.00	$15,510.00
		Purchased Services - List Vendors Below		
215	V - SB1			
216	V - SB2			
217	V - SB3			
218	V - SB4			
219	V - SB5			
220		**Total Substitute Personnel:**	$10,340.00	$15,510.00
	Facilities:			
221		Lease/Purchase Contract for One Full Year	$117,409.00	$117,409.00
		Facility Upgrades - List Upgrades Below		
222		Wifi hard-wiring and maintenance	$10,950.00	$2,500.00
223				
224				
225				
226				
227				
228				
229		Property Insurance for One Full Year	$3,000.00	$3,000.00
230		Content Insurance for One Full Year	$2,000.00	$2,000.00
231		**Total Facilities:**	$133,359.00	$124,909.00

Debt Expenditures:

		2015-2016 Amount:	2016-2017 Amount:
	List Debts Below		
232	None	$0.00	$0.00
233			
234			
	Total Debts:	$0.00	$0.00

Other Expenditures:

	List Other Expenditures Below		
235	None	$0.00	$0.00
236			
237			
238			
239			
240			
241	**TOTAL EXPENDITURES:**	$1,215,400.10	$1,445,711.92
242	**Net Revenue over Expenditures:**	$24,634.30	$97,660.68

Note: If any major area is zero, type explanation where items would be listed. Example: No funds budgeted for GT because of waiver.

edtec

Budget Summary - Years 1-10	2015/2016 Proposed Budget	2016/2017 Preliminary Forecast	2017/2018 Preliminary Forecast	2018/2019 Preliminary Forecast	2019/2020 Preliminary Forecast	2020/2021 Preliminary Forecast	2021/2022 Preliminary Forecast	2022/2023 Preliminary Forecast	2023/2024 Preliminary Forecast	2024/2025 Preliminary Forecast
Revenue										
Charter School Foundation Funding	743,394	1,137,393	1,546,854	1,709,274	1,877,572	1,915,123	1,953,426	1,992,494	2,032,344	2,072,991
Federal Revenues	194,454	275,901	365,628	395,537	425,446	425,446	425,446	425,446	425,446	425,446
Other State Revenues	-	-	-	-	-	-	-	-	-	-
Fundraising and Grants	220,000	-	-	-	-	-	-	-	-	-
Total Revenue	**1,157,848**	**1,413,294**	**1,912,482**	**2,104,811**	**2,303,018**	**2,340,569**	**2,378,872**	**2,417,940**	**2,457,790**	**2,498,437**
Expenses										
Compensation	452,000	558,783	731,922	829,650	873,067	881,797	890,615	899,522	908,517	917,602
Benefits	179,174	224,074	297,863	351,433	375,554	385,961	396,807	408,113	419,902	432,196
Purchased Professional and Training Services	86,600	85,050	88,150	83,100	83,950	85,900	85,900	85,900	85,900	85,900
Purchased Property Services	122,409	151,290	163,849	168,670	167,115	169,661	172,257	174,906	177,607	180,363
Insurance	10,000	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500
Communications	2,700	11,100	11,268	11,439	10,414	10,592	10,774	10,960	11,149	11,342
Food Service Management	66,101	99,151	134,846	149,004	163,676	166,949	170,288	173,694	177,168	180,711
Travel	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Supplies and Materials	74,390	9,560	9,150	11,530	9,478	6,893	6,893	6,893	6,893	6,893
Property	104,564	55,300	15,100	6,700	10,060	10,060	40,060	40,060	10,060	10,060
Other	-	-	-	-	-	-	-	-	-	-
Total Expenses	**1,100,937**	**1,214,807**	**1,472,648**	**1,632,026**	**1,713,814**	**1,738,314**	**1,794,095**	**1,820,548**	**1,817,696**	**1,845,567**
Operating Income (excluding depreciation treatment)	**56,911**	**198,486**	**439,835**	**472,785**	**589,204**	**602,255**	**584,776**	**597,393**	**640,094**	**652,870**
Beginning Fund Balance (excluding depreciation treatment)	-	56,911	255,397	695,232	1,168,016	1,757,220	2,359,476	2,944,252	3,541,644	4,181,739
Ending Fund balance (excluding depreciation treatment)	**56,911**	**255,397**	**695,232**	**1,168,016**	**1,757,220**	**2,359,476**	**2,944,252**	**3,541,644**	**4,181,739**	**4,834,608**

Real Estate Contract (Commercial)

Copyright 2014 Arkansas REALTORS® Association

Form Serial Number: *013437-800141-2651046*

1. PARTIES: *Ozark Education, Inc.*

(individually, or collectively, the "Buyer") offers to purchase, subject to the terms and conditions set forth herein, from *Decision Point, Inc* (individually or collectively, the "Seller"), the real property described in Paragraph 2 of this Real Estate Contract (the "Property").

2. ADDRESS AND LEGAL DESCRIPTION:

301 Holcomb Street - Springdale, AR 72764

part of Parcel : 815-25256-000

S-T-R 36-18-30

3. PURCHASE PRICE: Buyer shall pay the following to Seller for the Property (the "Purchase Price") $*600,000.00* payable as follows:

Payable as required by lender, at closing to be on or before Jan. 2, 2017.

Including financing for all construction build-out acceptable terms to Buyer.

Serial#: 013437-800141-2651046
Prepared by: Mel Reed | KW Market Pro Realty-FAY | mel@mpprealty.com |
formsimplicity
Electronically Signed using eSignOnline™ [Session ID : 48b74177-d348-49e8-a738-548eac7897cd]

Form Serial Number: *013437-800141-2651046*

4. CONVEYANCE: Unless otherwise specified, conveyance of the Property shall be made to Buyer by

☒ general warranty deed ☐ special warranty deed, in fee simple absolute, except it shall be subject to recorded instruments and easements if any, which do not materially affect the value of the Property. Unless expressly reserved herein, **SUCH CONVEYANCE SHALL INCLUDE ALL MINERAL RIGHTS OWNED BY SELLER CONCERNING AND LOCATED ON THE PROPERTY, IF ANY, UNLESS OTHERWISE SPECIFIED IN PARAGRAPH 17. IT IS THE RESPONSIBILITY OF THE BUYER TO INDEPENDENTLY VERIFY AND INVESTIGATE THE EXISTENCE OR NONEXISTENCE OF MINERAL RIGHTS AND ANY LEGAL RAMIFICATIONS THEREOF.** Seller warrants and represents only signatures set forth below are required to transfer legal title to the Property. Seller also warrants and represents that Seller has peaceable possession of the Property, including all improvements and fixtures thereon, and the legal authority and capacity to convey the Property by a good and sufficient general warranty deed, free from any liens, leaseholds or other interests.

5. TITLE INSURANCE: Buyer and Seller understand that Listing Firm and Selling Firm are not licensed title insurance agents as defined by Arkansas law and do not and cannot receive direct or indirect compensation from any Closing Agent regarding the closing process or the possible purchase of title insurance by one or more of Buyer and Seller. Regardless of the policy chosen, Buyer and Seller shall have the right to choose their Closing Agent(s). Within ___190___ days of acceptance, Seller shall furnish to Buyer a commitment for an American Land Title Association (ALTA) owner's title insurance policy in the amount of the Purchase Price issued by a company of Seller's choice authorized to insure title to real property in the State of Arkansas and which company is reasonably acceptable to Buyer.

Where the title commitment shows special exceptions to title other than those standard exceptions contained in the ALTA commitment form, and where such special exceptions relate to restrictions, conditions, defects or other matters that would interfere with Buyer's use or adversely affect the value of the Property, then within ___190___ days of delivery of the title commitment, Buyer shall deliver written notice thereof to Seller. Such notice shall state specifically those exceptions to which Buyer objects. All objections not specifically enumerated within such a timely delivered notice shall be deemed to be waived by Buyer.

Within ___30___ days of Buyer's delivery of notice of objections to Seller, Seller may cure such objections or have the exceptions waived or removed by the title company issuing the commitment. If, within such ___30___ day period, Seller fails to cure and/or waive such objections and exceptions, or within that period, Seller delivers written notice to Buyer that it will not so cure, then within ___30___ days from delivery of such notice from Seller or the end of the period within which Seller may cure (whichever is applicable), Buyer shall have the option to:

A. Terminate this Real Estate Contract by delivering written notice thereof to Seller, in which event all sums paid or deposited by Buyer shall be returned to Buyer; or

B. Agree to purchase the Property as scheduled subject to such objections and exceptions with no reduction in the Purchase Price; or

C. Agree to extend the Closing date for ___90___ days to give Seller additional time to cure such objections. If Buyer fails to deliver notice of termination or grant an extension of the Closing date within that period, the objections shall be deemed to be waived and the transaction shall close as scheduled.

Seller shall furnish the committed owner's title insurance policy as soon as practicable after Closing, and shall pay all expenses related to the owner's title insurance policy.

Form Serial Number: *013437-800141-2651046*

6. NON-REFUNDABLE DEPOSIT: The Non-Refundable Deposit (Hereinafter referred to as :Deposit") is funds tendered by Buyer to Seller to compensate Seller for liquidated damages that may be incurred by Seller resulting from Buyer failing to close on this transaction. The liquidated damages shall include, but not be limited to, Seller's time, efforts, expenses and potential loss of marketing due to Seller's removal of property from the market.

The Deposit is not refundable to Buyer unless failure to close is exclusively the fault of Seller or if Seller cannot deliver marketable title to the Property. The Deposit will be credited to Buyer at Closing. Buyer shall hold Listing Firm and Selling Firm harmless of any dispute regarding the Deposit. Buyer expressly acknowledges the Deposit is not to be held by either Listing Firm or Selling Firm. The Deposit may be commingled with other monies of Seller, such sum not being held in an escrow, trust or similar account.

☒ **A.** The Deposit is not applicable.

☐ **B.** Buyer will pay to Seller the Deposit in the amount of $_____

☐ i. Within_____ days following the date this Real Estate Contract has been signed by Buyer and Seller

☐ ii. Within three (3) business days of execution of Paragraph 4(a) of the Inspection Repair & Survey Addendum; or

☐ iii. Other: _____

7. EARNEST MONEY: Earnest money is in the amount of $ *zero 0* ("Earnest Money"), which shall apply toward Buyer's Purchase Price or Closing Costs. If at least one or more of the conditions of Paragraphs 5, 8, 11, 13B, 15B, 17, 18 and 20 (if any) have not been fulfilled, performed or removed, Earnest Money shall be promptly refunded to Buyer. If Buyer fails to fulfill his obligations under this Real Estate Contract, or if after all conditions have been met Buyer fails to close this transaction, Earnest Money may, at the sole and exclusive option of Seller, be retained by Seller as liquidated damages. Alternatively, Seller may return Earnest Money and assert all legal or equitable rights that may exist as a result of Buyer breaching this Real Estate Contract. Buyer warrants, represents and acknowledges that the check tendered will be honored upon presentation to Buyer's bank, and that Buyer shall be in default of this Real Estate Contract if the check is not honored upon first presentation to Buyer's bank. Buyer understands that failure to tender Earnest Money as required by this Paragraph 7 shall constitute a breach of this Real Estate Contract. Buyer and Seller agree that in the event of any dispute concerning entitlement to Earnest Money, Listing Firm may interplead Earnest Money into a court of competent jurisdiction, and upon such interpleading of Earnest Money, both Listing Firm and Selling Firm shall be released from liability to Buyer and Seller. Listing Firm shall be reimbursed for all costs and attorney's fees from the funds entered for interpleading.

☐ **A.** Earnest Money is tendered by Buyer in the form of ☐cash ☐check. If Earnest Money is tendered by check, it will be made payable to ☐Listing Firm, ☐Closing Agent ☐Other_____.
Earnest Money will be deposited by Listing Firm no later than three (3) business days following the date this Real Estate Contract has been signed by Buyer and Seller.

☐ **B.** Earnest Money will be tendered by Buyer in the form of ☐cash ☐check. If Earnest Money is tendered by check, it will be made payable to ☐Listing Firm, ☐Closing Agent ☐Other_____.
Earnest Money will be deposited within three (3) business days following the date this Real Estate Contract has been signed by Buyer and Seller.

☒ **C.** No Earnest Money will be tendered. References to Earnest Money in this Real Estate Contract shall not be applicable and are deemed deleted.

The principal broker shall also be responsible and accountable for any funds delivered to an escrow agent selected by the principal broker, but shall not be responsible for funds delivered to an escrow agent selected by the parties.

Copyright 2014 Arkansas REALTORS® Association

Form Serial Number: *013437-800141-2651046*

8. SURVEY: Buyer has been given the opportunity to obtain a new certified survey. Should Buyer decline to obtain a survey as offered in Paragraph 8A of this Real Estate Contract, Buyer agrees to hold Seller, Listing Firm and Selling Firm involved in this Real Estate Contract harmless of any problems relative to any survey discrepancies that may exist or be discovered (or occur) after Closing.

☒ **A.** A new survey satisfactory to Buyer, certified to Buyer within thirty (30) days prior to Closing by a registered land surveyor, ☐ showing property lines only ☒ ALTA Certified Survey

☐ showing all improvements, easements and any encroachments will be provided and paid for by:

☐ Buyer ☐ Seller ☐ Equally split between Buyer and Seller.

☐ **B.** No survey shall be provided.

☐ **C.** Other ***In Addition Existing survey showing all property lines and easements.***

Specific Survey Requirements: _____

Should Buyer agree to accept the most recent survey provided by Seller, this survey is for information purposes only and Buyer will not be entitled to the legal benefits of a survey certified in Buyer's name.

9. PRORATIONS: Taxes and special assessments due on or before Closing shall be paid by Seller. Any deposits on rental Property are to be transferred to Buyer at Closing. Insurance, general taxes and special assessments, rental payments and interest on any assumed loans shall be prorated as of Closing, unless otherwise specified herein.

10. FIXTURES AND ATTACHED EQUIPMENT: Unless specifically excluded herein, all fixtures and attached equipment, if any, are included in the Purchase Price. If any personal property is included in the Purchase Price it will be described in a separate exhibit attached hereto and incorporated by reference herein (hereinafter referred to as the "Personal Property"). The Personal Property does not include any software or related materials that Seller does not have the legal right to transfer or license to Buyer, and does not include any items leased to Seller under any operating contract. Seller agrees to execute a Bill of Sale at Closing transferring ownership of the Personal Property to Buyer.

Serial#: 013437-800141-2651046
Prepared by: Mel Reed | KW Market Pro Realty-FAY | mel@mpprealty.com |
formsimplicity
Electronically Signed using eSignOnline™[Session ID : 48b74177-d348-49e8-a738-548eac7897cd]

Form Serial Number: *013437-800141-2651046*

11. CLOSING: Closing is the date and time at which Seller delivers the executed and acknowledged deed. Buyer and Seller agree the Closing date will be (month) ***January*** (day) ***2***, (year) ***2017***. The Closing date may be changed by written agreement of Buyer and Seller. If the sale is not consummated by Closing date (or any written extension thereof), the parties shall have the remedies available to them in equity or at law, including the remedies available to them in Paragraph 7.

Buyer and Seller shall have the right to choose their Closing Agent(s) and are not relying on Listing Firm or Selling Firm to choose a Closing Agent. Should Buyer or Seller choose the services of a Closing Agent(s) other than Selling Firm or Listing Firm, then Buyer and Seller each jointly and severally agree to indemnify and hold Listing Firm and Selling Firm harmless for all intentional misconduct and negligent acts (including acts of omission) of the Closing Agent(s).

This Real Estate Contract shall serve as written closing instructions to the Closing Agent on behalf of the Buyer and Seller. The Closing Agent(s) is/are authorized to provide Seller's settlement statement to Listing Firm (in addition to Seller) and Buyer's settlement statement to Selling Firm (in addition to Buyer) prior to settlement so that Buyer, Seller, Listing Firm and Selling Firm shall have a reasonable opportunity to review prior to Closing.

Buyer and Seller shall each have the right to request title insurer(s), if any, issue closing protection, to indemnify against loss of closing funds because of acts of a Closing Agent, title insurer's named employee, or title insurance agent. Any cost for closing protection will be paid by the requesting party(ies). Listing Firm and Selling Firm strongly advise Buyer and Seller to inquire of the Closing Agent(s) about the availability and benefits of closing protection.

Unless otherwise agreed by Buyer and Seller, transaction costs will be paid by the party indicated below.

Seller	Buyer
Title Examination or search fees	Recording fees
Premium for owner's title insurance policy	Premium for mortgagee's title insurance policy
Preparation of conveyance documents	Preparation of loan documents
One-half of escrow fees	One-half of escrow fees
One-half of documentary stamps	One-half of documentary stamps
Other charges as customarily paid by Seller	Other charges customarily paid by Buyer
IRS Notification form	

This Real Estate Contract shall, unless otherwise specified in Paragraph 17 of this Real Estate Contract, constitute express written permission and authorization to Listing Firm and Selling Firm to disclose the terms of this Real Estate Contract (and all Addenda), including without limitation concessions provided by Buyer or Seller or other non-public personal information of Buyer and Seller regarding the purchase and sale of the Property, to any of the following: (i) an Arkansas licensed appraiser; (ii) multiple listing services for use by the members thereof; and (iii) any other person or entity which Listing Firm or Selling Firm determines, using sole discretion, may have a legitimate basis to request and obtain such information. The authorization and permissions granted in this Paragraph 11 shall not create any obligation or duty upon Listing Firm or Selling Firm to make any disclosure to any person or entity.

Form Serial Number: *013437-800141-2651046*

12. POSSESSION: Possession of the Property shall be delivered to Buyer: (Check one)

☐ **A.** Upon the Closing (Seller's delivery of executed and acknowledged Deed).

☒ **B.** Other, as follows: ***Buyer will Possess the property, upon closing, or once Tenants have vacated the property. No later than a mutually agreed upon date.***

13. SELLER PROPERTY DISCLOSURE: (Check one)

☐ **A.** Buyer and Seller acknowledge that upon the authorization of Seller either Selling Firm or Listing Firm have delivered to Buyer, prior to the execution of this Real Estate Contract, a written disclosure prepared by Seller concerning the condition of the Property, but this fact neither limits nor restricts Buyer's Disclaimer of Reliance set forth in Paragraph 16 of this Real Estate Contract. The written disclosure prepared by Seller is dated (month)_____ (day)_____, (year)_____, and is warranted by Seller to be the latest disclosure and the answers contained in the disclosure are warranted to be true, correct, and complete to Seller's knowledge.

☒ **B.** Buyer hereby requests Seller to provide a written disclosure about the condition of the Property that is true and correct to Seller's knowledge within three (3) business days after this Real Estate Contract has been signed by Buyer and Seller. If Seller does not provide the disclosure within the three (3) business days, Buyer may declare this Real Estate Contract terminated with Buyer and Seller both agreeing to sign the Termination of Contract, with Buyer to receive a refund of the Earnest Money (if any). If Buyer finds the disclosure unacceptable within three (3) business days after receipt of disclosure, this Real Estate Contract may be declared terminated by Buyer, with Buyer and Seller both agreeing to sign the Termination of Contract, with Buyer to receive a refund of the Earnest Money (if any). Receipt of this disclosure neither limits nor restricts in any way Buyer's Disclaimer of Reliance set forth in Paragraph 16 of this Real Estate Contract.

☐ **C.** Although a disclosure form may have been completed (or can be completed) by Seller, Buyer has neither received nor requested and does not desire from Seller a written disclosure concerning the condition of the Property prior to the execution of this Real Estate Contract, but this fact neither limits nor restricts in any way Buyer's Disclaimer of Reliance set forth in Paragraph 16 of this Real Estate Contract. BUYER IS STRONGLY URGED BY SELLING FIRM AND LISTING FIRM TO MAKE ALL INDEPENDENT INSPECTIONS DEEMED NECESSARY PRIOR TO SIGNING THIS REAL ESTATE CONTRACT.

☐ **D.** Buyer understands no disclosure form is available and will not be provided by Seller. BUYER IS STRONGLY URGED BY SELLING FIRM AND LISTING FIRM TO MAKE ALL INDEPENDENT INSPECTIONS DEEMED NECESSARY PRIOR TO SIGNING THIS REAL ESTATE CONTRACT.

Copyright 2014 Arkansas REALTORS® Association

Form Serial Number: *013437-800141-2651046*

14. ENVIRONMENTAL REPRESENTATION: Seller hereby represents to Buyer that to Seller's knowledge (unless otherwise disclosed herein):
A. The Property is not the subject of any judicial or administrative notice or action relating to hazardous waste or environmental contamination;
B. Seller has received no notice of any claim or violation of any law or regulation having to do with environmental protection;
C. No hazardous or toxic substances have been stored, processed, or disposed of on the Property during the period that Seller has owned the Property; and
D. No underground storage tanks are located on the Property.

15. TERMITE CONTROL REQUIREMENTS: (Check one)
☐ **A.** None

☒ **B.** Seller shall provide prior to Closing, at Seller's expense, a current termite control policy issued by a licensed operator, satisfactory to Buyer

16. BUYER'S DISCLAIMER OF RELIANCE:

A. BUYER CERTIFIES BUYER WILL PERSONALLY INSPECT OR HAVE A REPRESENTATIVE INSPECT THE PROPERTY AS FULLY AS DESIRED PRIOR TO CLOSING. BUYER CERTIFIES BUYER HAS NOT AND WILL NOT RELY ON ANY WARRANTIES, REPRESENTATIONS, OR STATEMENTS OF SELLER, LISTING FIRM, SELLING FIRM, OR ANY AGENT, INDEPENDENT CONTRACTOR, OR EMPLOYEE ASSOCIATED WITH THOSE ENTITIES, OR INFORMATION FROM MULTIPLE LISTING SERVICES OR OTHER WEBSITES REGARDING MINERAL RIGHTS, YEAR BUILT, SIZE (INCLUDING WITHOUT LIMITATION THE SQUARE FEET IN IMPROVEMENTS LOCATED ON THE PROPERTY), QUALITY, VALUE OR CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION ALL IMPROVEMENTS, APPLIANCES, PLUMBING, ELECTRICAL OR MECHANICAL SYSTEMS. HOWEVER, BUYER MAY RELY UPON ANY WRITTEN DISCLOSURES PROVIDED BY SELLER.

LISTING FIRM AND SELLING FIRM CANNOT GIVE LEGAL ADVICE TO BUYER OR SELLER. LISTING FIRM AND SELLING FIRM STRONGLY URGE STATUS OF TITLE TO THE PROPERTY, CONDITION OF PROPERTY, SQUARE FOOTAGE OF IMPROVEMENTS, QUESTIONS OF SURVEY AND ALL OTHER REQUIREMENTS OF BUYER SHOULD EACH BE INDEPENDENTLY VERIFIED AND INVESTIGATED BY BUYER OR A REPRESENTATIVE CHOSEN BY BUYER.

B. IN THE EVENT THAT THE INSPECTION, REPAIR AND SURVEY ADDENDUM IS USED, BUYER AGREES TO SIGN PAGE 4 OF THE INSPECTION, REPAIR AND SURVEY ADDENDUM PRIOR TO CLOSING IF BUYER ACCEPTS THE CONDITION OF THE PROPERTY AND INTENDS TO CLOSE.

17. OTHER:

Buyer shall close on building on or before 01-02-2017, and take possession immediately. If Buyers occupy the building prior to 01-02-2017, for construction, or any other purpose, buyer agrees to pay monthly payments equaling $2,250. Current tenant will have 60 days to vacate property once agreement terms have been met, as agreed upon by both parties, and notified in writing.

90 days

Serial#: 013437-800141-2651046
Prepared by: Mel Reed | KW Market Pro Realty-FAY | mel@mprorealty.com |
formsimplicity
Electronically Signed using eSignOnline™[Session ID : 48b74177-d348-49e8-a738-548eac7897cd]

Form Serial Number: *013437-800141-2651046*

18. CONTINGENCIES: Buyer's offer to purchase the Property is expressly contingent upon Buyer's satisfaction of the contingencies checked below within the deadline indicated for each contingency. Buyer shall notify Seller in writing when the contingencies are satisfied. If Buyer fails to provide such written notice before the indicated deadline that a contingency checked below has been satisfied, then this Real Estate Contract shall be void and the Earnest Money (if any) shall be refunded to Buyer, and Buyer and Seller shall have no further obligation to each other.

Contingencies (check all that apply):

☒ **A.** Obtain satisfactory financing, in Buyer's sole discretion, within *190* days after acceptance.

☒ **B.** Obtain satisfactory results of a feasibility study, in Buyer's sole discretion, within *190* days after acceptance.

☒ **C.** Obtain satisfactory results of a Property inspection, in Buyer's sole discretion, within *190* days after acceptance.

☒ **D.** Obtain satisfactory results of an environmental report, in Buyer's sole discretion, within *190* days after acceptance.

☒ **E.** Obtain satisfactory rezoning, platting, re-platting, or zoning verification, in Buyer's sole discretion, within *190* days after acceptance.

☒ **F.** ***Financing as stated in "A" includes construction loan and buildout as buyer directs.***
within_____ days after acceptance.

☒ **G.** ***"Successful approval of charter school application and appeals process."***
within_____ days after acceptance.

☐ **H.** _____
within_____ days after acceptance.

Additional requirements related to any of above contingencies:

Sellers hereby grant to Buyer, its agents and contractors, the right to enter upon the Property to make tests and/or inspections. If the Property is damaged by Buyer or Buyer's agents or contractors during Buyer's inspections or test of the Property, Buyer shall repair and restore the Property to substantially the same condition as existed prior to conducting the inspection and test. Buyer shall indemnify Seller and its agents and hold them harmless from any and all liability, damages, claims, expenses, including reasonable attorney's fees, judgments, proceedings and causes of action of any kind to the extent caused by Buyer's inspection and testing activities with such indemnity obligation expressly surviving Closing or termination of the Real Estate Contract for any reason. Seller agrees to have all utilities connected and turned on to Property.

Copyright 2014 Arkansas REALTORS® Association

Form Serial Number: *013437-800141-2651046*

19. AGENCY: (Check all that apply)

☐ **A. LISTING FIRM AND SELLING FIRM REPRESENT SELLER:** Buyer acknowledges that Listing Firm and Selling Firm and all licensees associated with those entities are the agents of Seller and that it is Seller who employed them, whom they represent, and to whom they are responsible. Buyer acknowledges that before eliciting or receiving confidential information from Buyer, Selling Firm, which may be the same as Listing Firm, verbally disclosed that Selling Firm represents Seller.

☐ **B. LISTING FIRM REPRESENTS SELLER AND SELLING FIRM REPRESENTS BUYER:** Buyer and Seller acknowledge that Listing Firm is employed by Seller and Selling Firm is employed by Buyer. All licensees associated with Listing Firm are employed by, represent, and are responsible to Seller. All licensees associated with Selling Firm are employed by, represent, and are responsible to Buyer. Buyer acknowledges Selling Firm verbally disclosed that Listing Firm represents Seller. Seller acknowledges Listing Firm verbally disclosed that Selling Firm represents Buyer.

☐ **C. LISTING FIRM AND SELLING FIRM ARE THE SAME AND REPRESENT BOTH BUYER AND SELLER:** Seller and Buyer hereby acknowledge and agree that Listing and Selling Firm are the same and all licensees associated with Listing and Selling Firm are representing both Buyer and Seller in the purchase and sale of the above referenced Property and that Listing/Selling Firm has been and is now the agent of both Seller and Buyer with respect to this transaction. Seller and Buyer have both consented to and hereby confirm their consent to agency representation of both parties. Further, Seller and Buyer agree:

(i) Listing/Selling Firm shall not be required to and shall not disclose to either Buyer or Seller any personal, financial or other confidential information concerning the other party without the express written consent of that party; however, Buyer and Seller agree Listing/Selling Firm shall disclose to Buyer information known to Listing/Selling Firm related to defects in the Property and such information shall not be deemed "confidential information." Confidential information shall include but not be limited to any price Seller is willing to accept that is less than the offering price or any price Buyer is willing to pay that is higher than that offered in writing.

(ii) by selecting this option 19C, Buyer and Seller acknowledge that when Listing/Selling Firm represents both parties, a possible conflict of interest exists, and Seller and Buyer further agree to forfeit their individual right to receive the undivided loyalty of Listing/Selling Firm.

(iii) to waive any claim now or hereafter arising out of any conflicts of interest from Listing/Selling Firm representing both parties. Buyer and Seller acknowledge Listing/Selling Firm verbally disclosed that Listing/Selling Firm represents both parties in this transaction, and Buyer and Seller have given their written consent to this representation before entering into this Real Estate Contract.

☒ **D. SELLING FIRM REPRESENTS BUYER (NO LISTING FIRM):** Seller acknowledges that Selling Firm and all licensees associated with Selling Firm are the agents of Buyer and that it is Buyer who employed them, whom they represent, and to whom they are responsible. Seller acknowledges that at first contact, Selling Firm verbally disclosed that Selling Firm represents Buyer. Any reference to "Listing Firm" in this Real Estate Contract will be considered to mean Selling Firm, both Buyer and Seller acknowledging that all real estate agents (unless Seller is a licensed Real Estate Agent) involved in this Real Estate Contract only represent Buyer.

☐ **E. NON-REPRESENTATION**: See Non-Representation Disclosure Addendum

20. RISK OF LOSS: If prior to Closing of this transaction the improvements on the Property shall be destroyed or materially damaged by fire or other casualty, this Real Estate Contract, at the option of Buyer shall be terminated, with Buyer and Seller both agreeing to sign the Termination of Contract. If Buyer shall elect, in the event of such loss, that the Real Estate Contract shall be performed, Buyer shall be entitled to the proceeds of insurance applicable to the loss for use in repairing said loss.
Buyer shall have the right prior to Closing to inspect the Property to ascertain any damage that may have occurred due to fire, flood, hail, windstorm or other acts of nature, vandalism or theft.

formsimplicity

Electronically Signed using eSignOnline™[Session ID : 48b74177-d348-49e8-a738-548eac7897cd]

Copyright 2014 Arkansas REALTORS® Association

Form Serial Number: *013437-800141-2651046*

21. GOVERNING LAW: This Real Estate Contract shall be governed by the laws of the State of Arkansas.

22. SEVERABILITY: The invalidity or unenforceability of any provisions of this Real Estate Contract shall not affect the validity or enforceability of any other provision of this Real Estate Contract, which shall remain in full force and effect.

23. MERGER CLAUSE: This Real Estate Contract, when executed by both Buyer and Seller, shall contain the entire understanding and agreement between Buyer and Seller with respect to all matters referred to herein and shall supersede all prior or contemporaneous agreements, representations, discussions and understandings, oral or written, with respect to such matters. This Real Estate Contract shall not supersede any agency agreements entered into by Buyer or Seller and Listing Firm or Selling Firm.

24. ASSIGNMENT: This Real Estate Contract may not be assigned by Buyer unless written consent of Seller is obtained, such consent not to be unreasonably withheld. It shall not be unreasonable for Seller to withhold consent if Seller is to provide financing for Buyer in any amount.

25. ACCEPTANCE: The term "acceptance" as used herein shall mean the later of the two dates on which this Real Estate Contract is signed by Seller or Buyer, as indicated by their signatures below, which later date shall be the date of final execution and agreement by the parties hereto. If any date or deadline provided for herein falls on Saturday, Sunday, or a holiday, the applicable date shall be the next business day.

26. TIME: Buyer and Seller agree time is of the essence with regard to all times and dates set forth in this Real Estate Contract. Unless otherwise specified, days as it appears in this Real Estate Contract shall mean calendar days. Further, all times and dates set forth in this Real Estate Contract refer to Arkansas Central time and date.

27. ATTORNEY'S FEES: Should Buyer or Seller initiate any type of administrative proceeding, arbitration, mediation or litigation against the other (or against an agent for the initiating party or agent for the non-initiating party), it is agreed by Buyer and Seller (aforementioned agents being third-party beneficiaries of this Paragraph 26) that all prevailing parties shall be entitled to an award of their respective costs and attorney's fees incurred in defense of such initiated action against the non-prevailing party.

28. COUNTERPARTS: This Real Estate Contract may be executed in multiple counterparts each of which shall be regarded as an original hereof but all of which together shall constitute one in the same.

29. FIRPTA COMPLIANCE, TAX REPORTING: Buyer and Seller agree to disclose on or before Closing, to the person or company acting as Closing Agent for this transaction, their United States citizenship status, solely for the purpose of compliance with the Foreign Investment in Real Property Taxation Act (FIRPTA). In addition, Buyer and Seller shall execute all documents required by such Closing Agent to document compliance with the FIRPTA and all other applicable laws. Buyer and Seller agree that nothing in this Real Estate Contract is intended to limit the responsibility of the Closing Agent as defined pursuant to United States Treasury Regulation 1.6045-4) to (i) be the "reporting person" under state and federal tax laws (including without limitation 26 USC Section 6045(e)), and (ii) file all necessary forms regarding the Closing, including without limitation form 1099, 8288 or 8288A. By accepting the role as Closing Agent, this Real Estate Contract shall obligate the Closing Agent to fulfill their responsibilities as set forth above and as defined by the above statutes. Seller will execute an affidavit confirming compliance with FIRPTA, as prepared by the Closing Agent.

Serial#: 013437-800141-2651046
Prepared by: Mel Reed | KW Market Pro Realty-FAY | mel@mprprealty.com |
formsimplicity
Electronically Signed using eSignOnline™[Session ID : 48b74177-d348-49e8-a738-548eac7897cd]

Form Serial Number: *013437-800141-2651046*

30. NOTICE: All notices, requests and other communications under this Agreement shall be in writing and shall be delivered in person, or sent by overnight courier or certified mail, return receipt requested, addressed as follows:

If to Seller:_____

With a copy to:_____

If to Buyer: *Ozark Education, Inc- PO BOX 114-Springdale, AR 72765-0114*

With a copy to:_____

Or at such other address, and to the attention of such person, of which the parties shall have given notice as herein provided. All such notices, requests and other communications shall be deemed to have been sufficiently given for all purposes hereof on the second day after the date of the mailing thereof or the first day after being sent by overnight courier.

31. TAX DEFERRED EXCHANGE: Each party agrees to cooperate with the other, if requested in writing, to effect a tax deferred exchange under the provisions of the Internal Revenue Code of 1986, as amended, provided such exchange is without cost or expense to cooperating party, and the requesting party shall indemnify and hold the other harmless from and against any cost or expense or other liability, tax or action which may be incurred in connection with such exchange.

32. LICENSEE DISCLOSURE: (Check all that apply):

☒ **A.** Not Applicable.

☐ **B.** One or more parties to this Real Estate Contract acting as a ☐ Buyer ☐ Seller hold a valid Arkansas Real Estate License.

☐ **C.** One or more owners of any entity acting as ☐ Buyer ☐ Seller hold a valid Arkansas Real Estate License.

33. EXPIRATION: This Real Estate Contract expires if not accepted in writing by Seller on or before (month) *October* (day) *13*, (year) *2014*, at *11:59* ☒ (a.m.) ☐ (p.m.).

Real Estate Contract (Commercial)

Copyright 2014 Arkansas REALTORS® Association

THIS IS A LEGALLY BINDING REAL ESTATE CONTRACT WHEN SIGNED BY THE PARTIES BELOW. READ IT CAREFULLY. YOU MAY EMPLOY AN ATTORNEY TO DRAFT THIS FORM FOR YOU. IF YOU DO NOT UNDERSTAND THE EFFECT OF ANY PART, CONSULT YOUR ATTORNEY BEFORE SIGNING. REAL ESTATE AGENTS CANNOT GIVE YOU LEGAL ADVICE. THE PARTIES SIGNED BELOW WAIVE THEIR RIGHT TO HAVE AN ATTORNEY DRAFT THIS FORM AND HAVE AUTHORIZED THE REAL ESTATE AGENT(S) TO FILL IN THE BLANKS ON THIS FORM.

THIS FORM IS PRODUCED AND COPYRIGHTED BY THE ARKANSAS REALTORS® ASSOCIATION. THE SERIAL NUMBER BELOW IS A UNIQUE NUMBER NOT USED ON ANY OTHER FORM. THE SERIAL NUMBER BELOW SHOULD BE AN ORIGINAL PRINTING, NOT MACHINE COPIED, OTHERWISE THE FORM MAY HAVE BEEN ALTERED. DO NOT SIGN THIS FORM IF IT WAS PREPARED AFTER DECEMBER 31, 2014. FORM SERIAL NUMBER: ***013437-800141-2651046***

The above Real Estate Contract is executed by Buyer on
(month) ***October*** (day) ***6***, (year) ***2014***, at ***2:57*** ☐(a.m.) ☒(p.m.).

Keller Williams Market Pro Realty
Selling Firm

Signature: Mel Reed
Printed Name: ***Mel Reed***
Principal or Supervising Broker

Signature: Christine Silano
Printed Name: ***OZARK EDUCATION, INC.***
Buyer

Signature: Mel Reed
Printed Name: ***Mel Reed***
Selling Agent

Signature:
Printed Name:
Buyer

The above Real Estate Contract is executed by Seller on
(month) _____ (day) _____, (year) _____, at _____ ☐(a.m.) ☐(p.m.).

Listing Firm

Signature: Rusty Crawford
Printed Name: Rusty Crawford
Principal or Supervising Broker

Signature: Alternative Opportunities, Inc
Printed Name:
Seller

Signature:
Printed Name:
Listing Agent

Signature:
Printed Name:
Seller

The above offer was ☐rejected ☐counter offered (Form Serial Number_____)
on (month)_____ (day)_____, (year)_____, at _____ ☐(a.m.) ☐(p.m.).

_____ **Seller's Initials** _____ **Seller's Initials**

Serial#: 013437-800141-2651046
Prepared by: Mel Reed | KW Market Pro Realty-FAY | mel@mpprealty.com |
formsinpdfcity
Electronically Signed using eSignOnline™[Session ID : 48b74177-d348-49e8-a738-548eac7897cd]

2015 Renewal Application Cycle

Request for the State Board of Education to Review the Decision Made by the Charter Authorizing Panel

Academics Plus
Maumelle, Arkansas

From: Elizabeth Othon on behalf of Sam Jones
To: Cindy Hogue (ADE); ADE Charter Schools
Cc: Jeremy Lasiter (ADE); Robert Mcgill; Jerry Guess; CLOWERS ROBERT L.
Subject: Notice of Charter Authorizing Panel Hearing Decision Academics Plus Charter School
Date: Tuesday, February 24, 2015 3:29:16 PM
Attachments: 2-19-15 Ltr from Cindy Hogue to Rob McGill.pdf
Ltr to Panel 2-11-15.pdf
PCSSD - Dr Guess Letter to Charter Authorizing Panel Feb 4 Deadline.pdf

---

Ladies and Gentlemen:

Notice is hereby given by the Pulaski County Special School District that it requests review by the Arkansas State Board of Education of the decision of the Charter Authorizing Panel as reflected in the attached letter from Cindy Hogue dated February 19, 2015.

This request for review is made pursuant to Ark. Code Ann. § 6-23-701 et. seq. including Ark. Code Ann. § 6-23-702(b)(2)(A) and §6-23-703(a).

The bases for requesting review by the State Board of Education are set out fully in the attached letters to the Charter Authorizing Panel dated February 2, 2015 and February 11, 2015 as well as the materials referenced within and accompanying these two letters.

Stated summarily, the presentation made to the Charter Authorizing Panel by the PCSSD demonstrates that Academics Plus is neither entitled to an enrollment increase nor an extension of its charter because it has failed to comply with the promises made beginning with its initial charter application, and continuing thereafter all as specified in the attached letters from PCSSD and that the same reflects a lack of innovation or other specific reasons why the State of Arkansas should sanction an enrollment increase or extension of the charter of Academics Plus. It functions no more than a small school environment for middle class students who enter that school prepared for school but who fail to demonstrate extraordinary academic progress and are, therefore, not provided with the innovations and other unique instructional strategies which justified the charter school experiment in Arkansas when it began.

We also respectfully request that the materials previously provided to the Charter Authorizing Panel and referenced in our presentations be part of the record presented to the State Board of Education presumably at a meeting to be held on March 12, 2015. We also request the opportunity to briefly supplement our presentation given some of the elements of the Academics Plus presentation to the Charter Authorizing Panel on February 18, 2015.

Thank you very much.

Cordially yours,

Sam Jones

MITCHELL | WILLIAMS

Liz Othon | Assistant to Anton Janik and Sam Jones
T 501.370.4276 | F 501.918.7276
eothon@mwlaw.com | MitchellWilliamsLaw.com
425 W. Capitol Ave. | Ste. 1800 | Little Rock, AR 72201
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

Confidentiality Notice: This electronic mail transmission and any attachment may constitute an attorney-client communication that is privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling (501) 688-8800 Little Rock, AR (479) 464-5650 Rogers, AR (512) 480-5100 Austin, TX (267) 757-8780 Newtown, PA or (870) 336-9292 Jonesboro, AR so that our address record can be corrected.

From:	CLOWERS, ROBERT
To:	Cindy Hogue (ADE); ADE Charter Schools
Cc:	Jeremy Lasiter (ADE); Robert Mcgill; Jerry Guess; Sam Jones; Elizabeth Othon; DARLENE SERFATY
Subject:	Append to Sam Jones Letter to Cindy Hogue of Today, February 24th
Date:	Tuesday, February 24, 2015 3:36:18 PM

Dear Ms. Hogue,

Please append those items listed below to Sam Jones' letter to you of today regarding Academics Plus Charter School in his notice given by the Pulaski County Special School District that it requests review by the Arkansas State Board of Education of the decision of the Charter Authorizing Panel as reflected in your letter dated February 19, 2015.

APCS Mission Statement

The mission of Academics Plus Charter School is to provide an academically rigorous college preparatory program for all students regardless of race, ethnic origins, national background or socioeconomic level. All children can learn when challenged by high expectations. We believe that attitude, behavior, effort and attendance, as well as ability, determine academic success.

APCS Vision Statement

It is our vision to be the highest performing college preparatory educational institution in America.

APCS Elementary School Priorities

Priority 1: Literacy

To improve students', including those with special needs, reading comprehension and written communication skills in all strands.

Priority 2: Math

To reduce the achievement gap among subgroups in comprehension of math in three areas, multi-step word problems, probability and statistics and estimation.

APCS High School

Priority One: Math

To improve math performance for all students, including those with special needs, with particular emphasis in the language of algebra and linear functions items within all the Arkansas math standards.

Priority Two: Literacy

To improve literacy skills for all students by increasing reading comprehension and writing skills across the curriculum for all students to include those with special needs.

Thank you,

Robert

Dr. Robert L. Clowers
Executive Director of Educational Accountability
Pulaski County Special School District
925 East Dixon Road
Little Rock, AR 72206
501-234-2010 (main); 501-837-9067 (cell)

MITCHELL | WILLIAMS

M. Samuel Jones, III
Direct Dial: 501-688-8812
E-mail: sjones@mwlaw.com

425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201-3525
Telephone: 501-688-8800
Fax: 501-688-8807

February 11, 2015

Panel Members
Charter Authorizing Panel
c/o Cindy Hogue
Arkansas Department of Education
Four Capitol Mall
Little Rock, AR 72201-1019

Re: Notice of Charter Authorizing Panel Hearing
Academics Plus Charter School

Dear Ms. Hogue:

Please accept and distribute this letter and exhibits as a supplement to the PCSSD opposition to Academics Plus request for an enrollment expansion and extension of its Charter.

The ACT Results

Toward the bottom of the pile of documents produced by Academics Plus in response to the PCSSD's FOIA request is a document dated August 20, 2014 from the ACT. It is attached as Exhibit 1. It is addressed to the principal and states in the beginning that:

> "This report reflects the achievement of your graduates on the ACT over time and an indication of the extent to which they are prepared for college level work."

Despite Academics Plus vision statement to be the highest performing college preparatory school in the country, the fact is that its students consistently lag behind the state average in all categories reported by the ACT.

In particular, in college Algebra, most of the students at Academics Plus, based on ACT results, are not college ready and except for English Composition, fewer than half of the students at Academics Plus appear to be college-ready. Indeed, this analysis by the ACT indicates that only 14% of the students graduating from Academics Plus are college-ready in the four categories reported.

While the state results are not immensely better, they are better overall. This report is hardly an indication that Academics Plus is doing anything to justify a continuation of its charter.

The 2014 Annual Report

Since our letter to the panel dated February 3, 2015, Academics Plus has finally posted its 2013-2014 Annual Report on its website.

It begins with the same mission statement previously noted which offers nothing unique with the familiar slogan that all children can learn when challenged by high expectations, etc. The vision statement remains the same: It is our vision to be the highest performing college preparatory educational institution in America.

The recognitions page of the website recites that most schools are "achieving" and that the high school received an award for "most improved geometry."

Under the category of test scores, A Plus boasts that it outperforms the Pulaski County public schools as well as Conway in areas tested, but there is no "control" for poverty or similar distinctions among Academics Plus and the public school districts to which it chooses to compare itself. Despite this omission, it is interesting to note that Academics Plus often lags behind the Conway School District in many of the comparisons it chooses to publish on its website despite the lack of "control" for socioeconomic status or poverty differences.

No Innovation or Uniqueness is Shown

An analysis of Arkansas Districts similar to APCS is attached as Exhibit 2. When controls are made for poverty APCS is exposed as merely ordinary.

Later in the website, if one examines the A Plus school improvement indicators selected by Academics Plus, the evaluator will see that the goals and objectives differ not at all from those of traditional public schools in Arkansas. In other words, the innovation upon which justification for such open enrollment charter schools was based remains singularly lacking in the case of Academics Plus.

References to Common Core, analyzing test data, identifying student needs and training in math instruction simply fail to show anything distinctive about the approach or delivery of academic services by Academics Plus.

Indeed, under the heading of additional actions to increase learning, the strategies set out including professional development, multiple sources of technology, and the offering of a rich curriculum as well as e-mail and service on school committees hardly distinguishes Academics Plus from traditional public schools in Arkansas. At the high school level, Academics Plus promises to engage students with a rigorous model of instruction aligned with Common Core, that teachers will use student learning data to identify needs for instructional support and that they will create assessments to help students and that last year they used data to assess the strength of students in math and will provide a math foundation class. They will also remediate students and use Title 1 funds to purchase materials to enhance learning of targeted students and will help students raise their ACT scores. Teachers will emphasize writing and high school students will have a writing help class; teachers will have access to professional development and that the school will provide a special education supervisor as well as other traditional strategies such as Pathwise, parental involvement plans, homework and academic alerts.

The website concludes with descriptions of such traditional public school offerings as concurrent credits, AP courses, and clubs and activities including a Lego club, a year book, tennis, golf and a jazz band.

The Original Application From 2000

In its application process, requirements for admission, Academics Plus states that its students "will leave high school 'college ready' ".

In other documents obtained pursuant to the FOIA and under the heading of what is a charter school, Academics Plus explains that "a charter school is a form of public school that is waived from some of the restrictive laws that govern traditional public schools. This allows a charter school more flexibility to implement creative and innovative programs and policies. In return for this freedom, a charter school is held more accountable for student success. ... we are expected to produce better results."

Further, APCS explains that "APCS uses an extended school day and a highly focused curriculum to improve the academic success of the students. We also encourage innovative teaching practices to increase opportunities for learning."

Later in this section, APCS explains that APCS was the first of these flagship schools and is the oldest charter school in Arkansas.

> "Our vision – It is the vision of Academics Plus Charter School to be the highest performing college preparatory educational institution in America. Our Mission – The mission of Academics Plus Charter School is to provide an academically rigorous college preparatory program for all students regardless of race, ethnic origins, national background, or socioeconomic level. All children can learn when challenged by high expectations. We believe that attitude, behavior, attendance and effort, as well as ability, determine academic success. About Us – APCS uses an extended school day and a highly focused curriculum to improve the academic success of the students. We also encourage innovative teaching practices to increase opportunities for learning. We have a safe, nurturing environment, and we offer after school opportunities for enrichment and tutoring based on the individual needs of all students. We provide a choice in the education of children. There is no tuition for a student to attend APCS."

Departures from the Original Application

The original application for Academics Plus proposed grades 6 and 7. It was dated to open in 2001-2002.

At page 2, the application states that "A+ will rely primarily on the Core Knowledge Sequence, developed by Dr. E.D. Hirsch, Jr. supplemented with experiential learning."

PCSSD finds no recent mention of Dr. E.D. Hirsch, Jr. in Academics+ submissions.

On page 2 under the heading of Impact on Desegregation Efforts, A+ pledged that:

> "the founders of A+ envision a school that will serve a diverse student population that is reflective of this large geographic area from which students come. A+ ensures compliance with the Pulaski County Special School District (PCSSD) desegregation order of 20-41% minority students for secondary schools and firmly believes the charter school will not negatively impact the racial balance of PCSSD or the Little Rock and North Little Rock School Districts. Additionally, A+ will meet all other obligations in hiring faculty and staff, maintaining diversity on the Board of Trustees of Pulaski Charter School, Inc. (PCS) and in any other areas of the desegregation order."

Academics Plus now simply submits desegregation is no longer an issue.

At page 3, A+ pledges that:

> "The founders, faculty, staff and parents of A+ will work together with the goal of eliminating gaps in test scores that may exist between white and black students."

However, Academics Plus never recruited enough African-American students to make this comparison or to pronounce achievement with this goal.

The original application and justification stated:

> "After years of desegregation of the three Pulaski County school districts, racial disparity in student achievement remains. Recently district officials in Little Rock 'acknowledged below-average test scores' in its school district but blamed it on high percentages of minority students from economically disadvantaged homes. (Source: "'Energized' or not, voters decide school tax today," Arkansas Democrat-Gazette, May 9, 2000.) However, many schools across the country provide academic excellence for all children, even those deemed "at-risk". One such school, KIPP Academy, a charter middle school located in Houston, Texas, served as a model for A+. Although KIPP has a 90% minority enrollment with a 95% free and reduced lunch rate, students consistently perform well above national and state averages on standardized tests."

> "Equal educational opportunity for minority students, one of the main goals in the integration of public schools, is not currently being met in Pulaski County. A+ plans to offer educational excellence to all students, refer to the goals for improving academic achievement as outlined in item #4, pages 13-17, and the educational program as discussed in item #5, pages 17-20.)"

Again, this is no longer mentioned in recent Academics+ submissions.

Academics+ also promised that:

> "To assist in the recruitment of black students from Little Rock, PCS has contracted with EduTeam International, Inc, a minority educational consulting firm."

There is no mention of EduTeam International, Inc. in any recent filings by Academics Plus.

The "Core Knowledge Sequence"

Attachment 3 to the original application at page 46 purports to be the "Introduction to Core Knowledge" and purports to explain:

> "What is the Core Knowledge Sequence?"

Attachment 3 states:

> "The Core Knowledge Sequence is a detailed outline of specific content to be taught in language arts, history, geography, mathematics, science, and the fine arts. As the core of the school's curriculum, it can provide a solid, coherent foundation of learning, while allowing flexibility to meet local needs."

While we acknowledge that Attachment 3 goes on to use a lot of words, we respectfully submit that nowhere within its four corners does it actually explain what in the world it is.

Attachment 3 continues at page 47. Academics Plus states there that:

> "For any curriculum to be both excellent and fair, it must demonstrate four qualities that we at the Core Knowledge Foundation refer to as the four S's: 1) shared, 2) solid, 3) sequenced, and 4) specific.

- Shared Knowledge – It is important for our children to share a body of knowledge for reasons that have to do with literacy, Americans' high mobility, and social cohesion.
- Solid Knowledge – It is knowledge that persists from generation to generation, indeed, that makes it possible for generation to communicate with another generation.
- Sequence Knowledge – Extensive research in learning theory has proven that children learn new knowledge by building on what they already know.
- Specific Knowledge – By specifying a core of knowledge that all children should share, we guarantee access to that knowledge. This insures that disadvantaged children do not suffer from low expectations and/or a watered-down curriculum."

Respectfully, this seems like just so much gobbledygook. Despite this observation, it may be important to note that the so called "Core Knowledge" concept is not mentioned in recent filings by the Academics Plus proponents nor do they mention any continuing adoption or use of the Kipp School Model.

Indeed, they do not set out any particular innovative model or unique approach to instruction in their filings of the last four or five years. They seem content to have simply become an ordinary school with results that no one can classify as extraordinary.

The Extended Instructional Day has Vanished

In Attachment 4 at page 50, a Commitment to Excellence Form is presented. Students are required to commit to remain at school until 5:00 p.m. except for Fridays (See page 50) and teachers commit to arrive by 7:45 and remain at A+ until 5:00 p.m. everyday except Friday.

The current website of Academics Plus states under the heading of "Afternoon Release Procedures" that now "the release time is 3:15 p.m. Apparently, the original promised instructional time extending until 5:00 p.m. has been abandoned. However, the daily schedule posted at 55 of the original application designated 8 periods with the period of 4:30 – 5:00 p.m. set aside for homeroom/sports/clubs. Reading, writing, spelling and communications workshops were to continue until 4:25 p.m.

Transportation

According to an e-mail dated January 26, 2015 from Chris Pegg to Stephanie Harris, 11 children are transported in the morning and 13 in the afternoon.

Further, according to FOIA documents, no more than 9 and as few as 7 students avail themselves of Central Arkansas Transit bus passes to attend Academics Plus.

The enrollment race report shows another slight dip in African-American enrollment which is now down to 15% with white enrollment creeping up to a level that is now 77%.

Special Education

According to documents obtained pursuant to the Arkansas Freedom of Information Act, Academics Plus budgeted $1,409.93 for speech pathology for fiscal year 15 and $1,409.93 for physical/occupational therapy for a total of $2,819.86 for special education as established by a report dated October 24, 2014.

An additional report also dated October 24, 2014 seems to indicate an appropriation for a resource room of $2,396.42.

2013-2014 finances, depicted as a pie chart, apparently do not include enough expenditures for transportation or special education to even express those expenditures as a percentage of the total school's budget.

In short, APCS has failed to support the current application. If copies of documents we refer to are needed, they are available upon request.

Thank you very much.

Cordially yours,

MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.

By

M. Samuel Jones, III

MSJ/lo
JG:lo

cc: Cindy Hogue, Director – via e-mail
Office of Education Options
Rob McGill – via e-mail
Dr. Jerry Guess – via e-mail
Dr. Robert Clowers – via e-mail

PULASKI COUNTY SPECIAL SCHOOL DISTRICT

Office of the Superintendent

February 2, 2015

Panel Members
Charter Authorizing Panel
c/o Cindy Hogue
Arkansas Department of Education
Four Capitol Mall, Box #6
Little Rock, AR 72201

Re: Notice of Charter Authorizing Panel Hearing
Academics Plus Charter School

Ladies & Gentlemen:

Please accept this letter as part of the PCSSD "paper opposition" to the charter school renewal applications submitted by Academics Plus in December. As it has consistently done in the past, PCSSD opposes both the requested enrollment increase and the requested increase in the length of the charter largely for the same reasons that State Board of Education members articulated when these matters previously came before the state board (please see state board minutes dated February 14, 2011). In addition to this paper submission, we plan to submit an electronic supplement on or before February 11, 2015.

Before addressing the particulars of the Academics Plus application, PCSSD thinks it is important to remind the panel that while Academics Plus claims some successes, nowhere in the renewal application is there any description of any innovative instructional techniques calculated to result in extraordinary student gain and growth. We understand these to be the reason that the charter school experiment was authorized in the beginning. PCSSD simply believes that when viewed as a whole, Academics Plus cannot demonstrate innovation, and cannot demonstrate growth above what one would expect of an essentially homogenous middle class student body, a student body that cannot be reasonably compared to schools in the PCSSD or statewide, a factor which has been emphasized by previous state boards of education.

The Vision Statement

The current application for a new charter school requires that the applicant provide the mission statement of the proposed school. See page 4 of 2014 application.

The APCS mission statement is found at its website under the category of "state required reports" and is part of the annual report.

Academics Plus supplies the same mission statement it has historically set out. This includes promising an academically rigorous college preparatory program regardless of

student status and the expectation that all children can learn when challenged by big expectations, etc.

The 2014 Application Requirements

The next section of the application requires the applicant to describe the key programmatic features that the school will implement to accomplish the mission.

Page 10 of the 2014 application requires the applicant to "Describe the innovations that will distinguish the charter from other schools."

Section 8 of the 2014 application requires the applicant to explain how certain student services, including the guidance program, health services, media center, special education, transportation, alternative education, English language learners and gifted and talented programs would be delivered.

Its vision statement, also found within its website, and required by the 2014 charter application for new charter schools, again reiterates its goal to be the most successful college preparatory school in the country. However, one can examine the four corners of the current application and find no evidence of success in meeting the vision statement, no convincing evidence regarding innovative strategies to realize the mission statement and no explanation of why Academics Plus fits the criteria for entitlement to a charter.

Further, Academics Plus minority enrollment continues at a low level with insufficient sub-populations to demonstrate or even measure growth by sub-populations.

The report contains an enrollment race breakdown showing that its African-American population is only 16%.

The Pending Application

The current application begins with a desegregation analysis and a description of its claimed progress since approximately 2012.

It boasts that it has achieving schools but given its largely middle class student body it should have these results.

It gives non-particularized statements regarding transportation, but simply stated, no meaningful or enlightening evidence is presented that Academics Plus is offering transportation or transporting a significant number of students to change its core student body.

2012-2013 finances are likewise shown. Only 3% of its total budget is devoted to child nutrition; there are no expenditures shown for student transportation.

Recruitment

Probably the most significant thing about the recruitment description is there is no affirmative statement that recruitment promises transportation. This makes one wonder if the described recruitment efforts are actually hollow if no transportation is promised.

Academics

Nowhere in this analysis does the Academics Plus application make any reference to the Dear Colleague letter. At page 15 Academics Plus makes the statement that quality teachers are the number one reason APSC student achievement has increased during the past several years. While that is certainly an excellent goal to seek, there is nothing innovative about any school district seeking to hire quality teachers.

At page 16, Academics Plus laments the fact that high school math teachers are the most difficult positions to fill and that it's challenging to find quality math teachers and even harder to keep them since there is a state-wide shortage. This statement is illuminating, and PCSSD does not quarrel with it. However, this lack of high quality math teachers, especially in quantity, is not a new phenomenon. It has existed in Arkansas during the entirety of Academics Plus history. Nevertheless, Academics Plus chose to promise student gains in math courses as its primary emphasis. To PCSSD, this is the area where Academics Plus should have displayed innovation and creativity in determining how to deliver math instruction in a way that justifies its charter and all of the exemptions it has been allowed.

Academics Plus Bar Graphs

For the most part, Academics Plus continues to lag behind the state in most academic assessment categories. PCSSD believes this is a significant indicator that Academics Plus is nowhere near approaching its goal of being the best college preparatory school in the country.

The same is true on the graph showing other comparisons between Academics Plus and the state overall.

Another chart shows 3 year ACT overall comparisons to itself and the results are either declining or flat at best. This is an indicator that Academics Plus is enrolling middle class students who perform well when entering school and show good test outcomes in the early grades but who do not maintain this status and show losses as they enter the high school years.

Stated another way, in the face of the lack of enough highly qualified math teachers, a charter application describing this problem that as the beginning point but then describing and promising strategies of innovation and creativity to overcome that shortage would be a compelling reason to grant the charter in the first place, or to extend it if the results met the promises and goals.

However, Academics Plus seems to be doing just the opposite and relying on the fact that Arkansas lacks sufficient math teachers as an excuse to explain why it is not realizing all its goals in math, why it has to emphasize improvement in math instead of producing extraordinary math gains superior to similar peer schools. These are factors which militate against an enrollment increase or extension of its charter until such a demonstration is made. If they cannot make it, they should not receive an enrollment increase or an extension of their charter.

The Annual Report

It is instructive to look at the goals now articulated by Academics Plus as set forth in the annual report at its website.

They wish to improve literacy skills, increase math skills, improve physical fitness and nutritional well being. None of these are any different from goals at any other traditional school.

Under the actions section of the state report, the reader can scrutinize the actions to be implemented and readily see that they indicate nothing unique or innovative as an instructional or curriculum strategy.

In discussing the high school, Academics Plus highlights a 2013 graduate who completed forty-five credit hours during high school. Such students are not unique to Academics Plus.

While for one of the first times Academics Plus discusses special education, one must question their real commitment to this when one sees that the budget proposed for special education is de minimis.

As we understand the deadlines, this current submission is due by February 4, 2015 with any electronic submission due by February 11, 2015.

Thank you very much.

Cordially yours,

Dr. Jerry Guess, Superintendent
PCSSD

JG:lo

cc: Cindy Hogue, Director – via e-mail
Office of Educational Options
Rob McGill – via e-mail

925 East Dixon Road ◊ Little Rock, Arkansas 72206
Phone: (501) 234.2001 ◊ Fax: (501) 490-0483 ◊ Email: jguess@pcssd.org

2015 Renewal Application Cycle

Notification of Charter Authorizing Panel Decision

Academics Plus
Maumelle, Arkansas

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 19, 2015

Mr. Rob McGill
900 Edgewood Drive
Maumelle, Arkansas 72113

RE: Notice of Charter Authorizing Panel Hearing Decision
Academics Plus Charter School

Dear Mr. McGill:

On February 18, 2015, the Charter Authorizing Panel met and approved the renewal application for Academics Plus Charter School for a period of 5 years with adjustments to the waivers requested. Ark. Code Ann. § 6-23-702(b)(2)(A) allows charter applicants and affected school districts **to request** that the State Board of Education review a final decision of the Charter Authorizing Panel. A request must state the specific reasons that the board should review the decision.

Ark. Code Ann. § 6-23-703(a) requires the State Board of Education to consider requests for review of Charter Authorizing Panel decisions at its next meeting after the decisions are made. Therefore, a review **request** must be submitted, via email, no later than **4:00 p.m. on Tuesday, February 24, 2015,** in order for the request to be included in the State Board of Education agenda materials for the meeting on March 12, 2015. Email the request to ade.charterschools@arkansas.gov. Be advised that the decision of whether to review a Charter Authorizing Panel decision is discretionary. See Ark. Code Ann. § 6-23-702(b)(3). Regardless of whether a review of the panel's decision is requested, the application will be an action item for the State Board of Education on March 12, and, at that time, the board will determine whether or not to review the panel's decision. If the State Board decides to review the panel's decision, the review will take place at a later meeting.

Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue

Cindy Hogue, Director
Office of Educational Options

C: Dr. Jerry Guess, Superintendent, Pulaski County Special School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

2015 Renewal Application Cycle

Materials Distributed by the Applicant at the Hearing

Academics Plus
Maumelle, Arkansas

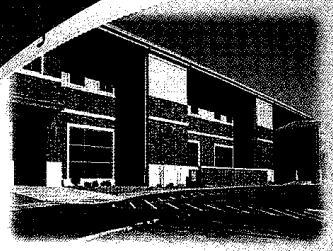
mission at
cademics Plus
chool is to provide
mically rigorous
preparatory program
students regardless of
ethnic origins, national
ground, or socio-
omic level. All children
learn when challenged by
expectations. We believe
attitude, behavior,
ndance and effort, as well
bility, determine academic
ess.

t is the vision
cademics Plus
chool to be the
rforming college
educational
merica.

Hours
m.

Plus Charter School
ood Drive
R 72113

PRSRT STD
U.S. Postage
Paid
Little Rock, AR
Permit No. 1357



District Office 501.803.9730

Elementary 501.803.0066

High School 501.851.3333

Producing High Performers!

www.academicsplus.org

900 Edgewood Drive
Maumelle, AR 72113

Elementary School

We Are Growing! Plans are underway to add 16 new state of the art classrooms and a cafeteria to the elementary building, which will then house students in kindergarten through 8th grade. Construction is scheduled to be completed by July 2016.

About Us

- There is **no tuition** for a student to attend APCS.
- We have a safe, nurturing environment, and we offer opportunities for enrichment and tutoring based on the individual needs of all students.
- APCS uses an extended school day and a highly focused curriculum to improve the academic success of our students.
- We encourage innovative teaching practices to increase opportunities for learning.
- We provide a choice in the education of children.

Extracurricular Activities

2A Conference in Sports; Basketball, Baseball, Bowling, Soccer, Softball, Track & Tennis. Band, Choir, Quiz Bowl, Student Government, Lego Robotics, National Honor Society, Odyssey of the Mind/Destination Imagination, Yearbook and many others.

Transportation

APCS offers daily school bus transportation for students in the Palarm, Marche, and Oak Grove communities.

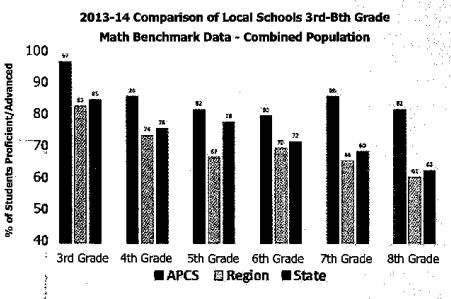
[illegible]sportation is also available upon request for [illegible] at no cost through the Central [illegible] System.

Awards

- Recognized by the Arkansas Department of Education and the State Board of Education as a REWARD school for student achievement!
- Classified as an "ACHIEVING" school according to the Arkansas Department of Education.
- The Office of Education Policy at the University of Arkansas has recognized APCS for several awards:
  - December 2014 - Most Improved Elementary Math, Most Improved Biology, Most Improved Middle School Math.
  - October 2014 - High Achieving High School. Ranked 12th in the State and 4th in central Arkansas for student performance on the Biology End of Course Exam.
  - September 2014 - High Achieving Elementary School by being in the top 25 schools in Arkansas for literacy achievement.
  - December 2013 - Most Improved Geometry.

Test Scores

APCS consistently and significantly outperforms the Region and the State on benchmark exams.



Middle & High School

APCS provides each high school student in grades 10-12 the opportunity to earn up to 45 college credit hours AT NO CHARGE. That's up to 3 semesters of **free college** by the time students leave high school!

Enrollment & Lottery Process

As an open-enrollment public charter school, APCS conducts a random, anonymous student selection lottery to determine enrollment for the following school year.

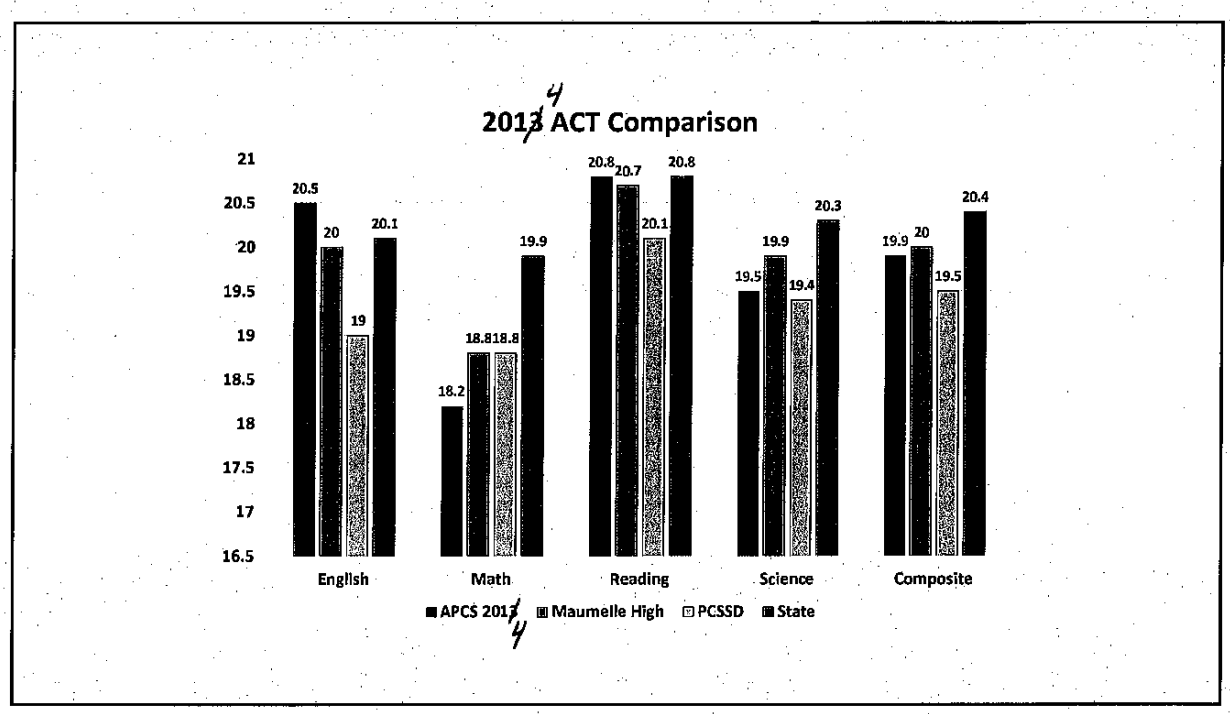
Applications for the 2015-16 school year must be submitted by March 2, 2015 in order to participate in the lottery. The lottery will be held on March 3, 2015 at 4:00 p.m. in the cafeteria.

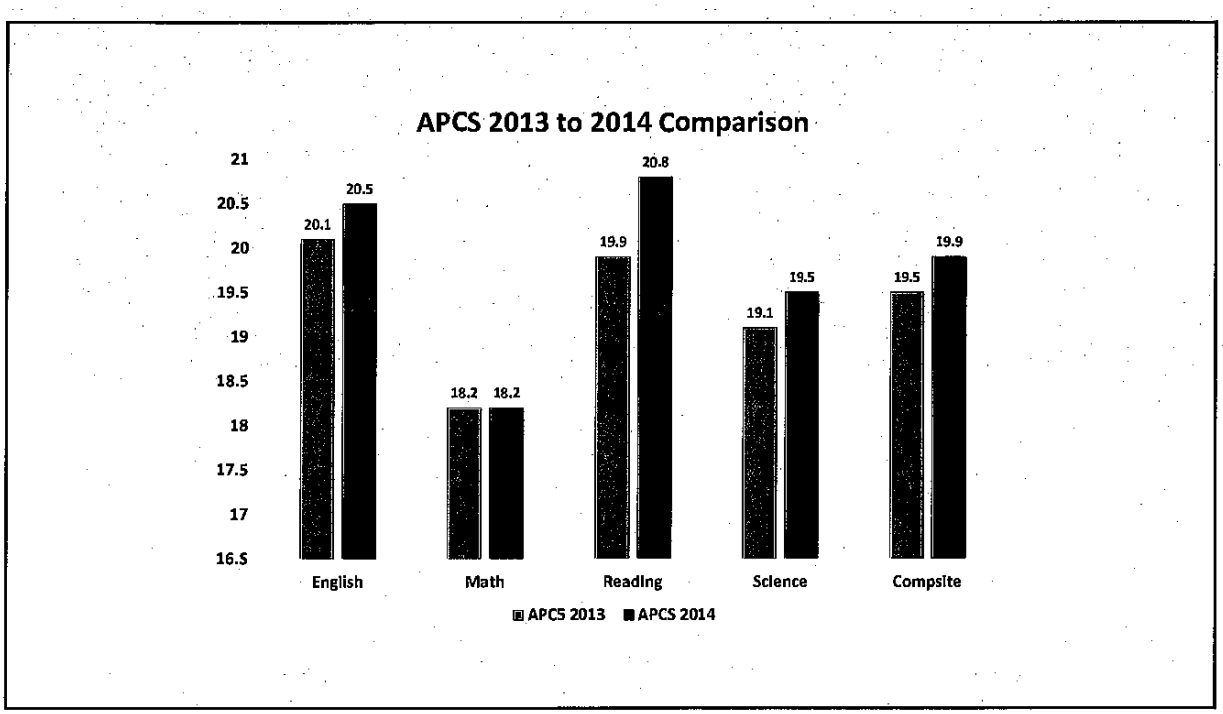
Students who apply after the deadline will be assigned slots as their applications are received, if space is available. If space is not available, these students will be placed on the waiting list in the order applications are received, behind students participating in the lottery.

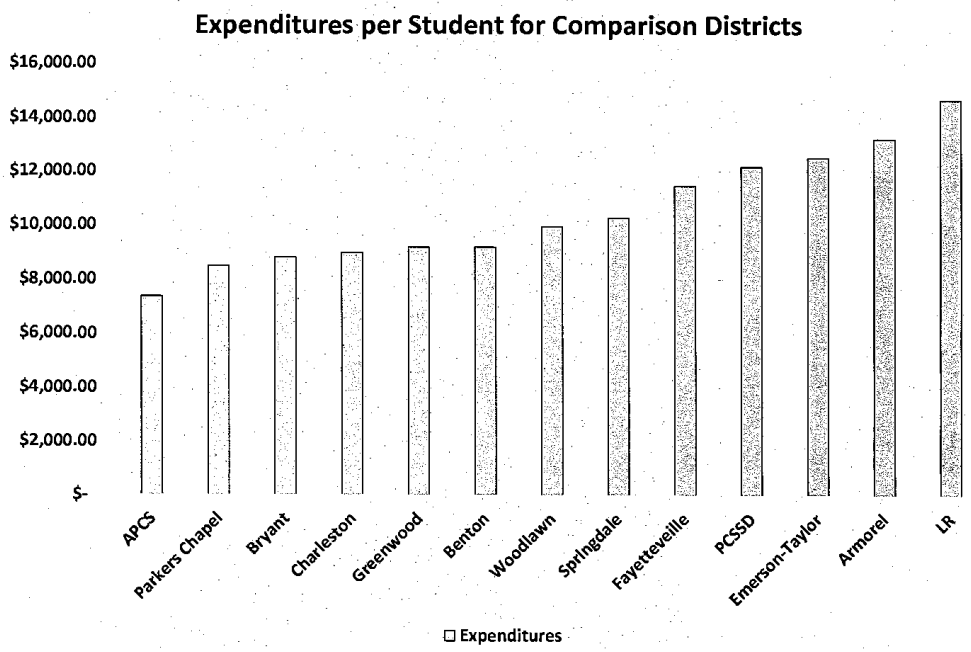
The lottery will be conducted by grade level, with priority given to lower levels until our student cap is met. Students will be accepted for enrollment for all grade levels on a space available basis.

Siblings of current students and employees' children are given preference in the admissions process. Space must be available in the grade level requested for them to be enrolled.

For more information on the lottery process, transportation, or to schedule a tour, contact the district registrar at (501) 803-0066 or registrar@academicsplus.org


2013 ACT Comparison
21
20.5
20
19.5
19
18.5
18
17.5
17
16.5
20.5
20
19
20.1
18.2
18.8
18.8
19.9
20.8
20.7
20.1
20.8
19.5
19.9
19.4
20.3
19.9
20
19.5
20.4
English
Math
Reading
Science
Composite
APCS 2013
Maumelle High
PCSSD
State


APCS 2013 to 2014 Comparison
21
20.5
20
19.5
19
18.5
18
17.5
17
16.5
20.1
20.5
18.2
18.2
19.9
20.8
19.1
19.5
19.5
19.9
English
Math
Reading
Science
Compsite
APCS 2013
APCS 2014


Expenditures per Student for Comparison Districts
$16,000.00
$14,000.00
$12,000.00
$10,000.00
$8,000.00
$6,000.00
$4,000.00
$2,000.00
$-
APCS
Parkers Chapel
Bryant
Charleston
Greenwood
Benton
Woodlawn
Springdale
Fayetteville
PCSSD
Emerson-Taylor
Armorel
LR
Expenditures

2015 Renewal Application Cycle

Materials Submitted in Opposition at the Hearing

Academics Plus
Maumelle, Arkansas

MITCHELL | WILLIAMS

M. Samuel Jones, III
Direct Dial: 501-688-8812
E-mail: sjones@mwlaw.com

425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201-3525
Telephone: 501-688-8800
Fax: 501-688-8807

February 11, 2015

Panel Members
Charter Authorizing Panel
c/o Cindy Hogue
Arkansas Department of Education
Four Capitol Mall
Little Rock, AR 72201-1019

Re: Notice of Charter Authorizing Panel Hearing
Academics Plus Charter School

Dear Ms. Hogue:

Please accept and distribute this letter and exhibits as a supplement to the PCSSD opposition to Academics Plus request for an enrollment expansion and extension of its Charter.

The ACT Results

Toward the bottom of the pile of documents produced by Academics Plus in response to the PCSSD's FOIA request is a document dated August 20, 2014 from the ACT. It is attached as Exhibit 1. It is addressed to the principal and states in the beginning that:

> "This report reflects the achievement of your graduates on the ACT over time and an indication of the extent to which they are prepared for college level work."

Despite Academics Plus vision statement to be the highest performing college preparatory school in the country, the fact is that its students consistently lag behind the state average in all categories reported by the ACT.

In particular, in college Algebra, most of the students at Academics Plus, based on ACT results, are not college ready and except for English Composition, fewer than half of the students at Academics Plus appear to be college-ready. Indeed, this analysis by the ACT indicates that only 14% of the students graduating from Academics Plus are college-ready in the four categories reported.

While the state results are not immensely better, they are better overall. This report is hardly an indication that Academics Plus is doing anything to justify a continuation of its charter.

The 2014 Annual Report

Since our letter to the panel dated February 3, 2015, Academics Plus has finally posted its 2013-2014 Annual Report on its website.

It begins with the same mission statement previously noted which offers nothing unique with the familiar slogan that all children can learn when challenged by high expectations, etc. The vision statement remains the same: It is our vision to be the highest performing college preparatory educational institution in America.

The recognitions page of the website recites that most schools are "achieving" and that the high school received an award for "most improved geometry."

Under the category of test scores, A Plus boasts that it outperforms the Pulaski County public schools as well as Conway in areas tested, but there is no "control" for poverty or similar distinctions among Academics Plus and the public school districts to which it chooses to compare itself. Despite this omission, it is interesting to note that Academics Plus often lags behind the Conway School District in many of the comparisons it chooses to publish on its website despite the lack of "control" for socioeconomic status or poverty differences.

No Innovation or Uniqueness is Shown

An analysis of Arkansas Districts similar to APCS is attached as Exhibit 2. When controls are made for poverty APCS is exposed as merely ordinary.

Later in the website, if one examines the A Plus school improvement indicators selected by Academics Plus, the evaluator will see that the goals and objectives differ not at all from those of traditional public schools in Arkansas. In other words, the innovation upon which justification for such open enrollment charter schools was based remains singularly lacking in the case of Academics Plus.

References to Common Core, analyzing test data, identifying student needs and training in math instruction simply fail to show anything distinctive about the approach or delivery of academic services by Academics Plus.

Indeed, under the heading of additional actions to increase learning, the strategies set out including professional development, multiple sources of technology, and the offering of a rich curriculum as well as e-mail and service on school committees hardly distinguishes Academics Plus from traditional public schools in Arkansas. At the high school level, Academics Plus promises to engage students with a rigorous model of instruction aligned with Common Core, that teachers will use student learning data to identify needs for instructional support and that they will create assessments to help students and that last year they used data to assess the strength of students in math and will provide a math foundation class. They will also remediate students and use Title I funds to purchase materials to enhance learning of targeted students and will help students raise their ACT scores. Teachers will emphasize writing and high school students will have a writing help class; teachers will have access to professional development and that the school will provide a special education supervisor as well as other traditional strategies such as Pathwise, parental involvement plans, homework and academic alerts.

The website concludes with descriptions of such traditional public school offerings as concurrent credits, AP courses, and clubs and activities including a Lego club, a year book, tennis, golf and a jazz band.

The Original Application From 2000

In its application process, requirements for admission, Academics Plus states that its students "will leave high school 'college ready' ".

In other documents obtained pursuant to the FOIA and under the heading of what is a charter school, Academics Plus explains that "a charter school is a form of public school that is waived from some of the restrictive laws that govern traditional public schools. This allows a charter school more flexibility to implement creative and innovative programs and policies. In return for this freedom, a charter school is held more accountable for student success. ... we are expected to produce better results."

Further, APCS explains that "APCS uses an extended school day and a highly focused curriculum to improve the academic success of the students. We also encourage innovative teaching practices to increase opportunities for learning."

Later in this section, APCS explains that APCS was the first of these flagship schools and is the oldest charter school in Arkansas.

> "Our vision – It is the vision of Academics Plus Charter School to be the highest performing college preparatory educational institution in America. Our Mission – The mission of Academics Plus Charter School is to provide an academically rigorous college preparatory program for all students regardless of race, ethnic origins, national background, or socioeconomic level. All children can learn when challenged by high expectations. We believe that attitude, behavior, attendance and effort, as well as ability, determine academic success. About Us – APCS uses an extended school day and a highly focused curriculum to improve the academic success of the students. We also encourage innovative teaching practices to increase opportunities for learning. We have a safe, nurturing environment, and we offer after school opportunities for enrichment and tutoring based on the individual needs of all students. We provide a choice in the education of children. There is no tuition for a student to attend APCS."

Departures from the Original Application

The original application for Academics Plus proposed grades 6 and 7. It was dated to open in 2001-2002.

At page 2, the application states that "A+ will rely primarily on the Core Knowledge Sequence, developed by Dr. E.D. Hirsch, Jr. supplemented with experiential learning."

PCSSD finds no recent mention of Dr. E.D. Hirsch, Jr. in Academics+ submissions.

On page 2 under the heading of Impact on Desegregation Efforts, A+ pledged that:

> "the founders of A+ envision a school that will serve a diverse student population that is reflective of this large geographic area from which students come. A+ ensures compliance with the Pulaski County Special School District (PCSSD) desegregation order of 20-41% minority students for secondary schools and firmly believes the charter school will not negatively impact the racial balance of PCSSD or the Little Rock and North Little Rock School Districts. Additionally, A+ will meet all other obligations in hiring faculty and staff, maintaining diversity on the Board of Trustees of Pulaski Charter School, Inc. (PCS) and in any other areas of the desegregation order."

Academics Plus now simply submits desegregation is no longer an issue.

At page 3, A+ pledges that:

> "The founders, faculty, staff and parents of A+ will work together with the goal of eliminating gaps in test scores that may exist between white and black students."

However, Academics Plus never recruited enough African-American students to make this comparison or to pronounce achievement with this goal.

The original application and justification stated:

> "After years of desegregation of the three Pulaski County school districts, racial disparity in student achievement remains. Recently district officials in Little Rock 'acknowledged below-average test scores' in its school district but blamed it on high percentages of minority students from economically disadvantaged homes. (Source: "'Energized' or not, voters decide school tax today," Arkansas Democrat-Gazette, May 9, 2000.) However, many schools across the country provide academic excellence for all children, even those deemed "at-risk". One such school, KIPP Academy, a charter middle school located in Houston, Texas, served as a model for A+. Although KIPP has a 90% minority enrollment with a 95% free and reduced lunch rate, students consistently perform well above national and state averages on standardized tests."

> "Equal educational opportunity for minority students, one of the main goals in the integration of public schools, is not currently being met in Pulaski County. A+ plans to offer educational excellence to all students, refer to the goals for improving academic achievement as outlined in item #4, pages 13-17, and the educational program as discussed in item #5, pages 17-20.)"

Again, this is no longer mentioned in recent Academics+ submissions.

Academics+ also promised that:

> "To assist in the recruitment of black students from Little Rock, PCS has contracted with EduTeam International, Inc, a minority educational consulting firm."

There is no mention of EduTeam International, Inc. in any recent filings by Academics Plus.

The "Core Knowledge Sequence"

Attachment 3 to the original application at page 46 purports to be the "Introduction to Core Knowledge" and purports to explain:

> "What is the Core Knowledge Sequence?"

Attachment 3 states:

> "The Core Knowledge Sequence is a detailed outline of specific content to be taught in language arts, history, geography, mathematics, science, and the fine arts. As the core of the school's curriculum, it can provide a solid, coherent foundation of learning, while allowing flexibility to meet local needs."

While we acknowledge that Attachment 3 goes on to use a lot of words, we respectfully submit that nowhere within its four corners does it actually explain what in the world it is.

Attachment 3 continues at page 47. Academics Plus states there that:

> "For any curriculum to be both excellent and fair, it must demonstrate four qualities that we at the Core Knowledge Foundation refer to as the four S's: 1) shared, 2) solid, 3) sequenced, and 4) specific.

- Shared Knowledge – It is important for our children to share a body of knowledge for reasons that have to do with literacy, Americans' high mobility, and social cohesion.
- Solid Knowledge – It is knowledge that persists from generation to generation, indeed, that makes it possible for generation to communicate with another generation.
- Sequence Knowledge – Extensive research in learning theory has proven that children learn new knowledge by building on what they already know.
- Specific Knowledge – By specifying a core of knowledge that all children should share, we guarantee access to that knowledge. This insures that disadvantaged children do not suffer from low expectations and/or a watered-down curriculum."

Respectfully, this seems like just so much gobbledygook. Despite this observation, it may be important to note that the so called "Core Knowledge" concept is not mentioned in recent filings by the Academics Plus proponents nor do they mention any continuing adoption or use of the Kipp School Model.

Indeed, they do not set out any particular innovative model or unique approach to instruction in their filings of the last four or five years. They seem content to have simply become an ordinary school with results that no one can classify as extraordinary.

The Extended Instructional Day has Vanished

In Attachment 4 at page 50, a Commitment to Excellence Form is presented. Students are required to commit to remain at school until 5:00 p.m. except for Fridays (See page 50) and teachers commit to arrive by 7:45 and remain at A+ until 5:00 p.m. everyday except Friday.

The current website of Academics Plus states under the heading of "Afternoon Release Procedures" that now "the release time is 3:15 p.m. Apparently, the original promised instructional time extending until 5:00 p.m. has been abandoned. However, the daily schedule posted at 55 of the original application designated 8 periods with the period of 4:30 – 5:00 p.m. set aside for homeroom/sports/clubs. Reading, writing, spelling and communications workshops were to continue until 4:25 p.m.

Transportation

According to an e-mail dated January 26, 2015 from Chris Pegg to Stephanie Harris, 11 children are transported in the morning and 13 in the afternoon.

Further, according to FOIA documents, no more than 9 and as few as 7 students avail themselves of Central Arkansas Transit bus passes to attend Academics Plus.

The enrollment race report shows another slight dip in African-American enrollment which is now down to 15% with white enrollment creeping up to a level that is now 77%.

Special Education

According to documents obtained pursuant to the Arkansas Freedom of Information Act, Academics Plus budgeted $1,409.93 for speech pathology for fiscal year 15 and $1,409.93 for physical/occupational therapy for a total of $2,819.86 for special education as established by a report dated October 24, 2014.

An additional report also dated October 24, 2014 seems to indicate an appropriation for a resource room of $2,396.42.

2013-2014 finances, depicted as a pie chart, apparently do not include enough expenditures for transportation or special education to even express those expenditures as a percentage of the total school's budget.

In short, APCS has failed to support the current application. If copies of documents we refer to are needed, they are available upon request.

Thank you very much.

Cordially yours,

MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.

By

M. Samuel Jones, III

MSJ/lo
JG:lo

cc: Cindy Hogue, Director – via e-mail
Office of Education Options
Rob McGill – via e-mail
Dr. Jerry Guess – via e-mail
Dr. Robert Clowers – via e-mail

3688681.1

#15

ACT®

[redacted]

August 20, 2014
Code: 041528

PRINCIPAL
ACADEMICS PLUS CHARTER SCHOOL
900 EDGEWOOD DR
MAUMELLE, AR 72113

011081110

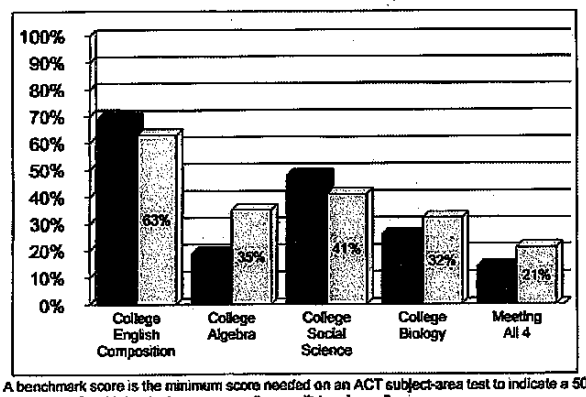
This report reflects the achievement of your graduates on the ACT over time and an indication of the extent to which they are prepared for college-level work. The ACT consists of curriculum-based tests of educational development in English, mathematics, reading, and science designed to measure the skills needed for success in first year college coursework. Table 1 shows the five-year trend of your ACT-tested graduates. Beginning with the 2013 Graduating Class, all students whose scores are college reportable, both standard and extended time tests, are now included in this report.

Table 1: Five Year Trends - Average ACT Scores

[redacted]

Grad Year	School	State	School	State	School	State	School	State	School	State	School	State
2010	30	24,578	21.2	20.1	18.3	19.9	22.6	20.8	20.1	20.2	20.7	20.3
2011	22	27,020	21.9	19.6	19.7	19.7	22.2	20.2	20.0	19.8	21.1	19.9
2012	47	28,058	21.4	20.0	19.8	20.0	20.9	20.6	21.0	20.1	20.9	20.3
2013	38	25,875	20.1	19.9	18.2	19.9	19.9	20.5	19.1	20.1	19.5	20.2
2014	42	26,821	20.5	20.1	18.2	19.9	20.8	20.8	19.5	20.3	19.9	20.4

Figure 1. Percent of ACT-Tested Students Ready for College-Level Coursework



Are Your Students Ready for College?
While students will pursue a variety of paths after high school, all students should be prepared for college and work. Through collaborative research with postsecondary institutions nationwide, ACT has established the following as college readiness benchmark scores for designated college courses:

* English Composition: 18 on ACT English Test
* Algebra: 22 on ACT Mathematics Test
* Social Science: 22 on ACT Reading Test
* Biology: 23 on ACT Science Test

A benchmark score is the minimum score needed on an ACT subject-area test to indicate a 50% chance of obtaining a B or higher or about a 75% chance of obtaining a C or higher in the corresponding credit-bearing college courses.

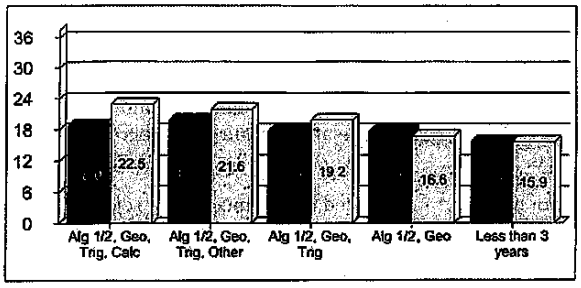
A District College Readiness Letter has been sent to the Superintendent of the district.

[redacted]

Exhibit 1

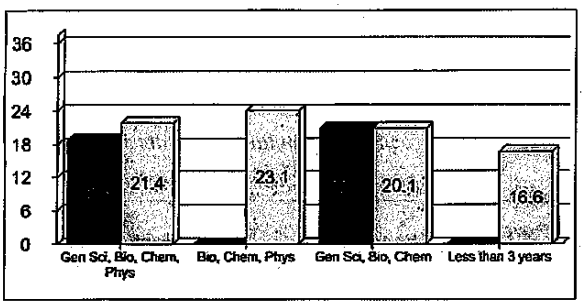
ACT Research hes shown that it is the rigor of coursework - rather than simply the number of core courses - that haa the greatest impact on ACT performance end college readiness. Figures 2 and 3 report the value added by increasingly rigorous coursework in methemetics and science respectively.

Figure 2. Averege ACT Mathematics Scores by Course Sequence



Value Added by Mathematics Courses
Students who take a minimum of Algebra 1, Algebra 2, end Geometry typically echieve higher ACT Mathematics scores than students who take less than three years of mathemetics. In addition, students who take more advenced mathemetics courses substantially increase their ACT Methematics score.

Figure 3. Average ACT Science Scores by Course Sequence



Value Added by Science Courses
Students taking Biology end Chemistry in combination with Physics typically achieve higher ACT Science scores than students taking less then three years of science courses.

In order to ensure that all students are ready for college and work, en overview of vitat action stepe is provided.

College Readiness for All: An Action Plan for Schools and Districts

1. **Create e Common Focus**. Estsblish collaborative pertnerships with locat and state postsecondary institutions to come to e shared understanding of what students need to know for college and workplace readiness. Use ACT's College Readiness Standards and the ACT as a common language to define readiness.
2. **Establish High Expectationa for All.** Create a school culture that identifies and communicates the need for all students to meet or exceed College Readiness Benchmark Scores.
3. **Require e Rigorous Curriculum.** Review and evaluate the rigor and elignment of courses offered and required in your school in English, mathematics, end science to ensure that the foundational skills leading to readiness for college-level work are taught, reaffirmed, and articulated across courses.
4. **Provide Student Counseling.** Engage all students in early college and career awareness, help them to set high eepirations, and ensure thet they plan e rigorous high school coursework program.
5. **Measure and Evaluate Progress**. Monitor and measure every student's progress early and often using college readiness assessments like EXPLORE, PLAN and the ACT. Make timely interventions with those students who are not making adequete progress in meeting college readiness standards.

To learn mora ebout these recommended action steps and ACT programs that will help improve college readiness for your students, contact ACT Customer Service et 319-337-1309 or customerservices@act.org.

A basic statistic, the Pearson correlation coefficient, was used to look at the strength of the relationship between poverty rates and proficiency percentages.

More specifically, this statistic was run on districts with two schools and with enrollments of roughly 600 to 800 students, which reflect peer districts of Academics Plus Charter School (APCS).

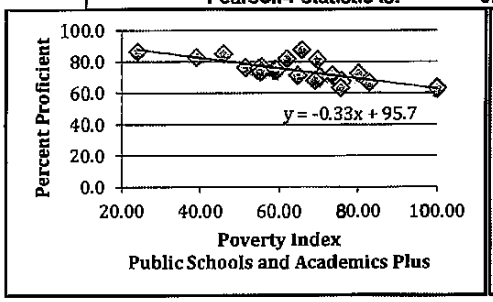
- When this statistic was run for the group of 23 school districts, the statistic came out at **-0.78**.
- When this statistic was run for the group of 22 school districts, which excluded Academics Plus, the statistic came out at **-0.74**.
- The value of this statistic may range from -1 to +1 (i.e., negative one to positive one).
- A correlation of 0.80 (absolute value) but may be regarded as very high in the social sciences.
- Both with and without Academics Plus included in the statistic, the correlation is high.
- Footnote that Benton County School of Arts and Lisa Academy were removed from this correlation study so that Academics Plus could be gauged relative to the other regular, public schools in this student population range.

It is informative to note that when Academics Plus is included in this mix the correlation coefficient increases just slightly. This is interpreted to mean that Academics Plus makes the poverty rate/percent proficient relationship just slightly stronger, yet confirms that Academics Plus fits in with its peer public school districts on the poverty/proficiency relationship.

Because this statistic went up slightly with Academics Plus added in, this translates to their having a slightly stronger relationship between poverty and proficiency; that is, more exclusive, given that Academics Plus has the lowest poverty rate among these peers.

- *This exercise clearly demonstrates a strong relationship between a district's poverty index and the percentage of students scoring proficient or advanced.*
- *A regular, non-chortered district would appeor to produce similar test results as Academics Plus.*
- *Said another way, Academics Plus would appear to produce similar test results as a regular school district.*

2012-2013 Report Cards Arkansas Districts of 2 Schools & Enrollment of 600-800 (+/-10)	% Poverty Rate	% Prof/Adv. 2014		% Poverty Rate	% Prof/Adv. 2014
Academics Plus School District	24.00	86.4		*Without APCS*	*Without APCS*
Salem School District	65.70	87.7		65.70	87.7
Magnet Cove School District	45.91	85.0		45.91	85.0
Parkers Chapel School District	38.98	82.9		38.98	82.9
McCrory School District	61.88	82.0		61.88	82.0
Cotter School District	69.87	81.4		69.67	81.4
Pangburn School District	55.50	76.7		55.50	76.7
Smackover School District	51.45	76.3		51.45	76.3
East End School District	54.82	75.9		54.82	75.9
Carlisle School District	58.82	75.1		58.82	75.1
Hackett School District	59.31	74.8		59.31	74.8
Quitman School District	55.22	73.6		55.22	73.6
Two Rivers School District	80.05	72.6		80.05	72.6
Hector School District	73.40	71.4		73.40	71.4
Mamaduke School District	64.67	71.3		64.67	71.3
White Co. Central School Dist.	70.20	70.4		70.20	70.4
Mountain Pine School District	75.72	68.1		75.72	88.1
Hazen School District	69.01	68.0		69.01	68.0
Cross County School District	75.83	87.2		75.83	87.2
Lafayette County School District	82.87	66.6		82.87	66.6
Earle School District	100.00	63.7		100.00	63.7
England School District	75.49	63.3		75.49	63.3
Westside School District(Johnson)	100.00	83.0		100.00	63.0
Pearson-r statistic is:	**-0.78**			**-0.74**	



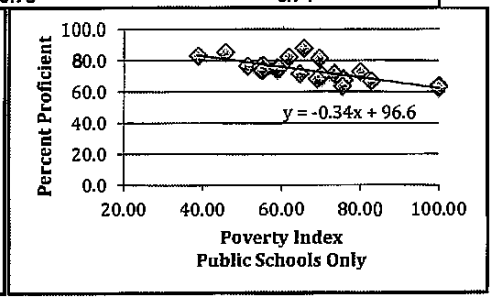


Exhibit 2

2015 Renewal Application Cycle

Additional Materials Submitted by the Applicant for the Hearing

Academics Plus
Maumelle, Arkansas

ACADEMICS PLUS

CHARTER SCHOOL

Overview…

- ✓ *Introduction* – Rob McGill
- ✓ *Elementary School Principal* – Diane Gross
- ✓ *High School Principal* – Kimberly Willis
- ✓ *Parent* – Robin Koch
- ✓ *Parent* – Donna Green
- ✓ *Conclusion* – Rob McGill

APCS is an Achieving School/District

✓ APCS Elementary School

- *Reward School*
- *Achieving*
- OEP Recognition
  - Most Improved Math
  - High Achieving "Overall" – Top 25 in Arkansas for Literacy

✓ APCS High School

- *Reward School*
- *Achieving* in Literacy, Graduation Rate and Percent Tested
- OEP Recognition
  - "High Achieving" High School – 12th in Arkansas for Biology EOC
  - Most Improved Geometry
  - Most Improved Middle Math
  - Most Improved Biology

Goals from 2012 renewal…

- ✓*Achieved* - Increase Writing Capacity
- ✓*Achieved* – Meet AMO in Literacy
- ✓*Progressing* – 70% of Students Meet NWEA Literacy Growth
- ✓*Achieved* – Meet AMO in Math
- ✓*Progressing* – 70% of Students Meet NWEA Math Growth
- ✓*Achieved* – Increase Concurrent Credit/AP by 2% per year
- ✓*Achieved* – 95% Acceptance Rate for Post Secondary or Military

Progressing Goals…

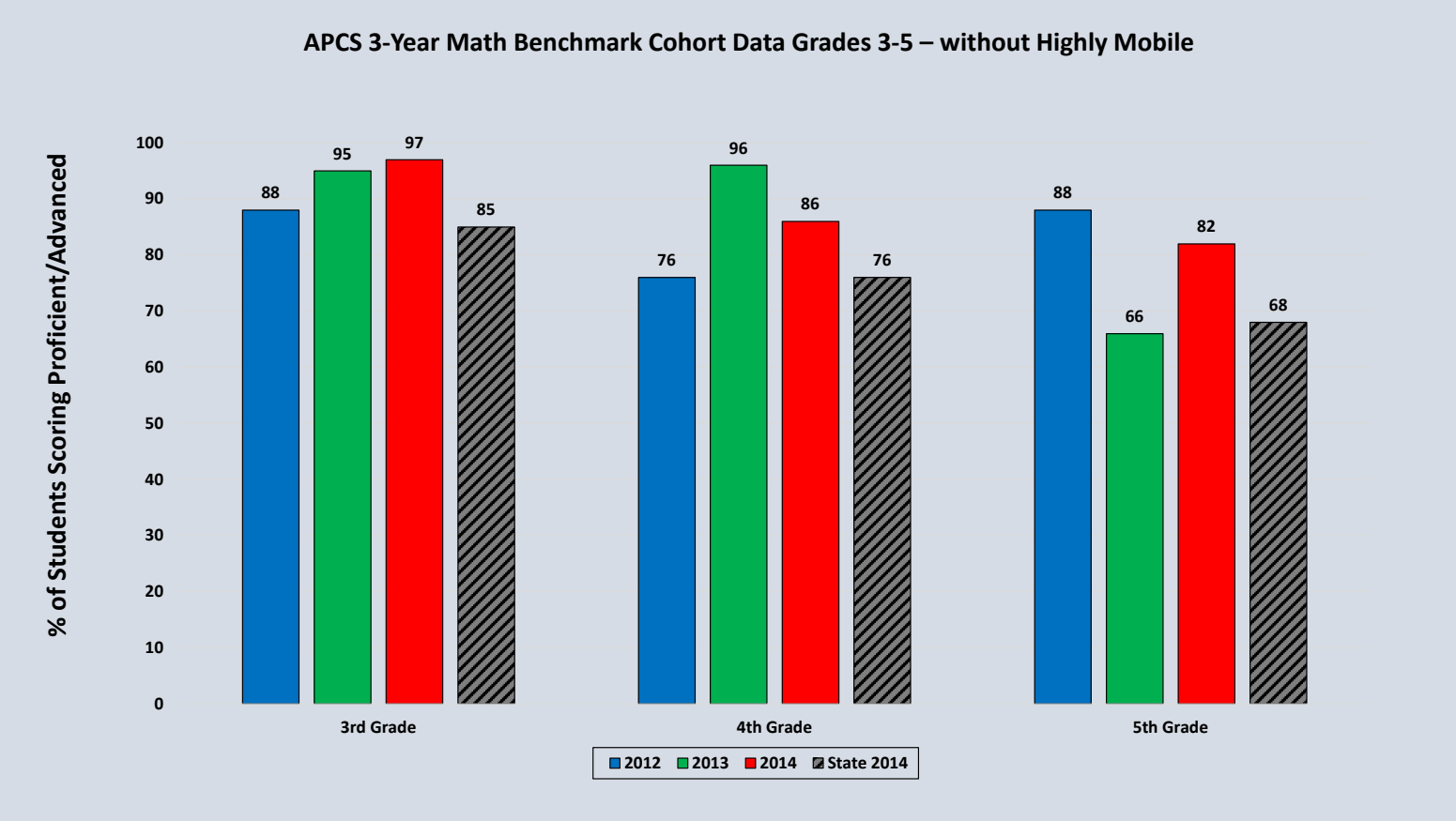
✓ *70% of Students Meet NWEA Literacy Growth*

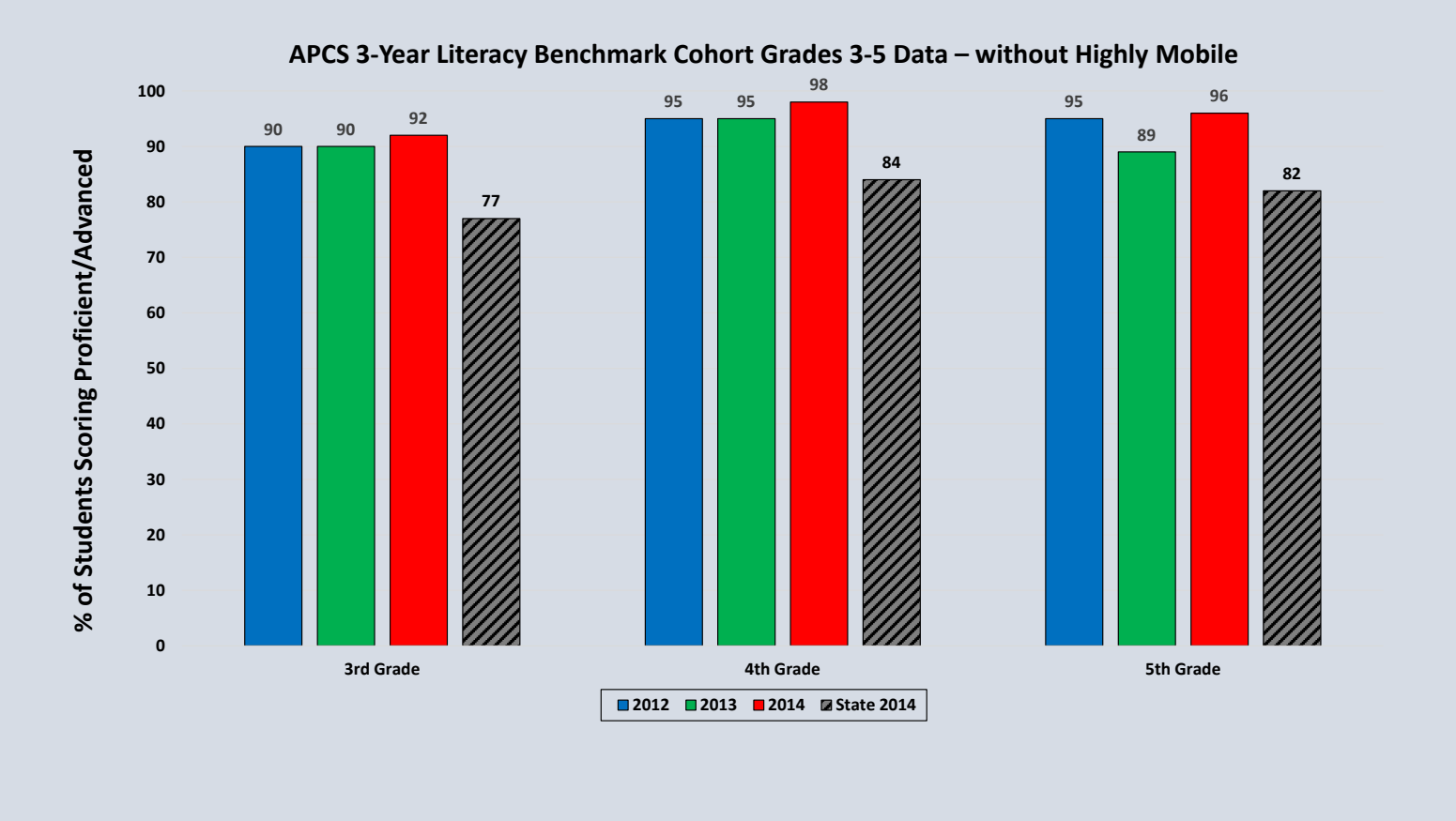
- 2013-2014 = 59% of Students Met Their Goal
- 2012-2013 = 41% of Students Met Their Goal

✓ *70% of Students Meet NWEA Math Growth*

- 2013-2014 = 61% of Students Met Their Goal
- 2012-2013 = 61% of Students Met Their Goal

ACADEMICS PLUS CHARTER ELEMENTARY SCHOOL

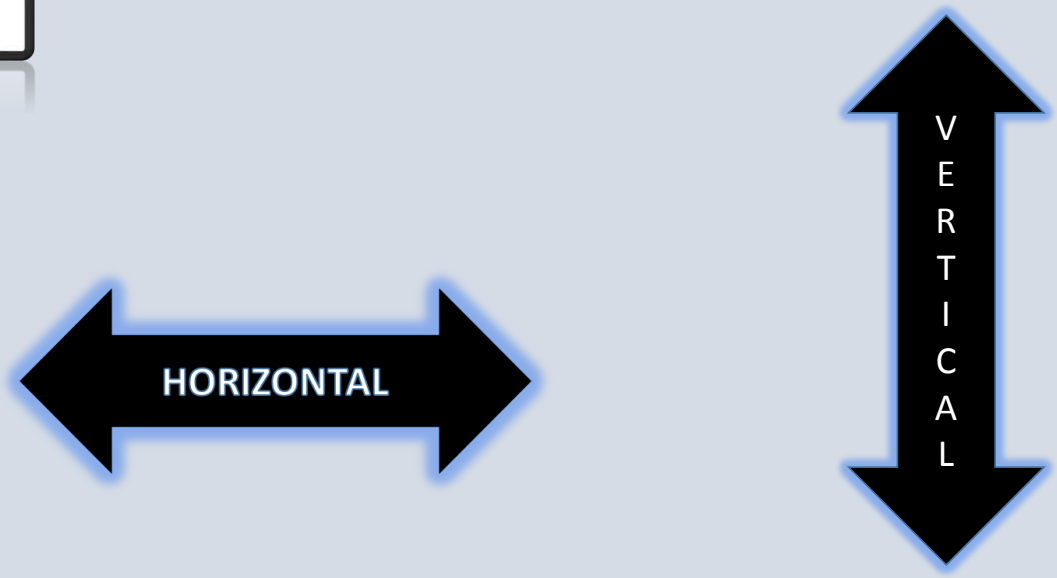

APCS 3-Year Math Benchmark Cohort Data Grades 3-5 – without Highly Mobile
% of Students Scoring Proficient/Advanced
100
90
80
70
60
50
40
30
20
10
0
88
95
97
85
76
96
86
76
88
66
82
68
3rd Grade
4th Grade
5th Grade
2012
2013
2014
State 2014


APCS 3-Year Literacy Benchmark Cohort Grades 3-5 Data – without Highly Mobile
% of Students Scoring Proficient/Advanced
100
90
80
70
60
50
40
30
20
10
0
90
90
92
77
95
95
98
84
95
89
96
82
3rd Grade
4th Grade
5th Grade
2012
2013
2014
State 2014

People who are prepared by professional development…

- ✓ Cognitively Guided Instruction (CGI)
- ✓ Early Literacy Learning in Arkansas (ELLA)
- ✓ Effective Literacy (ELF)
- ✓ Comprehensive Literacy for Adolescent Student Success (CLASS)
- ✓ APCS Literacy Pacing Guide Development
- ✓ Teacher Excellence and Support System
- ✓ Partnership for Assessment of Readiness for College & Careers (PARCC)
- ✓ Northwest Evaluation Association (NWEA)

People connected by teaming…



Driven by data…

- ✓State Mandated Assessments
- ✓Northwest Evaluation Association:
  Measures of Academic Progress (NWEA: MAP)
- ✓Dynamic Indicators of Basic Early Literacy Skills (DIBELS)
- ✓Developmental Reading Assessment (DRA)
- ✓Classroom formative & summative assessments

Intervening and enriching…

INTERVENTION

- During the School Day
- Flexible

ENRICHMENT

- Two Afternoons Each Week
- Outcome Based

THEATER * ART * SCIENCE * RUNNING CLUB
STOCK MARKET * 4H * DESTINATION IMAGINATION
CHESS CLUB * ANIMALS IN NEED

Recognition and Accolades…

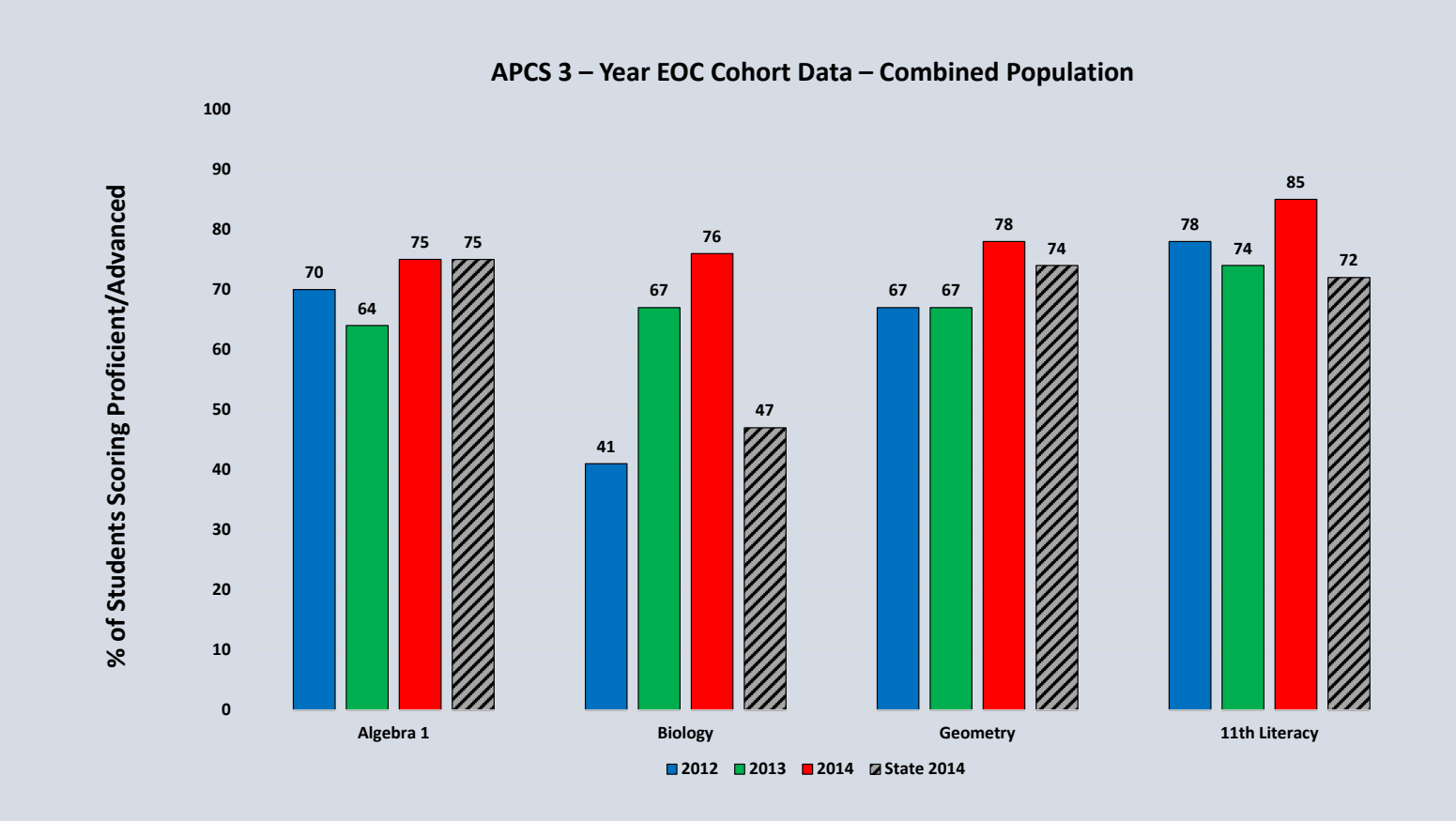
✓Destination Imagination Teams Earned 1st and 4th Place at Regionals

✓Fine Arts Performers
- 1 Student Performed in the Argenta Community Theater
- 2 Students Performed in the Nutcracker Ballet, LR
- 1 Kindergarten Student won the Local Schools Art Contest

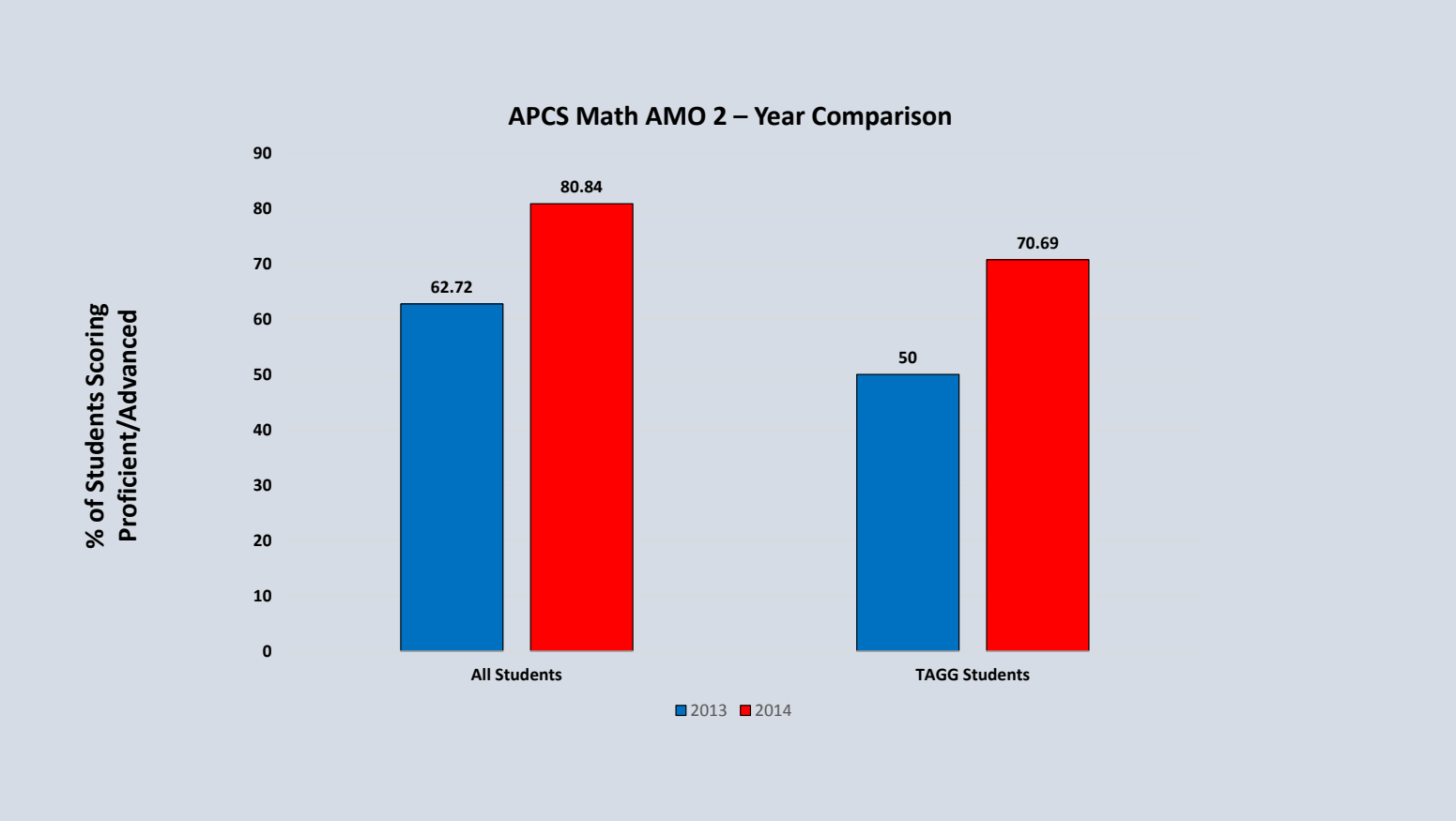
✓1 Student earned 2nd Place in the Stamp Out Smoking Essay Contest

Academics Plus Charter
Elementary School & High School
RECOGNIZED BY THE ARKANSAS DEPARTMENT OF EDUCATION
2014 REWARD SCHOOLS
TOP 20% OF ALL SCHOOLS IN ARKANSAS FOR STUDENT ACADEMIC PERFORMANCE AN

ACADEMICS PLUS CHARTER HIGH SCHOOL


APCS 3 – Year EOC Cohort Data – Combined Population
% of Students Scoring Proficient/Advanced
100
90
80
70
60
50
40
30
20
10
0
70
64
75
75
41
67
76
47
67
67
78
74
78
74
85
72
Algebra 1
Biology
Geometry
11th Literacy
2012
2013
2014
State 2014

APCS Literacy AMO 2 – Year Cohort Data
% of Students Scoring Proficient/Advanced
90
80
70
60
50
40
30
20
10
0
81.03
83.64
66.67
67.92
All Students
TAGG Students
2013
2014


APCS Math AMO 2 – Year Comparison
% of Students Scoring Proficient/Advanced
90
80
70
60
50
40
30
20
10
0
62.72
80.84
50
70.69
All Students
TAGG Students
2013
2014

Providing students academic support…

- ✓Math/Writing Foundations Classes
- ✓Remediation and Tutoring
- ✓Grade Recovery
- ✓Credit Recovery
- ✓Enrichment:

Choir	National Honor Society
Band	Jr. Honor Society
Jazz Band	Beta Club
Yearbook	Destination Imagination
Student Gov.	Rotary/Interact Service Club

Continuing to improve academics for All…

- ✓Student Engagement and Rigor
- ✓Formative and Summative Assessments
- ✓High-Quality Instructional Practices
- ✓Data Analysis

College Readiness…

- ✓ACT Preparation
- ✓Concurrent Credit
- ✓Digital Classrooms
- ✓Higher Expectations for APCS Students

Parent and Teacher Engagement that Cultivates Involvement…

- ✓Parental Involvement Plan
- ✓Professional Learning Communities
- ✓Teacher/Department Teams

Recognition and accolades…

- ✓2015 Jr. High Quiz Bowl Tournament = 3rd Place
- ✓2014 Central Arkansas Regional Science Fair = 18 awards
  This included 3 first place winners
- ✓2 Students Earned All State Choir
- ✓8 Students Earned Sr. High Honor Choir
- ✓5 Students Earned Jr. High Honor Choir
- ✓3 Students Earned All Star Band
- ✓1 Student Earned Regional Orchestra
- ✓4 Students Earned Regional Jazz Band
- ✓3 Students Earned Regional Concert Band
- ✓26 Students Earned Regional Solo Ensemble

Recognition and accolades…

- ✓1 Female was State Champion in Bowling (2014)
- ✓Jr. High Boys Basketball Won Conference Championship (2015)
- ✓1 Student Earned Sr. High Boy's Basketball All-Region (2014)
- ✓3 Students Earned Sr. High Boys' Basketball All-Conference (2014)
- ✓1 Student Earned Sr. High Girls' Basketball All-Conference (2014)
- ✓2 Students Earned Jr. High Boy's Basketball All-Conference (2014)
- ✓1 Student Earned Jr. High Girls' Basketball All-Region (2014)
- ✓1 Male was a State Qualifier in Golf (2014)
- ✓Girls Bowling Finished 4th in District and Qualified for State (2015)
- ✓1 Female was 2nd in District Bowling (2015)
- ✓1 Male Earned State Alternate in Bowling (2015)

Academics Plus Charter
Elementary School & High School
RECOGNIZED BY THE ARKANSAS DEPARTMENT OF EDUCATION
2014 REWARD SCHOOLS
TOP 20% OF ALL SCHOOLS IN ARKANSAS FOR STUDENT ACADEMIC PERFORMANCE

State monitoring and accountability…

- ✓2014 Special Education – “Commended for Substantial Compliance”
- ✓2012 On Campus Standards Review – Compliance with all Items
- ✓2014 Title I – Met Comparability Requirements
- ✓2014 Food Service – Recommendation for Facilities Upgrade (This is Planned)
- ✓2015 Federal Programs Monitoring – 100% Compliance
- ✓Financial Audit – Only Cite is Segregation of Duties

2015-2016 waiting list…

- ✓465 and Growing
- ✓127 Kindergartners and Growing

Respectfully requesting…

- ✓20 Year Charter Renewal
- ✓Increase Cap to 1300 by 2019-2020

Academics Plus Charter
Elementary School & High School
RECOGNIZED BY THE ARKANSAS DEPARTMENT OF EDUCATION
2014 REWARD SCHOOLS
TOP 20% OF ALL SCHOOLS IN ARKANSAS FOR STUDENT ACADEMIC PERFORMANCE

2014-2015 Application Cycle

Desegregation Analysis

Academics Plus
Maumelle, Arkansas

MEMO

ARKANSAS DEPARTMENT OF EDUCATION

DATE: February 6, 2015

TO: Charter Authorizing Panel

FROM: ADE Staff

SUBJECT: Desegregation Analysis of Renewal for Academics Plus Charter School

I. INTRODUCTION

On February 12, 2001, the State Board of Education (State Board) approved the application of Pulaski Charter Schools, Inc. to open and operate Academics Plus Charter School to serve 200 students in grades 6-9. The charter school is currently approved to serve 850 students in grades K-12. The charter school now requests that the Charter Authorizing Panel renew its charter for twenty (20) years.

II. STATUTORY REQUIREMENTS

Although Ark. Code Ann. § 6-23-106 requires the Authorizer to carefully analyze the impact of any new proposed charter school on the efforts of public school districts to achieve and maintain unitary systems, it does not require the Authorizer to conduct an analysis of charter renewal or proposed amendments to an existing charter. However, Ark. Code Ann. § 6-23-106(c) states that the Authorizer "shall not approve any ... act or any combination of acts that hampers, delays, or in any manner negatively affects the desegregation efforts of a public school district or public school districts in this state."

III. INFORMATION SUBMITTED BY THE APPLICANT AND THE AFFECTED SCHOOL DISTRICT

The Academics Plus Charter School is located in the Pulaski County Special School District (PCSSD). As of October 1, 2014, the school's enrollment was 749.

A desegregation analysis submitted by the charter school is attached as Exhibit "A". To date, no school district has submitted desegregation-related objections to renewal of the charter.

IV. DATA FROM THE DEPARTMENT

Enrollment as of October 1, 2014, for the three districts and all open-enrollment public charter schools operating in Pulaski County is as follows:

	2 or More Races	Asian	Black/ African American	Hispanic	Native Am. Hawaiian/ Pacific Islander	White	Totals
School Districts in Pulaski County							
Little Rock School District	271	557	15,371	2,925	75	4,164	23,363
	1.16%	2.38%	65.79%	12.52%	0.32%	17.82%	–
N. Little Rock School District	37	99	5,062	680	29	2,669	8,576
	0.43%	1.15%	59.03%	7.93%	0.34%	31.12%	–
Pulaski Co. Spec. School District	539	319	7,238	1,194	84	7,218	16,592
	3.25%	1.92%	43.62%	7.20%	0.51%	43.50%	–
DISTRICT TOTAL	**847**	**975**	**27,671**	**4,799**	**188**	**14,051**	**48,531**
	1.75%	**2.01%**	**57.02%**	**9.89%**	**0.39%**	**28.95%**	–
Open-Enrollment Public Charter Schools in Pulaski County							
Academics Plus (PCSSD)	0	14	112	37	7	579	749
	0.0%	1.9%	15.0%	4.9%	0.9%	77.3%	
Covenant Keepers (LRSD)	0	0	89	68	0	0	157
	0.0%	0.0%	56.7%	43.3%	0.0%	0.0%	
E-Stem (LRSD)	51	47	666	93	3	602	1,462
	3.5%	3.2%	45.6%	6.4%	0.2%	41.2%	
Exalt SW LR (LRSD	0	0	59	50	0	3	112
	0.0%	0.0%	52.7%	44.6%	0.0%	2.7%	
Jacksonville Lighthouse (PCSSD)	1	19	493	88	8	304	913
	0.1%	2.1%	54.0%	9.6%	0.9%	33.3%	
Lisa Academy (LRSD/NLRSD)	13	188	568	203	19	497	1,488
	0.9%	12.6%	38.2%	13.6%	1.3%	33.4%	
LR Prep Academy (LRSD)	3	2	359	33	0	1	398
	0.8%	0.5%	90.2%	8.3%	0.0%	0.3%	
Premier High School (LRSD)	1	0	107	4	0	18	130
	0.8%	0.0%	82.3%	3.1%	0.0%	13.8%	
SIATech Little Rock (LRSD)	2	2	129	1	0	18	152
	1.3%	1.3%	84.9%	0.7%	0.0%	11.8%	
Quest MS West LR (PCSSD)	0	13	38	7	4	104	166
	0.0%	7.8%	22.9%	4.2%	2.4%	62.7%	
CHARTER TOTAL	**71**	**285**	**2,620**	**584**	**41**	**2,126**	**5,727**
	1.2%	**5.0%**	**45.7%**	**10.2%**	**0.7%**	**37.1%**	
COUNTYWIDE	**918**	**1,260**	**30,291**	**5,383**	**229**	**16,177**	**54,258**

TOTAL	**1.7%**	**2.3%**	**55.8%**	**9.9%**	**0.4%**	**29.8%**	

Source: ADE Data Center; October 1, 2014 Enrollment

IV. ANALYSIS FROM THE DEPARTMENT

"Desegregation" is the process by which a school district eliminates, to the extent practicable, the lingering negative effects or "vestiges" of prior *de jure* (caused by official action) racial discrimination. The ADE is aware of desegregation orders affecting LRSD, PCSSD, and the North Little Rock School District (NLRSD). *Little Rock School District, et al. v. Pulaski County Special School District, et al.*, Case No. 4:82-cv-00866-DPM (E.D. Ark.). The goal of a desegregation case with regard to assignment of students to schools is to "achieve a system of determining admission to the public schools on a non-racial basis." *Pasadena City Board of Education v. Spangler*, 427 U.S. 424, 435 (1976) (*quoting Brown v. Board of Education,* 349 U.S. 294, 300-301 (1955)).

In 2002, the Little Rock School District was declared unitary with respect to the majority of its desegregation plan obligations and released from court supervision in those areas. *Little Rock School District v. Pulaski County Special School District,* 237 F. Supp. 2d 988, 999 (E.D. Ark. 2002). In 2007, LRSD successfully completed its desegregation efforts and was declared fully unitary by the federal court. *Little Rock School District v. Pulaski County Special School District,* Case No. 4:82-cv-0866 (E.D. Ark.), Order filed February 23, 2007. This order was affirmed by the Eighth Circuit Court of Appeals on April 2, 2009. *Little Rock School District v. Pulaski County Special School District,* 561 F.3d 746 (8th Cir. 2009). In February and March 2010, the federal court held hearings on the motions of NLRSD and PCSSD to be declared unitary. On May 19, 2011, the federal court held that neither district was fully unitary. *Little Rock School District v. Pulaski County Special School District,* Case No. 4:82-cv-0866 (E.D. Ark.), Order filed May 19, 2011. However, on December 28, 2011, the Eighth Circuit Court of Appeals ruled that NLRSD is fully unitary but that PCSSD is not. *Little Rock School District v. State of Arkansas,* 664 F.3d 738 (8th Cir. 2011).

On January 13, 2014, the presiding federal judge in the Pulaski County Desegregation Case gave final approval to a settlement agreement between the Joshua Intervenors, Knight Intervenors, Little Rock School District, North Little Rock School District, PCSSD and the State of Arkansas. Pursuant to the settlement agreement, the only remaining obligation of the State of Arkansas is to continue the distribution of desegregation payments to the three Pulaski County school districts through the 2017-2018 school year. On January 30, 2014, the Court also approved a stipulation among the parties that PCSSD is unitary in the areas of Assignment of Students and Advanced Placement, Gifted and Talented and Honors Programs. Based on the stipulation, the Court released PCSSD from supervision and monitoring in these areas. Thus, as of January 30, 2014, all three school districts in Pulaski County are unitary in the area of student assignments. PCSSD remains non-unitary in the following areas of its desegregation plan: discipline, facilities, staffing, student achievement, and monitoring.

Because Academics Plus is located in Pulaski County, Arkansas, the authorizer must ensure that any act it approves does not hamper, delay, or in any manner negatively affect the desegregation efforts of PCSSD. 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,* 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).

As noted above, PCSSD remains under federal court supervision with regard to five areas of the district's desegregation plan. Therefore, the authorizer should consider whether granting an open-enrollment charter for Rockbridge Montessori will negatively affect PCSSD's efforts to achieve full unitary status.

V. CONCLUSION

As stated above, Arkansas law does not allow the authorizer to approve any public charter school that "hampers, delays, or in any manner negatively affects the desegregation efforts" of a public school district. Ark. Code Ann. § 6-23-106(c). It is difficult to conclude, from data currently available, that the proposed charter school renewal is motivated by an impermissible intent to segregate schools, or that approval would hamper, delay or negatively affect any applicable desegregation efforts of any affected school district. However, the authorizer should carefully examine the proposed charter school renewal application in an attempt to determine whether there are legitimate, non-racially motivated reasons for the charter school's existence.

Part B: Desegregation Analysis

Describe the impact, both current and potential, of the public charter school on the efforts of affected public school district(s) to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools.

Respond below in 11 point Times New Roman font. This response can be no longer than 2 pages.

Desegregation Assurances

Academics Plus Charter School (Academics Plus) is located within the boundaries of the Pulaski County Special School District (PCSSD), and as an open-enrollment public charter school which is not restricted in its student enrollment by district boundaries, expects to continue to obtain most of its students from within the boundaries of the PCSSD, the Little Rock School District (LRSD) and the North Little Rock School District (NLRSD).

Academics Plus offers this Desegregation Analysis in accordance with the requirements of Ark. Code Ann. § 6-23-106 to carefully review the potential impact its continued operation would have upon the efforts of the PCSSD, LRSD, and NLRSD to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools. Academics Plus has substantiated that the LRSD and the NLRSD have been found by the federal District Court to be unitary in all respects of their school operations. PCSSD has been determined by the federal District Court to be unitary in all respects concerning inter-district student assignment. The importance of the attainment of unitary status of the LRSD and the NLRSD, and the status of PCSSD as unitary in the area of inter-district student assignment, is that those school districts have no further obligations to comply with court orders in these areas. Therefore, the granting of the renewal of Academics Plus's open-enrollment public school charter cannot be said to have a negative impact on the PCSSD, LRSD, and NLRSD's ability to comply with any District Court orders or statutory obligations to create and maintain a unitary system of desegregated public schools.

Academics Plus currently has an enrollment cap of seven hundred and fifty (750) students, which it is seeking to increase annually starting in the 2015-2016 school year by one hundred (100) students per year. If the enrollment cap increase is granted, Academics Plus would have an enrollment cap of thirteen hundred (1,300) students in the 2019-2020 school year. According to the 2014-2015 school year enrollment figures as maintained by the ADE Data Center, the PCSSD had a student population of 16,592 students; the LRSD had a student population of 23,363 students, and the NLRSD had a student population of 8,576 students. At its current enrollment of 749 students, the student population of Academics Plus would equal 4.5% of PCSSD's student population; 3.2% of LRSD's student population, and 8.7% of NLRSD's student population. Approximately 22.7% of Academics Plus's student population is comprised of minority students, including 15% African-American students and 5% Hispanic students. Pursuant to Ark. Code Ann. § 6-23-306, Academics Plus must be and is race-neutral and non-discriminatory in its student selection and admission processes. Ark. Code Ann. § 6-23-106 requires that Academics Plus's continued operation will not serve to hamper, delay or in any manner negatively affect the desegregation efforts of a public school district or districts within the state. Academics Plus's careful review of the relevant statutes and court orders affecting the three (3) Pulaski County school districts, and the student populations of such districts, shows that such negative effect is not present here.

In 2010, LRSD filed a motion to enforce the 1989 Settlement Agreement in the Pulaski County School Desegregation case. The federal District Court permitted the Pulaski County open-enrollment public charter schools to intervene to present their arguments against the motion. That motion contends that the operation of open-enrollment public charter schools within Pulaski County interferes with the "M-M Stipulation" and the "Magnet Stipulation." On January 17, 2013, United States District Judge D.P. Marshall, Jr. denied LRSD's motion in these words:

EXHIBIT
A

"To sum up, LRSD and Joshua's motions fail because, after considering the undisputed facts, and considering those that are disputed in LRSD and Joshua's favor, no reasonable fact finder could conclude that the State is in material breach of the parties' 1989 Settlement Agreement as to open-enrollment charter schools in Pulaski County. The proof of any adverse effect beyond the margin on either the stipulation magnet schools or M-to-M transfers has not materialized. The cumulative effect of open-enrollment charter schools in Pulaski County on the stipulation magnet schools and M-to-M transfers has not, as a matter of law, substantially defeated the relevant purposes of the 1989 Settlement Agreement, the magnet stipulation, or the M-to-M stipulation."

Little Rock School District, et al. v. North Little Rock School District et al., Lorene Joshua et al., Arkansas Virtual Academy, et al., Case No. 4:82-CV-866-DPM, U.S. District Court-Eastern Division of Arkansas Western Division, Document 4809, at page 29.

In January, 2014, Judge Marshall accepted a Settlement Agreement which effectively concluded the desegregation case. One of the provisions of the Settlement Agreement was the voluntary dismissal with prejudice of the LRSD's appeal to the Eighth Circuit Court of Appeals concerning charter school issues. On August 21, 2014, Judge Marshall signed an order which gave final approval to the Settlement Agreement and released the LRSD and NLRSD from the case.

In conclusion, Academics Plus submits that upon the basis of its review, no court orders or statutory obligations affecting the PCSSD, LRSD and NLRSD prohibit the State's charter school authorizer from renewing the charter of Academics Plus for an open-enrollment public charter school in Pulaski County.

2015 Renewal Application Cycle

Academics Plus Charter School
Summary

Academics Plus
Maumelle, Arkansas

ACADEMICS PLUS CHARTER SCHOOL

Sponsoring Entity:	**Pulaski Charter Schools Inc., dba Academics Plus Charter School**
Addresses:	**900 Edgewood Drive Maumelle, AR 72113**
Grades Served:	**K-12**
Enrollment:	**749 (2014-2015)**
Maximum Enrollment:	**750 (2014-2015, 850 (2015-2016)**

Number of Years Requested for Renewal: 20

Remaining concerns from the ADE Charter Internal Review Committee:

- How the attainment of goals will be measured when the goals do not include a set number or percentage.

From 2014 Arkansas School ESEA Accountability Reports

District	Achieving District
District Attendance Rate	95.93%
	Achieving - Percent Tested
	Achieving - Literacy
	Achieving - Math
	Achieving - Graduation Rate
Elementary School	
Grades K-5	Achieving School
School Attendance Rate	98.34%
	Achieving - Percent Tested
	Achieving - Literacy
	Achieving - Math
Middle/High School	
Grades 6-12	Needs Improvement School
School Attendance Rate	92.91%
	Achieving - Percent Tested
	Achieving - Literacy
	Needs Improvement – Math
	Achieving - Graduation Rate

Special Education Monitoring

January 8, 2014 Letter – Commended for being in substantial compliance with state and federal special education regulations

2012-2013 Accreditation Statuses

Elementary School	Accredited
Middle School	Accredited

Arkansas Comprehensive School Improvement Plans (ACSIP)

Working with ADE School Improvement Specialist

Annual Equity Compliance Report

Submitted the 2014-2015 report

Financial Balances

FISCAL YEAR	GRADE LEVELS	LEGAL BALANCE	CATEGORICAL FUND BALANCE	ADM	ENROLLMENT CAP
2013	K-12	948,132	12,969	623	650
2014	K-12	1,216,156	11,360	646	650
2015	K-12	Not Available	Not Available	647	750
2015 1st Qrt ADM				747	

Data Sources:
Grade Levels, ADMs and Cap from the year end ADE State Aid Notices
FY13 Legal Balance from the APSCN report dated Cycle 9, 2013
FY14 Legal Balance from the APSCN report dated October 10, 2014
FY13 Categorical Balance from the APSCN report dated November 25, 2013
FY14 Categorical Balance from the APSCN report dated October 10, 2014

2013 Financial Audit

One findings (Internal Controls) discussed on page 30 of renewal application

Materials Submitted in Opposition

Academics Plus
Maumelle, Arkansas

PULASKI COUNTY SPECIAL SCHOOL DISTRICT

Office of the Superintendent

February 2, 2015

Panel Members
Charter Authorizing Panel
c/o Cindy Hogue
Arkansas Department of Education
Four Capitol Mall, Box #6
Little Rock, AR 72201

Re: Notice of Charter Authorizing Panel Hearing
Academics Plus Charter School

Ladies & Gentlemen:

Please accept this letter as part of the PCSSD "paper opposition" to the charter school renewal applications submitted by Academics Plus in December. As it has consistently done in the past, PCSSD opposes both the requested enrollment increase and the requested increase in the length of the charter largely for the same reasons that State Board of Education members articulated when these matters previously came before the state board (please see state board minutes dated February 14, 2011). In addition to this paper submission, we plan to submit an electronic supplement on or before February 11, 2015.

Before addressing the particulars of the Academics Plus application, PCSSD thinks it is important to remind the panel that while Academics Plus claims some successes, nowhere in the renewal application is there any description of any innovative instructional techniques calculated to result in extraordinary student gain and growth. We understand these to be the reason that the charter school experiment was authorized in the beginning. PCSSD simply believes that when viewed as a whole, Academics Plus cannot demonstrate innovation, and cannot demonstrate growth above what one would expect of an essentially homogenous middle class student body, a student body that cannot be reasonably compared to schools in the PCSSD or statewide, a factor which has been emphasized by previous state boards of education.

The Vision Statement

The current application for a new charter school requires that the applicant provide the mission statement of the proposed school. See page 4 of 2014 application.

The APCS mission statement is found at its website under the category of "state required reports" and is part of the annual report.

Academics Plus supplies the same mission statement it has historically set out. This includes promising an academically rigorous college preparatory program regardless of

student status and the expectation that all children can learn when challenged by big expectations, etc.

The 2014 Application Requirements

The next section of the application requires the applicant to describe the key programmatic features that the school will implement to accomplish the mission.

Page 10 of the 2014 application requires the applicant to "Describe the innovations that will distinguish the charter from other schools."

Section 8 of the 2014 application requires the applicant to explain how certain student services, including the guidance program, health services, media center, special education, transportation, alternative education, English language learners and gifted and talented programs would be delivered.

Its vision statement, also found within its website, and required by the 2014 charter application for new charter schools, again reiterates its goal to be the most successful college preparatory school in the country. However, one can examine the four corners of the current application and find no evidence of success in meeting the vision statement, no convincing evidence regarding innovative strategies to realize the mission statement and no explanation of why Academics Plus fits the criteria for entitlement to a charter.

Further, Academics Plus minority enrollment continues at a low level with insufficient sub-populations to demonstrate or even measure growth by sub-populations.

The report contains an enrollment race breakdown showing that its African-American population is only 16%.

The Pending Application

The current application begins with a desegregation analysis and a description of its claimed progress since approximately 2012.

It boasts that it has achieving schools but given its largely middle class student body it should have these results.

It gives non-particularized statements regarding transportation, but simply stated, no meaningful or enlightening evidence is presented that Academics Plus is offering transportation or transporting a significant number of students to change its core student body.

2012-2013 finances are likewise shown. Only 3% of its total budget is devoted to child nutrition; there are no expenditures shown for student transportation.

Recruitment

Probably the most significant thing about the recruitment description is there is no affirmative statement that recruitment promises transportation. This makes one wonder if the described recruitment efforts are actually hollow if no transportation is promised.

Academics

Nowhere in this analysis does the Academics Plus application make any reference to the Dear Colleague letter. At page 15 Academics Plus makes the statement that quality teachers are the number one reason APSC student achievement has increased during the past several years. While that is certainly an excellent goal to seek, there is nothing innovative about any school district seeking to hire quality teachers.

At page 16, Academics Plus laments the fact that high school math teachers are the most difficult positions to fill and that it's challenging to find quality math teachers and even harder to keep them since there is a state-wide shortage. This statement is illuminating, and PCSSD does not quarrel with it. However, this lack of high quality math teachers, especially in quantity, is not a new phenomenon. It has existed in Arkansas during the entirety of Academics Plus history. Nevertheless, Academics Plus chose to promise student gains in math courses as its primary emphasis. To PCSSD, this is the area where Academics Plus should have displayed innovation and creativity in determining how to deliver math instruction in a way that justifies its charter and all of the exemptions it has been allowed.

Academics Plus Bar Graphs

For the most part, Academics Plus continues to lag behind the state in most academic assessment categories. PCSSD believes this is a significant indicator that Academics Plus is nowhere near approaching its goal of being the best college preparatory school in the country.

The same is true on the graph showing other comparisons between Academics Plus and the state overall.

Another chart shows 3 year ACT overall comparisons to itself and the results are either declining or flat at best. This is an indicator that Academics Plus is enrolling middle class students who perform well when entering school and show good test outcomes in the early grades but who do not maintain this status and show losses as they enter the high school years.

Stated another way, in the face of the lack of enough highly qualified math teachers, a charter application describing this problem that as the beginning point but then describing and promising strategies of innovation and creativity to overcome that shortage would be a compelling reason to grant the charter in the first place, or to extend it if the results met the promises and goals.

However, Academics Plus seems to be doing just the opposite and relying on the fact that Arkansas lacks sufficient math teachers as an excuse to explain why it is not realizing all its goals in math, why it has to emphasize improvement in math instead of producing extraordinary math gains superior to similar peer schools. These are factors which militate against an enrollment increase or extension of its charter until such a demonstration is made. If they cannot make it, they should not receive an enrollment increase or an extension of their charter.

The Annual Report

It is instructive to look at the goals now articulated by Academics Plus as set forth in the annual report at its website.

They wish to improve literacy skills, increase math skills, improve physical fitness and nutritional well being. None of these are any different from goals at any other traditional school.

Under the actions section of the state report, the reader can scrutinize the actions to be implemented and readily see that they indicate nothing unique or innovative as an instructional or curriculum strategy.

In discussing the high school, Academics Plus highlights a 2013 graduate who completed forty-five credit hours during high school. Such students are not unique to Academics Plus.

While for one of the first times Academics Plus discusses special education, one must question their real commitment to this when one sees that the budget proposed for special education is de minimis.

As we understand the deadlines, this current submission is due by February 4, 2015 with any electronic submission due by February 11, 2015.

Thank you very much.

Cordially yours,

Dr. Jerry Guess, Superintendent
PCSSD

JG:lo

cc: Cindy Hogue, Director – via e-mail
Office of Educational Options
Rob McGill – via e-mail

925 East Dixon Road ◊ Little Rock, Arkansas 72206
Phone: (501) 234.2001 ◊ Fax: (501) 490-0483 ◊ Email: jguess@pcssd.org

ADE Evaluation and Applicant Responses

Academics Plus
Maumelle, Arkansas

ACADEMICS PLUS CHARTER SCHOOL

Sponsoring Entity:	**Pulaski Charter Schools Inc., dba Academics Plus Charter School**
Addresses:	**900 Edgewood Drive Maumelle, AR 72113**
Grades Served:	**K-12**
Enrollment:	**749 (2014-2015)**
Maximum Enrollment:	**750 (2014-2015, 850 (2015-2016)**

Number of Years Requested for Renewal: 20

CONTACT INFORMATION

Applicants are requested to provide complete contact information.

Evaluation Criteria:
A response that is fully responsive will include the following:

- The names of the sponsoring entity and charter school;
- The LEA number;
- Complete contact information for the school principal/director and board chair;
- The number of years requested for renewal, that does not exceed 20; and
- Date of the governing board's approval of the renewal application.

FULLY RESPONSIVE

SECTION 1: GENERAL DESCRIPTION OF THE CHARTER SCHOOL'S PROGRESS AND DESEGREGATION ANALYSIS

Part A: Charter School Progress
Applicants are requested to provide a narrative about the successes of the charter during the current contractual period.

Evaluation Criteria:
A response that is fully responsive will include:

- A comprehensive narrative that identifies and describes multiple successes of the charter school during the current contractual period.

FULLY RESPONSIVE

Comments and Additional Questions:

Explain if the digital classes that are being offered are for local credit or for graduation requirements.

This school year APCS students are enrolled in 12 different digital courses. Four courses are required to be offered by standards to include: civics/economics, advanced topics in modeling math and physics. The students receive local credit for the other eight courses offered. When given the opportunity for digital courses students have the opportunity to choose from a wide variety of offerings.

Explain the process for selecting digital providers.

Academics Plus reviewed the digital course offerings from several of the ADE approved provider list. APCS utilizes both Virtual Arkansas and Arkansas Public School Resource Center courses. Allowing students the option of multiple providers has broadened their selection as well as reduced costs. APCS was fortunate to receive a generous grant from APSRC to fund digital coursework.

Provide the qualifications for the teachers for digital providers.

All of the digital courses taken by students at APCS meet the definition of highly qualified.

Part B: Desegregation Analysis
Applicants are requested to describe the current and potential impact of the charter on the efforts of affected public school district(s) to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools

Evaluation Criteria:
A response that is fully responsive will include:

- Assurance that the charter school will comply with all applicable federal and state statutory and regulatory requirements regarding the creation and maintenance of desegregated public schools; and
- An outline of the potential impact of the proposed charter school on those desegregation efforts already in place in affected public school districts.

FULLY RESPONSIVE

SECTION 2: COMPOSITION OF THE CHARTER SCHOOL'S GOVERNING BOARD AND RELATIONSHIPS TO OTHERS

Part A: Composition of Governing Board
Applicants are requested to describe the charter school's governance structure.

Evaluation Criteria:
A response that is fully responsive will include:

- A description of the charter school's governance structure;
- An explanation of the selection process for charter board members;
- An explanation of the authority of the board; and
- An explanation of the responsibilities of the board.

FULLY RESPONSIVE

Part B: Disclosure Information
Applicants are requested to disclose any potential conflicts of interest affecting members of the governing board and employees.

Evaluation Criteria:
A response that is fully responsive will include:

- An itemization of each non-employment contract or lease of the charter school in which any of the charter's administrators, board members, or the family members of administrators or board members have or had a financial interest; and
- An itemization of each family relationship between each member of the charter school's governing board, other board members, and the employees of the charter school.

FULLY RESPONSIVE

SECTION 3: STUDENT AND TEACHER RETENTION

Part A: Student Retention
Applicants are requested to compile and analyze student retention data.

Evaluation Criteria:
A response that is fully responsive will include:
- A complete table with data about students who left the charter prior to completing the highest grade offered at the school; and
- Reasons that can be substantiated for students who leave the charter.

FULLY RESPONSIVE

Part B: Teacher Retention
Applicants are requested to compile and evaluate teacher retention data.

Evaluation Criteria:
A response that is fully responsive will include:
- A complete table with data about teachers who do not return; and
- Reasons that can be substantiated for teachers who leave the charter.

FULLY RESPONSIVE

SECTION 4: TEST DATA

Applicants are requested to review the testing data for the charter and the resident district and describe the ways in which the data support the achievement of the charter's current academic goals.

Evaluation Criteria:
A response that is fully responsive will include:
- A thoughtful narrative describing the ways in which the testing data support the achievement of, or progress toward achieving, the charter's current academic goals.

FULLY RESPONSIVE

Comments and Additional Questions:

Explain the preparation steps taken to adequately prepare teachers and faculty for the online testing. Include information about devices.

In order to insure that APCS is as well prepared as possible for PARCC online testing the following steps have taken place:

- The district test coordinator, two school test coordinators and the technology director have participated in training offered by testing companies and ADE. These individuals then implement the local plan and share the information learned with appropriate staff.
- Training for teachers/proctors will be given so that they may appropriately administer the assessment and troubleshoot during the assessment.
- APCS has 235 devices for state mandated testing.
- APCS has increased the bandwidth to 100Mbps.
- APCS has conducted online testing (NWEA MAP Assessments) for the past four years.
- APCS participated in the 2014 PARCC field test.

- Technology infrastructure testing will be conducted during the week on February 4, 2015.
- Caching servers are in place to reduce internet bandwidth usage.
- Administrators and teachers have devoted many professional development hours dedicated to exploring resources and websites that will prepare students for PARCC. The teachers then implement and share these learning resources with students during class.
- Fourth through eighth grade students have had keyboarding in order to familiarize themselves with keyboarding skills necessary for PARCC.
- Time is given for students in kindergarten through third grade for students to practice keyboarding skills with the web based program Keyboarding Without Tears.
- Parent nights have been conducted to inform parents about what to expect in regards to Common Core and PARCC.

SECTION 5: ACADEMIC PERFORMANCE GOALS

Part A: Current Performance Goals
Applicants are requested to evaluate the progress toward achieving each of the charter's current student academic performance goals and provide supporting documentation that demonstrates the progress.

Evaluation Criteria:
A response that is fully responsive will include:
- A narrative description of the charter's progress toward achieving each goal; and
- Supporting data that documents the charter's progress in achieving each goal.

FULLY RESPONSIVE

Comments and Additional Questions:

Confirm if this is a complete list of the charter's goals going forward, or are there any additional old goals that should still be included moving forward. Consider that the benchmark exams no longer exist. Consider using more general language for meeting statewide assessment goals.

The goals listed in the application is a complete list of goals.

Part B: New Performance Goals
Applicants are required to confirm their understanding that achieving all goals and/or objectives set by the state, during the period of renewal, is expected and to develop other student academic achievement performance goals for the renewal contract period.

Evaluation Criteria:
A response that is fully responsive will include:
- A confirmation that the charter is expected to achieve all goals and/or objectives set by the state; and
- For other student academic performance goals -
    - Measureable student academic performance goals;
    - The specific tool that will be used to measure academic performance for each goal;
    - The level of performance that will demonstrate success; and
    - The timeframe for achieving each goal.

FULLY RESPONSIVE

Comments and Additional Questions:

Confirm the understanding that, during the term of the charter renewal, the charter is expected to meet all goals and/or objectives set by the state.

Academics Plus understands that during the charter renewal term, we will meet all goals and/or objectives set by the state for school districts.

Explain how it will be measured that the goals are being met with a goal of "Academics Plus will increase academic achievement". Consider setting specific percentage increase goals.

APCS believes that the goals in the application are measurable.

Confirm for accountability purposes that Academics Plus will be required meet or exceed their own schools AMO's.

Academics Plus will continue to make progress in increasing academic achievement and will meet or exceed our specific AMO's within a two year time frame. Our annual review of achievement which will monitor growth will provide the evidence and documentation of meeting this goal.

SECTION 6: FINANCE

Applicants are requested to discuss corrective actions for any findings in the most recent financial audit reports prepared during the current contractual period.

Evaluation Criteria:
A response that is fully responsive will include the following:

- Each finding from the financial audit reports **or a statement that there were no findings**;
- A statement for each finding to indicate if it had been noted in prior year audits;
- Corrective actions take to rectify each issue; and
- The date by which each issue was or will be corrected.

FULLY RESPONSIVE

SECTION 7: WAIVERS

Applicants are requested to review the current waivers approved for the charter and to identify any changes requested in the charter's waivers from Title 6 of Arkansas Code Annotated, State Board of Education Rules and Regulations, and/or the Standards for Accreditation.

Part A: New Waiver Requests
Applicants are requested to identify any additional law and rule that the authorizer is requested to waive.

Evaluation Criteria:
A response that is fully responsive will include:

- A list of each law and rule that the charter would like to have waived; and
- A rationale for each waiver request or **a statement saying that no new waivers are requested**.

See Legal Review Document for Any Comments

Part B: Waivers to Be Rescinded
Applicants are requested to identify any waiver that is no longer needed.

Evaluation Criteria:
A response that is fully responsive will include:
- An itemized list of each current waiver the charter would like to have rescinded; and
- A rationale for each request or **a statement saying that the charter wishes to maintain all currently approved waivers**.

See Legal Review Document for Any Comments

SECTION 8: REQUESTED AMENDMENTS

Applicants are requested to identify and explain amendment requests.

Evaluation Criteria:
A response that is fully responsive will include:
- A list of any requested charter amendments **or a statement that no amendments are being requested**;
- A rationale for each amendment requested; and
- A budget, showing that the charter will be financially viable, if there is an amendment request to change grade levels, the enrollment cap, the location of a campus, and/or an additional campus.

FULLY RESPONSIVE

Comments and Additional Questions:

Describe the plan for adding teachers to maintain ratios with student enrollment increase.

With the increased revenue generated from adding students additional teachers will be added to insure student/teacher ratios are within guidelines and law. The following is a tentative plan of execution. Note: The specific number of students in each grade level will be determined by the number of students applying and execution may look different from this tentative plan.

The following table shows the anticipated number of students and number of teachers to be added at the elementary school.

Grade Level	Current Year		2015-2016		2016-2017		2017-2018		2018-2019		2019-2020	
	Students	Core Teachers	Students	Core Teachers Added	Students	Core Teachers Added	Students	Core Teachers Added	Students	Core Teachers Added	Students	Core Teachers Added
K	99	5	100		120	1	120		120		140	1
1	69	4	92	1	115	1	115		115		115	
2	69	3	69		88	1	115	1	115		115	
3	69	3	69		69		92	1	115	1	115	
4	70	3	75		69		69		100	1	100	
5	69	3	75		75		69		69		100	1
Core Teachers Added Elem				1		3		2		2		2

The following table shows the anticipated number of students and number of teachers to be added at the high school.

Grade Level	Current Year		2015-2016		2016-2017		2017-2018		2018-2019		2019-2020	
	Students	Core Sections	Students	Core Sections Added	Students	Core Sections Added	Students	Core Sections Added	Students	Core Sections Added	Students	Core Sections Added
6	70	3	75		75		100	1	100		125	1
7	49	2	75	1	75		75		91	1	100	
8	43	2	50		75	1	75		75		100	1
9	46	2	50		50		75	1	75		75	
10	35	2	50		50		50		75	1	75	
11	33	2	39		50		50		50		75	1
12	29	2	31		39		50		50		50	
Sections Added HS				1		1				2		3
Core Teachers Added HS				2		1		2		2		2

The following table shows the total number of teachers to be added district wide.

Grade Level	Current Year	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Total Students (Cap)		850	950	1050	1150	1300
Number of Core Teachers Added		3	3	4	4	4
Specialty Teachers Added		2	1	1	1	
Total Teachers Added		5	4	5	5	4

Confirm that if the sponsoring entity name is changing, Academics Plus will submit a revised copy of the 501(c) 3 status letter with the new sponsoring entity name.

Upon completion of the revised 501(c) 3 approving the name change, APCS will provide the ADE charter office a copy of all pertinent documents.

Legal Review of Waivers Requested

Academics Plus
Maumelle, Arkansas

Academics Plus
2015 Renewal Application
New Waivers Requested

1. Planning Time

Ark. Code Ann. § 6-17-114

Academics Plus requests this waiver to have flexibility to, as needed, provide its teachers with the required planning time during their regularly scheduled hours of work but not during the student instructional day (i.e., during a time range of 3:15 – 4: 15 p.m.).

Legal Comments: None

Remaining Issues: None

2. Class Size

Section 10.02 of ADE Rules Governing the Standards for Accreditation

Academics Plus requests flexibility to have its teachers be assigned no more than five (5) students above the permissible student/teacher ratio per grade level, only on an as-needed basis, to maximize its teaching resources.

Legal Comments: None

Remaining Issues: None

3. Duty Free Lunch

Ark. Code Ann. § 6-17-111

Academics Plus requests a waiver from this statute to provide it with flexibility in making assignments for duty-free lunches. Although we will continue to provide 150 minutes of duty-free lunch per week, we request greater flexibility in planning the lunch time on a daily basis.

Legal Comments: None

Remaining Issues: None

4. Physical Presence of Board Members

Ark. Code Ann. § 6-13-619(c)(1)(A)

Ark. Code Ann. § 6-13-619(c)(1)(A) requires that "a board member shall be physically present to be counted for purposes of a quorum or to vote." Academics Plus requests flexibility from this statutory provision to allow for those occasions when members are only available to participate by telephone or electronic communication.

Legal Comments: None

Remaining Issues: None

5. Employment of Staff

Ark. Code Ann. § 6-13-620(5)(A)

Academics Plus requests a waiver of this provision as it concerns the employment of staff other than the Executive Director. Academics Plus' charter provides for the Executive Director to employ all staff which report to that position.

Legal Comments: None

Remaining Issues: None

6. Reimbursement for Classroom Materials

Ark. Code Ann. § 6-21-303(b)(1)

Academics Plus wishes to have the flexibility to provide its elementary teachers with less than the statutory amounts for reimbursement of expenses for classroom materials. The anticipated maximum reimbursement to be provided for such expenses is anticipated to be approximately three hundred dollars ($300) per teacher.

Legal Comments: None

Remaining Issues: None

7. Keyboarding

Section 9.03.3.9 of the ADE Rules Governing the Standards for Accreditation

Academics Plus has received a waiver from the Department of Career Education to teach Keyboarding in the fourth grade. Based upon that waiver, Academics Plus requests a waiver from the Standards for Accreditation Rules to the extent necessary to only require it to teach Keyboarding in the eighth grade to students who did not previously have the subject as a fourth grade student at Academics Plus.

Legal Comments: None

Remaining Issues: None

8. Clock Hours for Unit of Credit

Section 14.03 of the ADE Rules Governing the Standards for Accreditation

Due to its implementation of digital coursework, project-based learning, and off-campus educational opportunities (such as internships and job-shadowing), Academics Plus is requesting a waiver of its seat time requirements.

Academics Plus is not, by this request, asking for a waiver of graduation requirements. It is requesting only a waiver of the 120 clock hour requirement. In accordance with prior ADE comments on this type of waiver request, Academics Plus hereby affirms that it will adhere to full curriculum alignment with Arkansas Frameworks, and will be glad to submit to the ADE and/or the Charter Authorizing Panel any additional information that may be desired.

Legal Comments: Explanation should be provided as to how this waiver would be implemented, what classes it would apply to, and how the applicant will ensure all frameworks will be taught.

Response: Academics Plus will apply this waiver to digital courses – both those for elective credit and required 22 graduation credits from any approved ADE provider. Those given for graduation credit will be utilized from ADE approved list which provides assurance that frameworks will be taught. Elective courses will be granted local credit.

Remaining Issues: None

9. Name Change

APCS requests its name be changes from "Pulaski Charter School's Inc." to "Academics Plus Charter school, Inc." and its component LEA's names be changed to "Maumelle Charter Elementary" and "Maumelle Charter High School."

Legal Comments: No waiver is necessary for this change.

Remaining Issues: None

DESEGREGATION ANALYSIS: Fully Responsive

Application

Academics Plus
Maumelle, Arkansas

Open-Enrollment Public Charter School Renewal Application

Deadline for Submission: December 18, 2014

Charter School: Academics Plus

Arkansas Department of Education
Charter School Office
Four Capitol Mall
Little Rock, AR 72201
501.683.5313

Contact Information

Sponsoring Entity:	**Pulaski Charter Schools Inc., dba Academics Plus Charter School**
Name of Charter School:	**Academics Plus Charter School (APCS)**
School LEA #	**6040700**
Name of Principal/Director: **Mailing Address:** **Phone Number:** **Fax Number:** **E-mail address:**	**Rob McGill** **900 Edgewood Drive** **Maumelle, AR 72113** **Phone: 501.803.9730** **Fax: 501.803.9742** rob.mcgill@academicsplus.org
Name of Board Chairman: **Mailing Address:** **Phone Number:** **Fax Number:** **E-mail address:**	**Jess Sweere** **2 Masters Place Drive** **Maumelle, AR 72113** **Phone: 501.425.9118** **jsweere@cgwg.com**

Number of Years Requested for Renewal (1-20) _____20_____

Renewal Application Approval Date by the School/Entity Board(s) __December 8, 2014

Section 1 – General Description of the Charter School's Progress and Desegregation Analysis

Part A: Charter School Progress

Provide a narrative about the successes of the charter during the current contractual period.
Respond below in 11 point Times New Roman font. This response can be no longer than 3 pages.

Since the 2012 renewal Academics Plus Charter School (APCS) has experienced great success. Most notable are the increases in student achievement, student preparation for college and the increased demand for enrollment.

1. APCS has received recognition for outstanding achievement from the State Board of Education (SBE), Arkansas Department of Education (ADE) and the Office of Education Policy at the University of Arkansas (OEP). The recognition received include the following:

    a. For the 2014-2015 School Year (SY) APCS is classified by the ADE as an "ACHIEVING" district. The elementary school is classified as an "ACHIEVING" school and the high school is classified as "ACHIEVING" in literacy, graduation rate and number of students tested.

    b. In November 2014 the APCS Elementary School and the APCS High School were both recognized by the SBE as Reward Schools. This is the second year in a row that the APCS Elementary School has been recognized under this category. This classification places the schools in the top 20% of Arkansas schools and they both received monetary rewards for performance.

    c. OEP has recognized APCS for multiple awards during the past two years. They are as follows:

        (1) In December 2014 the elementary school received a "Most Improved Math" award.
        (2) In December 2014 the high school received a "Most Improved Biology" award.
        (3) In December 2014 the high school received a "Most Improved Middle Math" award.
        (4) In October 2014 the high school received a "High-Achieving High School" award. APCS High School is ranked number 12 in the state and number four in Central Arkansas for student performance on the Biology EOC.
        (5) In September 2014 the elementary school received the High Achieving "Overall" School in Arkansas by being in the top 25 schools in Arkansas for literacy achievement.
        (6) In December 2013 the high school received a "Most Improved Geometry" award.

2. During the past three years APCS has made a concerted effort to make our graduates ready for college. This commitment to the vision begins with positive policies that promote a higher academic expectation and ends with students ready for college. The following are some of the unique policies and methods that assist students in becoming college ready.

    a. Students who graduate from APCS must have more than the minimum 22 credits required by the State of Arkansas. APCS graduates must have 25 credits to include: two foreign language credits, four science credits instead of three, and successfully complete at least two concurrent credit/advanced placement courses. The 2014 graduating class had 31 of the 34 graduates accepted and currently attending college and two graduates who entered into the full time military.

    b. APCS offers a wide range of on campus Concurrent Credit (CC) and Advanced Placement (AP) courses. This year, APCS offers six CC courses and eight AP courses. The 2014 graduating class earned a total of 315 college credit hours. One student earned 31 college credit hours free of charge while still in high school. At the University of Arkansas the cost per credit hour is $228. The student essentially earned a scholarship of $7068 before going to college. That

amount doesn't take into account the savings in books, room and board and living expenses that the graduate would have incurred.

c. By taking advantage of the many digital learning opportunities available, APCS has expanded offerings for students. Currently, there are 132 digital classes being taken by students. The classes are offered based on individual student needs and interests. Students are enrolled in 12 different digital classes this semester which include: Ocean Biology, Introduction to Law, German I, Web Design, Creative Writing and Marketing. Digital learning not only broadens APCS class offerings, but these classes prepare students for digital online courses which many colleges now offer. For each digital class a student takes he/she has a dedicated class period during the day in the computer lab. APCS also provides a teacher who monitors the students' progress in the class. She assists the students in managing their time and helping them communicate with the digital instructor. The teacher also informs parents of grades and progress as the class is being taken.

d. To encourage students to enroll and engage in AP classes the APCS Parent Teacher Organization awards stipends to students scoring high on the AP exams. A student scoring a three receives $100, a four receives $150 and a five receives $200.

e. APCS continuously monitors students to quickly identify them as struggling/at-risk. To identify students several forms of data are used to include, State Assessments, NWEA MAP data and other formative assessments. APCS High School provides the following assistance for struggling students to ensure for college readiness.
   (1) APCS provides after school tutoring/remediation. This includes the state required remediation as well as homework help to assist the students.
   (2) APCS allows students to simultaneously enroll in a digital learning course while taking the course from an APCS teacher on campus. Simultaneous enrollment gives the student two opportunities from two different teachers to master the content during the same semester.
   (3) APCS allows students to participate in grade recovery. Grade recovery allows students who pass a course with an average score below 90% to retake the course. The grade of the class taken the second time then replaces the original grade. This not only encourages students to help their grade point average, but it assists students who need more time to obtain mastery.
   (4) Students who fail a class are given the opportunity for credit recovery by enrolling in the failed class during the next semester/year or taking the class in a digital environment.
   (5) In grades 6-12 students who do not score proficient/advanced on the benchmark/EOC in math are required to take foundations math in place of an elective. This math course is taken simultaneously with other math courses to give students additional support and help them attain success.
   (6) In grades 6-8 students are encouraged to enroll in the Writing Foundations class. This class gives additional support to students who are struggling in literacy and writing and is taken in addition to the grade level English class.
   (7) APCS provides a Supplemental Instruction Program (SIP) approved by the Arkansas Athletics Association for athletes who have below a 2.0 GPA to meet with a teacher five mornings a week before school for 30 minutes to assist students in their schoolwork.

f. APCS elementary also identifies students as struggling/at-risk using State Assessments, NWEA MAP data and other formative assessment and provides the following assistance for students.
   (1) Each morning the first 30 minutes of school is designated as time for teachers to meet with students who are struggling in math and/or literacy one-on-one or in small groups.
   (2) Students who are considered at risk academically are identified as Title I students. These students receive additional literacy and/or math instruction provided by a paraprofessional who works closely with students' classroom teachers and receives weekly lesson plans developed by those teachers. These lesson plans are based on the students' targeted needs identified on the NWEA MAP assessments.

(3) NWEA information is provided on the APCS website where lessons are specific to individual skill levels. Parents are encouraged to utilize this resource in order to address their child's specific areas of need.

g. Spanish is taught to all students K-5.

h. Additional time is built into the APCS calendar for instruction and includes:
   (1) Five additional student contact days (32 hours 30 minutes), and
   (2) The student days are 30 minutes longer (91 hours 30 minutes).

i. Excluding the students, the most important factor in the student's educational success is the quality of the teacher who teaches them. APCS places a significant investment into not only hiring excellent teachers, but also providing training for the teachers once they are on staff. For more details concerning the APCS professional development benefits to teachers please see Section 3, Part B, Paragraph 2 of this application.

j. All 6th through 12th students are required to have at least 10 hours per year of community service outside the school day.

3. APCS has seen a significant increase in the number of students attending the school as well as the number of students on the waiting list. APCS currently has 750 students enrolled with over 260 on the waiting list. APCS continues to maintain a student population more diverse than the City of Maumelle and close to the PCSSD residence percentage. APCS has a minority population of 23% with an African American population of 16%. The City of Maumelle has a minority population of 19% with an African American population of 12%. The PCSSD residence minority population is 28% with an African American population of 21%. See attachment 1. Some initiatives APCS has taken to increase the diversity are as follows:

   a. TRANSPORTATION:
      (1) Beginning the 2014-2015 SY APCS provides daily morning and afternoon bus transportation for students in the Oak Grove, Marche, Palarm and Morgan Communities.
      (2) APCS provides Central Arkansas Transit (CAT) passes to students in Little Rock and North Little Rock.
   b. RECRUITMENT: The best advertising we have is word of mouth from satisfied parents and students. APCS does actively recruit low income and minority students to include the following.
      (1) APCS distributes flyers through the mail to families with children ages 4 to 14 who live in the 72114, 72116, 72113 and 72118 zip codes.
      (2) Targeted radio advertising includes KOKY and Power 92. KOKY is talk show radio with a listenership of predominately African American women ages 25 to 45. Power 92 is a popular radio station with many African American listeners to include adults and students.
      (3) The newspapers used in advertising are Arkansas Democrat Gazette, North Little Rock Times and Maumelle Monitor.
      (4) APCS participates yearly in the Black Expo.
      (5) Partnering with churches for awareness with emphasis in minority and low income communities.
   c. FOOD SERVICE PROGRAM: Since 2009 APCS has provided a full service food service program offering lunch and breakfast. Students who qualify receive free/reduced lunches.
   d. PARTNERSHIP FOR AFTER SCHOOL PROGRAM: APCS has partnered with Little Scholars Academy to offer a fee based aftercare program. Little Scholars is an African-American owned daycare that has the highest minority population of all daycare facilities in Maumelle.
   e. Annually host the Maumelle Rotary Club Christmas Project where over 100 economically disadvantaged families come to APCS to pick up food items for Christmas dinner. This is a very welcoming way for economically disadvantaged families to actually come to the APCS campus.

Part B: Desegregation Analysis

Describe the impact, both current and potential, of the public charter school on the efforts of affected public school district(s) to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools.

Respond below in 11 point Times New Roman font. This response can be no longer than 2 pages.

Desegregation Assurances

Academics Plus Charter School (Academics Plus) is located within the boundaries of the Pulaski County Special School District (PCSSD), and as an open-enrollment public charter school which is not restricted in its student enrollment by district boundaries, expects to continue to obtain most of its students from within the boundaries of the PCSSD, the Little Rock School District (LRSD) and the North Little Rock School District (NLRSD).

Academics Plus offers this Desegregation Analysis in accordance with the requirements of Ark. Code Ann. § 6-23-106 to carefully review the potential impact its continued operation would have upon the efforts of the PCSSD, LRSD, and NLRSD to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools. Academics Plus has substantiated that the LRSD and the NLRSD have been found by the federal District Court to be unitary in all respects of their school operations. PCSSD has been determined by the federal District Court to be unitary in all respects concerning inter-district student assignment. The importance of the attainment of unitary status of the LRSD and the NLRSD, and the status of PCSSD as unitary in the area of inter-district student assignment, is that those school districts have no further obligations to comply with court orders in these areas. Therefore, the granting of the renewal of Academics Plus's open-enrollment public school charter cannot be said to have a negative impact on the PCSSD, LRSD, and NLRSD's ability to comply with any District Court orders or statutory obligations to create and maintain a unitary system of desegregated public schools.

Academics Plus currently has an enrollment cap of seven hundred and fifty (750) students, which it is seeking to increase annually starting in the 2015-2016 school year by one hundred (100) students per year. If the enrollment cap increase is granted, Academics Plus would have an enrollment cap of thirteen hundred (1,300) students in the 2019-2020 school year. According to the 2014-2015 school year enrollment figures as maintained by the ADE Data Center, the PCSSD had a student population of 16,592 students; the LRSD had a student population of 23,363 students, and the NLRSD had a student population of 8,576 students. At its current enrollment of 749 students, the student population of Academics Plus would equal 4.5% of PCSSD's student population; 3.2% of LRSD's student population, and 8.7% of NLRSD's student population. Approximately 22.7% of Academics Plus's student population is comprised of minority students, including 15% African-American students and 5% Hispanic students. Pursuant to Ark. Code Ann. § 6-23-306, Academics Plus must be and is race-neutral and non-discriminatory in its student selection and admission processes. Ark. Code Ann. § 6-23-106 requires that Academics Plus's continued operation will not serve to hamper, delay or in any manner negatively affect the desegregation efforts of a public school district or districts within the state. Academics Plus's careful review of the relevant statutes and court orders affecting the three (3) Pulaski County school districts, and the student populations of such districts, shows that such negative effect is not present here.

In 2010, LRSD filed a motion to enforce the 1989 Settlement Agreement in the Pulaski County School Desegregation case. The federal District Court permitted the Pulaski County open-enrollment public charter schools to intervene to present their arguments against the motion. That motion contends that the operation of open-enrollment public charter schools within Pulaski County interferes with the "M-M Stipulation" and the "Magnet Stipulation." On January 17, 2013, United States District Judge D.P. Marshall, Jr. denied LRSD's motion in these words:

> *"To sum up, LRSD and Joshua's motions fail because, after considering the undisputed facts, and considering those that are disputed in LRSD and Joshua's favor, no reasonable fact finder could conclude that the State is in material breach of the parties' 1989 Settlement Agreement as to open-enrollment charter schools in Pulaski County. The proof of any adverse effect beyond the margin on either the stipulation magnet schools or M-to-M transfers has not materialized. The cumulative effect of open-enrollment charter schools in Pulaski County on the stipulation magnet schools and M-to-M transfers has not, as a matter of law, substantially defeated the relevant purposes of the 1989 Settlement Agreement, the magnet stipulation, or the M-to-M stipulation."*

Little Rock School District, et al. v. North Little Rock School District et al., Lorene Joshua et al., Arkansas Virtual Academy, et al., Case No. 4:82-CV-866-DPM, U.S. District Court-Eastern Division of Arkansas Western Division, Document 4809, at page 29.

In January, 2014, Judge Marshall accepted a Settlement Agreement which effectively concluded the desegregation case. One of the provisions of the Settlement Agreement was the voluntary dismissal with prejudice of the LRSD's appeal to the Eighth Circuit Court of Appeals concerning charter school issues. On August 21, 2014, Judge Marshall signed an order which gave final approval to the Settlement Agreement and released the LRSD and NLRSD from the case.

In conclusion, Academics Plus submits that upon the basis of its review, no court orders or statutory obligations affecting the PCSSD, LRSD and NLRSD prohibit the State's charter school authorizer from renewing the charter of Academics Plus for an open-enrollment public charter school in Pulaski County.

Section 2 – Composition of the Charter School's Governing Board and Relationships to Others

Part A: Composition of Governing Board

Describe the governance structure of the charter, including an explanation of the board member selection process and the authority and responsibilities of the charter board.
Respond below in 11 point Times New Roman font. This response can be no longer than 5 pages.

The Academics Plus Charter School (APCS) Board of Trustees is made up of nine (9) members. Academics Plus has received a waiver from the SBE from the provisions of Ark. Code Ann. § 6-13-634, allowing it to have a School Board comprised of more than seven (7) members. Six (6) of the trustees are elected from the membership of Pulaski Charter School, Inc. (PCS) and three (3) are appointed by the Maumelle City Council. All trustees are elected or appointed to three (3) year terms. The Board of Trustees consists of a chairman, vice chairman, secretary and treasurer. The following information is taken from the APCS Policy concerning the trustee election process:

"(3) Election Process

Section 3.10 The PCS Election Committee shall adopt an election schedule prior to the regular March meeting of the Board of Trustees, at which the Election Committee Chairperson shall present the election schedule for review and approval by the Board of Trustees. The approved election schedule shall be posted on the school website within the following week.

Section 3.11 The election schedule shall include a public forum during which Members may meet the candidates at least ten (10) but not more than fifteen (15) days prior to the annual meeting. Electronic voting will commence within seventy-two (72) hours after the close of the public forum and end no less than four (4) hours prior to the start of the annual meeting.

Section 3.12 The PCS Executive Director or his/her designee shall provide a list of the Members and a list of Eligible Voters to the Election Committee no less than fifteen (15) calendar days prior to opening of the voting process

Section 3.13 Notices

(a) The PCS Executive Director shall be responsible to ensure that all notices required pursuant to this Election Process are properly posted.

(b) Notice of the annual meeting of the Members shall be made through the electronic communication system, student flyer, and published on the school's official web site at least forty-five (45) days prior to the opening of the voting process.

(c) Electronic notices shall be repeated weekly throughout the election process.

(d) Additional notices may be required at the discretion of the Election Committee.

(e) Notices shall include, at a minimum:

1. All procedural deadlines

2. Candidacy requirements or listing of the declared candidates

3. Schedule of proposed election week activities and voting opportunities (event name, date, time, location)

4. Web address for school election details.

Section 3.14 Candidate biographies shall be published on the school website and be made available for public viewing at the school at least fifteen (15) days prior to the opening of the election process, and shall be made available during the public forum.

Section 3.15 The public forum shall be scheduled to coincide with a school event such as a concert, dinner, awards ceremony, etc. Each candidate shall be provided an equal amount of time to address the Members at the forum.

Section 3.16 The promotion of candidates by the candidate or other Members is allowed provided that:

(a) School instruction is not interrupted and the dropping off and picking up of students is not hindered;

(b) Promotional materials are placed on school grounds only in approved locations as determined by the PCS Executive Director ensuring equal access for all candidates.

(c) Public campaigning on school property is only allowed one (1) hour prior to the opening of the manual voting process at the public forum.

(d) Public campaigning is not allowed within one-hundred (100) feet of the manual voting area.

(e) No school funds are used for the promotion of individual candidates.

Section 3.17 Development of the ballots shall be the responsibility of the PCS Executive Director. Ballots shall be distributed to the Election Committee no less than five (5) days prior the opening of the voting process.

Section 3.18 Voting will be made available via an electronic software program approved by the election committee. The voting process will ensure anonymity and eligibility of the voter.

Section 3.19 Voting shall stop at least four (4) hours prior to the start of the annual meeting and will officially close at the annual meeting if a minimum of forty percent (40%) of Eligible Voters have voted. In the event that voting does not close at the annual meeting, the Election Committee shall reopen the voting process. The annual meeting shall be continued and reconvened the first Monday after at least forty (40%) of Eligible Voters have voted. Voting shall officially close at the reconvened annual meeting.

Section 3.20 Once voting has officially closed; the vote count shall be verified by no fewer than three (3) Election Committee Members. The results shall be revealed before the close of the annual meeting. The results shall be posted on the school website within twenty-four (24) hours.

(4) Candidates

Section 4.10 Any Member who is not an employee of PCS may be a Candidate.

Section 4.11 Candidates, including incumbents, must declare their candidacy in writing and submit biographies and platform statements to the Election Committee no less than twenty (20) days prior to the opening of the voting process in order to be included on the ballot.

Section 4.12 Candidate biographies and platform statements, which may not exceed one side of an 8.5 x 11 single sheet of paper, shall be published on the school website no less than fifteen (15) days prior to the opening of the voting process. A single photograph of the candidate may be included but no extra space will be permitted."

Trustee Responsibilities

The following information concerning Powers and Duties of the Board are also taken from board policy

> *"The APCS Board of Trustees, operating in accordance with state and federal laws, assumes its responsibilities for the operation of APCS. The Board shall concern itself primarily with the broad questions of policy as it exercises its legislative and judicial duties. The administrative functions of the Charter School are delegated to the executive director who shall be responsible for the effective administration and supervision of the Charter School."*

"Some of the duties of the Board include:

1. Developing and adopting policies to affect the vision, mission, and direction of the Charter School;
2. Understanding and abiding by the proper role of the Board of Trustees through study and by obtaining the necessary training and professional development;
3. Appointing an Executive Director and giving him/her the support needed to be able to effectively implement the Board's policies;
4. Conducting formal and informal evaluations of the Executive Director annually or no less often than prior to any contract extension;
5. Approving the selection of curriculum and seeing that all courses for study and educational content prescribed by the State Board of Education or by law for all grades are offered and taught;
6. Reviewing, adopting, and publishing the Charter School's budget for the ensuing year;
7. Being responsible for providing sufficient facilities, grounds and property and ensuring they are managed and maintained for the benefit of the Charter School;
8. Monitoring Charter School finances and receiving, reviewing and approving each annual financial audit;
9. Understanding and overseeing the school's finances to ensure alignment with the Charter School's academic and facility needs and goals;
10. Visiting schools and classrooms when students are present no less than annually;
11. Setting an annual salary schedule;
12. Being fiscally responsible to the Charter School's patrons;
13. Involving the members of the community in the Charter School's decisions to the fullest extent practicable; and
14. Striving to assure that all students are challenged and are given an equitable educational opportunity."

Relationship Disclosures

In the first column, provide the name and contact information of each board member. In the second column, provide the name and position (e.g., financial officer, teacher, custodian) of any other board member, charter employee, or management company employee who has a relationship with the board member or state NONE. Describe the relationship in the third column (e.g., spouse, parent, sibling).

Charter School Board Member's Name and Contact Information	Name and Title of Individual Related to Board Member	Relationship
Mr. Jess Sweere Chairman 2 Masters Place Drive Maumelle, AR 72113 (501) 803-4591	Susan Fielding 5th Grade Teacher	Sister (See attachment 2 for ADE approval)
Dr. Don Henderson Vice Chairman 128 Grenoble Maumelle, AR 72113 (501) 851-0029	None	
Mr. Luke Ribich Treasurer 151 Lily Drive Maumelle, AR 72113 (501) 944-0562	None	
Mrs. Chris Patton Secretary 101 Mountain Valley Drive Maumelle, AR 72113 (501) 539-1316	None	
Mrs. Adria Conklin Board Member 4 Cortez Cove Maumelle, AR 72113 (501) 804-5569	None	
Mr. Will Crawford Board Member 22 Club Manor Drive Maumelle, AR 72113 (501) 812-6000	None	
Mrs. Karla Gates Board Member 159 Lily Drive Maumelle, AR 72113 (501) 228-2729	None	
Mr. Russ Galbraith Board Member 112 Lake Valley Drive Maumelle, AR 72113 (501) 681-6572	None	
Vacant as of Dec. 1, 2014 – Moved out of state		

Section 3 – Student and Teacher Retention

Part A: Student Retention

Complete the following Student Retention Table:

3/1/2012 thru 11/10/2014	Total Number	Number Left without Completing the	% Left the Charter		% Left for Other Charter		% Left for Traditional Public (10)		% Left for Home School (11)		% Left for Private School (13)		% Left the State (14)		% Left for Unknown Reasons (15)	
			#	%	#	%	#	%	#	%	#	%	#	%	#	%
All	2196	319	319	15%	23	7%	219	69%	22	7%	19	6%	58	18%	1	0%
Free/ Reduced Lunch	319	20	20	6%	0	0%	11	55%	3	15%	0	0%	5	25%	1	5%
Two or More Races	0	0	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian (A)	44	6	6	14%	0	0%	1	17%	0	0%	1	17%	4	67%	0	0%
African American (B)	401	75	75	19%	9	12%	58	77%	2	3%	2	3%	12	16%	1	1%
Hispanic (H)	121	21	21	17%	0	0%	18	86%		0%		0%	3	14%	0	0%
Native American (I)	113	22	22	19%	2	9%	17	77%	0	0%	0	0%	5	23%	0	0%
Pacific Islander (P)	11	2	2	18%	1	50%	1	50%	0	0%	1	50%	0	0%	0	0%
White/ Caucasian (W)	1627	214	214	13%	11	5%	142	45%	20	6%	15	5%	37	12%	0	0%
Special Education	154	11	11	7%	0	0%	9	3%	0	0%	0	0%	2	1%	0	0%
English Language Learner	0	0	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Review the data in the Student Retention Table and discuss the reasons that students leave the charter without completing the highest grade offered at the charter.
Respond below in 11 point Times New Roman font. This response can be no longer than 3 pages.

The data in the student retention chart above is taken from March 1, 2012 through November 1, 2014. During this period APCS has had an attrition rate of 15%. The lowest percentage of students leaving APCS are special education students and students qualifying for free/reduced lunch. When comparing white students to other minority students there is a slightly higher percentage of minority students leaving APCS than white students.

It is difficult to assess why students are leaving with precise data. APCS has a withdrawal form that all leaving students/parents are asked to complete prior to leaving. We have found that many of the forms that are returned do not list the reason the child is leaving even though we provide space to do so. There are many times that students do not fill out a withdrawal form at all. This is especially true during the summer. APCS usually receives a request for records and no withdrawal form from the gaining school for students who leave during the summer. That being said there are some patterns that have developed in students leaving to other schools in the area.

56% of the total students and 58% of the African-American students leaving APCS do so at the high school level. The most common grade level students leave are at 6th grade and 9th grade. These transition grades are when the students are able to enter the first year into Maumelle Middle School and Maumelle High School. These schools offer newer facilities and athletic programs with more options. APCS does not offer football at this time. In the sports that are offered some of APCS's better athletes want to play in a larger classification to possibly obtain higher visibility. There are times when students who leave APCS want to return. In the twelfth grade alone there are six students on the waiting list who have attended APCS in the past.

As in most schools the summer is when the majority of students choose to leave APCS. Over the summer of 2014 there were 61 students who did not return to APCS. This is compared to 16 students who left during the 2nd semester of 2014.

Part B: Teacher Retention

Complete the following Teacher Retention Table:

School Year	Total Number of Teachers	Number Who Returned to Teach at the School the Following Year	% Returned	Number Who Took Other Positions with the Charter Organization	% Took Other Positions with Charter Organization
2011-2012	44	23	52%	0	0
2012-2013	44	27	61%	1	0
2013-2014	44	36	82%	0	0

Review the data in the Teacher Retention Table and discuss the reasons that teachers leave the charter. Respond below in 11 point Times New Roman font. This response can be no longer than 3 pages.

2011-2012
3 of 21 - Contract nonrenewal (1 Elem, 2 HS)
3 of 21 - Jobs at colleges (3 HS)
3 of 21 - Jobs at schools to be closer to home (3 Elem)
4 of 21 - Jobs at other schools (3 Elem, 1 HS)
1 of 21 – Moved (1 HS)
3 of 21 - Terminated by APCS (3 Elem, 1 HS)
4 of 21 - Unknown (4 HS)
Total = 9 Elem and 12 HS

2012-2013
1 of 17 – Promoted to principal
1 of 17 - Contract nonrenewal (1 HS)
1 of 17 - Job at a college (1 HS)
3 of 17 - Jobs at schools to be closer to home (3 Elem)
2 of 17 - Jobs at other schools (2 Elem)
4 of 17 – Moved (3 Elem, 1 HS)
2 of 17 - Decided to stay at home with child(ren) (2 HS)
3 of 17 – Unknown (3 HS)
Total = 2 Elem and 11 HS

2013-2014
1 of 8 - Job at school closer to home (1 HS)
1 of 8 - Teaching at hospital (1 Elem)
1 of 8 – Moved (1 HS)
1 of 8 - Decided to stay at home with child(ren) (1 Elem)
1 of 8 - Personal Reasons (1 Elem)
1 of 8 - Terminated by APCS (1 Elem)
2 of 8 - Career change (1 Elem, 1 HS)
Total = 4 Elem and 3 HS

1. According to the data in the chart above, APCS has been successful in becoming more appealing for teachers to remain at APCS. The number of teachers remaining at APCS during this past year has increased by 32 percentage points over three years ago. Some of the efforts taken during the past few years include:

a. 2013-2014 SY - Change in leadership/principals at the high school and the elementary school. The principals have been successful in providing accountability as well as support for teachers.
b. 2012-2013 SY – 2% base salary increase.
c. 2013-2014 SY – 3% base salary increase.
d. Increase to Merit Pay. Teachers have the opportunity to receive up to $2,500 per year for merit pay. In September 2014 the most amount earned by a teacher was $2,475 and the least amount was $766.
e. 2011-2012 SY – Built the new elementary school building and have communicated plans to build additional classrooms and a cafeteria for the 2015-2016 SY.

2. Quality teachers are the number one reason APCS student achievement has increased during the past several years. APCS is proud to boast that the school has extremely talented and dedicated teachers. It has been a priority over the past four years to improve the teaching quality at APCS. Once the hiring process is complete APCS places significant investment in assisting teachers to improve their professional skills. Some of the opportunities and benefits to assist teachers include:

a. Each year teachers obtain 90 hours of professional development instead of the traditional 60 hours. All of the hours the teachers obtain must be approved by an administrator and assist them in meeting their Professional Growth Plan (PGP) in Teacher Excellence and Support System (TESS).
b. APCS has professional development partnerships with Arch Ford Cooperative and Arkansas Public School Resource Center (APSRC).
c. The teacher work day is extended one hour past the student day. The teachers use this hour two days a week to assist children by providing tutoring or enrichment. The third and fourth days are used by the teacher to communicate in either vertical or horizontal planning with other teachers. The fifth day is a professional learning day led by the principal concerning pressing needs of the teachers and students.
d. APCS has been a part of the Achieving by Change initiative sponsored by APSRC and the ADE. This professional development has helped APCS be better prepared for implementation of Common Core.
e. APCS offers merit pay to all employees. Employees receive merit pay determined by student performance on benchmark/EOCs, NWEA MAP Test and the ACT as well as the employee evaluation.
f. Depending on the teacher's position, they are expected to complete training in Cognitive Guided Instruction (CGI), Effective Literacy, Early Literacy Learning in Arkansas (ELLA), CLASS, and the Advanced Placement (AP) Institutes.

3. APCS makes no apology for having high expectations for all employees. When a teacher is terminated, non-renewed or chooses to leave, those in charge of hiring at APCS make a concerted effort to replace the leaving teacher with a teacher who is better than the one before. The expectations of the teachers at APCS are extremely high. Every expectation is student centered and maintains high achievement as the core value. A few of the high expectations include:

a. 200 days of employment – During the 200 days teachers are expected to obtain 90 hours of professional development that is approved by the principal. Teachers are expected to implement and share what they learn. Teachers are encouraged to take risks in order to improve.
b. Longer school day than traditional districts – The duty day ends one hour after the students leave campus. During this time the teachers provide tutoring for students or they meet in Professional Learning Communities (PLCs) to receive additional training or plan lessons with other teachers.
c. Parent Involvement – Teachers are expected to not only provide quality instruction to students, but they must provide continuing communication with parents. So much so that APCS provides 16 hours of "after hours" pay to teachers for the purpose of parent communication/involvement.
d. Maintain a positive attitude with students, parents and co-workers.
e. Use a variety of instructional strategies that insure students use higher level thinking skills.
f. Use student data to determine the needs of themselves as well as their students and then act upon the data.
g. Most important and the bottom line is to maintain the focus on the student and do what it takes to make them successful.

4. APCS also recognizes that there have been quality teachers who have left the campus for various reasons. When good teachers decide to leave they claim that pay is better at their district of choice, their district of choice is closer to home or their district of choice does not require 200 days of employment and an additional hour of work each day. It has been an APCS experience that high school math teachers are the most difficult positions to fill. It is challenging to find quality math teachers and even harder to keep them since there is a statewide shortage.

Section 4 – Test Data

Review the following testing data summary, 2011-2013, showing the charter data and the resident school district data. Describe the ways in which the testing data support the achievement of, or progress toward achieving, the charter's current approved academic goals.

Academics Plus

State Mandated Assessment Scores, 2011-2013

Year	Description	# Tested	% Below Basic	% Basic	% Proficient	% Advanced
Benchmark/Literacy-Combined Population						
2011	ACADEMICS PLUS CHARTER SCHOOL	288	3.47%	23.61%	39.24%	33.68%
2011	PULASKI CO. SPEC. SCHOOL DIST.	7905	7.32%	23.45%	39.71%	29.23%
2012	ACADEMICS PLUS SCHOOL DISTRICT	296	2.70%	10.47%	35.14%	51.69%
2012	PULASKI CO. SPEC. SCHOOL DIST.	7701	5.35%	16.91%	36.74%	41.01%
2013	ACADEMICS PLUS SCHOOL DISTRICT	304	1.64%	11.84%	36.51%	50.00%
2013	PULASKI CO. SPEC. SCHOOL DIST.	7830	6.91%	19.48%	36.62%	37.00%
2014	ACADEMICS PLUS SCHOOL DISTRICT	308	0.9%	10.1%	37.9%	50.9%
Benchmark/Literacy-Economically Disadvantaged						
2011	ACADEMICS PLUS CHARTER SCHOOL	81	6.17%	39.51%	33.33%	20.99%
2011	PULASKI CO. SPEC. SCHOOL DIST.	4753	9.57%	29.10%	41.49%	19.84%
2012	ACADEMICS PLUS SCHOOL DISTRICT	115	3.48%	16.52%	40.87%	39.13%
2012	PULASKI CO. SPEC. SCHOOL DIST.	4722	7.16%	22.11%	40.15%	30.58%
2013	ACADEMICS PLUS SCHOOL DISTRICT	99	3.03%	19.19%	37.37%	40.40%
2013	PULASKI CO. SPEC. SCHOOL DIST.	4626	8.97%	25.23%	38.31%	27.50%
2014	ACADEMICS PLUS SCHOOL DISTRICT	80	1.2%	20%	42.5%	36.2%
Benchmark/Math-Combined Population						
2011	ACADEMICS PLUS CHARTER SCHOOL	288	9.38%	16.67%	38.19%	35.76%
2011	PULASKI CO. SPEC. SCHOOL DIST.	7905	13.88%	16.64%	32.47%	36.96%
2012	ACADEMICS PLUS SCHOOL DISTRICT	296	8.11%	15.54%	36.15%	40.20%
2012	PULASKI CO. SPEC. SCHOOL DIST.	7705	12.29%	16.13%	32.78%	38.79%
2013	ACADEMICS PLUS SCHOOL DISTRICT	303	5.28%	14.52%	28.05%	52.15%
2013	PULASKI CO. SPEC. SCHOOL DIST.	7838	14.99%	17.95%	33.50%	33.55%
2014	ACADEMICS PLUS SCHOOL DISTRICT	308	3.5%	10.3%	36.6%	49.3%
Benchmark/Math-Economically Disadvantaged						
2011	ACADEMICS PLUS CHARTER SCHOOL	81	16.05%	20.99%	39.51%	23.46%
2011	PULASKI CO. SPEC. SCHOOL DIST.	4753	17.55%	20.41%	34.32%	27.73%
2012	ACADEMICS PLUS SCHOOL DISTRICT	115	15.65%	18.26%	37.39%	28.70%
2012	PULASKI CO. SPEC. SCHOOL DIST.	4724	16.53%	20.60%	34.25%	28.62%
2013	ACADEMICS PLUS SCHOOL DISTRICT	99	10.10%	18.18%	26.26%	45.45%
2013	PULASKI CO. SPEC. SCHOOL DIST.	4631	19.43%	21.59%	34.64%	24.34%
2014	ACADEMICS PLUS SCHOOL DISTRICT	80	8.75%	16.25%	43.75%	31.25%
Benchmark/Science-Combined Population						
2012	ACADEMICS PLUS SCHOOL DISTRICT	89	12.36%	40.45%	40.45%	6.74%
2012	PULASKI CO. SPEC. SCHOOL DIST.	2569	25.11%	42.23%	28.73%	3.93%
2013	ACADEMICS PLUS SCHOOL DISTRICT	92	15.22%	42.39%	34.78%	7.61%
2013	PULASKI CO. SPEC. SCHOOL DIST.	2575	27.07%	39.69%	28.58%	4.66%
2014	ACADEMICS PLUS SCHOOL DISTRICT	104	13.4%	28.8%	39.4%	18.2%

Benchmark/Science-Economically Disadvantaged

2012	ACADEMICS PLUS SCHOOL DISTRICT	29	27.59%	51.72%	20.69%	0.00%
2012	PULASKI CO. SPEC. SCHOOL DIST.	1598	32.23%	43.80%	21.84%	2.13%
2013	ACADEMICS PLUS SCHOOL DISTRICT	31	25.81%	51.61%	22.58%	0.00%
2013	PULASKI CO. SPEC. SCHOOL DIST.	1510	36.42%	41.32%	20.40%	1.85%
2014	ACADEMICS PLUS SCHOOL DISTRICT	25	28%	28%	36%	8%

11th Grade Literacy-Combined Population

2011	ACADEMICS PLUS CHARTER SCHOOL	43	4.65%	23.26%	55.81%	16.28%
2011	PULASKI CO. SPEC. SCHOOL DIST.	976	8.50%	40.47%	42.32%	8.71%
2012	ACADEMICS PLUS SCHOOL DISTRICT	35	2.86%	20.00%	68.57%	8.57%
2012	PULASKI CO. SPEC. SCHOOL DIST.	952	7.25%	33.30%	48.11%	11.34%
2013	ACADEMICS PLUS SCHOOL DISTRICT	38	0.00%	26.32%	57.89%	15.79%
2013	PULASKI CO. SPEC. SCHOOL DIST.	1025	6.83%	35.22%	42.83%	15.12%
2014	ACADEMICS PLUS SCHOOL DISTRICT	34	0%	15%	59%	26%

11th Grade Literacy-Economically Disadvantaged

2011	ACADEMICS PLUS CHARTER SCHOOL	3	0.00%	0.00%	66.67%	33.33%
2011	PULASKI CO. SPEC. SCHOOL DIST.	445	12.58%	50.11%	34.16%	3.15%
2012	ACADEMICS PLUS SCHOOL DISTRICT	13	7.69%	23.08%	69.23%	0.00%
2012	PULASKI CO. SPEC. SCHOOL DIST.	465	10.75%	42.15%	41.72%	5.38%
2013	ACADEMICS PLUS SCHOOL DISTRICT	11	0.00%	27.27%	63.64%	9.09%
2013	PULASKI CO. SPEC. SCHOOL DIST.	451	11.31%	39.91%	40.58%	8.20%
2014	ACADEMICS PLUS SCHOOL DISTRICT	11	0%	36%	55%	9%

Algebra-Combined Population

2011	ACADEMICS PLUS CHARTER SCHOOL	68	7.35%	16.18%	54.41%	22.06%
2011	PULASKI CO. SPEC. SCHOOL DIST.	1147	9.07%	25.20%	47.08%	18.66%
2012	ACADEMICS PLUS SCHOOL DISTRICT	29	6.90%	31.03%	44.83%	17.24%
2012	PULASKI CO. SPEC. SCHOOL DIST.	810	10.25%	34.20%	42.35%	13.21%
2013	ACADEMICS PLUS SCHOOL DISTRICT	29	6.90%	44.83%	48.28%	0.00%
2013	PULASKI CO. SPEC. SCHOOL DIST.	795	7.67%	30.69%	47.17%	14.47%
2014	ACADEMICS PLUS SCHOOL DISTRICT	47	4%	21%	47%	28%

Algebra-Economically Disadvantaged

2011	ACADEMICS PLUS CHARTER SCHOOL	14	28.57%	7.14%	50.00%	14.29%
2011	PULASKI CO. SPEC. SCHOOL DIST.	629	10.97%	28.30%	46.26%	14.47%
2012	ACADEMICS PLUS SCHOOL DISTRICT	12	8.33%	41.67%	41.67%	8.33%
2012	PULASKI CO. SPEC. SCHOOL DIST.	491	12.83%	38.09%	39.71%	9.37%
2013	ACADEMICS PLUS SCHOOL DISTRICT	7	14.29%	57.14%	28.57%	0.00%
2013	PULASKI CO. SPEC. SCHOOL DIST.	451	9.09%	35.03%	45.45%	10.42%
2014	ACADEMICS PLUS SCHOOL DISTRICT	11	9%	36%	45%	9%

Biology-Combined Population

2012	ACADEMICS PLUS SCHOOL DISTRICT	51	5.88%	52.94%	31.37%	9.80%
2012	PULASKI CO. SPEC. SCHOOL DIST.	1026	30.99%	45.61%	20.18%	3.22%
2013	ACADEMICS PLUS SCHOOL DISTRICT	33	6.06%	27.27%	57.58%	9.09%
2013	PULASKI CO. SPEC. SCHOOL DIST.	1087	30.17%	44.99%	20.61%	4.23%
2014	ACADEMICS PLUS SCHOOL DISTRICT	46	0%	24%	52%	24%

Biology-Economically Disadvantaged

2012	ACADEMICS PLUS SCHOOL DISTRICT	15	20.00%	46.67%	26.67%	6.67%
2012	PULASKI CO. SPEC. SCHOOL DIST.	537	41.90%	44.69%	11.55%	1.86%
2013	ACADEMICS PLUS SCHOOL DISTRICT	7	0.00%	28.57%	57.14%	14.29%
2013	PULASKI CO. SPEC. SCHOOL DIST.	508	35.83%	47.24%	14.76%	2.17%
2014	ACADEMICS PLUS SCHOOL DISTRICT	11	0%	27%	45%	27%

Geometry-Combined Population

2011	ACADEMICS PLUS CHARTER SCHOOL	39	0.00%	28.21%	53.85%	17.95%
2011	PULASKI CO. SPEC. SCHOOL DIST.	1045	11.20%	29.00%	42.68%	17.13%
2012	ACADEMICS PLUS SCHOOL DISTRICT	62	8.06%	24.19%	45.16%	22.58%
2012	PULASKI CO. SPEC. SCHOOL DIST.	983	9.26%	30.32%	41.91%	18.51%
2013	ACADEMICS PLUS SCHOOL DISTRICT	45	4.44%	28.89%	40.00%	26.67%
2013	PULASKI CO. SPEC. SCHOOL DIST.	1033	10.84%	35.91%	39.40%	13.84%
2014	ACADEMICS PLUS SCHOOL DISTRICT	32	3%	19%	54%	24%

Geometry-Economically Disadvantaged

2011	ACADEMICS PLUS CHARTER SCHOOL	8	0.00%	37.50%	62.50%	0.00%
2011	PULASKI CO. SPEC. SCHOOL DIST.	540	13.52%	36.48%	39.44%	10.56%
2012	ACADEMICS PLUS SCHOOL DISTRICT	17	11.76%	23.53%	58.82%	5.88%
2012	PULASKI CO. SPEC. SCHOOL DIST.	542	12.55%	35.24%	39.30%	12.92%
2013	ACADEMICS PLUS SCHOOL DISTRICT	14	7.14%	35.71%	42.86%	14.29%
2013	PULASKI CO. SPEC. SCHOOL DIST.	498	11.25%	42.77%	38.55%	7.43%
2014	ACADEMICS PLUS SCHOOL DISTRICT	7	0%	43%	44%	14%

Year	Description	Student Count	Graduate Count	Graduate Rate

Graduation Rates-All Students

2011	ACADEMICS PLUS SCHOOL DISTRICT	32	23	71.88%
2011	PULASKI CO. SPEC. SCHOOL DIST.	1402	852	60.77%
2012	ACADEMICS PLUS SCHOOL DISTRICT	37	35	94.59%
2012	PULASKI CO. SPEC. SCHOOL DIST.	1217	799	66.39%
2013	ACADEMICS PLUS SCHOOL DISTRICT	34	32	94.12%
2013	PULASKI CO. SPEC. SCHOOL DIST.	1151	839	73.28%

Graduation Rates-Economically Disadvantaged

2011	ACADEMICS PLUS SCHOOL DISTRICT	6	5	83.33%
2011	PULASKI CO. SPEC. SCHOOL DIST.	775	359	46.32%
2012	ACADEMICS PLUS SCHOOL DISTRICT	4	4	100.00%
2012	PULASKI CO. SPEC. SCHOOL DIST.	523	306	58.73%
2013	ACADEMICS PLUS SCHOOL DISTRICT	9	8	88.89%
2013	PULASKI CO. SPEC. SCHOOL DIST.	497	336	68.88%

Data above reflects the number of students tested and the percentage scoring in each proficiency category, combined across the grade levels indicated, for all students and for economically-disadvantaged students. Comparison numbers are for all students and economically-disadvantaged students in the same grade levels for the resident public school district. Data assembled and furnished by the Arkansas Research Center, http://arc.arkansas.gov/.

Respond below in 11 point Times New Roman font. This response can be no longer than 6 pages.

1. **Overall comparison of 2013 scores for APCS and PCSSD.** APCS outperformed PCSSD in 12 of the 14 areas tested in the number of students scoring proficient/advanced. APCS outperformed PCSSD in 11 of 14 areas tested in the number of students scoring advanced. APCS outperformed PCSSD in 13 of the 14 areas tested in the number of students scoring below basic. APCS has a much higher graduation rate than PCSSD in each of the years examined. In 2013 the APCS graduation rate was 20 percentage points higher than PCSSD.

2. **Overall improvement comparison of 2011 to 2013 scores for APCS and PCSSD.** APCS improved in nine of the 14 areas tested in the number of students proficient/advanced and PCSSD improved in seven of the 14 areas tested. Both APCS and PCSSD had improved graduation rates from 2011 to 2014.

3. **Comparison of 2013 economic disadvantaged students for APCS and PCSSD.** APCS outperformed PCSSD in six of the seven areas tested in the number of economically disadvantaged students proficient/advanced. APCS outperformed PCSSD in five of seven areas tested in the number of economically disadvantaged students scoring advanced. APCS outperformed PCSSD in six of seven areas tested in the number of economically disadvantaged students scoring below basic. The APCS graduation rate for economically disadvantaged students is 20 percentage points higher than PCSSD.

4. **Comparison of APCS 2013 to 2014 scores.** The charter application received from the ADE did not have the 2014 data due to the data not being available. For your convenience the APCS data has been inserted for the 2014 school year. **In 2014 APCS improved in every tested area when comparing the 2013 scores to 2014.**

5. The following examines each category to compare APCS and PCSSD to include comparing the performance of each from 2011 to 2014.

a. **Benchmark/Literacy-Combined Population:** APCS outperformed PCSSD in every year in the number of students proficient/advanced, advanced and below basic. From 2011 to 2014 APCS increased the number of students proficient/advanced by 16 percentage points. APCS increased the number of advanced students by 17 percentage points. APCS decreased the number of below basic students by 2.6 percentage points.

b. **Benchmark/Literacy-Economic Disadvantaged:** APCS outperformed PCSSD in every year in the number of students proficient/advanced, advanced and below basic. From 2011 to 2014 APCS increased the number of students proficient/advanced by two percentage points. APCS increased the number of advanced students by 15 percentage points. APCS decreased the number of below basic students by five percentage points.

c. **Benchmark/Math-Combined Population:** APCS outperformed PCSSD in every year in the number of students proficient/advanced and below basic. APCS outperformed PCSSD in each year except 2011 in the number of students scoring advanced. From 2011 to 2014 APCS increased the number of students proficient/advanced by 12 percentage points. APCS increased the number of advanced students by 12 percentage points. APCS decreased the number of below basic students by six percentage points.

d. **Benchmark/Math-Economic Disadvantaged:** APCS outperformed PCSSD in every year in the number of students proficient/advanced and below basic. APCS outperformed PCSSD in each year except 2011 in the number of students scoring advanced. From 2011 to 2014 APCS increased the number of students proficient/advanced by 12 percentage points. APCS increased the number of advanced students by eight percentage points. APCS decreased the number of below basic students by seven percentage points.

e. **Benchmark/Science-Combined Population:** APCS outperformed PCSSD in every year in the number of students proficient/advanced, advanced and below basic. From 2012 to 2014 APCS

increased the number of students proficient/advanced by 10 percentage points. APCS increased the number of advanced students by 11 percentage points. The number of below basic students increased by one percentage point.

f. **Benchmark/Science-Economic Disadvantaged:** In 2012 and 2013 PCSSD had more students score proficient/advanced and advanced than APCS. APCS outperformed PCSSD in the number of below basic in each year. From 2012 to 2014 APCS increased the number of proficient/advanced students by 23 percentage points. APCS increase the number of advanced students by eight percentage points. The number of below basic students stayed the same.

g. **11th Grade Literacy-Combined Population:** APCS outperformed PCSSD in every year in the number of students proficient/advanced and below basic. APCS outperformed PCSSD in every year except 2012 in the number of students scoring advanced. From 2011 to 2014 APCS increased the number of students proficient/advanced by 13 percentage points. APCS increased the number of advanced students by 10 percentage points. APCS decreased the number of students below basic by five percentage points with none scoring below basic.

h. **11th Grade Literacy-Economically Disadvantaged:** APCS outperformed PCSSD in every year in the number of students proficient/advanced and below basic. APCS outperformed PCSSD in the number of students scoring advanced in every year except 2012. From 2011 to 2014 the number of students scoring proficient/advanced decreased by 36 percentage points. The number of students scoring advanced decreased by 24 percentage points. The number of students scoring below basic remained the same at none scoring below basic.

i. **Algebra-Combined Population:** APCS outperformed PCSSD in every year in the number of students proficient/advanced and below basic. APCS outperformed PCSSD in every year except 2013 in the number of students scoring advanced. From 2011 to 2014 the number of students scoring proficient/advanced decreased by one percentage point. APCS increased the number of advanced students by six percentage points. APCS decreased the number of below basic students by three percentage points.

   Algebra has been a challenge for APCS. The good news is that scores significantly improved from 2013 to 2014. From 2013 to 2014 students scoring proficient/advanced in algebra increased to 75% from 48% for a 27 percentage point gain. Students scoring advanced in algebra increased by 28 percentage points. Students scoring below basic decreased by three percentage points.

j. **Algebra- Economic Disadvantaged:** APCS outperformed PCSSD in every year in the number of students scoring below basic. APCS outperformed PCSSD in every year except 2013 in the number of students scoring proficient/advanced and advanced. From 2011 to 2014 the number of students scoring proficient/advanced decreased by 11 percentage points. The number of students scoring advanced decreased by five percentage points. The number of students scoring below basic decreased by 20 percentage points.

   From 2013 to 2014 students scoring proficient/advanced in algebra increased to 54% from 29% for a 25 percentage point gain. Students scoring advanced in algebra increased by nine percentage points. Students scoring below basic decreased by five percentage points.

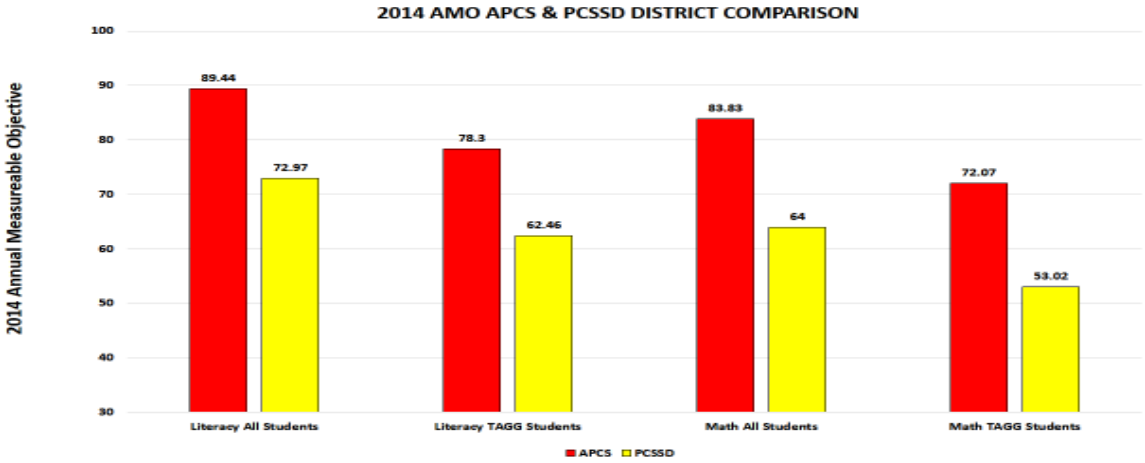
k. **Biology-Combined Population:** APCS outperformed PCSSD in every year in the number of students scoring proficient/advanced, advanced and below basic. From 2012 to 2014 APCS increased the number of students proficient/advanced by 35 percentage points. APCS increased the number of advanced students by 14 percentage points. APCS decreased the number of below basic students by 6 percentage points to have no below basic students.

l. **Biology-Economic Disadvantaged:** APCS outperformed PCSSD in every year in the number of students scoring proficient/advanced, advanced and below basic. From 2012 to 2014 APCS increased the number of students proficient/advanced by 39 percentage points. APCS increased the number of advanced students by 20 percentage points. APCS decreased the number of below basic students by 20 percentage points to have no below basic students.

m. **Geometry-Combined Population:** APCS outperformed PCSSD in every year in the number of students scoring proficient/advanced, advanced and below basic. From 2011 to 2014 APCS increased the number of proficient/advanced by six percentage points. APC increased the number of advanced students by six percentage points. The number of students below basic increased by three percentage points.

n. **Geometry-Economic Disadvantaged:** APCS outperformed PCSSD in every year in the number of students scoring proficient/advanced and below basic. APCS outperformed PCSSD in 2013 in the number of students scoring advanced. From 2011 to 2014 APCS increased the number of proficient/advanced by eight percentage points. APCS increased the number of advanced students by 14 percentage points. APCS maintained 0% students below basic in 2011 and 2014.

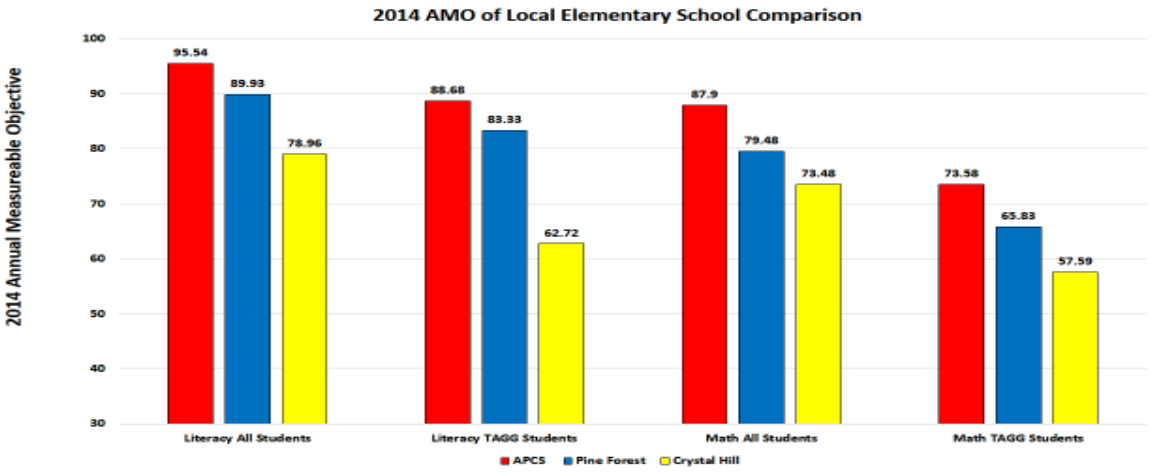
6. Attachment 3 contains the 2014 Annual Measureable Objectives (AMOs) for APCS, APCS Elementary, APCS High School, PCSSD, Maumelle High, Maumelle Middle, Pine Forest Elementary and Crystal Hill Elementary.



a. APCS District's school improvement status is overall "ACHIEVING." This classification includes "ACHIEVING" status in both literacy and math.

b. PCSSD District improvement status is "NEEDS IMPROVEMENT" in overall, literacy and math categories. PCSSD missed the required AMO in all of the literacy and math indicators.

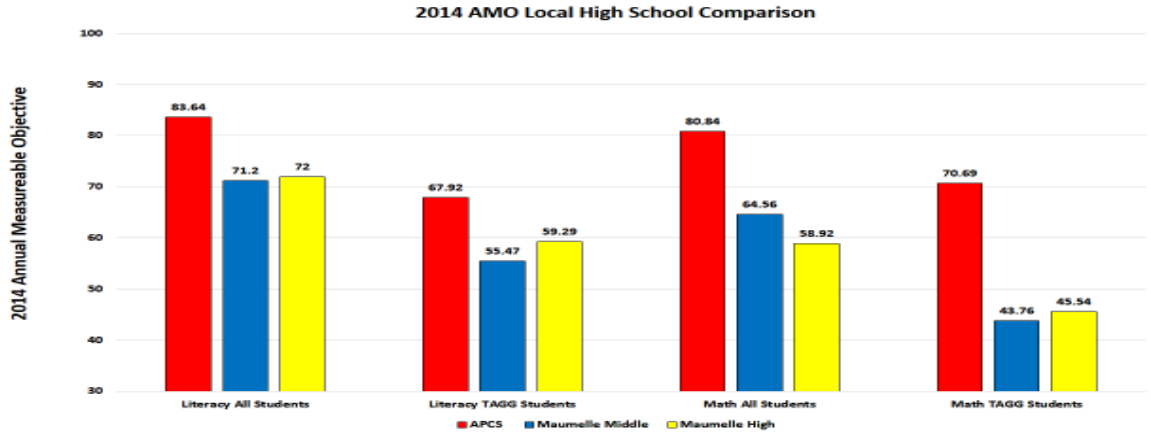
c. APCS outperformed PCSSD in all indicators and subgroups in the percent tested, literacy, math and graduation rate categories.



d. APCS Elementary School's school improvement status is overall "ACHIEVING." This classification includes "ACHIEVING" status in both literacy and math.

e. Pine Forest Elementary School (PFE) and Crystal Hill Elementary Magnet School (CHEMS) improvement status's are both "NEEDS IMPROVEMENT" in overall, literacy and math.

f. APCS outperforms both PFE and CHEMS in the all students and TAGG indicators in literacy and math.



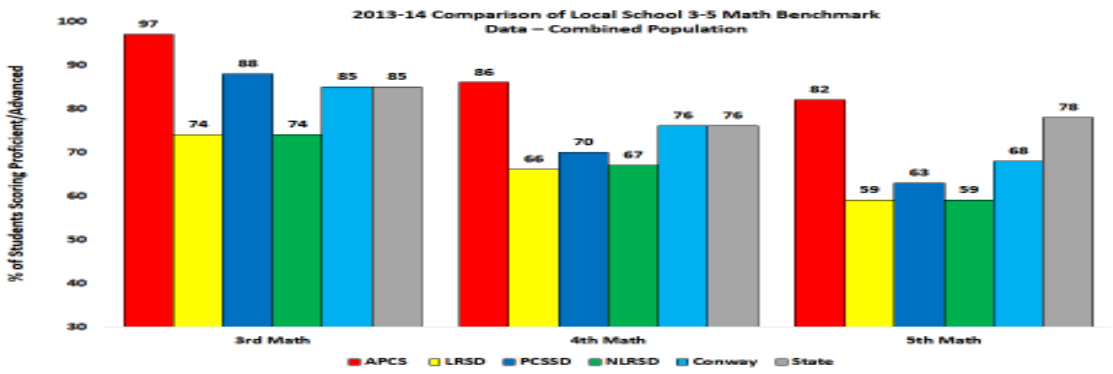
g. APCS High School's improvement status is overall "NEEDS IMPROVEMENT." This classification includes "ACHIEVING" in literacy and "NEEDS IMPROVEMENT" in math. The high school made drastic improvement in math when comparing the 2013 scores to the 2014 scores. Both the All Students and TAGG indicators increased by 20% from 2013 to 2014. The All Students indicator met the required AMO. The TAGG indicator missed the required AMO by 0.14%.

h. Maumelle High School's (MHS) improvement status is overall "NEEDS IMPROVEMENT." This classification includes "ACHIEVING" in literacy and "NEEDS IMPROVEMENT" in math.

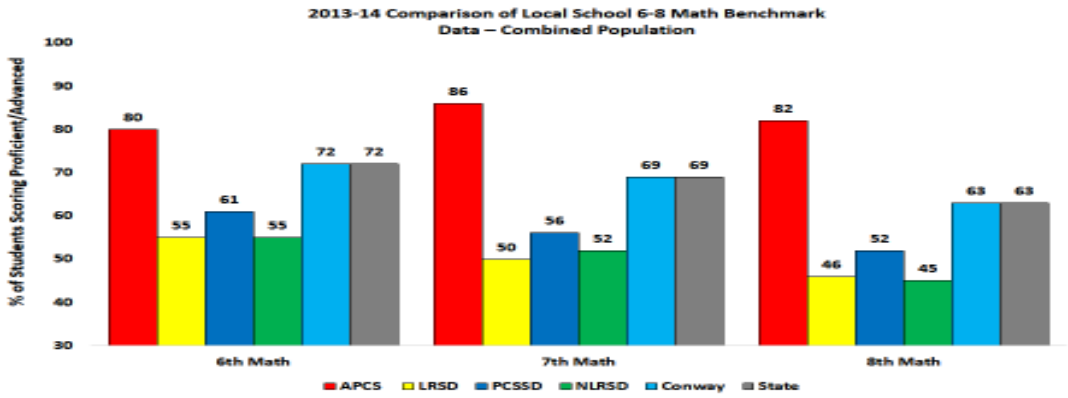
i. Maumelle Middle School's (MMS) improvement status is overall "NEEDS IMPROVEMENT FOCUS." This classification includes "NEEDS IMPROVEMENT" in both literacy and math.

j. APCS outperforms both MHS and MMS in the all students and TAGG indicators in literacy, math and graduation rate.

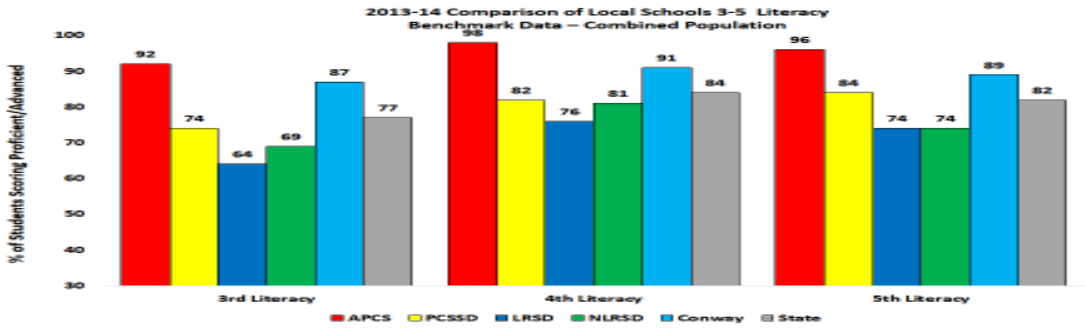
7. The following charts compares APCS, PCSSD, NLR, LR and the state on the 2014 benchmark and end of course exams.



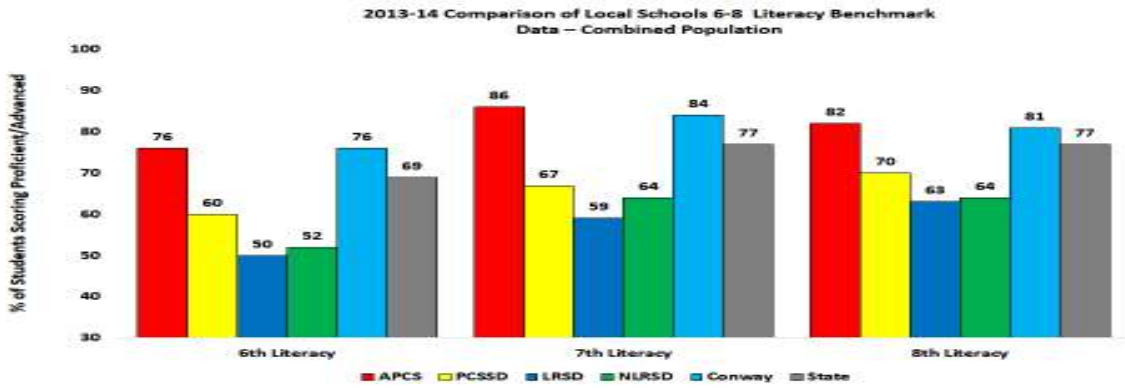
a. APCS outperformed PCSSD, LRSD, NLRSD, Conway and the state on the 2014 3-5 math benchmark exam.



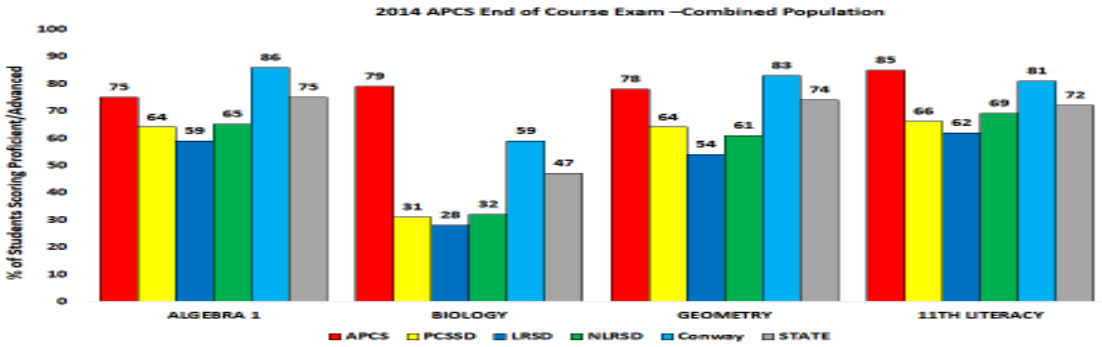
b. APCS outperformed PCSSD, LRSD, NLRSD, Conway and the state on the 2014 6-8 math benchmark exam.



c. APCS outperformed PCSSD, LRSD, NLRSD, Conway and the state on the 2014 3-5 literacy benchmark exam.



d. APCS outperformed PCSSD, LRSD, NLRSD, Conway and the state on the 2014 6-8 literacy benchmark exam.



e. APCS outperformed PCSSD, LRSD, NLRSD and the state on all of the 2014 end of course exams. APCS outperformed Conway in biology and 11th grade literacy. Conway outperformed in algebra 1 and geometry.

f. The charts in attachment 4 compares the ITBS performance of APCS, PCSSD, LRSD, NLRSD and Conway.

(1) APCS outperformed PCSSD, LRSD, NLRSD, Conway and the state on the 1st grade and 2nd grade ITBS in both math and reading.

(2) APCS outperformed PCSSD, LRSD, NLRSD, Conway and the state in 9th grade ITBS Total Reading.

(3) APCS outperformed PCSSD, LRSD and NLRSD on the 9th grade ITBS Total Math. Conway and the state outperformed APCS on the 9th grade ITBS Total Math.

8. As can be seen by the data APCS consistently and significantly outperforms the local districts. It is also evident that APCS's academic achievement increased significantly over the past four years as well as experienced growth in every area tested from 2013 to 2014.

Section 5 – Academic Performance Goals

Part A: Current Performance Goals

Each of the charter's student academic performance goals, as approved by the State Board of Education, is listed. Describe the charter's progress in achieving each goal and provide supporting documentation that demonstrates the progress. If a goal was not reached, explain why it was not reached and the actions being taken so that students can achieve the goal.

REDACT ALL STUDENT IDENTIFIABLE INFORMATION.

Goals in Literacy

Achieve measurable growth for students as demonstrated by state testing and NWEA MAP testing. Each of the following sub objectives will be considered as indicators for meeting this goal.

1. **ACHIEVED. APCS has met this goal.** Students at Academics Plus will document an increase in their writing capacity by examining annual results and demonstrating proficiency at the state average.

   Attachment 3a shows that APCS is ACHIEVING in literacy.

   Attachment 5 shows that APCS met or exceeded the state average on 82% of the scored open response items on the 2014 benchmark exam. When adding the total number of average points on all of the open response items APCS scored 11.46 points higher than the state average. When comparing the 2011 APCS open response scores with the 2014 APCS scores there was improvement in 63% of the items. When adding the total number of average points on all of the open response items APCS scored 3.96 points higher in 2014 than in 2011. Attachment 5 shows that APCS exceeded the state average on the 2014 open response scores, and showed improvement when comparing APCS 2011 scores to APCS 2014 scores.

2. **ACHIEVED. APCS has met this goal.** Annually, Academics Plus will increase academic achievement in literacy as indicated on the benchmark and end of course exams and demonstrate proficiency at the state AMO.

   Attachment 3a shows that APCS is ACHIEVING in literacy.

   Attachment 6 compares standardized test scores of 2011, 2012, 2013 and 2014. APCS showed an increase in literacy benchmark and end of course scores from 2011 to 2014 in seven of the eight tested areas with an average increase of 14%.

3. **PROGRESSING. APCS is progressing toward meeting this goal.** Students in grades K-10 will take the NWEA MAP assessment in reading and language usage, and over 70% of students will meet their growth target each year.

   Explanation of Progress

   Percentage of students meeting NWEA MAP Growth Goals in literacy

Year	Elem. Lit.	HS Lit.	District Lit.
2013-2014	57%	63%	59%
2012-2013	43%	40%	41%

   APCS improved in the percentage of students meeting their goal by 18 percentage points during the past two years. The goal set for NWEA testing is extremely high. Schools throughout the state are recognized for growth awards when over 60% of the students meet their growth goals. The national

average for schools meeting growth is 50%. APCS has used NWEA for the past three years and we are becoming more aware of how to use the data to better meet the needs of individual students. NWEA and Benchmark data are examined at the beginning of each semester to determine which students need remediation and intervention. At the highs school, remediation and intervention is offered to students for one hour after the regular school day at least once a week for literacy. At the elementary school students are remediated during the first 30 minutes of the day. Even though the NWEA growth goals need improvement it is important to understand that APCS met the literacy AMO set by the state and showed great improvement over the past two years. The NWEA data indicates that in 2013-2014 APCS exceeded the national average in every category ranging from 7% to 13%.

Goals in Mathematics

Achieve measurable growth for students as demonstrated by state testing and NWEA MAP testing. Each of the following sub objectives will be considered as indicators for meeting this goal.

1. **ACHIEVED. APCS has met this goal.** Annually, Academics Plus will increase academic achievement in mathematics as indicated on the benchmark and end of course exams and demonstrate proficiency at the state Annual Measurable Objective (AMO).

   Attachment 3a shows that APCS is ACHIEVING in math.

   Attachment 6 compares standardized test scores of 2011, 2012, 2013 and 2014. APCS showed an increase in math benchmark and end of course scores from 2011 to 2014 in seven of the eight tested areas with an average increase of 9.5%.

2. **PROGRESSING. APCS is working toward meeting this goal.** Students in grades K-10 will take the NWEA MAP assessment in mathematics and over 70% of students will meet their growth target each year.

   Percentage of students meeting NWEA MAP Growth Goals in math

Year	Elem. Math	HS Math	District Math
2013-2014	67%	49%	61%
2012-2013	69%	53%	61%

   APCS significantly outperformed the national average of students meeting their NWEA Growth Goals. The goal set for NWEA testing is extremely high. Schools throughout the state are recognized for growth awards when over 60% of the students meet their growth goals. The national average for schools meeting growth is 50%.

   APCS has used NWEA for the past three years and we are becoming more aware of how to use the data to better meet the needs of individual students. NWEA and Benchmark data are examined at the beginning of each semester to determine which students need remediation and intervention. At the highs school, remediation and intervention is offered to students for one hour after the regular school day at least once a week for math. At the elementary school students are remediated during the first 30 minutes of the day. Even though the NWEA growth did not meet the high goal set in 2012, it is important to understand that APCS students significantly outperform the national average and met the math AMO set by the state.

   Two years ago APCS began the implementation of Investigations Math in grades K-8 and Everyday Counts Calendar Math in grades K-5. Teachers received training in both programs and we saw great

improvement in math scores throughout the district this past year. The programs are still being implemented and as teachers and students become more familiar with the programs, research suggests that math scores will continue to increase.

Other Goals

College Preparation Objective: Achieve an increase in college preparation for the students at Academics Plus. Each of the following sub objectives will be considered as indicators for meeting this goal.

1. **ACHIEVED. APCS has met this goal.** Annually, students at Academics Plus will increase the rate of completion of concurrent credit and/or AP coursework by 2% per year by documenting credits earned at the college and taking the AP exam with a score of 3 or higher.

   College Credit Hours Earned by APCS Students

   2014 = 351 (216% increase over 2012 and 69% increase over 2013)
   2013 = 207 (86% increase over 2012)
   2012 = 111

2. **ACHIEVED. APCS has met this goal.** Academics Plus will increase the percentage of graduating seniors that are accepted into a post-secondary educational institution or enter the military by 2% per year and maintain a 95% acceptance rate thereafter.

   The 95% acceptance rate has been obtained during the past three consecutive years. The yearly totals are as follows.

   2014 – 33 of 34 (97%) college acceptance rate or entered into the military.
   2013 – 32 of 33 (97%) college acceptance rate or entered into the military.
   2012 – 35 of 37 (95%) college acceptance rate or entered into the military.

Part B: New Performance Goals

Confirm the understanding that, during the term of the charter renewal, the charter is expected to meet all goals and/or objectives set by the state.

List other student academic performance goals for the period requested for renewal. For each goal, include the following:

- The tool to be used to measure academic performance;
- The level of performance that will demonstrate success; and
- The timeframe for the achievement of the goal.

Respond below in 11 point Times New Roman font. This response can be no longer than 3 pages.

1. **LITERACY:** Achieve measurable growth for students as demonstrated by state testing. Each of the following sub objectives will be considered as indicators for meeting this goal.

   a. Students at Academics Plus will document writing capacity performance by examining annual results and demonstrating proficiency at or above PCSSD or the state average.

   b. Annually, Academics Plus will increase academic achievement in literacy as indicated on the benchmark and end of course exams and demonstrate proficiency at the state average score or Annual Measurable Objective (AMO), or

   c. Demonstrate proficiency at or above the PCSSD annual average score.

2. **MATH:** Achieve measurable growth for students as demonstrated by state testing. The following sub objectives will be considered as indicators for meeting this goal.

   a. Annually, Academics Plus will increase academic achievement in mathematics as indicated on the benchmark and end of course exams and demonstrate proficiency at the state average score or Annual Measurable Objective (AMO), or

   b. Demonstrate proficiency at or above the PCSSD annual average score.

3. **OTHER:**

   h. Students at Academics Plus will increase the rate of completion of concurrent credit and/or AP coursework by 5% over the next five years by documenting credits earned at the college and taking the AP exam with a score of 3 or higher.

   i. Academics Plus will maintain the high number of graduating seniors that are accepted into a post-secondary educational institution or enter the military at or above 95%.

Section 6 – Finance

Review the charter's most recent annual financial audit report. For each finding, address the following:

- If the finding had been noted in any prior year audits;
- The corrective actions taken to rectify the issue; and
- The date by which the issue was or will be corrected.

Below are the findings from the 2012-2013 audit report, as reported by the Legislative Joint Auditing Committee on June 30, 2013:

1. Internal Controls – The Charter did not adequately segregate financial duties

Respond below in 11 point Times New Roman font. This response can be no longer than 2 pages.

The APCS audit was conducted by an Arkansas Legislative Audit auditor. Legislative Audit often issues the Internal Controls finding to small school districts and charter schools across the state. To the extent possible APCS has implemented sound policies and procedures to prevent fraud and fiscal mismanagement. As a small educational entity APCS will most likely not be able to provide enough employees to provide the segregation of duties necessary to have this finding removed. It is important to note that this is the only management findings APCS has received during the past two years. Attachment 7 is a letter from the Legislative Joint Auditing Committee. In the letter the Co-Chairmen state:

> *"The committee appreciates the conscientious efforts of your personnel in achieving substantial compliance with Arkansas fiscal and financial laws applicable to the entity. We encourage you to continue these efforts as well as maintaining conformity with accepted accounting practices and procedures."*

Section 7 – Waivers

Review the following list of statutes and rules that have been waived for the charter school:

Waivers from Title 6 of the Arkansas Code Annotated (Education Code)

6-10-106	School year dates
6-13-608	Length of directors' terms
6-13-611	Vacancies generally
6-13-616	Director eligibility
6-13-630	Election by zone and at large
6-13-634	School district board of directors—Size
6-14-101 et seq.	School Elections
6-15-902(a)	Grading scale—Exemptions—Special education (in grades 3-8, the uniform grading scale is waived only as to non-core courses)
6-15-1004	Qualified teachers in every public school classroom
6-15-1005(b)(5)	Pertaining to alternative learning environments
6-17-201 et seq .	Requirements—Written personnel policies—Teacher salary schedule
6-17-302	Principals—Responsibilities
6-17-309	Certification to teach grade or subject matter—Exceptions—Waivers
6-17-401	Teacher licensure requirement
6-17-418	Teacher licensure—Arkansas history requirement
6-17-902	Definition (definition of a teacher as licensed)
6-17-908	Teachers' salary fund—Authorized disbursements
6-17-919	Warrants void without valid certification and contract
6-17-1501 et seq.	Teacher Fair Dismissal Act
6-17-1701 et seq.	Public School Employee Fair Hearing Act
6-17-2301 et seq.	Classified School Employee Personnel Policy Law
6-18-503(a)(1)(C)(i)	Pertaining to alternative learning environments
6-20-2208(c)(6)	Monitoring of expenditures (gifted and talented)
6-25-101 et seq.	Public School Library and Media Technology Act
6-42-101 et seq.	General Provisions (gifted and talented)
6-48-101 et seq.	Alternative Learning Environments

Waivers from Arkansas Department of Education Rules Governing Standards for Accreditation of Arkansas Public Schools and Districts

15	Personnel
16.02	Media Services
16.03.1	School Nurse
18	Gifted and Talented Education
19	Supplementary Educational Opportunities

Waivers from Other Rules:

- ADE Rules Governing Waivers for Substitute Teachers
- ADE Rules Governing Parental Notification of an Assignment of a Non-Licensed Teacher to Teach a Class for More than Thirty (30) Consecutive Days and for Granting Waivers
- Section 4 of the ADE Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of those Funds (Pertaining to alternative learning environments)
- ADE Rules for Gifted and Talented Program Approval Standards

Part A: New Waiver Requests

List each additional law and rule from Title VI of Arkansas Code Annotated, State Board of Education Rules and Regulations, including the Standards for Accreditation, that the charter would like the approved authorizer to waive. Provide the rationale for each new waiver request.

If no new waivers are requested, state this.

Respond below in 11 point Times New Roman font. Contact staff in the Charter Schools Office if this response needs to be longer than 5 pages.

Additional Waivers

1. Ark. Code Ann. § 6-17-114, concerning planning time:

   Academics Plus requests this waiver to have flexibility to, as needed, provide its teachers with the required planning time during their regularly scheduled hours of work but not during the student instructional day (i.e., during a time range of 3:15 – 4: 15 p.m.).

2. Section 10.02 of ADE Rules Governing the Standards for Accreditation, concerning class size:

   Academics Plus requests flexibility to have its teachers be assigned no more than five (5) students above the permissible student/teacher ratio per grade level, only on an as-needed basis, to maximize its teaching resources.

3. Ark. Code Ann. § 6-17-111, concerning the provision of a duty-free lunch to certified personnel:

   Academics Plus requests a waiver from this statute to provide it with flexibility in making assignments for duty-free lunches. Although we will continue to provide 150 minutes of duty-free lunch per week, we request greater flexibility in planning the lunch time on a daily basis.

4. Ark. Code Ann. § 6-13-619(c)(1)(A), concerning the physical presence of a Board member at a meeting to be counted for purposes of a quorum or to vote:

   Ark. Code Ann. § 6-13-619(c)(1)(A) requires that "a board member shall be physically present to be counted for purposes of a quorum or to vote." Academics Plus requests flexibility from this statutory provision to allow for those occasions when members are only available to participate by telephone or electronic communication.

5. Ark. Code Ann. § 6-13-620(5)(A), concerning the employment of staff:

   Academics Plus requests a waiver of this provision as it concerns the employment of staff other than the Executive Director. Academics Plus' charter provides for the Executive Director to employ all staff which report to that position.

6. Ark. Code Ann. § 6-21-303(b)(1), concerning reimbursements to kindergarten through sixth grade teachers for classroom materials:

   Academics Plus wishes to have the flexibility to provide its elementary teachers with less than the statutory amounts for reimbursement of expenses for classroom materials. The anticipated maximum reimbursement to be provided for such expenses is anticipated to be approximately three hundred dollars ($300) per teacher.

7. Section 9.03.3.9 of the ADE Rules Governing the Standards for Accreditation, concerning teaching of Keyboarding:

Academics Plus has received a waiver from the Department of Career Education to teach Keyboarding in the fourth grade. Based upon that waiver, Academics Plus requests a waiver from the Standards for Accreditation Rules to the extent necessary to only require it to teach Keyboarding in the eighth grade to students who did not previously have the subject as a fourth grade student at Academics Plus.

8. Section 14.03 of the ADE Rules Governing the Standards for Accreditation, concerning required clock hours for units of credit:

   Due to its implementation of digital coursework, project-based learning, and off-campus educational opportunities (such as internships and job-shadowing), Academics Plus is requesting a waiver of its seat time requirements.

   Academics Plus is not, by this request, asking for a waiver of graduation requirements. It is requesting only a waiver of the 120 clock hour requirement. In accordance with prior ADE comments on this type of waiver request, Academics Plus hereby affirms that it will adhere to full curriculum alignment with Arkansas Frameworks, and will be glad to submit to the ADE and/or the Charter Authorizing Panel any additional information that may be desired.

9. Waiver request for change of name:

   APCS requests its name be changed from "Pulaski Charter School's Inc." to "Academics Plus Charter School, Inc." and that its component LEA's names be changed to "Maumelle Charter Elementary" and "Maumelle Charter High School."

Part B: Waivers to Be Rescinded

List each waiver granted by the State Board that the charter would like to have rescinded. If no waivers are listed, the charter may be required to adhere to all waivers listed on both the original and renewal charter documentation.

If the charter wishes to maintain all currently approved waivers, state this.

Respond below in 11 point Times New Roman font. Contact staff in the Charter Schools Office if this response needs to be longer than 5 pages.

APCS requests to maintain all currently approved waivers.

Section 8 – Requested Amendments

List any amendment requests and provide a rationale for each (i.e., changes to grade levels, enrollment cap, location, educational plan).

A **budget** to show that the charter will be financially viable **must accompany** any amendment request to **change grade levels, the enrollment cap, relocate, and/or add a campus**. The budget must document expected revenue to be generated and/or expenses to be incurred if the amendment request is approved.

If no charter amendments are requested, state this.

Respond below in 11 point Times New Roman font. Contact staff in the Charter Schools Office if this response needs to be longer than 5 pages, excluding any budget pages.

APCS request to increase the enrollment cap be raised to 1300 students over the next five years. The cap would be as follows:

2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
750	850	950	1050	1150	1300

As the student performance of APCS increases the reputation in the community also increases. With a positive reputation comes an increased awareness and desire of more students to attend. This year APCS increased the student body by 100 students. Even with the increase in enrollment, the school continues to have over 260 students on the waiting list. It is the desire of the APCS Board of Trustees to accept any and all students who desire to attend APCS.

The following pro forma assumes APCS is successful in completing Phase II of the building plan as well as increasing the number of students attending.

	Actual	Budget	Proforma		
Description	2013-14	2014-15	2015-16	2016-17	2017-18
Projected # of Students	650	750	850	*950	*1050
Revenue Per Student	$6,393.00	$6,521.00	$6,521.00	$6,521.00	$6,521.00
Projected State Revenue	$4,126,873.00	$4,890,750.00	$5,542,850.00	$6,194,950.00	$6,847,050.00
# of Teachers	45	50	53	56	59
Change in # of Teachers		5	3	3	3
Operating Fund					
Salary/Benefits	$2,745,006.17	$3,212,591.67	$3,411,843.50	$3,615,080.37	$3,822,381.98
Building Leases	$496,981.38	$500,000.00	** $900,000.00	** $900,000.00	** $900,000.00
Utilities	$126,359.88	$133,400.00	$134,734.00	$137,428.68	$138,802.97
Other Operating	$495,200.61	$603,548.00	$609,583.48	$621,775.15	$627,992.90
Total Operating	$3,863,548.04	$4,449,539.67	$5,056,160.98	$5,274,284.20	$5,489,177.85
State Revenue	$4,139,291.00	$4,890,750.00	$5,542,850.00	$6,194,950.00	$6,847,050.00
Projected Operating Expenditures	($3,863,548.04)	($4,449,539.67)	($5,056,160.98)	($5,274,284.20)	($5,489,177.85)
Projected Variance	$275,742.96	$441,210.33	$486,689.02	$920,665.80	$1,357,872.15
Notes Payable	$487,709.00	$488,312.00	** $889,539.00	** $887,814.00	** $888,841.00
Building Fund					
Beginning Balance	$1,128,884.20	$879,666.72	$293,666.72	$43,666.72	$43,666.72
Land Purchase	($249,217.48)				
Furniture & Cafeteria Equipment			($250,000.00)		
***Deposit to MFE		($250,000.00)			
***ADFA Fees/Closing Costs/Debt Buy Down		($336,000.00)			
Ending Balance	$879,666.72	$293,666.72	$43,666.72	$43,666.72	$43,666.72

*To be approved by Charter Authorizer.

**Projected $400k additional financing for new construction.

***Subject To ADE approval in lease.

Attachments:

1. Census Population Comparison
2. Contract Approval from ADE
3. AMO reports for APCS and PCSSD to include district and school reports
4. ITBS local district comparison
5. Writing prompt and reading open response scores
6. APCS test score comparison of 2011, 2012, 2013 and 2014
7. Legislative Joint Auditing Committee Letter
8. Special Education Annual Performance Report dated June 20, 2014
9. Special Education Program monitoring Report dated January 8, 2014
10. Standards On-campus Review dated December 19, 2012
11. Title I Comparability Report dated November 24, 2014
12. Food Service Coordinated Review Effort dated January 16, 2014
13. City of Maumelle Resolution in Support of APCS Renewal

Census Population Comparison

STUDENTS	ACADEMICS PLUS		PCSSD RESIDENCE % 2010 CENSUS	MAUMELLE % 2010 CENSUS	PULASKI COUNTY % 2010 CENSUS
	# Students 2014	% Students 2014			
African American	115	15.5%	21.4%	12.1%	35.0%
Hispanic	34	4.5%	4.2%	2.4%	5.8%
Asian	15	2.0%	2.1%	2.3%	2.0%
Native American	3	.4%	.5%	.2%	.4%
White	578	77%	72.0%	81%	57.5%
Special Education	70	9.4%			
Free/Red. Lunch	152	20.3%			

ARKANSAS DEPARTMENT OF EDUCATION

LEADERSHIP SUPPORT SERVICE

RECEIVED JUL 0 2 2014

Dr. Tom W. Kimbrell
Commissioner

State Board of Education

Brenda Gullett
Fayetteville
Chair

Sam Ledbetter
Little Rock
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Alice Mahony
El Dorado

Toyce Newton
Crossett

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

June 30, 2014

Mr. Rob McGill, Executive Director
Academics Plus Charter Schools
900 Edgewood Dr.
Maumelle, AR 72113

Re: Contract Approval Request

Dear Mr. McGill:

I received your request to hire Ms. Susan Fielding as a fifth grade teacher. Ms. Fielding is the sister of Board of Trustees Chairman Jess Sweere.

In my review, I noted Academics Plus has two open fifth grade teaching positions. Eight applicants were interviewed for the open positions. Ms. Fielding was one of two applicants interviewed who are licensed to teach fifth grade. The other licensed applicant was offered the other open position. Ms. Fielding also has 21 years teaching experience, more than any other applicant. Under the governing structure of Academics Plus, the Board of Trustees has no authority to hire personnel. Such authority lies solely with the Executive Director. This matter came before the Board of Trustees only to comply with Ark. Code Ann. § 6-24-105.

Based on the above stated facts, I approve hiring Ms. Fielding as a fifth grade teacher.

Sincerely,

Tony Wood

Tony Wood
Deputy Commissioner

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

District:	ACADEMICS PLUS SCHOOL DISTRICT	**Superintendent:**	ROBERT MCGILL		Report created on: 09/12/2014
LEA:	6040700	**Enrollment:**	650		**% Prof/Adv.**
Address:	900 EDGEWOOD DRIVE	**Attendance:**	95.93	**2014 Math + Literacy**	86.4
Address:	MAUMELLE, AR 72113	**Poverty Rate:**	24.00	**2013 Math + Literacy**	80.1
Phone:	501-803-9730			**2012 Math + Literacy**	79.5

OVERALL DISTRICT STATUS:	ACHIEVING

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	344	348	98.85	394	400	98.50
Targeted Achievement Gap Group	112	114	98.25	117	120	97.50
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	60	60	100.00	62	62	100.00
Hispanic	17	17	100.00	18	18	100.00
White	258	262	98.47	304	310	98.06
Economically Disadvantaged	91	93	97.85	98	101	97.03
English Language Learners	0	0		0	0	
Students with Disabilities	29	31	93.55	30	31	96.77

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	ACHIEVING									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	288	322	89.44	79.29	91.00	196	232	84.48	77.14	93.00
Targeted Achievement Gap Group	83	106	78.30	65.91	91.00	53	71	74.65	64.23	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	823	949	86.72	79.29	91.00	369	433	85.22	77.14	93.00
Targeted Achievement Gap Group	271	355	76.34	65.91	91.00	120	158	75.95	64.23	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	41	56	73.21	66.38		29	37	78.38	62.50	
Hispanic	12	14	85.71	76.32		9	11	81.82	81.25	
White	226	243	93.00	83.09		152	178	85.39	81.98	
Economically Disadvantaged	66	85	77.65	67.19		43	59	72.88	64.35	
English Language Learners										
Students with Disabilities	22	29	75.86	43.75		13	16	81.25	47.50	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	ACHIEVING									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	311	371	83.83	80.19	92.00	158	233	67.81	78.75	81.00
Targeted Achievement Gap Group	80	111	72.07	70.83	92.00	37	71	52.11	75.77	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	870	1115	78.03	80.19	92.00	281	435	64.60	78.75	81.00
Targeted Achievement Gap Group	274	406	67.49	70.83	92.00	82	158	51.90	75.77	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	36	58	62.07	68.15		19	37	51.35	69.32	
Hispanic	13	15	86.67	76.32		5	11	45.45	75.00	
White	252	288	87.50	83.88		128	179	71.51	81.98	
Economically Disadvantaged	65	92	70.65	72.73		33	59	55.93	75.41	
English Language Learners										
Students with Disabilities	19	30	63.33	43.75		5	16	31.25	55.00	

2013 SCHOOL GRADUATION RATE					
GRADUATION RATE STATUS:	ACHIEVING				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	32	34	94.12	95.59	94.00
Targeted Achievement Gap Group	8	9		70.00	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	89	101	88.12	95.59	94.00
Targeted Achievement Gap Group	17	19		70.00	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	7	8	87.50	85.00	
Hispanic	1	1	100.00	100.00	
White	24	25	96.00	96.87	
Economically Disadvantaged	8	9	88.89	70.00	
English Language Learners	0	0	0.00		
Students with Disabilities	0	0	0.00	25.00	

District:	ACADEMICS PLUS SCHOOL DISTRICT	**Superintendent:**	ROBERT MCGILL		Report created on: 10/29/2014
School:	ACADEMICS PLUS	**Principal:**	PATRICE GROSS		
LEA:	6040702	**Grade:**	K - 05		**% Prof/Adv.**
Address:	900 EDGEWOOD DIRVE	**Enrollment:**	361	**2014 Math + Literacy**	91.7
Address:	MAUMELLE, AR 72113	**Attendance:**	98.34	**2013 Math + Literacy**	87.0
Phone:	501-803-0066	**Poverty Rate:**	21.88	**2012 Math + Literacy**	84.2

OVERALL SCHOOL STATUS:	ACHIEVING

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	168	168	100.00	168	168	100.00
Targeted Achievement Gap Group	57	57	100.00	57	57	100.00
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	29	29	100.00	29	29	100.00
Hispanic	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
White	125	125	100.00	125	125	100.00
Economically Disadvantaged	43	43	100.00	43	43	100.00
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	19	19	100.00	19	19	100.00

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	ACHIEVING									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	150	157	95.54	79.29	91.00	88	103	85.44	77.14	93.00
Targeted Achievement Gap Group	47	53	88.68	65.91	91.00	25	32	78.13	64.23	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	150	157	95.54	79.29	91.00	88	103	85.44	77.14	93.00
Targeted Achievement Gap Group	47	53	88.68	65.91	91.00	25	32	78.13	64.23	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	22	25	88.00	66.38		15	18	83.33	62.50	
Hispanic	n < 10	n < 10	n < 10	76.32		n < 10	n < 10	n < 10	81.25	
White	116	120	96.67	83.09		65	77	84.42	81.98	
Economically Disadvantaged	36	39	92.31	67.19		18	24	75.00	64.35	
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	15	19	78.95	43.75		n < 10	n < 10	n < 10	47.50	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	ACHIEVING									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	138	157	87.90	80.19	92.00	52	103	50.49	78.75	81.00
Targeted Achievement Gap Group	39	53	73.58	70.83	92.00	9	32	28.13	75.77	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	138	157	87.90	80.19	92.00	52	103	50.49	78.75	81.00
Targeted Achievement Gap Group	39	53	73.58	70.83	92.00	9	32	28.13	75.77	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	15	25	60.00	68.15		5	18	27.78	69.32	
Hispanic	n < 10	n < 10	n < 10	76.32		n < 10	n < 10	n < 10	75.00	
White	112	120	93.33	83.88		43	77	55.84	81.98	
Economically Disadvantaged	27	39	69.23	72.73		6	24	25.00	75.41	
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	15	19	78.95	43.75		n < 10	n < 10	n < 10	55.00	

District:	ACADEMICS PLUS SCHOOL DISTRICT	**Superintendent:**	ROBERT MCGILL		Report created on: 10/29/2014
School:	ACADEMICS PLUS	**Principal:**	KIMBERLY WILLIS		
LEA:	6040703	**Grade:**	06 - 12		**% Prof/Adv.**
Address:	900 EDGEWOOD DRIVE	**Enrollment:**	289	**2014 Math + Literacy**	82.1
Address:	MAUMELLE, AR 72113	**Attendance:**	92.91	**2013 Math + Literacy**	70.2
Phone:	501-851-3333	**Poverty Rate:**	26.64	**2012 Math + Literacy**	74.3

OVERALL SCHOOL STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED

PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	176	176	100.00	226	226	100.00
Targeted Achievement Gap Group	55	55	100.00	60	60	100.00
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	31	31	100.00	33	33	100.00
Hispanic	10	10	100.00	11	11	100.00
White	133	133	100.00	179	179	100.00
Economically Disadvantaged	48	48	100.00	55	55	100.00
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	10	10	100.00	11	11	100.00

STUDENT PERFORMANCE -- LITERACY

LITERACY STATUS:	ACHIEVING				
	PERFORMANCE -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	138	165	83.64	79.29	91.00
Targeted Achievement Gap Group	36	53	67.92	65.91	91.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	138	165	83.64	79.29	91.00
Targeted Achievement Gap Group	36	53	67.92	65.91	91.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO	
African American	19	31	61.29	66.38	
Hispanic	n < 10	n < 10	n < 10	76.32	
White	110	123	89.43	83.09	
Economically Disadvantaged	30	46	65.22	67.19	
English Language Learners	n < 10	n < 10	n < 10		
Students with Disabilities	7	10	70.00	43.75	

STUDENT PERFORMANCE -- MATHEMATICS

MATHEMATICS STATUS:	NEEDS IMPROVEMENT				
	PERFORMANCE -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	173	214	80.84	80.19	92.00
Targeted Achievement Gap Group	41	58	70.69	70.83	92.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	173	214	80.84	80.19	92.00
Targeted Achievement Gap Group	41	58	70.69	70.83	92.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO	
African American	21	33	63.64	68.15	
Hispanic	9	10	90.00	76.32	
White	140	168	83.33	83.88	
Economically Disadvantaged	38	53	71.70	72.73	
English Language Learners	n < 10	n < 10	n < 10		
Students with Disabilities	4	11	36.36	43.75	

2013 SCHOOL GRADUATION RATE

GRADUATION RATE STATUS:	ACHIEVING				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	32	34	94.12	95.59	94.00
Targeted Achievement Gap Group	n < 10	n < 10	n < 10	70.00	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	32	34	94.12	95.59	94.00
Targeted Achievement Gap Group	n < 10	n < 10	n < 10	70.00	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	n < 10	n < 10	n < 10	85.00	
Hispanic	n < 10	n < 10	n < 10	100.00	
White	24	25	96.00	96.87	
Economically Disadvantaged	n < 10	n < 10	n < 10	70.00	
English Language Learners	n < 10	n < 10	n < 10		
Students with Disabilities	n < 10	n < 10	n < 10	25.00	

District:	PULASKI COUNTY SPECIAL SCHOOL D	**Superintendent:**	JERRY GUESS		Report created on: 10/29/2014
LEA:	6003000	**Enrollment:**	17060		**% Prof/Adv.**
Address:	925 E. DIXON RD	**Attendance:**	94.69	**2014 Math + Literacy**	68.2
Address:	LITTLE ROCK, AR 72206	**Poverty Rate:**	55.62	**2013 Math + Literacy**	69.6
Phone:	501-234-2000			**2012 Math + Literacy**	73.4

OVERALL DISTRICT STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	8789	8982	97.85	10060	10272	97.94
Targeted Achievement Gap Group	5615	5721	98.15	6400	6526	98.07
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	4019	4105	97.90	4592	4689	97.93
Hispanic	543	548	99.09	634	647	97.99
White	3968	4065	97.61	4559	4656	97.92
Economically Disadvantaged	5267	5341	98.61	6011	6113	98.33
English Language Learners	260	260	100.00	299	300	99.67
Students with Disabilities	1107	1166	94.94	1209	1263	95.72

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	5989	8208	72.97	76.47	91.00	3964	5621	70.52	79.25	93.00
Targeted Achievement Gap Group	3323	5171	64.26	69.32	91.00	2251	3602	62.49	73.48	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	18244	24718	73.81	76.47	91.00	12277	16660	73.69	79.25	93.00
Targeted Achievement Gap Group	10009	15438	64.83	69.32	91.00	6981	10613	65.78	73.48	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	2396	3714	64.51	69.27		1601	2543	62.96	74.21	
Hispanic	361	507	71.20	77.34		253	352	71.88	80.28	
White	3028	3745	80.85	82.71		1993	2578	77.31	83.41	
Economically Disadvantaged	3188	4838	65.89	70.50		2168	3415	63.48	74.37	
English Language Learners	141	244	57.79	68.00		99	164	60.37	79.47	
Students with Disabilities	277	1034	26.79	44.21		218	673	32.39	51.90	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	6035	9429	64.00	77.13	92.00	2714	5810	46.71	72.06	81.00
Targeted Achievement Gap Group	3142	5926	53.02	70.73	92.00	1363	3727	36.57	66.05	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	18985	28187	67.35	77.13	92.00	8831	16852	52.40	72.06	81.00
Targeted Achievement Gap Group	10132	17583	57.62	70.73	92.00	4661	10741	43.39	66.05	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	2188	4276	51.17	68.22		897	2612	34.34	64.27	
Hispanic	360	589	61.12	79.18		175	381	45.93	71.61	
White	3269	4304	75.95	85.20		1522	2653	57.37	79.37	
Economically Disadvantaged	2982	5556	53.67	71.56		1299	3521	36.89	66.84	
English Language Learners	141	278	50.72	71.82		66	185	35.68	66.06	
Students with Disabilities	320	1133	28.24	44.21		124	695	17.84	46.43	

2013 SCHOOL GRADUATION RATE					
GRADUATION RATE STATUS:	ACHIEVING				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	839	1151	72.89	65.91	94.00
Targeted Achievement Gap Group	382	558	68.46	62.44	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	2445	3688	66.30	65.91	94.00
Targeted Achievement Gap Group	1086	1759	61.74	62.44	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	405	543	74.59	66.44	
Hispanic	40	59	67.80	56.88	
White	363	513	70.76	66.20	
Economically Disadvantaged	336	497	67.61	62.30	
English Language Learners	n < 10	n < 10	n < 10	56.25	
Students with Disabilities	90	123	73.17	66.30	

District:	PULASKI COUNTY SPECIAL SCHOOL D	**Superintendent:**	JERRY GUESS		Report created on: 10/29/2014
School:	MAUMELLE HIGH SCHOOL	**Principal:**	REBECCA GUTHRIE		
LEA:	6003151	**Grade:**	9 - 12		**% Prof/Adv.**
Address:	100 VICTORY LANE	**Enrollment:**	1053	**2014 Math + Literacy**	63.6
Address:	MAUMELLE, AR 72113	**Attendance:**	94.47	**2013 Math + Literacy**	62.7
Phone:	501-234-2510	**Poverty Rate:**	34.09	**2012 Math + Literacy**	64.8

OVERALL SCHOOL STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED						
PERCENT TESTED STATUS:	NEEDS IMPROVEMENT					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	264	267	98.88	455	472	96.40
Targeted Achievement Gap Group	119	120	99.17	210	225	93.33
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	130	132	98.48	209	218	95.87
Hispanic	12	12	100.00	22	23	95.65
White	114	115	99.13	215	222	96.85
Economically Disadvantaged	110	111	99.10	189	202	93.56
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	16	16	100.00	30	32	93.75

STUDENT PERFORMANCE -- LITERACY					
LITERACY STATUS:	ACHIEVING				
	PERFORMANCE -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	180	250	72.00	65.52	91.00
Targeted Achievement Gap Group	67	113	59.29	52.91	91.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	401	606	66.17	65.52	91.00
Targeted Achievement Gap Group	128	255	50.20	52.91	91.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO	
African American	81	127	63.78	54.65	
Hispanic	n < 10	n < 10	n < 10	55.00	
White	89	106	83.96	78.84	
Economically Disadvantaged	65	104	62.50	54.27	
English Language Learners	n < 10	n < 10	n < 10	25.00	
Students with Disabilities	3	16	18.75	25.00	

STUDENT PERFORMANCE -- MATHEMATICS					
MATHEMATICS STATUS:	NEEDS IMPROVEMENT				
	PERFORMANCE -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	261	443	58.92	83.65	92.00
Targeted Achievement Gap Group	92	202	45.54	81.08	92.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	791	1266	62.48	83.65	92.00
Targeted Achievement Gap Group	331	632	52.37	81.08	92.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO	
African American	98	206	47.57	81.62	
Hispanic	13	21	61.90	83.34	
White	144	207	69.57	86.37	
Economically Disadvantaged	85	181	46.96	81.82	
English Language Learners	n < 10	n < 10	n < 10	62.50	
Students with Disabilities	6	29	20.69	25.00	

2013 SCHOOL GRADUATION RATE					
GRADUATION RATE STATUS:	ACHIEVING				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	122	145	84.14	63.08	94.00
Targeted Achievement Gap Group	46	55	83.64	60.45	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	274	398	68.84	63.08	94.00
Targeted Achievement Gap Group	111	169	65.68	60.45	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	60	73	82.19	61.06	
Hispanic	n < 10	n < 10	n < 10	55.00	
White	51	61	83.61	65.30	
Economically Disadvantaged	40	48	83.33	59.50	
English Language Learners	n < 10	n < 10	n < 10	100.00	
Students with Disabilities	10	12	83.33	60.00	

District:	PULASKI COUNTY SPECIAL SCHOOL D	**Superintendent:**	JERRY GUESS		Report created on: 10/29/2014
School:	MAUMELLE MIDDLE SCHOOL	**Principal:**	RYAN BURGESS		
LEA:	6003149	**Grade:**	6 - 8		**% Prof/Adv.**
Address:	1000 CARNAHAN DR	**Enrollment:**	884	**2014 Math + Literacy**	67.7
Address:	MAUMELLE, AR 72113	**Attendance:**	96.05	**2013 Math + Literacy**	72.7
Phone:	501-851-8990	**Poverty Rate:**	42.19	**2012 Math + Literacy**	76.9

OVERALL SCHOOL STATUS:	NEEDS IMPROVEMENT FOCUS

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	861	897	95.99	963	1001	96.20
Targeted Achievement Gap Group	439	451	97.34	454	467	97.22
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	362	373	97.05	384	396	96.97
Hispanic	40	44	90.91	45	49	91.84
White	442	462	95.67	511	532	96.05
Economically Disadvantaged	397	407	97.54	410	421	97.39
English Language Learners	15	15	100.00	17	17	100.00
Students with Disabilities	85	88	96.59	86	89	96.63

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	581	816	71.20	74.65	91.00	534	773	69.08	76.60	93.00
Targeted Achievement Gap Group	228	411	55.47	61.29	91.00	209	387	54.01	64.83	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	1817	2412	75.33	74.65	91.00	1661	2230	74.48	76.60	93.00
Targeted Achievement Gap Group	709	1165	60.86	61.29	91.00	658	1079	60.98	64.83	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	207	338	61.24	66.06		191	322	59.32	68.61	
Hispanic	26	38	68.42	64.00		24	37	64.86	67.86	
White	337	423	79.67	81.21		311	399	77.94	82.82	
Economically Disadvantaged	220	369	59.62	63.73		200	354	56.50	66.97	
English Language Learners	5	14	35.71	62.50		3	14	21.43	78.57	
Students with Disabilities	11	79	13.92	37.17		11	67	16.42	38.52	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	592	917	64.56	79.35	92.00	471	800	58.88	76.03	81.00
Targeted Achievement Gap Group	186	425	43.76	67.12	92.00	158	397	39.80	63.61	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	1873	2688	69.68	79.35	92.00	1431	2258	63.37	76.03	81.00
Targeted Achievement Gap Group	630	1213	51.94	67.12	92.00	509	1090	46.70	63.61	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	174	360	48.33	67.31		144	333	43.24	63.06	
Hispanic	26	42	61.90	75.00		23	38	60.53	75.00	
White	375	492	76.22	87.48		294	413	71.19	85.34	
Economically Disadvantaged	176	382	46.07	68.94		152	363	41.87	65.34	
English Language Learners	3	15	20.00	77.50		2	14	14.29	78.57	
Students with Disabilities	13	80	16.25	37.17		8	69	11.59	43.44	

District:	PULASKI COUNTY SPECIAL SCHOOL D	**Superintendent:**	JERRY GUESS		Report created on: 10/29/2014
School:	CRYSTAL HILL ELEMENTARY	**Principal:**	STACY DONAGHY		
LEA:	6003093	**Grade:**	P - 5		**% Prof/Adv.**
Address:	5001 NORTHSHORE DR	**Enrollment:**	689	**2014 Math + Literacy**	76.2
Address:	NORTH LITTLE ROCK, AR 72118	**Attendance:**	95.00	**2013 Math + Literacy**	79.5
Phone:	501-791-8000	**Poverty Rate:**	37.74	**2012 Math + Literacy**	88.1

OVERALL SCHOOL STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	345	345	100.00	345	345	100.00
Targeted Achievement Gap Group	165	165	100.00	165	165	100.00
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	147	147	100.00	147	147	100.00
Hispanic	20	20	100.00	20	20	100.00
White	168	168	100.00	168	168	100.00
Economically Disadvantaged	142	142	100.00	142	142	100.00
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	45	45	100.00	45	45	100.00

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	259	328	78.96	88.80	91.00	170	210	80.95	91.79	93.00
Targeted Achievement Gap Group	107	158	67.72	77.72	91.00	67	97	69.07	85.54	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	831	988	84.11	88.80	91.00	519	606	85.64	91.79	93.00
Targeted Achievement Gap Group	335	461	72.67	77.72	91.00	214	269	79.55	85.54	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	105	139	75.54	81.84		69	91	75.82	87.20	
Hispanic	12	20	60.00	100.00		7	12	58.33	100.00	
White	134	160	83.75	92.74		90	102	88.24	95.04	
Economically Disadvantaged	95	135	70.37	83.79		60	84	71.43	87.33	
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	21	44	47.73	52.27		14	25	56.00	79.00	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	241	328	73.48	90.85	92.00	101	224	45.09	80.72	81.00
Targeted Achievement Gap Group	91	158	57.59	83.16	92.00	40	104	38.46	74.70	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	771	988	78.04	90.85	92.00	329	620	53.06	80.72	81.00
Targeted Achievement Gap Group	292	461	63.34	83.16	92.00	128	276	46.38	74.70	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	88	139	63.31	86.52		31	96	32.29	75.30	
Hispanic	11	20	55.00	100.00		6	14	42.86	75.00	
White	134	160	83.75	93.55		60	109	55.05	84.51	
Economically Disadvantaged	80	135	59.26	87.16		33	89	37.08	76.76	
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	22	44	50.00	52.27		10	27	37.04	61.00	

District:	PULASKI COUNTY SPECIAL SCHOOL D	**Superintendent:**	JERRY GUESS		Report created on: 10/29/2014
School:	PINE FOREST ELEMENTARY SCHOOL	**Principal:**	YOLANDA THOMAS		
LEA:	6003142	**Grade:**	K - 5		**% Prof/Adv.**
Address:	400 PINE FOREST DR	**Enrollment:**	563	**2014 Math + Literacy**	84.7
Address:	MAUMELLE, AR 72113	**Attendance:**	96.65	**2013 Math + Literacy**	82.0
Phone:	501-851-5380	**Poverty Rate:**	41.03	**2012 Math + Literacy**	91.3

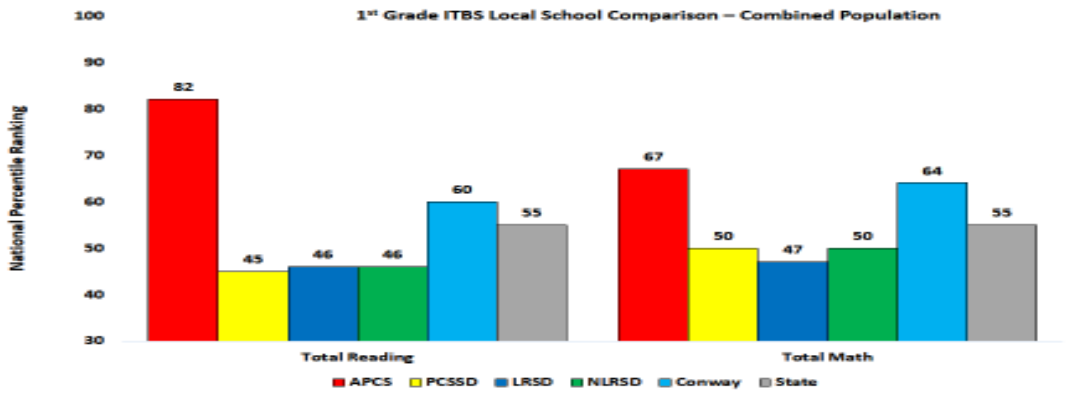
OVERALL SCHOOL STATUS:	NEEDS IMPROVEMENT

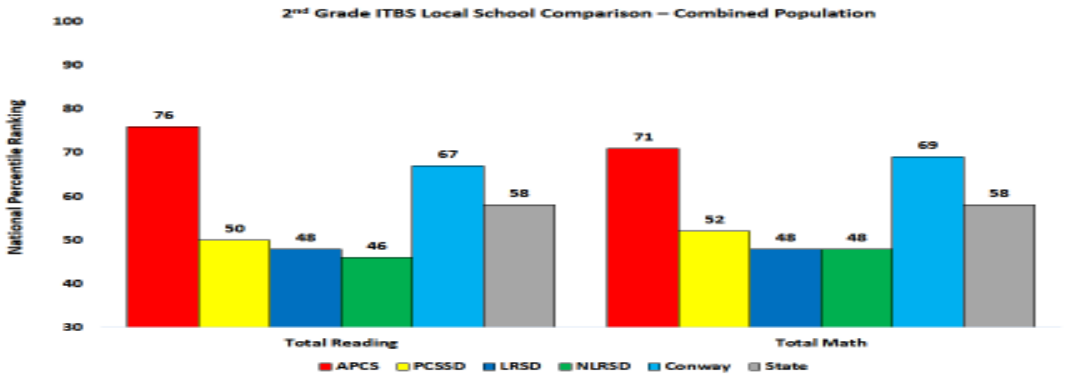
PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	277	278	99.64	277	278	99.64
Targeted Achievement Gap Group	127	128	99.22	127	128	99.22
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	95	95	100.00	95	95	100.00
Hispanic	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
White	161	162	99.38	161	162	99.38
Economically Disadvantaged	117	118	99.15	117	118	99.15
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	18	18	100.00	18	18	100.00

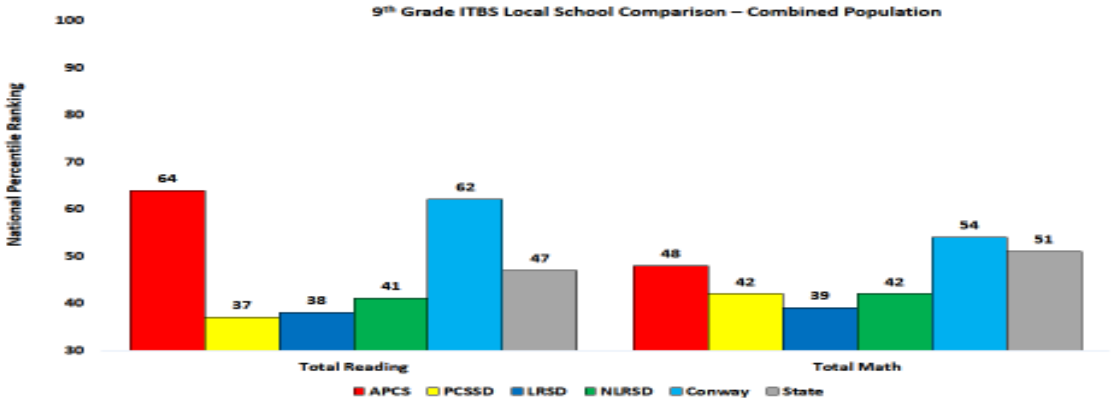
STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	241	268	89.93	91.83	91.00	148	184	80.43	94.74	93.00
Targeted Achievement Gap Group	100	120	83.33	85.00	91.00	60	81	74.07	91.18	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	726	812	89.41	91.83	91.00	445	529	84.12	94.74	93.00
Targeted Achievement Gap Group	286	358	79.89	85.00	91.00	169	228	74.12	91.18	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	78	92	84.78	84.38		45	58	77.59	91.85	
Hispanic	n < 10	n < 10	n < 10	87.50		n < 10	n < 10	n < 10	100.00	
White	148	156	94.87	95.39		93	114	81.58	95.52	
Economically Disadvantaged	94	110	85.45	86.72		55	73	75.34	92.62	
English Language Learners	n < 10	n < 10	n < 10	25.00		n < 10	n < 10	n < 10		
Students with Disabilities	9	17	52.94	54.17		8	12	66.67	86.37	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	213	268	79.48	93.24	92.00	83	187	44.39	84.65	81.00
Targeted Achievement Gap Group	79	120	65.83	87.15	92.00	30	83	36.14	84.56	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	669	812	82.39	93.24	92.00	275	532	51.69	84.65	81.00
Targeted Achievement Gap Group	241	358	67.32	87.15	92.00	105	230	45.65	84.56	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	63	92	68.48	84.38		20	61	32.79	80.43	
Hispanic	n < 10	n < 10	n < 10	87.50		n < 10	n < 10	n < 10	75.00	
White	137	156	87.82	97.49		59	114	51.75	86.54	
Economically Disadvantaged	74	110	67.27	89.07		26	75	34.67	86.48	
English Language Learners	n < 10	n < 10	n < 10	25.00		n < 10	n < 10	n < 10		
Students with Disabilities	7	17	41.18	54.17		5	12	41.67	72.73	

2014 IOWA Test of Basic Skills Comparison







Writing Prompt and Reading Open Response Scores

	Grade Level	Pts. Possible	A+ 2011	State 2011	A+ 2012	State 2012	A+ 2013	State 2013	A+ 2014	State 2014
Reading										
Literary Passage	3	8	3.2	4.1	3.8	3.6	3.9	4.4	3.8	3.7
Content Passage	3	8	4.9	4.9	4.5	4.1	5.5	4.8	2.1	2.2
Practical Passage	3	8	1.9	2.9	4.1	3.8	2.6	3.1	3.5	3.3
Writing										
Content Domain	3	4 & 4	2.2 / 2.7	2.4 / 2.7	2.5 /2.4	2.5 / 2.3	2.4/2.6	2.4/2.4	2.3/2.9	2.1/2.5
Style Domain	3	4 & 4	2.2 / 2.7	2.4 / 2.7	2.5 / 2.4	2.5 / 2.3	2.4/2.6	2.4/2.4	2.3/2.9	2.1/2.5
Sent. Formation	3	4 & 4	2.8 / 3.3	3.0 / 3.1	3.2 / 3.0	3.0 / 2.9	3.1/3.1	2.8/2.7	3.2/3.1	2.7/2.7
Usage Domain	3	4 & 4	3.3 / 3.7	3.5 / 3.6	3.7 / 3.5	3.4 / 3.3	3.4/3.4	3.2/3.2	3.5/3.4	3.0/3.0
Mechanics Domain	3	4 & 4	2.9 / 3.4	3.2 / 3.2	3.4 / 3.3	3.1 / 3.1	3.2/3.1	3.0/2.9	3.4/3.1	2.9/2.8
Reading										
Literary Passage	4	8	5.7	5.8	4.4	4.7	4.9	3.8	4	3.9
Content Passage	4	8	3.7	4.5	4.5	4.3	5.6	5.4	7.1	6.1
Practical Passage	4	8	3.6	4.3	2	2.2	4.1	4	5.6	5.3
Writing										
Content Domain	4	4 & 4	2.9 / 3.2	2.9 / 2.9	2.8 / 2.8	2.8 / 2.8	3.0/3.0	2.8/2.9	2.5/2.9	2.5/2.8
Style Domain	4	4 & 4	2.9 / 3.2	2.9 / 2.9	2.8 / 2.8	2.8 / 2.8	3.0/3.0	2.8/2.9	2.6/2.9	2.5/2.8
Sent. Formation	4	4 & 4	3.5 /3.6	3.4 / 3.3	3.5 / 3.4	3.3 / 3.3	3.5/3.7	3.1/3.3	3.4/3.5	3.1/3.0
Usage Domain	4	4 & 4	3.6 / 3.8	3.6 &/3.5	3.5 / 3.7	3.5 / 3.5	3.7/3.8	3.4/3.5	3.8/3.7	3.5/3.4
Mechanics Domain	4	4 & 4	3.4 / 3.6	3.4 / 3.3	3.3 / 3.6	3.4 / 3.4	3.5/3.7	3.2/3.3	3.5/3.3	3.2/3.1
Reading										
Literary Passage	5	8	3.8	3.9	4.9	4.6	6.2	6.3	3.8	4.7
Content Passage	5	8	6.5	6.7	5.6	4.8	6.6	6.4	5	4.5
Practical Passage	5	8	6.7	6.4	5.1	5.6	4.4	4.6	6.5	5.7
Writing										
Content Domain	5	4 & 4	3.0 / 2.8	3.0 / 2.8	3.0 / 2.9	3.0/3.0	2.8/2.9	2.9/2.9	2.8/3.0	2.8/2.9
Style Domain	5	4 & 4	3.0 / 2.8	3.0 / 2.8	3.0 / 2.9	3.0/ 3.0	2.9/2.9	2.9/2.9	2.8/3.0	2.8/2.9
Sent. Formation	5	4 & 4	3.3 / 3.3	3.5 / 3.4	3.8 / 3.7	3.4 / 3.5	3.5/3.4	3.4/3.4	3.8/3.8	3.5/3.6
Usage Domain	5	4 & 4	3.7 / 3.5	3.7 / 3.6	3.8 / 3.8	3.6 / 3.7	3.6/3.6	3.6/3.5	3.96/4.0	3.6/3.7
Mechanics Domain	5	4 & 4	3.7 / 3.6	3.6 / 3.5	3.7 /3.8	3.5 / 3.6	3.6/3.5	3.6/3.4	3.9/3.8	3.5/3.6
Reading										
Literary Passage	6	8	6.5	6.5	4.8	5.1	5.5	5.5	4.6	4.4
Content Passage	6	8	5.3	5.2	5.9	6.1	4.8	4.4	6.6	6.4
Practical Passage	6	8	5.8	5.6	2.8	3	5.4	5.5	4.8	4.3
Writing										
Content Domain	6	4 & 4	2.8 &/2.8	2.9 / 2.9	2.6 / 2.7	2.9 / 3.0	2.8/2.9	2.9/2.9	3.0/2.8	3.0/2.9
Style Domain	6	4 & 4	2.9 / 2.8	2.9 / 2.9	2.6 / 2.8	2.9 / 3.0	2.7/2.9	2.9/3.0	3.0/2.8	3.0/2.9
Sent. Formation	6	4 & 4	3.5 / 3.5	3.5 / 3.6	3.3 / 3.4	3.6 / 3.6	3.7/3.8	3.6/3.6	3.8/3.8	3.6/3.6
Usage Domain	6	4 & 4	3.7 / 3.6	3.7/3.7	3.7/3.7	3.7/3.7	3.7/3.8	3.7/3.8	3.8/3.9	3.8/3.7
Mechanics Domain	6	4 & 4	3.7/3.6	3.7/3.6	3.5/3.7	3.7/3.7	3.8/3.8	3.7/3.7	3.8/3.8	3.7/3.7
Reading										
Literary Passage	7	8	4.1	4.7	5.8	5.2	2.7	3.6	5.4	4.7
Content Passage	7	8	5.6	6.2	4.1	4.9	5.3	5.6	4.4	4.9
Practical Passage	7	8	6	6.5	4.6	4.6	4	4.1	6.2	6.1
Writing										
Content Domain	7	4 & 4	2.7/2.8	2.9/2.9	3.2/2.7	3.0/2.8	2.8/2.9	2.8/3.0	2.9/2.7	3.0/2.9
Style Domain	7	4 & 4	2.7/2.8	2.9/2.9	3.2/2.7	3.0/2.8	2.8/2.9	2.8/3.0	2.9/2.7	3.0/2.9
Sent. Formation	7	4 & 4	3.5/3.7	3.6/3.7	3.9/3.7	3.7/3.6	3.7/3.8	3.7/3.7	3.9/3.8	3.7/3.7
Usage Domain	7	4 & 4	3.5/3.8	3.7/3.7	3.8/3.8	3.8/3.7	3.9/3.9	3.7/3.8	4.0/3.9	3.8/3.8
Mechanics Domain	7	4 & 4	3.5/3.7	3.6/3.7	3.9/3.7	3.8/3.7	3.9/3.9	3.7/3.7	4.0/3.9	3.8/3.7
Reading										
Literary Passage	8	8	5.2	5.1	5.4	4.9	6.6	6.4	5.2	6
Content Passage	8	8	5.2	5.2	5.7	5.6	5.4	5.4	5.1	5.5
Practical Passage	8	8	6.8	6	5.9	6	4.2	3.8	5.2	5.2
Writing										
Content Domain	8	4 & 4	2.6/3.1	2.8/3.1	2.9/3.4	2.9/3.1	2.9/3.1	2.9/3.1	2.8/2.9	3.0/3.0
Style Domain	8	4 & 4	2.6/3.1	2.8/3.1	3.0/3.4	2.9/3.1	2.9/3.0	2.9/3.1	2.8/2.9	3.0/3.0
Sent. Formation	8	4 & 4	3.8/3.8	3.7/3.6	3.9/3.8	3.7/3.7	3.9/3.8	3.8/3.8	3.9/3.9	3.7/3.7
Usage Domain	8	4 & 4	3.9/3.9	3.8/3.7	3.9/3.9	3.8/3.8	3.8/3.9	3.8/3.8	3.9/4.0	3.8/3.7
Mechanics Domain	8	4 & 4	3.7/3.9	3.7/3.7	3.8/3.8	3.8/3.7	3.8/3.9	3.8/3.8	3.8/4.0	3.8/3.7

Academics Plus Charter School

Test Score Comparison of 2011, 2012, 2013 and 2014

Grade Level	Test	Subject	*PROF/AD 2011	*PROF/AD 2012	*PROF/ADV 2013	*PROF/AD 2014	Change from 2011 to 2014	Change From 2013 to 2014
3rd Grade	Benchmark	Literacy	66%	90%	90%	92%	**+26**	**+2**
4th Grade	Benchmark	Literacy	85%	95%	95%	98%	**+13**	**+3**
5th Grade	Benchmark	Literacy	79%	95%	89%	96%	**+17**	**+7**
6th Grade	Benchmark	Literacy	65%	79%	72%	76%	**+11**	**+4**
7TH Grade	Benchmark	Literacy	57%	80%	85%	86%	**+19**	**+1**
8th Grade	Benchmark	Literacy	83%	88%	85%	82%	**-1**	**-3**
11th Grade	EOC	Literacy	72%	77%	74%	85%	**+13**	**+11**
3rd Grade	Benchmark	Math	89%	88%	95%	97%	**+8**	**+2**
4th Grade	Benchmark	Math	74%	76%	96%	86%	**+12**	**-10**
5TH Grade	Benchmark	Math	80%	88%	66%	82%	**+2**	**+16**
6th Grade	Benchmark	Math	71%	68%	89%	80%	**+9**	**-9**
7th Grade	Benchmark	Math	66%	66%	63%	86%	**+20**	**+23**
8th Grade	Benchmark	Math	64%	67%	57%	82%	**+18**	**+25**
Algebra I	EOC	Math	76%	87%	64%	75%	**-1**	**+11**
Geometry	EOC	Math	70%	65%	67%	78%	**+8**	**+11**
5th Grade	Benchmark	Science	40%	55%	51%	77%	**+ 37**	**+26**
7th Grade	Benchmark	Science	26%	40%	32%	37%	**+11**	**+5**
Biology	EOC	Science	44%	41%	67%	76%	**+32**	**+9**

*Percentage of students proficient or advanced (considered meeting or exceeding grade level standard)

Grade Level	Test	Subject	**2011 Percentile Rank	**2012 Percentile Rank	**2013 Percentile Rank	**2014 Percentile Rank	Change from 2011 to 2014	Change from 2013 to 2014
1st Grade	ITBS	Reading	71st %tile	69th %tile	80th %tile	82nd %tile	**+11**	**+2**
1st Grade	ITBS	Language	69th %tile	69th %tile	88th %tile	86th %tile	**+17**	**-2**
1st Grade	ITBS	Math	70th %tile	74th %tile	84th %tile	74th %tile	**+4**	**-10**
2nd Grade	ITBS	Reading	62nd %tile	75th %tile	76th %tile	80th %tile	**+18**	**+4**
2nd Grade	ITBS	Language	54th %tile	71st %tile	72nd %tile	62nd %tile	**+8**	**-10**
2nd Grade	ITBS	Math	65th %tile	75th %tile	84th %tile	75th %tile	**+10**	**-9**
9th Grade	ITBS	Reading	64th %tile	59th %tile	59th %tile	83rd %tile	**+19**	**+24**
9th Grade	ITBS	Revising Written Materials	59th %tile	60th %tile	59th %tile	67th %tile	**+8**	**+8**
9th Grade	ITBS	Math	57th %tile	51st %tile	53rd %tile	48th %tile	**-9**	**-5**

**Percentile rankings compare students to other students across the nation. For example a 69th %tile ranking means our students scored better than 69% of students across the nation. 50th %tile is considered average.

Sen. Bryan B. King
Senate Chair
Rep. Kim Hammer
House Chair
Sen. Linda Chesterfield
Senate Vice Chair
Rep. John W. Walker
House Vice Chair

Arkansas

Roger A. Norman, JD, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

June 9, 2014

Academics Plus Charter School
Director and Board Members
Maumelle, Arkansas

Re: Academics Plus Charter School of Pulaski County
June 30, 2013

The Legislative Joint Auditing Committee, at its June 6, 2014 meeting, filed the above referenced report.

The Committee appreciates the conscientious efforts of your personnel in achieving substantial compliance with Arkansas fiscal and financial laws applicable to the entity. We encourage you to continue these efforts as well as maintaining conformity with accepted accounting practices and procedures.

If you should have any questions or need any assistance, please feel free to contact us so that we may schedule one of our personnel to visit with you.

LEGISLATIVE JOINT AUDITING COMMITTEE

Bryan B. King
Senate Co-chairman

Kim Hammer
House Co-chairman

BK;KH:aw
EDCS00113

cc: Mike Hernandez
Assistant Commissioner for Fiscal
and Administrative Services

ARKANSAS DEPARTMENT OF EDUCATION

RECEIVED JUN 2 5 2014

RECEIVED 5 2014

Dr. Tom W. Kimbrell
Commissioner

State Board of Education

Brenda Gullett
Fayetteville
Chair

Sam Ledbetter
Little Rock
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Alice Mahony
El Dorado

Toyce Newton
Crossett

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

June 20, 2014

Mr. Rob McGill, Superintendent
Academics Plus Charter School
900 Edgewood Dr.
Maumelle, AR 72113

Dear Mr. McGill:

The Individuals with Disabilities Education Improvement Act of 2004 amended the Individuals with Disabilities Education Act (IDEA) to require each State to submit a State Performance Plan (SPP) to the U.S. Department of Education in December 2005. The IDEA further requires that each State submit an Annual Performance Report (APR) to the U.S. Department of Education that includes data on the State's performance in relation to the measurable and rigorous targets established in the SPP. The APR based on the SPP was submitted February 1, 2014. In addition, the IDEA requires each State to report publicly the performance of each local education agency (LEA) in relation to the measurable and rigorous targets established in the State's SPP. Each LEA APR is published on the ADE Special Education website (http://arksped.k12.ar.us) and was provided previously to the LEA.

As the Office of Special Education Programs (OSEP) at the U.S. Department of Education reviews the State's APR submission, Section 616 of the IDEA must be considered annually to determine whether the State:

- Meets the requirements and purpose of Part B;
- Needs assistance in implementing the requirements of Part B;
- Needs intervention in implementing the requirements of Part B;
- Needs substantial intervention in implementing the requirements of Part B.

IDEA requires the States to make the same determination at the LEA level.

In making these determinations and in deciding upon appropriate enforcement actions, the ADE will consider all information available at the time of the determination, including the history, nature and length of time of any reported noncompliance, and any evidence of correction.

For the current school year the SPP compliance indicators used in making the determinations were:

Indicator 4b:	Suspension/Expulsion
Indicator 09:	Disproportionality - Eligibility
Indicator 10:	Disproportionality – Disability Category

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

Indicator 11:	Child Find – Timely Evaluation
Indicator 13:	Secondary Transition
Indicator 15:	Identification and Correction of Noncompliance: Timely correction, within one year of citation, of noncompliance identified by the ADE by monitoring or other means
Indicator 20:	Timely and Accurate Data Reporting: All required data elements (via APSCN/MySped Resource) were accurate and submitted on time.

To that end, the review of the LEA's 2012-13 Annual Performance Report resulted in a determination of "**Meets Requirements**" for the Academics Plus Charter School.

As an LEA with a designation of "Meets Requirements", no corrective actions are required. However, the ADE suggests that the LEA review its APR and use it as a guide for planning school improvement activities.

Failure to comply with these requirements will result in non-compliance citations and or sanctions.

The ADE Special Education Unit is committed to supporting the LEA's implementation of the IDEA with a focus on improving education results and functional outcomes for all students with disabilities.

Respectfully,

Martha Kay Asti

Martha Kay Asti, Associate Director
Special Education Unit

Enclosure

cc: Lisa Haley, Administrator, Monitoring/Program Effectiveness
Mary Perry, Coordinator, Charter and Home Schools
Kristin Hughes, State Supervisor, Non-traditional Programs
Donna Broyles, LEA Supervisor
File

ARKANSAS DEPARTMENT OF EDUCATION

Dr. Tom W. Kimbrell
Commissioner

State Board of Education

Brenda Gullett
Fayetteville
Chair

Sam Ledbetter
Little Rock
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Alice Mahony
El Dorado

Toyce Newton
Crossett

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

January 8, 2014

Mr. Rob McGill, Superintendent
Academics Plus Charter School
900 Edgewood Dr.
Maumelle, AR 72113

Dear Mr. McGill:

On October 31 - November 1, 2013, the special education program of the Academics Plus Charter School was officially monitored. The information contained in this report reflects the findings regarding the district's compliance with state and federal regulations governing programs for students with disabilities. During the monitoring visit, a random sample of six folders was selected and reviewed. Other on-site and off-site data, including December 1 child count, were reviewed. Classroom observations and interviews were conducted.

The review of the Academics Plus Charter School's implementation of state and federal regulations governing educational programs for the disabled verified the district's substantial compliance with said requirements. The district is commended for being in substantial compliance with state and federal regulations in each of the following areas:

1. Child Find
2. Due Process
3. Protection in Evaluation Procedures
4. Procedures for Evaluating Specific Learning Disabilities
5. Individualized Education Programs
6. Free Appropriate Public Education
7. Least Restrictive Environment
8. Confidentiality of Information
9. System of Personnel Development
10. Children With Disabilities in Private Schools
11. Use of Funds

It is the intention of the Special Education Unit that this information will assist the Academics Plus Charter School in further developing its special education program. Please contact me if I can be of additional assistance.

Respectfully,

Kristin Hughes

Kristin Hughes, State Supervisor
Non-traditional Programs
Special Education

cc: Lisa Haley, Administrator, Monitoring/Program Effectiveness
Donna Broyles, LEA Supervisor
File

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

ARKANSAS DEPARTMENT OF EDUCATION

Dr. Tom W. Kimbrell
Commissioner

State Board of Education

Jim Cooper
Melbourne
Chair

Brenda Gullett
Fayetteville
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Sam Ledbetter
Little Rock

Alice Mahony
El Dorado

Toyce Newton
Crossett

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

December 19, 2012

Mr. Rob McGill, Superintendent
Academics Plus Charter
900 Edgewood Drive
Maumelle, AR

Dear Mr. McGill:

On behalf of the review team, I wish to express our appreciation to you and your staff for the professional courtesy and hospitality received during our recent On-campus Standards Review.

Based on the On-campus Standards Review conducted on *November 19, 2012*, *Academics Plus District* is in compliance with all reviewed items contained in the On-campus Standards Review Checklist.

If you have any questions or need assistance, you may contact this office at (501)682-4380.

Sincerely,

Derryl Evans

Derryl Evans, Specialist
Standards Assurance Unit

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

November 24, 2014

6040700
Academics Plus School District
Robert McGill, Superintendent
900 Edgewood Drive
Maumelle, AR 72113

Attention - Superintendent

Section 1120A (c) in the Elementary and Secondary Education Act (ESEA) Comparability of Services requires that local education agencies (LEAs) be able to document that the services provided with state and local funds in Title I schools are comparable to those provided in non-Title I schools in the LEA. State and local funds must be used in participating schools to provide services that, taken as a whole, are "at least comparable" to services in schools that do not participate in the Title I program.

Given this requirement, the Academics Plus School District met the 2014-15 Title I, ESEA Comparability. The Comparability Report submitted on 11/13/2014 to the Arkansas Department of Education has been desk audited and found to meet comparability by either one of the following:

- had one campus per grade span group
- the buildings were at least twice the size causing an unfair comparison

Districts should keep a copy of this letter and data to show grade span groups for the 2014-15 school year in the district audit file.

If you have any questions concerning the report, please feel free to contact me at 501-683-1243 or by email at annette.carlton-pearson@arkansas.gov

Sincerely,

Annette Pearson
Federal Grants Analysis

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

ARKANSAS DEPARTMENT OF EDUCATION

Dr. Tom W. Kimbrell
Commissioner

State Board of Education

Brenda Gullett
Fayetteville
Chair

Sam Ledbetter
Little Rock
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Alice Mahony
El Dorado

Toyce Newton
Crossett

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

January 21, 2014

Mr. Rob McGill
Pulaski Charter
900 Edgewood Drive
Maumelle, AR 72113

Dear Mr. McGill:

The Coordinated Review Effort (CRE) for the schools in the Pulaski Charter School District was completed on January 16, 2014. I would like to express my appreciation to your staff for their assistance. Records needed for the review were in good order, which facilitated the review process. All staff members did an excellent job of having everything prepared.

The review confirmed:

- Performance Standard 1: Certification/Counting/Claiming – all free, reduced price and paid lunches claimed for reimbursement are served only to children eligible for free, reduced price and paid lunches, respectively; and counted, recorded, consolidated and reported through a system which consistently yields correct claims.

- Performance Standard 2: Components – lunches claimed for reimbursement within the school food authority contain food items/components as required by Program regulations.

The general areas reviewed are in compliance with United States Department of Agriculture (USDA) regulation on the day of the review.

Based on USDA guidance, the local Child Nutrition Program needs to develop a method for tracking food cost related to non-program food (a la carte, second meals, adult meals, and contract meals). At this time, the revenue received for the sale of non-program food must be tracked by each district. Compliance will be determined if the percentage of non-program food cost is less than the percentage of revenue received from the sale of these foods.

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

An Equal Opportunity Employer

As you know, information was collected during the review to enable me to complete a nutrient analysis of menus for one week of the menu cycle. The result of this analysis will be mailed as soon as it is completed.

The following items were concerns to be addressed from the review:

1. The storage of food items in the cafeteria area is a food safety and security problem. Presently there is outside access to all items. A secure area needs to be provided for these items.
2. The lack of equipment does not allow for the staff to prepare a variety of foods, and this also affects the quality of food produced.
3. Training for kitchen workers and better utilization of staff would help in food production. Consideration to a designated manager should help in this area.
4. The facility has several problems with uneven floors. (A safety problem.) I would encourage the upgrading of the present facilities for a better atmosphere and also check the heating of the facilities. This process would be a great one for the *Wellness Committee* to work on and make recommendations.
5. The majority of these problems would be alleviated when the planned cafeteria is constructed.

I appreciate your continuing interest and support for the Child Nutrition Program and if I can be of further assistance, please contact me at (501)324-9502.

Sincerely,

Jerry Swope

Jerry Swope
Area Specialist
Arkansas Department of Education
Child Nutrition Unit

JS/ep

cc: Betsy Coffman
Child Nutrition Director

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAUMELLE, COUNTY OF PULASKI, STATE OF ARKANSAS

A RESOLUTION TO BE ENTITLED:

RESOLUTION NO. 2014-47

A RESOLUTION IN SUPPORT OF THE ACADEMICS PLUS CHARTER SCHOOL IN THE CITY OF MAUMELLE AND FOR OTHER PURPOSES

WHEREAS, the City of Maumelle wishes to recognize and express its support for Academics Plus Charter School and the operation of the charter school in the City of Maumelle; and

WHEREAS, Academics Plus Charter School ("APCS") has continued in operation in the City of Maumelle for more than a decade. APCS continues to maintain a student population more diverse than the City of Maumelle and close to the PCSSD residence percentage. APCS has a minority population of 23% with an African American population of 16%. The City of Maumelle has a minority population of 19% with an African American population of 12%. The PCSSD residence minority population is 28% with an African American population of 21%; and,

WHEREAS, the Academics Plus Charter School currently has an enrollment cap of 750 students set by the State of Arkansas for 2014-2015 and 850 for 2015-2016; and

WHEREAS, APCS has received recognition for outstanding achievement from the State Board of Education (SBE), Arkansas Department of Education (ADE) and the Office of Education Policy at the University of Arkansas (OEP). The recognition received included the following:

a. For the 2014-2015 School Year (SY) APCS is classified by the ADE as an "ACHIEVING" district. The elementary school is classified as an "ACHIEVING" school and the high school is classified as "ACHIEVING" in literacy, graduation rate and number of students tested.

b. In November 2014 the APCS Elementary School and the APCS High School were both recognized by the SBE as Reward Schools. This is the second year in a row that the APCS Elementary School has been recognized under this category. This classification places the schools in the top 20% of Arkansas schools and they both received monetary rewards for performance.

c. OEP has recognized APCS for multiple awards during the past two years. They are as follows:

(1) In December 2014 the elementary school received a "Most Improved Math" award.
(2) In December 2014 the high school received a "Most Improved Biology" award.
(3) In December 2014 the high school received a "Most Improved Middle Math" award.
(4) In October 2014 the high school received a "High-Achieving High School" award. APCS High School is ranked number 12 in the state and number four in Central Arkansas for student performance on the Biology EOC.
(5) In September 2014 the elementary school received the High Achieving "Overall" School in Arkansas by being in the top 25 schools in Arkansas for literacy achievement.
(6) In December 2013 the high school received a "Most Improved Geometry" award; and

WHEREAS, The City Council supports the efforts of ACPS and their effort to extend their charter and increase enrollment and wishes to express said support to the Charter Authorizer Committee of the State Department of Education.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MAUMELLE:

SECTION 1. The City Council and the Mayor of the City of Maumelle hereby recognize and express their support for the Academics Plus Charter School in the City of Maumelle.

SECTION 2. The City Council and the Mayor support the request to the authorizing authority to extend the charter for twenty (20) years and to increase the capacity of the Charter School incrementally from 850 in 2015-2016 to 1300 in 2019-2020. The City supports the proposal to phase in the increase over the five year period by adding an additional 100 to 150 students per year.

SECTION 3. A copy of this Resolution shall be sent to the State Board of Education Charter Authorizer Committee, and any other subcommittee or reviewing agency for consideration as part of the review of the application of Academics Plus Charter School for increased enrollment.

APPROVED this 1 day of December, 2014.

Michael Watson, Mayor

ATTEST:

Joshua Clausen, City Clerk

APPROVED AS TO FORM:

JaNan Davis, City Attorney

SPONSORED BY:

Mayor Michael Watson

	Saunders	Anderson	Kelley	Mosley	Lewis	Hogue	Johnson	Norris
Aye:	✓	✓	✓	✓	✓	✓	✓	✓
No:								

PUBLIC CHARTER SCHOOL
STATEMENT OF ASSURANCES
OPEN-ENROLLMENT PUBLIC CHARTER SCHOOL RENEWAL

The signature of the charter leader of the public charter school certifies that the following statements are true and will continue to be addressed through policies adopted by the public charter school; and, staff of the public school shall abide by them:

1. I have approval and authority to submit this application on behalf of the sponsoring entity.

2. The information submitted in this application is true to the best of my knowledge and belief.

3. The open-enrollment public charter school is open to all students, on a space-available basis, and shall not discriminate in its admission policy on the basis of gender, national origin, race, ethnicity, religion, disability, or academic or athletic eligibility, except as follows: the open-enrollment public charter school may adopt admissions policies that are consistent with federal law, regulations, or guidelines applicable to charter schools. The charter may provide for the exclusion of a student who has been expelled from another public school district if approved by the authorizer to do so.

4. In accordance with federal and state laws, the public charter school hiring and retention policies of administrators, teachers, and other employees do not discriminate on the basis of race, color, national origin, creed, sex, ethnicity, sexual orientation, mental or physical disability, age, ancestry, or special need.

5. The public charter school operates in accordance with federal laws and rules governing public schools; applicable provisions of the Arkansas Constitution; and state statutes or regulations governing public schools not waived by the approved charter.

6. The open-enrollment public charter school does not use the moneys that it receives from the state for any sectarian program or activity, or as collateral for debt.

   However, open-enrollment public charter schools may enter into lease-purchase agreements for school buildings built by private entities with facilities bonds exempt from federal taxes under 26 USCS 142(a) as allowed by Arkansas Code Annotated § 6-20-402. No indebtedness of an open-enrollment public charter school shall ever become a debt of the state of Arkansas.

7. The open-enrollment public charter school does not impose taxes or charge students tuition or fees that are not be allowable charges in traditional public school districts.

8. The open-enrollment public charter school is not religious in its operations or programmatic offerings.

9. The open-enrollment public charter school ensures that any of its employees who qualify for membership in the Arkansas Teacher Retirement System or the State and Public School Employee Insurance Program are covered under those systems to the same extent any other qualified employee of a traditional school district is covered.

10. The open-enrollment public charter school complies with all health and safety laws, rules and regulations of the federal, state, county, region, or community that apply to the facilities and school property.

11. The employees and volunteers of the open-enrollment public charter school are held immune from liability to the same extent as other school district employees and volunteers under applicable state laws.

12. The open-enrollment public charter school shall be reviewed for its potential impact on the efforts of a public school district to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools.

13. Open-enrollment charter board members and other leaders understand that certain provisions of state law shall not be waived. The public charter school is subject to any prohibition, restriction, or requirement imposed by Title 6 of the Arkansas Code Annotated and any rule and regulation approved by the State Board of Education under this title relating to:

    (a) Monitoring compliance with Arkansas Code Annotated § 6-23-101 et seq. as determined by the Commissioner of the Department of Education;

    (b) Conducting criminal background checks for employees;

    (c) High school graduation requirements as established by the State Board of Education;

    (d) Special education programs as provided by this title;

    (e) Public school accountability under this title;

    (f) Ethical guidelines and prohibitions as established by Arkansas Code Annotated § 6-24-101 *et seq.*, and any other controlling state or federal law regarding ethics or conflicts of interest; and

(g) Health and safety codes as established by the State Board of Education and local governmental entities.

14. The facilities of the open-enrollment public charter school comply with all requirements for accessibility for individuals with disabilities in accordance with the ADA and IDEA and all other state and federal laws.

15. Should the open-enrollment public charter school voluntarily or involuntary close, it is understood that that any fees associated with the closing of the school including, but not limited to, removal of furniture, equipment, general expenses, etc., are the sole responsibility of the sponsoring entity. No indebtedness of any kind incurred or created by the open-enrollment public charter school shall constitute an indebtedness of the state or its political subdivisions, and no indebtedness of the open-enrollment public charter school shall involve or be secured by the faith, credit, or taxing power of the state or its political subdivisions. Upon dissolution of the open-enrollment public charter school or upon nonrenewal or revocation of the charter, all net assets of the open-enrollment public charter school, including any interest in real property, purchased with public funds shall be deemed the property of the state, unless otherwise specified in the charter of the open-enrollment public charter school. If the open-enrollment public charter school used state or federal funds to purchase or finance personal property, real property or fixtures for use by the open-enrollment public charter school, the authorizer may require that the property be sold. The state has a perfected priority security interest in the net proceeds from the sale or liquidation of the property to the extent of the public funds used in the purchase.

Rob McGill — 12-16-14

Signature of Charter Leader — *Date*

Rob McGill / Executive Director

Printed Name/Position

2014 ESEA Information

Academics Plus
Maumelle, Arkansas

District:	ACADEMICS PLUS SCHOOL DISTRICT	**Superintendent:**	ROBERT MCGILL		Report created on: 10/29/2014
LEA:	6040700	**Enrollment:**	650		**% Prof/Adv.**
Address:	900 EDGEWOOD DRIVE	**Attendance:**	95.93	**2014 Math + Literacy**	86.4
Address:	MAUMELLE, AR 72113	**Poverty Rate:**	24.00	**2013 Math + Literacy**	80.1
Phone:	501-803-9730			**2012 Math + Literacy**	79.5

OVERALL DISTRICT STATUS:	ACHIEVING

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	344	344	100.00	394	394	100.00
Targeted Achievement Gap Group	112	112	100.00	117	117	100.00
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	60	60	100.00	62	62	100.00
Hispanic	17	17	100.00	18	18	100.00
White	258	258	100.00	304	304	100.00
Economically Disadvantaged	91	91	100.00	98	98	100.00
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	29	29	100.00	30	30	100.00

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	ACHIEVING									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	288	322	89.44	79.29	91.00	196	232	84.48	77.14	93.00
Targeted Achievement Gap Group	83	106	78.30	65.91	91.00	53	71	74.65	64.23	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	823	949	86.72	79.29	91.00	542	638	84.95	77.14	93.00
Targeted Achievement Gap Group	271	355	76.34	65.91	91.00	178	234	76.07	64.23	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	41	56	73.21	66.38		29	37	78.38	62.50	
Hispanic	12	14	85.71	76.32		9	11	81.82	81.25	
White	226	243	93.00	83.09		152	178	85.39	81.98	
Economically Disadvantaged	66	85	77.65	67.19		43	59	72.88	64.35	
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	22	29	75.86	43.75		13	16	81.25	47.50	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	ACHIEVING									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	311	371	83.83	80.19	92.00	158	233	67.81	78.75	81.00
Targeted Achievement Gap Group	80	111	72.07	70.83	92.00	37	71	52.11	75.77	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	870	1115	78.03	80.19	92.00	406	640	63.44	78.75	81.00
Targeted Achievement Gap Group	274	406	67.49	70.83	92.00	118	234	50.43	75.77	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	36	58	62.07	68.15		19	37	51.35	69.32	
Hispanic	13	15	86.67	76.32		5	11	45.45	75.00	
White	252	288	87.50	83.88		128	179	71.51	81.98	
Economically Disadvantaged	65	92	70.65	72.73		33	59	55.93	75.41	
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	19	30	63.33	43.75		5	16	31.25	55.00	

2013 SCHOOL GRADUATION RATE					
GRADUATION RATE STATUS:	ACHIEVING				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	32	34	94.12	95.59	94.00
Targeted Achievement Gap Group	n < 10	n < 10	n < 10	70.00	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	89	101	88.12	95.59	94.00
Targeted Achievement Gap Group	17	19	89.47	70.00	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	n < 10	n < 10	n < 10	85.00	
Hispanic	n < 10	n < 10	n < 10	100.00	
White	24	25	96.00	96.87	
Economically Disadvantaged	n < 10	n < 10	n < 10	70.00	
English Language Learners	n < 10	n < 10	n < 10		
Students with Disabilities	n < 10	n < 10	n < 10	25.00	

District:	ACADEMICS PLUS SCHOOL DISTRICT	**Superintendent:**	ROBERT MCGILL		Report created on: 10/29/2014
School:	ACADEMICS PLUS	**Principal:**	PATRICE GROSS		
LEA:	6040702	**Grade:**	K - 05		**% Prof/Adv.**
Address:	900 EDGEWOOD DIRVE	**Enrollment:**	361	**2014 Math + Literacy**	91.7
Address:	MAUMELLE, AR 72113	**Attendance:**	98.34	**2013 Math + Literacy**	87.0
Phone:	501-803-0066	**Poverty Rate:**	21.88	**2012 Math + Literacy**	84.2

OVERALL SCHOOL STATUS:	ACHIEVING

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	168	168	100.00	168	168	100.00
Targeted Achievement Gap Group	57	57	100.00	57	57	100.00
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	29	29	100.00	29	29	100.00
Hispanic	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
White	125	125	100.00	125	125	100.00
Economically Disadvantaged	43	43	100.00	43	43	100.00
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	19	19	100.00	19	19	100.00

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	ACHIEVING									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	150	157	95.54	79.29	91.00	88	103	85.44	77.14	93.00
Targeted Achievement Gap Group	47	53	88.68	65.91	91.00	25	32	78.13	64.23	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	150	157	95.54	79.29	91.00	88	103	85.44	77.14	93.00
Targeted Achievement Gap Group	47	53	88.68	65.91	91.00	25	32	78.13	64.23	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	22	25	88.00	66.38		15	18	83.33	62.50	
Hispanic	n < 10	n < 10	n < 10	76.32		n < 10	n < 10	n < 10	81.25	
White	116	120	96.67	83.09		65	77	84.42	81.98	
Economically Disadvantaged	36	39	92.31	67.19		18	24	75.00	64.35	
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	15	19	78.95	43.75		n < 10	n < 10	n < 10	47.50	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	ACHIEVING									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	138	157	87.90	80.19	92.00	52	103	50.49	78.75	81.00
Targeted Achievement Gap Group	39	53	73.58	70.83	92.00	9	32	28.13	75.77	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	138	157	87.90	80.19	92.00	52	103	50.49	78.75	81.00
Targeted Achievement Gap Group	39	53	73.58	70.83	92.00	9	32	28.13	75.77	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	15	25	60.00	68.15		5	18	27.78	69.32	
Hispanic	n < 10	n < 10	n < 10	76.32		n < 10	n < 10	n < 10	75.00	
White	112	120	93.33	83.88		43	77	55.84	81.98	
Economically Disadvantaged	27	39	69.23	72.73		6	24	25.00	75.41	
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	15	19	78.95	43.75		n < 10	n < 10	n < 10	55.00	

District:	ACADEMICS PLUS SCHOOL DISTRICT	**Superintendent:**	ROBERT MCGILL		Report created on: 10/29/2014
School:	ACADEMICS PLUS	**Principal:**	KIMBERLY WILLIS		
LEA:	6040703	**Grade:**	06 - 12		**% Prof/Adv.**
Address:	900 EDGEWOOD DRIVE	**Enrollment:**	289	**2014 Math + Literacy**	82.1
Address:	MAUMELLE, AR 72113	**Attendance:**	92.91	**2013 Math + Literacy**	70.2
Phone:	501-851-3333	**Poverty Rate:**	26.64	**2012 Math + Literacy**	74.3

OVERALL SCHOOL STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED

PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	176	176	100.00	226	226	100.00
Targeted Achievement Gap Group	55	55	100.00	60	60	100.00
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	31	31	100.00	33	33	100.00
Hispanic	10	10	100.00	11	11	100.00
White	133	133	100.00	179	179	100.00
Economically Disadvantaged	48	48	100.00	55	55	100.00
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	10	10	100.00	11	11	100.00

STUDENT PERFORMANCE -- LITERACY

LITERACY STATUS:	ACHIEVING				
	PERFORMANCE -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	138	165	83.64	79.29	91.00
Targeted Achievement Gap Group	36	53	67.92	65.91	91.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	138	165	83.64	79.29	91.00
Targeted Achievement Gap Group	36	53	67.92	65.91	91.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO	
African American	19	31	61.29	66.38	
Hispanic	n < 10	n < 10	n < 10	76.32	
White	110	123	89.43	83.09	
Economically Disadvantaged	30	46	65.22	67.19	
English Language Learners	n < 10	n < 10	n < 10		
Students with Disabilities	7	10	70.00	43.75	

STUDENT PERFORMANCE -- MATHEMATICS

MATHEMATICS STATUS:	NEEDS IMPROVEMENT				
	PERFORMANCE -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	173	214	80.84	80.19	92.00
Targeted Achievement Gap Group	41	58	70.69	70.83	92.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	173	214	80.84	80.19	92.00
Targeted Achievement Gap Group	41	58	70.69	70.83	92.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO	
African American	21	33	63.64	68.15	
Hispanic	9	10	90.00	76.32	
White	140	168	83.33	83.88	
Economically Disadvantaged	38	53	71.70	72.73	
English Language Learners	n < 10	n < 10	n < 10		
Students with Disabilities	4	11	36.36	43.75	

2013 SCHOOL GRADUATION RATE

GRADUATION RATE STATUS:	ACHIEVING				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	32	34	94.12	95.59	94.00
Targeted Achievement Gap Group	n < 10	n < 10	n < 10	70.00	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	32	34	94.12	95.59	94.00
Targeted Achievement Gap Group	n < 10	n < 10	n < 10	70.00	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	n < 10	n < 10	n < 10	85.00	
Hispanic	n < 10	n < 10	n < 10	100.00	
White	24	25	96.00	96.87	
Economically Disadvantaged	n < 10	n < 10	n < 10	70.00	
English Language Learners	n < 10	n < 10	n < 10		
Students with Disabilities	n < 10	n < 10	n < 10	25.00	

Data for Districts with Similar Demographics Compiled by the ADE

ACADEMICS PLUS 6-12

District LEA	District Description	Location ID	Location Description	Enrollment	Total Free & Reduced	Percent Free/Reduced	Grade Low	Grade High	Literacy	Lit EconDis	Math	Math EconDis
1612000	VALLEY VIEW SCHOOL DISTRICT	1612048	VALLEY VIEW HIGH SCHOOL	546	119	21.79%	10	12	88.33%	78.95%	83.33%	73.33%
7203000	FAYETTEVILLE SCHOOL DISTRICT	7203024	MCNAIR MIDDLE SCHOOL	709	160	22.57%	06	07	90.00%	75.84%	87.88%	69.80%
0401000	BENTONVILLE SCHOOL DISTRICT	0401018	J. WILLIAM FULBRIGHT JUNIOR HIGH SCHOOL	726	164	22.59%	07	08	92.26%	82.19%	88.28%	73.51%
7203000	FAYETTEVILLE SCHOOL DISTRICT	7203019	WOODLAND JUNIOR HIGH SCHOOL	777	191	24.58%	08	09	90.78%	79.78%	92.12%	81.63%
1612000	VALLEY VIEW SCHOOL DISTRICT	1612051	VALLEY VIEW JUNIOR HIGH SCHOOL	630	160	25.40%	07	09	93.78%	85.86%	90.79%	79.31%
6040700	ACADEMICS PLUS SCHOOL DISTRICT	6040703	ACADEMICS PLUS	289	77	26.64%	06	12	83.64%	65.22%	80.84%	71.70%
4701000	ARMOREL SCHOOL DISTRICT	4701002	ARMOREL HIGH SCHOOL	215	69	32.09%	07	12	78.57%	67.86%	78.26%	72.09%
1304000	WOODLAWN SCHOOL DISTRICT	1304015	WOODLAWN HIGH SCHOOL	264	88	33.33%	07	12	86.96%	78.95%	78.15%	74.00%
1408000	EMERSON-TAYLOR-BRADLEY SCHOOL DISTRICT	1408019	TAYLOR HIGH SCHOOL	144	49	34.03%	07	12	87.32%	73.91%	83.17%	65.52%
7007000	PARKERS CHAPEL SCHOOL DIST.	7007040	PARKERS CHAPEL HIGH SCHOOL	321	111	34.58%	07	12	78.74%	73.85%	82.68%	73.56%
2402000	CHARLESTON SCHOOL DISTRICT	2402007	CHARLESTON HIGH SCHOOL	412	153	37.14%	07	12	80.30%	70.42%	87.98%	80.21%

ACADEMICS PLUS K-5

District LEA	District Description	Location ID	Location Description	Enrollment	Total Free & Reduced	Percent Free/Reduced	Grade Low	Grade High	Literacy	Lit EconDis	Math	Math EconDis
7203000	FAYETTEVILLE SCHOOL DISTRICT	7203023	VANDERGRIFF ELEMENTARY SCHOOL	674	75	11.13%	K	05	95.65%	88.37%	95.07%	86.05%
7203000	FAYETTEVILLE SCHOOL DISTRICT	7203016	ROOT ELEMENTARY SCHOOL	494	87	17.61%	K	05	96.37%	97.30%	92.74%	81.08%
7207000	SPRINGDALE SCHOOL DISTRICT	7207057	BERNICE YOUNG ELEMENTARY	516	95	18.41%	K	05	95.56%	92.86%	93.70%	90.48%
6003000	PULASKI COUNTY SPECIAL SCHOOL DISTRICT	6003092	BAKER INTERDISTRICT ELEM. SCH.	463	99	21.38%	K	05	93.64%	84.44%	89.03%	75.56%
6040700	ACADEMICS PLUS SCHOOL DISTRICT	6040702	ACADEMICS PLUS	361	79	21.88%	K	05	95.54%	92.31%	87.90%	69.23%
6302000	BENTON SCHOOL DISTRICT	6302006	CALDWELL ELEMENTARY SCHOOL	550	138	25.09%	K	05	94.32%	85.25%	87.50%	73.77%
6001000	LITTLE ROCK SCHOOL DISTRICT	6001073	DON ROBERTS ELEMENTARY SCHOOL	904	233	25.77%	K	05	90.02%	80.00%	91.56%	78.13%
6003000	PULASKI COUNTY SPECIAL SCHOOL DISTRICT	6003150	CHENAL ELEMENTARY SCHOOL	543	147	27.07%	K	05	89.53%	81.18%	84.12%	72.94%
6303000	BRYANT SCHOOL DISTRICT	6303025	SPRINGHILL ELEMENTARY SCHOOL	619	203	32.79%	K	05	89.42%	74.44%	87.22%	68.89%
6602000	GREENWOOD SCHOOL DISTRICT	6602044	WESTWOOD ELEMENTARY SCHOOL	838	288	34.37%	K	05	87.08%	74.79%	85.53%	73.95%

2015 Renewal Application Cycle

Notification of Charter Authorizing Panel Decision

Arkansas Arts Academy
Rogers, Arkansas

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 19, 2015

Ms. Mary Ley
1110 W. Poplar Street, Suite A
Rogers, Arkansas 72756

RE: Notice of Charter Authorizing Panel Hearing Decision
Arkansas Arts Academy

Dear Ms. Ley:

On February 18, 2015, the Charter Authorizing Panel met and approved the renewal application for Arkansas Arts Academy for a period of 3 years, with amendments to the waivers requested and with an additional requirement for Arkansas Arts Academy to return in October 2015 with a consent report for the Charter Authorizing Panel regarding the following areas:

- A curriculum plan for Math and Literacy
- A plan for how to the Math and Literacy outcomes will be measured
- A plan for additional elementary education staffing expertise

Ark. Code Ann. § 6-23-702(b)(2)(A) allows charter applicants and affected school districts **to request** that the State Board of Education review a final decision of the Charter Authorizing Panel. A request must state the specific reasons that the board should review the decision.

Ark. Code Ann. § 6-23-703(a) requires the State Board of Education to consider requests for review of Charter Authorizing Panel decisions at its next meeting after the decisions are made. Therefore, a review **request** must be submitted, via email, no later than **4:00 p.m. on Tuesday, February 24, 2015,** in order for the request to be included in the State Board of Education agenda materials for the meeting on March 12, 2015. Email the request to ade.charterschools@arkansas.gov. Be advised that the decision of whether to review a Charter Authorizing Panel decision is discretionary. See Ark. Code Ann. § 6-23-702(b)(3). Regardless of whether a review of the panel's decision is requested, the application will be an action item for the State Board of Education on March 12, and, at that time, the board will determine whether or not to review the panel's decision. If the State Board decides to review the panel's decision, the review will take place at a later meeting.

Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue

Cindy Hogue, Director
Office of Educational Options

C: Dr. Margaret Darr, Superintendent, Rogers School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

2015 Renewal Application Cycle

Materials Distributed by the Applicant at the Hearing

Arkansas Arts Academy
Rogers, Arkansas

♥ transPARENT ♥

Parents,

February is Black History Month an annual observance of the achievements, events and central role of African Americans in U.S. history. In recognition of this National celebration specific grades from Arkansas Arts Academy visited Crystal Bridges Museum last week to participate in the educational themed tour "The African American Experience." I accompanied the group and the experience was one of those rare and wonderful moments in a teacher's career when you witness the impact of "education" in the entire sense of the word; when students devote full attention to instruction for a better understanding and applies it to their lives. I documented the experience and shared with administration, teachers and museum staff and thought it appropriate to share with you the parents of our amazing students.

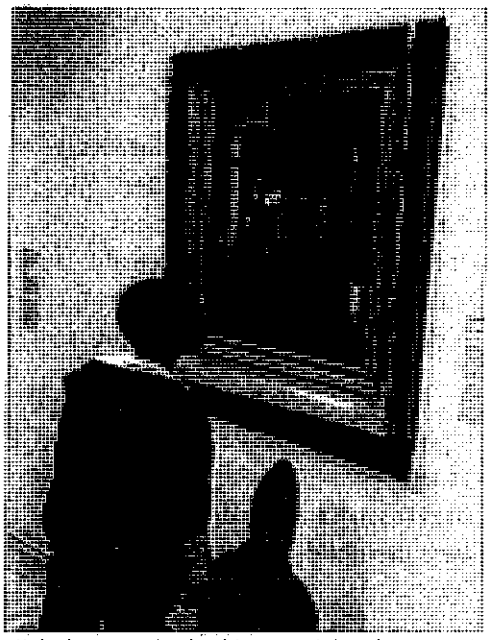
On Friday, February 2nd 120 of our second and third grade students visited Crystal Bridges Museum of American Art. Mr. Paul Stewart, curriculum coordinator, arranged with teachers and the Museum Educators at the museum to have students experience Black History Month through the Museum's collection. The tour was "The African American Experience" consisting of three works ranging from the 19th century to today in the permanent and one from the most recent exhibition, State of the Art.

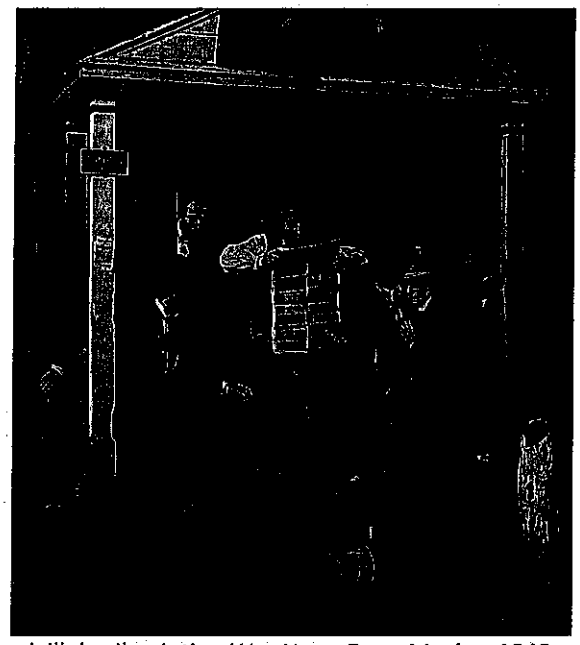
I was impressed with Museum Educator, Amanda Driver, who not only facilitated a wonderful and age appropriate conversation for the kids, but she strategically asked questions that sparked the connection of what they were learning in their classes and how it applied to their lives today. Ms. Driver used Richard Canton Woodville's painting *War News From Mexico* as a platform to voice feelings about "being left out". The children's observations and reactions evolved into a deeper conversation contextually relating to the difficult topic of slavery in our Nation's history.

It was clear that our teachers, in this case Ms. Burns, had provided the students with a strong foundation of content for this time in history. As the students spoke I experienced the beautiful feeling a teacher senses when students make meaningful connections for learning. One student, Nicholas Rowser, was particularly interested in the painting. As an African American boy among a predominantly white group of students I suspected it was easy for him to understand and relate to the general terms being used such as "different" and "respect". However, when Ms. Driver inquired about "equality" and "freedom" for all at the time the painting was created, something registered for this young man and it was a beautiful moment for the educators who were aware. Nicholas' observations and participation became more than looking, it became learning and was applied.

Upon the conclusion of the discussion the students were asked to line up to proceed to the next stop, Standing in line the young boy turned back to look at the painting. He stepped out of line and approached the painting and peered intently at the two African American figures in the painting. During his moment of reflection I snapped a quick photo. When he went to join his classmates I stopped him and asked him why he returned to the painting? "I needed to look closer."

Thank you Nicholas Rowser and thank you to the teachers and Museum educators for providing experiences that make powerful connections to sustain lifelong learning. This is why we choose to be in Education and why we believe in Arts Integration.





Nicholas Rowser looking at Richard Canton Woodville's oil painting *War News From Mexico*, 1848.

"The most popular and critically acclaimed painting of genre artist Richard Caton Woodville's short yet accomplished career, War News from Mexico addresses the promise, and the limits, of Jacksonian democracy. The canvas celebrates the increased freedoms afforded many mid nineteenth-century Americans by the creation of a broadened electorate, the development of mass media, and the expansion of the nation's geographic boundaries, all the while calling attention to those who remained on the margins of society.

A diverse group of eleven figures gather around the wooden portico of the symbolic "American Hotel" for an update on the United States' territorial conflict with Mexico. Gripping a sprawling newspaper with clenched fists, his eyebrows raised and mouth agape, the central character reads the paper's headline with rapt attention. [Others] lean in, straining to see the text of this "Extra" edition for themselves or to make sure they catch the narrator's every word. Recent advances in printing technologies coupled with an increasingly literate citizenry had resulted in the emergence of the penny press (cheap, mass-produced newspapers). For the first time, daily news was accessible to a broad American public. The Mexican-American War (1846-48) was the first U.S. war to be widely covered in newspapers, and it dominated their pages in the mid-1840s... Perhaps the news depicted in Woodville's 1848 painting was the signing of the Treaty of Guadalupe Hidalgo on February 2 of that year, which confirmed American title to Texas and ceded to the United States an enormous swath of land including California and much of the present-day Southwest.

White men... sit and stand in the privileged space of the covered porch. The one white woman in the painting peers out of an open window at the far right of the composition, relegated to the confines of the domestic sphere, while the two persons of color are situated on a low step and on the ground, in positions of subservience. The African American man and child listen attentively to the war news, aware that the outcome of the military conflict has implications for the westward expansion of slavery."[1]

---

[1] Emily Shapiro, War News from Mexico. In C. Crosman, E. Shapiro & D. Bacigalupi (Eds.), Celebrating the American Spirit: Masterworks from Crystal Bridges Museum of American Art (pp. 66-67). Manchester, VT: Hudson Hills, 2011.

♥ transPARENT ♥

For Additional information about Woodville's *War News From Mexico* visit:
http://www.theroot.com/articles/culture/2013/03/war_news_from_mexico_what_the_blacks_in_the_1848_painting_tell_us.html

TRANSPARENT BONUS! February is also an exciting month for educators as it is filled with opportunities to integrate multiple disciplines for teaching. Such as:

History: February was added to the Roman calendar by Numa Pompilius in 713 B.C. Originally Februarius it was named after the Latin term *februum*, meaning purification (*Februa* was a purification ritual held on February 15).

Science: Leap Year-Leap Years are needed to keep our modern day Gregorian Calendar in alignment with the Earth's revolutions around the sun. It takes the Earth approximately 365.242199 days – or 365 days, 5 hours, 48 minutes, and 46 seconds – to circle once around the Sun. This is called a tropical year.

However, the Gregorian calendar has only 365 days in a year, so if we didn't add a day on February 29 nearly every 4 years, we would lose almost six hours off our calendar every year. After only 100 years, our calendar would be off by approximately 24 days! (History Sidebar) Julius Caesar introduced Leap Years in the Roman Empire in 45 B.C.

FUN FACT: Having only 28 days in common years, it is the only month of the year that can pass without a single full moon. This last happened in 1999 and will next happen in 2018.

Mathematics: Want to know a formula for determining Leap Years? Algorithm: The pseudo code below determines whether a year is a leap year or a common year.

If the year is evenly divisible by 4;
If the year can be evenly divided by 100, it is NOT a leap year, unless;
If the year is also evenly divisible by 400. Then it is a leap year.

This means that 2000 and 2400 are leap years, while 1800, 1900, 2100, 2200, 2300 and 2500 are NOT leap years.

History: St. Valentine was a priest who served during the third century in Rome. When Emperor Claudius II decided that single men made better soldiers than those with wives and families, he outlawed marriage for young men. Valentine, realizing the injustice of the decree, defied Claudius and continued to perform marriages for young lovers in secret. When Valentine's actions were discovered, Claudius ordered that he be put to death. Valentine's Day is celebrated in February to commemorate the anniversary of Valentine's death.

Language Arts: Valentine greetings date back to the Middle Ages, though written Valentine's didn't begin to appear until after 1400. The oldest known valentine still in existence today was a poem written in 1415 by Charles, Duke of Orleans, to his wife while he was imprisoned in the Tower of London following his capture at the Battle of Agincourt. The greeting is now part of the manuscript collection of the British Library in London, England.

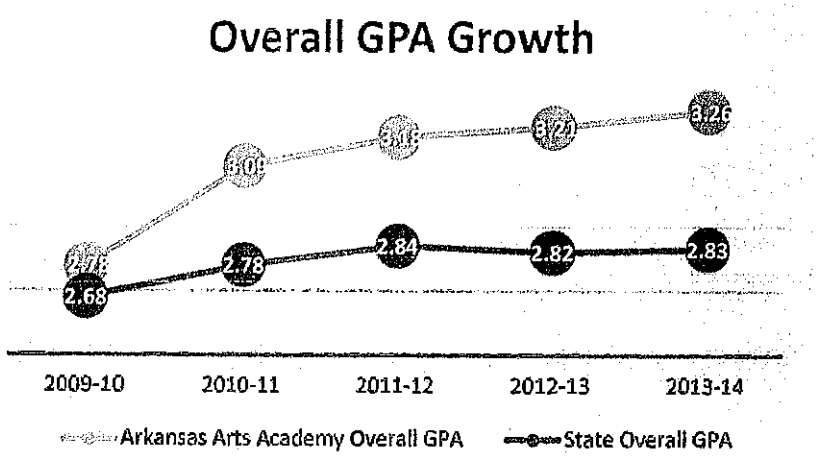
Statistics: Today, according to the Greeting Card Association, an estimated 1 billion Valentine's Day cards are sent each year, making Valentine's Day the second largest card-sending holiday of the year. (An estimated 2.6 billion cards are sent for Christmas.) Women purchase approximately 85 percent of all valentines.

Thank you for your support and investment in Arkansas Arts Academy as your choice for excellence and academics!Happy Valentine's Day!

Aaron Jones
Curriculum Coordinator
Arkansas Arts Academy
Aspire. Achieve. Advance.

Academic Performance of Arkansas Arts Academy

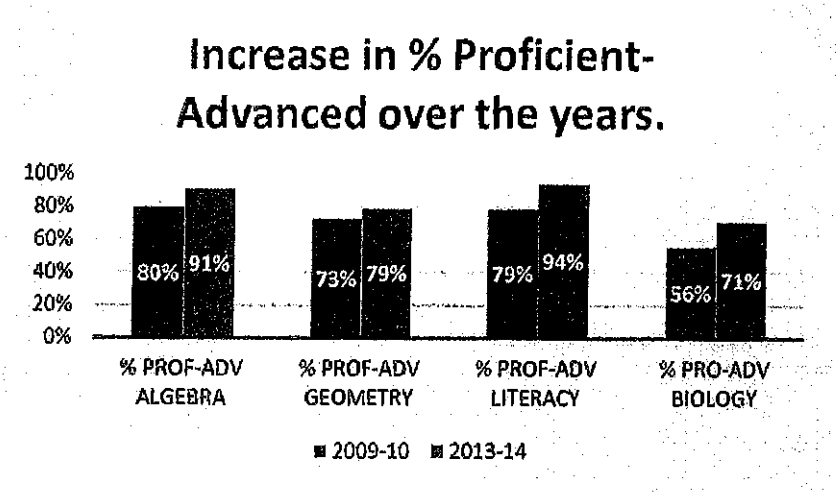
Arkansas Arts Academy has shown a steady increase in their Overall GPA Score over the years and have consistently performed above state average within this time. The chart below shows the growth that have occurred from 2009-10 to 2013-14 in relation to the statewide performance within this time period.



Note: The "GPA" measure was created by the Office for Education Policy to devise a system that more accurately represents a school performance in standardized exams. It is the average number of points allocated to students that rank in the following categories: Below Basic, Basic, Proficient, and Advanced. Here is a table representing the point system

Category	GPA Points Awarded
Advanced	4.0
Proficient	3.0
Basic	2.0
Below Basic	1.0

To further emphasize the increase in performance over the years, the chart below shows that in each of the EOC subjects examined, the number of Proficient-Advanced students have also increased from the 2009-10 to 2013-14. **Literacy and Biology** shows the most amount of growth with a **15% increase in the number of Proficient-Advanced students.**



Arkansas Arts Academy's Performance can be compared statewide.

2012-13

- It **ranked 2nd** highest in EOC Biology in the state of Arkansas
- Among the **top 10** schools in EOC Literacy statewide; 3rd in Northwest Region.
- Among the **top 10** schools in EOC Geometry statewide; 5th highest 5th in the Northwest Region.

2013-14

- **It ranked 2nd** highest school in EOC Literacy statewide and in the Northwest Region
- Among the **top 20 most improved high schools** statewide over a 5-year period in EOC Geometry; 5th in the Northwest Region. *(GPA growth from 2.81→3.27; +0.46)*
- Among the **top 20 most improved schools** statewide over a 5-year period in EOC Biology; 3rd in the Northwest Region. *(GPA growth from 2.56→3.07; +0.50)*
- Among the **top 20 most improved schools** statewide over a 5-year period in EOC Literacy. *(GPA growth from 2.79→3.40; +0.61)*
- It's 8th and 9th grade students ranked 7th in the state in Algebra 1
- It has a **95% Graduation Rave vs 81% State Average**
- $39 000 Ave rage Senior Scholarship.

2015 Renewal Application Cycle

Desegregation Analysis

Arkansas Arts Academy
Rogers, Arkansas

MEMO

ARKANSAS DEPARTMENT OF EDUCATION

DATE: February 6, 2015

TO: Charter Authorizing Panel

FROM: ADE Staff

SUBJECT: Desegregation Analysis of Renewal for Arkansas Arts Academy

I. INTRODUCTION

On February 12, 2001, the State Board of Education (State Board) approved the application of Benton County Charter School Organization, Inc. to open and operate Benton County School of the Arts to serve 500 students in grades K-8. The charter school is currently approved to serve 850 students in grades K-12 under the name Arkansas Arts Academy. The charter school now requests that the Charter Authorizing Panel renew its charter for twenty (20) years.

II. STATUTORY REQUIREMENTS

Although Ark. Code Ann. § 6-23-106 requires the Authorizer to carefully analyze the impact of any new proposed charter school on the efforts of public school districts to achieve and maintain unitary systems, it does not require the Authorizer to conduct an analysis of charter renewal or proposed amendments to an existing charter. However, Ark. Code Ann. § 6-23-106(c) states that the Authorizer "shall not approve any ... act or any combination of acts that hampers, delays, or in any manner negatively affects the desegregation efforts of a public school district or public school districts in this state."

III. INFORMATION SUBMITTED BY THE APPLICANT AND THE AFFECTED SCHOOL DISTRICT

The Arkansas Arts Academy is located in the Rogers School District. As of October 1, 2014, the school's enrollment was 758.

A desegregation analysis submitted by the charter school is attached as Exhibit "A". To date, no school district has submitted desegregation-related objections to renewal of the charter.

IV. DATA FROM THE DEPARTMENT

The October 1, 2014, enrollment for the Rogers School District and contiguous districts and the open-enrollment charter schools in Washington and Benton counties is as follows:

	2 or More Races	Asian	Black/ African American	Hispanic	Native Am. Hawaiian/ Pacific Islander	White	Totals
Affected School Districts							
Bentonville School District	570	878	468	1,663	253	11,665	15,497
	3.68%	5.67%	3.02%	10.73%	1.63%	75.27%	–
Eureka Springs School District	2	10	15	54	6	517	604
	0.33%	1.66%	2.48%	8.94%	0.99%	85.60%	–
Huntsville School District	46	13	7	205	68	1,964	2,303
	2.00%	0.56%	0.30%	8.90%	2.95%	85.28%	–
Pea Ridge School District	28	4	17	117	15	1,660	1,841
	1.52%	0.22%	0.92%	6.36%	0.81%	90.17%	–
Rogers School District	204	303	253	6,619	263	7,385	15,027
	1.36%	2.02%	1.68%	44.05%	1.75%	49.14%	–
Springdale School District	305	348	526	9,591	2,400	7,950	21,120
	1.44%	1.65%	2.49%	45.41%	11.36%	37.64%	–
DISTRICTS TOTAL	**1,155**	**1,556**	**1,286**	**18,249**	**3,005**	**31,141**	**56,392**
	2.05%	**2.76%**	**2.28%**	**32.36%**	**5.33%**	**55.22%**	–
Open-Enrollment Public Charter Schools in Washington and Benton Counties							
Arkansas Arts Academy	35	9	17	107	16	574	758
	4.6%	1.2%	2.2%	14.1%	2.1%	75.7%	
Haas Hall Academy	1	22	8	20	6	263	320
	0.3%	6.9%	2.5%	6.3%	1.9%	82.2%	
NWA Classical Academy	17	87	10	71	5	322	522
	3.3%	16.7%	1.9%	13.6%	1.0%	61.7%	
CHARTER TOTAL	**53**	**118**	**35**	**198**	**27**	**1,159**	**1,600**
	3.3%	**7.4%**	**2.2%**	**12.4%**	**1.7%**	**72.4%**	

Source: ADE Data Center; October 1, 2014 Enrollment

IV. ANALYSIS FROM THE DEPARTMENT

"Desegregation" is the process by which a school district eliminates, to the extent practicable, the lingering negative effects or "vestiges" of prior *de jure* (caused by official action) racial discrimination. The goal of a desegregation case with regard to assignment of students to schools is to "achieve a system of determining admission to the public schools on a non-racial basis." *Pasadena City Board of Education v. Spangler*, 427 U.S. 424, 435 (1976) (*quoting Brown v. Board of Education*, 349 U.S. 294,

300-301 (1955)). ADE is unaware of any active desegregation orders affecting any of the identified school districts.

V. CONCLUSION

As stated above, Arkansas law does not allow the authorizer to approve any public charter school that "hampers, delays, or in any manner negatively affects the desegregation efforts" of a public school district. Ark. Code Ann. § 6-23-106(c). 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, 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).*

It is difficult to conclude, from data currently available, that the proposed charter school is motivated by an impermissible intent to segregate schools. The ADE is unaware of any active desegregation orders which could be impacted by the proposed charter school. However, the authorizer should carefully examine the proposed charter school application in an attempt to determine whether there are legitimate, non-racially motivated reasons for the charter school's existence.

enabled all these efforts. (*The Kennedy Center: ARTSEDGE - the National Arts and Education Network.* "Arts in Education Research Study." https://artsedge.kennedy-center.org/educators/how-to/arts-integration/ceta-white-paper.)

Why would anyone invest that much money in a 13-year old charter school? Arkansas Arts Academy's success, both the modest and the extraordinary, springs from a commitment to the kind of education that values traditional core educational principles equally with cutting-edge research-based innovation. Our success is also about individual students finding a place where they can succeed. Because we are a small school in a growing urban region, we can know our students' needs both from data and the ineffable relationship between a teacher and student. We can know their families in a way that schools in the surrounding area cannot because there is neither time nor money for them to do so. It's not that we have more time or money—in fact we have less—but that we can create a sense of community within our walls even though our students live in neighborhoods scattered across three counties. We can provide a safe learning environment for students who are often bullied in other schools because they are not interested in sports or other traditional social proving grounds. This is increasingly attracting students of diverse ethnic backgrounds. Our focus on the arts distinguishes our students, our curriculum, our teaching methods, and our culture in the educational ecosystem. This distinction is itself a success. We are separate within that ecosystem, but definitely a highly productive part of the outstanding education world of NW Arkansas.

Part B: Desegregation Analysis

Arkansas Arts Academy is located within the boundaries of the Rogers School District (RSD) in Benton County and as an open-enrollment public charter school that is not restricted in its student enrollment by district boundaries, expects to continue to obtain most of its students from within the boundaries of the RSD and the Bentonville School District (BSD).

Arkansas Arts Academy offers this Desegregation Analysis in accordance with the requirements of Ark. Code Ann. §6-23-106 to carefully review the potential impact of its continued operation would have upon the RSD, BSD and any other school district's ability to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools. Because all public school districts in Arkansas from which Arkansas Arts Academy draws students are unitary in student assignment or are otherwise not under any court orders to desegregate, the charter renewal can have no negative affect on the desegregation efforts of any public school district in this state.

According to the 2014-2015 enrollment figures maintained by the ADE Data Center, the current enrollment of Arkansas Arts Academy is 758 students, including 9 Asian, 17 African-American, 107 Hispanic, 35 Two or More Race, 16 Native American and Pacific Islanders, and 574 Caucasian students, would have no material impact on the racial composition of the public school districts in Benton County. There are 15,497 students enrolled in the Bentonville School District; its student population is more than 75% Caucasian and slightly less than 11% Hispanic according to the figures maintained by the ADE Data Center. There are 15,057 students enrolled in the Rogers School District, according to the figures maintained by the ADE Data Center. The Rogers School District student population is slightly less than 50% Caucasian and is 44% Hispanic. The total enrollment of Arkansas Arts Academy is a little less than 5% of the total enrollment of the Bentonville School District and is approximately 5% of the total enrollment of the Rogers School District.

Group	Arkansas Arts Academy	Bentonville Public Schools	Rogers Public Schools
2013-2014 Enrollment	753	15,471	14,757
White/Caucasian	76.9%	75%	52%
Hispanic	12.5%	11%	42.2%
Asian	1.5%%	6%	2%
Native American/ Pacific Islander	1.3%	1.6%	2%
Two or More Races	5.4%	4%	NR
African American	2.4%	3%	2%

EXHIBIT
A

2015 Renewal Application Cycle

Additional Materials Submitted by the Applicant for the Hearing

Arkansas Arts Academy
Rogers, Arkansas

Arkansas Arts Academy

Charter Renewal Application

ARKANSAS
ARTS ACADEMY
Aspire. Achieve. Advance.

What is Arkansas Arts Academy?

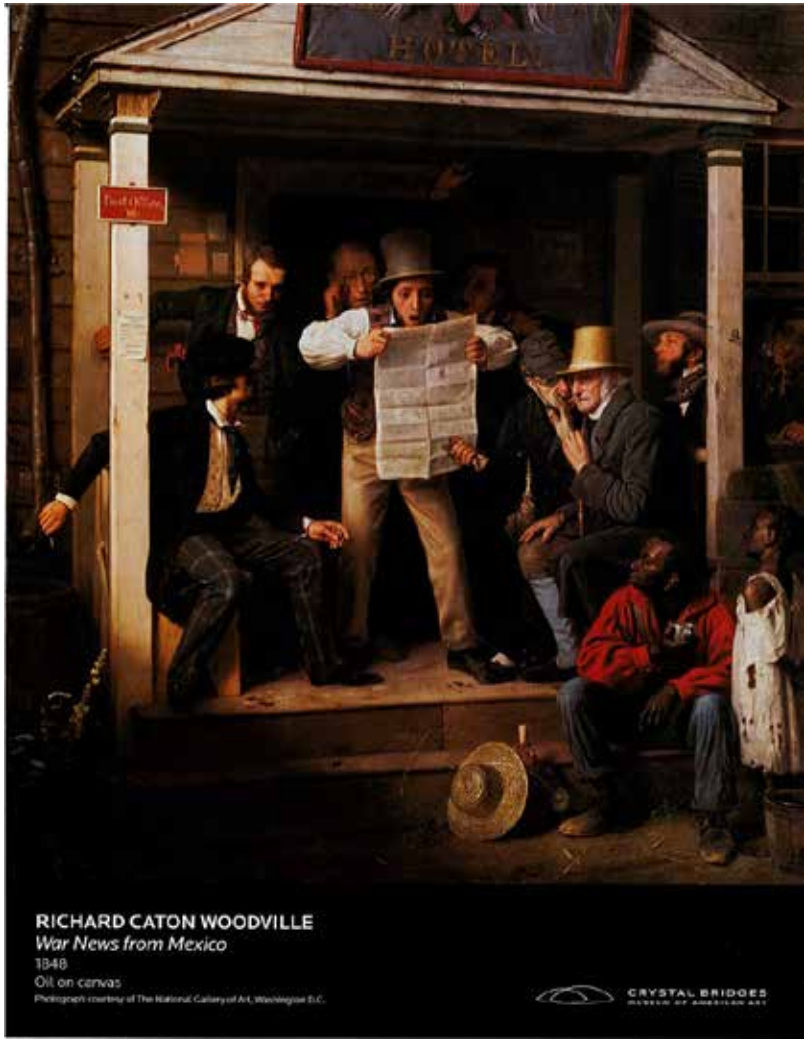
It is a
Crystal Bridges Museum of American Art
Partner School!

- Family Gallery Nights with Art Interpreters
- Integrated lessons with the Core Curriculum and museum art
- *trans*PARENT – Art Newsletter
- Staff Professional Development with museum educators
- Technology driven lessons

ARKANSAS
ARTS ACADEMY
Aspire. Achieve. Advance.

War News from Mexico

Just one of the many integrated lessons



ARKANSAS
ARTS ACADEMY
Aspire. Achieve. Advance.

Arkansas Arts Academy
Crystal Bridges Family Nights

566 Family Participants
6 Evenings
Fall Semester

ARKANSAS
ARTS ACADEMY
Aspire. Achieve. Advance.

It is a Performance School

In the ARTS

ARKANSAS ARTS ACADEMY

Aspire. Achieve. Advance.

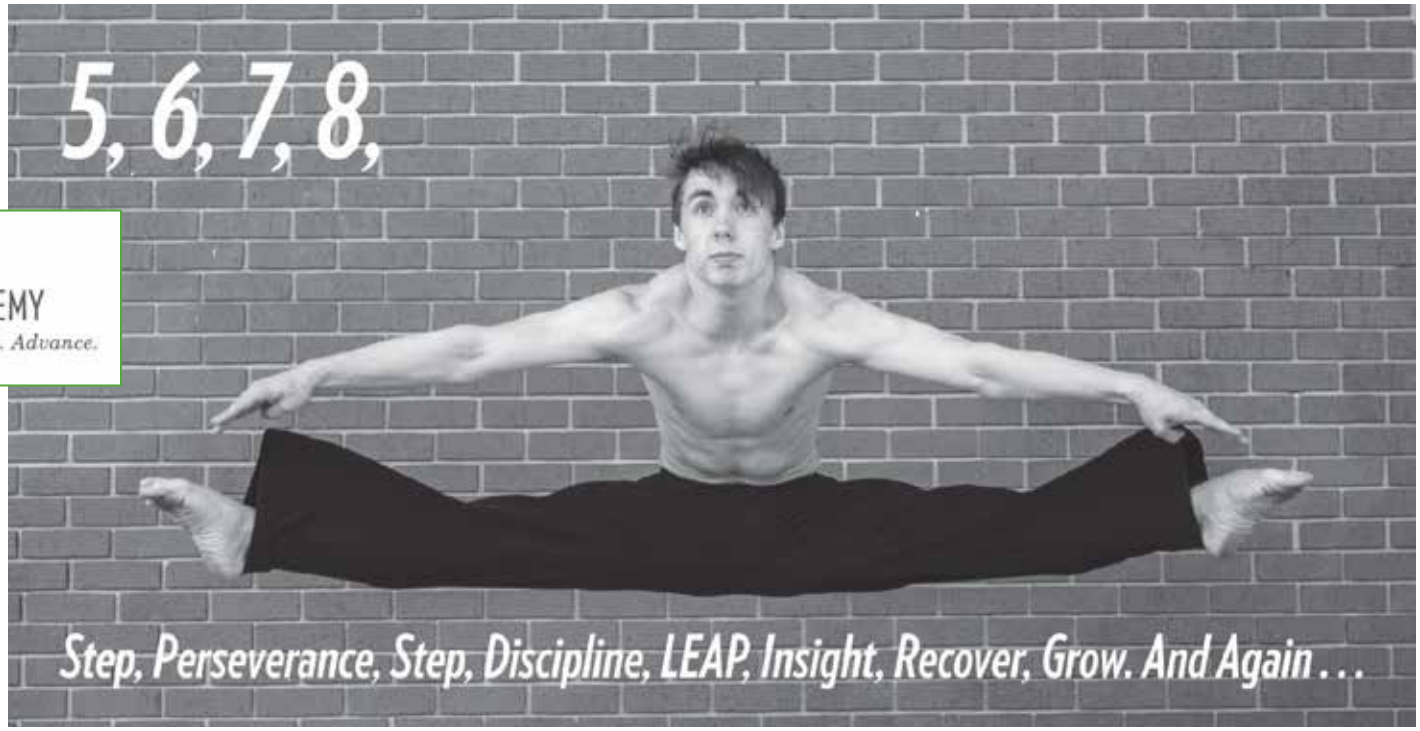
Academic Performance

2014 - Algebra I 8th-9th Grade Students – 7th in State
2014 - 11th Grade Literacy – 2nd in State
2014 – 95% Graduation Rate – v. 81% State Average
2014 - $39,000 Average Senior Scholarship
2013 - Out of 238 School Districts, EOC Biology 2nd highest scores in state of Arkansas
2013 - EOC Literacy 6th highest scores in state/3rd in NW region
2013 - EOC Geometry 5th highest scores in NW Region, 10th highest in state
Colleges: Vassar; George Washington; Penn State; University of Arkansas Honors College; Purdue; Harvard

ARKANSAS
ARTS ACADEMY
Aspire. Achieve. Advance.

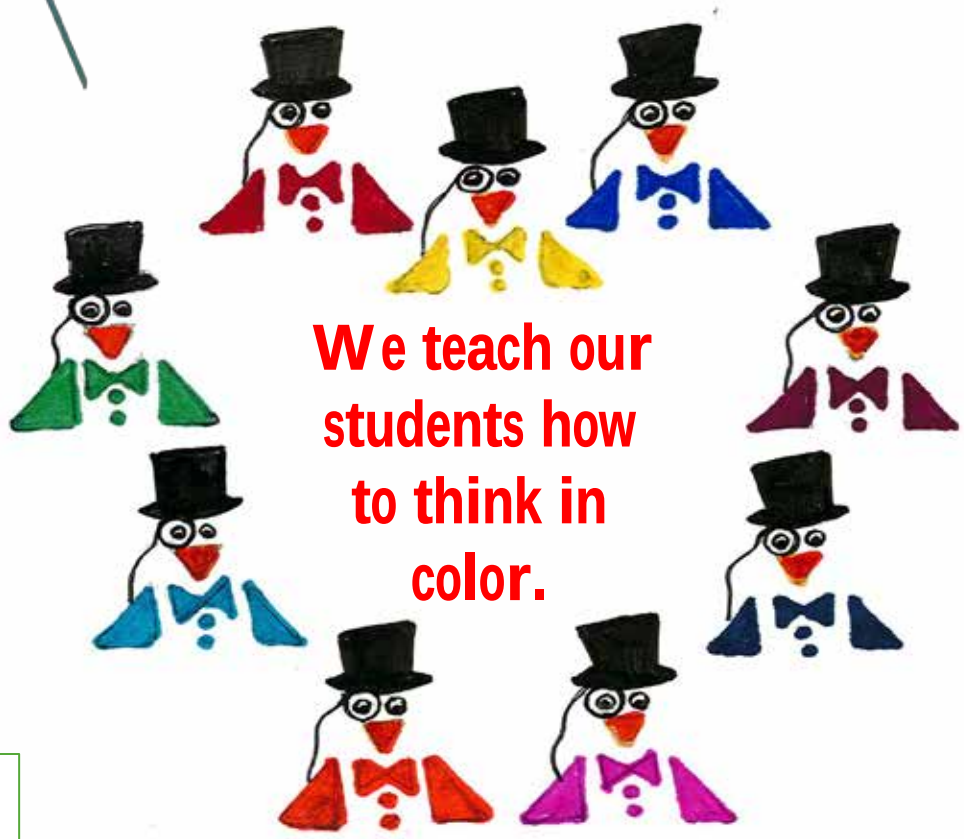
Arkansas Arts Academy Student

- Dance Company 3 Years, Theater Company 3 Years
- ACT 28, GPA 3.81
- Student Council, U of A Honors College in Global Studies
- Arkansas Governor's School 2014



ARKANSAS
ARTS ACADEMY
Aspire. Achieve. Advance.

We teach our students how to perform in their black and white…



ARKANSAS
ARTS ACADEMY
Aspire. Achieve. Advance.

It is a School that Values Diversity

2013 – 79.3% White 2014 – 75.90% White

Networking with local colleges to find diverse candidates for open positions.

CEO works closely with the Walmart Global Office of Diversity.

The school showcases large posters of students engaged in art activities throughout the school and is sensitive to selecting culturally balanced images.

All marketing materials include images of students from multiple cultures.

As we continue to develop the arts integration program we seek out a variety of artists exhibited at the Crystal Bridges Museum of American Art that mirror diversity and individuality.

Sensitive to selecting music, theatrical productions, dance styles, and visual art lessons that represent multiple cultures.

Both campuses have bilingual staff members to support open communication.

ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

It is a School that Welcomes All Students

Special Ed percentage?

- Out of 9 seniors in Special Education 5 will be attending college and potentially one more.
- Arkansas Rehabilitation Educational Services has been involved with all seniors and Juniors in order to help with deciding on career choices/provide guidance/give options/and financial support to help meet their goals.
- One senior is scheduled to attend College of the Ozarks
- One senior is scheduled to attend Pathfinders as a way to transition from school to work
- One senior is interested in Computers and is set up to volunteer at Free Geek in Fayetteville, it is a program that helps students transition from HS to Work-Education and Computer Store Recycling and Waste Management

ARKANSAS
ARTS ACADEMY
Aspire. Achieve. Advance.

It is a school that values Wellness!

ARKANSAS
ARTS ACADEMY
Aspire. Achieve. Advance.

It is a School that Values Financial Accountability

Perfect Financial Audit dated 12-01-2014 for year ending June 30, 2014

Maintain $1,000,000.00 Balance in bank account & secured by Federal Reserve.

According to the Independent Auditors' Report: Benton County Charter School Organization, Inc. substantially complied with the requirements of Arkansas Code Annotated 6-1-101 during the year ended June 30, 2014.

It is a School that Values Financial Accountability

Additional 2014-2015 Grants

Walton Family Foundation	**2014-2016**	**$483,763.00**
Walton Family Foundation	**2014 – iPads**	**$452,956.00**
Arkansas Game & Fish	**2014- Archery**	**$1,375.00**
Cabela's	**2014 – Archery**	**$2,700.00**
Walmart Volunteer Grant	**2014**	**$2,000.00**
Best Buy	**2014 -Tech**	**$1,000.00**
A+ Schools	**2014-2017 PD**	**$60,000.00**
Endeavor Foundation	**2014 Trails**	**$20,000.00**
Walton Family Foundation	**2014 Trails**	**$8,500.00**
APSRC Online-Course Gr.	**2015**	**$15,000.00**

ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

$1,047,294.00

New 501c3 Foundation January 2015 - $11,000

It is a School that is ready to Define this Moment with You…

Term of Renewal - Why 20 Years?

- Increases attraction for highly qualified teachers and administrators
- Increases investment opportunities
- Stability

ARKANSAS
ARTS ACADEMY
Aspire. Achieve. Advance.

Arkansas Arts Academy Summary

(Formerly Benton County School of the Arts)

Arkansas Arts Academy
Rogers, Arkansas

ARKANSAS ARTS ACADEMY

Sponsoring Entity:	**Benton County Charter School Organization, Inc.**	
Addresses:	**Elementary/Middle School** **2005 S. 12th Street** **Rogers, AR 72758**	**High School** **506 W. Poplar St.** **Rogers, AR 72756**
Grades Served:	**K-12**	
Enrollment:	**758 (2014-2015)**	
Maximum Enrollment:	**825**	
Number of Years Requested for Renewal:	**20**	

Remaining concerns from the ADE Charter Internal Review Committee:

- How the attainment of goals will be measured when the goals do not include a set number or percentage.

From 2014 Arkansas School ESEA Accountability Reports

District	Needs Improvement District
District Attendance Rate	95.51%
	Achieving – Percent Tested
	Needs Improvement – Literacy
	Needs Improvement – Math
	Achieving- Graduation Rates
Elementary/Middle School	
Grades K-8	Needs Improvement School
School Attendance Rate	95.55%
	Achieving – Percent Tested
	Achieving – Literacy
	Needs Improvement – Math
High School	
Grades 9-12	Needs Improvement School
School Attendance Rate	95.41% (3 QTR AVG)
	Achieving – Percent Tested
	Achieving – Literacy
	Needs Improvement – Math
	Achieving- Graduation Rate

Special Education Monitoring

January 11, 2012 Letter – Commended for being in substantial compliance with state and federal special education regulations

2012-2013 Accreditation Statuses

Elementary School	Accredited
Middle School	Accredited

Arkansas Comprehensive School Improvement Plans (ACSIP)

Working with ADE School Improvement Specialist

Annual Equity Compliance Report

Submitted the 2014-2015 report

Financial Balances

FISCAL YEAR	GRADE LEVELS	LEGAL BALANCE	CATEGORICAL FUND BALANCE	ADM	ENROLLMENT CAP
2013	K-12	612,164	65,322	765	825
2014	K-12	701,972	28,884	773	825
2015	K-12	Not Available	Not Available	780	825
2015 1st Qrt ADM				757	

Data Sources:
Grade Levels, ADMs and Cap from the year end ADE State Aid Notices
FY13 Legal Balance from the APSCN report dated Cycle 9, 2013
FY14 Legal Balance from the APSCN report dated October 10, 2014
FY13 Categorical Balance from the APSCN report dated November 25, 2013
FY14 Categorical Balance from the APSCN report dated October 10, 2014

2012 Financial Audit

Two findings (Internal Controls and Uninsured Deposits) discussed on page 31 of renewal application

Additional Materials Submitted by the Applicant for the Hearing

Arkansas Arts Academy
Rogers, Arkansas

Arkansas Arts Academy

Charter Renewal Application

ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

What is Arkansas Arts Academy?

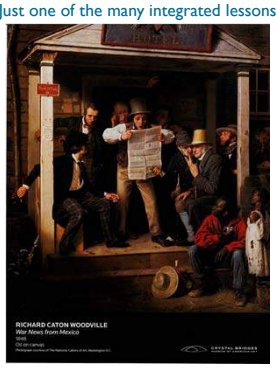
It is a
Crystal Bridges Museum of American Art
Partner School!

- Family Gallery Nights with Art Interpreters
- Integrated lessons with the Core Curriculum and museum art
- *trans*PARENT – Art Newsletter
- Staff Professional Development with museum educators
- Technology driven lessons

ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

War News from Mexico

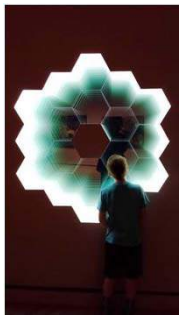
Just one of the many integrated lessons



ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

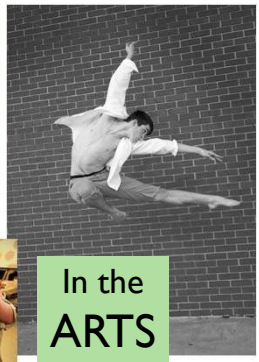
Arkansas Arts Academy Crystal Bridges Family Nights

566 Family Participants
6 Evenings
Fall Semester



ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

It is a Performance School



In the ARTS

ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

Academic Performance

2014 - Algebra I 8th-9th Grade Students – 7th in State
2014 - 11th Grade Literacy – 2nd in State
2014 – 95% Graduation Rate – v. 81% State Average
2014 - $39,000 Average Senior Scholarship
2013 - Out of 238 School Districts, EOC Biology 2nd highest scores in state of Arkansas
2013 - EOC Literacy 6th highest scores in state/3rd in NW region
2013 - EOC Geometry 5th highest scores in NW Region, 10th highest in state
Colleges: Vassar; George Washington; Penn State; University of Arkansas Honors College; Purdue; Harvard

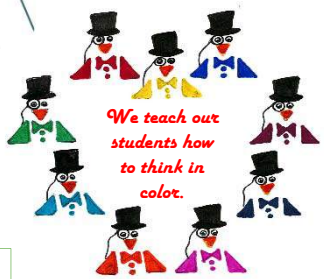
ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

Arkansas Arts Academy Student

- Dance Company 3 Years, Theater Company 3 Years
- ACT 28, GPA 3.81
- Student Council, U of A Honors College in Global Studies
- Arkansas Governor's School 2014

ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

We teach our students how to perform in their black and white…



ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

It is a School that Values Diversity

2013 – 79.3% White 2014 – 75.90% White

Networking with local colleges to find diverse candidates for open positions.

CEO works closely with the Walmart Global Office of Diversity.

The school showcases large posters of students engaged in art activities throughout the school and is sensitive to selecting culturally balanced images.

All marketing materials include images of students from multiple cultures.

As we continue to develop the arts integration program we seek out a variety of artists exhibited at the Crystal Bridges Museum of American Art that mirror diversity and individuality.

Sensitive to selecting music, theatrical productions, dance styles, and visual art lessons that represent multiple cultures.

Both campuses have bilingual staff members to support open communication.

ARKANSAS ARTS ACADEMY

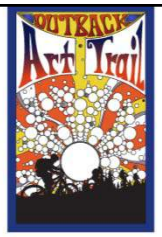
It is a School that Welcomes All Students

Special Ed percentage?

- Out of 9 seniors in Special Education 5 will be attending college and potentially one more.
- Arkansas Rehabilitation Educational Services has been involved with all seniors and Juniors in order to help with deciding on career choices/provide guidance/give options/and financial support to help meet their goals.
- One senior is scheduled to attend College of the Ozarks
- One senior is scheduled to attend Pathfinders as a way to transition from school to work
- One senior is interested in Computers and is set up to volunteer at Free Geek in Fayetteville, it is a program that helps students transition from HS to Work-Education and Computer Store Recycling and Waste Management

ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

It is a school that values Wellness!



ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

It is a School that Values Financial Accountability

Perfect Financial Audit dated 12-01-2014 for year ending June 30, 2014

Maintain $1,000,000.00 Balance in bank account & secured by Federal Reserve.

According to the Independent Auditors' Report: Benton County Charter School Organization, Inc. substantially complied with the requirements of Arkansas Code Annotated 6-1-101 during the year ended June 20, 2014.

It is a School that Values Financial Accountability

Additional 2014-2015 Grants

Walton Family Foundation	2014-2016	$483,763.00
Walton Family Foundation	2014 – iPads	$452,956.00
Arkansas Game & Fish	2014- Archery	$1,375.00
Cabela's	2014 – Archery	$2,700.00
Walmart Volunteer Grant	2014	$2,000.00
Best Buy	2014 -Tech	$1,000.00
A+ Schools	2014-2017 PD	$60,000.00
Endeavor Foundation	2014 Trails	$20,000.00
Walton Family Foundation	2014 Trails	$8,500.00
APSRC Online-Course Gr.	2015	$15,000.00

ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

$1,047,294.00

New 501c3 Foundation January 2015 - $11,000

It is a School that is ready to Define this Moment with You…

Term of Renewal - Why 20 Years?

- Increases attraction for highly qualified teachers and administrators
- Increases investment opportunities
- Stability

ARKANSAS ARTS ACADEMY
Aspire. Achieve. Advance.

ADE Evaluation and Applicant Responses

Arkansas Arts Academy
Rogers, Arkansas

ARKANSAS ARTS ACADEMY

Sponsoring Entity:	**Benton County Charter School Organization, Inc.**	
Addresses:	**Elementary/Middle School** **2005 S. 12th Street** **Rogers, AR 72758**	**High School** **506 W. Poplar St.** **Rogers, AR 72756**
Grades Served:	**K-12**	
Enrollment:	**758 (2014-2015)**	
Maximum Enrollment:	**825**	

Number of Years Requested for Renewal: 20

CONTACT INFORMATION

Applicants are requested to provide complete contact information.

Evaluation Criteria:

A response that is fully responsive will include the following:

- The names of the sponsoring entity and charter school;
- The LEA number;
- Complete contact information for the school principal/director and board chair;
- The number of years requested for renewal, that does not exceed 20; and
- Date of the governing board's approval of the renewal application.

FULLY RESPONSIVE

SECTION 1: GENERAL DESCRIPTION OF THE CHARTER SCHOOL'S PROGRESS AND DESEGREGATION ANALYSIS

Part A: Charter School Progress

Applicants are requested to provide a narrative about the successes of the charter during the current contractual period.

Evaluation Criteria:

A response that is fully responsive will include:

- A comprehensive narrative that identifies and describes multiple successes of the charter school during the current contractual period.

FULLY RESPONSIVE

Part B: Desegregation Analysis
Applicants are requested to describe the current and potential impact of the charter on the efforts of affected public school district(s) to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools

Evaluation Criteria:
A response that is fully responsive will include:

- Assurance that the charter school will comply with all applicable federal and state statutory and regulatory requirements regarding the creation and maintenance of desegregated public schools; and
- An outline of the potential impact of the proposed charter school on those desegregation efforts already in place in affected public school districts.

FULLY RESPONSIVE

SECTION 2: COMPOSITION OF THE CHARTER SCHOOL'S GOVERNING BOARD AND RELATIONSHIPS TO OTHERS

Part A: Composition of Governing Board
Applicants are requested to describe the charter school's governance structure.

Evaluation Criteria:
A response that is fully responsive will include:

- A description of the charter school's governance structure;
- An explanation of the selection process for charter board members;
- An explanation of the authority of the board; and
- An explanation of the responsibilities of the board.

FULLY RESPONSIVE

Part B: Disclosure Information
Applicants are requested to disclose any potential conflicts of interest affecting members of the governing board and employees.

Evaluation Criteria:
A response that is fully responsive will include:

- An itemization of each non-employment contract or lease of the charter school in which any of the charter's administrators, board members, or the family members of administrators or board members have or had a financial interest; and
- An itemization of each family relationship between each member of the charter school's governing board, other board members, and the employees of the charter school.

FULLY RESPONSIVE

SECTION 3: STUDENT AND TEACHER RETENTION

Part A: Student Retention
Applicants are requested to compile and analyze student retention data.

Evaluation Criteria:
A response that is fully responsive will include:

- A complete table with data about students who left the charter prior to completing the highest grade offered at the school; and

- Reasons that can be substantiated for students who leave the charter.

FULLY RESPONSIVE

Comments and Additional Questions:

Describe the efforts that are being made to market to a diverse population of students. Include specific marketing techniques and methods.

Section 3A: Student Retention Amendment
As part of our rebuilding, we rebranded under a new name and image to the larger community. Increasing diversity was at the top of the rebranding agenda. The Arkansas Arts Academy name welcomes all students in the region, not just Benton County. School leadership chose to go even deeper by stressing diverse marketing strategies, including:

- Networking with local colleges to find diverse candidates for open positions. This outreach led to hiring an African American K-12 principal and instruction facilitator. Increasing diverse leadership has attracted more minority interest in our school.
- Working closely with the Walmart Global Office of Diversity. AAA's CEO, Mary Ley, frequently attends Walmart diversity events and strategizes with the department's Chief-of-Staff as to how both agencies can work together.
- Highlighting racial and ethnic diversity by selecting culturally balanced images of students in advertising and promotions on our website, in public presentations and on posters within the school for prospective and current families to see.
- Partnering with at the Crystal Bridges Museum of American Art, whose collection and educational programs intentionally embraces American Art as a diverse multi-cultural experience.
- Selecting music, theatrical productions, dance styles, and visual art lessons that represent multiple cultures.
- Ensuring both campuses have bilingual (Spanish and English) staff members to support equal communication.
- Encourage Arkansas Arts Academy existing staff to help recruit.

Part B: Teacher Retention
Applicants are requested to compile and evaluate teacher retention data.

Evaluation Criteria:
A response that is fully responsive will include:

- A complete table with data about teachers who do not return; and
- Reasons that can be substantiated for teachers who leave the charter.

FULLY RESPONSIVE

SECTION 4: TEST DATA

Applicants are requested to review the testing data for the charter and the resident district and describe the ways in which the data support the achievement of the charter's current academic goals.

Evaluation Criteria:

A response that is fully responsive will include:

- A thoughtful narrative describing the ways in which the testing data support the achievement of, or progress toward achieving, the charter's current academic goals.

FULLY RESPONSIVE

Comments and Additional Questions:

Explain the preparation steps taken to adequately prepare teachers and faculty for the online testing. Include information about devices.

Section 4: Test Data Amendments

As to testing preparation for 2014-2015, Arkansas Arts Academy has conceived and is implementing a clear plan for testing. First, the hardware is in place at the K-8 campus and is being prepared at the high school campus. Specifically, the K-8 campus has four labs containing at least 25 functional computers hardwired to the servers. This allows us to implement testing for the PARCC Performance Based Assessments in a 10-day period for grades 3-8 without stressful extended testing sessions. The E-O-Y assessments will be handled similarly. For example, 3rd graders will be able to complete one testing unit (1 hour 40 minutes start to finish) each day for five consecutive days. Grades 4-8 will follow the same pattern. Students with modifications and accommodations have been entered into the system. The High School technology needs will be handled in a similar manner with two labs hardwired to the servers. We have iPads with wired keyboards (200) as an emergency backup, but we have a very strong preference for our hardwired resources. We plan to test in the early part of the two testing windows in order to allow the maximum time to react to the unexpected. Test Administrator and Test Proctor training will take place in mid-February. A 60 student test session will take place the week after teacher training. Teachers are introducing students to the test pedagogy and in-test tools in the weeks leading up to the test.

SECTION 5: ACADEMIC PERFORMANCE GOALS

Part A: Current Performance Goals

Applicants are requested to evaluate the progress toward achieving each of the charter's current student academic performance goals and provide supporting documentation that demonstrates the progress.

Evaluation Criteria:

A response that is fully responsive will include:

- A narrative description of the charter's progress toward achieving each goal; and
- Supporting data that documents the charter's progress in achieving each goal.

FULLY RESPONSIVE

Comments and Additional Questions:

Describe the effectiveness of whole class remediation. Include any studies or data available.

Explain how whole class remediation is affecting students who may not require remediation.

Whole class remediation is only implemented by strategic response to student data and takes different forms at different grades. (N.B. The term "whole class remediation was used in Section 4 in reference to K-8 Literacy: Economically Disadvantaged scores.) For example, about 30% of the current 4th grade class need moderate to intensive reading remediation. In this case, reading

groups have been established by differentiation according to level with the strongest reading teacher working with the weakest group. We hold that the reading gap must be addressed for this group of students to counter a widening of the gap in later years. In the current 7th and 8th grade, mental math strategies have been added to grade level instruction in order to facilitate mathematical fluency and stamina. This data-driven intervention responds to disappointing numbers in the Measurement and Data Analysis and Probability sections of the 2014 Benchmark exams (i.e., sections where numbers and operations skills are applied). (Rubenstein, Rheta N. "Mathematics Teacher." *Mental Mathematics beyond the Middle School: Why? What? How?* (n.d.): n. pag. *Silicon Valley Mathematics Initiative*. Copyright © 2001 The National Council of Teachers of Mathematics, Inc. www.nctm.org. Web.) In both cases, whole class remediation has had limited negative impact because we have remained firm in our commitment to student needs and the principals of differentiated instruction.

Explain the statement from page 17 of the application,“ We have ceased our pull-out strategy as of fall 2014 and have instituted a push-in strategy …”

In reference to the page 17 comment “We have ceased our pull-out strategy as of fall 2014 and have instituted a push-in strategy…,” we would like to further clarify. In 2013-2014, Title I remediation was administered by pulling low-scoring, at-risk students out of elective classes for extra tutoring. This created a noticeable social division between these students and the general population. Now, our Title I Coordinator and a newly hired instructional assistant, concentrate on co-teaching in order to reduce the social division and also monitor classroom behaviors in learning. An after school tutoring program has also been added to supplement where needed.

Confirm that AAA will offer the full least restrictive environment full continuum to include resource and self-contained environment as needed.

Arkansas Arts Academy confirms that we currently and will continue to offer the full continuum of least-restrictive environment to all students. Modifications for our 78 resource students are conducted in general education classes whenever possible, but we also provide direct instruction for more severe learning disabilities. We provide self-contained services for three students in core subjects; these three students also participate in some arts classes. We facilitate occupational therapy and retain a part-time speech therapist on-site. 504 accommodations are coordinated by the Special Education Coordinator.

Part B: New Performance Goals

Applicants are required to confirm their understanding that achieving all goals and/or objectives set by the state, during the period of renewal, is expected and to develop other student academic achievement performance goals for the renewal contract period.

Evaluation Criteria:

A response that is fully responsive will include:

- A confirmation that the charter is expected to achieve all goals and/or objectives set by the state; and
- For other student academic performance goals -
    - Measureable student academic performance goals;
    - The specific tool that will be used to measure academic performance for each goal;
    - The level of performance that will demonstrate success; and
    - The timeframe for achieving each goal.

FULLY RESPONSIVE

Comments and Additional Questions:

Confirm the understanding that, during the term of the charter renewal, the charter is expected to meet all goals and/or objectives set by the state.

Arkansas Arts Academy affirms that we are expected to meet or exceed all goals and objectives set by the state.

Confirm if this is a complete list of the charter's goals going forward, or are there any additional old goals that should still be included moving forward. Consider that the benchmark exams no longer exist. Consider using more general language for meeting statewide assessment goals.

Arkansas Arts Academy affirms that the above list of goals is our complete request for goals, with the following exception—please remove Goal 3. Goal 3 is based on the ITBS (formerly a portion of benchmark testing), which the state is not requiring in 2014-2015 for grades 3-9. Further, we ask that the name "PARCC" be replaced with the more general term "statewide assessment," and that "end-of-year state required testing" be emended to "statewide assessment(s)" to clarify that assessment may occur throughout the school year.

Explain how it will be measured that the goals are being met with a goal of "Students will show progress". Consider setting specific percentage increase goals. Ensure that goals are measurable and attainable.

"Students will show progress" may mean an increase in percentile ranking on a norm-referenced if the increase is greater than neighboring districts, the region, or the state, or an increase in the percentage of students achieving proficiency in a criterion referenced test. The language used is vague only in an earnest attempt to anticipate that future test results will be provided to schools in a similar way to the past regardless of the assessment provider (i.e., consortium).

SECTION 6: FINANCE

Applicants are requested to discuss corrective actions for any findings in the most recent financial audit reports prepared during the current contractual period.

Evaluation Criteria:
A response that is fully responsive will include the following:

- Each finding from the financial audit reports **or a statement that there were no findings**;
- A statement for each finding to indicate if it had been noted in prior year audits;
- Corrective actions take to rectify each issue; and
- The date by which each issue was or will be corrected.

FULLY RESPONSIVE

SECTION 7: WAIVERS

Applicants are requested to review the current waivers approved for the charter and to identify any changes requested in the charter's waivers from Title 6 of Arkansas Code Annotated, State Board of Education Rules and Regulations, and/or the Standards for Accreditation.

Part A: New Waiver Requests

Applicants are requested to identify any additional law and rule that the authorizer is requested to waive.

Evaluation Criteria:
A response that is fully responsive will include:
- A list of each law and rule that the charter would like to have waived; and
- A rationale for each waiver request or **a statement saying that no new waivers are requested**.

See Legal Review Document for Any Comments

Part B: Waivers to Be Rescinded
Applicants are requested to identify any waiver that is no longer needed.

Evaluation Criteria:
A response that is fully responsive will include:
- An itemized list of each current waiver the charter would like to have rescinded; and
- A rationale for each request or **a statement saying that the charter wishes to maintain all currently approved waivers**.

See Legal Review Document for Any Comments

SECTION 8: REQUESTED AMENDMENTS

Applicants are requested to identify and explain amendment requests.

Evaluation Criteria:
A response that is fully responsive will include:
- A list of any requested charter amendments **or a statement that no amendments are being requested**;
- A rationale for each amendment requested; and
- A budget, showing that the charter will be financially viable, if there is an amendment request to change grade levels, the enrollment cap, the location of a campus, and/or an additional campus.

FULLY RESPONSIVE

Additional Comments Additional Questions:

Explain if the digital classes that are being offered are for local credit or for graduation requirements.

Explain the process for selecting digital providers.

Provide the qualifications for the teachers for digital providers.

Sections 10.01.4 and 14.03 of the ADE Rules Governing the Standards for Accreditation Section
Further clarification:
Arkansas Arts Academy has received a grant through the Arkansas Public School Resource Center to provide “eLearning” through eLearning-resources.net for both local and state credit at the high school level. State credit approved courses such as Spanish I (A/B) and Spanish II (A/B)

could be offered to a transfer student who could not otherwise meet our SmartCore and local graduation requirement within an accelerated time window. We also have one, and only one, student for 2015-2016 who wishes to take Calculus BC AP Part 1 and Part 2. We could provide this student or a similarly small number of students with other AP needs with these waivers. Additionally, we anticipate a small number of students who will wish to take additional studio or art history courses for local credit over and above the 8 courses per semester we can provide. These last two situations could occur on somewhat accelerated timelines. Conversations about all three of these situations have occurred in the last two years, but no reasonable solutions could be enacted under the current schedule. These courses would be facilitated and monitored by the librarian or an administrator in our library, which has the appropriate technology and wiring already in place.

Legal Review of Waivers Requested

Arkansas Arts Academy
Rogers, Arkansas

Arkansas Arts Academy
2015 Renewal Application
New Waivers Requested

1. Planned Instructional Day

Section 10.01.4 of the ADE Rules Governing the Standards for Accreditation

With an increase in digital instructional materials and devices for students, Arkansas Arts Academy is requesting a waiver of the Planned Instructional Day Requirements in order to create individualized offerings for students through distance learning. Distance learning offerings, while meeting all curriculum requirements, may be capable of being provided in less than thirty (30) hours per week. Although the situation does not currently exist, we request this waiver to facilitate high school students with opportunities for internships in business and the arts that might conflict with the school day.

Legal Comments: Additional explanation should be provided as to how this waiver will be implemented, how student instructional time will be tracked, and how much instructional time students will receive. In order to effectuate this waiver, waivers of Ark. Code Ann. § 6-18-211 and § 6-16-102 and the ADE Rules Governing Mandatory Attendance for Students in Grades 9-12 are also necessary.

In order to provide an opportunity for our students to participate in internships and to expand their ability to participate in in-depth and intensive performance-based art, AAA is requesting a seat time waiver for all digital coursework. All required frameworks will be taught in the appropriate course offerings.

Remaining Issues: Additional discussion may be necessary as to how student instructional time will be tracked and how much instructional time students will receive. In order to effectuate this waiver, waivers of Ark. Code Ann. § 6-18-211 and § 6-16-102 and the ADE Rules Governing Mandatory Attendance for Students in Grades 9-12 are also necessary.

2. Clock Hours for Unit of Credit

Section 14.03 of ADE Rules Governing the Standards for Accreditation

AAA requests this waiver in order to provide accelerated opportunities for advanced students in those areas of where the high school's total population is not sufficient to provide instruction (i.e., foreign languages other than Spanish, AP courses, and other distance learning opportunities). Therefore, the Applicant requests the waiver of seat time requirement. AAA assures that the granting of this waiver will not create a dilution of the coursework required to meet all necessary standards and frameworks. AAA, by this waiver request, is not seeking to waive any graduation requirements.

Legal Comments: Explanation should be provided as to how this waiver would be implemented, what classes it would apply to, and how the applicant will ensure all frameworks will be taught.

Arkansas Arts Academy will apply this waiver to digital courses – both those for elective credit and required 22 graduation credits from any approved ADE provider. Those given for graduation credit will be utilized from ADE approved list which provides assurance that frameworks will be taught. Elective courses will be granted local credit.

Remaining Issues: None

3. Oral Communication

Section 9.03.4.1 of the ADE Rules Governing Standards for Accreditation

The Arkansas Arts Academy is required to teach Oral Communication as a separate class to its students in grades 9-12. In order to better prepare students in grades 9-11 for Common Core requirements (SL1-6) in collaboration, research, and spoken and multimedia presentation, AAA seeks to embed the Arkansas framework requirements for Oral Communication into the ELA curriculum. AAA requests this waiver in order to increase the rigor of Oral Communication instruction by increasing the relevance of collaborative learning and presentation skills purposefully linked to the rhetorical strategies taught at AAA. Additionally, collaborative learning and presentation are integral parts of an overall art integration curriculum. Embedding oral communications instruction in the ELA curriculum with collaboration from Social Studies, Arts, Math, and Science teachers according to Common Core Anchor frameworks will not dilute but enhance this course of instruction.

Legal Comments: None

Remaining Issues: None

DESGREGATION ANALYSIS: Fully responsive

Application

Arkansas Arts Academy
Rogers, Arkansas

Open-Enrollment Public Charter School Renewal Application

Deadline for Submission: December 18, 2014

Charter School: Arkansas Arts Academy

Arkansas Department of Education

Charter School Office
Four Capitol Mall
Little Rock, AR 72201
501.683.5313

Contact Information

Sponsoring Entity:	**Benton County Charter School Organization, Inc.**
Name of Charter School:	**Arkansas Arts Academy**
School LEA #	**0440**
Name of Principal/Director: **Mailing Address:** **Phone Number:** **Fax Number:** **E-mail address:**	**Mrs. Mary Ley, CEO** **1110 W. Poplar Street, Suite A** **Rogers, AR 72756** **479-878-2787** **479-878-2790** **mley@arkansasartsacademy.org**
Name of Board Chairman: **Mailing Address:** **Phone Number:** **Fax Number:** **E-mail address:**	**Mr. Dave Russell** **2750 Penny Lane** **Rogers, AR 72758** **479-366-1392** **David.Russell@Kellog.com**

Number of Years Requested for Renewal (1-20) ___20___

Renewal Application Approval Date by the School/Entity Board(s): _12/9/14__

Section 1 – General Description of the Charter School's Progress and Desegregation Analysis

Part A: Charter School Progress

Provide a narrative about the successes of the charter during the current contractual period.

As the contractual period ends, Benton County School of the Arts is emerging into the third phase of its existence as the Arkansas Arts Academy. Our first phase was the start-up period, first for the original K-8 BCSA and separately for the high school then known as the Northwest Arkansas Academy of Fine Arts. The second phase began when the K-8 and high school joined charters in 2009. During this period, some performance assessment areas rose significantly and in other programs the rise was less steep than desired. The new third phase is marked by a new name, new branding, new leadership, new funding, and, most significantly, new partnerships.

In 2012, the School Board and Superintendent led the school in seeking AdvancED accreditation. The resulting process yielded both successful accreditation and challenges. At the heart of the challenges was the hazy idea, both internally and externally, about what BCSA was. Our inadequately defined identity affected curriculum, programming, allocation of funds and spirit. Cranford, Johnson, Robinson, Wood (CJRW) was hired to consult. The result was an in-depth SWOT analysis and rebranding under the name Arkansas Arts Academy. On the departure of our previous superintendent, the Board took the additional step to hire Mary Ley, a seasoned professional in school transformation, an experienced administrator, and a National Board Certified art teacher. Within 45 days of her hire, Ms. Ley had secured a grant from the Walton Family Foundation for over $450,000, hired a new elementary principal and two new curriculum coordinators, and had laid the ground work for partnerships with Crystal Bridges Museum of American Art, Trike Theatre, the University of Arkansas School of Architecture and the Walton Arts Center. She also repaired and invigorated a tenuous relationship with A+ Schools. Within 90 days, Ms. Ley had secured several more grants, three small ones to improve arts and PE programs and an additional large grant of $450,000 to purchase and maintain 850 iPads for our students and teachers. This influx of energy and capital is clear proof that the Arkansas Arts Academy is clearly refocused on the STEAM model, providing a unique opportunity for students in the NW Arkansas educational ecosystem.

Evidence of Student Success

- 2014: The Office for Education Policy at the University of Arkansas named the high school as a "High Achieving High School" based on Algebra I, Biology, and 11th Grade Literacy exam scores.
- 2014 - 11th Grade Literacy: 2nd in the state
- 2014 - Algebra I EOC: 3rd in state
- 2014 - EOC Biology: 14th in state
- 2014 - AP pass rate of 69%, twice the state average of 34% and 8% higher than the global average of 61%
- 2014 - 95% graduation rate; the state average is 81%
- 2014 - An average scholarship of $39,000.00 to the graduating class of 2014
- 2013 - EOC Biology EOC: 2nd in state
- 2013 - 11th Grade Literacy 6th in state
- 2013 - EOC Geometry EOC: 10th in state
- The Elementary/Middle School has been achieving in Math for 5 years running
- The Elementary/Middle School has exceeded AMO in Literacy for all students 5 years running, although the TAGG scores have fallen just short for several years in a row.

The story of the High School's success truly began to take off when the AP program gained steam in the 2010-2011 school year. At that time, the school embraced the Common Core willingly and ahead of schedule. The district made the financial investment to participate the APSRC's Achieving by Change (ABC) program and to seek other early training through the Co-Op. The curriculum organically realigned in the course of these investigations, experiences, and subsequent teacher collaboration. It became apparent to the AP teachers that Common Core was right in line with a solid pre-AP program. Teachers began moving AP techniques, tools, skill-sets, readings, and vocabulary into all classes, not just the pre-AP. Rigor and scores rose in concert.

Evidence of Organizational Success

- AAA's partnership with Crystal Bridges Museum of American Art is a prototype for museum and classroom educators collaborating to use a museum as classroom, laboratory, and studio.
- AAA is in the first year of the A+ School Program, pushing toward a truly art-integrated curriculum.
- AAA completed three years in the APSRC's Achieving By Change Program.
- AAA achieved AdvancED Accreditation in 2013.
- AAA is developing a partnership with the University of Arkansas School of Architecture to implement design features throughout the curriculum.
- AAA is a Walton Arts Center partner.
- AAA has extraordinary technology resources: 1 iPad/student, 1 computer/3 students.
- Mary Ley, CEO, raised over $1,000,000 in grants in a three-month period.

The job of the new Curriculum Coordinators, positions funded by the Walton Family Foundation, is to work directly with teachers in all grades to vertically align learning to standards in order to increase rigor across all grades. This means translating the High School's success into grade-appropriate rigor throughout the curriculum. The CCs' other function is to coach teachers in creating an arts integrated curriculum that is relevant to our student population. We follow the Kennedy Center model for arts-integration:

> "Arts Integration is an approach to teaching in which students construct and demonstrate understanding through an art form. Students engage in a creative process which connects an art form and another subject area and meets evolving objectives in both."

Rigorous academic roots are put to use by students—observing, constructing, creating, designing students. When our students succeed, they succeed by being creative problem-solvers. When the teachers and curriculum fail to activate empathy and engagement through relevant instruction, student scores fall. While this is the common wisdom, the idea is strongly supported by a study conducted at Crystal Bridges Museum of American Art by three University of Arkansas researchers, Greene, Kisida, and Bowen in their article "The Educational Value of Field Trips" (*Education Next*. Winter 2014, Vol. 14, No. 1. www.educationnext.org). Our success alignment success at the High School provides the district with a paradigm for further success that strongly embraces real experience and real data. With addition of the Curriculum Coordinators and the energy of new leadership, we are now prepared to fully engage in a STEAM curriculum, aligned K-12, which will enrich students' ability to increase conceptual understanding and performance in Math, Science, Language, and the Arts.

About 40% of our teachers have received some Kennedy Center approved training through the Walton Arts Center's Arts with Education (AWE) Institute. During the 2014-2015 year we want to boost that percentage to 100% through professional development from Crystal Bridges, A+ Schools, and Trike Theatre. The Kennedy Center training provides teachers with conceptual understanding and fluency in several of the multiple-intelligences (ala Gardner), primarily visual-spatial, bodily-kinesthetic, interpersonal, and intrapersonal. The goal is to train teachers to create classrooms relevant to many more students' learning styles and also to add to student competence in multiple learning styles, thus linking relevance to expanded student abilities. The generous support of the Walton Family Foundation has

enabled all these efforts. (*The Kennedy Center: ARTSEDGE - the National Arts and Education Network*. "Arts in Education Research Study." https://artsedge.kennedy-center.org/educators/how-to/arts-integration/ceta-white-paper.)

Why would anyone invest that much money in a 13-year old charter school? Arkansas Arts Academy's success, both the modest and the extraordinary, springs from a commitment to the kind of education that values traditional core educational principles equally with cutting-edge research-based innovation. Our success is also about individual students finding a place where they can succeed. Because we are a small school in a growing urban region, we can know our students' needs both from data and the ineffable relationship between a teacher and student. We can know their families in a way that schools in the surrounding area cannot because there is neither time nor money for them to do so. It's not that we have more time or money—in fact we have less—but that we can create a sense of community within our walls even though our students live in neighborhoods scattered across three counties. We can provide a safe learning environment for students who are often bullied in other schools because they are not interested in sports or other traditional social proving grounds. This is increasingly attracting students of diverse ethnic backgrounds. Our focus on the arts distinguishes our students, our curriculum, our teaching methods, and our culture in the educational ecosystem. This distinction is itself a success. We are separate within that ecosystem, but definitely a highly productive part of the outstanding education world of NW Arkansas.

Part B: Desegregation Analysis

Arkansas Arts Academy is located within the boundaries of the Rogers School District (RSD) in Benton County and as an open-enrollment public charter school that is not restricted in its student enrollment by district boundaries, expects to continue to obtain most of its students from within the boundaries of the RSD and the Bentonville School District (BSD).

Arkansas Arts Academy offers this Desegregation Analysis in accordance with the requirements of Ark. Code Ann. §6-23-106 to carefully review the potential impact of its continued operation would have upon the RSD, BSD and any other school district's ability to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools. Because all public school districts in Arkansas from which Arkansas Arts Academy draws students are unitary in student assignment or are otherwise not under any court orders to desegregate, the charter renewal can have no negative affect on the desegregation efforts of any public school district in this state.

According to the 2014-2015 enrollment figures maintained by the ADE Data Center, the current enrollment of Arkansas Arts Academy is 758 students, including 9 Asian, 17 African-American, 107 Hispanic, 35 Two or More Race, 16 Native American and Pacific Islanders, and 574 Caucasian students, would have no material impact on the racial composition of the public school districts in Benton County. There are 15,497 students enrolled in the Bentonville School District; its student population is more than 75% Caucasian and slightly less than 11% Hispanic according to the figures maintained by the ADE Data Center. There are 15,057 students enrolled in the Rogers School District, according to the figures maintained by the ADE Data Center. The Rogers School District student population is slightly less than 50% Caucasian and is 44% Hispanic. The total enrollment of Arkansas Arts Academy is a little less than 5% of the total enrollment of the Bentonville School District and is approximately 5% of the total enrollment of the Rogers School District.

Group	Arkansas Arts Academy	Bentonville Public Schools	Rogers Public Schools
2013-2014 Enrollment	753	15,471	14,757
White/Caucasian	76.9%	75%	52%
Hispanic	12.5%	11%	42.2%
Asian	1.5%%	6%	2%
Native American/ Pacific Islander	1.3%	1.6%	2%
Two or More Races	5.4%	4%	NR
African American	2.4%	3%	2%

Section 2 – Composition of the Charter School's Governing Board and Relationships to Others

Part A: Composition of Governing Board

Describe the governance structure of the charter, including an explanation of the board member selection process and the authority and responsibilities of the charter board.

Board Member Selection

The Arkansas Arts Academy School Board members are elected each April. Board members are elected for a three-year term of office. The School Board must elect officers during the first meeting of the new fiscal year (July). Officers include President, Vice-President, and Secretary/Treasurer. Per the charter, the President shall be the Chief Executive Officer of the Founding Board/School Board. The Vice-President will, in the absence or disability of the President, perform the duties and exercise the power of the President. The Secretary/Treasurer, will be responsible for recording all actions and proceedings and will be the second signature (disbursing agent) along with the Superintendent/Executive Director on all charter school checks and warrants. A school board member, as appointed by the School Board, will serve as a disbursing agent alternate in the event the Secretary/Treasurer cannot perform warrant/check signature duties due to absence or disability. Further duties and responsibilities of officers of board members are outlined in the bylaws of the Arkansas Arts Academy, Inc.

SCHOOL BOARD Authority and Responsibilities

It is the objective of the School Board that every lay person in the community feels he or she is in partnership with the professional educators and the School Board, who have the responsibility for continuous planning, analysis, and evaluation to see that the most effective and meaningful educational opportunities are made available to our youth consistent with the aspiration, cultural pattern, and financial ability of the community.

The Arkansas Arts Academy School Board further acknowledges that it is responsible for the establishment and maintenance of a free public school for children residing in Arkansas and shall make all necessary rules and regulations appropriate for the governance and conduct of school operations consistent with local, state, and federal law.

Authority and Right of Review - The School Board has final legal authority within the provision of state and federal law for the operation of the school. No policy or procedure adopted by the Board or its designee shall be construed to limit the statutory powers provided by state law to the Arkansas Arts Academy School Board to exercise its own judgment and to make recommendations to the Superintendent/Executive Director. To accomplish this function the Board must have timely access upon request to any information, including documents, in the possession of school personnel unless such access is expressly prohibited by state or federal law.

Policy Adoption and Procedure Review - It is the responsibility of the School Board to adopt policies for the effective and efficient management of Arkansas Arts Academy. All policies legally adopted shall be put in written form, noted in the minutes of the meeting where such action was taken, and copies of any new, revised or deleted policies shall be promptly distributed for inclusion in official copies of the Arkansas Art Academy Board Policy Book maintained in various locations throughout Arkansas Arts Academy. Adoption or revisions of generated administrative procedures that significantly alter the manner in which a Board policy is to be implemented shall be distributed to the Board for information.

Evaluation of Policies and Procedures - The School Board is responsible for evaluating both the effectiveness of its policies and how well they have been implemented. The Superintendent/Executive Director recommends specific action to implement Board policy, and it is the responsibility of the Board to appraise the value and importance of each recommendation and to act on each proposal.

Operational Action - The School Board is responsible for developing the processes necessary for conducting Board business such as adopting a procedural form for meetings, elections of Board officers, and providing for the enforcement of state and federal law.

Executive Action - The Superintendent/Executive Director performs administrative duties for the Board by authority delegated to him or her. The School Board is responsible for holding the Superintendent/Executive Director accountable for the effective and efficient administration and leadership of Arkansas Arts Academy

.

Quasi-Judicial Action - The School Board serves in a quasi-judicial function when it acts as a forum for hearings and appeals from parents, students, or personnel on decisions or recommendations made by the Superintendent/Executive Director or appointed designees.

Part B: Disclosure Information

Identify any contract or lease (other than an employment contract), in which the charter is or has been a party, and in which any charter administrator, board member, or an administrator or board member's family member has or had a financial interest.

Relationship Disclosures

Charter School Board Member's Name and Contact Information	Name and Title of Individual Related to Board Member	Relationship
Dave Russell 2750 Penny Laney Rogers, AR 72758 479-366-1392 David.Russell@kellog.com	No	N/A
Tony Beardsley 707 Crest Drive Fayetteville, AR 72701 479-957-6595 TbeardsL1@yahoo.com	No	N/A
Darlene McLernon 3006 Parkwood Drive Rogers, AR 72756 479-531-1982 Darlene.mclernon@gmail.com	No	N/A
Howard Alsdorf 1305 W. Cottonwood Street Rogers, AR 72758 479-263-0468 Howard.alsdorf@tyson.com	No	N/A
Alicia Knotts 3216 SW Stoneway Avenue Bentonville, AR 72712 479-221-2541 allypedsrn@yahoo.com	No	N/A
Kevin West 1405 Luke Street Pea Ridge, AR 72751 leatherneckfl@gmail.com	No	N/A
Wes Abbott 1100 W. Mulberry Rogers, AR 72756 479-631-9387 Swabbott2009@gmail.com	No	N/A

Section 3 – Student and Teacher Retention

Part A: Student Retention

Group Combined Over All Years	Total Number	Number Left without Completing the Highest Grade Offered	% Left the Charter	% Left for Other Charter	% Left for Traditional Public	% Left for Private School	% Left for Home School	% Left the State	% Left for Unknown Reasons
All	2273	512	22.5%	0.4%	66.2%	1.4%	11.9%	15%	5%
Free/ Reduced Lunch	693	124	17.9%	0	72.6%	0.86%	14.5%	9.7%	2.4%
Two or More Races	47	0	0	0	0	0	0	0	0
Asian	30	8	26%	0	37.56	0	12.5%	50%	0
African American	50	19	38%	0	84%	0	0	15.8%	0
Hispanic	203	40	19.7%	0	67.5%	2.5%	5%	20%	5%
Native American	50	14	20%	0	92.9%	0	0	7.1%	0
White/ Caucasian	1,893	431	22.8%	0.5%	65%	1.4%	13.5%	14.2%	5.6%
Special Education	160	38	23.8%	0	68%	0	10.5%	15.8%	5.3%
English Language Learner	102	4	3.9%	0	50%	0	0	50%	0

Section 3—Student and Teacher Retention

Part A: Student Retention

During the contract period (Aug 2010-May 2013), a total 512 of 2,273 students, or 22%, left the Arkansas Arts Academy. The White/Caucasian demographic made largest part of that group, 431 students or 84%.

Group	Benton County, AR*	AAA (2011-2013)	% Left the Charter	AAA 2014
White/Caucasian	75.3%	83%	22.8%	75.8%
Hispanic	16%	8.9%	19.7%	14.1%
Asian	3.4%	1.3%	26.7%	1.2%
Native American/ Pacific Islander	2.3%	2.2%	28%	2.2%
Two or More Races	1.9%	2.1%	0%	4.6%
African American	1.9%	2.2%	38%	2.2%

*U.S. Census Bureau (www.quickfacts.census.gov). Last Revised: Tuesday, 08-Jul-2014 06:42:49 EDT

AAA's racial/ethnic diversity is slightly less than Benton County as a whole during the contract period. While the majority of our students do come from Benton County, we currently have students from Washington, and Carroll counties enrolled in our schools.

As to retention, the average retention rate of 22.5% holds moderately well in the White and Hispanic groups. Outliers include excellent retention in Two or More Races and a 38% loss rate in the African American group. Much of the current African-American population in 2014 has shifted to the middle and high school campuses. Hopefully, this will elevate awareness of this group as a visible part of our community through public performances. The growth in the Hispanic or Latino demographic has been largely through word-of-mouth in the community.

Group	Rogers Public Schools	AAA (2011-2013)	% Left the Charter	AAA 2014
Free & Reduced Lunch	61%	30.5%	17.9%	36%
Special Education	10%	7%	23.8%	9.3%
ELL	34%	4.5%	3.9%	5%

AAA F&RL and SPED populations have increased in actual and percentage numbers from the contract period to the present.

The school has traditionally faced a retention problem created by calendaring decisions of the past. Historically, the school year began one to two weeks in advance of the surrounding school districts. Students and their families would "try out" the school in that period and then return to their home district. While we welcome all students, there is an adverse effect on both teachers and students when classrooms take a full month to settle in and establish momentum. For this reason, the 2014-2015 calendar started only two days before the opening of Rogers and Bentonville. There were only one or two immediate drops instead of eight to ten.

There is also a natural sorting at the end of eighth grade. Anecdotally, the reasons for not matriculating to the high school include a desire for sports, more AP courses, and marching band. While we regret losing talented and dedicated students, it is often an exchange. We pick up a new admixture of students that can positively change the social and academic nature of the school. Most of the top 25% of our current senior class joined the district as freshmen or sophomores.

We anticipate some further challenges embedded in our 2013-14 and 2014-15 retention rates. Parent dissatisfaction during the 2013-14 school year produced a spike in withdrawals in the elementary/middle school. Parent surveys revealed dissatisfaction with inconsistent discipline, lack of arts offerings in the middle school, and a drop in academic rigor. The discipline issue has been addressed. Arts and academic rigor have also been addressed by reorganizing the middle school schedule to balance art offerings while maintaining and increasing time for academic rigor. We will monitor the efficacy of these changes through data derived from NWEA MAP testing and continued parent communication. We are in a rebuilding year.

Part B: Teacher Retention

Complete the following Teacher Retention Table:

School Year	Total Number of Teachers	Number Who Returned to Teach at the School the Following Year	% Returned	Number Who Took Other Positions with the Charter Organization	% Took Other Positions with Charter Organization
2010-2011	58	52	89.7%	0	0
2011-2012	57	45	78.9%	1	1.8%
2012-2013	56	52	92.9%	2	3.6%
2013-2014	57	46	81%	1	2%

The majority of teachers leave Arkansas Arts Academy to work for one of the four nearby large school districts. Bentonville Public Schools specifically seek out our teachers. They have found our teachers to be strong instructors after two years of training and experience. Rogers Public Schools pays a teacher with two years of experience $45,850.00. Bentonville Public Schools pay $45,773 in the same category. Arkansas Arts Academy pays $34,000.00, an $11,850 difference from the Rogers salary schedule.

Section 4 – Test Data

Review the following testing data summary, 2011-2013, showing the charter data and the resident school district data. Describe the ways in which the testing data support the achievement of, or progress toward achieving, the charter's current approved academic goals.

Arkansas Arts Academy (Formerly Benton County School of the Arts)
State-Mandated Assessment Scores, 2011-2013

Year	Description	# Tested	% Below Basic	% Basic	% Proficient	% Advanced
Benchmark/Literacy-Combined Population						
2011	BENTON COUNTY SCHOOL OF ARTS	360	2.50%	12.78%	47.78%	36.94%
2011	ROGERS SCHOOL DISTRICT	6436	3.06%	13.10%	39.85%	43.96%
2012	BENTON COUNTY SCHOOL OF ARTS	379	1.85%	9.50%	35.62%	53.03%
2012	ROGERS SCHOOL DISTRICT	6448	2.23%	9.09%	30.16%	58.51%
2013	BENTON COUNTY SCHOOL OF ARTS	381	3.15%	8.92%	32.28%	55.64%
2013	ROGERS SCHOOL DISTRICT	6544	2.15%	9.09%	31.59%	57.17%

Literacy-Combined Population

Competitive Analysis: Arkansas Arts Academy has maintained combined population literacy scores within one percentage point, higher or lower, of Rogers Public Schools. In this metric, we offer instructional parity.

Benchmark/Literacy-Economically Disadvantaged						
2011	BENTON COUNTY SCHOOL OF ARTS	111	4.50%	17.12%	47.75%	30.63%
2011	ROGERS SCHOOL DISTRICT	3957	4.12%	17.13%	44.78%	33.97%
2012	BENTON COUNTY SCHOOL OF ARTS	125	4.00%	14.40%	38.40%	43.20%
2012	ROGERS SCHOOL DISTRICT	4141	3.02%	12.03%	35.91%	49.05%
2013	BENTON COUNTY SCHOOL OF ARTS	125	4.80%	15.20%	36.00%	44.00%
2013	ROGERS SCHOOL DISTRICT	4304	2.70%	11.83%	36.80%	48.68%

Literacy-Economically Disadvantaged

Competitive Analysis: Arkansas Arts Academy has not maintained parity with Rogers Public Schools in the economically disadvantage population's literacy scores. RPS increased 7% over three years. AAA's measures remained flat during the contract period. Of special concern are the 3rd Grade (77.78%), 6th Grade (60%), and 7th Grade (76.19%) scores. Whole class remediation and individual RTI are following these classes through the curriculum.

Benchmark/Math-Combined Population						
2011	BENTON COUNTY SCHOOL OF ARTS	360	7.78%	19.44%	36.94%	35.83%
2011	ROGERS SCHOOL DISTRICT	6436	5.31%	10.46%	32.01%	52.16%
2012	BENTON COUNTY SCHOOL OF ARTS	379	6.33%	10.55%	34.30%	48.81%
2012	ROGERS SCHOOL DISTRICT	6461	5.18%	9.39%	30.72%	54.70%
2013	BENTON COUNTY SCHOOL OF ARTS	381	5.77%	12.86%	37.53%	43.83%
2013	ROGERS SCHOOL DISTRICT	6565	6.15%	11.44%	32.08%	50.33%

Math-Combined Population

Competitive Analysis: Arkansas Arts Academy's combined population math scores took a significant upward leap in response to 2011's disappointing scores. This increase has been maintained above AMO for four years and is approaching parity with RPS.

Benchmark/Math-Economically Disadvantaged

2011	BENTON COUNTY SCHOOL OF ARTS	111	9.01%	20.72%	39.64%	30.63%
2011	ROGERS SCHOOL DISTRICT	3957	7.23%	13.55%	36.29%	42.94%
2012	BENTON COUNTY SCHOOL OF ARTS	125	10.40%	12.80%	33.60%	43.20%
2012	ROGERS SCHOOL DISTRICT	4151	6.89%	11.88%	35.90%	45.34%
2013	BENTON COUNTY SCHOOL OF ARTS	125	7.20%	16.00%	38.40%	38.40%
2013	ROGERS SCHOOL DISTRICT	4323	8.05%	14.46%	36.85%	40.64%

Math-Economically Disadvantaged

Competitive Analysis: Arkansas Arts Academy's economically disadvantaged population math scores increased from 2011 to 2012 while adding 8.5% to the economically disadvantaged population. RPS experienced a 9% increase in this population and has struggled to make a percentage advance during this period.

Benchmark/Science-Combined Population

2012	BENTON COUNTY SCHOOL OF ARTS	131	6.87%	32.82%	48.86%	11.45%
2012	ROGERS SCHOOL DISTRICT	2136	8.71%	32.12%	46.11%	13.06%
2013	BENTON COUNTY SCHOOL OF ARTS	132	7.58%	37.88%	39.39%	15.15%
2013	ROGERS SCHOOL DISTRICT	2145	10.12%	30.40%	42.98%	16.50%

Science-Combined Population

Competitive Analysis: AAA is not happy with these scores. We assume RPS is not happy with their scores. AAA's 2013 scores indicated 37.01% scored Basic. To move this population forward, the curriculum is isolating project-based opportunities for cross-curricular education, especially pairing Economics frameworks with life sciences. Geography and Earth Science also make an excellent pairing for deeper conceptual understanding.

Benchmark/Science-Economically Disadvantaged

2012	BENTON COUNTY SCHOOL OF ARTS	47	14.89%	40.43%	38.30%	6.38%
2012	ROGERS SCHOOL DISTRICT	1363	11.96%	39.69%	40.28%	8.07%
2013	BENTON COUNTY SCHOOL OF ARTS	42	11.90%	47.62%	30.95%	9.52%
2013	ROGERS SCHOOL DISTRICT	1392	13.65%	37.79%	39.87%	8.69%

Science—Economically Disadvantaged

Competitive Analysis: It is clear that economically disadvantaged students comprise too large a proportion of the Basic category. RPS had an 11-point negative difference between Combined and ED population. AAA had a 16 and 14-point drop. We have begun to address this at the most fundamental level of academic vocabulary.

High School EOC and EOL Metrics

11th Grade Literacy-Combined Population

2011	BENTON COUNTY SCHOOL OF ARTS	43	0.00%	32.56%	51.16%	16.28%
2011	ROGERS SCHOOL DISTRICT	892	4.37%	26.46%	52.24%	16.93%
2012	BENTON COUNTY SCHOOL OF ARTS	45	0.00%	17.78%	66.67%	15.56%
2012	ROGERS SCHOOL DISTRICT	849	4.48%	18.26%	50.77%	26.50%
2013	BENTON COUNTY SCHOOL OF ARTS	47	0.00%	8.51%	48.94%	42.55%
2013	ROGERS SCHOOL DISTRICT	1047	4.39%	23.02%	43.94%	28.65%

11th Grade Literacy-Economically Disadvantaged

2011	BENTON COUNTY SCHOOL OF ARTS	12	0.00%	50.00%	33.33%	16.67%
2011	ROGERS SCHOOL DISTRICT	431	8.12%	39.44%	46.64%	5.80%
2012	BENTON COUNTY SCHOOL OF ARTS	12	0.00%	33.33%	66.67%	0.00%
2012	ROGERS SCHOOL DISTRICT	439	7.29%	27.56%	52.16%	12.98%
2013	BENTON COUNTY SCHOOL OF ARTS	8	0.00%	12.50%	50.00%	37.50%
2013	ROGERS SCHOOL DISTRICT	591	6.60%	32.15%	44.33%	16.92%

Algebra-Combined Population

2011	BENTON COUNTY SCHOOL OF ARTS	72	2.78%	2.78%	38.89%	55.56%
2011	ROGERS SCHOOL DISTRICT	1118	2.95%	15.74%	39.09%	42.22%
2012	BENTON COUNTY SCHOOL OF ARTS	38	2.63%	10.53%	36.84%	50.00%
2012	ROGERS SCHOOL DISTRICT	668	4.79%	19.61%	52.25%	23.35%
2013	BENTON COUNTY SCHOOL OF ARTS	50	2.00%	24.00%	50.00%	24.00%
2013	ROGERS SCHOOL DISTRICT	726	5.51%	26.31%	51.79%	16.39%

Algebra-Economically Disadvantaged

2011	BENTON COUNTY SCHOOL OF ARTS	16	0.00%	0.00%	37.50%	62.50%
2011	ROGERS SCHOOL DISTRICT	622	4.18%	22.03%	43.57%	30.23%
2012	BENTON COUNTY SCHOOL OF ARTS	10	0.00%	0.00%	30.00%	70.00%
2012	ROGERS SCHOOL DISTRICT	440	6.14%	23.18%	51.14%	19.55%
2013	BENTON COUNTY SCHOOL OF ARTS	14	0.00%	14.29%	64.29%	21.43%
2013	ROGERS SCHOOL DISTRICT	499	6.81%	29.86%	48.90%	14.43%

Biology-Combined Population

2012	BENTON COUNTY SCHOOL OF ARTS	48	2.08%	18.75%	52.08%	27.08%
2012	ROGERS SCHOOL DISTRICT	1080	14.81%	39.81%	32.59%	12.78%
2013	BENTON COUNTY SCHOOL OF ARTS	63	3.17%	14.29%	47.62%	34.92%
2013	ROGERS SCHOOL DISTRICT	1010	15.94%	33.86%	37.13%	13.07%

Biology-Economically Disadvantaged

2012	BENTON COUNTY SCHOOL OF ARTS	9	0.00%	22.22%	55.56%	22.22%
2012	ROGERS SCHOOL DISTRICT	586	23.38%	48.29%	22.35%	5.97%
2013	BENTON COUNTY SCHOOL OF ARTS	18	0.00%	16.67%	50.00%	33.33%
2013	ROGERS SCHOOL DISTRICT	572	24.83%	39.34%	29.55%	6.29%

Geometry-Combined Population

2011	BENTON COUNTY SCHOOL OF ARTS	58	1.72%	12.07%	48.28%	37.93%
2011	ROGERS SCHOOL DISTRICT	944	2.54%	16.63%	41.31%	39.51%
2012	BENTON COUNTY SCHOOL OF ARTS	62	1.61%	9.68%	43.55%	45.16%
2012	ROGERS SCHOOL DISTRICT	1040	2.21%	15.48%	41.15%	41.15%
2013	BENTON COUNTY SCHOOL OF ARTS	56	1.79%	7.14%	39.29%	51.79%
2013	ROGERS SCHOOL DISTRICT	1034	2.22%	12.77%	46.23%	38.78%

Geometry-Economically Disadvantaged

2011	BENTON COUNTY SCHOOL OF ARTS	16	6.25%	18.75%	37.50%	37.50%
2011	ROGERS SCHOOL DISTRICT	507	3.94%	23.67%	45.17%	27.22%
2012	BENTON COUNTY SCHOOL OF ARTS	13	0.00%	7.69%	69.23%	23.08%
2012	ROGERS SCHOOL DISTRICT	579	3.63%	23.49%	45.42%	27.46%
2013	BENTON COUNTY SCHOOL OF ARTS	20	0.00%	5.00%	30.00%	65.00%
2013	ROGERS SCHOOL DISTRICT	569	2.64%	17.93%	52.37%	27.07%

High School EOC & EOL: Combined Population

Competitive Analysis: 2014 Algebra scores jumped back up after the 2013 slump. AAA's slump can be attributed in part to the tragic death of the Algebra teacher and partly to the state-wide decrease in scores that year. Literacy, Biology, and Geometry scores outpaced RPS in both actual and percentage increase by year. Please note how often the Below Basic percentage is 0.00%

High School EOC & EOL: Economically Disadvantaged

Competitive Analysis: We are especially proud of the lack of difference, or actual increase over, between our combined scores and economically disadvantaged scores each measured year in Algebra, Biology, and Geometry. Literacy scores have also narrowed the gap between combined and economically disadvantaged populations. RPS's gaps have remained between 8 and 14 points (with the exception of gains in 2013 Algebra and Geometry where significant gains have been made). Please note how often the Below Basic percentage is 0.00%

Graduation Rates

Year	Description	Student Count	Graduate Count	Graduate Rate
Graduation Rates-All Students				
2011	BENTON COUNTY SCHOOL OF ARTS	50	35	70.00%
2011	ROGERS SCHOOL DISTRICT	860	1007	85.40%
2012	BENTON COUNTY SCHOOL OF ARTS	40	35	87.50%
2012	ROGERS SCHOOL DISTRICT	473	406	79.96%
2013	BENTON COUNTY SCHOOL OF ARTS	38	36	94.74%
2013	ROGERS SCHOOL DISTRICT	495	419	83.80%
Graduation Rates-Economically Disadvantaged				
2011	BENTON COUNTY SCHOOL OF ARTS	9	7	77.78%
2011	ROGERS SCHOOL DISTRICT	542	434	80.07%
2012	BENTON COUNTY SCHOOL OF ARTS	10	9	90.00%
2012	ROGERS SCHOOL DISTRICT	211	173	74.91%
2013	BENTON COUNTY SCHOOL OF ARTS	14	14	100.00%
2013	ROGERS SCHOOL DISTRICT	260	218	82.26%

Data above reflects the number of students tested and the percentage scoring in each proficiency category, combined across the grade levels indicated, for all students and for economically-disadvantaged students. Comparison numbers are for all students and economically-disadvantaged students in the same grade levels for the resident public school district. Data assembled and furnished by the Arkansas Research Center, http://arc.arkansas.gov/.

Graduation rates have increased each year. As the High School enters it's eighth year of existence, we attribute (non-scientifically) the increase to a growing awareness of the purpose, function, and reputation of the school in the surrounding educational environment. As students and their parents make more clearly informed choices about the school based on the arts curriculum focus and rigorous academics, 9-12 retention has improved and so have graduation rates.

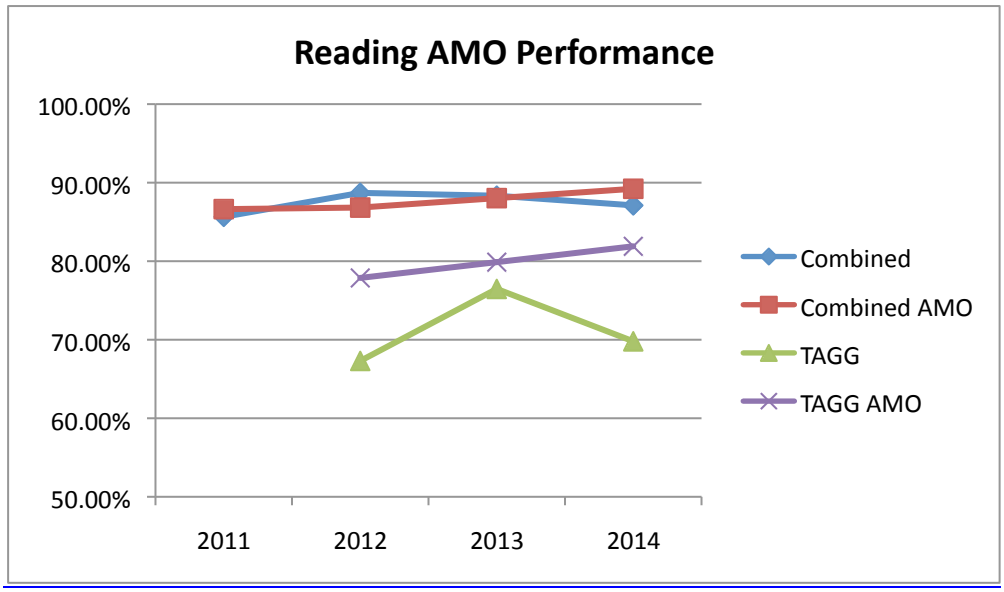
Section 5 – Academic Performance Goals

Part A: Current Performance Goals

Goals in Reading

1. **Arkansas Arts Academy Elementary/Middle School will establish adequately yearly progress goals so that 100% of students in NCLB define subgroups will perform at the proficient or advanced levels on criterion referenced assessments by the 2013-2014 school year. The goal will be to have 20% of students within in each subgroup who score at the basic or below basic level to advance to at least the proficient level each year. This annual goal may be adjusted as necessary to meet the 2013-2014 target of 100% proficiency.**

During the period from 2011 to 2014, Arkansas Arts Academy has achieved or has been very close to AYP in reading each year as defined by state guidelines for the General Population. TAGG data is disappointing (2011 data unavailable on the School Report Card). While the numbers of TAGG students tested each year is statistically viable as a whole, only the Economically Disadvantaged category is consistently large as a percentage of the total population. Students with Disabilities represented a statistically awkward population (2011 not reported; 2012=25; 2013:26; 2014=33). The ELL population was even smaller (2011 not reported; 2012=13; 2013=18; 2014=18). Thus, these two categories have significant weight, but marginal statistical value.



A student-by-student longitudinal analysis tells a more encouraging story (see Appendix: Summary: Literature Progression from 2011-2014; data derived from attached tables "Literature Score Progression to Proficiency by Student: 2011-2014").

- In 2012, 36 of the 50 students who scored BEL or BAS in 2011 retested at AAA (72%). Of these, 23 students fell into one or more categories of the TAGG population (64% of BEL/BAS pop). The GenPop improvement to PRO or ADV was 33%, and the TAGG improvement was 5 of 23 or 21%. Both scores meet the >20% metric, but with very small samples.
- In 2013, 28 of the 36 students who scored BEL or BAS in 2012 retested at AAA (78%). Of these, 19 students fell into one or more categories of the TAGG population (68% of BEL/BAS pop). The GenPop improvement to PRO or ADV was 31%, and the TAGG improvement was 4 of 19 or 21%. Both scores meet the >20% metric, but with very small samples.
- In 2014, 23 of the 43 students who scored BEL or BAS in 2013 retested at AAA (53%). Of these, 20 students fell into one or more categories of the TAGG population (87% of BEL/BAS pop). The GenPop improvement to PRO or ADV was 38%, and the TAGG improvement was 5 of 20 or 25%. Both scores meet the >20% metric, but with very small samples.

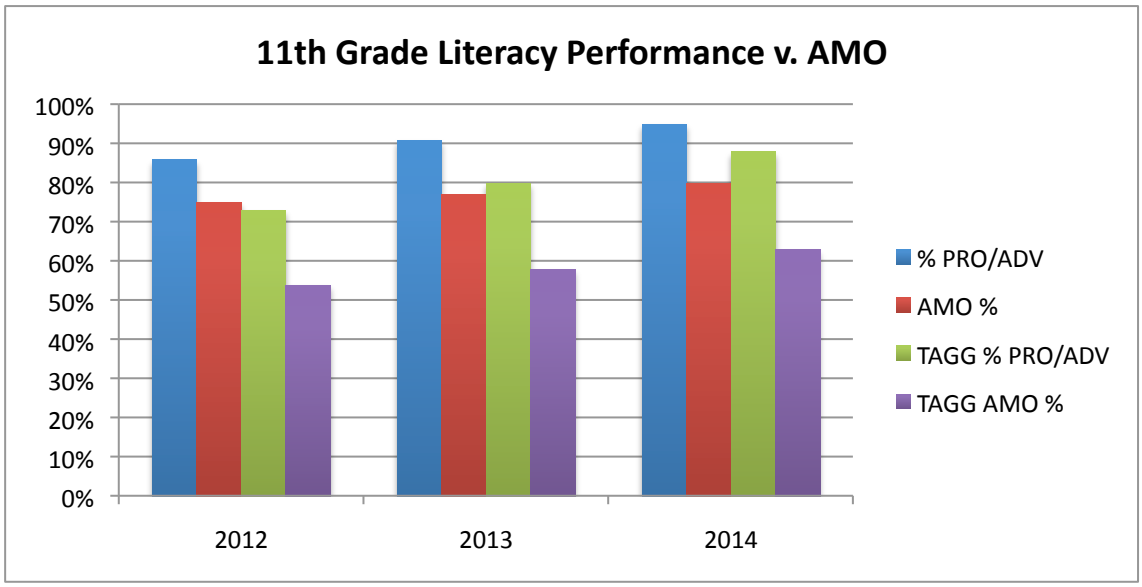
NCLB's noble and idealistic goal of 100% achievement has not been reached at our school. We are proud that year-to-year we can help individual students achieve new heights of success. We are concerned, however, by the 2014 increase in the percentage of students at BEL/BAS from the TAGG population and the 2014 decline in effectiveness in serving these children well with limited financial resources.

	2012	2013	2014
TAGG Pop	38%	40%	42%
ED Pop	32%	33%	35%
ELL	4%	5%	5%
SWD	7%	8%	9%

In order to increase our effectiveness in the TAGG populations, we have ceased our pull-out strategy as of fall 2014 and have instituted a push-in strategy for our Title I population bolstered by technology. A generous grant purchased iPads for every child in the school (for in-school use), thus effectively raising the number of reading resources (apps) by an order of magnitude. This one-to-one instruction program will begin in January 2015, and we hope to see rapidly improving student scores on MAP and Iowa testing over a three-year period as teachers learn to use the technology effectively.

2. **Arkansas Arts Academy High School will establish Adequate Yearly Progress goals so that 100% of students in NCLB defined subgroups will perform at the proficient or advanced Levels on criterion-referenced assessments by the 2013-2014 school year. The goal will be to have 20% of students within each subgroup who score at the basic or below basic level to advance to at least the proficient level each year. This annual goal may be adjusted as necessary to meet the 2013-2014 target of 100% proficiency.**

Arkansas Arts Academy has substantially exceeded Combined Population and TAGG goals since AMO were established based on 2011 scores on the 11th Grade Literacy Exam. The percentage by which goals were exceeded grew each measured year.

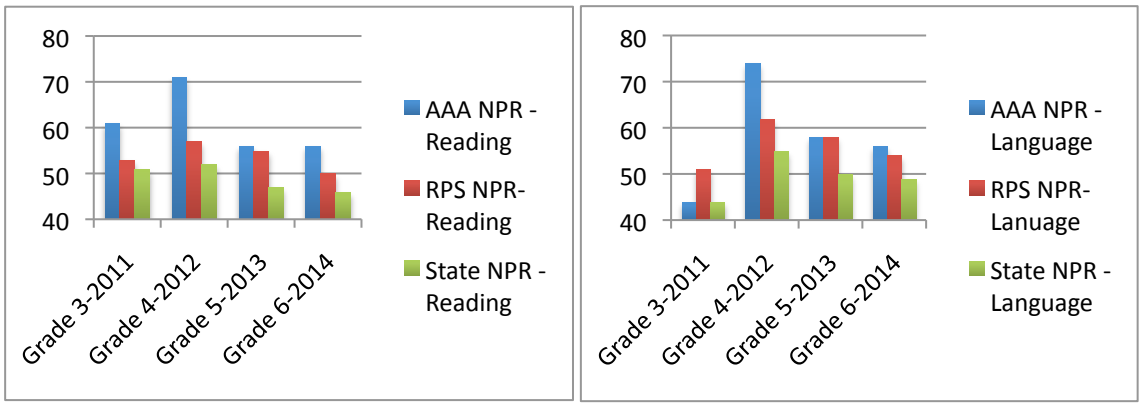


3. **On average, students in the school for at least two years will show improvement as measured by Complete Battery percentile ranks on state-mandated norm-referenced tests. The level of improvement will meet or exceed state averages.**

Arkansas Arts Academy students generated norm-referenced percentile rank data in the period from 2011 to 2014 on the Iowa Test of Basic Skills. The NRT National Percentile Rank of Mean Standard Score was used as the metric. The charts compare AAA to Rogers Public School (District scores). To provide longitudinal date to show both some sense of progress and real comparison, the data is presented in a series of cadres. Norm-referenced tests do not yield improvement statistics the way Criteria-Referenced tests do; therefore, only generalized conclusions can be drawn about increases and decreases in percentile rankings.

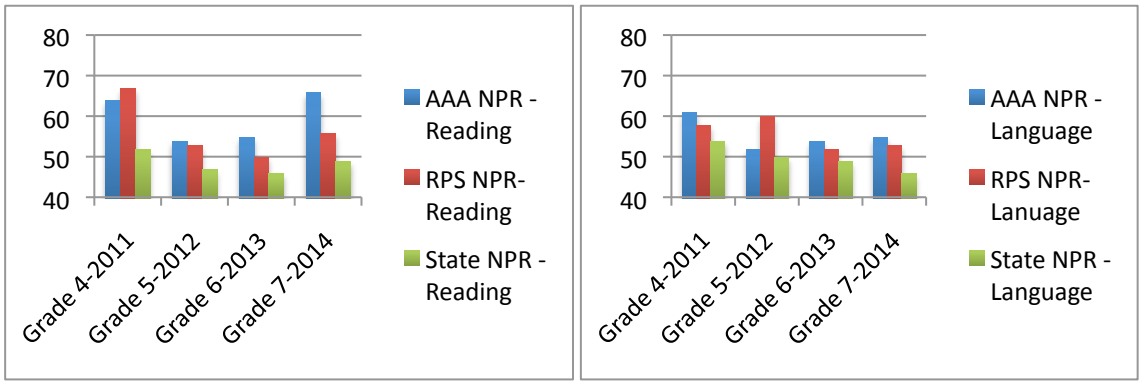
In general summary, AAA's percentile ranking tended to keep to a 10 point range. The exception occurred in the 2011 3rd Grade Cadre (see below). The rankings show that we do a better job at reading than language. This is a contrast to both RPS and the state where reading and language scores were of similar rank. In response to this disparity, AAA is revitalizing spelling, grammar, mechanics and vocabulary efforts in the elementary grades to compliment our reading strategies. As we implement our new iPad resources (Spring 2015), the teachers have selected several apps to provide students with engaging lessons in these areas.

Reading Goal 3 Data: ITBS Comparisons
2011-2014 3rd Grade Cadres



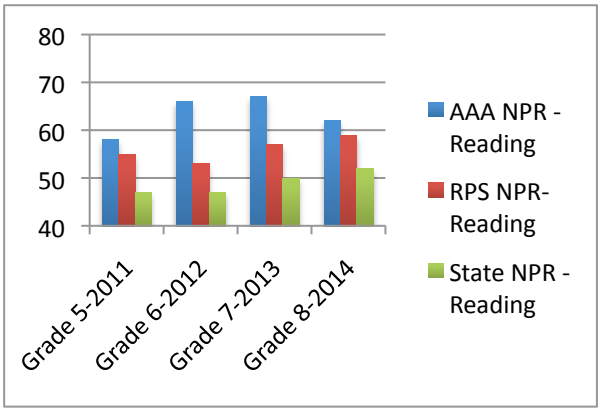
- In 2011, AAA's 3rd Grade Cadre started an anomalous low Language rank in Language (44) compared to its Reading rank (62). In 2012 as 4th Graders, this group leaped to the 70th percentile in both Reading and Language, underscoring the anomalous 2011 score.
- AAA met or exceeded RPS scores in all other years.
- AAA exceeded the state in all rankings.

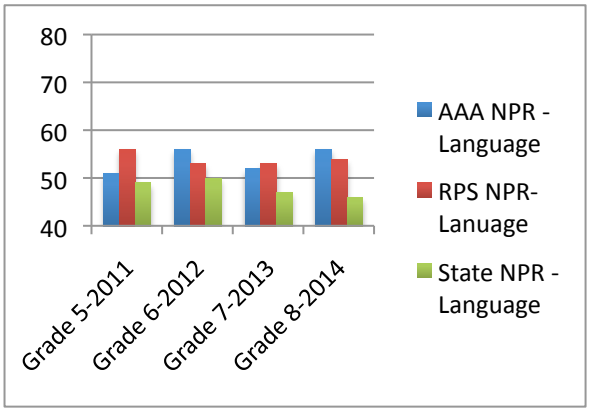
2011-2014 4th Grade Cadres



- The 4th Grade Cadre showed progress in Reading as compared to both Rogers and the state. Although the percentile rank dipped in 2012 and 2013, the dip was less than RPS or the state.
- AAA's 4th Grade Cadre Language percentile rank dropped against RPS in 2012, but recovered to a higher rank in 2013 and 2014.
- AAA's 4th Grade Cadre exceeded all state rankings.

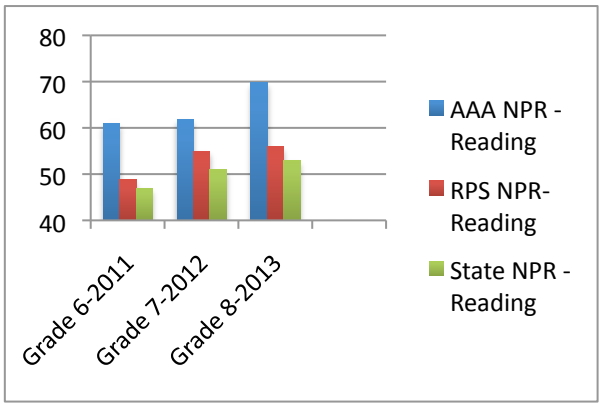
2011-2014 5th Grade Cadres

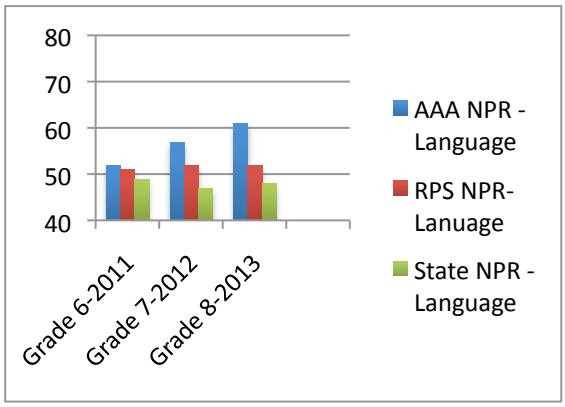




- AAA's 2011 5th Grade Cadre exceeded both RPS and the state in Reading in all years.
- AAA's cadre Language percentile score rose 5 percentile points over the period, ending higher than both RPS and the state.

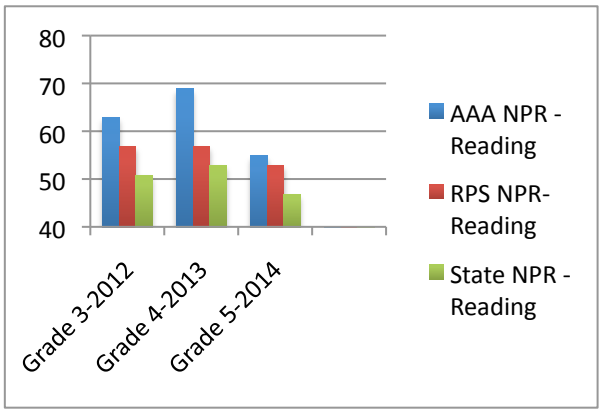
2011-2013 6th Grade Cadres

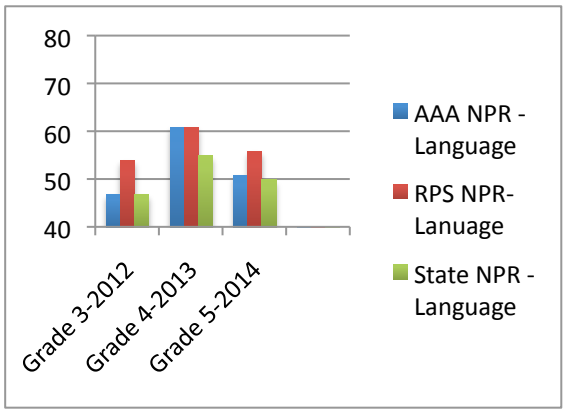




- AAA's 2011 6th Grade cadre increased its percentile rank each year and did so at a higher rate than either RPS or the state.

2012-2014 3rd Grade Cadres





- AAA's 2012 3rd Grade cadre exceeded both RPS's cadre and the state's cadre in Reading.
- AAA's cadre exceeded the state's cadre in Language all three years charted, but fell short of RPS's cadre rankings in 2011 and 2013.

4. Students on the Elementary/Middle School campus will score at or above state proficiency performance levels in Literacy by our 2013-2014 school year.

Augmented Benchmark Criteria-Referenced (CRT) Mean Scale Scores and percentage achievement of Proficient and Advanced (PRO/ADV) were used to demonstrate Arkansas Arts Academy students' achievement relative to Rogers Public Schools (RPS) and state aggregate achievement. (See Appendix-Reading Goal 4 Data: Benchmark CRT Comparisons). Rogers Public School District numbers were used because our students represent three counties and dozens of schools-of-origin. In general, AAA student cadres progressed in both mean scale score and percentage achievement in the measured periods (i.e., 2011-2014 or 2012-2014). AAA students exceeded state achievement in both mean scale score and percentage achievement in all measurements. AAA students scored lower than but close to RPS scores all too often. When compared to AAA's success in relation to RPS in Norm-Referenced tests (see Goal 3 above), writing and language skills can be diagnosed as the opportunities for improvement. Despite the lower mean scores, AAA student percentage of achievement held much more closely to the RPS numbers.

2011 3rd Grade Cadres

Percentages rose for all three cadres from 3rd through 5th grades and then dropped in 6th grade. State averages dropped in that year most steeply and AAA dropped least in both mean scale score and percentage achievement. AAA's mean scale score rose 149 points in the period compared to RPS's 122 points and the states' rise of 113 points.

2011 4th Grade Cadres

The mean scale score of all three cadres rose significantly between 2011 and 2014 with a dip in 2013 for all. While the mean scale score rose, percentage achievement decreased for all either -5% or -4% (RPS). AAA's mean scale score rose 124 points in the period compared to RPS's 103 points and the state's rise of 85 points.

2011 5th Grade Cadres

The mean scale score of all three cadres rose significantly between 2011 and 2014. Percentage achievement rose between 2011 and 2013 for both AAA and RPS, but dropped slightly for the state numbers. In 2014, only RPS rose against 2013 percentage achievement. AAA's mean scale score rose 105 points across the four years, almost matching RPS's 110 points.

2011 6th Grade Cadres

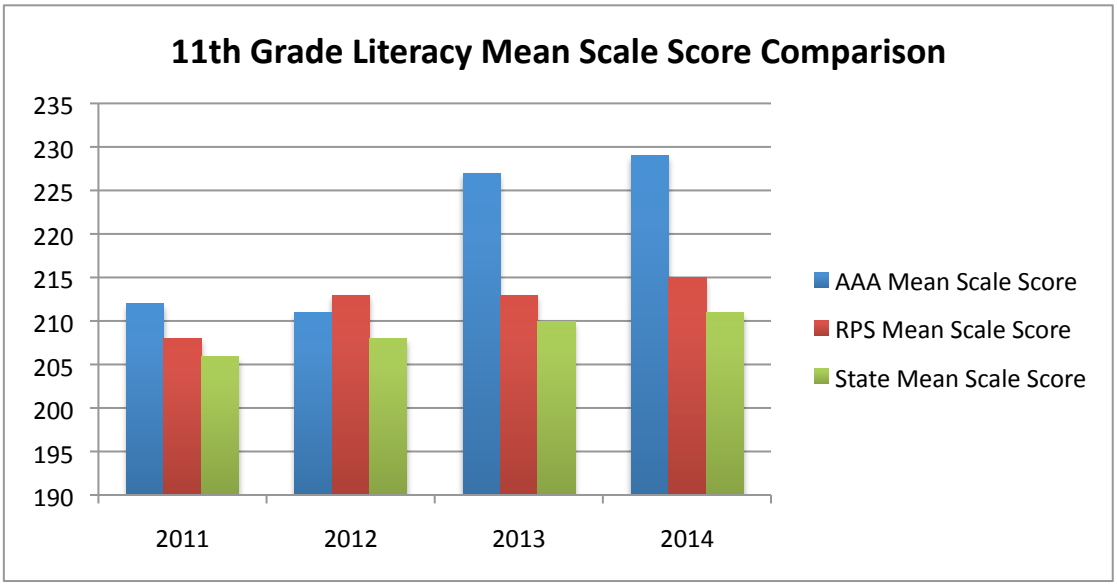
The mean scale score of all three cadres rose significantly between 2011 and 2013. AAA exceeded both RPS and the state in 2011 and 2013. AAA's percentage achievement rose 9% overall compared to RPS's 7% and the state's 3%. AAA's mean scale score rose 119 points in the period compared to RPS's 90 points and the state's rise of 85 points.

2012 3rd Grade Cadres

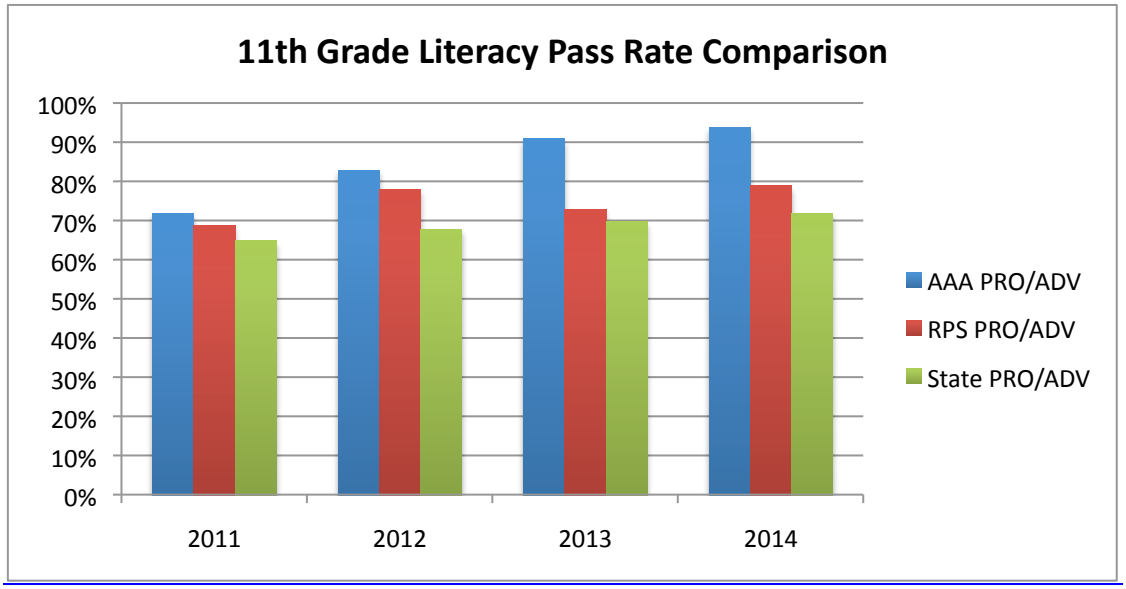
The mean scale score of all three cadres rose well between 2011 and 2013, with RPS and the state showing consistent gains. In 2014, AAA's dropped in both mean scale score and percentage achievement. No explanation is yet apparent in either student retention or teacher retention; NRT scale drops were consistent with the CRT data (see Reading Goals 3). AAA's percentage achievement dropped 2%, RPS's rose 2%, and the state's did not rise at all over the period. AAA's mean scale score only rose 69 points, while RPS's rose 92 and the state's 106. The data is at odds with easy interpretation.

5. **Students taking the 11th Grade Literacy Examination will score at or above state proficiency performance levels until Annual Expected Performance Levels reach 100% during the 2013-2014 school year.**

Arkansas Arts Academy 11th Grade Literacy Examination scores rose each year from 2012 forward. In 2014, AAA's Mean Scale score was 14 points higher than Rogers Public Schools (District) and 19 points higher than the state.



Arkansas Arts Academy exceeded both RPS and the state in percentage of Proficient and Advanced students. In 2014, AAA achieved 2nd in state in the percentage PRO/ADV with 53% of students in the Advanced category.

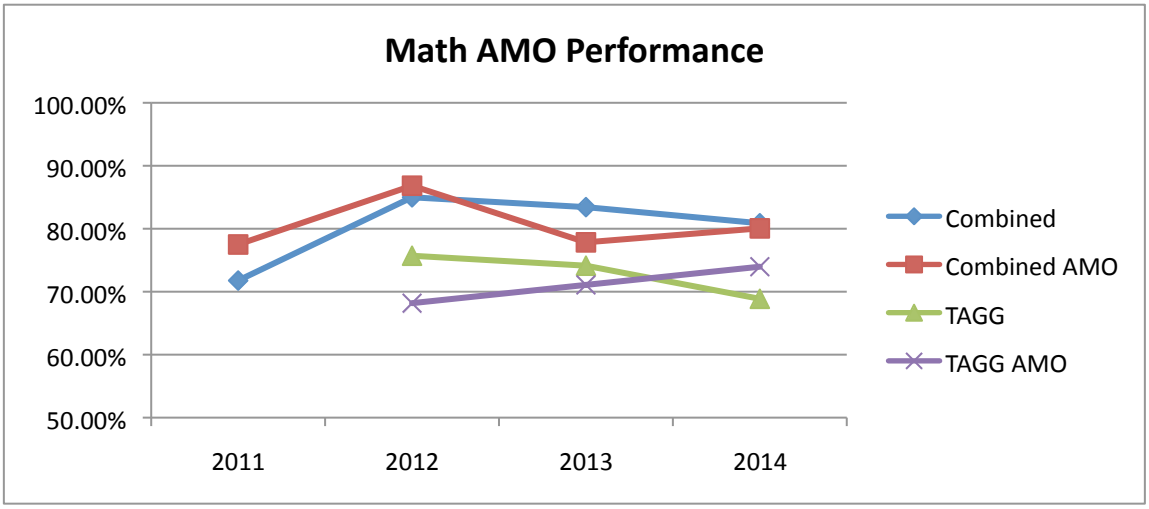


Success in this area is primarily due to enhancing the 9th and 10th grade curriculum with AP strategies and tools over a four-year period.

Goals in Mathematics

1. **Arkansas Arts Academy Elementary/Middle School will establish adequately yearly progress goals so that 100% of students in NCLB define subgroups will perform at the proficient or advanced levels on criterion referenced assessments by the 2013-2014 school year. The goal will be to have 20% of students within in each subgroup who score at the basic or below basic level to advance to at least the proficient level each year. This annual goal may be adjusted as necessary to meet the 2013-2014 target of 100% proficiency.**

During the period from 2011 to 2014, Arkansas Arts Academy has achieved or has been very close to AYP in mathematics each year as defined by state guidelines for the General Population. TAGG data drop in 2014 is disappointing (2011 data unavailable on the School Report Card). While the numbers of TAGG students tested each year is statistically viable as a whole, only the Economically Disadvantaged category is consistently large as a percentage of the total population. Students with Disabilities represented a statistically awkward population (2011 not reported; 2012=25; 2013:26; 2014=33). The ELL population was even smaller (2011 not reported; 2012=13; 2013=18; 2014=18). Thus, these two categories have significant weight, but marginal statistical value.



A student-by-student longitudinal analysis tells a more encouraging story (see Appendix: Summary: Literature Progression from 2011-2014; data derived from attached tables "Math Score Progression to Proficiency by Student: 2011-2014").

- In 2012, 67 of the 96 students who scored BEL or BAS in 2011 retested at AAA (70%). Of these, 33 students fell into one or more categories of the TAGG population (49% of BEL/BAS pop). The GenPop improvement to PRO or ADV was 56%, and the TAGG improvement was 17 of 33 or 52%. Both scores meet the >20% metric, but with very small samples.
- In 2013, 40 of the 55 students who scored BEL or BAS in 2012 retested at AAA (75%). Of these, 27 students fell into one or more categories of the TAGG population (68% of BEL/BAS pop). The GenPop improvement to PRO or ADV was 34%, and the TAGG improvement was 9 of 27 or 33%. Both scores meet the >20% metric, but with very small samples.
- In 2014, 41 of the 65 students who scored BEL or BAS in 2013 retested at AAA (63%). Of these, 26 students fell into one or more categories of the TAGG population (63% of BEL/BAS pop). The GenPop improvement to PRO or ADV was 38%, and the TAGG improvement was 8 of 26 or 30%. Both scores meet the >20% metric, but with very small samples.

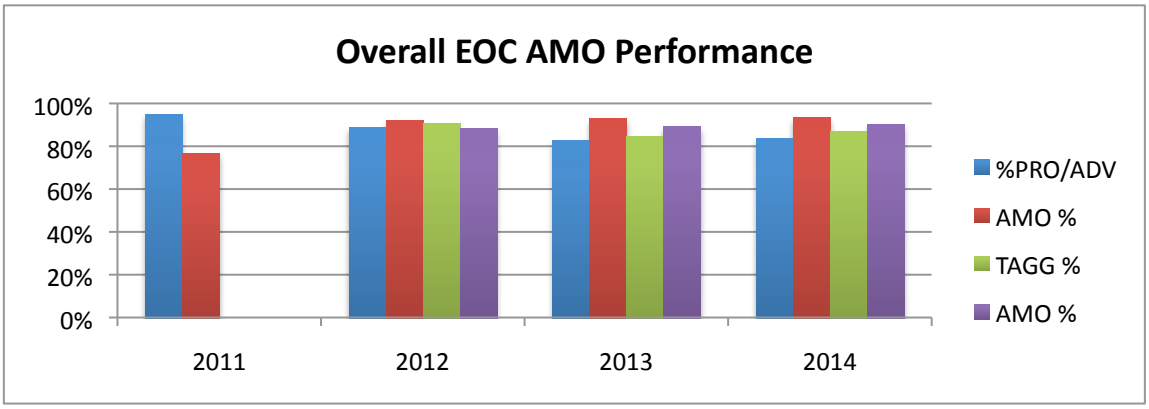
NCLB's noble and idealistic goal of 100% achievement has not been reached at our school. We are proud that year-to-year we can help individual students achieve new heights of success. We are concerned, however, by the 2014 increase in the percentage of students at BEL/BAS from the TAGG population and the 2014 decline in effectiveness in serving these children well with limited financial resources.

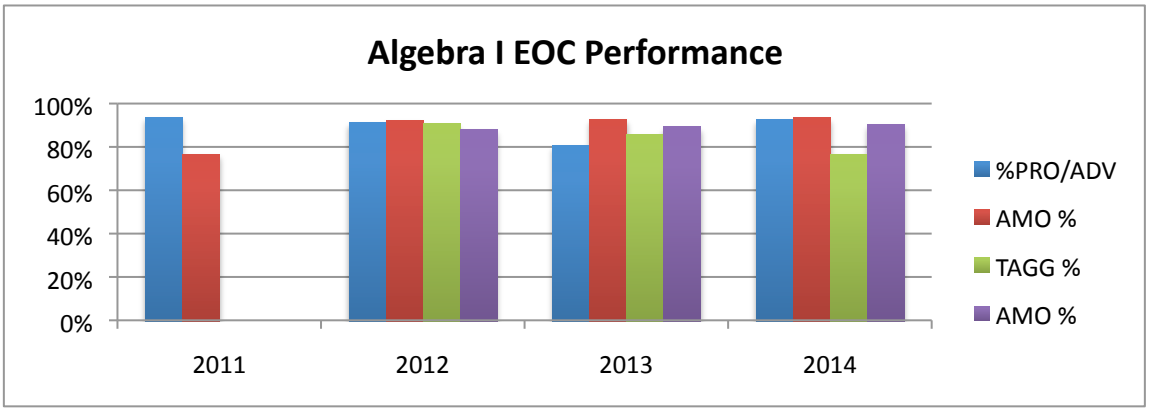
	2012	2013	2014
TAGG Pop	38%	40%	42%
ED Pop	32%	33%	35%
ELL	4%	5%	5%
SWD	7%	8%	9%

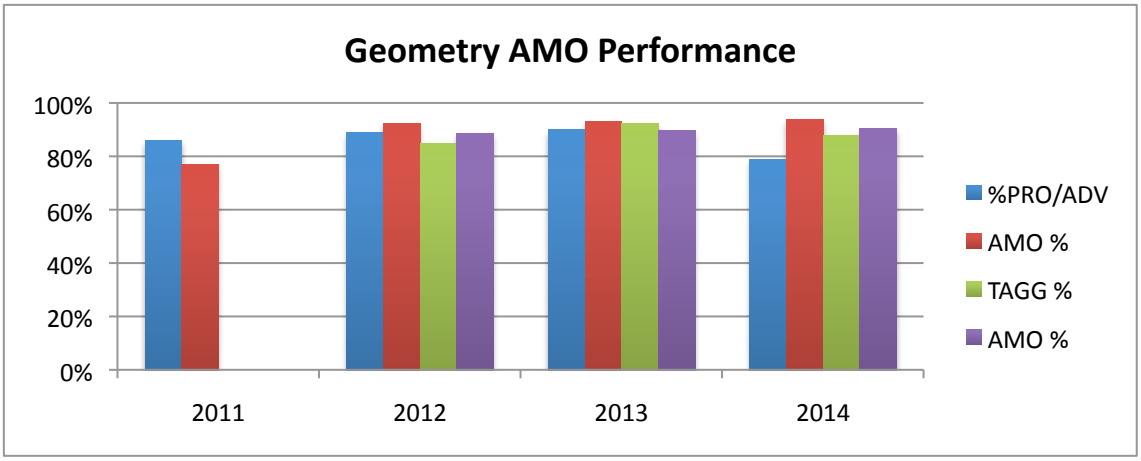
In order to increase our effectiveness in the TAGG populations, we have ceased our pull-out strategy as of fall 2014 and have instituted a push-in strategy for our Title I population bolstered by technology. A generous grant purchased iPads for every child in the school (for in-school use), thus effectively raising the number of reading resources (apps) by an order of magnitude. This one-to-one instruction program will begin in January 2015, and we hope to see rapidly improving student scores on MAP and Iowa testing over a three-year period as teachers learn to use the technology effectively.

2. **Arkansas Arts Academy High School will establish Adequate Yearly Progress goals so that 100% of students in NCLB defined subgroups will perform at the proficient or advanced Levels on criterion-referenced assessments by the 2013-2014 school year. The goal will be to have 20% of students within each subgroup who score at the basic or below basic level to advance to at least the proficient level each year. This annual goal may be adjusted as necessary to meet the 2013-2014 target of 100% proficiency.**

In 2011, Arkansas Arts Academy was a victim of its own success. The AMO baseline was established at 77%. We hit 95%. Subsequent AMO's were adjusted from the originally projected 79% to 92%. In subsequent years, we scored well or great in Algebra I, but less well in Geometry. In 2014, the OEP reported that our Algebra I score was 3rd highest in the state, yet we did not meet AMO due to a drop in Geometry scores. A partial explanation for the drop in 2013 Algebra scores and subsequent drop in 2014 Geometry scores should include mention of a tragedy. In February 2013, the Algebra teacher suddenly died. It should be no surprise that these students might not bounce back immediately.



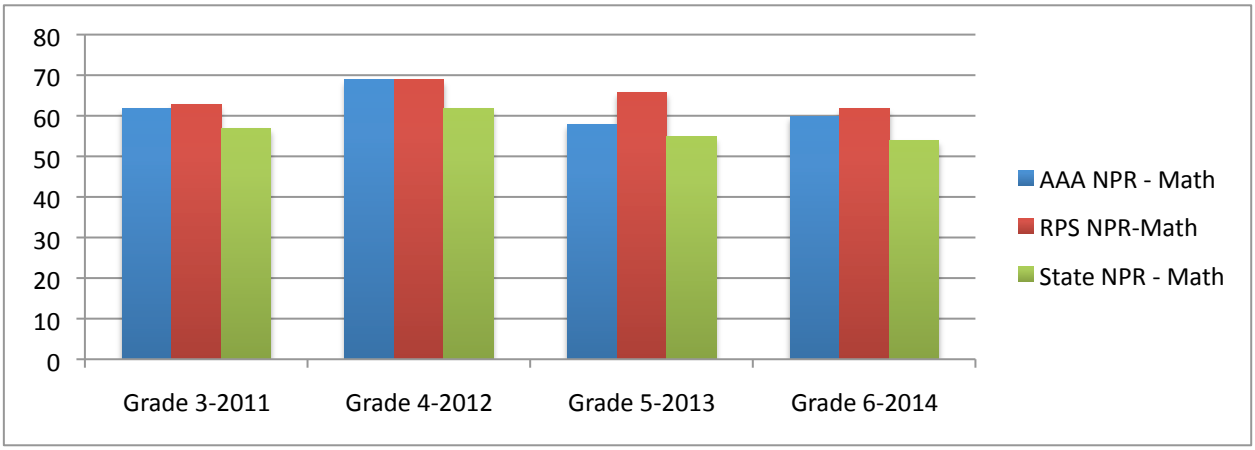




3. **On average, students in the school for at least two years will show improvement as measured by Complete Battery percentile ranks on state-mandated norm-referenced tests. The level of improvement will meet or exceed state averages.**

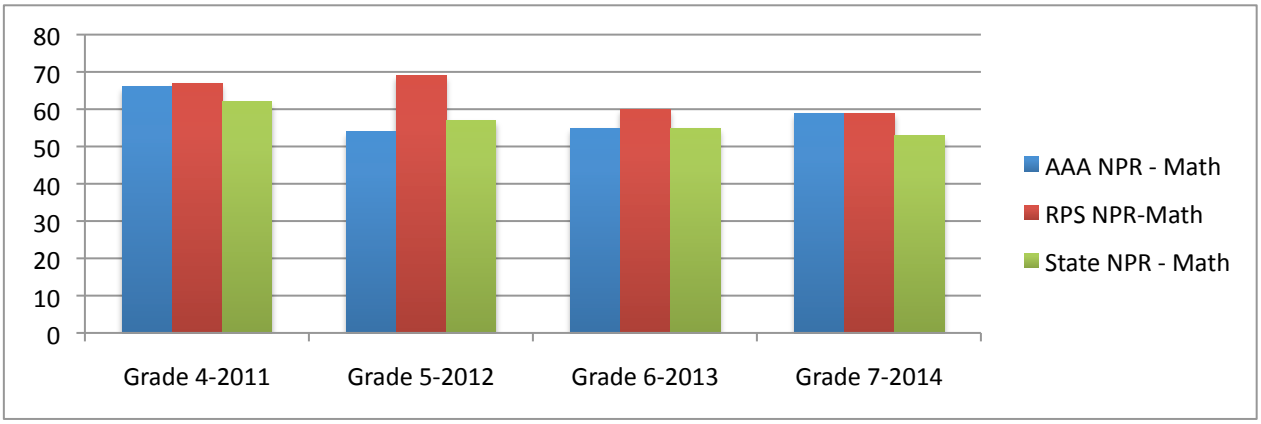
Arkansas Arts Academy students generated norm-referenced percentile rank data in the period from 2011 to 2014 on the Iowa Test of Basic Skills. The NRT National Percentile Rank of Mean Standard Score was used as the metric. The charts below compare AAA to Rogers Public School (District scores) and state rankings. To provide longitudinal date to show both some sense of progress and real comparison, the data is presented in a series of cadres. Norm-referenced tests do not yield improvement statistics the way Criteria-Referenced tests do. Only generalized conclusions can be drawn about increases and decreases in percentile rankings.

2011-2014 3rd Grade Cadres



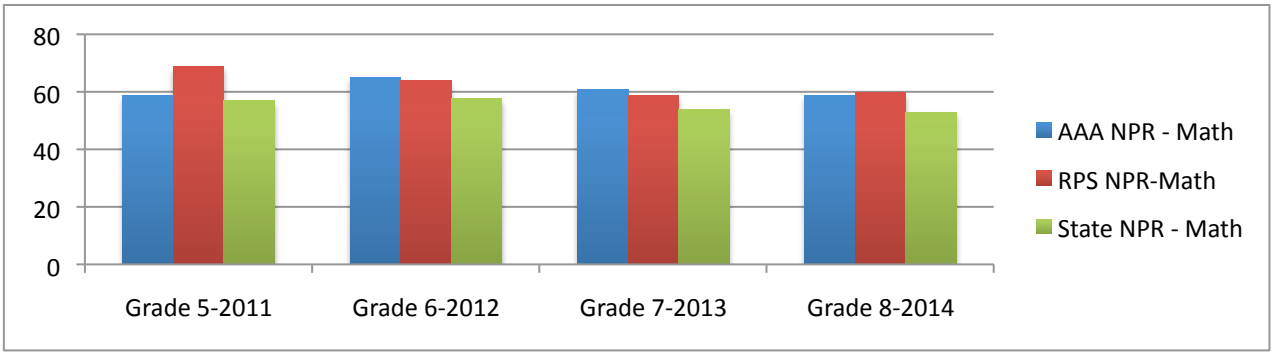
- In 2011, AAA's 3rd Grade Cadre established an above the 60th percentile rank that was generally maintained over the next three years, higher than the state rank each year and close to RPS's rank in 2011, 2012, and 2014.
- AAA exceeded state rankings each measured year.

2011-2014 4th Grade Cadres



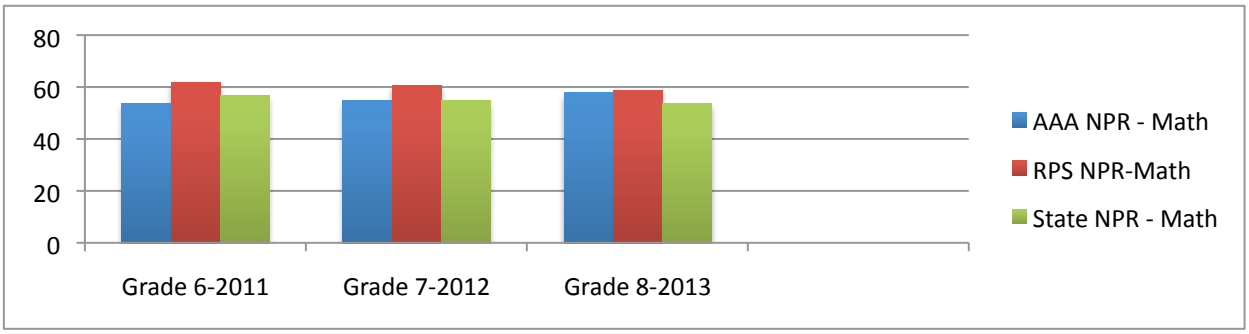
- The 2012 drop in AAA's rank was dramatic when compared with a rise in rank at RPS and less severe downturn for the state; however, AAA's rank recovered while RPS fell in 2013 & 2014.

2011-2014 5th Grade Cadres



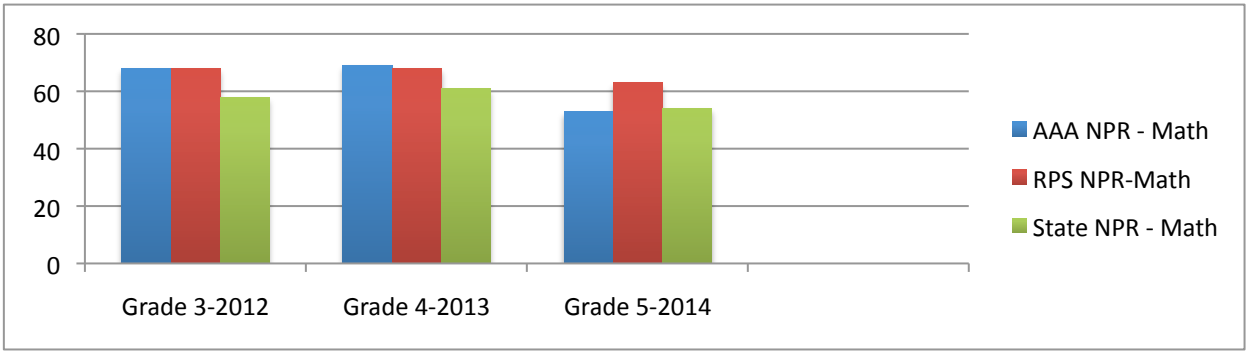
- The 2011 5th Grade Cadre established a respectable 59th percentile rank and held close to that rank in subsequent years. It was the only cadre that did not lose ground over the period.
- AAA exceeded state ranking each measured year.
- AAA exceeded RPS's rank in 2012 and 2013.

2011-2013 6th Grade Cadres



- AAA's 6th Grade Cadre is a struggling group. Our cadre was below state rank in 2011, tied in 2012, and exceeded the state in 2013 by a narrow margin.
- RPS's scores held firm near the 60th percentile rank. AAA narrowed the difference gap to 2 percentile points in 2013.
- In 2014, a significant portion of this group (with about a 30% turn-over) helped AAA score 4th highest in the state on the 2014 Algebra I EOC.

2012-2014 3rd Grade Cadres



- AAA's 2012 3rd Grade Cadre exceeded the state's rank in 2012 and 2013 but fell short in 2014.
- AAA's 2012 3rd Grade Cadre tied RPS's rank in 2012 and exceeded RPS's 2013. AAA fell short of RPS's rank by 10 points in 2014.

4. Students on the Elementary/Middle School campus will score at or above state proficiency performance levels in Mathematics by our 2013-2014 school year.

Augmented Benchmark Criteria-Referenced (CRT) Mean Scale Scores and percentage achievement of Proficient and Advanced (PRO/ADV) were used to demonstrate Arkansas Arts Academy students' achievement relative to Rogers Public Schools (RPS) and state aggregate achievement. (See Appendix Math Goal 4 Data: Benmark CRT Comparisons). Rogers Public School District numbers were used because our students represent three counties and dozens of schools-of-origin. In general, AAA student cadres progressed in both mean scale score and percentage achievement in the measured periods (i.e., 2011-2014 or 2012-2014).

2011 3rd Grade Cadres

Mean scale scores generally increased over the measured period. However, the increase was not great enough to predicate a similar rise in achievement percentages. AAA exceeded state numbers in 2012, 2013 & 2014. AAA exceeded RPS achievement percentages in 2012 and 2014, while the 2013 scores were very close.

2011 4th Grade Cadres

After beginning behind both RPS and the state in 2011 & 2012, AAA exceeded both in mean scale score in the last two years. Despite having a slightly higher mean scale score in 2014, the law of large numbers indicated that RPS had a higher achievement percentage (79% vs. AAA's 75%).

2011 5th Grade Cadres

The mean scale score of all three cadres rose overall between 2011 and 2014. Of the three, only AAA rose in percentage achievement over the measured period. AAA exceeded RPS and state achievement percentages from 2012 to 2014.

2011 6th Grade Cadres

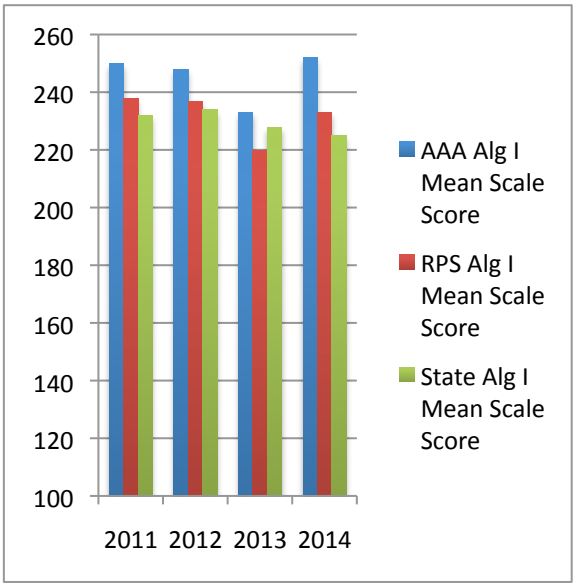
The mean scale score of all three cadres rose moderately between 2011 and 2013. The severe drop in achievement percentages reflects the removal of all Pre-AP Algebra students from the cadres in 8th grade. AAA exceeded state achievement percentages in 2013 and 2014.

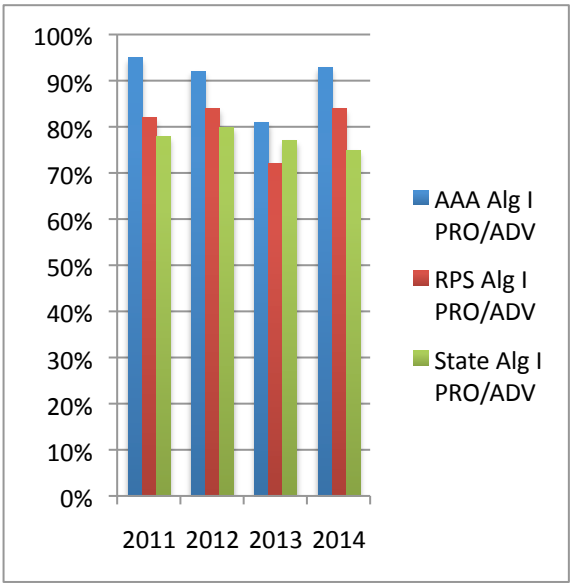
2012 3rd Grade Cadres

Arkansas Arts Academy exceeded state mean scale scores and achievement percentages in all three years. AAA exceeded or was very close to RPS's mean scale scores and achievement percentages.

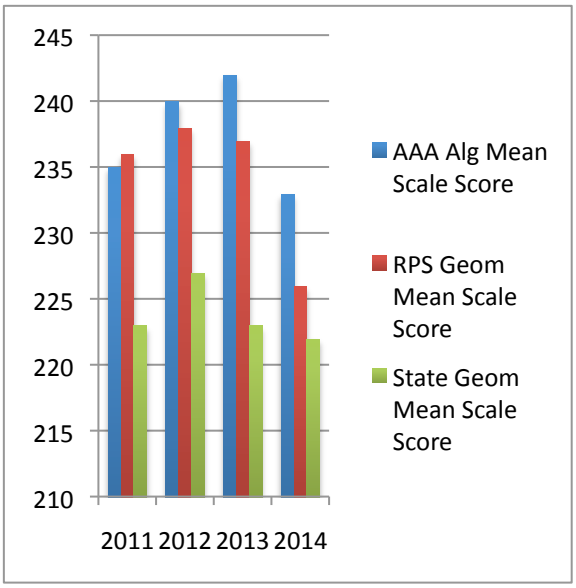
5. **Students taking the End-of Course Examinations in Algebra I and Geometry will score at or above state proficiency performance levels until Annual Expected Performance Levels reach 100% during the 2013-2014 school year.**

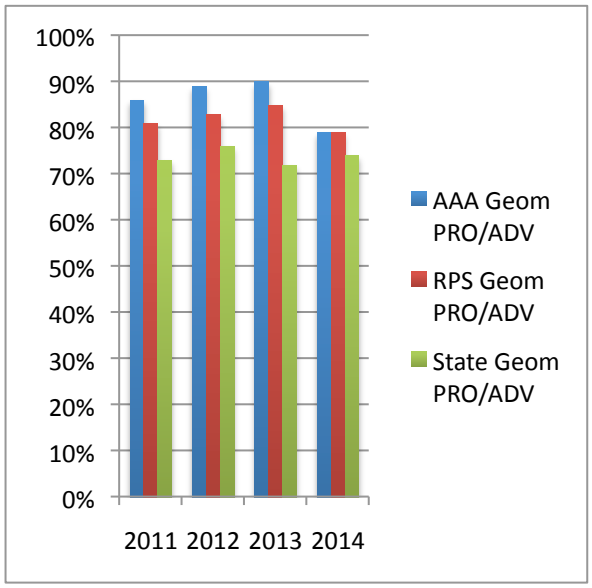
Arkansas Arts Academy students scored above Rogers Public School and state students four out of four years.





Arkansas Arts Academy students exceeded state scores from 2011 to 2014 by a wide margin. AAA students exceeded RPS students' Mean Scale score from 2012 to 2014 and exceed RPS students' achievement percentage from 2011 to 2013. 2014 was a tie.





Other Goals

1. Arkansas Arts Academy High School will have a composite ACT goal of 2 points higher than the state average.

Arkansas Arts Academy achieved the goal of state ACT average +2 pts only in 2014. That being said, we are proud to report that every 11th Grade student in the school took the ACT every year from 2011 to 2014. Any exceptions were due to absences on the day of test or a student with disabilities who opted out. Although we did not meet our measure of success, we celebrate our students' achievements.

	AAA Composite	State Composite	Difference
2011	21.8	19.9	1.9
2012	20.1	20.3	-0.2
2013	19.1	20.2	-1.1
2014	22.8	20.4	2.4

2. Arkansas Arts Academy High School will have an average attendance rate of 95%.

Arkansas Arts Academy achieved its attendance goal in three out of four years as reported in ACSIP documents.

2010-2011	91.3%
2011-2012	95%
2012-2013	96%
2013-2014	95%

3. Twenty percent of Arkansas Arts Academy High School students will receive fine arts scholarships, fellowships, or other invitations of performance.

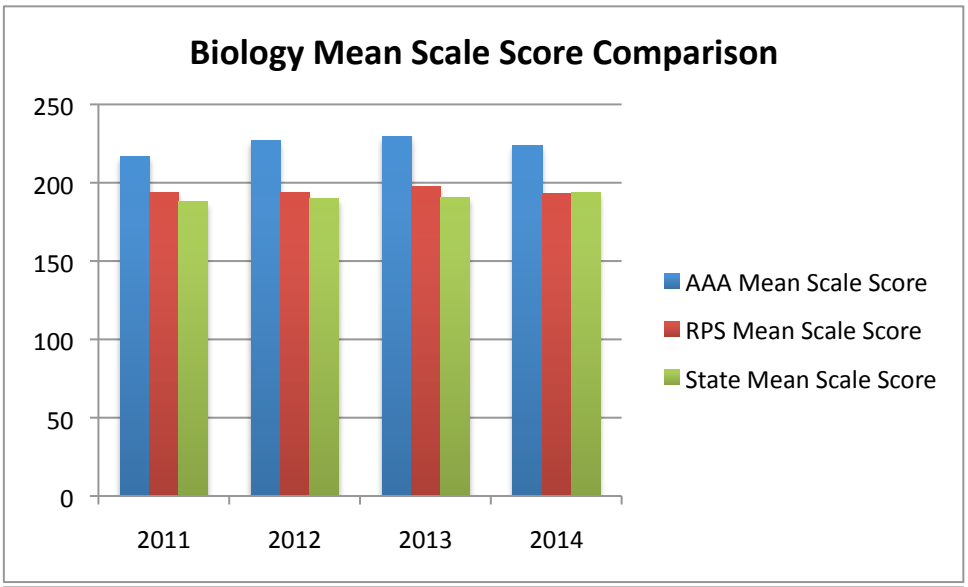
During the period from 2012-2014, Arkansas Arts Academy had 122 graduates, and of those graduates 19, or 16%, received scholarships in the Arts. 2011-2012 data is not available.

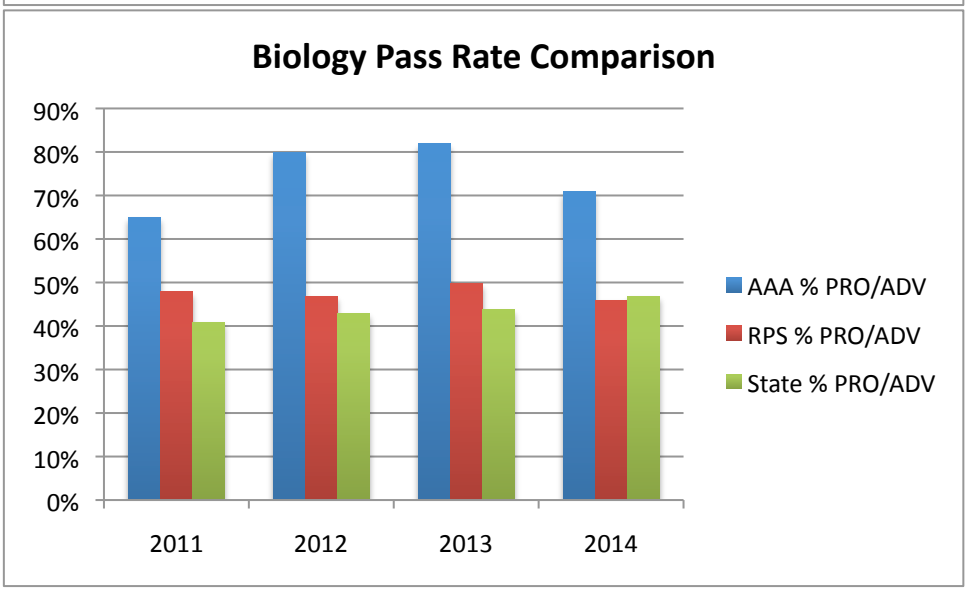
A counselor was hired during the 2012-13 school year to help with scholarships and college planning. As a result, our scholarship numbers overall have increased dramatically over the last two years. During the 2012-13 school year over 60 percent of our students received scholarships making an average of $19,900 per student. During the 2013-14 school year 80 percent of our graduates received scholarships as we had 46 graduates and 37 of them received scholarships for an average of $39,900 per graduate. The scholarship totals are calculated by the counseling office in a spring survey of seniors.

To address the issue of arts specific scholarships, Arkansas Arts Academy is confident the new partnership with Crystal Bridges Museum and the hiring of two full time Arts Curriculum Coordinators will help. In addition, Arkansas Arts Academy is planning an Arts College Fair in the fall of 2015 to help broaden our student's exposure to arts schools and scholarships. The fair will be open to any student in the region as a service to the student Arts community. The college fair is being planned with cooperation of 21C Hotel.

4. **Students taking the Biology End-of-Course Examination will score at or above state proficiency performance levels established on a yearly basis.**

Arkansas Arts Academy far exceeded Rogers Public Schools and the State in Biology Mean Scale Score and percent of students Proficient and Advanced for four years running.





Part B: New Performance Goals

Confirm the understanding that, during the term of the charter renewal, the charter is expected to meet all goals and/or objectives set by the state.

Academic Goals

1. Arkansas Arts Academy student cadres will show progress in literacy over the charter contract period as measured by the end-of-year state required testing. Cadres are defined as student groups moving up a grade each year (i.e., Grade 3-2014 becomes Grade 4-2015, etc.). AAA student performance will exceed state and regional performance.
2. Arkansas Arts Academy student cadres will show progress in math over the charter contract period as measured by the end-of-year state required testing. Cadres are defined as student groups moving up a grade each year (i.e., Grade 3-2014 becomes Grade 4-2015, etc.). AAA student performance will exceed state and regional performance.
3. Arkansas Arts Academy will provide proof that NRT scores on state required NRT assessments such as the Iowa Test of Basic Skills (grades 3-8) are above the national mean. Limited success will be indicated by a rank between the 55th and 60th percentile (inclusive) by grade by year. Success will be indicated by a rank at or above the 61st percentile by grade by year. Sustained success will be indicated by a sustained cadre success over multiple years with an average percentile rank of the 60th percentile or above.
4. Arkansas Arts Academy will demonstrate proof of progress for Economically Disadvantaged students who score below the state mean scale score beginning in the second year of PARCC testing (or state mandated assessment) on the end-of-year exam. Success will be demonstrated when a student's achievement 1) meets a concurrent year state mean scale score, and 2) sustains achievement at Proficient or Advanced for two successive years.
5. Arkansas Arts Academy will demonstrate proof of progress for Limited English Proficiency students who score below the state mean scale score beginning in the second year of PARCC testing (or state mandated assessment) on the end-of-year exam. Success will be demonstrated when a student's achievement 1) meets a concurrent year state mean scale score, and/or 2) sustains achievement at Proficient or Advanced for two successive years.
6. Arkansas Arts Academy will demonstrate proof of progress for Students with Disabilities who score Below Basic on the end-of-year alternative exam. Success will be demonstrated when a student's achievement meets the Basic criteria or above for two concurrent years. For Students with Disabilities who score Basic, success will be determined with the student meets the Proficient criteria for two concurrent years. Success may also be measured by successful transition from the alternative assessment to the PARCC assessment (or state mandated assessment) with a score near or above the Proficient minimum.

Other Goals

1. Arkansas Arts Academy will be able to demonstrate proof of teacher accountability and improved teacher performance as measured by TESS evaluations, and formal parental surveys. Success will be demonstrated for each teacher by a proficient TESS rating and 80%+ positive parent/guardian rating.
2. Arkansas Arts Academy will be able to demonstrate proof of racial/ethnic access to the school as measured by parity within +/- 2% of Benton County demographics (US Census Bureau data) for all racial/ethnic categories required by the state for each year.
3. Arkansas Arts Academy will be able to demonstrate proof of parent confidence by the results of a yearly survey to parents/guardians. Success will be indicated by a 40% yearly response rate (by the number of families, not individual students). Questions will solicit information about 1) art-integration curriculum efficacy, and 2) climate of learning in the schools. Of these, 80% will indicate positive progress from the previous year.
4. Arkansas Arts Academy will demonstrate parental involvement. This will be measured by volunteer logs. Success will demonstrated when parents contribute at least 500 volunteer hours in 2014-2015, and at least 600 volunteer hours in all subsequent contract years.

Section 6 – Finance

Review the charter's most recent annual financial audit report. For each finding, address the following:

- If the finding had been noted in any prior year audits;
- The corrective actions taken to rectify the issue; and
- The date by which the issue was or will be corrected.

Below are the findings from the 2012-2013 audit report, as reported by the Legislative Joint Auditing Committee on June 30, 2013:

1. **Internal Control:** The district has not adequately segregated financial accounting duties among appropriate employees.
2. **Uninsured Deposits –** Arkansas Code 6-20-222 requires collateralization of all deposits. The Charter had uninsured deposits of $260,593

Internal Control

In response to the audit findings on June 30, 2013, four actions were taken to address internal control of funds problem providing a greater measure of accountability in handling funds, especially payroll. Below is the pertinent excerpt from the Schedule of Findings and Responses document (pdf of the full document in the Appendix).

Views of Responsible Officials and Planned Corrective Action:
Beginning August 26, 2013, Management (BCSA):

- Hired a new Chief Financial Officer (CFO) with a degree in accounting and eleven (11) years of experience;
- Ensures that the Superintendent sees, approves, and signs off on all journal entries. All journal entries are explained to the superintendent by the CFO prior to his signature;
- Ensures that all monthly bank statements are reconciled each month. The CFO will ensure that the Superintendent sees and approves all monthly bank records and reconciliations;
- Upon preparation of the payroll twice each month, the CFO will delegate submission of payroll (through direct deposit) to the Central Office Administrative Assistance, who will submit the payroll.

Uninsured Deposits

In response to the findings, deposit insurance was acquired and is still maintained. Below is the pertinent excerpt from the Schedule of Findings and Responses document (pdf of the full document in the Appendix).

Views of Responsible Officials and Planned Corrective Action:
Beginning January 1, 2014, Benton County School of the Arts (Pledgee) will have a Pledgee Agreement in place with the Federal Reserve Bank of Boston (Pledgor). This bank will establish a Restricted Securities Account for the Benefit of the Pledgee. A collateral transaction is initiated by the Pledgor. The pledge of collateral secures deposits in excess of $250,000, the amount insured by the FDIC. The Bank issues a confirmation to the Pledgee and the Pledgor for each collateral transaction. The confirmation is conclusive evidence of the collateral transaction.

Section 7 – Waivers

Review the following list of statutes and rules that have been waived for the charter school:

Waivers from Title 6 of the Arkansas Code Annotated (Education Code)

6-10-106	School year dates
6-15-902(a)	Grading scale—Exemptions—Special education (in grades 3-8, the uniform grading scale is waived only as to non-core courses)
6-15-1004	Qualified teachers in every public school classroom
6-15-1005(b)(5)	Pertaining to alternative learning environments
6-17-111	Duty free lunch for teachers
6-17-201 et seq.	Requirements—Written personnel policies—Teacher salary schedule
6-17-203	Committees on personnel policies—Members
6-17-208	Written grievance procedure
6-17-302	Principals—Responsibilities
6-17-309	Certification to teach grade or subject matter—Exceptions—Waivers
6-17-401	Teacher licensure requirement
6-17-418	Teacher licensure—Arkansas history requirement
6-17-902	Definition (definition of a teacher as licensed)
6-17-908	Teachers' salary fund—Authorized disbursements
6-17-919	Warrants void without valid certification and contract (the only requirement which would be waived is the ability to pay a teacher's salary only upon filing of a teacher's certificate with the county clerk's office, if the requirement of a teacher's certificate is waived for such teacher)
6-17-1501 et seq.	Teacher Fair Dismissal Act
6-17-1701 et seq.	Public School Employee Fair Hearing Act
6-17-2301 et seq.	Classified School Employee Personnel Policy Law
6-17-2407	Reduction in force procedure—Written policy required
6-18-503	Written student discipline policies required
6-18-503(a)(1)(C)(i)	Pertaining to alternative learning environments
6-18-505	School discipline act (corporal punishment)
6-20-2208(c)(6)	Monitoring of expenditures (gifted and talented)
6-42-101 et seq.	General Provisions (gifted and talented)
6-48-101 et seq.	Alternative Learning Environments

Waivers from Arkansas Department of Education Rules Governing Standards for Accreditation of Arkansas Public Schools and Districts

15	Personnel
15.01	School District Superintendent
15.02	Principals
15.03	Licensure and Renewal
16	Support Services
18	Gifted and Talented Education
19	Supplementary Educational Opportunities
19.03	Pertaining to alternative learning environments

Waivers from Other Rules:

- ADE Rules Governing Education Licensure
- ADE Rules Governing Waivers for Substitute Teachers
- ADE Rules Governing Parental Notification of an Assignment of a Non-Licensed Teacher to Teach a Class for More than Thirty (30) Consecutive Days and for Granting Waivers
- ADE Rules Governing Uniform Grading Scales for Public Secondary Schools and for Optional Use in Public Elementary Schools

- Section 4 of the ADE Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of those Funds (Pertaining to alternative learning environments)
- ADE Rules for Gifted and Talented Program Approval Standards

- ADE Rules Governing School District Requirements for Personnel Policies, Salary Schedules, Minimum Salaries, and Documents Posted to District Websites (certified staff salary schedule)
- Technology centers
- Teacher evaluations
- African American History
- Personnel

Part A: New Waiver Requests

The following waivers are hereby submitted for consideration by the Review Board:

a.) Section 10.01.4 (concerning planned instructional day) of the ADE Rules Governing the Standards for Accreditation:

With an increase in digital instructional materials and devices for students, Arkansas Arts Academy is requesting a waiver of the Planned Instructional Day Requirements in order to create individualized offerings for students through distance learning. Distance learning offerings, while meeting all curriculum requirements, may be capable of being provided in less than thirty (30) hours per week. Although the situation does not currently exist, we request this waiver to facilitate high school students with opportunities for internships in business and the arts that might conflict with the school day.

b.) Section 14.03 (concerning required clock hours for units of credit) of the ADE Rules Governing the Standards for Accreditation:

AAA requests this waiver in order to provide accelerated opportunities for advanced students in those areas of where the high school's total population is not sufficient to provide instruction (i.e., foreign languages other than Spanish, AP courses, and other distance learning opportunities). Therefore, the Applicant requests the waiver of seat time requirement. AAA assures that the granting of this waiver will not create a dilution of the coursework required to meet all necessary standards and frameworks. AAA, by this waiver request, is not seeking to waive any graduation requirements.

c.) Section 9.03.4.1 ("Language Arts") of the ADE Rules Governing the Standards for Accreditation:

The Arkansas Arts Academy is required to teach Oral Communication as a separate class to its students in grades 9-12. In order to better prepare students in grades 9-11 for Common Core requirements (SL1-6) in collaboration, research, and spoken and multimedia presentation, AAA seeks to embed the Arkansas framework requirements for Oral Communication into the ELA curriculum. AAA requests this waiver in order to increase the rigor of Oral Communication instruction by increasing the relevance of collaborative learning and presentation skills purposefully linked to the rhetorical strategies taught at AAA. Additionally, collaborative learning and presentation are integral parts of an overall art integration curriculum. Embedding oral communications instruction in the ELA curriculum with collaboration from Social Studies, Arts, Math, and Science teachers according to Common Core Anchor frameworks will not dilute but enhance this course of instruction.

Part B: Waivers to Be Rescinded

List each waiver granted by the State Board that the charter would like to have rescinded. If no waivers are listed, the charter may be required to adhere to all waivers listed on both the original and renewal charter documentation.

Arkansas Arts Academy wishes to maintain all current approved waivers.

Section 8 – Requested Amendments

No charter amendments are requested at this time.

Appendix Table of Contents

Section 1:
- I. Walton Family Foundation Grant Letters
- II. Crystal Bridges Museum of American Art/Arkansas Arts Academy Draft Agreement

Section 2: No documents
Section 3: No documents
Section 4: No documents
Section 5:
- I. Reading Goal 1 Data
  - a. Summary: Literature Progression from 2011-2014
  - b. Literature Score Progression to Proficiency by Student: 2011-2014
- II. Reading Goal 3 Data: ITBS Comparisons
- III. Reading Goal 4 Data: Benchmark CRT Comparisons
- IV. Math Goal 1: Data
  - a. Summary: Math Progression from 2011-2014
  - b. Math Score Progression to Proficiency by Student: 2011-2014
- V. Math Goal 3 Data: ITBS Comparisons
- VI. Math Goal 4 Data: Benchmark CRT Comparisons

Section 6:
- I. Schedule of Findings and Responses
- II. Deposit Insurance Agreement: Pledgee Agreement

Letters of Support

Walton Family Foundation Grants

The
WALTON FAMILY
FOUNDATION

| P.O. Box 2030 | Bentonville | AR 72712-2030

September 25, 2014

Mary Ley
Benton County School of the Arts
d/b/a Arkansas Arts Academy
8 Halsted Circle, Suite 5
Rogers, AR 72756

RE: Grant # 2014-1330

Dear Ms. Ley,

It is my pleasure to inform you that the Walton Family Foundation, Inc. ("Foundation"), has approved a grant in the amount of $452,956.00 to Benton County School of the Arts ("Grantee"). This grant is at the recommendation of Alice L. Walton and is subject to the terms attached.

The grant funds are to provide the necessary technology to support a direct partnership between Arkansas Arts Academy and Crystal Bridges Museum of American Art, allowing the school access to arts-infused curriculum both designed and recommended by the museum, as more fully described in the budget listed as Appendix A. It is expected that the school will use annual textbook allocations to upgrade and/or replace technology as needed. A check is enclosed for the full amount of the grant.

Reporting: Please provide the Foundation with a financial and narrative report due September 30, 2015. The report shall include an account of expenditures of grant funds, and a brief narrative of what was accomplished. Please send all reports electronically to specialinterest@wffmail.com and reference Grant #2014-1330 on all reports submitted.

I hope you will help us honor the spirit of our policy by noting in your records that we do not accept any type of gratuity including tickets, tables, recognition items or benefits of any kind. Publicizing or recognizing the grant and the Foundation in Grantee's publications, communications and events in a manner consistent with similar grants obtained by Grantee is permitted.

Again, we are pleased to be able to assist your organization. We wish you all the best in your efforts, and we look forward to hearing about the results of your work.

For all communications regarding the grant, your point of contact at the Foundation will be Senior Program Officer, Kathy Smith. She can be contacted via phone or email as follows: Telephone number (479) 464-1567, Fax number (479) 464-1580 and Email ksmith@wffmail.com.

Sincerely,

Buddy D. Philpot
Executive Director

Enclosure

RECEIVED
OCT 03 2014

P.479.464.1570 | F.479.464.1580 | www.waltonfamilyfoundation.org

Walton Family Foundation Grants

The
WALTON FAMILY
FOUNDATION

P.O. Box 2030 | Bentonville | AR 72712-2030

September 4, 2014

Mary Ley
Chief Executive Officer
Benton County School of the Arts
D/b/a Arkansas Arts Academy
8 Halsted Circle, Suite 5
Rogers, AR 72756

RE: Grant #2014-1156

Dear Ms. Ley,

I am pleased to enclose a grant from The Walton Family Foundation, Inc., in the amount of $279,263.00 to Benton County School of the Arts doing business as Arkansas Arts Academy to forge a meaningful partnership with Crystal Bridges of American Art, to create a public charter school in Northwest Arkansas that uses arts integration to deliver content. This grant is pursuant to our grant agreement dated August 22, 2014.

The Foundation desires that all of the Grantee's resources be dedicated to accomplishing Grantee's philanthropic purposes. Therefore, Grantee agrees that it will not furnish the Foundation, any of its Board of Directors, staff, or affiliates with any membership, commemorative items, recognition plaques or gratuities of any sort.

Grant publicity related to this grant consistent with Grantee's normal practice is permitted, subject to the following provisions. The Foundation expects any announcements and other publicity to focus on Grantee's work and the project or issue funded by the grant. Recognition of the Foundation's role in funding the project is permitted. Publicizing the grant and the Foundation in Grantee's publications and communications in a manner consistent with similar grants obtained by Grantee is permitted.

For all communications regarding this grant, please contact the Foundation by email at HomeRegion@wffmail.com. Please reference Grant #2014-1156 in your communication.

Sincerely,

Buddy D. Philpot
Executive Director

Enclosure

RECEIVED
SEP 0 8 2014

P.479.464.1570 | F.479.464.1580 | www.waltonfamilyfoundation.org

Crystal Bridges Museum of American Art/Arkansas Arts Academy Draft Agreement

Partnership Plan between Crystal Bridges Museum of American Art (CBMAA) and the Arkansas Arts Academy (AAA).

Aligning to both institutions missions, this partnership will be to create and implement an academically rigorous research-based arts integrated curriculum aligned with Common Core State Standards, Next Generation Science Standards, National Core Arts Standards, and Arkansas State Frameworks.

Integral to the mission of Crystal Bridges is the internal and external teaching paradigm of "Discover, Dream, Do." Arkansas Arts Academy's motto is "Aspire, Achieve, Advance." As a partnership we will Aspire to Discover, Dream to Achieve, and Do to Advance.

CBMAA

The mission of Crystal Bridges Museum of American Art is to welcome all to celebrate the American spirit in a setting that unites the power of art with the beauty of nature. We explore the unfolding story of America by actively collecting, exhibiting, interpreting, and preserving outstanding works that illuminate our heritage and artistic possibilities.

We value that:

- We believe in a great Museum's power to transform individuals and communities.
- We encourage engagement between people and works of art.
- We foster and value meaningful and relevant experiences for each guest.
- We perpetuate the honored tradition of sharing, and hope to inspire others to give.

Opened to the public on 11-11-11, Crystal Bridges was founded in 2005 by the Walton Family Foundation as a nonprofit charitable organization for all to enjoy. Philanthropist and arts patron Alice Walton chairs the Museum's board of directors. Since its opening, the museum has welcomed nearly 1.5 million visitors, and garnered more than 8,000 households in its membership. Some 55,000 school children have participated in the museum's Willard and Pat Walker School Visit program, which provides educational experiences for school groups at no cost to the schools. More than 220,000 visitors a year utilize the museum's 3.5 miles of walking trails.

Crystal Bridges takes its name from a nearby natural spring and the bridge construction incorporated in the building, designed by world-renowned architect Moshe Safdie. A series of pavilions nestled around two spring-fed ponds house galleries, meeting and classroom spaces, and a large, glass-enclosed gathering hall. Guest amenities include a restaurant on a glass-enclosed bridge overlooking the ponds, a Museum Store designed by architect Marlon Blackwell, and a library featuring more than 50,000 volumes of art reference material. Sculpture and walking trails link the museum's 120-acre park to downtown Bentonville, Arkansas.

Crystal Bridges' permanent collection spans five centuries of American masterworks ranging from the Colonial era to the current day. Included within the collection are iconic images such as Asher B. Durand's *Kindred Spirits*, Norman Rockwell's *Rosie the Riveter*, and Andy Warhol's *Coca-Cola* [3]—each reflecting a distinct moment in American artistic evolution—as well as major works by modern and contemporary American artists, including Georgia O'Keeffe, John Baldessari, and James Turrell. The permanent collection, which continues to grow through a strategic acquisition plan, is on view year-round

Draft 12/5/14

and is enhanced by an array of temporary exhibitions, which were viewed by some 216,000 visitors in 2013.

Since its opening, the museum has welcomed more than one million visitors and garnered more than 7,900 households in its membership. More than 27,500 schoolchildren have visited the museum as part of the Willard and Pat Walker School Visit Program, and nearly 700 volunteers provided more than 24,000 hours of service. The Museum's inaugural year also saw the establishment of the Tyson Scholars of American Art, a residency program providing research funding for topics in American art history, as well as the Don Tyson Prize, awarded to an individual for outstanding service in the field of art history.

Crystal Bridges offers year-round programming for all ages, including lectures, art-making workshops, films, gallery talks, and special events. An award-winning app available free from iTunes features audio tours of current and past temporary exhibitions, and many of the museum's lectures and gallery talks are included in Crystal Bridges' iTunes U site, which also features interviews with curators, artists, and conservators. In addition, Crystal Bridges offers professional development for teachers and educational programming for K-12 school groups designed to fit with Common Core standards.

AAA

Arkansas Arts Academy is an 850 student K-12 Public Charter. The K-8 campus began in 2001 as the Benton County School of the Arts, and 9-12 campus began in 2007 as the Northwest Arkansas Academy of Fine Arts under a separate charter. The charters were joined in 2009 under the BCSA name. Thus, it is the second oldest and the second largest charter in the state.

In 2014, the School Board led the change to a new name, new branding, new leadership, and a new vision for the school. The new name and branding emphasize our commitment to college-bound rigor and arts integration The rebranding reinforces the school's mission: "Arkansas Arts Academy is the ultimate K-12 choice for excellence in arts and academics." The branding also speaks directly to the Academy's Belief Statements:

We believe that—

- The integration of arts and education defines us.
- Creative freedom and a rigorous curriculum are fundamental to student success.
- The arts enrich our lives by enabling us to celebrate individuality and diversity.
- The integration of arts and academics offers students greater opportunities to succeed in the 21st century.
- Great teaching recognizes and addresses the multiple ways students learn.
- Personalized instruction is essential to each student's educational success.
- We must develop ethical leadership and citizenship in our students.
- Providing a safe environment promotes student learning.
- Continual evaluation holds us accountable in order to meet the needs of our diverse Arkansas Arts Academy community.
- Communication and collaboration between students, parents, staff and community are essential to students' success.

Our new leadership has initiated momentum toward a successful future by seeking a deeply enmeshed partnership with the extraordinary educational team and resources of Crystal Bridges Museum of

Draft 12/5/14

Crystal Bridges Museum of American Art/Arkansas Arts Academy Draft Agreement

American Art with opened in 2011. Both parties have reached a developmental stage wherein partnerships can be highly effective. As a charter school, we are asked to do more with less. This partnership would enable us to do a great deal more.

Goals

Cognitive Goals (What will the people in the partnership learn?)

- Teachers will learn methods for incorporating visual arts in the current curriculum.
- Teachers will learn about the background on works of art and artist to use in the classroom.
- Teachers will learn how to create art in order to integrate art in instruction.
- Teachers will learn how to assess the creation of art and utilize arts integrated lessons as both formative and summative assessments.
- Students will learn about more art and artists.
- Students will learn how to create art for project-based lessons.
- Students will learn how to read a work of art.
- Museum will learn what lessons are classroom-ready.
- Museum will learn what types of teacher training is useful.

Affective Goals (How will this make the people in the partnership feel?)

- Students will learn the role of empathy in understanding meaning in literature, historical context in social studies, and purpose in collaborative work.
- Parents will discover the role of the family in inculcating life-long learning habits.
- Teachers and museum educators will understand the power of collaboration in order to disseminate best practices to the educational community.

Behavioral Goals (How will the people in the partnership's behavior be visibly affected?)

- Families will come to the Museum outside of the context of the school.
- Students will incorporate the elements of art and principles of design in problem solving across the curriculum and in life.
- Students will create art as a means of self-expression and a mode of capturing information for recall and synthesis.
- Museum staff will understand the K-12 classroom dynamics in order to create transferrable models of instruction

Planning and Working Process

Program Planning

- The museum and school will designate the point person(s) from each institution who will be responsible for the partnership.
- Each semester there will be a joint program-planning meeting to map out the plans for the semester.

Draft 12/5/14

Crystal Bridges Museum of American Art/Arkansas Arts Academy Draft Agreement

- All program planning will take place between the designated point person(s) from each institution.
- The point person(s) from each institution will have a regular (bi weekly) phone meeting for planning and updates.
- At the end of the school year, there will be a review and assessment of the Museum School Partnership's effectiveness, content, and structure. This will give all parties a chance to decide how they would like to continue in the Museum School Partnership, every year.

General Communications~~:~~

- The point person(s) at the school and museum will be the conduit for all communications between the institutions. Awareness of all partnership activity is imperative to the evaluation process, and must be tracked by the point person(s) on each side.
- As needed, the point person(s) on each side may be referred to another person in the institution.
- It's inappropriate for museum staff to contact school students or parents directly.
- It's inappropriate for school staff to contact museum guests or members directly.

Timeline

Year 1:
- Teachers registering through the Curriculum Coordinators will attend Museum professional development.
- All Students will have at least one class visit to the museum as part of the Walker School Visit Program.
- Families will attend AAA Night at the Museum Programs jointly facilitated by school and museum staff.

Year 2:
Have each student come to the museum at least 4.5 times a school year.
- Through the Walker School visit program
- Through afternoon museum as Classroom visits/ (GOAL 2015-2016 Self Guide 382 students (7-12 grades) up to 600; every student will visit once, dependent upon enrollment, in courses up to 2-3 visits.)
- Through the AAA Night at the Museum program (1 fall and 1 spring per level (E/M/H))
- Have 100% of AAA teachers attend 2.5 days of PD facilitated by the museum (2.5 days = 15 hours/teacher X 60 teachers = 900 hours total PD
- Two days scheduled PD solely for AAA teachers facilitated by museum educators
- Teacher participation in scheduled community-wide PDs presented by museum staff/visiting artists/lecturers
- Evaluate program in spring 2016 to set Year 3 goals

Year 3:
- Sustain positive outcomes and participation levels for students, teachers, and museum educators
- Produce learning materials for publication based on Year 1 and 2 experiences

Deliverables
- Museum created and classroom tested materials that connect directly to the curriculum

Draft 12/5/14

Crystal Bridges Museum of American Art/Arkansas Arts Academy Draft Agreement

- A vertically and horizontally aligned K-12 Arts Integrated curriculum for Arkansas Arts Academy at the end of Year 2
- A vehicle and process for CBMAA to disseminate a significantly increased number of lessons to the wider educational community and other partner schools
- Graded assessments can satisfy our end as a justification to WFF. Example: "900 formative assessment grades were entered into our grade books.

Outcomes

- Students will have a greater understanding of the core subjects and the arts through an arts integration curriculum and access to the museum as a classroom.
- Teachers will gain more resources and information in order to enhance lesson plans with visual arts.
- Over three years, teachers will achieve full arts integration in every classroom
- Parents and students will see the museum as a place for shared experiences with the arts and to create lifelong learners.
- The museum will have a place to test and implement of new educational practices.

Assessment

- Greater student understanding will be measured by AAA student end-of-year benchmark scores. Success will be indicated if AAA student scores grow at a faster rate than the region and state scores in the period 2014-2015 to 2015-2016.
- Parent and student involvement to the Museum will be measured through AAA event attendance (i.e. AAA Night at the Museum); To develop media for self guided family experiences. The goal of the experience is for families to explore the permanent collection to activate learning as a family unit; Coded tickets for special exhibitions will be given to families at the AAA Night at the Museum event allowing record of return visits.
- Teachers will be measured through the integration of arts throughout the curriculum. By the end of the 3rd year 100% of the teachers will have created and implemented one arts integrated lesson.
- The museum will be measured on the classroom ready materials created for the partnership that can be used by other schools. These materials will be tested in years 1 and 2, and by the end of year 3 the museum will create The museum will be measured on the classroom ready materials created for the partnership that can be used by other schools. These materials will be tested in years 1 and 2, and by the end of year 3 the museum will create a number of arts integrated lesson plans and/or unit plans for elementary, middle, high school classes. The number of lesson and/or unit plans will be defined at an end-of-year 2 conference.

Draft 12/5/14

Reading Goal 1 Data
Summary: Literature Progression from 2011-2014

2011	2012	2012	2012	2012	2012	2012
BEL or BAS	#Tested from Previous Pop	PRO or ADV	AVG %	#Students	#Students	#Students*
3rd Grade Lit		4th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
10	6	4	67%	1/1	0/0	1/2
4th Grade Lit		5th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
5	5	0	0%	0/0	0/2	0/3
5th Grade Lit		6th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
13	9	3	33%	0/0	0/2	1/3
6th Grade Lit		7th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
10	8	3	38%	0/0	0/1	2/4
7th Grade Lit		8th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
12	8	2	25%	0/0	0/4	0/1
2011	2012	2012	2012	2012	2012	2012
BEL or BAS	#Tested from Previous Pop	PRO or ADV	Over All %	#Students Total	#Students Total	#Students Total
Total #	Total #	Total #	% Improved	LEP Improved	SWD Improved	ED Improved
50	36	12	33%	1/1	0/9	4/13

*If ED and LEP, then counted as LEP only.
If ED and SWD, then counted as SWD only.
If LEP and SWD, then counted as SWD only.
If ED, LEP and SWD, then counted as SWD only.

Reading Goal 1 Data
Summary: Literature Progression from 2011-2014

2012	2013	2013	2013	2013	2013	2013
BEL or BAS	#Tested from Previous Pop	PRO or ADV	AVG %	#Students	#Students	#Students*
3rd Grade Lit		4th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
8	7	6	86%	0/0	2/3	1/1
4th Grade Lit		5th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
4	2	0	0%	0/0	0/0	0/1
5th Grade Lit		6th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
8	7	0	0%	0/0	0/3	0/3
6th Grade Lit		7th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
9	7	2	29%	0/0	0/4	0/1
7th Grade Lit		8th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
7	5	2	40%	0/0	1/3	0/0

2012	2013	2013	2013	2013	2013	2013
BEL or BAS	#Tested from Previous Pop	PRO or ADV	Over All %	#Students Total	#Students Total	#Students Total
Total #	Total #	Total #	% Improved	LEP Improved	SWD Improved	ED Improved
36	28	10	31%	0/0	3/13	1/6

*If ED and LEP, then counted as LEP only.
If ED and SWD, then counted as SWD only.
If LEP and SWD, then counted as SWD only.
If ED, LEP and SWD, then counted as SWD only.

Reading Goal 1 Data
Summary: Literature Progression from 2011-2014

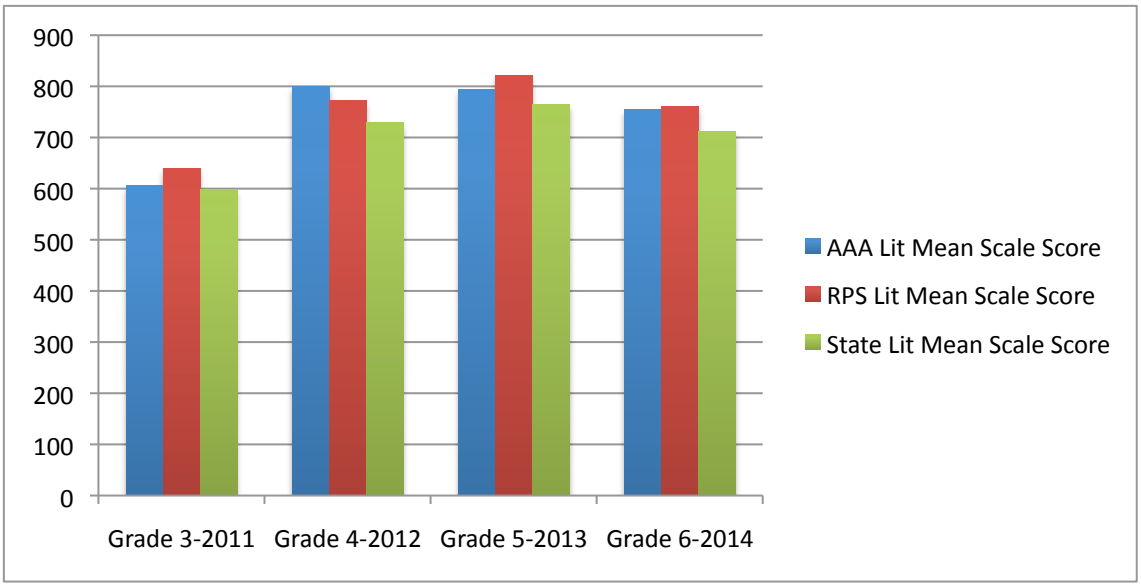
2013	2014	2014	2014	2014	2014	2013
BEL or BAS	#Tested from Previous Pop	PRO or ADV	AVG %	#Students	#Students	#Students*
3rd Grade Lit		4th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
9	4	2	50%	0/0	0/1	1/2
4th Grade Lit		5th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
3	2	0	0%	0/1	0/1	0/0
5th Grade Lit		6th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
4	1	1	100%	1/1	0/0	0/0
6th Grade Lit		7th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
17	8	3	38%	1/1	1/3	1/3
7th Grade Lit		8th Grade Lit	% Improved	LEP Improved	SWD Improved	ED Improved
10	8	0	0%	0/0	0/6	0/1

2013	2014	2014	2014	2014	2014	2014
BEL or BAS	#Tested from Previous Pop	PRO or ADV	Over All %	#Students Total	#Students Total	#Students Total
Total #	Total #	Total #	% Improved	LEP Improved	SWD Improved	ED Improved
43	23	6	38%	2/3	1/11	2/6

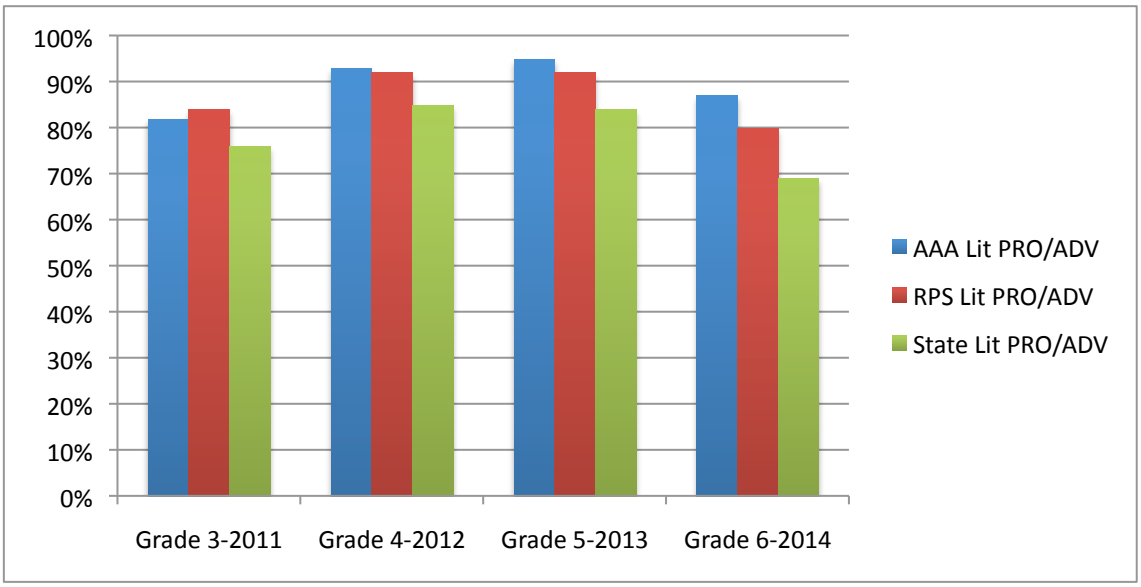
*If ED and LEP, then counted as LEP only.
If ED and SWD, then counted as SWD only.
If LEP and SWD, then counted as SWD only.
If ED, LEP and SWD, then counted as SWD only.

Reading Goal 4 Data: Benchmark CRT Comparisons

Augmented Benchmark CRT Literature Mean Scale Score Comparisons—AAA, Rogers Public Schools (District), and State 2011 3rd Grade Cadre: 2011-2014

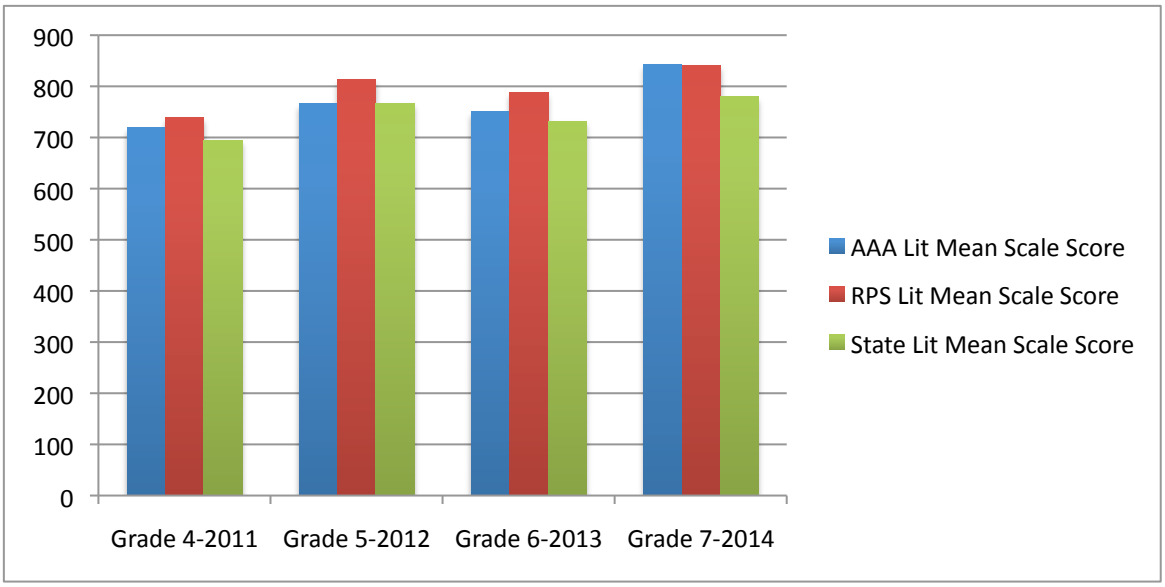


Augmented Benchmark CRT Literature Percentage PRO/ADV Comparisons—AAA, Rogers Public Schools (District), and State 2011 3rd Grade Cadre: 2011-2014

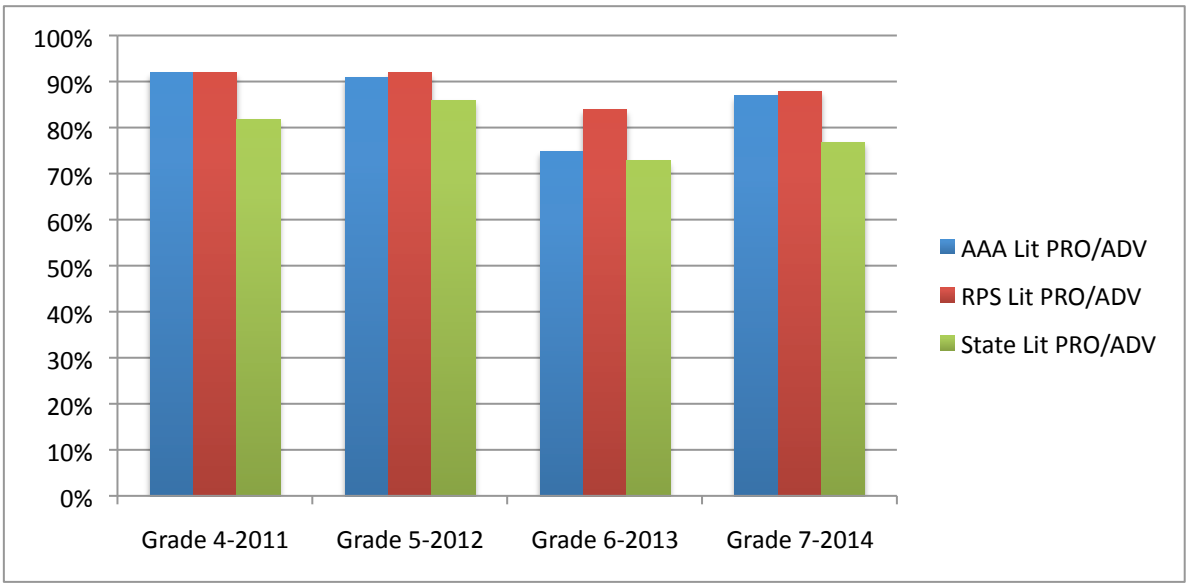


Reading Goal 4 Data: Benchmark CRT Comparisons

Augmented Benchmark CRT Literature Mean Scale Score Comparisons—AAA, Rogers Public Schools (District), and State 2011 4th Grade Cadre: 2011-2014

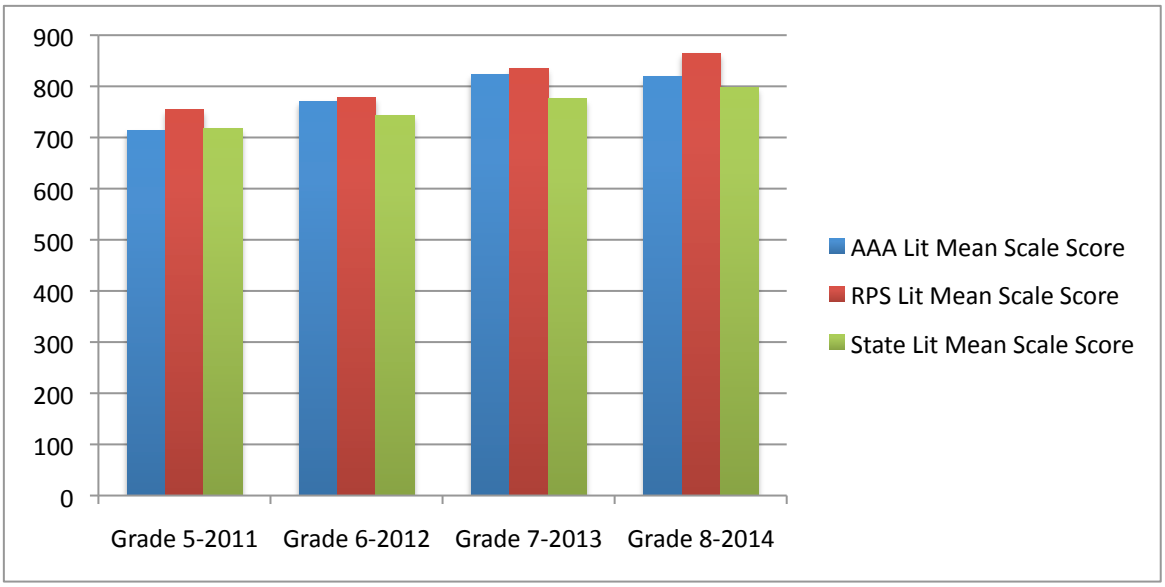


Augmented Benchmark CRT Literature Percentage PRO/ADV Comparisons—AAA, Rogers Public Schools (District), and State 2011 4th Grade Cadre: 2011-2014

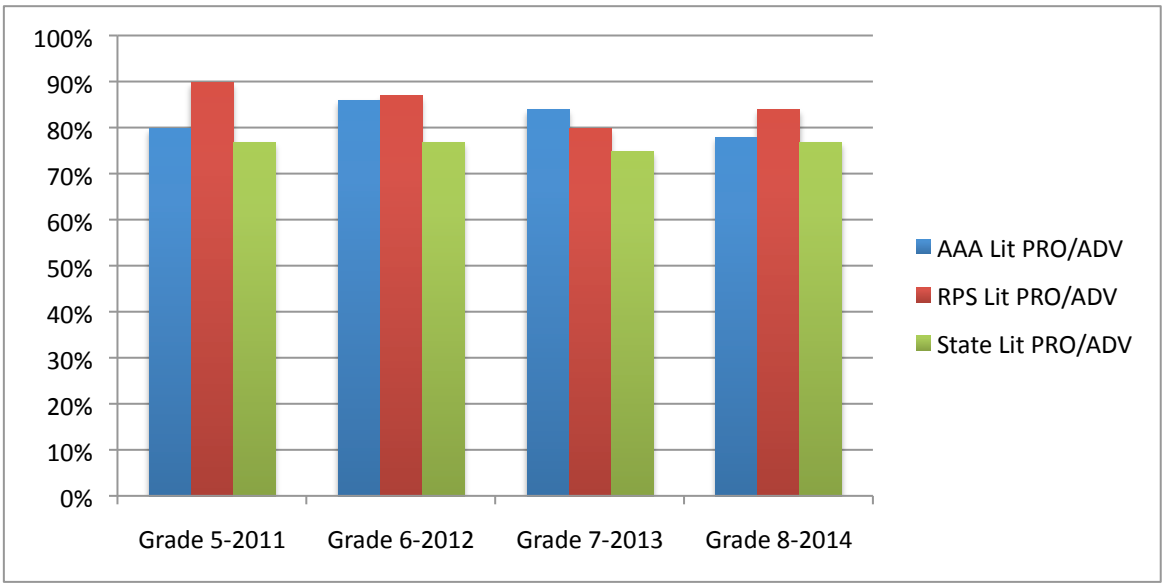


Reading Goal 4 Data: Benchmark CRT Comparisons

Augmented Benchmark CRT Literature Mean Scale Score Comparisons—AAA, Rogers Public Schools (District), and State 2011 5th Grade Cadre: 2011-2014

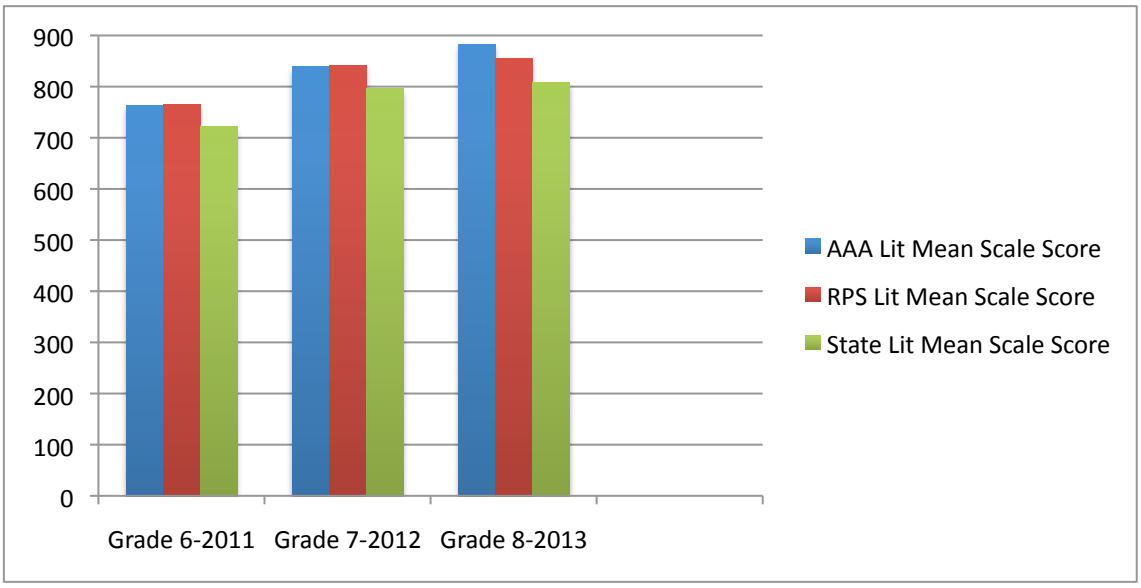


Augmented Benchmark CRT Literature Percentage PRO/ADV Comparisons—AAA, Rogers Public Schools (District), and State 2011 5th Grade Cadre: 2011-2014

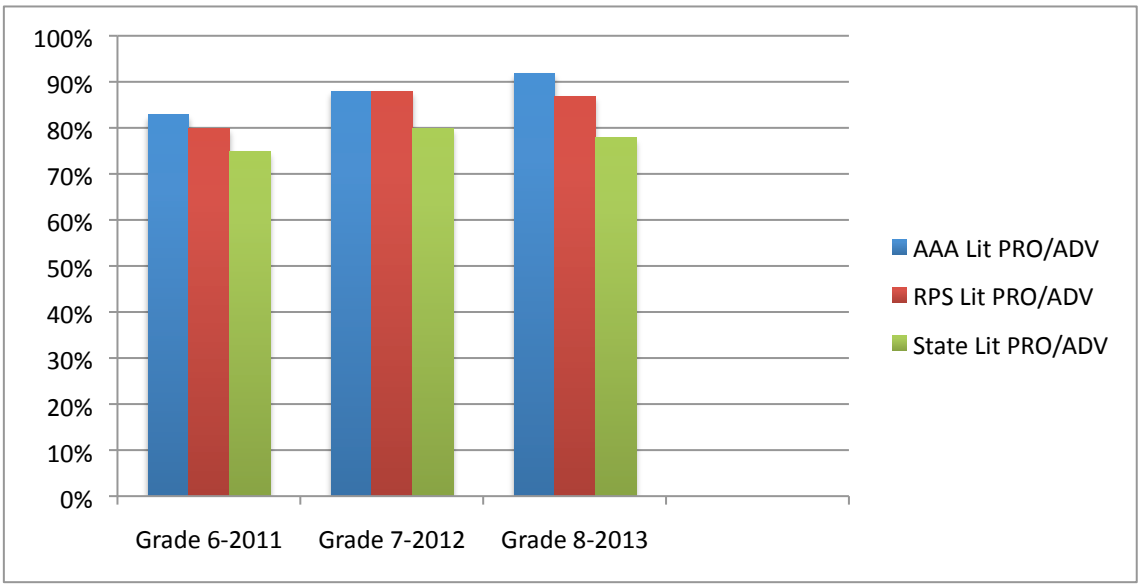


Reading Goal 4 Data: Benchmark CRT Comparisons

Augmented Benchmark CRT Literature Mean Scale Score Comparisons—AAA, Rogers Public Schools (District), and State 2011 6th Grade Cadre: 2011-2013

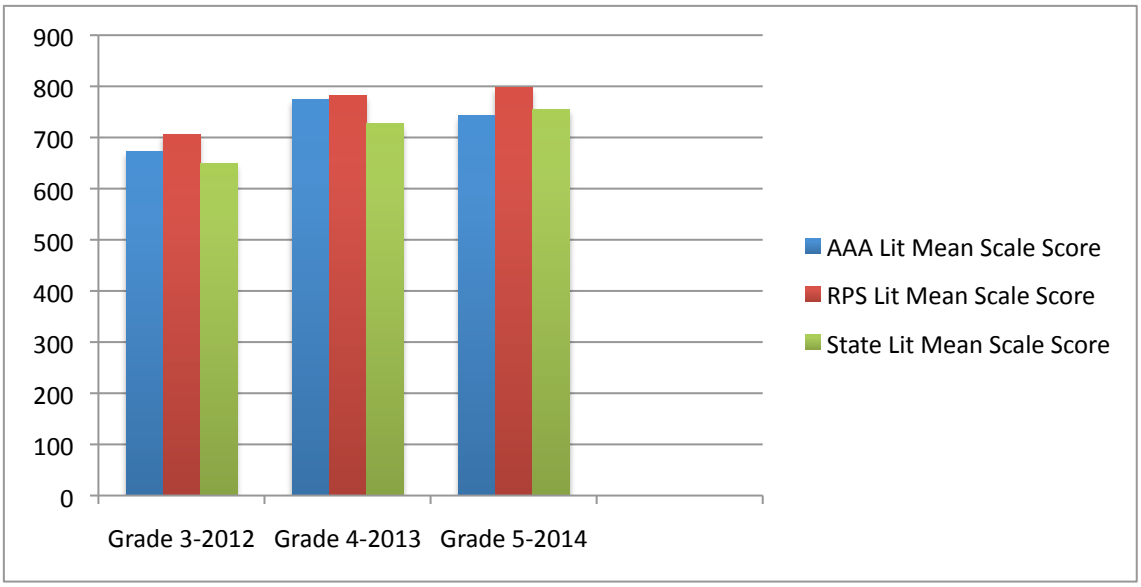


Augmented Benchmark CRT Literature Percentage PRO/ADV Comparisons—AAA, Rogers Public Schools (District), and State 2011 6th Grade Cadre: 2011-2013

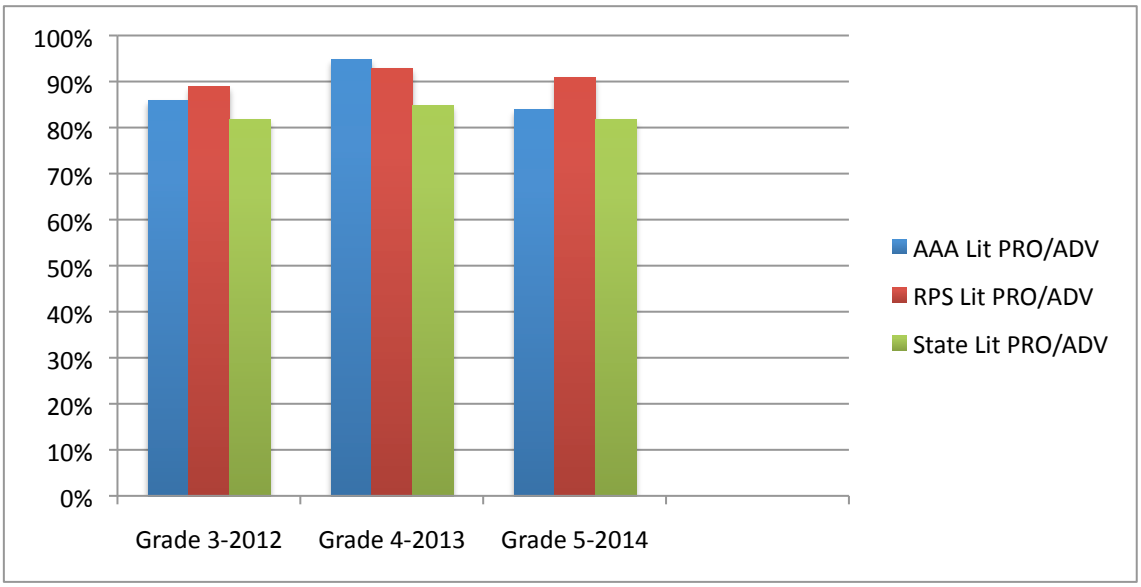


Reading Goal 4 Data: Benchmark CRT Comparisons

Augmented Benchmark CRT Literature Mean Scale Score Comparisons—AAA, Rogers Public Schools (District), and State 2012 3rd Grade Cadre: 2012-2014



Augmented Benchmark CRT Literature Percentage PRO/ADV Comparisons—AAA, Rogers Public Schools (District), and State 2012 3rd Grade Cadre: 2012-2014



Summary: Math Progression from 2011-2014

2011	2012	2012	2012	2012	2012	2012
BEL or BAS	#Tested from Previous Pop	PRO or ADV	AVG %	#Students	#Students	#Students*
3rd Grade Math	4th Grade Math	4th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
12	8	6	75%	1/1	0/0	2/2
4th Grade Math		5th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
14	13	6	46%	0/0	0/0	2/6
5th Grade Math		6th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
15	11	7	64%	0/1	0/0	1/2
6th Grade Math		7th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
18	12	9	75%	1/1	1/3	4/5
7th Grade Math		8th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
18	14	5	36%	0/0	1/4	1/3
8th Grade Math		9th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
19	9	5	56%	1/1	1/3	1/1
2011	2012	2012	2012	2012	2012	2012
BEL or BAS	#Tested from Previous Pop	PRO or ADV	Over All %	#Students Total	#Students Total	#Students Total
Total #	Total #	Total #	% Improved	LEP Improved	SWD Improved	ED Improved
96	67	38	59%	3/4	3/10	11/19

*If ED and LEP, then counted as LEP only.
If ED and SWD, then counted as SWD only.
If LEP and SWD, then counted as SWD only.
If ED, LEP and SWD, then counted as SWD only.

Summary: Math Progression from 2011-2014

2012	2013	2013	2013	2013	2013	2013
BEL or BAS	#Tested from Previous Pop	PRO or ADV	AVG %	#Students	#Students	#Students*
3rd Grade Math	4th Grade Math	4th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
5	2	0	0%	0/0	0/1	0/1
4th Grade Math		5th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
6	4	1	25%	0/1	0/0	0/1
5th Grade Math		6th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
16	13	5	38%	0/0	1/3	2/5
6th Grade Math		7th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
11	8	3	38%	1/1	0/3	1/2
7th Grade Math		8th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
5	4	1	25%	0/0	0/3	1/2
8th Grade Math		9th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
12	9	7	78%	0/0	0/1	3/3
2012	2013	2013	2013	2013	2013	2013
BEL or BAS	#Tested from Previous Pop	PRO or ADV	Over All %	#Students Total	#Students Total	#Students Total
Total #	Total #	Total #	% Improved	LEP Improved	SWD Improved	ED Improved
55	40	17	34%	1/2	1/11	7/14

*If ED and LEP, then counted as LEP only.
If ED and SWD, then counted as SWD only.
If LEP and SWD, then counted as SWD only.
If ED, LEP and SWD, then counted as SWD only.

Summary: Math Progression from 2011-2014

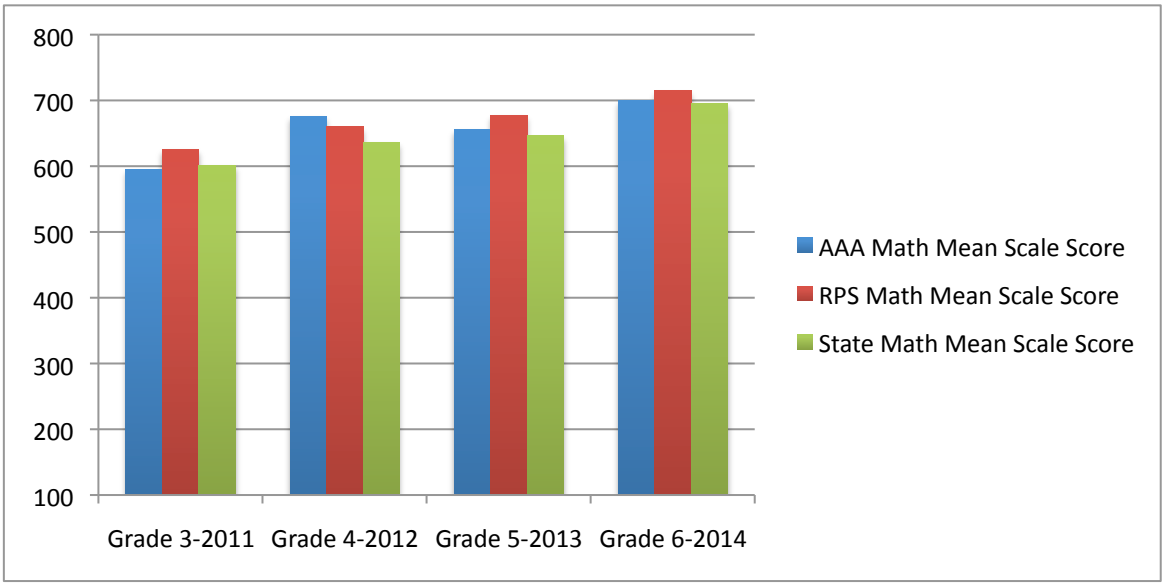
2013	2014	2014	2014	2014	2014	2013
BEL or BAS	#Tested from Previous Pop	PRO or ADV	AVG %	#Students	#Students	#Students*
3rd Grade Math	4th Grade Math	4th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
3	2	1	50%	0/0	0/1	1/1
4th Grade Math		5th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
5	3	0	0%	0/2	0/1	0/0
5th Grade Math		6th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
12	9	6	67%	0/1	0/0	3/3
6th Grade Math		7th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
13	7	1	14%	0/0	0/2	0/4
7th Grade Math		8th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
13	9	2	22%	0/0	1/5	1/1
8th Grade Math		9th Grade Math	% Improved	LEP Improved	SWD Improved	ED Improved
19	11	8	73%	1/1	0/3	1/1

2013	2014	2014	2014	2014	2014	2014
BEL or BAS	#Tested from Previous Pop	PRO or ADV	Over All %	#Students Total	#Students Total	#Students Total
Total #	Total #	Total #	% Improved	LEP Improved	SWD Improved	ED Improved
65	41	18	38%	1/4	1/12	6/10

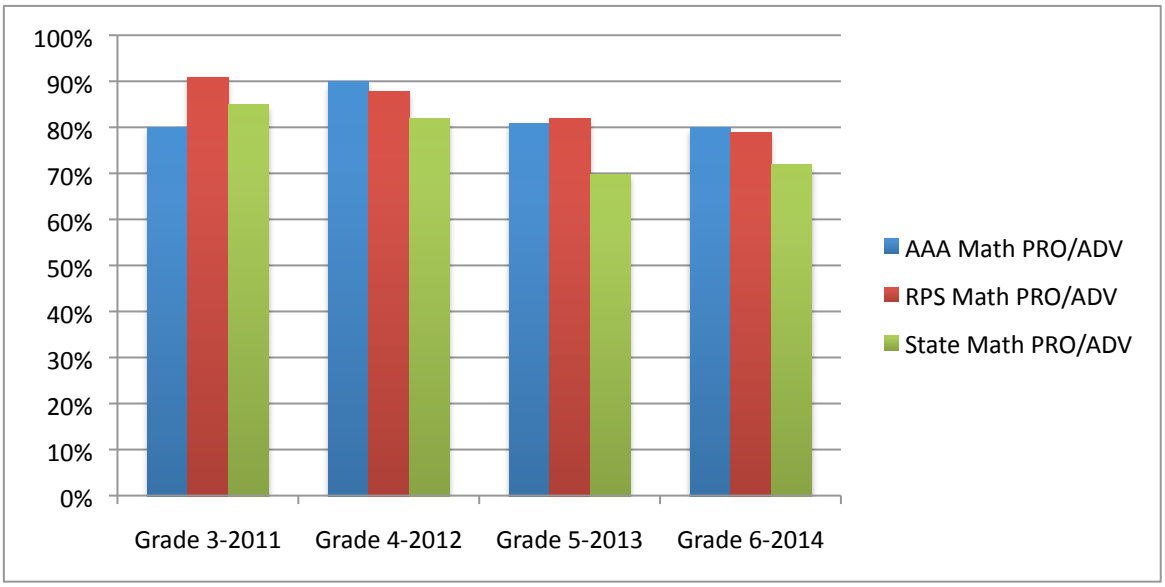
*If ED and LEP, then counted as LEP only.
If ED and SWD, then counted as SWD only.
If LEP and SWD, then counted as SWD only.
If ED, LEP and SWD, then counted as SWD only.

Math Goal 4 Data: Benchmark CRT Comparisons

Augmented Benchmark CRT Math Mean Scale Score Comparisons—AAA, Rogers Public Schools (District), and State 2011 3rd Grade Cadre: 2011-2014

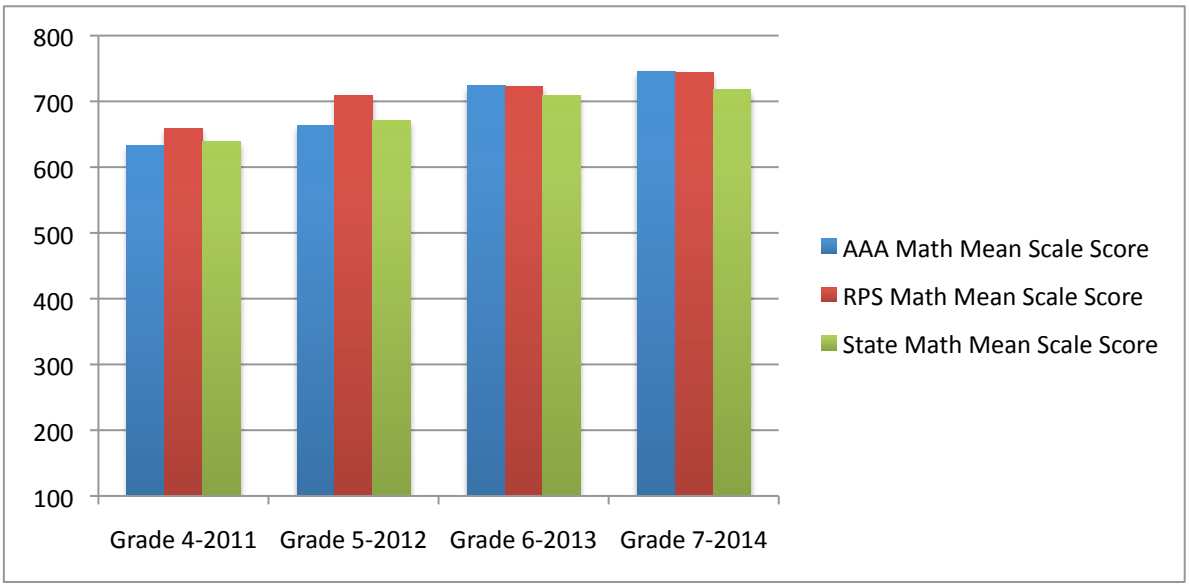


Augmented Benchmark CRT Math Percentage PRO/ADV Comparisons—AAA, Rogers Public Schools (District), and State 2011 3rd Grade Cadre: 2011-2014

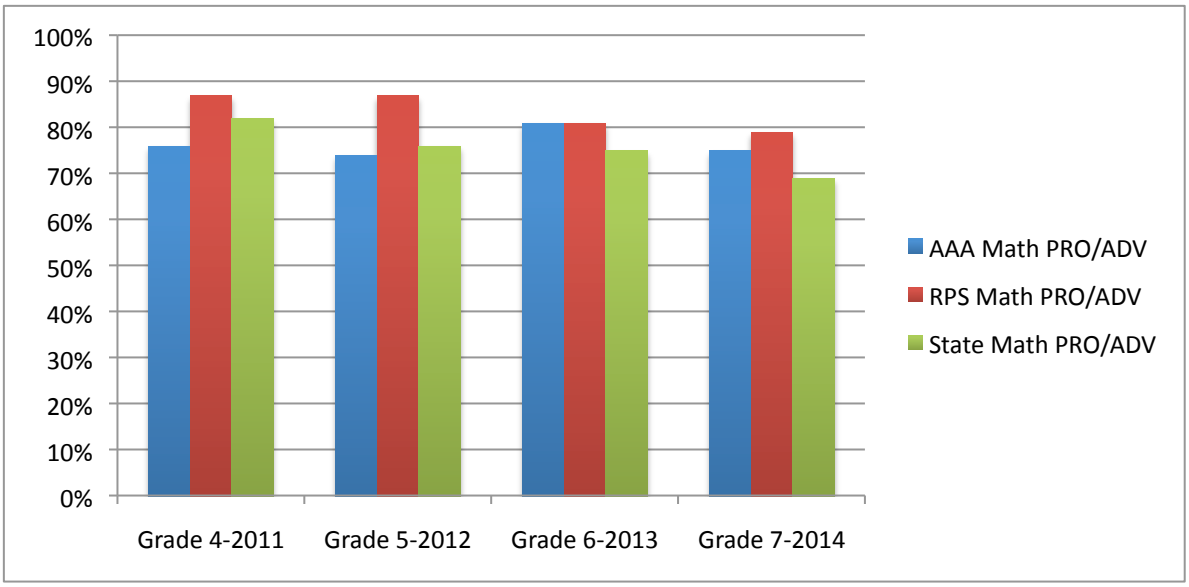


Math Goal 4 Data: Benchmark CRT Comparisons

Augmented Benchmark CRT Math Mean Scale Score Comparisons—AAA, Rogers Public Schools (District), and State 2011 4th Grade Cadre: 2011-2014

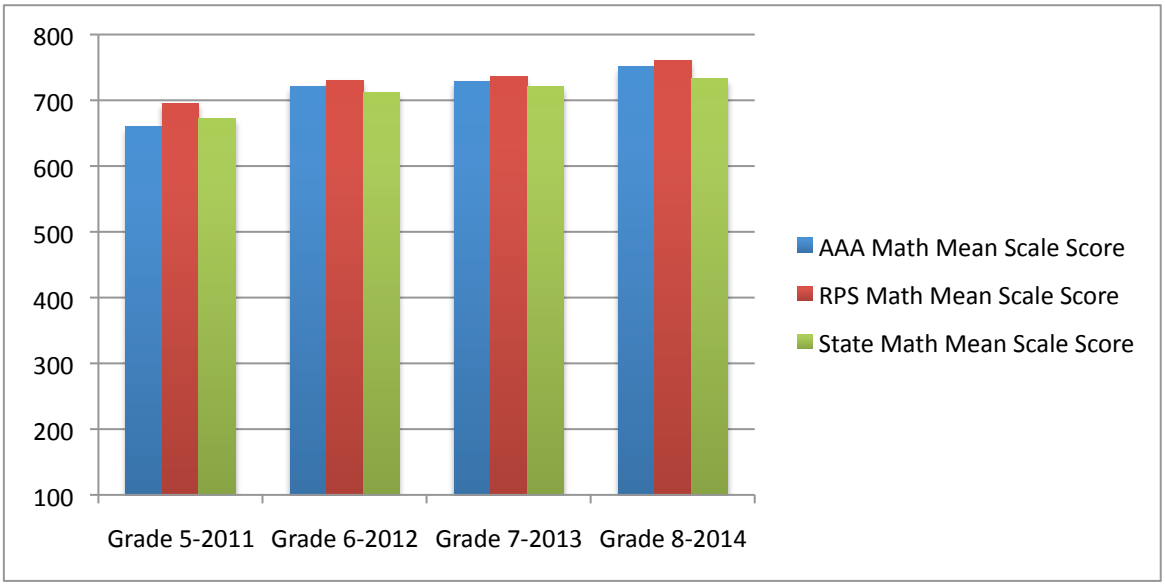


Augmented Benchmark CRT Math Percentage PRO/ADV Comparisons—AAA, Rogers Public Schools (District), and State 2011 4th Grade Cadre: 2011-2014

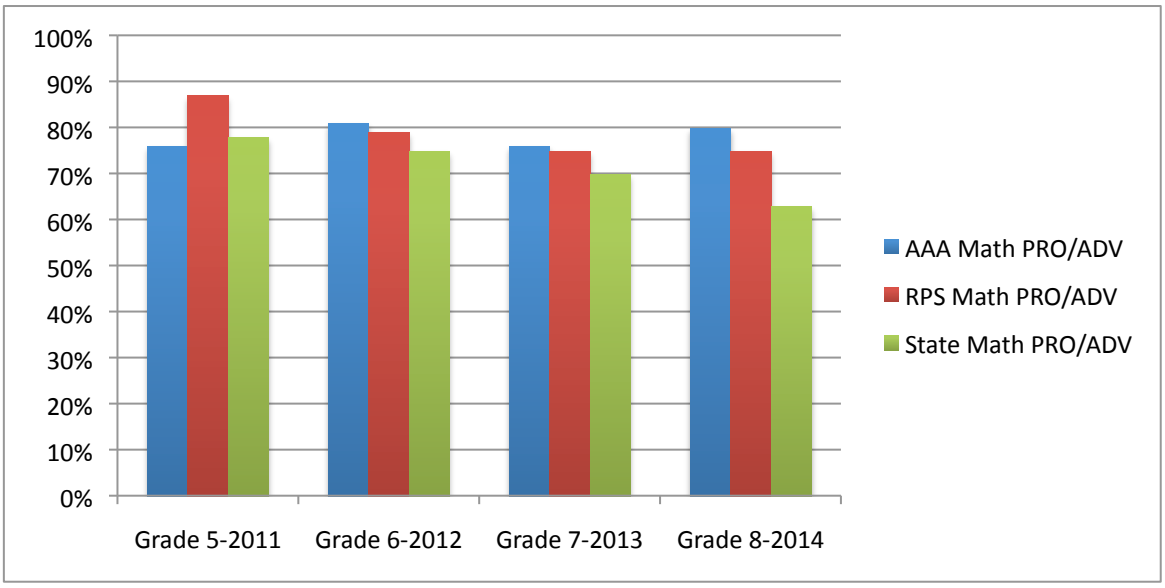


Math Goal 4 Data: Benchmark CRT Comparisons

Augmented Benchmark CRT Math Mean Scale Score Comparisons—AAA, Rogers Public Schools (District), and State 2011 5th Grade Cadre: 2011-2014

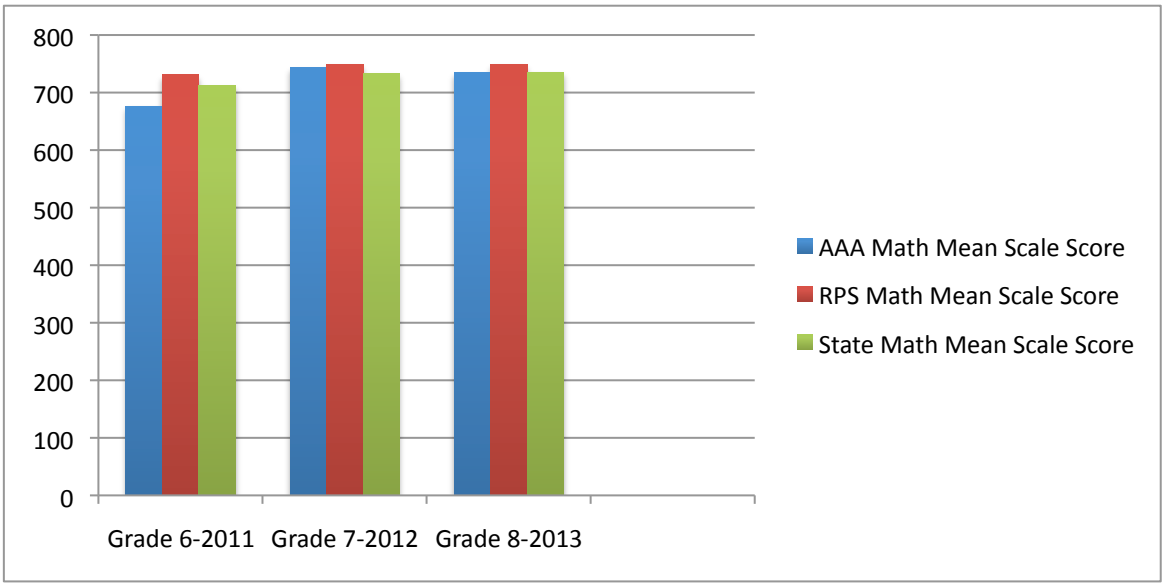


Augmented Benchmark CRT Math Percentage PRO/ADV Comparisons—AAA, Rogers Public Schools (District), and State 2011 5th Grade Cadre: 2011-2014

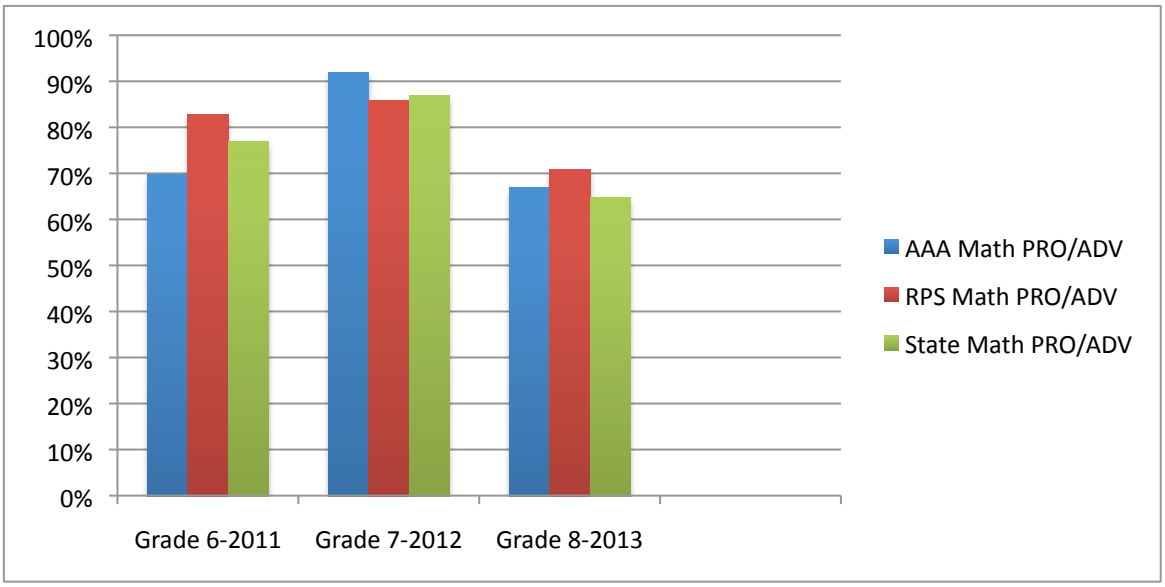


Math Goal 4 Data: Benchmark CRT Comparisons

Augmented Benchmark CRT Math Mean Scale Score Comparisons—AAA, Rogers Public Schools (District), and State 2011 6th Grade Cadre: 2011-2013 **(Only about 60% of 8th grade students continue at the high school. Algebra I is not, therefore, a strong metric to include here—see Response 5. Also, 8th Grade Algebra I is included in the Response 5 data.)**

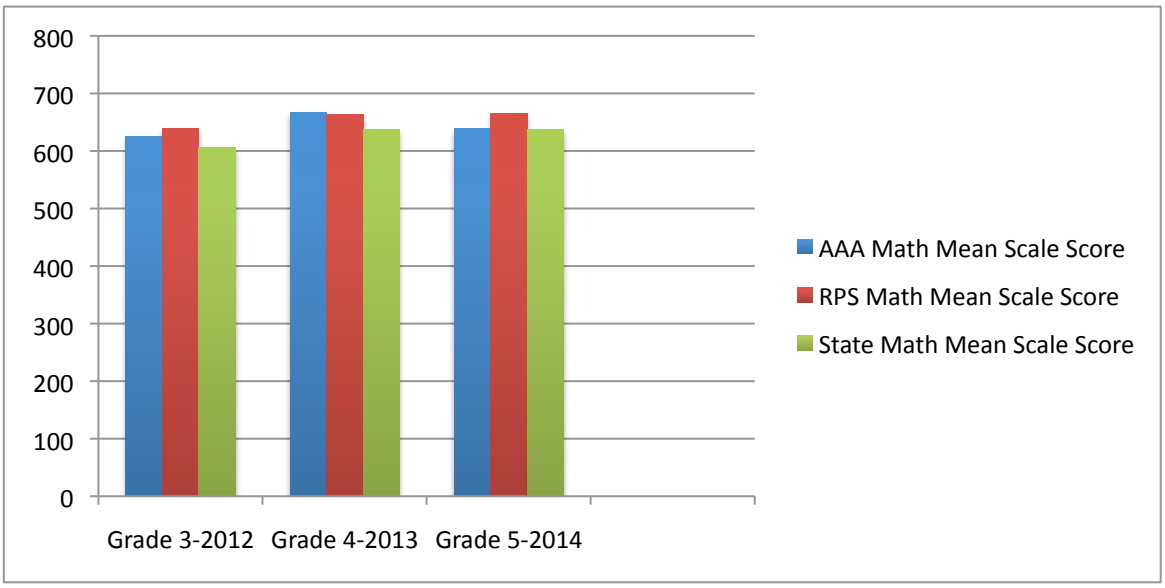


Augmented Benchmark CRT Math Percentage PRO/ADV Comparisons—AAA, Rogers Public Schools (District), and State 2011 6th Grade Cadre: 2011-2013 **(Only about 70% of 8th grade students continue at the high school. Algebra I is not, therefore, a strong metric to include here—see Response 5. Also, 8th Grade Algebra I is included in the Response 5 data.)**

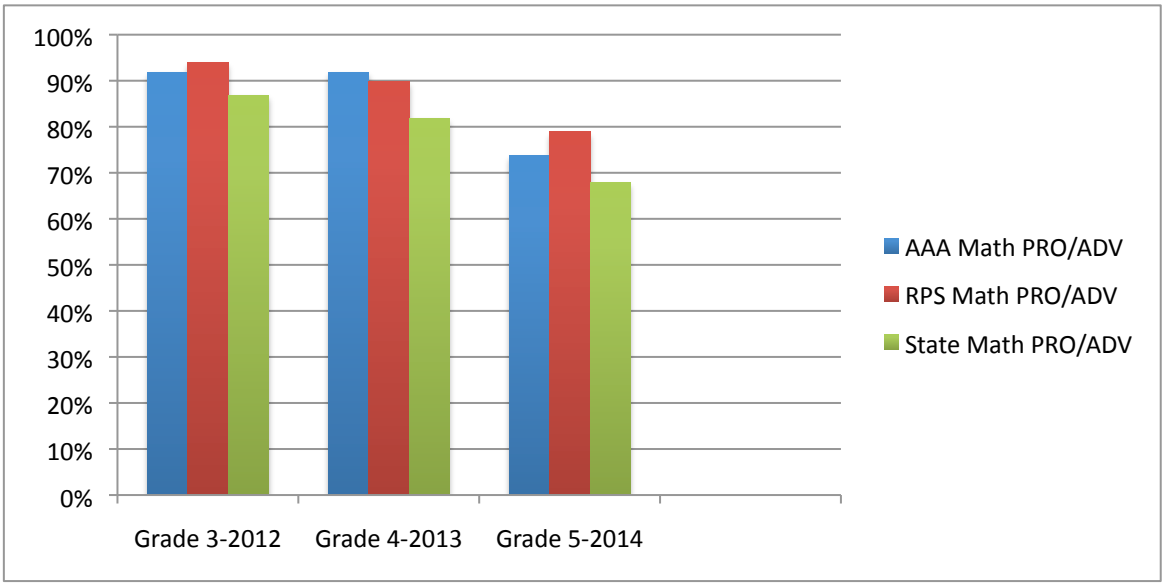


Math Goal 4 Data: Benchmark CRT Comparisons

Augmented Benchmark CRT Math Mean Scale Score Comparisons—AAA, Rogers Public Schools (District), and State 2011 3rd Grade Cadre: 2012-2014



Augmented Benchmark CRT Math Percentage PRO/ADV Comparison AAA, Rogers Public Schools (District), and State 2011 3rd Grade Cadre: 2012-2014



13-01: Lack of Segregation of Duties

Condition: During the year ended June 30, 2013, we noted that there was a lack of segregation of duties in some areas, including the review of journal entries, preparation and review of bank reconciliations, and review of payroll direct deposit.

Criteria and Cause: A proper segregation of duties is an integral part of any internal control system. Ideally, duties should be segregated to prevent one person from being in a position to authorize transactions, record transactions and maintain custody of assets of the Organization. Our review of the Organization's financial reporting system disclosed that, primarily due to the limited number of accounting personnel, there are inherent limitations in the Organization's controls in this regard. Related specifically to general journal entries, internal controls should be in place to ensure that all general journal entries posted during the year are being reviewed and approved by a member of management that is independent from the posting of the journal entries. Related to the preparation and review of bank reconciliations, internal controls should be in place to ensure that bank reconciliations are being completed timely and accurately and reviewed by a member of management that is independent from the posting of cash transactions. Related to the review of the payroll direct deposit, internal controls should be in place to ensure that a review and approval of the direct deposit transfer is completed by a person separate from the payroll function. These review and approval processes were not in place for the year ended June 30, 2013

Effect: A lack of proper segregation of duties increases the risk that errors or fraud may occur and not be detected in a timely manner. Accordingly, a lack of independent review and approval of the general journal entries, the lack of proper performance and review of bank reconciliations, and the lack of independent review and approval of payroll transfers increases the risk that errors or fraud may occur and not be detected in a timely manner.

Recommendation: We recommend that management and the Board monitor controls on an ongoing basis, always looking for ways to reassign duties or implement review procedures in order to improve internal controls with the staff that is in place. Also, throughout the year, we recommend that the Superintendent routinely review and approve all general journal entries and periodically obtain year-to-date reports of all general journal entries posted to the accounting system. The Superintendent should scan this report with the entire population of journal entries to determine if any entries are present that have not been properly reviewed and approved during the year. In relation to the proper performance and review of bank reconciliations, we recommend that bank

reconciliations be performed each month in a timely manner and that any variances are addressed immediately. Also, we recommend that the Superintendent routinely review bank reconciliations to determine if any activity is present that has not been properly reviewed and approved. In relation to the payroll direct deposit we recommend that an individual separate from the payroll function review the detail for the approved direct deposit transfer for reasonableness as to the individual amounts paid and agree the approved transfer to the actual amount of cash transferred from the bank account.

Views of Responsible Officials and Planned Corrective Action:
Beginning August 26, 2013, Management (BCSA):

- Hired a new Chief Financial Officer (CFO) with a degree in accounting and eleven (11) years of experience;
- Ensures that the Superintendent sees, approves, and signs off on all journal entries. All journal entries are explained to the superintendent by the CFO prior to his signature;
- Ensures that all monthly bank statements are reconciled each month. The CFO will ensure that the Superintendent sees and approves all monthly bank records and reconciliations;
- Upon preparation of the payroll twice each month, the CFO will delegate submission of payroll (through direct deposit) to the Central Office Administrative Assistance, who will submit the payroll.

13-02: Uninsured Deposits

Condition: Arkansas Statute 6-20-222 requires collateralization of all deposits with federal depository insurance; a surety bond; U.S. Treasury and U.S. agencies and instrumentalities bonds or other obligations; bonds of the State of Arkansas or by bonds of a political subdivision thereof which has never defaulted on any of its obligations, in an amount at least equal to the amount of such deposit or by a bond executed by a surety company authorized to do business in the State of Arkansas. The Director of Education must approve the surety company. During our examination, we noted that the school had uninsured deposits of $260,593.

Criteria and Cause: Management is responsible for insuring compliance with state laws. Management currently does not have procedures in place to ensure compliance with state laws related to collateralization of all deposits.

Effect: Uninsured deposits present noncompliance with state laws and also presents a potential for losses to the Organization in the event of bank or institutional failure.

Recommendation: We recommend that management obtain proper collateralization of uninsured deposits and closely monitor deposit balances throughout the year to ensure that all deposits are properly collateralized.

Views of Responsible Officials and Planned Corrective Action:
Beginning January 1, 2014, Benton County School of the Arts (Pledgee) will have a Pledgee Agreement in place with the Federal Reserve Bank of Boston (Pledgor). This bank will establish a Restricted Securities Account for the Benefit of the Pledgee. A collateral transaction is initiated by the Pledgor. The pledge of collateral secures deposits in excess of $250,000, the amount insured by the FDIC. The Bank issues a confirmation to the Pledgee and the Pledgor for each collateral transaction. The confirmation is conclusive evidence of the collateral transaction.

Pledgee Agreement Form

To: Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, MA 02210
Attn: Wholesale Operations/Joint Custody

Tel: 800-327-0147, Option #4
Fax: 877-973-8972

Date: 12-11-13

We, the Benton Co School of the Arts agree to the terms of **Appendix C** of your ***Operating Circular 7***, dated August 19, 2005, as it may be amended from time to time with respect to the account on your books designated new1. (4 digit alpha-numeric account number)

We further agree that you may accept par for par substitutions: securities from the Pledgor as a replacement of or in substitution for, those securities presently held (please check one):

☐ NO (Instructions required for each withdrawal) ☑ YES (Standing approval)

Provided that the replacement or substitution does not reduce the aggregate par amount of securities held in custody for us. (See ***Operating Circular 7, Appendix C, Section 4.3.)***

We authorize you to use the following call-back procedure for securities transactions pertaining to this account (please check one):

☑ Three-party call-back ☐ Four-party call-back

We certify that the individuals listed below may take authoritative action on our behalf with respect to the account, including a direction to release collateral from the account. You may rely on the authority of these individuals with respect to the account until we otherwise notify you.

Telephone: 479-878-2787 Print Name: Paul M. Hines Title: Superintendent
Fax: 479-878-2790 Signature: Paul M. Hines Date: 12-12-13

Telephone: 479-531-1982 Print Name: DARLENE McERNON Title: BOARD SEC.
Fax: Signature: Darlene McErnon Date: 12-13-13

Telephone: Print Name: Title:
Fax: Signature: Date:

REV 01/2006

Pledgee Agreement
(page 2 of 2)

Telephone: _____ Print Name: _____ Title: _____

Fax: _____ Signature: _____ Date: _____

The Undersigned hereby certifies that he/she is the present lawful incumbent of the designated public office.

Pledgee

Benton County School of the Arts
Name of governmental unit

8 Halsted Cir Ste 5
Street Address or P.O Box Number

Rogers AR 72756-3144
City, State, Zip Code

Paul M. Hines 12/12/13
Official Signature/ **Date**

Paul M. Hines Superintendent
Printed Name and Title

Notary

State of ArKansas

County of Benton

On this 12 day of December 2013 before me personally appeared Paul Hines, to me personally known or satisfactorily proven, who by me duly sworn, did depose and say that he/she resides at 6542 Bernice, in the City of Springdale, in the State of ArKansas, that he/she is the Superintendent [Title] of Benton County School of the Arts and that he/she executed this document on behalf of Benton County School of the Arts before me.

Marilyn Sears
(Signature of Notary)

Marilyn Sears
(Print name of Notary)

MARILYN J SEARS
NOTARY PUBLIC
BENTON COUNTY, ARKANSAS
COMM. EXP. 06/12/22
COMMISSION NO. 12368726

My commission expires on 6/12/2022 [Date]

REV 01/2006

Letters of Support

JOHN BOOZMAN
ARKANSAS
320 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510
202-224-4843

United States Senate
WASHINGTON, DC 20510

COMMITTEES:
AGRICULTURE, NUTRITION, AND FORESTRY
APPROPRIATIONS
ENVIRONMENT AND PUBLIC WORKS
VETERANS' AFFAIRS

December 9, 2014

Arkansas Department of Education
Four Capitol Mall
Little Rock, Arkansas 72201

To Whom It May Concern:

It is my pleasure to write on behalf of the Arkansas Arts Academy in Rogers. As the second oldest charter school in the state, it has a great reputation and is well-supported by the community.

I have been very impressed by the school's graduation rate of 95%, and its 69% pass rate on AP exams that is double the state average. They have shown continued strength in all academic areas, and are ranked among the top schools in critical subject areas including literacy, geometry, and biology. In addition, as the school's name suggests, they offer excellent learning opportunities for students in art, music, and drama.

From its beginnings as the Benton County School for the Arts in 2001, the teachers and administrators have shown their commitment to the children of the area. The school's open enrollment policy offers a great choice for families in Northwest Arkansas.

I understand that the school is going through the charter renewal process. I believe that the Arkansas Arts Academy is an excellent addition to education in our state.

Sincerely,

John Boozman

John Boozman
U.S. Senator

JB: kw

106 W. MAIN ST. SUITE 104 EL DORADO, AR 71730 870-863-4641
1120 GARRISON AVE. SUITE B FORT SMITH, AR 72901 479-573-0189
300 S. CHURCH ST. SUITE 400 JONESBORO, AR 72401 870-268-6925
1401 W. CAPITOL AVE. PLAZA F LITTLE ROCK, AR 72201 501-372-7153
213 W. MONROE SUITE N LOWELL, AR 72745 479-725-0400
1001 HWY. 62 E. SUITE 11 MOUNTAIN HOME, AR 72653 870-424-0129
620 E. 22ND ST. SUITE 204 STUTTGART, AR 72160 870-672-6941

Letters of Support

STEPHEN A. WOMACK
THIRD DISTRICT, ARKANSAS

E-MAIL — womack@mail.house.gov
WEBSITE — womack.house.gov

Congress of the United States
House of Representatives
Washington, DC 20515–0403

HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE
SUBCOMMITTEE ON FINANCIAL SERVICES AND GENERAL GOVERNMENT
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES

November 18, 2014

Arkansas State Board of Education
Arkansas Department of Education
4 Capitol Mall
Little Rock, AR 72201-1013

To Whom It May Concern:

It is my pleasure to offer this letter of support for Arkansas Arts Academy's charter renewal. I believe that the education of our nation's children is the foundation for success in a global marketplace. Some of this state's best public schools are in Northwest Arkansas, and I am a proud supporter of them. However, Arkansas's Third Congressional District is also fortunate to contain a number of alternatives, and I believe it is important that parents have the opportunity to place their children in an environment they believe is best suited for their academic training.

Arkansas Arts Academy has provided an additional option unique to the area in its educational philosophy. As the second-oldest charter school in the state, Arkansas Arts Academy has an established a track record of educational excellence. I respectfully ask that their application be provided all full and fair consideration.

Sincerely,

Steve Womack
Member of Congress

SW/ct

WASHINGTON, DC
1119 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225 – 4301

ROGERS
3333 PINNACLE HILLS PARKWAY, SUITE 120
ROGERS, AR 72758
(479) 464 – 0445

FORT SMITH
423 NORTH 6TH STREET
FORT SMITH, AR 72902
(479) 424 – 1146

HARRISON
303 NORTH MAIN STREET, SUITE 102
HARRISON, AR 72601
(870) 741 – 6200

PRINTED ON RECYCLED PAPER

Letters of Support

CECILE BLEDSOE
SENATOR
3RD DISTRICT
OFFICE: 479-636-2115
cecile.bledsoe@senate.ar.gov

709 SKY MOUNTAIN DRIVE
ROGERS, ARKANSAS 72756

THE SENATE
STATE OF ARKANSAS

CHAIRMAN:
PUBLIC HEALTH, WELFARE & LABOR

MEMBER:
JOINT BUDGET
JOINT AUDIT
INSURANCE & COMMERCE
EFFICIENCY

November 21, 2014

Arkansas Department of Education
Division of Learning Services
Charter and Home Schools Office
4 Capitol Mall, Mail Slot 3
Little Rock, Arkansas 72201

TO WHOM IT MAY CONCERN:

It is my sincere pleasure to submit this letter in support of Arkansas Arts Academy as it applies for a renewal of its charter school contract with the Arkansas Department of Education. As the second-oldest charter school in the state, Arkansas Arts Academy has for many years provided students with a quality education. Its presence gives northwest Arkansas families more freedom of choice in how to educate their children, and I hope those with the power to do so will give its renewal application every possible consideration.

Thank you for your time and attention in this matter. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Cecile Bledsoe

Cecile Bledsoe
State Senator
District 3

CB:lag

THE ARKANSAS SENATE • STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201 • TELEPHONE (501) 682-6107

Letters of Support

TO: State Board of Education and Charter Authorizing Panel
FROM: State Representative-Elect Grant Hodges
DATE: December 5, 2014
SUBJECT: Charter Renewal for Arkansas Arts Academy

Members of the Board and Authorizing Panel,

I will be serving as the State Representative for District 96 upon taking office in January. It is in this capacity that I'm writing you in support of renewing the charter for the Arkansas Arts Academy.

I would like to thank the Board for welcoming me at your meeting on charter schools recently. I was in attendance for the final approval of Ozark Montessori Academy, Haas Hall-Bentonville, and others. As an incoming member of the Education Committee, I found the meeting to be very educational and informative. I appreciate you all recognizing me and taking time to speak with me afterwards.

I am writing this letter on the same day that I have toured the Arkansas Arts Academy. Before asking you to renew their charter, I wanted to see the school for myself. In person, on the ground. I am so glad I did. After a tour of the school and meeting several students and faculty members, I came away so impressed and excited for the future of the Arts Academy.

Two senior students gave me a tour of the building and introduced me to many people as we walked around. I was surprised when I asked them what their plans are for the future. One wants to be an industrial engineer and just got an interview with Harvard. I was struck by how many teachers and administrators congratulated her as we went around the school. This is clearly a place where everyone knows one another and has a great support system. The other student has taken every science class in the school and wants to study biochemistry. I came away thinking, "Wow, these kids are very intelligent and will definitely be making more money than me one day."

I will let the Academy speak for itself on its performance. I know they will provide you with numbers and statistics. I want to offer you this personal experience. What they are doing in this school is remarkable. From every student getting an iPad to the small, intimate class sizes, and from the unique emphasis on arts education to the connections they are forming with Crystal Bridges Museum and private foundations, the Arkansas Arts Academy is an innovative and inspiring place. I can't wait to see it grow and continue to succeed, but it will need your help to get there. As state representative, they have my full support and best wishes.

Thank you,

Grant Hodges

Letters of Support

CITY OF ROGERS

Office of the Mayor

Mayor Greg Hines

November 24, 2014

Arkansas State Board of Education
Address
Little Rock, AR 71901

To Whom It May Concern:

On behalf of The City of Rogers, I am pleased to write a letter of support for the Arkansas Arts Academy's Charter renewal with the Arkansas State Board of Education. Originally chartered in 2001, Arkansas Arts Academy is the second oldest charter school in the State of Arkansas with their campus being located in Rogers, AR.

The Arkansas Arts Academy is living up its mission of providing a rigorous academic program with a purposed integration of the arts and can be witnessed by the school's numerous statewide high achievements in 2013 & 2014 in subjects such as Biology, Literacy, and Math. Not only was 2014's class graduation rate 95%, the average scholarship was $39,000 per student. The Arkansas Arts Academy is providing an exceptional alternative for students in Rogers and surrounding cities to study with an emphasis on liberal arts, while not sacrificing any of the common core studies.

I am hopeful our community can count on your support for the renewal of Arkansas Arts Academy's charter renewal as we work to meet the growing need of excellent academics for the students of Rogers and surrounding cities.

Sincerely,

Mayor Greg Hines

Rogers City Hall • 301 West Chestnut Street • Rogers, Arkansas 72756
Phone.479.621.1127 • Fax.479.631.2767 • www.rogersarkansas.com

Letters of Support

BENTONVILLE PUBLIC SCHOOLS
MICHAEL POORE, SUPERINTENDENT

500 TIGER BOULEVARD, BENTONVILLE, AR 72712
PHONE: 479.254.5000 | FAX: 479.271.1159
FIND US ONLINE AT: BENTONVILLEK12.ORG

November 23, 2014

Commissioner Wood
Arkansas Department of Education
4 Capitol Mall
Little Rock, AR 72201

Dear Commissioner Wood,

I am writing this letter of support for the Arkansas Arts Academy as they work to renew their charter with the state. It may be rare to have a local school district speak in support of a charter but this is supporting an organization that has been a part of this community for 13 years. One thing I can share is that our community values choice. I think the Arkansas Arts Academy meets the need of a certain element of our community. Many Bentonville families select the Academy for their focus on arts as well as supporting a smaller school environment. The school is performing well and I believe it is a sound option for students and families in our area.

I hope you will not hesitate to call me should you have any questions regarding my support.

Sincerely,

Michael Alan Poore
Superintendent

PUBLIC CHARTER SCHOOL
STATEMENT OF ASSURANCES
OPEN-ENROLLMENT PUBLIC CHARTER SCHOOL RENEWAL

The signature of the charter leader of the public charter school certifies that the following statements are true and will continue to be addressed through policies adopted by the public charter school; and, staff of the public school shall abide by them:

1. I have approval and authority to submit this application on behalf of the sponsoring entity.

2. The information submitted in this application is true to the best of my knowledge and belief.

3. The open-enrollment public charter school is open to all students, on a space-available basis, and shall not discriminate in its admission policy on the basis of gender, national origin, race, ethnicity, religion, disability, or academic or athletic eligibility, except as follows: the open-enrollment public charter school may adopt admissions policies that are consistent with federal law, regulations, or guidelines applicable to charter schools. The charter may provide for the exclusion of a student who has been expelled from another public school district if approved by the authorizer to do so.

4. In accordance with federal and state laws, the public charter school hiring and retention policies of administrators, teachers, and other employees do not discriminate on the basis of race, color, national origin, creed, sex, ethnicity, sexual orientation, mental or physical disability, age, ancestry, or special need.

5. The public charter school operates in accordance with federal laws and rules governing public schools; applicable provisions of the Arkansas Constitution; and state statutes or regulations governing public schools not waived by the approved charter.

6. The open-enrollment public charter school does not use the moneys that it receives from the state for any sectarian program or activity, or as collateral for debt.

   However, open-enrollment public charter schools may enter into lease-purchase agreements for school buildings built by private entities with facilities bonds exempt from federal taxes under 26 USCS 142(a) as allowed by Arkansas Code Annotated § 6-20-402. No indebtedness of an open-enrollment public charter school shall ever become a debt of the state of Arkansas.

7. The open-enrollment public charter school does not impose taxes or charge students tuition or fees that are not be allowable charges in traditional public school districts.

8. The open-enrollment public charter school is not religious in its operations or programmatic offerings.

9. The open-enrollment public charter school ensures that any of its employees who qualify for membership in the Arkansas Teacher Retirement System or the State and Public School Employee Insurance Program are covered under those systems to the same extent any other qualified employee of a traditional school district is covered.

10. The open-enrollment public charter school complies with all health and safety laws, rules and regulations of the federal, state, county, region, or community that apply to the facilities and school property.

11. The employees and volunteers of the open-enrollment public charter school are held immune from liability to the same extent as other school district employees and volunteers under applicable state laws.

12. The open-enrollment public charter school shall be reviewed for its potential impact on the efforts of a public school district to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools.

13. Open-enrollment charter board members and other leaders understand that certain provisions of state law shall not be waived. The public charter school is subject to any prohibition, restriction, or requirement imposed by Title 6 of the Arkansas Code Annotated and any rule and regulation approved by the State Board of Education under this title relating to:

    (a) Monitoring compliance with Arkansas Code Annotated § 6-23-101 et seq. as determined by the Commissioner of the Department of Education;

    (b) Conducting criminal background checks for employees;

    (c) High school graduation requirements as established by the State Board of Education;

    (d) Special education programs as provided by this title;

    (e) Public school accountability under this title;

    (f) Ethical guidelines and prohibitions as established by Arkansas Code Annotated § 6-24-101 *et seq.*, and any other controlling state or federal law regarding ethics or conflicts of interest; and

(g) Health and safety codes as established by the State Board of Education and local governmental entities.

14. The facilities of the open-enrollment public charter school comply with all requirements for accessibility for individuals with disabilities in accordance with the ADA and IDEA and all other state and federal laws.

15. Should the open-enrollment public charter school voluntarily or involuntary close, it is understood that that any fees associated with the closing of the school including, but not limited to, removal of furniture, equipment, general expenses, etc., are the sole responsibility of the sponsoring entity. No indebtedness of any kind incurred or created by the open-enrollment public charter school shall constitute an indebtedness of the state or its political subdivisions, and no indebtedness of the open-enrollment public charter school shall involve or be secured by the faith, credit, or taxing power of the state or its political subdivisions. Upon dissolution of the open-enrollment public charter school or upon nonrenewal or revocation of the charter, all net assets of the open-enrollment public charter school, including any interest in real property, purchased with public funds shall be deemed the property of the state, unless otherwise specified in the charter of the open-enrollment public charter school. If the open-enrollment public charter school used state or federal funds to purchase or finance personal property, real property or fixtures for use by the open-enrollment public charter school, the authorizer may require that the property be sold. The state has a perfected priority security interest in the net proceeds from the sale or liquidation of the property to the extent of the public funds used in the purchase.

Mary Ley
Signature of Charter Leader

12-15-2014
Date

Mary Ley
Printed Name/Position

2014 ESEA Information

Arkansas Arts Academy
Rogers, Arkansas

District:	BENTON COUNTY SCHOOL OF ARTS	**Superintendent:**	PAUL HINES		Report created on: 10/29/2014
LEA:	0440700	**Enrollment:**	791		**% Prof/Adv.**
Address:	8 HALSTED CIR, STE 5	**Attendance:**	95.51	**2014 Math + Literacy**	82.5
Address:	ROGERS, AR 72756	**Poverty Rate:**	33.50	**2013 Math + Literacy**	85.7
Phone:	479-878-2787			**2012 Math + Literacy**	86.8

OVERALL DISTRICT STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	415	422	98.34	481	488	98.57
Targeted Achievement Gap Group	177	178	99.44	201	203	99.01
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	10	10	100.00	14	14	100.00
Hispanic	53	54	98.15	55	56	98.21
White	315	321	98.13	365	371	98.38
Economically Disadvantaged	144	145	99.31	165	167	98.80
English Language Learners	18	18	100.00	22	22	100.00
Students with Disabilities	43	44	97.73	47	48	97.92

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	341	408	83.58	88.16	91.00	213	284	75.00	89.16	93.00
Targeted Achievement Gap Group	125	173	72.25	80.08	91.00	83	120	69.17	81.25	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	1038	1195	86.86	88.16	91.00	711	841	84.54	89.16	93.00
Targeted Achievement Gap Group	351	469	74.84	80.08	91.00	260	341	76.25	81.25	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	n < 10	n < 10	n < 10	79.55		n < 10	n < 10	n < 10	91.67	
Hispanic	39	53	73.58	87.90		24	37	64.86	93.18	
White	263	309	85.11	88.12		159	214	74.30	88.99	
Economically Disadvantaged	110	140	78.57	83.49		74	98	75.51	85.00	
English Language Learners	10	18	55.56	86.76		9	16	56.25	93.75	
Students with Disabilities	17	42	40.48	47.06		10	25	40.00	57.15	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	385	472	81.57	82.97	92.00	172	293	58.70	74.62	81.00
Targeted Achievement Gap Group	144	197	73.10	76.73	92.00	62	122	50.82	67.39	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	1172	1405	83.42	82.97	92.00	582	850	68.47	74.62	81.00
Targeted Achievement Gap Group	420	554	75.81	76.73	92.00	204	343	59.48	67.39	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	9	13	69.23	52.27		n < 10	n < 10	n < 10	50.00	
Hispanic	37	55	67.27	80.72		16	37	43.24	89.77	
White	298	358	83.24	84.43		134	222	60.36	74.55	
Economically Disadvantaged	122	161	75.78	79.88		52	100	52.00	70.00	
English Language Learners	12	21	57.14	72.37		5	16	31.25	87.50	
Students with Disabilities	19	46	41.30	47.06		8	25	32.00	46.43	

2013 SCHOOL GRADUATION RATE					
GRADUATION RATE STATUS:	ACHIEVING				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	36	38	94.74	98.44	94.00
Targeted Achievement Gap Group	16	16	100.00	96.25	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	104	125	83.20	98.44	94.00
Targeted Achievement Gap Group	35	38	92.11	96.25	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	n < 10	n < 10	n < 10	100.00	
Hispanic	n < 10	n < 10	n < 10	100.00	
White	32	34	94.12	97.98	
Economically Disadvantaged	14	14	100.00	96.25	
English Language Learners	n < 10	n < 10	n < 10		
Students with Disabilities	n < 10	n < 10	n < 10	100.00	

District:	BENTON COUNTY SCHOOL OF ARTS	**Superintendent:**	PAUL HINES		Report created on: 10/29/2014
School:	BENTON COUNTY SCHOOL OF ARTS	**Principal:**	JULIA RICE		
LEA:	440701	**Grade:**	K - 8		**% Prof/Adv.**
Address:	2005 S 12TH ST	**Enrollment:**	557	**2014 Math + Literacy**	81.3
Address:	ROGERS, AR 72758	**Attendance:**	95.55	**2013 Math + Literacy**	85.8
Phone:	479-636-2272	**Poverty Rate:**	35.91	**2012 Math + Literacy**	86.8

OVERALL SCHOOL STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	357	363	98.35	373	379	98.42
Targeted Achievement Gap Group	152	153	99.35	155	156	99.36
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Hispanic	45	46	97.83	46	47	97.87
White	268	273	98.17	279	284	98.24
Economically Disadvantaged	126	127	99.21	129	130	99.23
English Language Learners	18	18	100.00	19	19	100.00
Students with Disabilities	34	35	97.14	34	35	97.14

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	287	351	81.77	89.22	91.00	213	284	75.00	89.16	93.00
Targeted Achievement Gap Group	104	149	69.80	81.90	91.00	83	120	69.17	81.25	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	904	1048	86.26	89.22	91.00	711	841	84.54	89.16	93.00
Targeted Achievement Gap Group	311	420	74.05	81.90	91.00	260	341	76.25	81.25	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	n < 10	n < 10	n < 10	79.55		n < 10	n < 10	n < 10	91.67	
Hispanic	31	45	68.89	92.25		24	37	64.86	93.18	
White	220	263	83.65	88.98		159	214	74.30	88.99	
Economically Disadvantaged	93	123	75.61	86.08		74	98	75.51	85.00	
English Language Learners	10	18	55.56	90.63		9	16	56.25	93.75	
Students with Disabilities	11	33	33.33	50.00		10	25	40.00	57.15	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	296	366	80.87	80.06	92.00	172	293	58.70	74.62	81.00
Targeted Achievement Gap Group	104	151	68.87	73.97	92.00	62	122	50.82	67.39	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	915	1101	83.11	80.06	92.00	582	850	68.47	74.62	81.00
Targeted Achievement Gap Group	316	434	72.81	73.97	92.00	204	343	59.48	67.39	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	n < 10	n < 10	n < 10	52.27		n < 10	n < 10	n < 10	50.00	
Hispanic	28	46	60.87	83.07		16	37	43.24	89.77	
White	228	273	83.52	81.25		134	222	60.36	74.55	
Economically Disadvantaged	89	125	71.20	77.21		52	100	52.00	70.00	
English Language Learners	9	18	50.00	71.88		5	16	31.25	87.50	
Students with Disabilities	12	33	36.36	50.00		8	25	32.00	46.43	

District:	BENTON COUNTY SCHOOL OF ARTS	**Superintendent:**	PAUL HINES		Report created on: 10/29/2014
School:	BENTON CTY SCHOOL OF ARTS HIGH	**Principal:**	BARBARA PADGETT		
LEA:	440703	**Grade:**	9 - 12		**% Prof/Adv.**
Address:	506 W POPLAR ST.	**Enrollment:**	234	**2014 Math + Literacy**	87.7
Address:	ROGERS, AR 72756	**Attendance:**	95.41	**2013 Math + Literacy**	85.4
Phone:	479-631-2787	**Poverty Rate:**	27.78	**2012 Math + Literacy**	87.9

OVERALL SCHOOL STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	58	59	98.31	108	109	99.08
Targeted Achievement Gap Group	25	25	100.00	46	47	97.87
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Hispanic	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
White	47	48	97.92	86	87	98.85
Economically Disadvantaged	18	18	100.00	36	37	97.30
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	n < 10	n < 10	n < 10	13	13	100.00

STUDENT PERFORMANCE -- LITERACY					
LITERACY STATUS:	ACHIEVING				
	PERFORMANCE -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	54	57	94.74	79.73	91.00
Targeted Achievement Gap Group	21	24	87.50	62.50	91.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	133	146	91.10	79.73	91.00
Targeted Achievement Gap Group	40	49	81.63	62.50	91.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO	
African American	n < 10	n < 10	n < 10		
Hispanic	n < 10	n < 10	n < 10	25.00	
White	43	46	93.48	82.35	
Economically Disadvantaged	17	17	100.00	62.50	
English Language Learners	n < 10	n < 10	n < 10	25.00	
Students with Disabilities	n < 10	n < 10	n < 10	25.00	

STUDENT PERFORMANCE -- MATHEMATICS					
MATHEMATICS STATUS:	NEEDS IMPROVEMENT				
	PERFORMANCE -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	89	106	83.96	93.81	92.00
Targeted Achievement Gap Group	40	46	86.96	90.63	92.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	257	302	85.10	93.81	92.00
Targeted Achievement Gap Group	104	119	87.39	90.63	92.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO	
African American	n < 10	n < 10	n < 10		
Hispanic	n < 10	n < 10	n < 10	62.50	
White	70	85	82.35	95.06	
Economically Disadvantaged	33	36	91.67	92.86	
English Language Learners	n < 10	n < 10	n < 10	75.00	
Students with Disabilities	7	13	53.85	25.00	

2013 SCHOOL GRADUATION RATE					
GRADUATION RATE STATUS:	ACHIEVING				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	36	38	94.74	98.44	94.00
Targeted Achievement Gap Group	16	16	100.00	96.25	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	104	125	83.20	98.44	94.00
Targeted Achievement Gap Group	35	38	92.11	96.25	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	n < 10	n < 10	n < 10	100.00	
Hispanic	n < 10	n < 10	n < 10	100.00	
White	32	34	94.12	97.98	
Economically Disadvantaged	14	14	100.00	96.25	
English Language Learners	n < 10	n < 10	n < 10		
Students with Disabilities	n < 10	n < 10	n < 10	100.00	

Data for Districts with Similar Demographics Compiled by the ADE

Arkansas Arts Academy
Rogers, Arkansas

Arkansas Arts Academy 9-12

District LEA	District Description	Location ID	Location Description	Enrollment	Total Free & Reduced	Percent Free/Reduced	Grade Low	Grade High	Literacy	Lit EconDis	Math	Math EconDis
1612000	VALLEY VIEW SCHOOL DISTRICT	1612048	VALLEY VIEW HIGH SCHOOL	546	119	21.79%	10	12	88.33%	78.95%	83.33%	73.33%
7203000	FAYETTEVILLE SCHOOL DISTRICT	7203024	MCNAIR MIDDLE SCHOOL	709	160	22.57%	06	07	90.00%	75.84%	87.88%	69.80%
0401000	BENTONVILLE SCHOOL DISTRICT	0401018	J. WILLIAM FULBRIGHT JUNIOR HIGH SCHOOL	726	164	22.59%	07	08	92.26%	82.19%	88.28%	73.51%
7203000	FAYETTEVILLE SCHOOL DISTRICT	7203019	WOODLAND JUNIOR HIGH SCHOOL	777	191	24.58%	08	09	90.78%	79.78%	92.12%	81.63%
1612000	VALLEY VIEW SCHOOL DISTRICT	1612051	VALLEY VIEW JUNIOR HIGH SCHOOL	630	160	25.40%	07	09	93.78%	85.86%	90.79%	79.31%
0440700	BENTON COUNTY SCHOOL OF ARTS	0440703	BENTON CTY SCHOOL OF ARTS HIGH	234	65	27.78%	09	12	94.74%	100.00%	83.96%	91.67%
6047700	ESTEM PUBLIC CHARTER SCHOOL	6047703	ESTEM HIGH CHARTER	504	150	29.76%	09	12	80.31%	82.22%	64.47%	61.54%
6048700	LISA ACADEMY NORTH	6048703	LISA ACADEMY-NLR HIGH SCHOOL	112	37	33.04%	09	12	88.24%	n<10	89.47%	82.61%
7203000	FAYETTEVILLE SCHOOL DISTRICT	7203020	FAYETTEVILLE HIGH SCHOOL EAST	1,895	645	34.04%	09	12	83.15%	62.26%	82.10%	74.45%
6304000	HARMONY GROVE SCH DIST(SALINE)	6304030	HARMONY GROVE HIGH SCHOOL	373	130	34.85%	09	12	76.83%	56.25%	88.54%	85.71%
7202000	FARMINGTON SCHOOL DISTRICT	7202006	FARMINGTON HIGH SCHOOL	707	254	35.93%	09	12	82.25%	79.25%	79.55%	70.23%

Arkansas Arts Academy K-8

District LEA	District Description	Location ID	Location Description	Enrollment	Total Free & Reduced	Percent Free/Reduced	Grade Low	Grade High	Literacy	Lit EconDis	Math	Math EconDis
0442700	RESPONSIVE ED SOLUTIONS NORTHWEST ARK CLASSICAL ACADEMY	0442702	NORTHWEST ARKANSAS CLASSICAL ACADEMY	400	78	19.50%	K	08	92.06%	82.05%	90.27%	75.61%
6047700	ESTEM PUBLIC CHARTER SCHOOL	6047702	ESTEM MIDDLE SCHOOL	475	153	32.21%	05	08	81.92%	76.55%	75.09%	55.90%
6303000	BRYANT SCHOOL DISTRICT	6303028	BETHEL MIDDLE SCHOOL	939	315	33.55%	06	08	86.61%	76.03%	83.50%	69.23%
6302000	BENTON SCHOOL DISTRICT	6302011	BENTON MIDDLE SCHOOL	778	276	35.48%	06	07	81.75%	70.00%	82.28%	69.64%
6041700	LISA ACADEMY	6041702	LISA ACADEMY	539	193	35.81%	06	08	81.94%	67.89%	79.14%	64.21%
0440700	BENTON COUNTY SCHOOL OF ARTS	0440701	BENTON COUNTY SCHOOL OF ARTS	557	200	35.91%	K	08	81.77%	75.61%	80.87%	71.20%
1408000	EMERSON-TAYLOR-BRADLEY SCHOOL DISTRICT	1408018	TAYLOR ELEMENTARY SCHOOL	171	63	36.84%	K	06	91.18%	94.59%	90.20%	89.19%
6601000	FORT SMITH SCHOOL DISTRICT	6601029	JOHN P. WOODS ELEM. SCHOOL	503	189	37.57%	K	06	90.39%	85.42%	91.10%	86.46%
1304000	WOODLAWN SCHOOL DISTRICT	1304014	WOODLAWN ELEMENTARY SCHOOL	292	136	46.58%	K	06	83.44%	77.78%	74.17%	66.67%
2906000	SPRING HILL SCHOOL DISTRICT	2906025	SPRING HILL ELEMENTARY SCHOOL	297	160	53.87%	K	06	89.40%	87.18%	88.08%	84.62%
1408000	EMERSON-TAYLOR-BRADLEY SCHOOL DISTRICT	1408001	EMERSON ELEMENTARY SCHOOL	180	98	54.44%	K	06	77.01%	71.43%	79.31%	71.43%

2015 Renewal Application Cycle

Notification of Charter Authorizing Panel Decision

Arkansas Virtual Academy
North Little Rock, Arkansas

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 19, 2015

Dr. Scott Sides
4702 West Commercial, Suite B3
North Little Rock, Arkansas 72116

RE: Notice of Charter Authorizing Panel Hearing Decision
Arkansas Virtual Academy

Dear Dr. Sides:

On February 18, 2015, the Charter Authorizing Panel met and approved the renewal application for Arkansas Virtual Academy for a period of 5 years. Ark. Code Ann. § 6-23-702(b)(2)(A) allows charter applicants and affected school districts **to request** that the State Board of Education review a final decision of the Charter Authorizing Panel. A request must state the specific reasons that the board should review the decision.

Ark. Code Ann. § 6-23-703(a) requires the State Board of Education to consider requests for review of Charter Authorizing Panel decisions at its next meeting after the decisions are made. Therefore, a review **request** must be submitted, via email, no later than **4:00 p.m. on Tuesday, February 24, 2015,** in order for the request to be included in the State Board of Education agenda materials for the meeting on March 12, 2015. Email the request to ade.charterschools@arkansas.gov. Be advised that the decision of whether to review a Charter Authorizing Panel decision is discretionary. See Ark. Code Ann. § 6-23-702(b)(3). Regardless of whether a review of the panel's decision is requested, the application will be an action item for the State Board of Education on March 12, and, at that time, the board will determine whether or not to review the panel's decision. If the State Board decides to review the panel's decision, the review will take place at a later meeting.

Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue

Cindy Hogue, Director
Office of Educational Options

C: Mr. Kelly Rodgers, Superintendent, North Little Rock School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

2015 Renewal Application Cycle

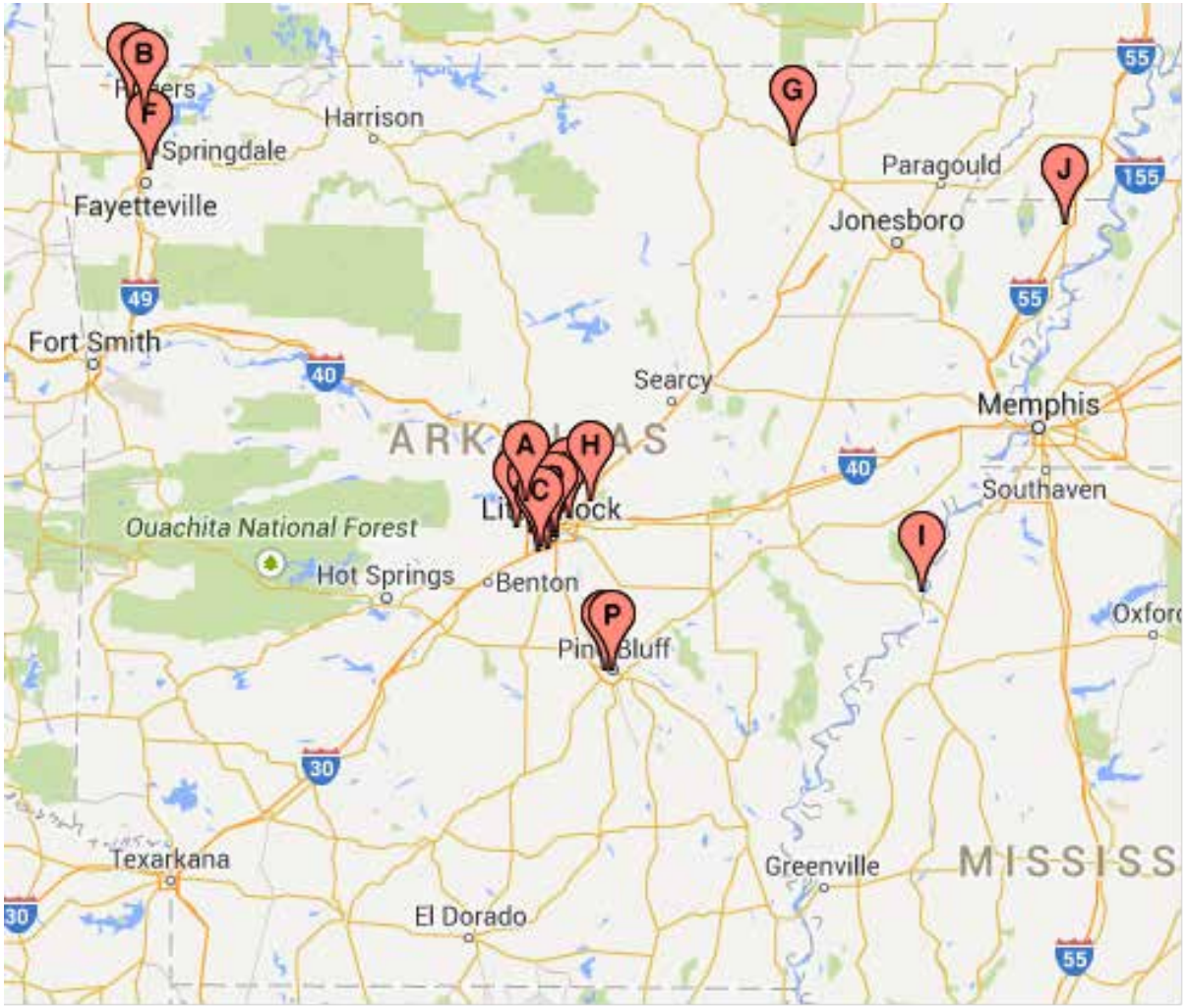
Additional Materials Submitted by the Applicant for the Hearing

Arkansas Virtual Academy
North Little Rock, Arkansas

ARKANSAS℠
VIRTUAL ACADEMY

ARKANSAS VIRTUAL ACADEMY

Arkansas Open-Enrollment Charters



Geography and Opportunity

Open-enrollment charter schools are located in 7 of 75 counties (9.3%)

Arkansas Virtual Academy currently serves students in 71 of 75 counties (94.7%)

An Important Choice for Families

- Mitigate health risks
- Greater flexibility in the event of life-changing illness
- Parents seeking greater involvement with a strong curriculum and involved teachers
- Safety
- Bullying
- Can be very efficient
- Support unique talents
- Accommodate a wide range of student learning
- Individualization can be very powerful

Innovative and Student-Centered

- Research indicates that students achieve when parents are involved in their learning.
- ARVA leverages this relationship, supported by certified teachers and technology.
- Each student in ARVA has an individual learning path and academic plan.
- Planning is focused on the needs of each student.
- Students come to ARVA, in many cases, as an alternative to the traditional setting.
- ARVA offers students in Arkansas a solution that works for them, which has to be the fundamental consideration.

Reliable Record

Eighth year as a charter – first established in 2002

Fully Accredited by the ADE

All Financial Audits – No Findings

Substantial Compliance – Special Education

Challenges

- An expansion of more than 200 percent
- Preparing teachers in a 200 percent growth context
- Preparing for an unknown enrollment
- Expanding to provide the first fully-online high school offering in the state
- Fostering strong and consistent partnerships

ARVA's Growth

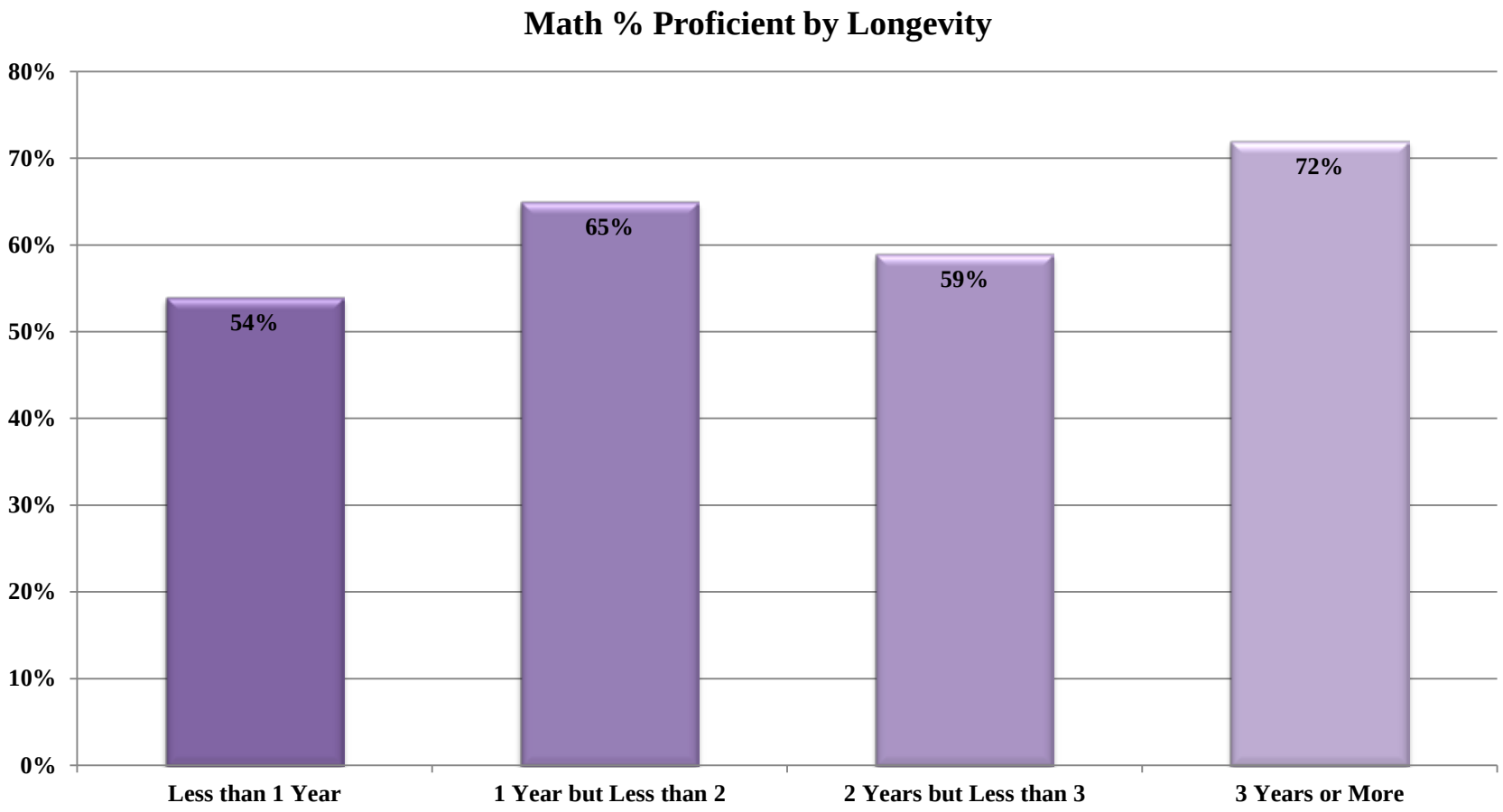
- School Year 2013-2014
  - 4 of 29 teachers had experience teaching virtually
- School Year 2014-2015
  - 25 of 29 teachers returned from previous year
- School Year 2015-2016
  - ARVA Board – Maximum enrollment of 2,000
  - Grades K-11
  - 380 Students Grades 9-11
  - 1,620 Students Grades K-8

ACTAAP Benchmark Exam - Math

- 2012-2013 to 2013-2014 Math
- Math Percent Prof./Adv. 2012-2013
  - 68.8% Prof./Adv. All Students
  - 62.2% Prof./Adv. TAGG
- Math Percent Prof./Adv. 2013-2014
  - 65.3% Prof./Adv. All Students
  - 58.9% Prof./Adv. TAGG

ARKANSAS VIRTUAL ACADEMY

ARVA Benchmark Exam - Math



ARVA ITBS (ACTAAP)

Math: % of 2 Yr Students At or Above State Performance				
Grade	2011	2012	2013	2014
2	57.6%	66.7%	51.5%	44.2%
3	41.4%	45.7%	58.3%	63.3%
4	62.5%	51.5%	55.0%	61.0%
5	51.5%	58.1%	48.8%	51.4%
6	46.4%	41.7%	51.4%	55.3%
7	60.0%	47.8%	40.6%	64.9%
8	61.5%	57.1%	57.9%	63.6%
Overall	54.2%	51.9%	51.7%	56.9%

ARKANSAS VIRTUAL ACADEMY

ARVA ITBS Math (ACTAAP)

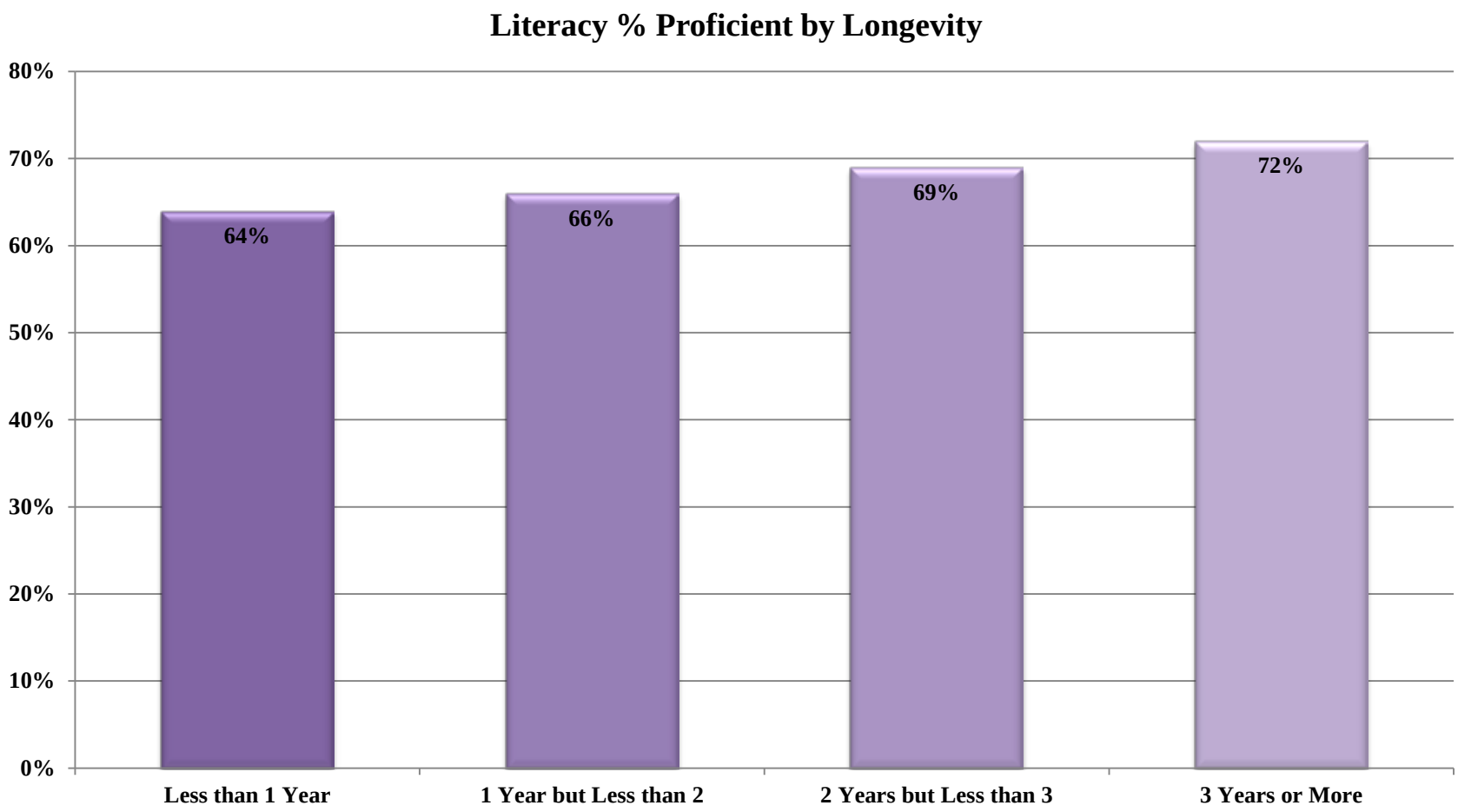
Math: Avg NPR of 2 Yr Students Compared to State Avg NPR												
Grade	2011			2012			2013			2014		
	2+ Yr NPR	State NPR	Δ	District NPR	State NPR	Δ	District NPR	State NPR	Δ	District NPR	State NPR	Δ
2	55.1	58.0	-2.94	66.5	58.0	+8.48	55.2	58.0	-2.8	51.4	58.0	-6.6
3	49.1	57.0	-7.93	53.9	58.0	-4.1	53.8	55.0	-1.2	61.9	54.0	+7.87
4	65.9	62.0	+3.91	55.7	62.0	-6.3	58.8	61.0	-2.2	62.3	61.0	+1.29
5	59.5	57.0	+2.45	63.2	57.0	+6.23	49.6	55.0	-5.4	55.6	54.0	+1.65
6	48.0	57.0	-9.04	48.5	58.0	-9.5	54.5	55.0	-0.5	56.8	54.0	+2.84
7	55.5	55.0	+0.5	51.7	55.0	-3.3	54.3	54.0	+0.25	58.6	53.0	+5.62
8	65.5	55.0	+10.46	60.0	56.0	+3.95	54.8	54.0	+0.79	60.1	53.0	+7.14

ACTAAP Benchmark Exam - Literacy

- 2012-2013 to 2013-2014 Literacy
- Literacy Percent Prof./Adv. 2012-2013
  - 72.8% Prof./Adv. All Students
  - 65% Prof./Adv. TAGG
- Literacy Percent Prof./Adv. 2013-2014
  - 67.6% Prof./Adv. All Students
  - 61.5% Prof./Adv. TAGG

ARKANSAS VIRTUAL ACADEMY

ARVA Benchmark Exam - Literacy



ARKANSAS VIRTUAL ACADEMY

ARVA ITBS (ACTAAP)

Language: % of 2 Yr Students At or Above State Performance				
Grade	2011	2012	2013	2014
2	36.4%	40.7%	54.5%	30.2%
3	41.4%	40.0%	52.8%	56.7%
4	46.9%	42.4%	42.5%	43.9%
5	60.6%	54.8%	51.2%	40.5%
6	42.9%	52.8%	48.6%	60.5%
7	65.0%	47.8%	59.4%	48.6%
8	57.7%	66.7%	52.6%	50.0%
Overall	49.5%	49.3%	49.6%	45.7%

Reading: % of 2 Yr Students At or Above State Performance				
Grade	2011	2012	2013	2014
2	62.5%	61.5%	63.6%	58.1%
3	65.5%	65.7%	61.1%	76.7%
4	75.0%	69.7%	67.5%	70.7%
5	75.8%	87.1%	63.4%	70.3%
6	64.3%	66.7%	77.1%	78.9%
7	70.0%	65.2%	71.9%	67.6%
8	76.9%	81.0%	63.2%	72.7%
Overall	70.0%	70.7%	66.9%	70.2%

ARKANSAS VIRTUAL ACADEMY

ARVA ITBS Language (ACTAAP)

Language: Avg NPR of 2 Yr Students Compared to State Avg NPR												
	2011			2012			2013			2014		
Grade	2+ Yr NPR	State NPR	Δ	District NPR	State NPR	Δ	District NPR	State NPR	Δ	District NPR	State NPR	Δ
2	39.9	53.0	-13.06	52.9	57.0	-4.1	54.2	56.0	-1.8	41.1	55.0	-13.9
3	36.1	44.0	-7.86	40.5	47.0	-6.5	46.1	46.0	+0.08	50.0	44.0	+6.03
4	54.3	54.0	+0.28	46.0	55.0	-9.0	47.3	55.0	-7.7	50.9	55.0	-4.1
5	52.6	49.0	+3.58	55.1	50.0	+5.06	47.8	50.0	-2.2	46.4	50.0	-3.6
6	46.6	49.0	-2.39	52.2	50.0	+2.22	51.1	49.0	+2.09	52.0	49.0	+3.03
7	53.3	47.0	+6.3	47.6	47.0	+0.57	56.0	47.0	+9	48.6	46.0	+2.65
8	54.8	47.0	+7.81	53.3	48.0	+5.29	52.7	48.0	+4.68	49.0	46.0	+2.95

ARKANSAS VIRTUAL ACADEMY

ARVA ITBS Reading (ACTAAP)

Reading: Avg NPR of 2 Yr Students Compared to State Avg NPR												
Grade	2011			2012			2013			2014		
	2+ Yr NPR	State NPR	Δ	District NPR	State NPR	Δ	District NPR	State NPR	Δ	District NPR	State NPR	Δ
2	60.0	59.0	+1	66.8	60.0	+6.85	63.0	59.0	+4	56.5	58.0	-1.5
3	55.9	51.0	+4.9	58.3	51.0	+7.31	56.6	51.0	+5.58	61.8	50.0	+11.77
4	66.7	52.0	+14.66	60.1	52.0	+8.06	63.0	53.0	+10	63.2	52.0	+11.24
5	65.8	47.0	+18.76	69.7	47.0	+22.68	54.3	47.0	+7.32	59.1	47.0	+12.14
6	56.1	47.0	+9.07	62.5	47.0	+15.5	65.0	46.0	+19.03	60.5	46.0	+14.47
7	68.0	51.0	+16.95	57.9	51.0	+6.91	70.2	50.0	+20.16	65.3	49.0	+16.32
8	68.8	53.0	+15.85	71.0	54.0	+16.95	61.6	53.0	+8.63	70.8	52.0	+18.82

Looking Ahead

- Strengthened foundation moving toward 2015-2016
- Established team of administrators
- 94% of teachers have expressed intent to return
- Foundation is set for high school students
- Content-specific model, grades 5-11
- Truancy Coordinator – careful watch and improved communications
- Family Academic Support Team

Recent Innovations and Initiatives

- Individualized Learning Plan
  - Priority Reported Weekly
- Math on Demand
  - Began October 20, 2014
  - Nearly 400 Students
- Family Academic Support Team
  - Helping Students and Families Understand the School in Advance
  - Helping Students and Families Have Greater Success Upon Enrollment

Family Academic Support (FAST)

- Helping Students and Families Understand Online Public Schooling
- Information Sessions During the Summer and School Year
  - Over 1,300 Families Have Attended
- Will Be Specific to School, 2015-2016
- Helping Students and Families Prepare During the Summer
- Helping Students and Families Be Successful Learning Online and at Home
- Supporting Families Who Struggle – FAST First Responders
- Since Beginning November 17, 2014 – 270 Families

Proposed Goals Moving Forward

- Arkansas Virtual Academy will improve student performance in literacy, measured by PARCC or any assessment to which the state may transition, an average of 2% each year, for students enrolled two or more years over a baseline established by the 2014 PARCC administration.
- Arkansas Virtual Academy will improve student performance in math, measured by PARCC or any assessment to which the state may transition, an average of 2% each year, for students enrolled two or more years over a baseline established by the 2014 PARCC administration.
- Students in ARVA's graduation Class of 2018 and beyond, who began the ninth grade with ARVA, will earn an average of 5.5 course credits toward graduation in each year of the charter.
- Arkansas Virtual Academy will demonstrate a satisfaction rate of 95% or higher measured by an annual satisfaction survey.

2014-2015 Application Cycle

Desegregation Analysis

Arkansas Virtual Academy
North Little Rock, Arkansas

MEMO

ARKANSAS DEPARTMENT OF EDUCATION

DATE: February 6, 2015

TO: Charter Authorizer

FROM: ADE Staff

SUBJECT: Desegregation Analysis of Charter Renewal for Arkansas Virtual Academy Public Charter School

I. INTRODUCTION

On October 13, 2003, the State Board of Education (State Board) approved the application of Arkansas Virtual Academy, Inc. to open and operate Arkansas Virtual Academy (ARVA) to serve 500 students in grades K-12 utilizing a completely virtual curriculum.[1] ARVA requests a renewal of its charter for five (5) years.

II. STATUTORY REQUIREMENTS

Although Ark. Code Ann. § 6-23-106 requires the State Board to carefully analyze the impact of any new proposed charter school on the efforts of public school districts to achieve and maintain unitary systems, it does not require the State Board to conduct an analysis of charter renewal or proposed amendments to an existing charter. However, Ark. Code Ann. § 6-23-106(c) states that the State Board "shall not approve any ... act or any combination of acts that hampers, delays, or in any manner negatively affects the desegregation efforts of a public school district or public school districts in this state."

III. INFORMATION SUBMITTED BY THE APPLICANT AND THE AFFECTED SCHOOL DISTRICTS

Arkansas Virtual Academy draws students from throughout the state. The desegregation analysis submitted by ARVA is attached as Exhibit "A".

IV. DATA FROM THE DEPARTMENT

Enrollment as of October 1, 2014, for all public school districts in the state as compared to Arkansas Virtual Academy, is as follows:

[1] ARVA currently has approval through special language from the Arkansas General Assembly to enroll up to 3,000 students.

District	2 or More Races	Asian	African American	Hispanic	Native American, Hawaiian, Pacific Islander	White	Total
State of Arkansas	9,571	7,345	98,720	56,054	6,070	298,323	476,083
	2.52%	1.45%	21.03%	9.24%	1.17%	64.60%	--
ARVA	30	21	144	90	25	1,337	1,647
	0.00%	1.20%	7.80%	3.80%	1.00%	86.20%	--

Source: ADE Data Center, October 1, 2014 Enrollment

V. ANALYSIS FROM THE DEPARTMENT

"Desegregation" is the process by which a school district eliminates, to the extent practicable, the lingering negative effects or "vestiges" of prior *de jure* (caused by official action) racial discrimination. The Department is aware of pending desegregation orders affecting the Little Rock (LRSD), North Little Rock (NLRSD) and Pulaski County Special School Districts (PCSSD) (*Little Rock School District, et al. v. Pulaski County Special School District, et al.,* Case No. 4:82-cv-866, United States District Court–Eastern District of Arkansas). However, in recent litigation related to the impact of charter schools on desegregation, none of the three districts has alleged any adverse impact on desegregation by Arkansas Virtual Academy.

Because Arkansas Virtual Academy draws students from throughout the state, the State Board must ensure that any act it approves, including approval of charter renewal, does not hamper, delay, or in any manner negatively affect the desegregation efforts of any public school district. 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,* 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).

V. CONCLUSION

As stated above, Arkansas law does not allow the authorizer to approve any public charter school that "hampers, delays, or in any manner negatively affects the desegregation efforts" of a public school district. Ark. Code Ann. § 6-23-106(c). 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, 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).*

It is difficult to conclude, from data currently available, that the proposed charter school is motivated by an impermissible intent to segregate schools. Although ADE is aware of various desegregation orders affecting districts throughout the state, we have no reason to believe that the number of students who will attend ARVA will be significant enough to impact any district's desegregation obligations. However, the authorizer should carefully examine the proposed charter school application in an attempt to determine whether there are legitimate, non-racially motivated reasons for the charter school's existence.

Arkansas Virtual Academy
2015 Renewal Application
New Waivers Requested

1. Vocal and Instrumental Music

Section 9.03.4.5 of the ADE Rules Governing Standards for Accreditation

Arkansas Virtual Academy is requesting a waiver from the requirement that 1 unit of vocal music and 1 unit instrumental music each be offered within the required curriculum to be taught annually. The online environment is not conducive to the performance requirement described for vocal music and instrumental music.

Legal Comments: The Authorizer lacks the authority to grant this waiver.

DESGREGATION ANALYSIS: Not responsive; ARVA must include its own desegregation analysis.

Desegregation Assurances

The Arkansas Virtual Academy's administrative offices are located within the boundaries of the North Little Rock School District (NLRSD).

As such, Arkansas Virtual Academy offers this Desegregation Analysis in accordance with the requirements of Ark. Code Ann. §6-23-106 to carefully review the potential impact its continued operation would have upon the school districts of the state as a whole, to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated schools, but with particular attention to the NLRSD, Little Rock School District (LRSD), and the Pulaski County Special School District (PCSSD). Arkansas Virtual Academy has substantiated that the LRSD and the NLRSD have been found by the federal District Court to be unitary in all respects of their school operations. PCSSD has been determined by the federal District Court to be unitary in all respects concerning inter-district student assignment. The importance of the attainment of unitary status of the LRSD and the NLRSD, and the status of PCSSD as unitary in the area of inter-district student assignment, is that those school districts have no further obligations to comply with court orders in these areas. Therefore, the granting of the renewal of Arkansas Virtual Academy's open-enrollment public school charter cannot be said to have a negative impact on the PCSSD, LRSD, and NLRSD's ability to comply with any District Court Orders or statutory obligations to create and maintain a unitary system of desegregated public schools.

Arkansas Virtual Academy draws students from many school districts across the state, as well as students who were formerly in private schools or were home schooled, with its on-line offerings. Arkansas Virtual Academy provides particular opportunities to children, who for any number of reasons, are not able to attend school in a traditional school district. Many of the students enrolled at Arkansas Virtual Academy, therefore, would not be able to attend a traditional school district.

Because all public school districts in Arkansas from which Arkansas Virtual Academy draws students are unitary in student assignment or otherwise not under any court orders to

EXHIBIT
A

desegregate, the renewal of its charter can have no negative affect on the desegregation efforts of any public school district in this state.

Arkansas Virtual Academy is an open-enrollment public charter school and, therefore, must admit all applicants that apply, unless there are more applicants than spaces, in which case Arkansas Virtual Academy must fill spaces according to a random, anonymous lottery. Therefore, Arkansas Virtual Academy cannot predict its future student demographics.

According to the 2014-2015 school year enrollment figures as maintained by the ADE Data Center, Arkansas Virtual Academy's current enrollment is comprised of 1,647 students of which there are 21 Asian, 144 African American, 90 Hispanic, 21 Native American and 1,337 Caucasian students. The total of 1,647 students would have no material impact on the racial composition of the public school districts in Arkansas, which contain slightly more than 476,000 students. According to the 2014-2015 enrollment figures as maintained by the ADE Data Center, the total enrollment of Arkansas Virtual Academy is slightly more than .003% of that number. According to the 2014-2015 school year enrollment figures as maintained by the ADE Data Center, the NLRSD has a total of 8,576 students, the LRSD has a total of 23,363 students, and the PCSSD has a total of 16,592 students. The combined student population of the three (3) Pulaski County School Districts is 48,531 students. Arkansas Virtual Academy's student enrollment of 1,647 students is equal to approximately 3.4% of the combined student population of the three (3) Pulaski County School Districts.

In 2010, LRSD filed a motion to enforce the 1989 Settlement Agreement in the Pulaski County School Desegregation Case. The federal District Court permitted the Pulaski County open-enrollment public charter schools to intervene to present their arguments against the motion. That motion contends that the operation of open-enrollment public charter schools within Pulaski County interferes with the "M-M Stipulation" and the "Magnet Stipulation" On January 17, 2013, the United States District Judge D.P. Marshall, Jr. denied LRSD's Motion in these words:

"To sum up, LRSD and Joshua's motions fail because, after considering the undisputed facts, and considering those that are disputed in LRSD and Joshua's favor, no reasonable fact finder could conclude that the State is in material breach of the parties' 1989 Settlement Agreement as to open-enrollment charter schools in Pulaski County. The proof of any adverse effect beyond the margin on either the stipulation magnet schools or M-to-M transfers has not materialized. The cumulative effect of open-enrollment charter schools in Pulaski County on the stipulation magnet schools and M-to-M transfers has not, as a matter of law, substantially defeated the relevant purposes of the 1989 Settlement Agreement, the magnet stipulation or the M-to-M stipulation."

Little Rock School District, et al. v. North Little Rock School District et al., Lorene Joshua et al., Arkansas Virtual Academy, et al., Case No. 4:82-CV-866-DPM, U.S. District Court-Eastern Division of Arkansas Western Division, Document 4809, at page 29.

In January, 2014, Judge Marshall accepted a Settlement Agreement which effectively concluded the desegregation case. One of the provisions of the Settlement Agreement was the voluntary dismissal with prejudice of the LRSD's appeal to the Eighth Circuit Court of

Appeals concerning charter school issues. On August 21, 2014, Judge Marshall signed an order which gave final approval to the Settlement Agreement and released the LRSD and NLRSD from the case.

In conclusion, Arkansas Virtual Academy submits that upon the basis of its review, no court orders or statutory obligations affecting the PCSSD, LRSD and NLRSD or any other public school district prohibit the State's charter school authorizer from renewing the charter of Arkansas Virtual Academy for an open-enrollment public charter school which enrolls students statewide and whose administrative offices are located within the boundaries of the NLRSD.

2015 Renewal Application Cycle

Arkansas Virtual Academy Summary

Arkansas Virtual Academy
North Little Rock, Arkansas

ARKANSAS VIRTUAL ACADEMY

Sponsoring Entity:	**Arkansas Virtual Academy Board of Directors**
Addresses:	**4702 West Commercial, Suite B3 North Little Rock, Arkansas 72116**
Grades Served:	**K-10 (Approved K-12)**
Enrollment:	**1647 (2014-2015)**
Maximum Enrollment:	**500 (Charter Contract) 3000(Special Language)**
Number of Years Requested for Renewal:	**5**

From 2014 Arkansas School ESEA Accountability Reports

District	Needs Improvement District
District Attendance Rate	98.89%
	Achieving – Percent Tested
	Needs Improvement – Literacy
	Needs Improvement – Math
Elementary School	
Grades K-5	Needs Improvement School
School Attendance Rate	99.16%
	Achieving – Percent Tested
	Needs Improvement – Literacy
	Needs Improvement – Math
Middle School	
Grades 5-8	Needs Improvement School
School Attendance Rate	98.45%
	Achieving – Percent Tested
	Needs Improvement – Literacy
	Needs Improvement – Math

Special Education Monitoring

January 26, 2011Letter – Commended for being in substantial compliance with state and federal special education regulations. Scheduled for monitoring December 1, 2014 - January 9, 2015.

2012-2013 Accreditation Statuses

Elementary School	Accredited
Middle School	Accredited

Arkansas Comprehensive School Improvement Plans (ACSIP)

Working with ADE School Improvement Specialist

Annual Equity Compliance Report

Submitted the 2013-2014 report

Financial Balances

FISCAL YEAR	GRADE LEVELS	LEGAL BALANCE	CATEGORICAL FUND BALANCE	ADM	ENROLLMENT CAP
2013	K-8	531,167	44	495	500
2014	K-8	683,561	0	498	3000
2015	K-10	Not Available	Not Available	1308	3000
2015 1st Qrt ADM				1507	

Data Sources:
Grade Levels, ADMs and Cap from the year end ADE State Aid Notices
FY13 Legal Balance from the APSCN report dated Cycle 9, 2013
FY14 Legal Balance from the APSCN report dated October 10, 2014
FY13 Categorical Balance from the APSCN report dated November 25, 2013
FY14 Categorical Balance from the APSCN report dated October 10, 2014

2013 Financial Audit

There were no findings for the 2013 annual financial audit

ADE Evaluation and Applicant Responses

Arkansas Virtual Academy
North Little Rock, Arkansas

ARKANSAS VIRTUAL ACADEMY

Sponsoring Entity:	**Arkansas Virtual Academy Board of Directors**
Addresses:	**4702 West Commercial, Suite B3 North Little Rock, Arkansas 72116**
Grades Served:	**K-10 (Approved K-12)**
Enrollment:	**1647 (2014-2015)**
Maximum Enrollment:	**500 (Charter Contract) 3000(Special Language)**
Number of Years Requested for Renewal:	**5**

CONTACT INFORMATION

Applicants are requested to provide complete contact information.

Evaluation Criteria:

A response that is fully responsive will include the following:

- The names of the sponsoring entity and charter school;
- The LEA number;
- Complete contact information for the school principal/director and board chair;
- The number of years requested for renewal, that does not exceed 20; and
- Date of the governing board's approval of the renewal application.

FULLY RESPONSIVE

SECTION 1: GENERAL DESCRIPTION OF THE CHARTER SCHOOL'S PROGRESS AND DESEGREGATION ANALYSIS

Part A: Charter School Progress

Applicants are requested to provide a narrative about the successes of the charter during the current contractual period.

Evaluation Criteria:

A response that is fully responsive will include:

- A comprehensive narrative that identifies and describes multiple successes of the charter school during the current contractual period.

FULLY RESPONSIVE

Part B: Desegregation Analysis

Applicants are requested to describe the current and potential impact of the charter on the efforts of affected public school district(s) to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools

Evaluation Criteria:

A response that is fully responsive will include:

- Assurance that the charter school will comply with all applicable federal and state statutory and regulatory requirements regarding the creation and maintenance of desegregated public schools; and

- An outline of the potential impact of the proposed charter school on those desegregation efforts already in place in affected public school districts.

See Legal Review Document for Any Comments

SECTION 2: COMPOSITION OF THE CHARTER SCHOOL'S GOVERNING BOARD AND RELATIONSHIPS TO OTHERS

Part A: Composition of Governing Board
Applicants are requested to describe the charter school's governance structure.

Evaluation Criteria:
A response that is fully responsive will include:
- A description of the charter school's governance structure;
- An explanation of the selection process for charter board members;
- An explanation of the authority of the board; and
- An explanation of the responsibilities of the board.

FULLY RESPONSIVE

Part B: Disclosure Information
Applicants are requested to disclose any potential conflicts of interest affecting members of the governing board and employees.

Evaluation Criteria:
A response that is fully responsive will include:
- An itemization of each non-employment contract or lease of the charter school in which any of the charter's administrators, board members, or the family members of administrators or board members have or had a financial interest; and
- An itemization of each family relationship between each member of the charter school's governing board, other board members, and the employees of the charter school.

FULLY RESPONSIVE

SECTION 3: STUDENT AND TEACHER RETENTION

Part A: Student Retention
Applicants are requested to compile and analyze student retention data.

Evaluation Criteria:
A response that is fully responsive will include:
- A complete table with data about students who left the charter prior to completing the highest grade offered at the school; and
- Reasons that can be substantiated for students who leave the charter.

FULLY RESPONSIVE

Comments and Additional Questions:

Explain the configuration of the classes and the average class size.

Describe how a typical class occurs in the virtual setting and describe the teacher student interaction.

Grade	Average Class Size	Configuration	Description
K-2	60 (Student-Teacher Ratio)	Looping	Beginning and developing readers and writers will continue with their teachers until they enter grade 3.
3-4	60 (Student-Teacher Ratio)	Grade Specific	Students will have one teacher for all subjects for the school year.
5-8	60 (Student-Teacher Ratio)	Content Specific	Teachers will give instruction for their content area. Homeroom assignments are made for day to day functioning.
9-10	130-150 (Student-Teacher Ratio)	Content Specific	Weekly classes, remediation sessions, study halls, collaborative sessions, office hours, advisory sessions, one on one sessions as needed

Teachers will typically host a range of 10-20 students for each instructional session and 1-10 during the remediation sessions. Academic leaders and teachers work in partnership to analyze pertinent data, and teachers determine which students should be required to participate in remediation sessions and what content may need additional focus for each student. Teachers assess student learning and evaluate what will be needed for each student based on current and relevant information.

Teachers begin the year building Individualized Learning Plan with all students and parents. Updates occur throughout the year. Examples of interactions between student and teacher are provided.

- Written communications are exchanged via KMail
- Instruction that is based on current standards for each course.
- In preparation for a lesson, teachers use a flipped model where and when it makes the most sense. Current tools, like eduCanon for example, are used to engage students in advance of the student teacher interaction to pre-assess and maximize learning.
- Web cams are used when appropriate or necessary.
- Virtual labs and tours may be used.
- Pre and post assessments are given using virtual tools and or web platforms such as Study Island.
- Breakout rooms provide space and tools for collaborative work for students.
- Student presentations are often made before other students, and developing skills working effectively within a remote web session.
- Discussions, related to content, will take place using Blackboard Collaborative tools such as a microphone, chat window, polls, emoticons, and/or hand raising.
- Like any classroom, teachers work to keep instruction authentic for students where the teacher serves as a facilitator for students who are learning through their interaction with one another.

Arkansas Virtual Academy teachers receive ongoing development and training. One professional development activity has been based on Doug Lemov's book, "*Teach Like a Champion: 49 Techniques That Put Students on the Path to College*". These included researched-based techniques translate well to the virtual setting as well and focus on the following:

- Setting high academic standards
- Planning to ensure success
- Structuring and delivering the lesson
- Engaging the student
- Creating a strong culture
- Setting and maintaining behavioral expectations
- Building character and trust
- Planed and thoughtful pace
- Challenging students to think critically

Part B: Teacher Retention
Applicants are requested to compile and evaluate teacher retention data.

Evaluation Criteria:
A response that is fully responsive will include:

- A complete table with data about teachers who do not return; and
- Reasons that can be substantiated for teachers who leave the charter.

FULLY RESPONSIVE

SECTION 4: TEST DATA

Applicants are requested to review the testing data for the charter and the resident district and describe the ways in which the data support the achievement of the charter's current academic goals.

Evaluation Criteria:
A response that is fully responsive will include:

- A thoughtful narrative describing the ways in which the testing data support the achievement of, or progress toward achieving, the charter's current academic goals.

FULLY RESPONSIVE

Comments and Additional Questions:

Provide the End of Course comparisons for Algebra 1 and Geometry for 7th and 8th grade.

Explain the preparation steps taken to adequately prepare teachers and faculty for the online testing. Include information about devices.

The 2014-2015 school year marks the first year that ARVA has served students in high school grades. Prior to 2014-2015, as a school serving students in grades K-8, Algebra I has been the only course that has been offered which has included an end-of-course exam.

Algebra I EOC

	6th or 7th Grade	8th Grade
April 2012	100% Prof. or Adv.	83% Prof. or Adv.

	N = 2 *(1 Grade 6 and 1 Grade 7)*	*N = 18*
April 2013	33% Prof. or Adv. *N = 3 (Grade 7)*	79% Prof. or Adv. *N = 19*
April 2014	100% Prof. or Adv. *N = 1 (Grade 7)*	83% Prof. or Adv. *N = 63*

Arkansas Virtual Academy's District Testing Coordinator has attended several webinars and trainings offered by the Arkansas Department of Education, Pearson, Questar, etc., and she has worked closely with ARVA administrators, participating in a weekly testing preparation meeting to prepare all needed logistics and protocols for a successful, statewide testing administration. She also participates in weekly meetings with K12 Inc. to network with other testing coordinators, nationally, who will also lead PARCC testing this spring.

Arkansas Virtual Academy teachers have attended multiple training sessions conducted by the District Testing Coordinator regarding all state and district testing for the 2014-2015 school year. Trainings have been provided through interactive web sessions and during face-to-face professional development days with all faculty members. All faculty members who will administer the PARCC have been trained on testing procedures which have included: setting up testing sessions, monitoring tests, troubleshooting testing and computer issues, and safety procedures with all technology. All ARVA faculty are working to prepare students for the test and are being trained in how to appropriately ensure that accommodations are provided at each site. Procedures for test security, chain of custody, procedures for testing day, and emergency procedures are part of the site coordinator training.

Test site coordinators are participating in site-based trials, conducted at each testing site to provide an authentic opportunity to prepare and practice all functional understandings needed to successfully lead the testing effort. For PARCC testing, HP Streams will be used for student testing, and HP Model 635 will be used for proctor computers. Please see the HP Stream specification provided.

Part Description	HP Stream Commercial
Screen	11.6" HD Anti-Glare LED Display (1366 X 768)
Operating System	Windows 8.1 Pro 64 for Education
Processor	Intel Bay Trail N2840 Processor (2.58 GHz, 1 MB cache, 2 cores) w/Intel HD Graphics
Memory	2 GB DDR3L Memory
Storage	2 GB eMMC HDD
Battery	3-cell, 37 Wh Li-ion polymer * estimated 8 hours
Misc.	Fanless design
Misc.	TPM

Part Description	HP 635
Screen	15.6-inch diagonal LED-backlit HD anti-glare (1366 x 768)
Operating System	Windows 7 Professional 32-bit
Processor	AMD Dual Core Processor E300 (1.3GHz, 1MB L2 cache) w/ Integrated ATI Mobility Radeon™ HD 4250
Memory	4 GB DDR3 SDRAM
Storage	320 GB

Misc.	19mm thin clamshell design
Audio	Sound - DTS Audio
Ports	1 USB 3.0; 2 USB 2.0; 1 HDMI; 1 headphone/microphone combo
Additional Slots	Expansion Slots 1 multi-format SD media card reader
Dimensions	11.81 x 8.1 x 0.78 in
Weight	Weight 2.82 lbs.
Network	Wireless 802.11b/g/n (1x1); Bluetooth®
Power Supply	45 W AC power adapter

Battery	6-cell (47 WHr) Lithium-Ion battery
Audio	Altec Lansing speakers High Definition Audio w/ Microphone
Ports	3 USB 2.0, 1 LAN, 1 Mic input, 1 Headphone output, 1 VGA, 1 HDMI
Additional Slots	Multi MediaCard , SD Memory Card reader, DVD±RW Drive
Dimensions	Depth: 9.7 in Height: 1.4 in Width: 14.8 in
Weight	5.5 lbs
Network	Realtek RTL8191SE 802.11b/g/n 1x1 WiFi Adapter
Power Supply	Form Factor: External Frequency Required: 50/60 Hz Nominal Voltage: AC 120/230 V Power Provided: 65 Watt Voltage Provided: 18.5 V

SECTION 5: ACADEMIC PERFORMANCE GOALS

Part A: Current Performance Goals
Applicants are requested to evaluate the progress toward achieving each of the charter's current student academic performance goals and provide supporting documentation that demonstrates the progress.

Evaluation Criteria:
A response that is fully responsive will include:

- A narrative description of the charter's progress toward achieving each goal; and
- Supporting data that documents the charter's progress in achieving each goal.

FULLY RESPONSIVE

Comments and Additional Questions:

Confirm if this is a complete list of the charter's goals going forward, or are there any additional old goals that should still be included moving forward. Consider that the benchmark exams no longer exist. Consider using more general language for meeting statewide assessment goals.

Clarify which assessments are being used at each grade level on the charts included on page 15 of the application.

The new goals listed are a complete list of the goals that the charter is proposing as we move forward. As the school has changed and has continued to develop, and with new assessments now before us, the content of the previous goals are believed to be overshadowed by the measurement of Common Core State Standards through PARCC or a similar exam, as the state believes appropriate.

On page 15, the "Literacy % Proficient by Longevity" graph and corresponding table on page 14, include only Augmented Benchmark Examination outcomes for students in grades 3-8. This is also true for the "Mathematics % Percent by Longevity" graph and table on page 18. The "% of Students At or Above State Performance" and "Avg NPR of 2 Yr Students Compared to State Avg NPR" tables report outcomes only from the Iowa Test of Basic Skills (ITBS).

Part B: New Performance Goals

It is understood that during the term of the charter renewal, the charter is expected to meet all goals and/or objectives set by the state.

Arkansas Virtual Academy will improve student performance in literacy, measured by PARCC or any assessment to which the state may transition, an average of 2%, each year, for students enrolled in ARVA for two or more years over a baseline established from the 2014 PARCC administration.

Arkansas Virtual Academy will improve student performance in math, measured by PARCC or any assessment to which the state may transition, an average of 2%, each year, for students enrolled in ARVA for two or more years over a baseline established from the 2014 PARCC administration.

Students in ARVA's graduating Class of 2018 and beyond, who began the ninth grade with ARVA, will earn an average of 5.5 course credits toward graduation in each year of the charter.

Arkansas Virtual Academy will demonstrate a satisfaction rate of 95% or higher measured by an annual satisfaction survey.

Part B: New Performance Goals
Applicants are required to confirm their understanding that achieving all goals and/or objectives set by the state, during the period of renewal, is expected and to develop other student academic achievement performance goals for the renewal contract period.

Evaluation Criteria:
A response that is fully responsive will include:

- A confirmation that the charter is expected to achieve all goals and/or objectives set by the state; and
- For other student academic performance goals -
    - Measureable student academic performance goals;
    - The specific tool that will be used to measure academic performance for each goal;
    - The level of performance that will demonstrate success; and

- The timeframe for achieving each goal.

FULLY RESPONSIVE

SECTION 6: FINANCE

Applicants are requested to discuss corrective actions for any findings in the most recent financial audit reports prepared during the current contractual period.

Evaluation Criteria:
A response that is fully responsive will include the following:
- Each finding from the financial audit reports **or a statement that there were no findings**;
- A statement for each finding to indicate if it had been noted in prior year audits;
- Corrective actions take to rectify each issue; and
- The date by which each issue was or will be corrected.

FULLY RESPONSIVE

SECTION 7: WAIVERS

Applicants are requested to review the current waivers approved for the charter and to identify any changes requested in the charter's waivers from Title 6 of Arkansas Code Annotated, State Board of Education Rules and Regulations, and/or the Standards for Accreditation.

Part A: New Waiver Requests
Applicants are requested to identify any additional law and rule that the authorizer is requested to waive.

Evaluation Criteria:
A response that is fully responsive will include:
- A list of each law and rule that the charter would like to have waived; and
- A rationale for each waiver request or **a statement saying that no new waivers are requested**.

See Legal Review Document for Any Comments

Part B: Waivers to Be Rescinded
Applicants are requested to identify any waiver that is no longer needed.

Evaluation Criteria:
A response that is fully responsive will include:
- An itemized list of each current waiver the charter would like to have rescinded; and
- A rationale for each request or **a statement saying that the charter wishes to maintain all currently approved waivers**.

See Legal Review Document for Any Comments

SECTION 8: REQUESTED AMENDMENTS

Applicants are requested to identify and explain amendment requests.

Evaluation Criteria:
A response that is fully responsive will include:
- A list of any requested charter amendments **or a statement that no amendments are being requested**;
- A rationale for each amendment requested; and
- A budget, showing that the charter will be financially viable, if there is an amendment request to change grade levels, the enrollment cap, the location of a campus, and/or an additional campus.

FULLY RESPONSIVE

Legal Review of Waivers Requested

Arkansas Virtual Academy
North Little Rock, Arkansas

Arkansas Virtual Academy
2015 Renewal Application
New Waivers Requested

1. Vocal and Instrumental Music

Section 9.03.4.5 of the ADE Rules Governing Standards for Accreditation

Arkansas Virtual Academy is requesting a waiver from the requirement that 1 unit of vocal music and 1 unit instrumental music each be offered within the required curriculum to be taught annually. The online environment is not conducive to the performance requirement described for vocal music and instrumental music.

Legal Comments: The Authorizer lacks the authority to grant this waiver.

Remaining Issues: The Authorizer lacks the authority to grant this waiver. The applicant should confirm it no longer seeks this waiver.

DESGREGATION ANALYSIS: Not responsive; ARVA must include its own desegregation analysis;

Remaining Issues: None; Desegregation analysis responsive

Desegregation Assurances

The Arkansas Virtual Academy's administrative offices are located within the boundaries of the North Little Rock School District (NLRSD).

As such, Arkansas Virtual Academy offers this Desegregation Analysis in accordance with the requirements of Ark. Code Ann. §6-23-106 to carefully review the potential impact its continued operation would have upon the school districts of the state as a whole, to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated schools, but with particular attention to the NLRSD, Little Rock School District (LRSD), and the Pulaski County Special School District (PCSSD). Arkansas Virtual Academy has substantiated that the LRSD and the NLRSD have been found by the federal District Court to be unitary in all respects of their school operations. PCSSD has been determined by the federal District Court to be unitary in all respects concerning inter-district student assignment. The importance of the attainment of unitary status of the LRSD and the NLRSD, and the status of PCSSD as unitary in the area of inter-district student assignment, is that those school districts have no further obligations to comply with court orders in these areas. Therefore, the granting of the renewal of Arkansas Virtual Academy's open-enrollment public school charter cannot be said to have a negative impact on the PCSSD, LRSD, and NLRSD's ability to comply with any District Court Orders or statutory obligations to create and maintain a unitary system of desegregated public schools.

Arkansas Virtual Academy draws students from many school districts across the state, as well as students who were formerly in private schools or were home schooled, with its on-line offerings. Arkansas Virtual Academy provides particular opportunities to children, who for any

number of reasons, are not able to attend school in a traditional school district. Many of the students enrolled at Arkansas Virtual Academy, therefore, would not be able to attend a traditional school district.

Because all public school districts in Arkansas from which Arkansas Virtual Academy draws students are unitary in student assignment or otherwise not under any court orders to desegregate, the renewal of its charter can have no negative affect on the desegregation efforts of any public school district in this state.

Arkansas Virtual Academy is an open-enrollment public charter school and, therefore, must admit all applicants that apply, unless there are more applicants than spaces, in which case Arkansas Virtual Academy must fill spaces according to a random, anonymous lottery. Therefore, Arkansas Virtual Academy cannot predict its future student demographics.

According to the 2014-2015 school year enrollment figures as maintained by the ADE Data Center, Arkansas Virtual Academy's current enrollment is comprised of 1,647 students of which there are 21 Asian, 144 African American, 90 Hispanic, 21 Native American and 1,337 Caucasian students. The total of 1,647 students would have no material impact on the racial composition of the public school districts in Arkansas, which contain slightly more than 476,000 students. According to the 2014-2015 enrollment figures as maintained by the ADE Data Center, the total enrollment of Arkansas Virtual Academy is slightly more than .003% of that number. According to the 2014-2015 school year enrollment figures as maintained by the ADE Data Center, the NLRSD has a total of 8,576 students, the LRSD has a total of 23,363 students, and the PCSSD has a total of 16,592 students. The combined student population of the three (3) Pulaski County School Districts is 48,531 students. Arkansas Virtual Academy's student enrollment of 1,647 students is equal to approximately 3.4% of the combined student population of the three (3) Pulaski County School Districts.

In 2010, LRSD filed a motion to enforce the 1989 Settlement Agreement in the Pulaski County School Desegregation Case. The federal District Court permitted the Pulaski County open-enrollment public charter schools to intervene to present their arguments against the motion. That motion contends that the operation of open-enrollment public charter schools within Pulaski County interferes with the "M-M Stipulation" and the "Magnet Stipulation" On January 17, 2013, the United States District Judge D.P. Marshall, Jr. denied LRSD's Motion in these words:

"To sum up, LRSD and Joshua's motions fail because, after considering the undisputed facts, and considering those that are disputed in LRSD and Joshua's favor, no reasonable fact finder could conclude that the State is in material breach of the parties' 1989 Settlement Agreement as to open-enrollment charter schools in Pulaski County. The proof of any adverse effect beyond the margin on either the stipulation magnet schools or M-to-M transfers has not materialized. The cumulative effect of open-enrollment charter schools in Pulaski County on the stipulation magnet schools and M-to-M transfers has not, as a matter of law, substantially defeated the relevant purposes of the 1989 Settlement Agreement, the magnet stipulation or the M-to-M stipulation."

Little Rock School District, et al. v. North Little Rock School District et al., Lorene Joshua et al., Arkansas Virtual Academy, et al., Case No. 4:82-CV-866-DPM, U.S. District Court-Eastern Division of Arkansas Western Division, Document 4809, at page 29.

In January, 2014, Judge Marshall accepted a Settlement Agreement which effectively concluded the desegregation case. One of the provisions of the Settlement Agreement was the voluntary dismissal with prejudice of the LRSD's appeal to the Eighth Circuit Court of Appeals concerning charter school issues. On August 21, 2014, Judge Marshall signed an order which gave final approval to the Settlement Agreement and released the LRSD and NLRSD from the case.

In conclusion, Arkansas Virtual Academy submits that upon the basis of its review, no court orders or statutory obligations affecting the PCSSD, LRSD and NLRSD or any other public school district prohibit the State's charter school authorizer from renewing the charter of Arkansas Virtual Academy for an open-enrollment public charter school which enrolls students statewide and whose administrative offices are located within the boundaries of the NLRSD.

Application

Arkansas Virtual Academy
North Little Rock, Arkansas

Open-Enrollment Public Charter School Renewal Application

Deadline for Submission: December 18, 2014

Charter School: Arkansas Virtual Academy

Arkansas Department of Education

Charter School Office
Four Capitol Mall
Little Rock, AR 72201
501.683.5313

Contact Information

Sponsoring Entity:	**Arkansas Virtual Academy Board of Directors**
Name of Charter School:	**Arkansas Virtual Academy**
School LEA #	**6043**
Name of Principal/Director: **Mailing Address:** **Phone Number:** **Fax Number:** **E-mail address:**	**Dr. Scott Sides** **4702 West Commercial, Suite B3, NLR 72116** **(501) 664-4225** **(501) 664-4226** **ssides@arva.org**
Name of Board Chairman: **Mailing Address:** **Phone Number:** **Fax Number:** **E-mail address:**	**Mr. John Riggs** **P.O. Box 1399, Little Rock, AR 72203-1399** **501-570-3528** **501-664-4225** **johnr@jariggs.com**

Number of Years Requested for Renewal (1-20): Five Years

Renewal Application Approval Date by the School/Entity Board(s): December 16, 2014

Section 1 – General Description of the Charter School's Progress and Desegregation Analysis

Part A: Charter School Progress

Provide a narrative about the successes of the charter during the current contractual period.

Arkansas Virtual Academy (ARVA), as a charter school, was preceded by Arkansas Virtual School which was among the first full-time virtual schools in the country, established in 2002. After twelve years, and eight years as an open-enrollment public charter school, virtual schools have changed a great deal in a relatively short period of time. Adapting to a rapidly changing landscape and serving as the state's only fully-virtual online offering to students statewide, ARVA continues to meet the call as an important laboratory for learning within the state of Arkansas and provides a needed option for students and families who might otherwise have no choice in public schooling.

An important facet of virtual learning continues to be the opportunity to receive a public education in a wide range of student circumstance. It is not an uncommon occurrence for families to choose online public schooling to mitigate health risks during treatment or to mitigate interruptions in student learning in the event of life-changing illness. Families regularly report that ARVA has positively changed the life of their student and provided an option that has allowed a greater opportunity for learning in the context of a broad set of unique student needs. In September 2014, a survey was issued to families enrolled in virtual academies. Twenty-one percent of all parents, and 31 percent of high school parents, reported choosing online virtual learning because their student was bullied. Ninety-one percent of families who chose virtual learning as the result of bullying indicated that learning virtually had been "very helpful" in dealing with the bullying issue. The issue of bullying has been established as an on-going and difficult challenge, and we understand that students cannot learn when their safety needs have not been met. In every case where Arkansas Virtual Academy has provided relief from concerns of health or safety, we have been successful for that student and family.

Virtual learning at ARVA continues to focus on the individualization of learning for each student. This practice has improved at ARVA during the current contractual period. This provision requires that 100 percent of students enrolled within ARVA have an individualized learning plan (ILP). The ILP describes a plan for student success which is based on the individual needs of the student, incorporates important and relevant data, and sets an agreed plan between the parent, student, and teacher. Individualized learning plan meetings are held for every student once per semester to update goals, note any needed and agreed changes, and ensure that the document remains a "living" valuable plan to promote student success and a successful collaboration for students. An important and unique attribute of ARVA's approach to the ILP is the ability to track, through systems, the completion of the ILP. Success in this initiative is reported on national calls and with teachers through the receipt of weekly completion reports; further, there is an external review process through which ILP quality is sampled and evaluated. In a high-growth context, a clear focus on the individual learner requires careful and complete focus.

We are very excited about a new initiative called Math on Demand which will provide a flexible support for improved achievement in math. Math on Demand is a readily-available provision of teacher support for students when students need tutoring throughout the day. It is very simple – whenever students in grades three through nine need math tutoring or are experiencing a struggle on math concepts that are being studied, the student has a link to a teacher standing by from 8:00 am to 4:00 pm to assist them in a live, interactive web session. Students may utilize the Math on Demand resource as each student grows in understanding of his or her math needs, and teachers may also send students to Math on Demand for additional work that may be needed. This should be helpful for every student and should be particularly beneficial for students who are working below grade level upon enrollment and who need significant remediation to move toward working successfully at their age-appropriate grade level. This initiative began on October 20, 2014, and more than 200 students have taken advantage of this provision since that time.

During the current contractual period, and beginning in the 2013-2014 school year, ARVA experienced intense growth of nearly 200 percent. When those most knowledgeable and prepared to lead moved into leadership positions, and after 2 of 12 teachers accepted positions teaching where their children were attending school, 4 of a total of 29 teachers had experience teaching within the virtual model when the 2013-2014 school year began. This presented a challenge for the school, but also provided the opportunity for many teachers to grow in a challenging, data-driven learning environment where traditional teaching practices must be adapted to reach students learning at a distance. Twenty-five of twenty-nine teachers returned for the 2014-2015 school year from the 2013-2014 school year, and the faculty has now become established to lead best practice for virtual learning within the state of Arkansas.

In addition to a heavy focus on teacher growth for a team of teachers adapting to teach students virtually, the school has explored strategies needed to support a remote teaching workforce. Two new initiatives that have been deployed to support this effort include WorkTime service client and Voice over Internet Protocol (VoIP) phone service. These two initiatives have allowed an accurate tracking of a remote workforce related to use of one's computer (WorkTime) and phone (VOIP) for instructional and support purposes. Each offers detailed reports by user, allowing an aggregate or individual reports to support a remote teaching force. Both provisions are used to proactively support teacher work with students and families and to help support teachers as they prioritize their work and leverage their expertise within the virtual model. Serving as a laboratory for full-time virtual learning within our state, exploring and developing an improved understanding of the best and most-functional practices are will be very important as we look ahead to increasing online provisions which are growing with each passing year.

As online learning has become more widespread, a tension has developed between increased time during which students learning synchronously (live sessions) and asynchronous learning, which brings greater flexibility for times during which students are able to learn and for the family overall. Our ability to strike the proper balance between synchronous and asynchronous provisions and determine the most effective function of each to individualize and optimize learning for students will be very important in meeting the needs of a diverse learning community. Serving as a laboratory for the state, decisions related to synchronous and asynchronous learning and associated policy developments should be an area where ARVA is able to make great contribution.

During the current contractual period, a transition to a more robust synchronous provision has been underway. As the school has changed somewhat rapidly, the student and family population choosing to learn online and virtually has also changed. Students enrolled in ARVA who have cognitive learning disabilities has grown from 12.8 percent to 14.7 percent, and students qualifying as economically disadvantaged has increased from 60 percent to 66.5 percent. To meet the needs of a new and changing population and with the capacity to leverage increased scale, an instructional transition has been made to be more content-specific by teacher to incorporate a middle school model. This adaptation has brought an improved focus on content standards and skills in instruction across the curriculum, while the additional time commitment for students within interactive web sessions with multiple teachers has reciprocally impacted the flexibility of the model.

In addition to changes that have been needed in how we approach online instruction with students who are learning virtually, the need for an additional layer of support for families to help them successfully engage in learning virtually has become apparent. To meet this need, beginning in the 2014-2015 school year, an initiative to provide greater understanding for parents or learning coaches has been deployed. Through the Family Academic Support initiative, newly-enrolling families are provided training for greater and more immediate success learning online and from home.

The Family Academic Support initiative begins before a family enrolls when information is provided to applicants in advance of enrollment. During this exchange, the most important facets of online learning are shared. These meetings are available three times each week to accommodate parent availability. Learning coaches and students meet in an online classroom to experience what class sessions are like in the online school environment. Parents and students are encouraged to experience online tools that are regularly used within the online classroom. Parents often report positive feelings related to the amount of interaction that takes place in these sessions and between participants. In addition to experiencing the online classroom, information related to accessing coursework, contacting teachers, and a discussion of the roles and responsibilities for learning coach and teacher are included during this two-hour exchange. Fostering a better understanding of school policies, promoting a more complete

understanding of the online learning model for learning coaches, and helping attendees understand the importance of our participation in standardized testing requirements are all incorporated into the session. We also share how to become involved with other ARVA families through opportunities such as national online clubs, local enrichment events, and student outings held throughout the state during the year. Families understand that, once enrolled, new families are assisted by engagement coaches to become acclimated and successful in the online learning environment. Since May, when we began offering the parent information sessions, over 850 people have attended the full meeting with approximately 550 in attendance at summer sessions and 300 attending since school began. We often have multiple adults attend within one family, which should be considered in the total number of attendees, and engagement coaches have welcomed over 700 new families (over 900 K-8 students) to ARVA this year and helped prepare them to be successful learning at ARVA.

An additional and important improvement needed has been in development to provide an earlier understanding of when families are struggling in their pursuit of success within the model. The Family Academic Support Team (FAST) has deployed an outreach program known as the FAST First Responders. Through an open survey and an invitation to families to share their needs, the FAST First Responders, who are a select group of engagement coaches, work to re-engage families who express that they are experiencing difficulty. Engagement coaches review new responses daily and provide direct, specific, and immediate assistance to these families. Since beginning this segment of the Family Academic Support initiative on November 17, 2014, FAST First Responders have received over 650 responses to the survey. Responding to approximately 150 who indicated a moderate to high need for additional support, the First Response team has attempted contact of all families and have successfully brought resolution for nearly 70 percent of these families. Data on the effect of FAST on academic achievement, captured at Georgia Cyber Academy during the 2013-2014 school year, indicated that students served by the FAST program demonstrated improved achievement when compared to similar students who were not able to be served because of resources and staffing.

In summary, Arkansas Virtual Academy has served as a laboratory for virtual learning in the state, and has brought a needed option for learning to many students and families who were deserving of an option, and for whom the school has brought an important alternative. The school has been in a period of very high growth, and learning online brings its challenges. Building an entirely new team of teachers and adapting to the needs of a larger and changing population has also brought challenge, as digital learning has become more deeply integrated into the fabric of education during each year. Changes in population have led to changes in the instructional model as previously described, and the school is working hard to help interested families understand the virtual model to make an informed choice and have success learning online and virtually, and like any school, the virtual model will have its strengths and challenges. As we look ahead, and as ARVA grows on an established foundation, through initiatives like Family Academic Support and adapting instructional practices when needed, we will work diligently to bring consistency in academic outcomes and enrollment.

Part B: Desegregation Analysis

Describe the impact, both current and potential, of the public charter school on the efforts of affected public school district(s) to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools.

The Arkansas Department of Education will complete this analysis.

Section 2 – Composition of the Charter School's Governing Board and Relationships to Others

Part A: Composition of Governing Board

Describe the governance structure of the charter, including an explanation of the board member selection process and the authority and responsibilities of the charter board.

The Arkansas Virtual Academy (ARVA) are governed by the Arkansas Virtual Academy Board of Directors who volunteer their time, talents, expertise, and experience to ensure the school's mission for students. The Board consists of individuals who are leaders in their communities, and the current membership of the ARVA Board provide academic, legal, financial, strategic, medical, operations/logistics, and technology expertise. Members of the ARVA Board hold no financial interest in the charter school or associated charter management organization. Of seven current directors, three directors have, or have had, students enrolled in ARVA.

The ARVA Board of Directors work within the scope of the Board's established By-Laws which describe the process for selecting new members. It is required that the Board be comprised of a minimum of five directors. When a vacancy exists, the Board identifies additional skills needed to achieve an optimal balance of expertise on the Board. When an individual is identified who is believed to possess a desired skill set or area of expertise, the individual is contacted to assess whether she or he has interest in serving. A resume is submitted from any interested candidate for the Board's review. Official nominations for new members are submitted to the Board's Secretary/Treasurer at least two weeks in advance of the meeting where the candidate for director will be reviewed, provided a quorum is present. Directors must be elected by a majority of the Board, and directors may also be removed by a majority vote of the Board.

The Board of Directors meet regularly to review the academic and financial affairs of the school. While the ARVA Board's By-Laws indicate that the Board "shall meet at least quarterly," the ARVA Board has met at least six times in each year of the current contract. The ARVA Board of Directors' primary responsibilities include ensuring the school's mission, setting policy, and ensuring academic and fiscal responsibility through budgetary oversight. The ARVA Board of Directors is empowered to:

- Select educational vendors believed to be the most appropriate in meeting the school's mission
- Employ faculty and staff in accordance with applicable regulations and law
- Engage legal counsel
- Ensure that the school is making progress toward the goals of the charter
- Review and approve policy as appropriate
- Provide financial oversight through budget approval and periodic review
- Hold the management staff accountable for the academic and fiscal responsibility of the school
- Provide support to the school for additional fund-raising, marketing, and other services as needs arise
- Work with the community to develop and advance opportunities for students within the school

The ARVA Board of Directors may, by resolution passed by a majority of the Board, designate one or more committees. Any committee shall consist of one or more directors to engage functions and duties as set forth within the resolution. The Board may also discharge any committee, with or without cause, at any time.

Part B: Disclosure Information

Identify any contract or lease (other than an employment contract), in which the charter is or has been a party, and in which any charter administrator, board member, or an administrator or board member's family member has or had a financial interest.

There have been no contract or lease agreements that require disclosure as described.

Relationship Disclosures

In the first column, provide the name and contact information of each board member. In the second column, provide the name and position (e.g., financial officer, teacher, custodian) of any other board member, charter employee, or management company employee who has a relationship with the board member or state NONE. Describe the relationship in the third column (e.g., spouse, parent, sibling).

Charter School Board Member's Name and Contact Information	Name and Title of Individual Related to Board Member	Relationship
Mr. John Riggs, Board Chair P.O. Box 1399 Little Rock, AR 72203-1399 501-570-3528 johnr@jariggs.com	None	None
Dr. Angela Driskill, Vice-Chair 906 Hilltop Road Alexander, AR 72002 501-847-2505 gadrisk4@gmail.com	None	None
Ms. Cary Hiatt Secretary/Treasurer 16 Village Grove Road Little Rock, AR 72211-2023 (501) 223-8252 chiatt2310@sbcglobal.net	None	None
Mr. Chad Gallagher 523 South Louisiana, Suite 222 Little Rock, Arkansas 72201 chad.gallagher@legacymail.org	None	None
Dr. Gary McHenry 1660 N. Forest Heights Fayetteville, AR 72703 479-466-9758 gmchenry@sbcglobal.net	None	None
Mr. Jess Askew III 124 W Capitol Avenue Little Rock, AR 72201 501-975-3000 jess.askew@kutakrock.com	None	None
Mr. Kevin Smith P.O. Box 504 Helena, AR 72342 870- 338-9094 kasmith@suddenlinkmail.com	None	None

Section 3 – Student and Teacher Retention

Part A: Student Retention

Complete the following Student Retention Table:

Group Combined Over All Years	Total Number	Number Left without Completing the Highest Grade Offered	% Left the Charter	% Left for Other Charter	% Left for Traditional Public	% Left for Private School	% Left for Home School	% Left the State	% Left for Unknown Reasons
All	3,313	1,552	46.9%	Included in Public	63.3%	4%	24.6%	6.2%	1.9%
Free/ Reduced Lunch	2,171	1095	50.4%	Included in Public	64.9%	2.2%	24.2%	8.2%	.05%
Two or More Races	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Asian	37	11	29.7%	Included in Public	45.5%	18.2%	9%	27.3%	0
African American	337	194	57.6%	Included in Public	80.4%	< 1%	11.9%	4.6%	2.6%
Hispanic	107	55	51.4%	Included in Public	63.6%	0	23.6%	10.9%	1.8%
Native American	53	18	34%	Included in Public	55.6%	0	16.7%	22.2%	5.6%
White/ Caucasian/ Undefined	2,735/44	1,274	45.8%	Included in Public	61%	4.6%	26.8%	5.7%	2%
Special Education	428	186	43.5%	Included in Public	61.5%	5%	18.3%	15.1%	0
English Language Learner	0	0	0	0	0	0	0	0	0

Review the data in the Student Retention Table and discuss the reasons that students leave the charter without completing the highest grade offered at the charter.

The Arkansas Virtual Academy offers students a very different learning experience than do traditional brick-and-mortar schools. Making this change is a family and student choice. Arkansas Virtual Academy works diligently to communicate the expectations and to express with candor the experience of a virtual school to families before they make the enrollment decision. Arkansas Virtual Academy also works in creative and meaningful ways to support new families and students as they experience virtual education for the first time. Like any school transition, it takes time for students to become comfortable with their classes, and a thorough understanding of what a day of virtual schooling is like happens with experience learning virtually.

Analysis of student academic performance on state tests across all K12 Inc. managed public schools shows that students who remain enrolled longer perform better. This is true for students whether below grade level, on grade level, or above grade level. It is particularly important to note that the difference in achievement between students who are below grade level, when compared with students who are on or above grade level, narrows significantly after three or more years of continuous enrollment. In reading, grades 3-8, the difference in outcomes narrows from a difference between groups of 29 percentage points to 9 percentage points. In mathematics, the difference improves from a difference between groups of 41 percentage points to 14 percentage points. For all students, the percentage at or above proficiency increases year-over-year, indicating that the narrowing difference in achievement is not a function of the on grade level students declining but of the below grade level students accelerating their growth.

The online, virtual model presents unique challenge related to student withdrawals, as 47 percent of students who were enrolled withdrew from the school before completing the highest grade made available through ARVA. About 63 percent of students withdrawing have returned to traditional public school, four percent reported that they would attend private school, nearly 25 percent indicated that the student would homeschool, and just over six percent withdrew because they were moving out of state. A small number of students were counted in the total who were incarcerated, placed in a residential treatment facility, or who experienced less common circumstances that represented a very small percent of the total.

Twenty percent of students decided not to return at the end of the school year. Data pertaining to specific reasons for leaving are unavailable for those deciding not to return upon conclusion of the school year. One of the most frequently reported reasons for student withdrawal is that circumstances changed where the learning coach could no longer be available, representing eleven percent of student withdrawals. Six percent of parents report family or personal health issues as the reason for leaving, and six percent withdraw as the result of a decision to move out of state. Nine percent of leaving families reported workload, time commitment, or too much structure as their reason for leaving, while seven percent of families reported that they had decided to return to a brick-and-mortar school because learning virtually met a temporary need for the family or because the structure and schedule of learning at home had proven to be very challenging. Four percent left for a more self-paced approach, reporting too much structure and seeking greater flexibility overall. Six percent of withdrawals were related to student socialization. Six percent reported having been accepted into a preferred school or having been accepted from another school's waitlist, and five percent of withdrawing families left to enroll privately to learn using the K^{12} Curriculum.

Slightly more than half of all withdrawals were economically disadvantaged students. When considering that ARVA's student population, during the current contract, has been comprised of no less than 60 percent of students who were economically disadvantaged, and also considering that ARVA's current student population is 67 percent economically disadvantaged, a slightly smaller percent of students who qualify as economically disadvantaged have withdrawn at 50 percent.

It is important to frame ARVA's withdrawals within the context of relevant student mobility statistics. In 2004, the Annual Social and Economic Supplement to the U.S. Census reported that 15 to 20 percent of school-aged children had moved in the previous year. In addition to this, research suggests that students in rural states withdraw at higher rates. When considering the additional eleven percent who reportedly withdraw because the learning coach could not be available and nine percent reporting

workload and time commitment, it becomes resounding clear that the understanding that families have in advance of enrollment is of tremendous important in our efforts to reduce the school's withdrawals.

As the opportunity to learn online and virtually has expanded, helping families understand the model before they enroll has become a clear need and a very high priority. To reduce the number of student withdrawals, the school has taken action to assist families in understanding the online, virtual model in advance of enrollment. Beginning in May of 2014, applicants have been engaged in a two-hour interactive session to promote greater understanding for families applying for enrollment. The purpose of this exchange has been to inform, as families must understand the virtual model in advance of enrollment, and we are making every effort to provide improved understanding. Additional information related to this initiative and the Family Academic Support initiative have been provided in Section 1.

To extend the work being done within the online sessions to promote improved understanding of the model for families in advance of enrollment, face-to-face sessions will be scheduled to take place throughout the state during the summer in advance of the 2015-2016 school year. While the online information session and exchange will continue to be provided and improved, having the opportunity to meet with families at locations throughout the state may reduce withdrawals and help to bring improved understanding for applicants.

In summary, the school is working very diligently to improve the percentage of students who withdraw from the school. All schools experience withdrawals, but helping families make a careful and well-informed choice will be very important. Parent information sessions, offered remotely and throughout the state, and the Family Academic Support initiative, will be important as we work to provide clear information and strong support for families who choose virtual learning for their student. Like all schools, ARVA will continue to experience student withdrawals, while better controlling withdrawals will be a very high priority of the school.

Part B: Teacher Retention

Complete the following Teacher Retention Table:

School Year	Total Number of Teachers	Number Who Returned to Teach at the School the Following Year	% Returned	Number Who Took Other Positions with the Charter Organization	% Took Other Positions with Charter Organization
2010-2011	**13**	**12**	**92%**	**0**	**0**
2011-2012	**12**	**11**	**92%**	**0**	**0**
2012-2013	**12**	**10**	**83%**	**0**	**0**

Review the data in the Teacher Retention Table and discuss the reasons that teachers leave the charter.

From 2010-2011, one teacher left because ARRA funds had been expended. Upon completion of the 2011-2012 school year, one teacher left to advance her career, having been named to a position in higher education and in her local community. Moving from 2012-2013 to 2013-2014, two teachers left to accept positions teaching in schools where their children were attending.

Section 4 – Test Data

Review the following testing data summary, 2011-2013, showing the charter data and the resident school district data. Describe the ways in which the testing data support the achievement of, or progress toward achieving, the charter's current approved academic goals.

Arkansas Virtual Academy
State-Mandated Assessment Scores, 2011-2013

Year	Description	# Tested	% Below Basic	% Basic	% Proficient	% Advanced
Benchmark/Literacy-Combined Population						
2011	ARKANSAS VIRTUAL ACADEMY	300	9.33%	22.33%	40.67%	27.67%
2011	ARKANSAS STATE	854	5.45%	19.90%	40.34%	34.09%
2012	ARKANSAS VIRTUAL ACADEMY	308	8.12%	15.58%	33.12%	43.18%
2012	ARKANSAS STATE	841	4.21%	14.38%	35.71%	45.70%
2013	ARKANSAS VIRTUAL ACADEMY	306	10.46%	17.32%	35.95%	36.27%
2013	ARKANSAS STATE	837	4.86%	15.77%	36.22%	43.14%
Benchmark/Literacy-Economically Disadvantaged						
2011	ARKANSAS VIRTUAL ACADEMY	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
2011	ARKANSAS STATE	529	7.45%	25.41%	42.17%	24.98%
2012	ARKANSAS VIRTUAL ACADEMY	167	10.18%	17.96%	32.34%	39.52%
2012	ARKANSAS STATE	534	5.81%	18.79%	39.69%	35.71%
2013	ARKANSAS VIRTUAL ACADEMY	178	11.80%	21.35%	37.64%	29.21%
2013	ARKANSAS STATE	530	6.57%	20.29%	39.62%	33.52%
Benchmark/Math-Combined Population						
2011	ARKANSAS VIRTUAL ACADEMY	300	10.00%	18.33%	34.67%	37.00%
2011	ARKANSAS STATE	854	9.65%	13.87%	33.01%	43.39%
2012	ARKANSAS VIRTUAL ACADEMY	308	13.64%	16.88%	32.79%	36.69%
2012	ARKANSAS STATE	842	8.94%	13.32%	33.09%	44.66%
2013	ARKANSAS VIRTUAL ACADEMY	306	16.01%	15.36%	31.05%	37.58%
2013	ARKANSAS STATE	838	10.53%	14.52%	33.74%	41.22%
Benchmark/Math-Economically Disadvantaged						
2011	ARKANSAS VIRTUAL ACADEMY	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
2011	ARKANSAS STATE	529	12.84%	17.54%	35.32%	34.30%
2012	ARKANSAS VIRTUAL ACADEMY	167	17.96%	20.36%	29.34%	32.34%
2012	ARKANSAS STATE	534	12.15%	16.87%	36.19%	34.79%
2013	ARKANSAS VIRTUAL ACADEMY	178	16.85%	17.98%	33.15%	32.02%
2013	ARKANSAS STATE	531	13.99%	18.08%	36.01%	31.91%
Benchmark/Science-Combined Population						
2012	ARKANSAS VIRTUAL ACADEMY	103	12.62%	33.98%	39.81%	13.59%
2012	ARKANSAS STATE	286	15.19%	33.97%	38.23%	12.60%
2013	ARKANSAS VIRTUAL ACADEMY	98	16.33%	36.73%	38.78%	8.16%
2013	ARKANSAS STATE	282	15.96%	32.54%	37.62%	13.88%
Benchmark/Science-Economically Disadvantaged						
2012	ARKANSAS VIRTUAL ACADEMY	58	13.79%	34.48%	41.38%	10.34%
2012	ARKANSAS STATE	179	20.74%	38.99%	32.89%	7.38%
2013	ARKANSAS VIRTUAL ACADEMY	56	16.07%	42.86%	37.50%	3.57%
2013	ARKANSAS STATE	178	21.59%	37.67%	32.99%	7.74%

Data above reflects the number of students tested and the percentage scoring in each proficiency category, combined across the grade levels indicated, for all students and for economically-disadvantaged students. Comparison numbers are for all students and economically-disadvantaged students in the same grade levels for the resident public school district. Data assembled and furnished by the Arkansas Research Center, http://arc.arkansas.gov/.

The included comparison data was provided by the Arkansas Department of Education, as part of the school's renewal template, and was prepared by the Arkansas Research Center. In the prepared table, Arkansas Virtual Academy students have been compared to students in the same grade level within their resident district public school district. The comparisons present ARVA students' achievement compared to students in the same grade level within the resident district, as has been footnoted. When tested in April 2011, ARVA's overall percentage who were proficient in literacy was within one percentage point of the district peers, while the percentage of advanced students within the district peer group was 6.42 percent greater. In 2012, the proficiency percentage of the district peer group was 2.59 percent greater, and the percentage of advanced students in the district peer group was 2.52 percent greater in literacy. In 2013, the percentage of the district peer group was 1.98 percent greater, and the percentage of advanced students was 3.64 percent greater for the district peer group.

An adjustment was made during the 2011-2012 school year in order that ARVA students who were economically disadvantaged could be tracked within APSCN. In 2012, the proficiency percentage for the district peer group was 7.35 percent greater, while there were 2.45 percent more students scoring advanced within the ARVA group when comparing the economically disadvantaged scores in literacy between groups. In 2013, the percentage of district peer group students who scored proficient was 1.98 percent greater, and the percentage of the district peer group students who scored advanced was 4.31 percent greater in literacy for students who were economically disadvantaged.

When comparing math performance in 2011, the percentage of ARVA students who demonstrated proficiency was 1.66 percent greater than the district peer group, while the percentage of the district peer group scoring advanced was 6.39 percent greater. In 2012, ARVA's percentage who were proficient was within one percentage point of the district peer group, while the percentage of students who scored advanced in math was 7.97 percent greater within the district peer group. In 2013, the percentage scoring proficient was 2.69 percent greater for the district peer group, and the percentage of students scoring advanced was 3.64 percent greater for the district peer group.

When comparing math performance for students who were economically disadvantaged in 2012, the percent of students who scored proficient was 6.85 percent greater for the district peer group, while the percentage of students who scored advanced was 2.45 percent greater for the ARVA student group for math performance of students identified as economically disadvantaged. In 2013, the percentage of students scoring at the proficient level who were in the district peer group was 2.86 percent greater, while the difference between the two groups was within one percent for students scoring advanced in math who were economically disadvantaged.

When comparing science performance, the percentage of ARVA students who scored at the proficient level was 1.58 percent greater, the percentage of students scoring advanced was greater by about one percent for the ARVA group. In 2013, the percentage of students scoring at the proficient level was 1.16 percent greater for the ARVA student group, while the percentage of students scoring advanced was 5.72 percent greater for the district peer group. When comparing science performance for students who were economically disadvantaged, the percentage of students scoring at the proficient level was 8.49 percent greater for the ARVA student group, and the percentage of students scoring advanced was 2.96 percent greater for the ARVA students. In 2013, the percentage of students scoring at the proficient level was 5.19 percent great for the ARVA student group, while the percentage of student scoring advanced was 4.17 greater for the district peer group in science achievement for students who were identified as economically disadvanated.

Section 5 – Academic Performance Goals

Part A: Current Performance Goals

Goals in Reading

1. Students at Arkansas Virtual Academy will increase academic achievement in literacy as indicated on the benchmark exam and demonstrate proficiency at the state level of AMO.

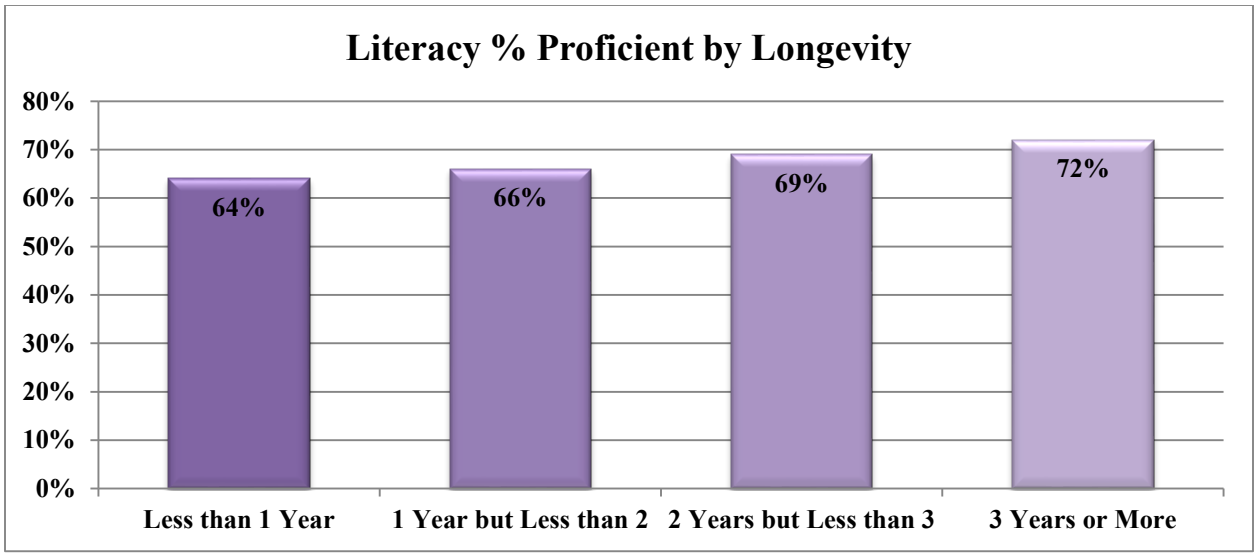
Arkansas Virtual Academy was achieving in 2012, having met AMOs in literacy for all students and TAGG at the district level and within the elementary and middle schools. For both the district and elementary schools, AMOs were achieved for the overall proficiency percentage and the growth calculation. The middle school was designated as achieving through the growth calculation and was .25 of one percent from meeting the overall proficiency AMO for TAGG, while the middle school did achieve the all students AMO.

In 2013, ARVA was achieving as at the district level and within the elementary and middle schools. The district was designated as achieving through the three year growth performance calculation. The elementary school achieved AMOs for all students and TAGG in the overall proficiency calculation, the growth performance calculation, and the three year growth calculation. Annual Measurable Objectives were met for TAGG in the three year average performance calculation, while this measure was missed by .34 of one percent. The middle school was designated as achieving through the three year average performance calculation and the three year growth calculation for all students and TAGG. AMOs were met for the TAGG group in the overall proficiency calculation and three year growth calculation, while the all students measures did not meet the AMOs for overall proficiency or growth at 73.17 percent proficient and 68.18 percent of students meeting growth.

In 2014, ARVA's kindergarten through eighth grade enrollment grew by nearly 200 percent. The district, the elementary school, and the middle school were successful in meeting TAGG AMOs, while the district and both schools missed their AMOs in literacy within the overall proficiency calculation. The overall district percentage of students performing at or above proficient was 67.73 with an AMO target of 75.85, and 67.73 percent of students achieved the growth measure, while the AMO target was 76.17. Achievement outcomes within the elementary school were similar at 63.95 percent of students at or above proficiency with an AMO target of 73.66, and 61.99 percent of students met growth with an AMO target of 73.37 percent. The overall proficiency percentage was comparatively better within the middle school with 70.81 percent of students demonstrating proficiency and 71.00 percent of students achieving growth; however, the AMO targets for the middle school grades were 83.48 percent for the overall proficiency and 83.34 percent for growth.

When viewing proficiency percentages of students in literacy by persistence, a positive trend is observed over time for students who remain enrolled.

Literacy				
	Less than 1 Year	**1 Year but Less than 2**	**2 Years but Less than 3**	**3 Years or More**
% Proficient	64%	66%	69%	72%
Total Count	387	303	39	163



2. On average, students in the program for at least two years will meet or exceed the state and national average as measured by the Complete Battery Percentile Rank (PR) on the state-mandated norm-referenced assessment in literacy.

The overall percentage of students performing at or above the state performance in percentile rank in language was within one percentage point in 2011, 2012, and 2013, while the percentage of ARVA students at or above the state's average percentile rank fell by about four percentage points to 45.7 percent in 2014.

Language: % of 2 Yr Students At or Above State Performance				
Grade	2011	2012	2013	2014
2	36.4%	40.7%	54.5%	30.2%
3	41.4%	40.0%	52.8%	56.7%
4	46.9%	42.4%	42.5%	43.9%
5	60.6%	54.8%	51.2%	40.5%
6	42.9%	52.8%	48.6%	60.5%
7	65.0%	47.8%	59.4%	48.6%
8	57.7%	66.7%	52.6%	50.0%
Overall	49.5%	49.3%	49.6%	45.7%

When comparing the average percentile rank of ARVA students for the language portion of the Iowa Test of Basic Skills by grade against the average percentile rank of the state by grade, students in grades two, three, and four did not perform above the state average in percentile rank, while grades two and three improved in each year since 2011. Please see the table on the following page for comparative data.

Language: Avg NPR of 2 Yr Students Compared to State Avg NPR												
Grade	2011			2012			2013			2014		
	2+ Yr NPR	State NPR	Δ	District NPR	State NPR	Δ	District NPR	State NPR	Δ	District NPR	State NPR	Δ
2	39.9	53.0	-13.06	52.9	57.0	-4.1	54.2	56.0	-1.8	41.1	55.0	-13.9
3	36.1	44.0	-7.86	40.5	47.0	-6.5	46.1	46.0	+0.08	50.0	44.0	+6.03
4	54.3	54.0	+0.28	46.0	55.0	-9.0	47.3	55.0	-7.7	50.9	55.0	-4.1
5	52.6	49.0	+3.58	55.1	50.0	+5.06	47.8	50.0	-2.2	46.4	50.0	-3.6
6	46.6	49.0	-2.39	52.2	50.0	+2.22	51.1	49.0	+2.09	52.0	49.0	+3.03
7	53.3	47.0	+6.3	47.6	47.0	+0.57	56.0	47.0	+9	48.6	46.0	+2.65
8	54.8	47.0	+7.81	53.3	48.0	+5.29	52.7	48.0	+4.68	49.0	46.0	+2.95

Arkansas Virtual Academy students who had been enrolled for at least two years outperformed the state average percentile rank in every year and grade with exception of second grade in 2014.

Reading: % of 2 Yr Students At or Above State Performance				
Grade	2011	2012	2013	2014
2	62.5%	61.5%	63.6%	58.1%
3	65.5%	65.7%	61.1%	76.7%
4	75.0%	69.7%	67.5%	70.7%
5	75.8%	87.1%	63.4%	70.3%
6	64.3%	66.7%	77.1%	78.9%
7	70.0%	65.2%	71.9%	67.6%
8	76.9%	81.0%	63.2%	72.7%
Overall	70.0%	70.7%	66.9%	70.2%

Reading: Avg NPR of 2 Yr Students Compared to State Avg NPR												
Grade	2011			2012			2013			2014		
	2+ Yr NPR	State NPR	Δ	District NPR	State NPR	Δ	District NPR	State NPR	Δ	District NPR	State NPR	Δ
2	60.0	59.0	+1	66.8	60.0	+6.85	63.0	59.0	+4	56.5	58.0	-1.5
3	55.9	51.0	+4.9	58.3	51.0	+7.31	56.6	51.0	+5.58	61.8	50.0	+11.77
4	66.7	52.0	+14.66	60.1	52.0	+8.06	63.0	53.0	+10	63.2	52.0	+11.24
5	65.8	47.0	+18.76	69.7	47.0	+22.68	54.3	47.0	+7.32	59.1	47.0	+12.14
6	56.1	47.0	+9.07	62.5	47.0	+15.5	65.0	46.0	+19.03	60.5	46.0	+14.47
7	68.0	51.0	+16.95	57.9	51.0	+6.91	70.2	50.0	+20.16	65.3	49.0	+16.32
8	68.8	53.0	+15.85	71.0	54.0	+16.95	61.6	53.0	+8.63	70.8	52.0	+18.82

3. Students will complete 90% of the curriculum lessons in literacy.

Language Arts – Percentage of Curriculum Lessons Completed				
	2011-2012	2012-2013	2013-2014	Overall
Annually	91.5%	99%	86%	90%

Percentages were variable by year, while the overall percentage of students completed 90% of the curriculum lessons in literacy. This goal was part of the original charter approved in 2007, and was included in the 2012 renewal. This goal does not hold the relevance within the model that it once held. Originally, interactive web sessions with students did not exist as part of the virtual model or ARVA's instructional plan. With synchronous sessions increasing in frequency, portions of the curriculum have become more reliant on teacher time with the student as opposed to time spent in lessons online and also with the learning coach. The learning coach and online lessons are still vital within the model, but the teacher working with the student online has increased and will continue to increase.

Goals in Mathematics

1. Students at Arkansas Virtual Academy will increase academic achievement in mathematics as indicated on the benchmark and end of course exams and demonstrate proficiency at the state level of Annual Measurable Objective (AMO).

Arkansas Virtual Academy was designated as a district needing improvement in 2012 with 71.91 percent of students achieving proficiency. With 71.91 percent of students demonstrating proficiency, the AMO target was missed by 1.86 percent. Similarly within the elementary school, 70.42 percent of students demonstrated proficiency. With 70.42 percent of students demonstrating proficiency, the AMO target was missed by four percentage points. The middle school was achieving in 2012, as 75.58 percent of students demonstrated proficiency. While not reaching the AMO target for growth within the middle school, the percentage of students meeting growth was 70.49.

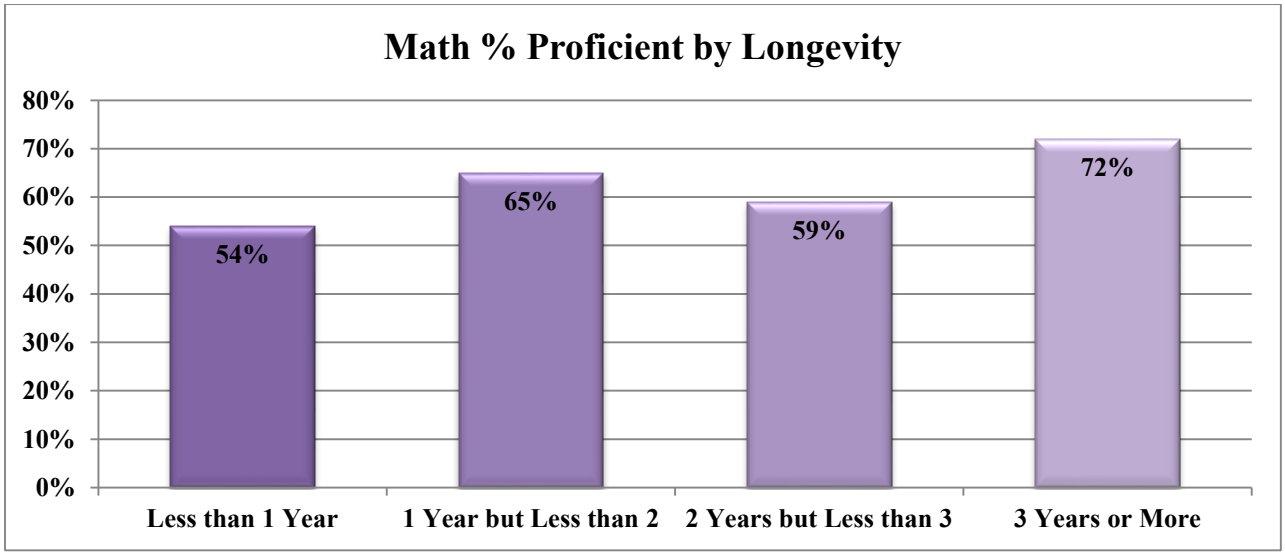
In 2013, the percentage of students demonstrating proficiency within the district was 67.70, which missed the AMO target for math by 8.7 percentage points. Overall, math results in 2013 had slipped. The three year percentage of students performing at proficient in math and within the district was 70.25. Within the elementary school, the percentage of students performing at or above the proficient level was 71.35 percent. This missed the AMO of 77.23 percent for elementary math but followed similar proficiency patters as had been demonstrated across years, having more than 70 percent performing at or above proficiency. Math outcomes in the middle school had fallen to 63.19 percent of students demonstrating proficiency which also lowered the three year average performance within the middle school to 68.09 percent of students performing at or above the proficient level. While the percentage of students scoring proficient had fallen from the prior year, students performing at or above proficiency on the Algebra I End-of-Course exam was 72.72 percent.

In 2014, the percentage of students demonstrating proficiency within the district was 65.25 percent, which missed the district AMO target of 78.76 by 13.51 percent. Within the elementary school, 64.89 percent of students performed at or above the proficient level. This percentage was below the AMO target of 79.51 percent by 14.62 percent. The percentage of students within the middle school scoring at or above proficient was 65.52 percent. This percentage was below the AMO target of 76.69 percent

by 11.17 points. While the average had fallen, students performing at or above the proficient level on the Algebra I End of Course had increased to 76.25 percent.

Overall, math has presented our greatest academic challenge. When viewing proficiency percentages of students by persistence, a positive trend is observed over time for students who remain enrolled. A great deal of our intervention focus has been directed toward math. In order to meet the one page requirement, strategies employed to address goals for improvement will be discussed within the renewal presentation.

Mathematics				
	Less than 1 Year	**1 Year but Less than 2**	**2 Years but Less than 3**	**3 Years or More**
% Proficient	54%	65%	59%	72%
Total Count	387	303	39	163



2. On average, students in the program for at least two years will meet or exceed the state and national average as measured by the Complete Battery Percentile Rank (PR) on the state-mandated norm-referenced assessment in mathematics.

The overall percentage of students performing at or above the state performance in percentile rank in math was above the average percentile rank of the state one percentage point in 2011, 2012, 2013, ad 2014.

Math: % of 2 Yr Students At or Above State Performance				
Grade	2011	2012	2013	2014
2	57.6%	66.7%	51.5%	44.2%
3	41.4%	45.7%	58.3%	63.3%
4	62.5%	51.5%	55.0%	61.0%
5	51.5%	58.1%	48.8%	51.4%
6	46.4%	41.7%	51.4%	55.3%
7	60.0%	47.8%	40.6%	64.9%
8	61.5%	57.1%	57.9%	63.6%
Overall	54.2%	51.9%	51.7%	56.9%

When comparing the average percentile rank of ARVA students for the math portion of the Iowa Test of Basic Skills by grade, the greatest need is observed for students in second grade when compared to other grades. This will be discussed within the renewal presentation.

Math: Avg NPR of 2 Yr Students Compared to State Avg NPR												
Grade	2011			2012			2013			2014		
	2+ Yr NPR	State NPR	Δ	District NPR	State NPR	Δ	District NPR	State NPR	Δ	District NPR	State NPR	Δ
2	55.1	58.0	-2.94	66.5	58.0	+8.48	55.2	58.0	-2.8	51.4	58.0	-6.6
3	49.1	57.0	-7.93	53.9	58.0	-4.1	53.8	55.0	-1.2	61.9	54.0	+7.87
4	65.9	62.0	+3.91	55.7	62.0	-6.3	58.8	61.0	-2.2	62.3	61.0	+1.29
5	59.5	57.0	+2.45	63.2	57.0	+6.23	49.6	55.0	-5.4	55.6	54.0	+1.65
6	48.0	57.0	-9.04	48.5	58.0	-9.5	54.5	55.0	-0.5	56.8	54.0	+2.84
7	55.5	55.0	+0.5	51.7	55.0	-3.3	54.3	54.0	+0.25	58.6	53.0	+5.62
8	65.5	55.0	+10.46	60.0	56.0	+3.95	54.8	54.0	+0.79	60.1	53.0	+7.14

3. Students will complete 90% of the curriculum lessons in Mathematics.

Math – Percentage of Curriculum Lessons Completed				
	2011-2012	2012-2013	2013-2014	Overall
Annually	88.6%	95.7%	76.5%	83.2%

Percentages were variable by year, while the overall percentage of students completed 83.2 percent of the curriculum lessons in math. This goal was part of the original charter approved in 2007, and was included in the 2012 renewal. As previously stated, this goal does not hold the relevance within the model that is once held. Originally, interactive web sessions with students did not exist as part of the virtual model or ARVA's instructional plan. With synchronous sessions increasing in frequency, portions of the curriculum have become more reliant on direct teacher instruction with the student as opposed to time spent in lessons online and also with the learning coach. The learning coach and online lessons are still vital within the model, but the teacher working with the student online has increased and will continue to increase. This is especially true in math where we are focusing instruction more heavily.

Other Goals

1. Students will demonstrate mastery at 80% or above in every completed lesson and unit objective as measured by the assessments within the Online School (OLS).

Arkansas Virtual Academy successfully met this goal each year. Arkansas Virtual Academy students working within the Online School (OLS) are required to complete lessons, demonstrating mastery at 80% of above, in order to advance to the following lesson. Additional lessons and activities may be provided for students once lessons have been mastered, or remediation is provided for students in the event that prior knowledge may need to be addressed in order to gain content mastery.

Part B: New Performance Goals

It is understood that during the term of the charter renewal, the charter is expected to meet all goals and/or objectives set by the state.

Arkansas Virtual Academy will improve student performance in literacy, measured by PARCC, an average of 2%, each year, for students enrolled in ARVA for two or more years over a baseline established from the 2014 PARCC administration.

Arkansas Virtual Academy will improve student performance in math, measured by PARCC, an average of 2%, each year, for students enrolled in ARVA for two or more years over a baseline established from the 2014 PARCC administration.

Students in ARVA's graduating Class of 2018 and beyond, who began the ninth grade with ARVA, will earn an average of 5.5 course credits toward graduation in each year of the charter.

Arkansas Virtual Academy will demonstrate a satisfaction rate of 95% or higher measured by an annual satisfaction survey.

Section 6 – Finance

Review the charter's most recent annual financial audit report. For each finding, address the following:

- If the finding had been noted in any prior year audits;
- The corrective actions taken to rectify the issue; and
- The date by which the issue was or will be corrected.

There were no findings for the 2013 annual financial audit.

Section 7 – Waivers

Review the following list of statutes and rules that have been waived for the charter school:

Waivers from Title 6 of the Arkansas Code Annotated (Education Code)

6-5-405(b)(1)	Pertaining to the requirement for superintendents and assistant superintendents to have professional development on applying for state-supported student financial assistance for higher education
6-10-106	School year dates
6-10-110	School fire marshal program
6-13-109	School superintendent
6-13-608	Length of directors' terms
6-13-611	Vacancies generally
6-13-615	Election—Single member zones
6-13-616	Director eligibility
6-13-619	Monthly meetings
6-13-619(a)(1)(A)	Requiring monthly board meetings
6-13-619(c)(1)(A)	Requiring a board member to be physically present at a meeting to be counted for purposes of a quorum or to vote
6-13-620	Powers and duties
6-13-630	Election by zone and at large
6-13-631	Effect of minority population on election
6-13-634	School district board of directors—Size
6-14-101 et seq.	School Elections
6-15-902(a)	Grading scale—Exemptions—Special education (in grades 3-8, the uniform grading scale is waived only as to non-core courses)
6-15-903(a)(2)	Requiring report cards to be mailed, given to a parent at a conference, or sent home with the student
6-15-1004	Qualified teachers in every public school classroom
6-15-1005(b)(5)	Pertaining to alternative learning environments
6-15-1302	Emergency plan for war or terrorist attack
6-16-102	School day hours (provided that instruction is lengthened beyond six hours a day and not shortened to less than six hours a day)
6-16-108	Daily recitation of the Pledge of Allegiance
6-17-201 et seq.	Requirements—Written personnel policies—Teacher salary schedule
6-17-203	Committees on personnel policies—Members
6-17-302	Principals—Responsibilities
6-17-309	Certification to teach grade or subject matter—Exceptions—Waivers
6-17-401	Teacher licensure requirement
6-17-427	Superintendent license—Superintendent mentoring program required
6-17-902	Definition (definition of a teacher as licensed)
6-17-908	Teachers' salary fund—Authorized disbursements

6-17-919	Warrants void without valid certification and contract (the only requirement which would be waived is the ability to pay a teacher's salary only upon filing of a teacher's certificate with the county clerk's office, if the requirement of a teacher's certificate is waived for such teacher)
6-17-1501 et seq.	Teacher Fair Dismissal Act
6-17-1701 et seq.	Public School Employee Fair Hearing Act
6-17-2301 et seq.	Classified School Employee Personnel Policy Law
6-17-2403	Minimum teacher compensation schedule
6-18-209(b)	Adoption of student attendance policy—Effect of excessive absences
6-18-210	Definition of planned instructional time
6-18-213	Attendance records and reports generally
6-18-503(a)(1)(C)(i)	Pertaining to alternative learning environments
6-18-511	Removal of student from classroom by teacher
6-18-705	School breakfast program
6-18-706	School nurses—Nurse-to-student ratio
6-18-1001 et seq.	Public School Student Services Act
6-18-1005(a)(6)	Health services (requiring individual health care plans for certain students and trained and licensed personnel to perform medical tasks at school)
6-20-2208(c)(6)	Monitoring of expenditures (gifted and talented)
6-21-406	Adoption, sale, or exchange of instructional materials
6-21-413	Textbook selection committee
6-25-101 et seq.	Public School Library and Media Technology Act
6-25-103-106	Requiring a library media program
6-25-104	Library media specialist—Qualifications
6-42-101 et seq.	General Provisions (gifted and talented)
6-48-101 et seq.	Alternative Learning Environments

Waivers from Arkansas Department of Education Rules Governing Standards for Accreditation of Arkansas Public Schools and Districts

9.03.1.2	The Smart Core curriculum contained within 38 units that must be taught each year (to allow the full 38 to be available and taught by the senior year for students entering as 9th or 10th grade students in 2014-2015)
9.03.2.7	Grades K-4 Practical Living Skills/Career Exploration
9.03.3.9	Grades 5-8 Career and Technical Education
9.03.4	Grades 9-12 (courses to be taught, requiring the 38 units of credit) (to allow the full 38 to be available and taught by the senior year for students entering as 9th or 10th grade students in 2014-2015)
10.01.4	Planned instructional time
10.02	Class Size and Teaching Load
10.02.5	Requiring that teachers in Grades 7-12 not be assigned more than 150 students and classes should not exceed 30 students except for exceptional cases or courses that lend themselves to large group instruction (to allow an average of 180 students per teacher in grades 9-12)
10.05	Extracurricular Activities
10.06	Requirements for Participation in Extracurricular Activities
10.07	Homework and Independent Study Skills
12.02	Grading
15.01	School District Superintendent
15.02	Principals
15.03	Licensure and Renewal
16.01	Guidance and Counseling
16.02	Media Services
16.03	Health and Safety Services
18	Gifted and Talented Education

19.03 Pertaining to alternative learning environments

Waivers from Other Rules:

- Alternative learning
- Certified staff salary scale
- Defibrillator devices
- Discipline and school safety policies
- Distance learning
- Expenditure requirements
- Junior Fire Marshal Program
- Purchasing of instructional materials
- ADE Rules Governing Uniform Grading Scales for Public Secondary Schools and for Optional Use in Public Elementary Schools (in grades 3-8, the uniform grading scale is waived only as to non-core courses)
- ADE Rules Governing the Superintendent Mentoring Program
- Section 4 of the ADE Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of those Funds (Pertaining to alternative learning environments)
- ADE Rules Governing Public School Student Services
- ADE Rules for Gifted and Talented Program Approval Standards
- ADE Rules Governing Nutrition and Physical Activity Standards and Body Mass Index for Age Assessment Protocols in Arkansas Public Schools
- ADE Rules Governing Education Licensure
- Section 1-7 of ADE Rules Governing School District Requirements for Personnel Policies, Salary Schedules, Minimum Salaries, and Documents Posted to District Websites (not a waiver of website posting requirements)
- ADE Rules Governing Mandatory Attendance Requirements for Students in Grades Nine through Twelve.

Part A: New Waiver Requests

List each additional law and rule from Title VI of Arkansas Code Annotated, State Board of Education Rules and Regulations, including the Standards for Accreditation, that the charter would like the approved authorizer to waive. Provide the rationale for each new waiver request.

State Board of Education *Standards for Accreditation*

1. Section 9.03.4.5 of the Standards Rules requiring that vocal and instrument music be taught within the required courses which shall be taught annually for a total of 38 units.
   Arkansas Virtual Academy is requesting a waiver from the requirement that 1 unit of vocal music and 1 unit instrumental music each be offered within the required curriculum to be taught annually. The online environment is not conducive to the performance requirement described for vocal music and instrumental music.

Part B: Waivers to Be Rescinded

List each waiver granted by the State Board that the charter would like to have rescinded. If no waivers are listed, the charter may be required to adhere to all waivers listed on both the original and renewal charter documentation.

Arkansas Virtual Academy wishes to maintain all currently approved waivers.

Section 8 – Requested Amendments

List any amendment requests and provide a rationale for each (i.e., changes to grade levels, enrollment cap, location, educational plan). A **budget** to show that the charter will be financially viable **must accompany** any amendment request to **change grade levels, the enrollment cap, relocate, and/or add a campus**.

The Arkansas Virtual Academy Board of Directors is requesting an amendment to the charter's enrollment cap and grade levels. While the enrollment cap and grade levels were indirectly described within Act 1309 of 2013, Arkansas Virtual Academy was effectively changed. Since that time, grades 9 and 10 have been served through ARVA, and the district's current enrollment is 1,644 students. Serving grades 9 and 10 within the Arkansas Virtual Academy district has created a third school – Arkansas Virtual Academy High School. The Arkansas Virtual Academy Board of Directors is requesting that Arkansas Virtual Academy's charter be amended to reflect a total of enrollment of 2,000 students who may be in grades kindergarten through grade twelve (K-12). In order to offer the 38 required courses for grade 11 in school year 2015-2016 and grade 12 in school year 2016-2017, a list of high school course offerings and course sequence, a list of elective offerings, and a budget for a total enrollment 2,000 have each been provided.

HIGH SCHOOL COURSE OFFERINGS			
Subject	**Class**	**Option 1**	**Option 2**
Math	Freshman	Algebra I	Geometry
LA	Freshman	LAC I -English 9	LAC II - English 10
Science	Freshman	Physical Science	Biology
Social Studies	Freshman	World History	
Elective 1	Freshman	See Electives Below	
Elective 2	Freshman	See Electives Below	
Subject	**Class**	**Option 1**	**Option 2**
Math	Sophomore	Geometry	Algebra II
LA	Sophomore	LAC II - English 10	
Science	Sophomore	Biology	Chemistry
Social Studies	Sophomore	World History	American History
Elective 1	Sophomore	See Electives Below	
Elective 2	Sophomore	See Electives Below	
Subject	**Class**	**Option 1**	**Option 2**
Math	Junior	Algebra II	Pre Cal-Trig/Calculus
LA	Junior	American Lit - English 11	
Science	Junior	Chemistry	Physics
Social Studies	Junior	Civics/ Am Government / Economics	Psychology
Elective 1	Junior	See Electives Below	
Elective 2	Junior	See Electives Below	
Subject	**Class**	**Option 1**	**Option 2**
Math	Senior	Pre Cal-Trig or Calculus	Probability and Statistics
LA	Senior	British and World Lit -English 12	
Science	Senior	Physics	Environmental Science
Social Studies	Senior	Civics/Am Government/ Economics	Psychology
Elective 1	Senior	See Electives Below	
Elective 2	Senior	See Electives Below	

HIGH SCHOOL ELECTIVE OFFERINGS		
PE/ Health and Safety	Marketing I/II	Personal Finance
Fine Arts	Entrepreneurship	Psychology
Instrumental Music	Comp Apps I/II	Oral Communications
Vocal Music	Java Basics I/II	Environmental Science
Digital Arts I and II (Adv. Art)	Visual Basics I/II	Oral Communications
3D Art I and II (Adv. Art)	Economics	Journalism
	Journalism	World Language I/II

ARVA Budget - 2,000 Enrollment

		Annual Budget Projection	
		Total	**% of Rev**
Managed Enrollments			
K-8		**1,640**	
HS		**360**	
Ending Enrollment (Avg. for Totals)		**2,000**	
Funding Sources			
Basic Formula Funding - K-8 and HS	$	13,079,087	94%
Title I	$	492,466	4%
Title IIA	$	69,420	0%
Title VIB	$	246,095	2%
Total Funding	**$**	**13,887,067**	**100.0%**
Instruction - Teachers			
Salary - Regular	$	1,388,351	10.0%
Salary - Special Ed	$	469,706	3.4%
Salary - ICs / Advisors / Counselors	$	141,802	1.0%
Salary - Title	$	123,064	0.9%
Salary - Other	$	246,056	1.8%
Salary - Part-Time Regular	$	1,903	0.0%
Salary - Part-Time Special	$	19,476	0.1%
Benefits	$	733,020	5.3%
Travel	$	18,647	0.1%
Phone	$	29,676	0.2%
Instructional Materials	$	50,688	0.4%
Curriculum Delivery	$	105,141	0.8%
Teacher Laptops	$	39,000	0.3%
Non-Instructional Materials & Supplies	$	93,239	0.7%
Conf., Teacher Training & Prof. Dev.	$	167,754	1.2%
Printing, Mailing, Postage	$	9,675	0.1%
ISP	$	32,133	0.2%
Total Instruction - Teachers	**$**	**3,669,332**	**26.4%**
Instruction - Students			
Proctored Exams & Test Administration	$	379,802	2.7%
Curriculum Delivery	$	3,143,356	22.6%
Instructional Materials	$	2,598,704	18.7%
Computer, Peripherals, & Software	$	426,798	3.1%
ISP	$	140,038	1.0%
Family & Academic Support	$	246,800	1.8%
Total Instruction - Students	**$**	**6,935,498**	**49.9%**

ARVA Budget - 2,000 Enrollment

	Annual Budget Projection		
		Total	% of Rev
Student and Family Services			
Special Ed Contracted Svcs & Other Related Exp.	$	1,263,388	9.1%
Field Trips	$	5,378	0.0%
Hybrid Program	$	-	0.0%
School Events	$	5,378	0.0%
Total Student and Family Services	**$**	**1,274,143**	**9.2%**
School Administration & Governance			
Educational Services	$	420,187	3.0%
Legal Services	$	16,974	0.1%
Auditing - External	$	31,827	0.2%
Board Development & Training	$	5,305	0.0%
Professional Development	$	10,626	0.1%
Phone	$	8,912	0.1%
Admin Computer, Peripherals, & Software	$	4,244	0.0%
Temporary Employees	$	21,218	0.2%
Total School Administration & Governance	**$**	**519,292**	**3.7%**
Technology			
Technology Services	$	972,095	7.0%
Total Technology	**$**	**972,095**	**7.0%**
Insurance / Facilities / Other			
Rent	$	55,360	0.4%
Telephone	$	5,305	0.0%
Internet Connection	$	3,183	0.0%
Copier / Fax Lease	$	12,731	0.1%
Outside Copying	$	484	0.0%
Office Postage and Shipping	$	7,502	0.1%
Office supplies and equipment	$	8,487	0.1%
Computer equip. & installation	$	5,305	0.0%
General Liability Insurance	$	25,344	0.2%
Bank fees	$	637	0.0%
Total Insurance / Facilities / Other	**$**	**124,336**	**0.9%**
Total School Expenditures This Period	**$**	**13,494,695**	**97.2%**
3% Fund Reserve on Basic Funding	**$**	**392,373**	**2.8%**
Fund Balance	**$**	**(0)**	**0.0%**

(g) Health and safety codes as established by the State Board of Education and local governmental entities.

14. The facilities of the open-enrollment public charter school comply with all requirements for accessibility for individuals with disabilities in accordance with the ADA and IDEA and all other state and federal laws.

15. Should the open-enrollment public charter school voluntarily or involuntary close, it is understood that that any fees associated with the closing of the school including, but not limited to, removal of furniture, equipment, general expenses, etc., are the sole responsibility of the sponsoring entity. No indebtedness of any kind incurred or created by the open-enrollment public charter school shall constitute an indebtedness of the state or its political subdivisions, and no indebtedness of the open-enrollment public charter school shall involve or be secured by the faith, credit, or taxing power of the state or its political subdivisions. Upon dissolution of the open-enrollment public charter school or upon nonrenewal or revocation of the charter, all net assets of the open-enrollment public charter school, including any interest in real property, purchased with public funds shall be deemed the property of the state, unless otherwise specified in the charter of the open-enrollment public charter school. If the open-enrollment public charter school used state or federal funds to purchase or finance personal property, real property or fixtures for use by the open-enrollment public charter school, the authorizer may require that the property be sold. The state has a perfected priority security interest in the net proceeds from the sale or liquidation of the property to the extent of the public funds used in the purchase.

Scott Sides — 12-18-14

Signature of Charter Leader — *Date*

Scott Sides/Head of School

Printed Name/Position

2014 ESEA Information

Arkansas Virtual Academy
North Little Rock, Arkansas

District:	ARKANSAS VIRTUAL ACADEMY	**Superintendent:**	SCOTT SIDES		Report created on: 10/29/2014
LEA:	6043700	**Enrollment:**	1334		**% Prof/Adv.**
Address:	4702 WEST COMMERCIAL	**Attendance:**	98.89	**2014 Math + Literacy**	66.4
Address:	NORTH LITTLE ROCK, AR 72116	**Poverty Rate:**	65.44	**2013 Math + Literacy**	70.7
Phone:	501-664-4225			**2012 Math + Literacy**	73.9

OVERALL DISTRICT STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	897	904	99.23	977	985	99.19
Targeted Achievement Gap Group	615	621	99.03	665	672	98.96
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	89	90	98.89	98	99	98.99
Hispanic	53	54	98.15	59	60	98.33
White	709	712	99.58	772	776	99.48
Economically Disadvantaged	580	585	99.15	630	636	99.06
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	129	131	98.47	130	132	98.48

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	466	689	67.63	75.85	91.00	319	471	67.73	76.17	93.00
Targeted Achievement Gap Group	283	460	61.52	39.19	91.00	197	317	62.15	54.35	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	881	1247	70.65	75.85	91.00	629	872	72.13	76.17	93.00
Targeted Achievement Gap Group	517	811	63.75	39.19	91.00	366	562	65.12	54.35	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	31	66	46.97	53.13		22	48	45.83	50.00	
Hispanic	27	39	69.23	85.00		18	29	62.07	62.50	
White	380	548	69.34	77.94		267	375	71.20	78.09	
Economically Disadvantaged	273	428	63.79			189	293	64.51		
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	24	98	24.49	39.19		20	74	27.03	54.35	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	492	754	65.25	78.76	92.00	347	573	60.56	72.66	81.00
Targeted Achievement Gap Group	294	499	58.92	43.24	92.00	210	382	54.97	34.78	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	914	1354	67.50	78.76	92.00	578	974	59.34	72.66	81.00
Targeted Achievement Gap Group	533	879	60.64	43.24	92.00	335	627	53.43	34.78	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	30	75	40.00	55.89		24	58	41.38	58.33	
Hispanic	30	45	66.67	100.00		18	34	52.94	62.50	
White	406	597	68.01	80.95		290	454	63.88	74.30	
Economically Disadvantaged	282	467	60.39			203	356	57.02		
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	27	99	27.27	39.19		22	81	27.16	34.78	

District:	ARKANSAS VIRTUAL ACADEMY	**Superintendent:**	SCOTT SIDES		Report created on: 10/29/2014
School:	ARK VIRTUAL ACADEMY ELEMENTAF	**Principal:**	LISA WILLIAMS		
LEA:	6043701	**Grade:**	K - 5		**% Prof/Adv.**
Address:	4702 W COMMERCIAL DR	**Enrollment:**	822	**2014 Math + Literacy**	64.4
Address:	NORTH LITTLE ROCK, AR 72116	**Attendance:**	99.16	**2013 Math + Literacy**	73.2
Phone:	501-664-4225	**Poverty Rate:**	66.30	**2012 Math + Literacy**	71.8

OVERALL SCHOOL STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	404	406	99.51	404	406	99.51
Targeted Achievement Gap Group	283	285	99.30	283	285	99.30
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	38	39	97.44	38	39	97.44
Hispanic	24	24	100.00	24	24	100.00
White	317	317	100.00	317	317	100.00
Economically Disadvantaged	267	268	99.63	267	268	99.63
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	73	74	98.65	73	74	98.65

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	204	319	63.95	73.66	91.00	106	171	61.99	73.37	93.00
Targeted Achievement Gap Group	121	217	55.76	38.40	91.00	68	119	57.14	55.00	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	479	695	68.92	73.66	91.00	288	405	71.11	73.37	93.00
Targeted Achievement Gap Group	279	455	61.32	38.40	91.00	168	261	64.37	55.00	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	16	29	55.17	48.08		8	19	42.11	37.50	
Hispanic	14	20	70.00	100.00		8	12	66.67	100.00	
White	157	248	63.31	75.95		86	131	65.65	75.39	
Economically Disadvantaged	118	201	58.71			63	108	58.33		
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	15	59	25.42	38.40		15	41	36.59	55.00	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	207	319	64.89	79.51	92.00	100	219	45.66	70.11	81.00
Targeted Achievement Gap Group	127	217	58.53	46.43	92.00	66	152	43.42	40.00	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	477	696	68.53	79.51	92.00	225	453	49.67	70.11	81.00
Targeted Achievement Gap Group	279	456	61.18	46.43	92.00	131	294	44.56	40.00	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	11	29	37.93	65.39		5	24	20.83	75.00	
Hispanic	13	20	65.00	100.00		6	15	40.00	25.00	
White	167	248	67.34	81.66		84	167	50.30	71.29	
Economically Disadvantaged	120	201	59.70			65	140	46.43		
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	19	59	32.20	38.40		10	46	21.74	40.00	

District:	ARKANSAS VIRTUAL ACADEMY	**Superintendent:**	SCOTT SIDES		Report created on: 10/29/2014
School:	ARK VIRTUAL ACADEMY MIDDLE SCI	**Principal:**	LISA WILLIAMS		
LEA:	6043702	**Grade:**	6 - 8		**% Prof/Adv.**
Address:	4702 W COMMERCIAL DR	**Enrollment:**	512	**2014 Math + Literacy**	68.0
Address:	NORTH LITTLE ROCK, AR 72116	**Attendance:**	98.45	**2013 Math + Literacy**	67.5
Phone:	501-664-4225	**Poverty Rate:**	64.06	**2012 Math + Literacy**	79.7

OVERALL SCHOOL STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED						
PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	493	498	99.00	573	579	98.96
Targeted Achievement Gap Group	332	336	98.81	382	387	98.71
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	51	51	100.00	60	60	100.00
Hispanic	29	30	96.67	35	36	97.22
White	392	395	99.24	455	459	99.13
Economically Disadvantaged	313	317	98.74	363	368	98.64
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	56	57	98.25	57	58	98.28

STUDENT PERFORMANCE -- LITERACY										
LITERACY STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	262	370	70.81	83.48	91.00	213	300	71.00	83.34	93.00
Targeted Achievement Gap Group	162	243	66.67	41.67	91.00	129	198	65.15	53.13	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	402	552	72.83	83.48	91.00	341	467	73.02	83.34	93.00
Targeted Achievement Gap Group	238	356	66.85	41.67	91.00	198	301	65.78	53.13	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	15	37	40.54	75.00		14	29	48.28	75.00	
Hispanic	13	19	68.42	62.50		10	17	58.82	25.00	
White	223	300	74.33	84.72		181	244	74.18	85.00	
Economically Disadvantaged	155	227	68.28			126	185	68.11		
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	9	39	23.08	41.67		5	33	15.15	53.13	

STUDENT PERFORMANCE -- MATHEMATICS										
MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	285	435	65.52	76.69	92.00	247	354	69.77	79.17	81.00
Targeted Achievement Gap Group	167	282	59.22	33.33	92.00	144	230	62.61	25.00	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	437	658	66.41	76.69	92.00	353	521	67.75	79.17	81.00
Targeted Achievement Gap Group	254	423	60.05	33.33	92.00	204	333	61.26	25.00	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	19	46	41.30	25.00		19	34	55.88	25.00	
Hispanic	17	25	68.00	100.00		12	19	63.16	100.00	
White	239	349	68.48	79.05		206	287	71.78	82.00	
Economically Disadvantaged	162	266	60.90			138	216	63.89		
English Language Learners	n < 10	n < 10	n < 10			n < 10	n < 10	n < 10		
Students with Disabilities	8	40	20.00	41.67		12	35	34.29	25.00	

Data for Districts with Similar Demographics Compiled by the ADE

Arkansas Virtual Academy 6-8

District LEA	District Description	Location ID	Location Description	Enrollment	Total Free & Reduced	Percent Free/Reduced	Grade Low	Grade High	Literacy	Lit EconDis	Math	Math EconDis
4101000	ASHDOWN SCHOOL DISTRICT	4101003	ASHDOWN JUNIOR HIGH SCHOOL	322	205	63.66%	06	08	65.91%	58.38%	62.99%	55.33%
4301000	LONOKE SCHOOL DISTRICT	4301028	LONOKE MIDDLE SCHOOL	406	255	62.81%	06	08	73.13%	65.25%	67.80%	60.77%
0403000	GENTRY SCHOOL DISTRICT	0403015	GENTRY MIDDLE SCHOOL	364	231	63.46%	06	08	81.58%	79.19%	76.55%	69.64%
5802000	DOVER SCHOOL DISTRICT	5802008	DOVER MIDDLE SCHOOL	343	218	63.56%	06	08	84.42%	78.35%	77.88%	71%
6003000	PULASKI COUNTY SPECIAL SCHOOL DISTRICT	6003140	NORTHWOOD MIDDLE SCHOOL	413	264	63.92%	06	08	65.55%	58.55%	55.72%	47.49%
6043700	ARKANSAS VIRTUAL ACADEMY	6043702	ARK VIRTUAL ACADEMY MIDDLE SCH	512	328	64.06%	06	08	70.81%	68.28%	65.52%	60.90%
0101000	DEWITT SCHOOL DISTRICT	0101003	DEWITT MIDDLE SCHOOL	309	205	66.34%	06	08	72.98%	64.48%	56.14%	49.18%
7301000	BALD KNOB SCHOOL DISTRICT	7301004	BALD KNOB MIDDLE SCHOOL	337	222	65.88%	06	08	79.61%	76.73%	63.43%	55.45%
5703000	MENA SCHOOL DISTRICT	5703011	MENA MIDDLE SCHOOL	403	264	65.51%	06	08	71.12%	67.23%	76.86%	72.58%
6001000	LITTLE ROCK SCHOOL DISTRICT	6001003	MANN MAGNET MIDDLE SCHOOL	759	487	64.16%	06	08	71.98%	65.28%	68.42%	59.88%
0405000	ROGERS SCHOOL DISTRICT	0405046	LINGLE MIDDLE SCHOOL	872	564	64.68%	06	08	85.20%	82.42%	79.95%	74.47%

Arkansas Virtual Academy K-5

District LEA	District Description	Location ID	Location Description	Enrollment	Total Free & Reduced	Percent Free/Reduced	Grade Low	Grade High	Literacy	Lit EconDis	Math	Math EconDis
1202000	HEBER SPRINGS SCHOOL DISTRICT	1202005	HEBER SPRINGS ELEM. SCHOOL	833	484	58.10%	K	05	84.74%	78.87%	83.11%	77.84%
7203000	FAYETTEVILLE SCHOOL DISTRICT	7203015	LEVERETT ELEMENTARY SCHOOL	345	205	59.42%	K	05	88.51%	84.62%	89.19%	82.05%
7203000	FAYETTEVILLE SCHOOL DISTRICT	7203017	WASHINGTON ELEMENTARY SCHOOL	361	218	60.39%	K	05	80.38%	71.57%	73.42%	61.76%
1705000	VAN BUREN SCHOOL DISTRICT	1705020	CITY HEIGHTS ELEMENTARY SCHOOL	356	220	61.80%	K	05	85.33%	80.21%	82.00%	77.08%
5802000	DOVER SCHOOL DISTRICT	5802009	DOVER ELEMENTARY SCHOOL	619	408	65.91%	K	05	93.99%	91.23%	89.05%	84.80%
6043700	ARKANSAS VIRTUAL ACADEMY	6043701	ARK VIRTUAL ACADEMY ELEMENTARY	822	545	66.30%	K	05	63.95%	58.71%	64.89%	59.70%
6302000	BENTON SCHOOL DISTRICT	6302007	ANGIE GRANT ELEMENTARY SCHOOL	600	408	68.00%	K	05	79.17%	71.68%	82.20%	76.88%
0101000	DEWITT SCHOOL DISTRICT	0101001	DEWITT ELEMENTARY SCHOOL	478	337	70.50%	K	05	82.46%	77.62%	80.57%	74.13%
7207000	SPRINGDALE SCHOOL DISTRICT	7207058	HARP ELEMENTARY SCHOOL	627	463	73.84%	K	05	82.86%	80.00%	80.32%	77.39%
6003000	PULASKI COUNTY SPECIAL SCHOOL DISTRICT	6003130	PINEWOOD ELEMENTARY SCHOOL	426	315	73.94%	K	05	76.21%	73.62%	53.88%	47.85%
6001000	LITTLE ROCK SCHOOL DISTRICT	6001058	OTTER CREEK ELEMENTARY SCHOOL	593	453	76.39%	K	05	74.60%	71.11%	74.70%	71.82%

2015 Renewal Application Cycle

Notification of Charter Authorizing Panel Decision

Mountain Home High School Career Academy
Mountain Home School District

ARKANSAS DEPARTMENT OF EDUCATION

Tony Wood
Commissioner

State Board of Education

Sam Ledbetter
Little Rock
Chair

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

Joe Black
Newport

Kim Davis
Fayetteville

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

Vicki Saviers
Little Rock

Diane Zook
Melbourne

February 20, 2015

Ms. Dana Brown
500 Bomber Blvd
Mountain Home, Arkansas 72653

RE: Notice of Charter Authorizing Panel Hearing Decision
Mountain Home High School Career Academies

Dear Ms. Brown:

On February 18, 2015, the Charter Authorizing Panel met and approved the renewal application for Mountain Home High School Career Academies for a period of 5 years with adjustments to the waivers requested. Ark. Code Ann. § 6-23-702(b)(2)(A) allows charter applicants and affected school districts **to request** that the State Board of Education review a final decision of the Charter Authorizing Panel. A request must state the specific reasons that the board should review the decision.

Ark. Code Ann. § 6-23-703(a) requires the State Board of Education to consider requests for review of Charter Authorizing Panel decisions at its next meeting after the decisions are made. Therefore, a review **request** must be submitted, via email, no later than **4:00 p.m. on Tuesday, February 24, 2015,** in order for the request to be included in the State Board of Education agenda materials for the meeting on March 12, 2015. Email the request to ade.charterschools@arkansas.gov. Be advised that the decision of whether to review a Charter Authorizing Panel decision is discretionary. See Ark. Code Ann. § 6-23-702(b)(3). Regardless of whether a review of the panel's decision is requested, the application will be an action item for the State Board of Education on March 12, and, at that time, the board will determine whether or not to review the panel's decision. If the State Board decides to review the panel's decision, the review will take place at a later meeting.

Let me know if you have any questions. I can be reached by phone at (501) 682-4240 or by email at cindy.hogue@arkansas.gov.

Sincerely,

Cindy Hogue

Cindy Hogue, Director
Office of Educational Options

C: Dr. Lonnie Myers, Superintendent, Mountain Home School District

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

2015 Renewal Application Cycle

Additional Materials Submitted by the Applicant for the Hearing

Mountain Home High School Career Academy
Mountain Home School District

MHHS Career Academies

Reflect, Revise, Re-Energize

Systematic change requires a willingness to look on change as an opportunity…

Peter Drucker

Overview - Reflect

- After two years in research (2001 – 2003), the MHHS faculty chose to implement a Wall-to-Wall Career Academy Model
- Three Academies created to support programs of study and community partnerships
- Conversion Charter school since 2003 to support the Career Academy Model
- Research Based Model follows the National Career Academy Coalition National Standards of Practice and AdvancED Standards of Practice

Mountain Home Public Schools
Mission – Vision - Beliefs

We Believe in:

- Cultivating and supporting life-long learners.
- Challenging every student to his or her highest potential.
- Partnering with home, school, and community for student success.
- Acknowledging that students must share in the responsibility for learning.
- Preparing students to be contributing citizens in the 21st Century.
- Practicing good citizenship among students and staff.
- Providing a safe, nurturing, and orderly environment as an essential part of learning.

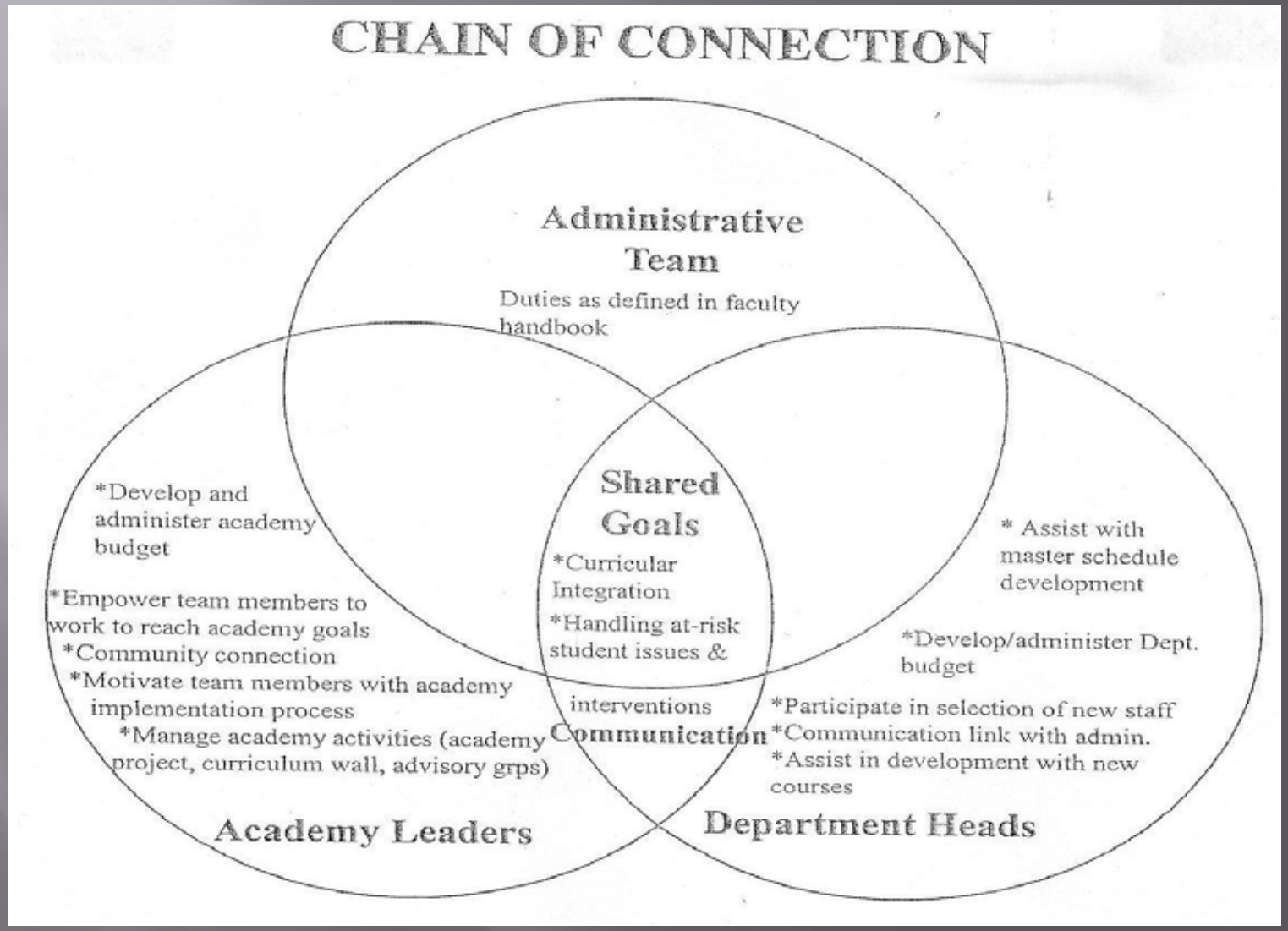
MHHS Academies

Architecture, Construction, Manufacturing, and Engineering

Communications, Arts, & Business

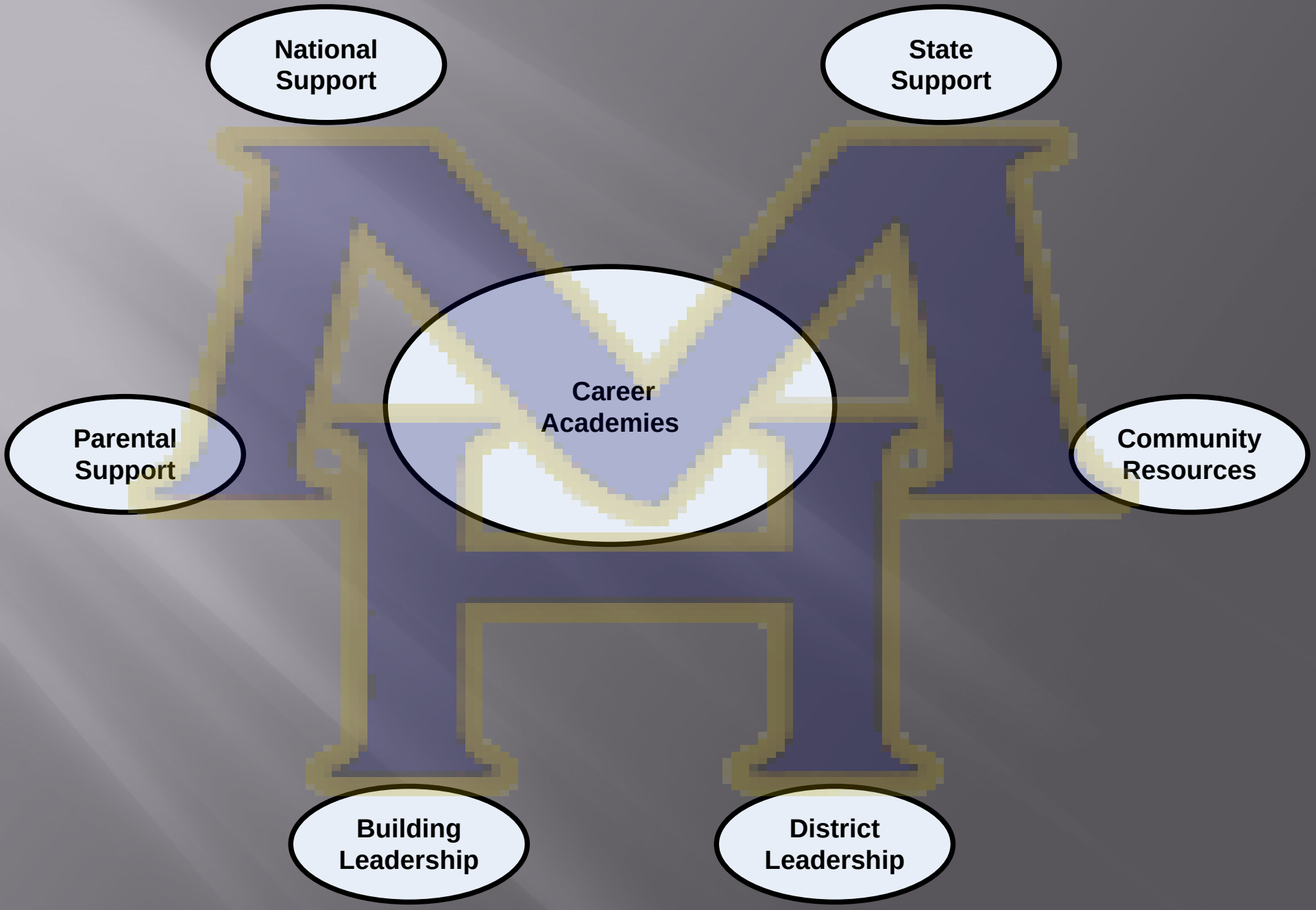
Health and Human Services

Building Shared Leadership



Leadership Components

- Principal/Academy Coordinator Relationship
- Selecting Teacher Leaders
  - Academy Leaders (Style, Term)
  - Freshman Transition Leaders
- Freshman Transition Bridge
- Define Academy Leader Roles
- Leadership Training
- Teaming Activities
- Reflect, Revise, Re-Energize


National Support
State Support
Parental Support
Career Academies
Community Resources
Building Leadership
District Leadership

NATIONAL CAREER ACADEMY COALITION

- National Career Academy Coalition

  Academies of Distinction – Model Status for HHS, CAB and ACME

- http://www.ncacinc.com

A FOUNDATION RETURNS TO SCHOOL

Strategies for Improving Public Education

MOUNTAIN HOME HIGH SCHOOL CAREER ACADEMIES

Received

Ford Foundation – National Designation of Leadership in High School Redesign – Professional Level in a Rural Setting

By Janice Petrovich
Ford Foundation
Director of Education,
Sexuality, Religion

Ford Foundation Best Practices

- Teacher Externship
- Business Advisory Board
- Ford PAS Curriculum

Arkansas Department of Career Education
Showcase Site for Arkansas May 2009

http://ace.arkansas.gov/

Arkansas Department of Education – Charter Schools

“Conversion public charter school” is defined as an existing public school which has is converted to a school under the terms of a charter approved by the local school board and the State Board of Education.

CONVERSION CHARTER WAIVERS

Current Waivers:

•**Flexible Scheduling** (Plus/Zero Hours, Late Start, Common Planning Time, Remediation, Academic Advisory Program)

•**Grouping of EOC Populations**

•**Alternative Credits**

(Food Science, Biological Animal Science, MASH, FIRST)

•**Internship Program**

• **Freshman Transition Academy**

• **Transition Room for Credit Recovery**

Requested Waivers:

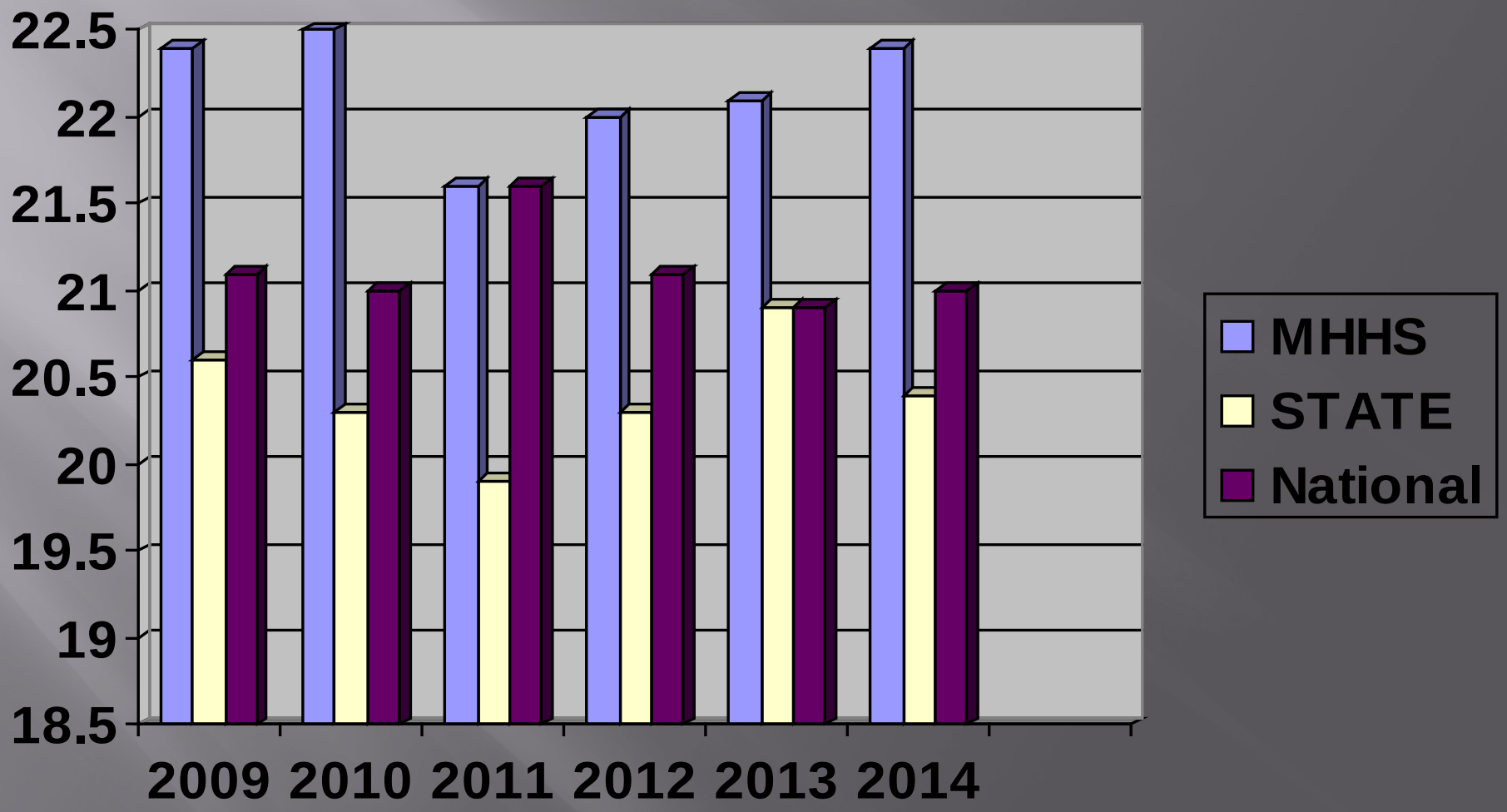
•**Expand College and Career Readiness Options through Attendance Requirements, Flexible Scheduling, and Licensure with Internship Program and Work Permit Program**

•**Increasing Student Participation through Mandatory Attendance and Licensure for Service Learning and Course Offerings at ASUMH**

Common Planning Time

- Two Academies meet during Wednesday Morning
- One Academy covers Remediation
- Integrated Project Development over the theme of the year
- Model identified weak Student Learning Expectations – Integrate by academy
- Tuning Protocol – faculty model lesson/project for improvement and feedback
- Red Flag student concerns
- Business partners attend to incorporate community projects (real-life application)
- Parent Panel

Average ACT Scores



Freshman Transition Bridge

- Keystone Curriculum

- Extended Advisory Period for Registration

- Transition Day: Began with Freshmen and has grown into District Transition Day.

- Academic Advisory Program aligned grades 5 through 16 to include a partnership with ASUMH College Bound Program for Every Senior, Every Time

Mentoring Program

- Over 100 Business Partners
- Career Focus/Interest
- AAP Curriculum Integration
- Orientation: Program Presentation, Sharing and Collaboration by Academy
- The First Wednesday of the Month During AAP
- Mentor Extended Advisory
- How To Implement a Mentoring Program
- Bridging The Gap: A Community Mentoring Program For High School Homeroom Advisory Groups: http://www.ncacine.com http://ace.arkansas.gov

Community Partnership

Academy Business Advisory Boards

ACME

Mr. Greg Mills
Mr. Jim Brown
Mrs. Heidi Volltrauer
Mr. Ben Strider – Board

CAB

Mr. Jackson Rhoades
Mr. Noel Morris
Mr. Bo Gregory
Mrs. Roselyn Blagg
Mr. Tobias Pugsley
Mr. Neal Pendergrass- Board

HHS

Mr. Barney Larry
Chief Carry Manuel
Mr. Jeff Quick
Mrs. Kim Schmuecker
Mrs. Lisa House - Board

Integrated Projects Districtwide and Community Based

- ACME – Pinewood Derby with 2nd Grade (14 classes)
- CAB - Business Expo, CAB Connect, and Bomber Bulletin with Wells Fargo
- HHS CSI with Pinkston Middle School science curriculum and Outbreak project with community partners
- Research Based: Sticky Learning Workshop with Sandy Mittelsteadt
- Academic Advisory Curriculum Revision with Billie Donegan

Internship Numbers Grow

Senior Academy Internships

04-05:	81
05-06:	93
06-07:	104
07-08:	96
08-09:	100
09-10:	118
10-11:	136
11-12:	153
12-13:	160
13-14:	167

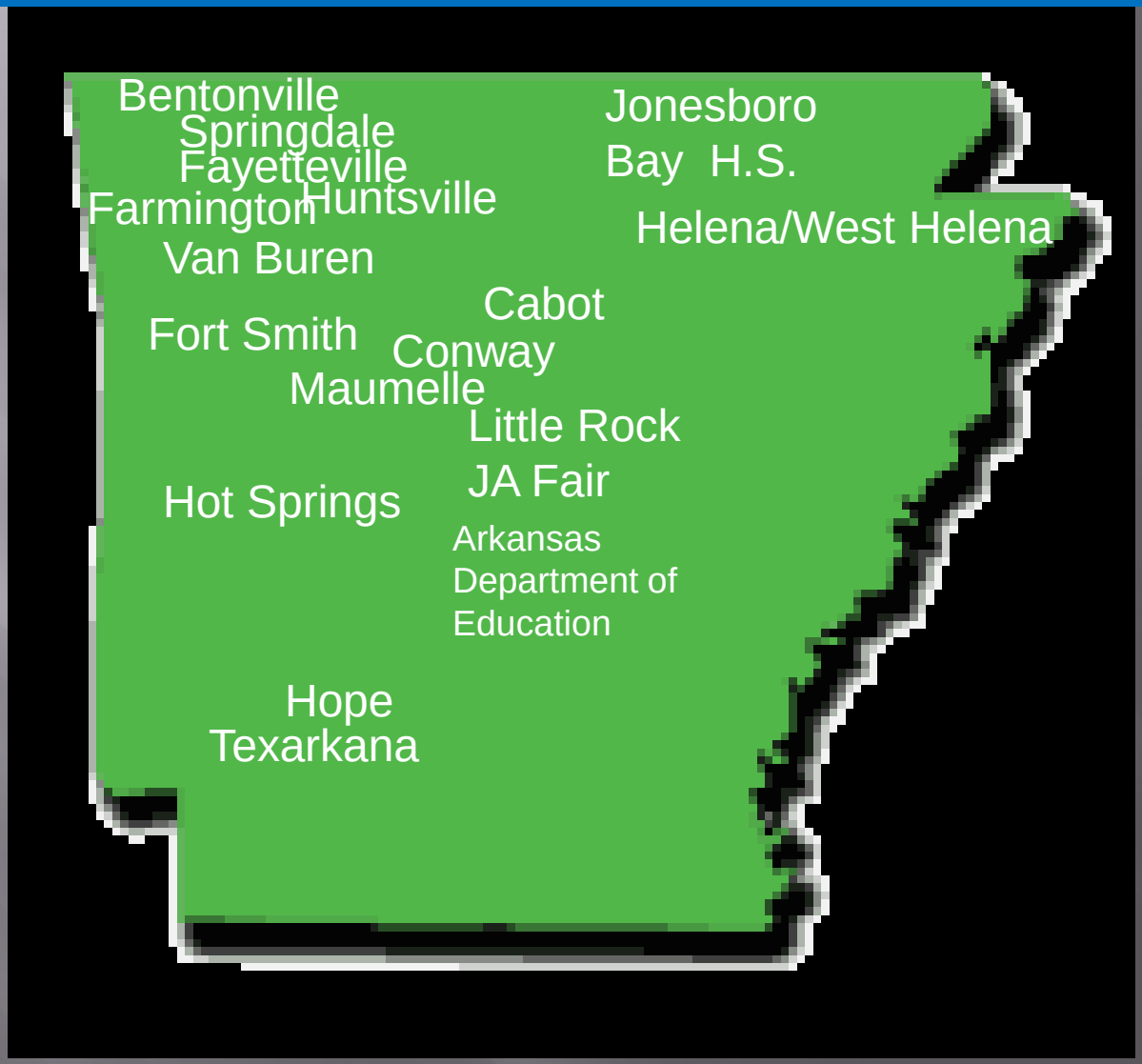
Teacher Externships

- Baxter Healthcare Inc.
- Baxter Regional Medical Center
- Baxter County Sheriff's Department
- Baxter County Court System
- Yelcot Inc.
- The Mansion – Branson
- KTLO – Radio Station
- Wachovia Securities Inc.- St. Louis
- Volt Industrial Plastics
- Computer Automations
- Gaston's Resort
- Ozark Medieval Fortress Project
- Mountain Home Police Department
- Titanic Exhibition – Branson
- Vada Sheid Community Development Center
- Mountain Home Chamber of Commerce
- Mountain Home Fire Department
- Southern Tag and Label
- Corp of Engineers

Chamber of Commerce

- Host and Cater Chamber Luncheons
- Conduct VIP Tours of Campus
- Marketing Partnership with EAST (Environmental and Spatial Technology) Class
- Partner with Chamber of Commerce through website

Arkansas Takes Interest



Visiting Schools and Conference Presentations Nationwide

Re-Energize

- Featured on CNBC Education Nation

Rural Arkansas Town Rethinks High School Mountain Home Career Academies High School has taken a big gamble over the last decade. It transformed itself from a traditional high school into one consisting of three academies--engineering, communications, and healthcare.

- http://www.cnbc.com/id/49148792/
- www.educationnation.com

Recognitions and Awards

- National Career Academy Coalition **Academies of Distinction – Model Status for ACME, CAB, and HHS** http://www.ncacinc.com
- Ford Foundation – **National Designation of Leadership in High School Redesign – Professional Level in a Rural Setting**
- 2006 American Forest and Paper Association School Recycling Award (**1st High School to receive this award**)
- **Mentor Manual published on a national website**
- Project Lead The Way **School of Excellence**

Recognitions and Awards

- Arkansas Department of Career Education **Showcase Site for Arkansas May 2009**
- **Received the Jeffery N. Stein award from National Career Academy Coalition -**This was the first year NCAC recognizes a career academy school that demonstrates an extraordinary commitment to career academies as the change agent for disadvantaged students and has sustained this passion over time - as a resilient, extraordinary champion of the career academy model and the power it has on the outcomes for students
- **Working with National Center for College and Career Transitions (NC3T) on a webinar series with Hans Meeder to assist in providing professional development for schools in rural areas of New York state to begin with the goal to expand across the nation.**

Contact Information

Dana Brown	**Principal**
Phone	**870-425-1215**
Cell	**870-421-5979**
e-mail	dbrown@mtnhome.k12.ar.us
Brigitte Shipman	**Academy Coordinator**
Phone	**870-425-1215**
Cell	**870-404-3468**
e-mail	bshipman@mtnhome.k12.ar.us

2015 Renewal Application Cycle

Desegregation Analysis

Mountain Home High School Career Academy
Mountain Home School District

MEMO

ARKANSAS DEPARTMENT OF EDUCATION

DATE: February 6, 2015

TO: Charter Authorizing Panel

FROM: ADE Staff

SUBJECT: Desegregation Analysis of Mountain Home High School Career Academy

I. INTRODUCTION

On March 10, 2003, the State Board of Education (State Board) approved the application of Mountain Home School District to operate Mountain Home School Career Academy. The charter school is currently approved to serve 1,600 students in grades 9-12 under the name Arkansas Arts Academy. The charter school now requests that the Charter Authorizing Panel renew its charter for five (5) years.

II. STATUTORY REQUIREMENTS

Although Ark. Code Ann. § 6-23-106 requires the Authorizer to carefully analyze the impact of any new proposed charter school on the efforts of public school districts to achieve and maintain unitary systems, it does not require the Authorizer to conduct an analysis of charter renewal or proposed amendments to an existing charter. However, Ark. Code Ann. § 6-23-106(c) states that the Authorizer "shall not approve any ... act or any combination of acts that hampers, delays, or in any manner negatively affects the desegregation efforts of a public school district or public school districts in this state."

III. INFORMATION SUBMITTED BY THE APPLICANT

A desegregation analysis submitted by the charter school is attached as Exhibit "A".

IV. ANALYSIS FROM THE DEPARTMENT

"Desegregation" is the process by which a school district eliminates, to the extent practicable, the lingering negative effects or "vestiges" of prior *de jure* (caused by official action) racial discrimination. The goal of a desegregation case with regard to assignment of students to schools is to "achieve a system of determining admission to the public schools on a non-racial basis." *Pasadena City Board of Education v. Spangler*, 427 U.S. 424, 435 (1976) (*quoting Brown v. Board of Education,* 349 U.S. 294, 300-301 (1955)). ADE is unaware of any active desegregation orders affecting the Mountain Home School District.

V. CONCLUSION

As stated above, Arkansas law does not allow the authorizer to approve any public charter school that "hampers, delays, or in any manner negatively affects the desegregation efforts" of a public school district. Ark. Code Ann. § 6-23-106(c). 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, 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).*

It is difficult to conclude, from data currently available, that the proposed charter school is motivated by an impermissible intent to segregate schools. The ADE is unaware of any active desegregation orders which could be impacted by the proposed charter school. However, the authorizer should carefully examine the proposed charter school application in an attempt to determine whether there are legitimate, non-racially motivated reasons for the charter school's existence.

Part B: Desegregation Analysis

Describe the impact, both current and potential, of the public charter school on the efforts of affected public school district(s) to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools.

Respond below in 11 point Times New Roman font. This response can be no longer than 2 pages.

Mountain Home High School Career Academies is the only high school within the Mountain Home Public School District. It provides a free and appropriate education for all demographic groups. Currently, there are not any court orders or statutory obligations that have been created to maintain a unitary system of desegregated public schools.

Section 2 – Composition of the Charter School's Governing Board and Relationships to Others

Disclosure Information

Identify any contract or lease (other than an employment contract), in which the charter is or has been a party, and in which any charter administrator, board member, or an administrator or board member's family member has or had a financial interest.

Respond below in 11 point Times New Roman font. This response can be no longer than 3 pages.

Ben Strider, Board President, Strider Consulting, Engineering and Surveying Services
Jason Schmeski, Board Member, 62 East Auto, Vehicular Repairs
Arnold Knox, Board Member, Yelcot Telephone Company, Printer Ink and Toner Services
Lisa House, Board Member, Kinetco, General Water Conditioning Services
Leigh Anne Gigliotti, Asst. Superintendent, Driftwood Lanes, Lane Rental for Bowling Team
Leigh Anne Gigliotti, Asst. Superintendent, Computer Automations – Spouse Employer, Software Services
Dana Brown, Principal MHHS Career Academies, Jim Brown Company – Spouse Owner, HVACR Services

Complete the table on the following page.

2015 Renewal Application Cycle

Mountain Home High School Career Academy Summary

Mountain Home High School Career Academy
Mountain Home School District

MOUNTAIN HOME HIGH SCHOOL CAREER ACADEMY

School District:	**Mountain Home School District**
Addresses:	**500 Bomber Blvd., Mountain Home**
Grades Served:	**9-12**
Enrollment:	**1226 (2013-2014)**
Maximum Enrollment:	**1600**

Number of Years Requested for Renewal: 5

Remaining concerns from the ADE Charter Internal Review Committee:

- How the attainment of goals will be measured when the goals do not include a set number or percentage.

From 2013 Arkansas School ESEA Accountability Reports

District	Needs Improvement District
District Attendance Rate	94.96%
	Achieving – Percent Tested
	Needs Improvement – Literacy
	Needs Improvement – Math
	Achieving – Graduation Rate
High School	
Grades 9-12	Needs Improvement School
School Attendance Rate	93.94%
	Achieving – Percent Tested
	Needs Improvement – Literacy
	Needs Improvement – Math
	Achieving – Graduation Rate

Special Education Monitoring

June 27, 2013 Letter – Mountain Home School District commended for being in substantial compliance with state and federal special education regulations

2012-2013 Accreditation Statuses

High School Accredited

Arkansas Comprehensive School Improvement Plans (ACSIP)

Working with ADE School Improvement Specialist

Annual Equity Compliance Report

Submitted the 2014-2015 report

2013 Financial Audit

There were no findings for the 2013 Annual Audit Report

ADE Evaluation and Applicant Responses

MOUNTAIN HOME HIGH SCHOOL CAREER ACADEMY

School District: **Mountain Home School District**

Addresses: **500 Bomber Blvd., Mountain Home**

Grades Served: **9-12**

Enrollment: **1226 (2013-2014)**

Maximum Enrollment: **1600**

Number of Years Requested for Renewal: 5

CONTACT INFORMATION

Applicants are requested to provide complete contact information.

Evaluation Criteria:
A response that is fully responsive will include the following:

- The names of the school district and charter school;
- The LEA number;
- Complete contact information for the school principal/director and board chair;
- The number of years requested for renewal, that does not exceed 5; and
- Date of the governing board's approval of the renewal application.

FULLY RESPONSIVE

SECTION 1: GENERAL DESCRIPTION OF THE CHARTER SCHOOL'S PROGRESS AND DESEGREGATION ANALYSIS

Part A: Charter School Progress
Applicants are requested to provide a narrative about the successes of the charter during the current contractual period.

Evaluation Criteria:
A response that is fully responsive will include:

- A comprehensive narrative that identifies and describes multiple successes of the charter school during the current contractual period.

FULLY RESPONSIVE

Part B: Desegregation Analysis
Applicants are requested to describe the current and potential impact of the charter on the efforts of affected public school district(s) to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools

Evaluation Criteria:
A response that is fully responsive will include:

- Assurance that the charter school will comply with all applicable federal and state statutory and regulatory requirements regarding the creation and maintenance of desegregated public schools; and
- An outline of the potential impact of the proposed charter school on those desegregation efforts already in place in affected public school districts.

FULLY RESPONSIVE

SECTION 2: COMPOSITION OF THE CHARTER SCHOOL'S GOVERNING BOARD AND RELATIONSHIPS TO OTHERS

Part A: Composition of Governing Board
Applicants are requested to describe the charter school's governance structure.

Evaluation Criteria:
A response that is fully responsive will include:
- A description of the charter school's governance structure;
- An explanation of the selection process for charter board members;
- An explanation of the authority of the board; and
- An explanation of the responsibilities of the board.

FULLY RESPONSIVE

Part B: Disclosure Information
Applicants are requested to disclose any potential conflicts of interest affecting members of the governing board and employees.

Evaluation Criteria:
A response that is fully responsive will include:
- An itemization of each non-employment contract or lease of the charter school in which any of the charter's administrators, board members, or the family members of administrators or board members have or had a financial interest; and
- An itemization of each family relationship between each member of the charter school's governing board, other board members, and the employees of the charter school.

FULLY RESPONSIVE

SECTION 3: STUDENT AND TEACHER RETENTION

Part A: Student Retention
Applicants are requested to compile and analyze student retention data.

Evaluation Criteria:
A response that is fully responsive will include:
- A complete table with data about students who left the charter prior to completing the highest grade offered at the school; and
- Reasons that can be substantiated for students who leave the charter.

FULLY RESPONSIVE

Part B: Teacher Retention
Applicants are requested to compile and evaluate teacher retention data.

Evaluation Criteria:
A response that is fully responsive will include:
- A complete table with data about teachers who do not return; and
- Reasons that can be substantiated for teachers who leave the charter.

FULLY RESPONSIVE

SECTION 4: TEST DATA

Applicants are requested to review the testing data for the charter and the resident district and describe the ways in which the data support the achievement of the charter's current academic goals.

Evaluation Criteria:
A response that is fully responsive will include:

- A thoughtful narrative describing the ways in which the testing data support the achievement of, or progress toward achieving, the charter's current academic goals.

FULLY RESPONSIVE

SECTION 5: ACADEMIC PERFORMANCE GOALS

Part A: Current Performance Goals
Applicants are requested to evaluate the progress toward achieving each of the charter's current student academic performance goals and provide supporting documentation that demonstrates the progress.

Evaluation Criteria:
A response that is fully responsive will include:

- A narrative description of the charter's progress toward achieving each goal; and
- Supporting data that documents the charter's progress in achieving each goal.

FULLY RESPONSIVE

Part B: New Performance Goals
Applicants are required to confirm their understanding that achieving all goals and/or objectives set by the state, during the period of renewal, is expected and to develop other student academic achievement performance goals for the renewal contract period.

Evaluation Criteria:
A response that is fully responsive will include:

- A confirmation that the charter is expected to achieve all goals and/or objectives set by the state; and
- For other student academic performance goals -
    - Measureable student academic performance goals;
    - The specific tool that will be used to measure academic performance for each goal;
    - The level of performance that will demonstrate success; and
    - The timeframe for achieving each goal.

FULLY RESPONSIVE

Comments and Additional Questions:

Confirm the understanding that, during the term of the charter renewal, the charter is expected to meet all goals and/or objectives set by the state.

It is the understanding of Mountain Home High School Career Academies that during the term of the charter renewal, the charter is expected to meet all goals and/or objectives or show measurable progress as set by the state.

Confirm if this is a complete list of the charter's goals going forward, or are there any additional old goals that should still be included moving forward. Consider that the benchmark exams no longer exist. Consider using more general language for meeting statewide assessment goals.

The complete list of charter goals for Mountain Home High School Career Academies is as follows (Items 1-8 are Existing Performance Goals to be included moving forward and Items 9-11 are New Performance Goals):

1. To continue to increase our student performance on EOC tests (this includes PARCC as it is implemented throughout the state)
2. To continue to refine 9th – 12th grade student six-year post secondary plans; this goal will continue to meet several transition pieces
3. To continue to increase student participation in extra/co-curricular activities
4. To provide a stronger transition and support system for the critical first year of high school, 9th grade, by implementing remediation and intervention programs
5. To increase parent/community involvement in raising student achievement through specific participation in classes, internships, advisories, etc.
6. To target our economically disadvantaged students grades 9-12 our largest subpopulation
7. To increase the number of Arkansas Department of Career Education Programs of Study Completers
8. To increase credit recovery and to create an on-campus alternative learning environment 9-12 so that students who are in academic distress may recover credit through the high school instead of through the Baxter County Alternative School.
9. Exploring new avenues for expanding college and career readiness options with community based internships and an expanded work permit program
10. Increasing student participation in curriculum options through flexible scheduling opportunities at Arkansas State University Mountain Home as well as Service Learning.
11. Adjust the current Keystone curriculum offering in the charter waivers to assist in students transitioning from the Freshman Transition Acadmey.

Explain how it will be measured that the goals are being met with a goal of "continue to increase". Consider setting specific percentage increase goals. Ensure that goals are measurable and attainable.

Goal 1: To continue to increase our student performance on EOC tests (this includes PARCC as it is implemented throughout the state) – this goal will be measured as student performance for EOC tests and PARCC Assessments are set by the Arkansas Department of Education. Mountain Home High School Career Academies will adhere to the AMO standards currently in place and whatever standards set for the PARCC Assessment to increase student performance.

Goal 3: To continue to increase student participation in extra/co-curricular activities – this goal will be measured by tracking enrollment in clubs, sports, band, and service learning each year. Percentages of students involved will be monitored each year to establish a baseline.

Goal 5: To increase parent/community involvement in raising student achievement through specific participation in classes, internships, advisories, etc. – this goal will be measured by monitoring activities at the Secondary Parent Center that was established in 2014 – 2015. Sign-In sheets will be collected for each event parents participate in such as Academy Kick-Off Day, Academy Project Work Days, Academy Celebration Day, Parent Center Events, and other integrated projects. Internships and Mentoring sessions will be monitored through enrollment within the internship course, as well as through the Academic Advisory Program. Mentor involvement will be monitored with the Sign-In sheets through Raptor for Mentoring days each month. With the development of the Parent Center, as well as the charter goal of offering

students the opportunity to participate in service learning projects, provides increased options for community involvement. Making the relevant connection between academics and community projects will foster student achievement.

Goal 7: To increase the number of Arkansas Department of Career Education Programs of Study Completers – During the Keystone course in 9th grade, students are exposed to the terminology of what it means to be a program of study completer. Every year during high school registration, Academic Advisory teachers review student transcripts to assist them in making scheduling choices and increase awareness of what a completer means in terms of scholarship opportunities. Monitoring the registration information assists in tracking the number completers. Each completer is tracked by the teacher of that particular program of study. Enrollment is monitored each year within the Career and Technical courses. A program of study completers database is developed for the Mountain Home Education Foundation in order to provide students with scholarships for being a completer. This database is maintained to track the number of completers each year to monitor growth in the Career and Technical courses.

Goal 8: To increase credit recovery and to create an on-campus alternative learning environment 9-12 so that students who are in academic distress may recover credit through the high school instead of through the Baxter County Alternative School – this goal will be measured through enrollment data and referral paperwork to the district Alternative Learning Environment, Guy Berry College and Career Center, Baxter County Alternative School, and enrollment in the Transition Classroom through the use of VARK. Enrollment in summer school through VARK will also provide documentation to illustrate the increased course offerings and opportunities for students to recover credit.

SECTION 6: FINANCE

Applicants are requested to discuss corrective actions for any findings in the most recent financial audit reports prepared during the current contractual period.

Evaluation Criteria:
A response that is fully responsive will include the following:

- Each finding from the financial audit reports **or a statement that there were no findings**;
- A statement for each finding to indicate if it had been noted in prior year audits;
- Corrective actions take to rectify each issue; and
- The date by which each issue was or will be corrected.

FULLY RESPONSIVE

SECTION 7: WAIVERS

Applicants are requested to review the current waivers approved for the charter and to identify any changes requested in the charter's waivers from Title 6 of Arkansas Code Annotated, State Board of Education Rules and Regulations, and/or the Standards for Accreditation.

Part A: New Waiver Requests
Applicants are requested to identify any additional law and rule that the authorizer is requested to waive.

Evaluation Criteria:
A response that is fully responsive will include:

- A list of each law and rule that the charter would like to have waived; and
- A rationale for each waiver request or **a statement saying that no new waivers are requested**.

See Legal Review Document for Any Comments

Part B: Waivers to Be Rescinded
Applicants are requested to identify any waiver that is no longer needed.

Evaluation Criteria:
A response that is fully responsive will include:

- An itemized list of each current waiver the charter would like to have rescinded; and
- A rationale for each request or **a statement saying that the charter wishes to maintain all currently approved waivers**.

See Legal Review Document for Any Comments

SECTION 8: REQUESTED AMENDMENTS

Applicants are requested to identify and explain amendment requests.

Evaluation Criteria:
A response that is fully responsive will include:

- A list of any requested charter amendments **or a statement that no amendments are being requested**;
- A rationale for each amendment requested; and
- A budget, showing that the charter will be financially viable, if there is an amendment request to change grade levels, the enrollment cap, the location of a campus, and/or an additional campus.

FULLY RESPONSIVE

Legal Review of Waivers Requested

Mountain Home High School Career Academy
Mountain Home School District

Mountain Home High School Career Academies
2015 Renewal Application
New Waivers Requested

DESEGREGATION ANALYSIS: Fully responsive

1. Licensure

Arkansas Code Ann. 6-15-1004, 6-17-302, 6-17-309, 6-17-401, 6-17-902, and 6-17-909

Standards for Accreditation 15.02 and 15.03

ADE Rules for Governing Educator Licensure

Mountain Home High School Career Academies is requesting waivers for Licensure for new waivers that will affect the following areas:

- *Internship – To allow a teacher with any licensure to teach the internship class. The internship program focuses on the whole child when placing students in the workplace. The most effective teachers that have overseen the internship program have been teachers with an elementary or middle level background. By allowing any licensure to teach this course, Mountain Home High School Career Academies would have more options to hire the right person for the job as we are located in a rural setting where limiting licensure options can be difficult in hiring personnel.*
- *Work Permit – To allow a teacher with any licensure to oversee the work permit program. By allowing any licensure to teach this course, Mountain Home High School Career Academies would have more options to hire the right person for the job as we are located in a rural setting where limiting licensure options can be difficult in hiring personnel. Currently, we only have JAG in place for our students. This waiver would allow any teacher to oversee the program and help prevent students from dropping out if they have to work to support their family and are not able to meet the requirements of JAG.*
- *ASUMH and ASUMH Technical Center concurrent credit options – Currently, we have been given permission, as with other schools, to enroll students in concurrent credit classes where the instructor holds an Arkansas Teacher Licensure and college credentials to teach the course which allows our students to receive credit. We would like to request licensure be waived for instructors at the college that do not hold an Arkansas Teacher License in order for our students to receive credit for courses offered and to be a part of their regular school day. The following are the programs of study at ASUMH that we would like our students to participate in for credit with the licensure waived for those instructors: Criminal Justice, Allied Health, Engineering, CISCO, Computer Applications, Funeral Science, and Financial Management, as well as the*

ASUMH Technical center courses: Automotive, Mechatronics, Welding, and HVACR. If licensure were waived then our students' senior year would be more relevant and provide a better post-secondary transition.

- *Service learning – To allow a teacher with any licensure to oversee the service learning program. By allowing any licensure to teach this course, Mountain Home High School Career Academies would have more options to hire the right person for the job as we are located in a rural setting where limiting licensure options can be difficult in hiring personnel.*

Remaining Issues: The Applicant already has a waiver of Ark. Code Ann. § 6-15-1004. It is unclear why waivers of Ark. Code Ann. § 6-17-302 (licensure of principals) and Standard for Accreditation 15.02 (Principals) is necessary. Ark. Code Ann. § 6-17-909 has been repealed. Only Section 9.01 of the ADE Rules Governing Licensure appears necessary.

2. Class Size and Teaching Load

Class Size and Teacher Load Standards for Accreditation 10.02

Remaining Issues: Additional discussion may be necessary regarding what classes this waiver will apply to and what the maximum proposed class size will be.

3. Mandatory Attendance

Ark. Code Ann. 6-18-211

ADE Rules Governing Mandatory Attendance for Students in Grades 9-12

The waivers that are being requested are unique to our student population and community needs. The requested waivers apply to the following:

- *Internship – By waiving Mandatory Attendance, students are allowed flexibility in their schedule to attend a paid or unpaid internship for two consecutive periods per day within their school day. This waiver allows us to not only to meet the needs of the students but also our community. Some community partners are limited in the ability to have an intern all year. By allowing this waiver, student would have flexibility in their schedule to intern either all year with one community partner or with a different partner during second semester.*
- *Work Permit Program – By waiving Mandatory Attendance, students are allowed flexibility in their schedule to go to work. Some students do not fit the qualifications for JAG and need to work to support their family. Flexibility in their schedule by waiving mandatory attendance would also allow those seniors that only lack ½ , one, or two credits the opportunity to attend just the courses*

they need to graduate then go to work. This would assist in increasing the graduation rate.

Remaining Issues: None

4. Adjust the current Keystone curriculum offering in the charter waivers to assist students in transitioning from the Freshman Transition Academy.

The request for waiver three falls within the category of waivers from other rules as has been previously approved by the original charter. Keystone is the feeder course for the academy program. If the waiver is approved through the charter, students would make more informed decisions as to which academy would better fit their learning style and career focus by allowing identified groups to take the course second semester of the 8th grade year and an identified group to take the course first semester of the 9th grade year which in turn assists the students in the realization that the freshman year is the most critical year in a student's high school career.

Remaining Issues: It is unclear what waivers are being requested. Specific statutes and rules the applicant is seeking waiver from must be listed. Additionally, the Authorizer lacks the authority to grant waivers for 8th graders because the charter is only granted for 9th through 12th graders.

Application

ARKANSAS DEPARTMENT OF EDUCATION

District Conversion Public Charter School Renewal Application

Deadline for Submission: December 18, 2014

Charter School: Mountain Home High School Career Academies

Arkansas Department of Education
Charter School Office
Four Capitol Mall
Little Rock, AR 72201
501.683.5313

Contact Information

School District:	**Mountain Home Public Schools**
Name of Charter School:	**Mountain Home High School Career Academies**
School LEA #	**0303703**
Name of Principal/Director: **Mailing Address:** **Phone Number:** **Fax Number:** **E-mail address:**	**Dana Brown, Principal** **500 Bomber Blvd** **Mtn. Home, AR 72653** **870-425-1215** **Fax – 870-508-6097** **dbrown@mtnhome.k12.ar.us**
Name of Board Chairman: **Mailing Address:** **Phone Number:** **Fax Number:** **E-mail address:**	**Ben Strider** **2465 Rodeo Drive** **Mtn. Home, AR 72653** **870-425-1201** **870-425-1316** **bstrider@mtnhome.k12.ar.us**

Number of Years Requested for Renewal (1-5) ____5____

Renewal Application Approval Date by the School Board(s) __November 20, 2014__

Section 1 – General Description of the Charter School's Progress and Desegregation Analysis

Part A: Charter School Progress

Provide a narrative about the successes of the charter during the current contractual period.
Respond below in 11 point Times New Roman font. This response can be no longer than 3 pages.

Mountain Home High School Career Academies has been successful as a District Conversion Charter High School under this application renewal since January 2010. Our success is unique in that MHHS Career Academies has been restructured into three small learning communities, as a wall-to-wall career academy high school and operating under the waivers provided by a Conversion Charter since 2003. MHHS Career Academies follow the same guidelines for accountability as school districts across the state as dictated by the Arkansas Department of Education.

Without having Conversion Charter status, we would not be able to support the wall-to-wall career academy structure. Students achieve academically due to key components the waivers provide. Flexible scheduling is one waiver that encompasses both student and teacher opportunities in order to offer real-world learning experiences and post-secondary transition plans. Flexible scheduling provides teachers at both MHHS Career Academies and the Freshman Transition Academy located at the Junior High campus with a Common Planning Time that allows collaboration to create academy focused projects, curricular integrations, and develop strategies to help students at-risk of failing coursework.

The following bulleted items provide how flexible scheduling assists both student achievement as well as teacher collaboration:

- Two Academies have a common planning time during a Late-Start Wednesday morning time
- One Academy covers Remediation for students that scored basic or below basic on state exams in order to meet requirements for their Academic Improvement Plans
- Integrated Project Development over the theme of the year
- Model identified weak Student Learning Expectations from state exams such as, English, Geometry, Algebra I, and Biology – Integrate the weak student learning expectations into curriculum by academy to assist in improving student achievement
- Tuning Protocol – faculty members model a lesson/project for improvement and feedback
- Red Flag student concerns- teachers fill out a follow-up form and give to student's advisor in order to check grades and to assist in communication with parents.
- Business partners attend to incorporate community projects (real-life application)
- Parent Panel provides feedback to each academy in terms of how to improve communication with parents

Other flexible scheduling possibility the charter provides is the Plus/Zero hours to offer student opportunities for post-secondary success. The Plus/Zero hours offer our students the opportunity to receive credit for education that does not fit in a school day. Students may extend their day in our Transition Credit Recovery Room through Virtual Arkansas curriculum to recover credits in order to stay on track to graduate. In addition to the Transition Classroom, the school district began Guy Berry College and Career Academy in 2011 to provide students that are struggling academically as well as for disciplinary reasons an alternative learning environment. The Transition Classroom, as well as, the implementation of Guy Berry College and Career Academy has assisted in the success of MHHS Career Academies high graduation rates. Flexible scheduling also allows seniors the opportunity to attend our Community College ASUMH Technical Center while attending high school and receive college credit. This program has been recognized across the state of Arkansas in offering technical learning opportunities for a population of students that may or may not attend a traditional college or university. Students leave high school with a future of not only greater job opportunities; but also, greater wages to prosper. These students who have engaged in this program have found the missing piece of relevance to continue their education both in high school and post-secondary education.

The Academic Advisory Program is the heart of our entire program. Flexible scheduling allows for students and advisors to build relationships within our career academy model. They collaborate with students on graduation and post-secondary planning. This program offers all students the opportunity to be involved in academy projects, to participate in student led planning for Academy Kick-Off Day which defines the theme for the year, as well as Academy Celebration Day which culminates the projects for the year, as an academy student representatives, teaming activities and involving our community with our Mentoring Program.

Another critical component for student involvement is the Internship Program. It is unique and thriving in offering real world learning opportunities for our senior students. The Internship program at MHHS Career Academies is recognized as one of most beneficial programs we offer our seniors. They have the opportunity to put all the research and investigation with their learning styles and career focus into an action plan. Senior students who are on track to graduate, have at least a 2.00 GPA, and go through the application process for a senior internship may intern at more than one business during their senior year. Students receive 1/2 credit for the course. Teachers must have the 412 Career Preparation Licensure code, the Arkansas Department of Career Education Accountability Report has been waived and MHHS Career Academies submits an accountability report relevant to our Internship Program data that is collected at the end of each semester, students are not required to attend 18 hours of classroom instruction or 180 hours of worksite training as waived by ACE, the teacher will be on a regular 191 day contract rather than the recommended 220 day contract, and ACE has allowed the use of the Senior Seminar Course code 493860 for student transcripts. Student reflection through writings and student panels emphasis that through this program they have discovered what they know they want to pursue in their post-secondary life, but more importantly what they do not want to pursue. Students express that they are leading their peers from other schools with goals and life action plans because of this program.

Alternative Credits options for students offer student success in meeting their graduation requirements. Students find their interest in their career focus, but more importantly relevance in learning through opportunities in different Science classes. Food Science and Biological Animal Science is one example of our Alternative Credits for student success and higher graduation rates. Our award winning FIRST Program is also an alternative credit option that has transformed student relevance in learning. At the Freshman Transition Academy, the Keystone curriculum has been substituted for Career Orientation credit as a mandatory elective in order to assist students with the transition to MHHS Career Academies.

The Freshman Transition Academy has been successful in preparing our freshman for their transition into our Career Academy program. It offers support in grouping our EOC populations to make our test scores a reality of what our high population is achieving. Although they are on a separate campus this Transition Program has offered great success rates with students staying on track to graduate, high school registration, identifying post-secondary goals, determining learning styles and career focus planning. The common planning time allows teachers to opportunity to develop integrated projects and community connections

AdvancED Accreditation Recommendation has led to MHHS Career Academies expanding best practices (i.e. Academic Advisory Program) district-wide. Mountain Home Public Schools was granted the AdvancED Accreditation in 2011. The MHHS Career Academy Program was one of the commendations sited in the accreditation report at the district level. District initiatives that have evolved from the accreditation visit were expanded academy integrations with each building in our district, as well as, implementing vertical alignment teams for the Academic Advisory Programs to include grades 6 – 12.

The Mentoring program at MHHS Career Academies has been documented in a booklet titled *Bridging the Gap* in 2011. The booklet illustrates how to implement a successful community Mentoring Program. Arkansas Department of Career Education and NCAC-National Career Academy Coalition websites have *Bridging the Gap* posted on their websites for other schools to access http://ace.arkansas.gov and http://www.ncacine.com Our Mentoring Program continues to enrich our students with post-secondary action planning.

In 2011 MHHS Career Academies hosted professional development institute for Mississippi Department of Education and Mississippi State University on how to implement and sustain a wall-to-wall career academy model and cultivate community connections.

The Arkansas Department of Career Education has invited our high school to present to other schools state-wide as a Career Academy Model Program. MHHS Career Academies host visiting schools to promote how to redesign a high school into a wall-to-wall career academy model, as well as to mentor and facilitate other high schools interested in the educational reform. Schools across the state come to visit our campus for professional development on career academy program implementation. We host numerous schools each year. The past five years we have hosted some of the largest districts in our state such as Jonesboro School District, Fayetteville, Harbor, Little Rock, as well as schools across the nation including Davidson County, North Carolina, Mississippi Department of Education, and Henry County, Tennessee within the last five years.

In September 2012, MHHS Career Academies was featured on CNBC Education Nation as one of the country's top 10 schools that have solutions to education the video link is included here http://www.cnbc.com/id/49148792/ . What makes MHHS Career Academies unique is that we provide solutions to education for student success in a rural setting. Although resources are limited, we provide our students with a focus not only on their learning style, but also a career focus for post-secondary transitions. The link provided features MHHS Career Academies as a Case Study that was documented by CNBC Education Nation http://www.nbcnews.com/feature/education-nation .

Our wall-to-wall career academies consist of three academies- Health and Human Services (HHS), Communication, Arts and Business (CAB), and Agriculture, Construction, Manufacturing, and Engineering (ACME). All three academies have been through a rigorous evaluation from the National Career Academy Coalition in the spring of 2012. All three academies have been ranked Model Status. Model Status is the highest level of achievement of a career academy using the NCAC standards practice. The evaluators mentioned upon entering this evaluation that it was unheard of to have all academies of a wall-to-wall career academy high school receive Model status. This success and our sustainability have been attributed to our community programs which are embedded in our academies which can be viewed in its entirety at the link provided http://bombers.k12.ar.us/hs/documents/NCAC_Eval_2012.pdf .

In the fall of 2013, the National Career Academy Coalition invited MHHS Career Academies to be one of two schools featured in the opening session of the national conference. We were asked to create a virtual tour video of our campus featuring our faculty and students. Academy representatives created this video enhancing our student voice. It offers an insight to each of our career academies and their unique learning style and career focus – the video link is provided http://bombers.k12.ar.us/hs/hs_academies.htm. MHHS Career Academies was chosen to showcase what a successful Career Academy Program looks like in a rural setting. Also, MHHS Career Academies was one of two schools to present best practices of our programs and the implementation process for sustainability with schools from all over our nation in attendance.

Part B: Desegregation Analysis

Describe the impact, both current and potential, of the public charter school on the efforts of affected public school district(s) to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools.

Respond below in 11 point Times New Roman font. This response can be no longer than 2 pages.

Mountain Home High School Career Academies is the only high school within the Mountain Home Public School District. It provides a free and appropriate education for all demographic groups. Currently, there are not any court orders or statutory obligations that have been created to maintain a unitary system of desegregated public schools.

Section 2 – Composition of the Charter School's Governing Board and Relationships to Others

Disclosure Information

Identify any contract or lease (other than an employment contract), in which the charter is or has been a party, and in which any charter administrator, board member, or an administrator or board member's family member has or had a financial interest.

Respond below in 11 point Times New Roman font. This response can be no longer than 3 pages.

Ben Strider, Board President, Strider Consulting, Engineering and Surveying Services
Jason Schmeski, Board Member, 62 East Auto, Vehicular Repairs
Arnold Knox, Board Member, Yelcot Telephone Company, Printer Ink and Toner Services
Lisa House, Board Member, Kinetco, General Water Conditioning Services
Leigh Anne Gigliotti, Asst. Superintendent, Driftwood Lanes, Lane Rental for Bowling Team
Leigh Anne Gigliotti, Asst. Superintendent, Computer Automations – Spouse Employer, Software Services
Dana Brown, Principal MHHS Career Academies, Jim Brown Company – Spouse Owner, HVACR Services

Complete the table on the following page.

Relationship Disclosures

In the first column, provide the name and contact information of each board member. In the second column, provide the name and position (e.g., financial officer, teacher, custodian) of any other board member, charter employee, or management company employee who has a relationship with the board member or state NONE. Describe the relationship in the third column (e.g., spouse, parent, sibling).

Charter School Board Member's Name and Contact Information	Name and Title of Individual Related to Board Member	Relationship
Ben Strider bstrider@mtnhome.k12.ar.us 870-425-1201	NONE	NONE
Lisa House lhouse@mtnhome.k12.ar.us 870-425-1201	NONE	NONE
Neal Pendergrass npendergrass@mtnhome.k12.ar.us 870-425-1201	Devona Pendergrass, MHHS Career Academies Librarian	Spouse
Jason Schmeski jschmeski@mtnhome.k12.ar.us 870-425-1201	NONE	NONE
Bill Wehmeyer bwehmeyer@mtnhome.k12.ar.us 870-425-1201	NONE	NONE

Barbara Horton **bhorton@mtnhome.k12.ar.us** **870-425-1201**	**NONE**	**NONE**
Arnold Knox **aknox@mtnhome.k12.ar.us** **870-425-1201**	**NONE**	**NONE**

Duplicate this page, if necessary.

Section 3 – Student and Teacher Retention

Part A: Student Retention

Complete the following Student Retention Table:

Group Combined Over All Years	Total Number	Number Left without Completing the Highest Grade Offered	% Left the Charter	% Left for Other Charter	% Left for Traditional Public	% Left for Private School	% Left for Home School	% Left the State	% Left for Unknown Reasons
All	4070	748	18%	0%	31%	0%	13%	26%	25%
Free/ Reduced Lunch	1831	336	18%	0%	71%	0%	30%	60%	57%
Two or More Races	230	4	2%	0%	2%	0%	3%	2%	2%
Asian	31	4	13%	0%	3%	0%	3%	2%	2%
African American	21	7	35%	0%	3%	0%	6%	3%	4%
Hispanic	100	9	9%	0%	4%	0%	8%	4%	5%
Native American	26	5	19%	0%	2%	0%	4%	2%	3%
White/ Caucasian	3855	719	19%	0%	33%	0%	14%	28%	27%
Special Education	173	30	17%	0%	13%	0%	28%	14%	15%
English Language Learner	20	4	20%	0%	2%	0%	3%	2%	2%

Review the data in the Student Retention Table and discuss the reasons that students leave the charter without completing the highest grade offered at the charter.
Respond below in 11 point Times New Roman font. This response can be no longer than 3 pages.

MHHS Career Academies is a unique Conversion Charter school in that it operates under the Arkansas Department of Education accountability structure and is the only high school that is within the Mountain Home Public School District. Students leave the charter, as coded by the Arkansas Department of Education, for one of the following reasons: Home School, Job Corps, Lack of Attendance, Lack of Interest, Moved out of State, No Shows, Enrolled in another Arkansas School, Graduated, or Deceased. Most students move to another Arkansas school or out of state due to their parent's job situation or financial hardships.

Part B: Teacher Retention

Complete the following Teacher Retention Table:

School Year	Total Number of Teachers	Number Who Returned to Teach at the School the Following Year	% Returned	Number Took Other Positions with the Charter Organization	% Took Other Positions with Charter Organization
2010-2011	69	69	100%	0	0
2011-2012	69	60	87%	1	.01%
2012-2013	68	63	93%	0	0

Review the data in the Teacher Retention Table and discuss the reasons that teachers leave the charter.
Respond below in 11 point Times New Roman font. This response can be no longer than 3 pages.

2011-2012 MHHS Career Academies had nine teachers that did not return for the following reasons:
1 – Transferred to another building in the district (The teacher we replaced her with was duel certified therefore replaced two teaching assignments)
2 – Retired
1 – Transferred to Freshman Transition Academy as Assistant Principal
2 – Received coaching jobs in another Arkansas school district
2 – Did not complete the ALP program for licensure
1 – Resigned for medical reasons

2012-2013 MHHS Career Academies had five teachers that did not return:
1 – School Resource Officer could not continue teaching the Law Enforcement Program of Study
1 – Resigned for another profession

2 – Resigned for personal reasons
1 – Received a coaching job in another Arkansas school district

Section 4 – Test Data

Review the following testing data summary, 2011-2013, showing the charter data and the resident school district data. Describe the ways in which the testing data support the achievement of, or progress toward achieving, the charter's current approved academic goals.

Mountain Home High School Career Academy

State-Mandated Assessment Scores, 2011-2013

Year	District Description	# Tested	% Below Basic	% Basic	% Proficient	% Advanced
11th Grade Literacy-Combined Population						
2011	MOUNTAIN HOMECAREER ACADEMY	286	2.45%	15.73%	59.09%	22.73%
2011	COTTER SCHOOL DISTRICT	39	0.00%	33.33%	41.03%	25.64%
2012	MOUNTAIN HOMECAREER ACADEMY	296	5.07%	22.97%	49.66%	22.30%
2012	COTTER SCHOOL DISTRICT	43	4.65%	27.91%	51.16%	16.28%
2013	MOUNTAIN HOMECAREER ACADEMY	277	2.17%	20.94%	52.71%	24.19%
2013	COTTER SCHOOL DISTRICT	47	6.38%	19.15%	55.32%	19.15%
11th Grade Literacy-Economically Disadvantaged						
2011	MOUNTAIN HOMECAREER ACADEMY	126	5.56%	21.43%	55.56%	17.46%
2011	COTTER SCHOOL DISTRICT	21	0.00%	28.57%	42.86%	28.57%
2012	MOUNTAIN HOMECAREER ACADEMY	149	8.05%	31.54%	47.65%	12.75%
2012	COTTER SCHOOL DISTRICT	22	4.55%	22.73%	59.09%	13.64%
2013	MOUNTAIN HOMECAREER ACADEMY	132	3.79%	30.30%	54.55%	11.36%
2013	COTTER SCHOOL DISTRICT	28	7.14%	25.00%	53.57%	14.29%
Algebra-Combined Population						
2011	MOUNTAIN HOMECAREER ACADEMY	193	5.18%	25.39%	48.70%	20.73%
2011	COTTER SCHOOL DISTRICT	38	0.00%	5.26%	52.63%	42.11%
2012	MOUNTAIN HOMECAREER ACADEMY	166	3.01%	13.86%	44.58%	38.55%
2012	COTTER SCHOOL DISTRICT	43	0.00%	9.30%	41.86%	48.84%
2013	MOUNTAIN HOMECAREER ACADEMY	178	6.18%	23.03%	48.88%	21.91%
2013	COTTER SCHOOL DISTRICT	35	0.00%	14.29%	57.14%	28.57%
Algebra-Economically Disadvantaged						
2011	MOUNTAIN HOMECAREER ACADEMY	133	6.77%	27.82%	45.86%	19.55%
2011	COTTER SCHOOL DISTRICT	25	0.00%	4.00%	56.00%	40.00%
2012	MOUNTAIN HOMECAREER ACADEMY	110	4.55%	14.55%	45.45%	35.45%
2012	COTTER SCHOOL DISTRICT	29	0.00%	6.90%	44.83%	48.28%
2013	MOUNTAIN HOMECAREER ACADEMY	120	5.83%	27.50%	47.50%	19.17%
2013	COTTER SCHOOL DISTRICT	25	0.00%	20.00%	64.00%	16.00%
Biology-Combined Population						
2012	MOUNTAIN HOMECAREER ACADEMY	290	11.03%	39.31%	37.59%	12.07%
2012	COTTER SCHOOL DISTRICT	41	21.95%	34.15%	36.59%	7.32%
2013	MOUNTAIN HOMECAREER ACADEMY	278	6.47%	34.53%	43.53%	15.47%
2013	COTTER SCHOOL DISTRICT	47	10.64%	29.79%	48.94%	10.64%

Biology-Economically Desadvantaged

2012	MOUNTAIN HOMECAREER ACADEMY	149	19.46%	41.61%	33.56%	5.37%
2012	COTTER SCHOOL DISTRICT	25	24.00%	32.00%	36.00%	8.00%
2013	MOUNTAIN HOMECAREER ACADEMY	153	8.50%	41.83%	40.52%	9.15%
2013	COTTER SCHOOL DISTRICT	32	15.63%	25.00%	46.88%	12.50%

Geometry-Combined Population

2011	MOUNTAIN HOMECAREER ACADEMY	291	2.75%	17.18%	43.30%	36.77%
2011	COTTER SCHOOL DISTRICT	55	5.45%	20.00%	49.09%	25.45%
2012	MOUNTAIN HOMECAREER ACADEMY	301	3.65%	20.93%	37.87%	37.54%
2012	COTTER SCHOOL DISTRICT	32	3.13%	28.13%	50.00%	18.75%
2013	MOUNTAIN HOMECAREER ACADEMY	311	2.89%	13.50%	43.73%	39.87%
2013	COTTER SCHOOL DISTRICT	46	0.00%	10.87%	76.09%	13.04%

Geometry-Economically Disadvantaged

2011	MOUNTAIN HOMECAREER ACADEMY	143	4.20%	26.57%	46.85%	22.38%
2011	COTTER SCHOOL DISTRICT	30	6.67%	20.00%	36.67%	36.67%
2012	MOUNTAIN HOMECAREER ACADEMY	161	5.59%	28.57%	41.61%	24.22%
2012	COTTER SCHOOL DISTRICT	21	4.76%	28.57%	42.86%	23.81%
2013	MOUNTAIN HOMECAREER ACADEMY	158	3.80%	22.15%	50.00%	24.05%
2013	COTTER SCHOOL DISTRICT	32	0.00%	12.50%	78.13%	9.38%

Year	District Decription	Student Count	Graduate Count	Graduate Rate
Graduation Rates-All Students				
2011	MOUNTAIN HOMECAREER ACADEMY	284	227	79.93%
2011	COTTER SCHOOL DISTRICT	55	45	81.82%
2012	MOUNTAIN HOMECAREER ACADEMY	317	271	85.49%
2012	COTTER SCHOOL DISTRICT	39	31	79.49%
2013	MOUNTAIN HOMECAREER ACADEMY	295	255	86.44%
2013	COTTER SCHOOL DISTRICT	43	40	93.02%
Graduation Rates-Economically Disadvantaged				
2011	MOUNTAIN HOMECAREER ACADEMY	146	106	72.60%
2011	COTTER SCHOOL DISTRICT	27	22	81.48%
2012	MOUNTAIN HOMECAREER ACADEMY	141	112	79.43%
2012	COTTER SCHOOL DISTRICT	24	18	75.00%
2013	MOUNTAIN HOMECAREER ACADEMY	136	106	77.94%
2013	COTTER SCHOOL DISTRICT	23	22	95.65%

Data above reflects the number of students tested and the percentage scoring in each proficiency category, combined across the grade levels indicated, for all students and for economically-disadvantaged students. Comparison numbers are for all students and economically-disadvantaged students in the same grade levels for the resident public school district. Data assembled and furnished by the Arkansas Research Center, http://arc.arkansas.gov/.

Respond below in 11 point Times New Roman font. This response can be no longer than 6 pages.

The data provided by the ADE Charter Office above is comparing MHHS Career Academies with Cotter School District which is designated as the resident school is misleading. Cotter School District is a school district within Baxter County as is MHHS Career Academies; however, MHHS Career Academies is the only high school in the Mountain Home Public School District. Cotter is not the resident school.

Also, the enrollment numbers between MHHS Career Academies and Cotter are drastically different and would not provide a fair comparison. According to the Arkansas Activities Association in the Classification Cycle information 2010-2012, Cotter School District is considered a 2A school with approximately 157 students enrolled in grades 10 – 12, while MHHS Career Academies is classified as a 6A school with enrollment in grades 10-12 at approximately 928 students. **Appendix A** provides the Annual Report to the Public that shows MHHS Career Academies progress not only on EOC exams, but also, a comparison of ACT data with MHHS Career Academies, Arkansas, and Nationally.

MHHS Career Academies utilize the Flexible Scheduling waiver as one strategy in order to improve student achievement. Every Wednesday is a late start day for students that have scored Advanced or Proficient on the state EOC exams. Students that score Advanced or Proficient have opportunities for tutoring or to assist other students in tutoring as well as ACT preparation sessions while students that scored Basic or Below Basic on the EOC exams are participating in the remediation program. A student that scores Basic or Below Basic is placed on an Academic Improvement Plan. English, math, and science teachers disaggregate data from the EOC tests to determine the weak student learning expectations from the test populations. This information is then provided to all three academy teams. Teachers in the areas of English, math, and biology model lessons to the academies covering the weak student learning expectations. Academy teachers are then requested to incorporate those identified concepts into their curriculum to assist core teachers in providing relevance to the weak student learning expectations to assist in increasing student achievement on the next exam cycle.

The following bullet items provide how flexible scheduling assists both student achievement as well as teacher collaboration:

- Two Academies have a common planning time during a Late-Start Wednesday Morning time
- One Academy covers Remediation for students that scored basic or below basic on state exams in order to meet requirements for their Academic Improvement Plans
- Integrated Project Development over the theme of the year
- Model identified weak Student Learning Expectations from state exams such as, English, Geometry, Algebra I, and Biology – Integrate the weak student learning expectations into curriculum by academy to assist in improving student achievement **(Appendix B)**
- Tuning Protocol – faculty members model a lesson/project for improvement and feedback **(Appendix C)**
- Red Flag student concerns- teachers fill out a follow-up form and give to student's advisor in order to check grades and to assist in communication with parents. **(Appendix D)**
- Business partners attend to incorporate community projects (real-life application) **(Appendix E)**
- Parent Panel provides feedback to each academy in terms of how to improve communication with parents **(Appendix F)**

The remediation program incorporates the use of Classworks, JEDI, and Gizmos in order for students to meet the requirements of their Academic Improvement Plan. Point in Time Intervention is provided to students that have been identified by their core teachers as having a letter grade of D or F. This allows students the opportunity to raise their grade. During this remediation period, student representatives from the National Honor Society can receive service hours by assisting fellow students in tutoring in any subject. The counselors' office provides ACT preparation sessions during the time as well.

Other flexible scheduling possibility the charter provides is the Plus/Zero hours to offer student opportunities for post-secondary success and assist in overall student achievement. The Plus/Zero hours offer our students the opportunity to receive credit for education that does not fit in a school day. Students may extend their day in our Transition Credit Recovery Room through Virtual Arkansas curriculum to recover credits in order to stay on track to graduate. In addition to the Transition Classroom, the school district began Guy Berry College and Career Academy in 2011 to provide students that are struggling academically as well as for disciplinary reasons an alternative learning environment. The Transition Classroom, as well as, the implementation of Guy Berry College and Career Academy has assisted in the success of MHHS Career Academies continued improving graduation rates. Flexible scheduling also allows seniors the opportunity to attend our Community College ASUMH Technical Center while

attending high school and receive college credit. This program has been recognized across the state of Arkansas in offering technical learning opportunities for a population of students that may or may not attend a traditional college or university. Students leave high school with a future of not only greater job opportunities; but also, greater wages to prosper. These students who have engaged in this program have found the missing piece of relevance to continue their education both in high school and post-secondary education.

Section 5 – Academic Performance Goals

Part A: Current Performance Goals

Each of the charter's student academic performance goals, as approved by the State Board of Education, is listed. Describe the charter's progress in achieving each goal and provide supporting documentation that demonstrates the progress. If a goal was not reached, explain why it was not reached and the actions being taken so that students can achieve the goal.

REDACT ALL STUDENT IDENTIFIABLE INFORMATION.

Please note: MHHS Career Academies intends to continue our emphasis articulated in our original goals:

1.To continue to increase our student performance on EOC tests:

- Charter status has allowed the creation of Accelerated Growth Session (AGS), Point-in Time Intervention (PIT), and Academic Advisory Program (AAP), through flexible scheduling. Every Wednesday students that scored Basic or Below Basic on EOC Algebra I, EOC Geometry, EOC Biology, and 11th grade literacy exams participate in AGS to meet the state requirement to address remediation to their Academic Improvement Plan (AIP). Also, if a student has a D/F in a core class, that student is assigned to PIT to make-up assignments to replace the failing grade. During AGS and PIT teachings in two academies are provided a common planning time to develop integrated projects, address at risk students, and participated in tuning protocols for lesson improvement. The third academy team supervises AGS and PIT. Academy teams rotate between supervising students and planning time activities throughout the month. The AAP program is a support system for each student which offers students a teacher whose role is to council both academically and personally for three consecutive years. Our advisory classes are divided by academy for both teachers and students. Each student will have the same advisor for three years provided they do not switch academies. Through our AAP we have a mentorship program (**see Appendix G**) that brings in business partners for all 55 of our advisory classes. Their role connects careers and life skills with AAP students. Mentors meet once a month with students. An orientation session is provided to Mentors to establish the importance and role of a mentor, provide sample lessons, and visit with a student panel to hear a student's perspective of what their expectations of a mentor. The advisory program has an aligned curriculum grades 6-12 which has been developed through our district vertical alignment teams which consist of teacher and administrators. This curriculum is designed to meet the needs of students according to their grade level. Our students meet once a month for advisory lessons and every Wednesday for relationship building activities as well as club meetings.

2. To continue to refine 9th -12th grade student six-year post-secondary plans; this goal continues to be met with several transition pieces

- Keystone is a one semester mandatory class that all freshmen are required to take which prepares our freshmen for the transition into the career academy program. The students begin the class with learning their strength and weaknesses through self and learning style assessments, time management and other soft skill projects. They are reminded throughout the semester that their freshman year of high school is the most important year since this is when they begin their high school transcript and GPA which determines what classes they can take in order to achieve their post-secondary goals. The 6- year educational plan is developed through our Keystone curriculum. This educational plan is used throughout their high school career. Support for freshmen is offered by our academy leaders through attending all Keystone classes as guest speakers about each of our academies and the integrated projects that our students lead. Our Academy Student Representatives attend each Keystone class as a student panel which interacts with all freshmen. The Academy Coordinator also attends each Keystone class to facilitate freshman into the correct academy choice.
- The Academy Coordinator facilitates the Freshman Transition Program by meeting with the Principal of the Freshman Academy, the Freshman Transition lead teacher, and the Freshman Academy counselor once a week to offer a bridge between the two programs which are located on two separate campuses.
- Freshman Transition Program has been developed to prepare students from experiencing a traditional school environment to a career academy high school. We discovered that the Keystone class offers key pieces towards freshmen transition, but needed additional support. This program offers students the opportunities to self explore, to identify, and articulate their learning styles. This program assists freshman in understanding the relevance of their high school educational plan. Students are offered many opportunities to enter their sophomore year with confidence that they will reach the goals that they have set to complete their high school years as well as their post-secondary life. The key pieces to this program have been developed through student voice which allows an opportunity to reflect and revise each year. We have developed an Extended Advisory to prepare all MHHS Career Academy students for high school registration. The upcoming sophomores come to the high school campus and meet their advisor that they will have for the next three years of high school. They review their 6-year educational plans and confirm their registration conference time for registration. MHHS Career Academies continue to expand Transition Day which originally began as a full day of orientation for our upcoming sophomores during the summer months. They attend our MHHS Career Academies campus to tour, review programs offered, receive student ID badges along with class schedules, listen and interact with our high school academy representative student panel, sign up for clubs, enjoy a pep rally, teaming games and most importantly eat lunch on campus. The Transition Day has expanded to other buildings in our school district. We now have each grade level building participating in a Transition Day to prepare students for the school specific expectations and student opportunities. Our Freshman Academic Advisory Program has been aligned with our high school Academic Advisory Program (AAP) which has grown into a complete alignment with grades 6-12. The goal is to give all students the opportunity to become familiar with our academies to offer a common language throughout our community. **(Appendix H)**
- Student Led Conferences were an addition to our AAP curriculum in 2011 to offer students the opportunity to prepare for post-secondary life, and to articulate them in a way which gives them a better understanding of their current educational plan as well as to self evaluate how to become successful in reaching their goals. Freshmen develop their Student Led Conference portfolios and are used post SLC conference in their

transition into their Career and College Action Plan (CCAP) professional interviews through our AAP curriculum at the high school.

3. To continue to increase student participation in extra/co-curricular activities.

Respond below in 11 point Times New Roman font. Indicate if supporting documentation demonstrating the progress is attached. This response can be no longer than 1 page, excluding the supporting documentation.

Student participation in extra/co-curricular activities are tracked through student completed forms. Also, students are advised during AAP by linking activities with each academy. Students are able to make better choices on participating in activities when the connection is made to their academy. During our Transition Day in 2013, MHHS Career Academies expanded to add club registration information and sign up opportunities as a rotation to the Transition Day Program. **(Appendix I)**

4. To provide a stronger transition and support system for the critical first year of high school, 9th grade, by implementing remediation and intervention programs.

Respond below in 11 point Times New Roman font. Indicate if supporting documentation demonstrating the progress is attached. This response can be no longer than 1 page, excluding the supporting documentation.

The Freshman Transition Academy utilizes best practices as established by MHHS Career Academies for their remediation and intervention programs. A Student that has grades of D or F in core classes must participate in Point in Time Remediation. In addition to Point in Time Remediation, the Freshman Transition Academy has a No Zeros policy which states that if any student as has a zero in any classes for the week they are required to attend Point in Time Remediation until the zero assignment is complete.

Through the charter Plus/Zero hours offer student opportunities for post-secondary success and assist in overall student achievement. The Plus/Zero hours offer our students the opportunity to receive credit for education that does not fit in a school day. Students may extend their day in our Transition Credit Recovery Room through Virtual Arkansas curriculum to recover credits in order to stay on track to graduate, as well as to transition to MHHS Career Academies. In addition to the Transition Classroom, the school district began Guy Berry College and Career Academy in 2011 to provide students that are struggling academically as well as for disciplinary reasons an alternative learning environment. The Transition Classroom, as well as, the implementation of Guy Berry College and Career Academy has assisted in the success of MHHS Career Academies continued improving graduation rates. Flexible scheduling also allows seniors the opportunity to attend our Community College ASUMH Technical Center while attending high school and receive college credit. This program has been recognized across the state of Arkansas in offering technical learning opportunities for a population of students that may or may not attend a traditional college or university. These students who have engaged in this program have found the missing piece of relevance to continue their education both in high school and post-secondary education.

As previously mentioned, the Academic Advisory Program is the heart of our entire program. Flexible scheduling allows for students and advisors to build relationships within our career academy model. They collaborate with students on graduation and post-secondary planning. This program offers all students the opportunity to be involved in academy projects, to participate in student led planning for Academy Kick-Off Day which defines the theme for the year, as well as Academy Celebration Day which culminates the projects for the year, as an academy student representatives, teaming activities and involving our community with our Mentoring Program. This program is aligned grades 6 – 12. With the AAP alignment, students are able to transition from building to building with greater ease. Lessons assist with the alignment as well. Beginning in the 6th grade, students participate in activities led by MHHS Career Academies' student representatives from conducting the Gallup StrengthsFinder to calculating their Grade Point Average.

5. To increase parent/community involvement in raising student achievement through specific participation in classes, internships, advisories, etc.

Respond below in 11 point Times New Roman font. Indicate if supporting documentation demonstrating the progress is attached. This response can be no longer than 1 page, excluding the supporting documentation.

Embedding parents and the community within the MHHS Career Academies program is one of the primary reasons that this wall-to-wall career academy model has sustained. The community provides tremendous support in several programs offered at MHHS Career Academies. The following bulleted list provides how the Mountain Home community assists in providing opportunities for students and faculty:

- Internship Program (Brochure is attached in **Appendix J**)
- Teacher Externship Professional Development Opportunities – attached in **Appendix K** is the reflection documentation teachers are to utilize during their externship experience, as well as, an example of the businesses that have participated in hosting an externship.
- Mentoring Program
- ASUMH College Bound Pilot Program with Senior AAP Classes
- Parent Panels for each academy to provide feedback
- CCAP Community Partner Interviews through AAP
- MHHS Career Academies Parent Center created with the assistance of parents that are members of Partners in Education to provide secondary level parents with resources such as technology seminars as well as printed literature.
- Mountain Home Education Foundation provides financial assistance for students, 60 seniors as well as 60 graduates, to attend ASUMH Technical Center.

The internship program provides real-world learning opportunities for our senior students. The Internship program at MHHS Career Academies is recognized as one of most beneficial programs we offer our seniors. They have the opportunity to put all the research and investigation with their learning styles and career focus into an action plan. Senior students who are on track to graduate, have at least a 2.00 GPA, and go through the application process for a senior internship may intern at more than one business during their senior year. Students receive 1/2 credit for the course. Student reflection through writings and student panel participation emphasizes that through this program they have discovered what they know they want to pursue in their post-secondary life, but more importantly what they do not want to pursue. Students express that they are leading their peers from other schools with goals and life action plans because of this program.

The Teacher Externship Professional Development opportunities provide faculty members from MHHS Career Academies to tour and visit with community partners at their facility. Faculty members are able to connect their curriculum with the information provided from the community partner in an effort to bring relevance back to student learning. Community partners have participated in integrated projects as a result of the Teacher Externship. For example, the Mountain Home Police Department and Baxter Regional Medical Center participates annually with the HHS Academy integrated project titled CSI: Challenging Student Involvement with Pinkston Middle School. This project is specifically connected to the 6th Grade science curriculum and provides students with real-world applications.

MHHS Career Academies Mentoring Program allows community members to connect with an AAP class for three years to build community relations. Mentors meet with their AAP class the first Wednesday of every month in order to provide real-world application to the AAP curriculum. The mentors will also assist with preparing MHHS Career Academies' students for the post secondary transition with CCAP interviews. Mentors will conduct mock interviews with MHHS Career Academies to expand on our student led conference curriculum.

Beginning this year as a pilot program, ASUMH is partnering with the senior AAP classes to provide students with hands-on lessons on completing the college application process – from completing an application, to completing the FAFSA, to registering for classes if they intend to enroll at ASUMH in the Fall Semester.

6.To target our economically disadvantaged students 9-12- our largest subgroup

Respond below in 11 point Times New Roman font. Indicate if supporting documentation demonstrating the progress is attached. This response can be no longer than 1 page, excluding the supporting documentation.

MHHS Career Academies provide a variety of strategies and community programs to target the economically disadvantaged students in grades 9-12. The following bulleted list provides examples of programs that are provided to this subpopulation:

- Mountain Home Education Foundation provides financial support for concurrent credit for 60 seniors and 60 graduates to attend the ASUMH Technical Center.
- Mountain Home Education Foundation provides scholarships to students that are program of study completers.
- Red flag program through AAP Advisors. Students that are classified not only as economically disadvantaged, but also, at risk are Red Flagged during academy meetings. Faculty discusses grades, attitude, discipline, concerns, and how to assist students to be more successful in classes with the AAP Advisor. The AAP Advisor is to follow up with the student for a discussion as well as contact parents about the concerns. This process builds a relationship not only with the student, but also, with the parents.
- Rice Depot backpack program provides these identified students with a backpack to take home on the weekends with snacks and meals. Students are provided with this confidential service through our counseling office.
- 410 Thrift Store – this is a student led project that assists students that are in need of school supplies to clothing. The 410 Thrift store is open to any student in this identified population as well as teachers can recognize students for acts of kindness or achievement to shop in the store as a reward. This allows students that are identified as economically disadvantaged not to be singled out if they shop in the 410 Thrift Store.
- The Giving Tree Project is a program established by the counseling center for student organizations to adopt a family in need at Christmas. Counselors confidentially identify families of students at MHHS Career Academies for student organizations or faculty to adopt.
- Teen Girls go to College is an annual event sponsored by ASUMH and Baxter Regional Medical Center Schliemann Center for Women's Health Education which is aimed at providing scholarships and opportunities for girls who might not have considered college as an option due to financial hardship, academic set-backs, or lack of vision for their future. ASUMH sponsors this program each spring where senior girls learn about college options, enrollment, testing, financial aid, careers and other topics related to higher education. The girls who are chosen to attend this event may qualify for one of several $500 scholarships which may be applied annually for up to three years towards tuition at ASUMH. They may also qualify for a CNA or Phlebotomy scholarship. These are full scholarships where the girls can complete both program and start a career immediately.

7.To Increase the Number of Arkansas Department of Career Education Programs of Study Completers

Respond below in 11 point Times New Roman font. Indicate if supporting documentation demonstrating the progress is attached. This response can be no longer than 1 page, excluding the supporting documentation.

As we have developed integrated projects between core curricula and career education curricula, as well as, developed our academy advisories, our faculty has become knowledgeable about the value of being a program completer. Attention to these opportunities has made faculty, students, and parents aware of

possible career pathways and strengthened student and faculty awareness about relevancy of coursework in terms of post-secondary planning. All students have benefited from this focus. To accomplish this, our academy teams routinely review the Programs of Study criteria. As advisors, they work on this with advisees during our advisory sessions. In addition to advisories, 9th grade students receive information about programs of study within the Keystone curriculum. This assists students in preparing for high school registration. During Transition Day, freshmen are provided with a session dedicated solely on programs of study and how it relates to their post-secondary planning. (**Appendix L** provides the PowerPoint used during Transition Day)

Mountain Home Education Foundation provides MHHS Career Academies' students with scholarships for those that are program completers. In 2013-2014, MHHS Career Academies had 84 completers in 178 different programs of study.

8. To expand credit recovery and to create an on-campus alternative learning environment 9-12 so that students who are in academic distress may recover credit through the high school instead of through the Baxter County Alternative School.

Respond below in 11 point Times New Roman font. Indicate if supporting documentation demonstrating the progress is attached. This response can be no longer than 1 page, excluding the supporting documentation.

Credit recovery is currently being addressed in grades 9-12 in the following venues: Summer school for students that failed biology, algebra I, geometry, and English; correspondence courses; Virtual Arkansas which is a program through the Arkansas Department of Education; and students are assigned into point in time intervention during the late start day if they have failed assignments in core courses in an effort to replace the failing grades. The creation of a transitional classroom that addresses credit recovery needs for grades 9-12 primarily utilizes the Virtual Arkansas curriculum in order for students to recover credits. Students can schedule it into their school day or take advantage of the Plus/Zero Hour option if the course that needs to be recovered for credit will not fit in their schedule.

In addition to the Transition Classroom, the school district began Guy Berry College and Career Academy in 2011 to provide students that are struggling academically as well as for disciplinary reasons an alternative learning environment. MHHS Career Academies still has the ability to refer students to Baxter County Alternative School it that is a better placement for students. The Transition Classroom, as well as, the implementation of Guy Berry College and Career Academy has assisted in the success of MHHS Career Academies high graduation rates.

Part B: New Performance Goals

Confirm the understanding that, during the term of the charter renewal, the charter is expected to meet all goals and/or objectives set by the state.

List other student academic performance goals for the period of time requested for renewal. For each goal, include the following:

- The tool to be used to measure academic performance;
- The level of performance that will demonstrate success; and
- The timeframe for the achievement of the goal.

Respond below in 11 point Times New Roman font. This response can be no longer than 3 pages.

New Performance Goal 1: Exploring new avenues for expanding college and career readiness options.

The purpose of Performance Goal 1 is to explore new avenues for expanding college and career readiness options. The focus will be on making the senior year relevant through this goal with community based internships and an expanded work permit program.

Examples of assessments to be used for senior internships include:

- Weekly reflections
- Confidential business partner evaluations completed at the end of the semester by the business partner over student performance
- Student self-evaluations completed at the end of the semester
- Confidential business partner evaluations completed at the end of the semester by the student about the business partner
- Google App to track time in and out at the business partner site (students accumulate 30-45 hours at the business partner site during the semester)
- E-mails, phone calls, and site visits completed by the instructor to follow-up on the senior intern
- Senior Exit Interviews
- Attendance report
- Student demographic of participants (gender, socioeconomic status)

Examples of assessments to be used for the work permit program include:

- Printed reports for each student noting progress
- Assessments at the end of each section in the Career Ready 101 curriculum
- Students have the opportunity to become certified in different areas of the Career Ready 101 curriculum through an assessment piece at the end of the course.
- Google APP to track hours spent at place of employment
- Instructor may call or visit the student's place of employment

New Performance Goal 2: Increasing student participation in curriculum options

Increasing student participation in curriculum options was the second goal determined by MHHS Career Academies that would assist in making the senior year relevant. Within this goal, includes a variety of course options for students both on and off the Mountain Home High School Career Academies campus. Flexible scheduling within the students' school day will be required in order for students to attend Arkansas State University Mountain Home for either concurrent credit opportunities or Arkansas State University Mountain Home Technical Campus. Also, to better prepare our students to be college and career ready flexible licensure options to include licensure waivers for not only internships, work permit program, but also, Service Learning as well as allow community members and ASUMH adjunct faculty to teach out of licensure area in the areas of Criminal Justice, Allied Health, Engineering, CISCO, Computer Applications, Funeral Science, and Financial Management. By allowing students to participate in the programs of study previously listed, this allows possible certification for students in the areas of Career and Technical Education.

MHHS Career Academies is requesting that Service Learning be an option for seniors to include the following components for a successful program:

- Student option for credit
- Approved Service Learning Provider list will be developed and adopted from the state if available
- PIE Volunteers will correspond to assist with setting up and establishing Service Learning Providers
- Approval will be provided by building Principal or designee for those providers not on the approved list
- Will not allow to "double count" hours for other organizations service hours for example, NHS.
- Any licensure will be allowed to teach/supervise the hours for Service Learning

- Tie to Senior AAP curriculum with Senior AAP Advisors checking hours through software app program reports once a month.
- Allow students to schedule Service Learning within their school day option of flexible scheduling

Goal Number 2 Assessment:

- Senior Exit Interviews
- Log sheets developed through Google Apps - EAST
- Evaluation from Service Learning partners
- Evaluation from Senior Academic Advisors
- Evidence of Attendance
- Number of hours (Minimum of 75 clock hours per semester)
- Evidence of Grades
- Parent Survey and Student Survey
- Demographic information of students in programs (gender, socioeconomic status)
- Demonstration of skills through technical writings and reading
- Teacher and community evaluations of program

Section 6 – Finance

Review the charter's most recent annual financial audit report. For each finding, address the following:

- If the finding had been noted in any prior year audits;
- The corrective actions taken to rectify the issue; and
- The date by which the issue was or will be corrected.

There were no findings for the 2013 annual financial audit for the Mountain Home School District. No additional response is needed.

Section 7 – Waivers

Review the following list of statutes and rules that have been waived for the charter school:

Waivers from Title 6 of the Arkansas Code Annotated (Education Code)

6-10-106	School year dates
6-15-902(a)	Grading scale—Exemptions—Special education (must still meet measurable student achievement standards as required in statute and the waiver applies only to non-core courses)
6-15-1004	Qualified teachers in every public school classroom
6-16-102	School day hours (the amount of instruction may be lengthened to beyond six hours but may not be decreased to less than six hours)

Waivers from Other Rules

- To grant elective science credit for the following courses:
  - Medical Human Anatomy and Physiology – 1 credit
  - Advanced Animal Science – 1 credit
  - Food Science – 1 credit
  - FIRST 1 credit
- To allow the Keystone Curriculum to substitute for Career Orientation

Part A: New Waiver Requests

List each additional law and rule from Title VI of Arkansas Code Annotated, State Board of Education Rules and Regulations, including the Standards for Accreditation, that the charter would like the approved authorizer to waive. Provide the rationale for each new waiver request.

Waiver 1: Exploring new avenues for expanding college and career readiness options.

6-18-211, 6-16-102, 6-11-105 Mandatory Attendance Requirements for flexible scheduling in the students day specifically seniors in order for them to have an expanded internship, work program.

Rule X. 15.03.124.07, Ark. Code Ann. 6-17-401 Administrative, teaching and other personnel hold valid Arkansas license

Rule X. 7.01 All teachers who are required to be highly qualified

6-11-105, 6-15-441, 6-16-601 College and Career Readiness for flexible licensure options for our internships, work programs

The purpose of Waiver1 is to explore new avenues for expanding college and career readiness options. MHHS Career Academies decided to focus on making the senior year relevant through this goal with community based internships and an expanded work permit program. Both courses would require the Department of Education to assign a Course Code for Career Focus Credit. Also, the request would be to allow any licensure area to instruct both senior internships and the work permit program to enable flexibility for hiring. Both the internship and work permit programs will allow flexible schedule opportunities within the student's schedule requiring them to have classes on campus for consecutive periods to eliminate open campus during the school day. Also, it will allow students to either double block internship or work permit program consecutive periods or one period every day. It will be employer discretion to either participate in a paid or unpaid internship partnership.

The internship program is intended for seniors only. Students must have an interest in the internship area as demonstrated through coursework and extracurricular activities. They must also be on track to graduate and be recommended by a faculty member. In addition, a minimum 2.0 GPA is required for students to participate in the internship program. In the spring semester of their junior year, any interested student must complete a senior internship application and submit it along with a copy of their transcript, resume, and two teacher recommendations. Internship candidates will then be interviewed to determine placement in the senior internship program. Senior students who are on track to graduate, have at least a 2.00 GPA, and go through the application process for a senior internship may intern at more than one business during their senior year. Students receive 1/2 credit for the course. Currently, teachers must have the 412 Career Preparation Licensure code, the Arkansas Department of Career Education Accountability Report has been waived and MHHS Career Academies submits an accountability report relevant to our Internship Program data that is collected at the end of each semester, students are not required to attend 18 hours of classroom instruction or 180 hours of worksite training as waived by ACE, the teacher will be on a regular 191 day contract rather than the recommended 220 day contract, and ACE has allowed the use of the Senior Seminar Course code 493860 for student transcripts. MHHS Career Academies will continue to follow the same criteria as stated within this charter renewal cycle.

Senior internships provide students with real-world learning opportunities with a community business partner. In addition, internships allow seniors to determine what career path they want to pursue after graduation, whether it is the post-secondary college path, vocational/technical center path, or straight to the workforce. In addition to determining what they want to pursue after graduation, the internship program assists them in deciding what career path they do not want to pursue, which is just as valuable. Internships allow the students to see what actually occurs at the business partner site and the daily operations of that business. The senior internship gives these students the opportunity to determine in a hands-on way whether or not that student wants to pursue the given career field in a post-secondary setting. Seniors participate in internships at various local businesses in a variety of areas including

pharmacy, journalism/broadcasting, veterinary medicine, HVAC, graphic design, all areas of medicine, law enforcement, and small business just to name a few.

Senior internships are personalized for each student. Seniors determine the area in which they want to participate in an internship. The instructor then sits down one-on-one with each student to decide the most appropriate business partner for that student. Students are then placed with the business partner for the semester. The students often choose a career path in which they have already shown an interest and oftentimes where they will be a CTE completer through one of many programs of study. Once they are placed, the community partner works with him/her at the business site to help the senior determine if this is a career path that they want to choose post-secondary. All learning styles are addressed through senior internships including auditory, visual, and kinesthetic areas as well as the different multiple intelligences such as logical/mathematical, visual/spatial, verbal/linguistic, intrapersonal, and interpersonal, just to name a few.

The expanded work permit program is another component the committee decided to include to make the senior year relevant within the goal to expand avenues for expanding college and career readiness. Any licensure allowed should be allowed as with the internship program to monitor/supervise work permit program. The ADE will be required to issue a course code for work permit program. Students will be required to contact teacher supervisor when absent from work. It is requested that the work permit program be considered a Career Focus Credit (must work at least 10 hours per week/180 hours per semester to receive ½ credit per semester) allowing students to obtain 1 Career Focus credits total. Teachers must have the 412 Career Preparation Licensure code, the Arkansas Department of Career Education Accountability Report will be waived and MHHS Career Academies submits an accountability report relevant to our Work Permit Program data that is collected at the end of each semester, students are not required to attend 18 hours of classroom instruction as waived by ACE, the teacher will be on a regular 191 day contract rather than the recommended 220 day contract,

This course is intended for seniors only. Students must either have a job or be actively pursuing a job. They must also be on track to graduate. In the spring semester of their junior year, any interested student must complete a work program application and submit it along with a copy of their transcript. Students will then be interviewed to determine placement in the work program.
The work program will provide students with a real-world experience through their places of employment in addition to hands-on activities conducted in class. Students will create letters of application and resumes. Students will complete job applications and will be a part of a mock interview. These activities, in addition to many others, will be conducted so that the student will take this information and go out into the business community and apply for and obtain a job. For students who are already employed, they will use this information to update their portfolios. This course and the activities associated with it will better prepare these students to enter the workforce after graduation.

The work permit program allows students to gain valuable work skills in a classroom setting. Also, it provides students the opportunity to leave school in the morning or afternoon to go to work or actively seek employment. Students will be able to take the skills they have learned in class and directly apply them to the workplace setting. Tasks in the class will include creating resumes and completing job applications. Resumes and applications will then be submitted to local businesses. Mock interviews will be conducted in class. Basic skills such as speaking, listening, problem solving, and communicating will also be taught. Guest speakers will be invited from various businesses within the community to discuss different skills that are necessary in the job market. Soft skills required in today's job market will also be emphasized. Students working during this time will have the real life experience and hands-on piece to correspond with the work completed in class. Students may also receive certification in different areas through the Career Ready 101 curriculum assessments that are given at the end of the year. Certification areas from this curriculum are accepted by a variety of businesses and will give the student a distinct advantage when applying for a job over other candidates.

The work permit program addresses a variety of diverse learner needs. This program will enable seniors to take the work related skills they are learning in class and apply them directly to their jobs. The instructor may assist the students on a one-on-one basis in finding a place of employment. All learning styles are addressed through the work permit program including auditory, visual, and kinesthetic areas as well as the different multiple intelligences such as logical/mathematical, visual/spatial, verbal/linguistic, intrapersonal, and interpersonal. The students work at their own pace on the Career Ready 101 curriculum on the computer. They may read the information on the computer if they are visual learners or they have the option of hearing the information if they are auditory learners. All students will take a pretest at the beginning of each section and will then be placed in the correct module based on their pretest scores. This will enable students to skip sections which they have already mastered. This is a very individualized program of instruction. Students also have the opportunity to participate in the Skills USA student organization where they can compete in certain areas relating to workforce education. If the student loses their job, they are required to attend class of their work permit/internship teacher until they are able to obtain a job.

Waiver 2: Increasing student participation in curriculum options

6-18-211, 6-16-102, 6-11-105 Mandatory Attendance Requirements for flexible scheduling in the students day specifically seniors in order for them to attend ASUMH either with concurrent credit opportunities or through ASUMH Technical program.

6-11-105, 6-15-441, 6-16-601 College and Career Readiness for flexible licensure options for our Service Learning. Create Service Learning opportunities through the Senior Academic Advisory Program. 6-11-105, 6-17-401 licensure waiver for community members and allow teachers to teach out of licensure area in order to teach courses in the areas of Criminal Justice, Allied Health, Engineering, CISCO, Computer Applications, Funeral Science, and Financial Management. By allowing students to participate in the programs of study previously listed, this allows possible certification for students in the areas of Career and Technical Education.

Rule X. 15.03.124.07, Ark. Code Ann. 6-17-401 Administrative, teaching and other personnel hold valid Arkansas license

Rule X. 7.01 All teachers who are required to be highly qualified

Increasing student participation in curriculum options was the second goal determined by MHHS Career Academies that would assist in making the senior year relevant. Within this goal, includes a variety of course options for students both on and off the Mountain Home High School Career Academies campus. Flexible scheduling within the students' school day will be required in order for students to attend Arkansas State University Mountain Home for either concurrent credit opportunities or Arkansas State University Mountain Home Technical Campus. Included with in the flexible scheduling options for students is a requirement to attend MHHS Career Academies for two consecutive periods and then may be released to attend Arkansas State University Mountain Home. Students will have lunch available during their school day. Also, to better prepare our students to be college and career ready flexible licensure options to include licensure waivers for not only internships, work permit program, but also, Service Learning as well as allow community members and ASUMH adjunct faculty to teach out of licensure area in the areas of Criminal Justice, Allied Health, Engineering, CISCO, Computer Applications, Funeral Science, and Financial Management. By allowing students to participate in the programs of study previously listed, this allows possible certification for students in the areas of Career and Technical Education.

MHHS Career Academies is requesting that Service Learning be an option for seniors to include the following components for a successful program:

- Student option for ½ credit, with the option to continue a Service Learning project a full school year

- Approved Service Learning Provider list will be developed and adopted from the state if available
- PIE Volunteers will correspond to assist with setting up and establishing Service Learning Providers
- Approval will be provided by building Principal or designee for those providers not on the approved list
- Will not allow to "double count" hours for other organizations service hours for example, NHS.
- Any licensure will be allowed to teach/supervise the hours for Service Learning
- Tie to Senior AAP curriculum with Senior AAP Advisors checking hours through software app program reports once a month.
- Allow students to schedule Service Learning within their school day option of flexible scheduling

Waiver 3: Adjust the current Keystone curriculum offering in the charter waivers to assist in students transitioning from the Freshman Transition Academy.

This waiver would be categorized by Waivers from other Rules.

In the current charter, MHHS Career Academies is approved to substitute Keystone in place of Career Orientation as the transition curriculum. The request of this waiver is to allow identified students to enroll in Keystone during the Spring Semester of their 8th Grade year and the remainder of the 8th Grade identified students to enroll in Keystone during the Fall Semester of their 9th Grade year. The rationale for offering Keystone in this manner is to provide relevance in the 6-Year Educational Plan for high school through post secondary to those students during the 8th Grade year and first part of the 9th Grade year, as well as have ample time to determine learning styles and career focus. With this curriculum in place as requested per the new waiver, students will transition into the career academy model with greater ease.

If no new waivers are requested, state this.
Respond below in 11 point Times New Roman font. Contact staff in the Charter Schools Office if this response needs to be longer than 5 pages.

Part B: Waivers to Be Rescinded

List each waiver granted by the State Board that the charter would like to have rescinded. If no waivers are listed, the charter may be required to adhere to all waivers listed on both the original and renewal charter documentation.

If the charter wishes to maintain all currently approved waivers, state this.
Respond below in 11 point Times New Roman font. Contact staff in the Charter Schools Office if this response needs to be longer than 5 pages.

MHHS Career Academies do not wish to rescind any existing waivers. We are requesting to maintain all currently approved waivers.

Section 8 – Requested Amendments

List any amendment requests and provide a rationale for each (i.e., changes to grade levels, enrollment cap, location, educational plan).
A **budget** to show that the charter will be financially viable **must accompany** any amendment request to **change grade levels, the enrollment cap, relocate, and/or add a campus**. The budget must document expected revenue to be generated and/or expenses to be incurred if the amendment request is approved.
If no charter amendments are requested, state this.
Respond below in 11 point Times New Roman font. Contact staff in the Charter Schools Office if this response needs to be longer than 5 pages, excluding any budget pages.
MHHS Career Academies are not requesting any amendments for this Charter Renewal Application.

APPENDIX

Appendix Table of Contents:

Documentation Concerning Schools that have Visited MHHS Career Academies Nationally and from Arkansas and informational brochure

Appendix A: Report to Public and ACT Scores

Appendix B: Academy Integration Forms and Sample of Work Day Agenda

Appendix C: Tuning Protocol Procedures and Forms

Appendix D: Red Flag Document

Appendix E: Mountain Home High School Career Academies Business Advisory Board Agenda

Appendix F: Parent Panel Activity and List of Previous Members

Appendix G: Mentoring Program including Academic Advisory Program Curriculum Syllabus

Appendix H: Transition Day Schedule Rotations and Agenda

Appendix I: Transition Day Dunbar Schedule Rotations and Instructional Email

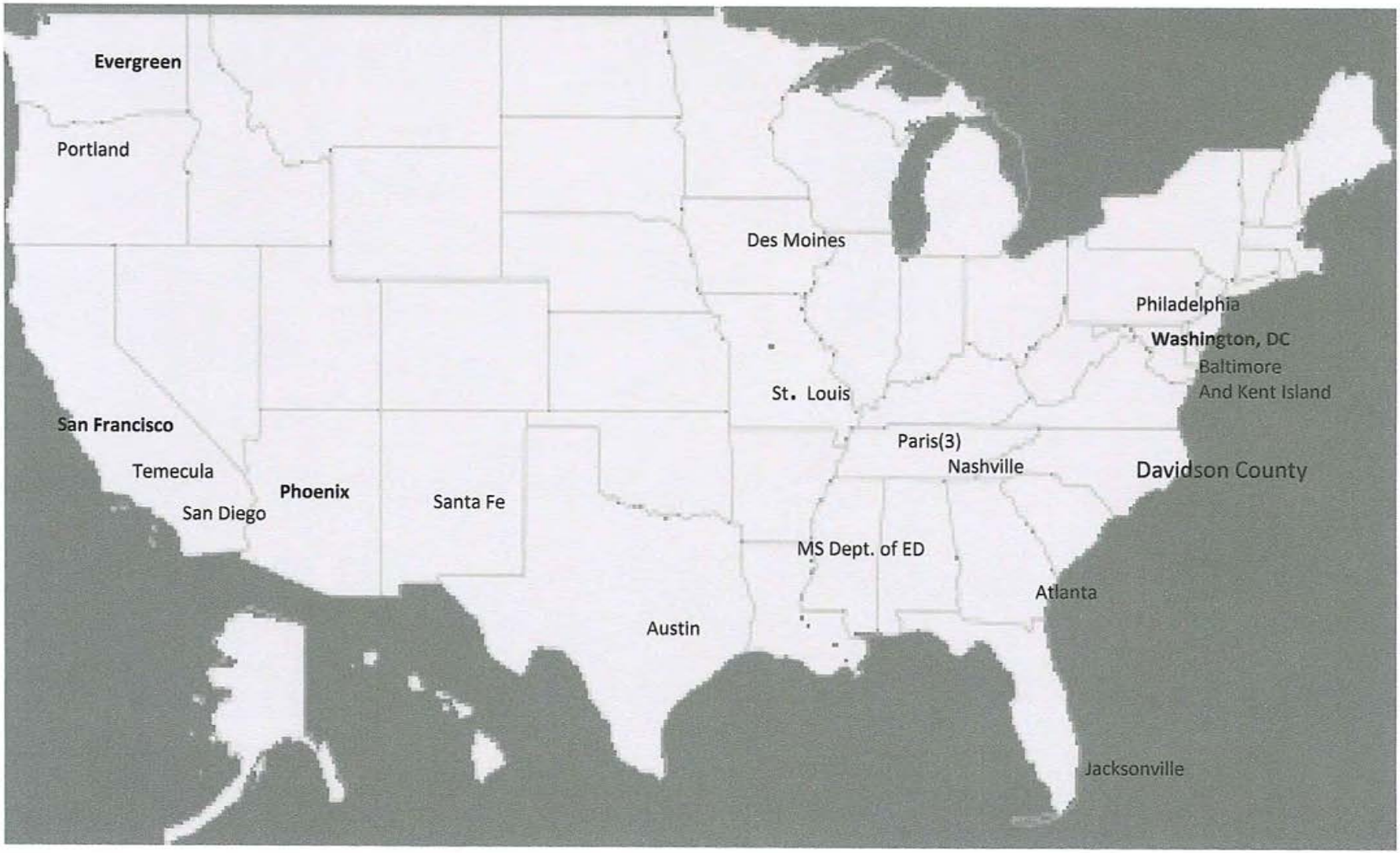
Appendix J: Internship Brochure

Appendix K: Teacher Externship Professional Development Opportunities, Participating Business Partners and Reflection Documentation

Appendix L: Transition Day Completer Rotation PowerPoint and Sample of Previous Total Student Completers

Arkansas Takes Interest

Visiting Schools and Conference Presentations Nationwide



Mission and Vision

Mountain Home Public Schools

Committed to Excellence in Education...
Every Student - Every Time!

We believe in:

- Cultivating and supporting life-long learners.
- Challenging every student to his or her highest potential.
- Partnering with home, school, and community for student success.
- Acknowledging that students must share in the responsibility for learning.
- Preparing students to be contributing citizens in the 21st Century.
- Practicing good citizenship among students and staff.
- Providing a safe, nurturing, and orderly environment as an essential part of learning.

Academy Special Events

Academy Celebration

Project Days

Career Academies

Mentor Programs

Kick-off Day

Contact Us

http:// bombers.k12.ar.us/hs

Dana Brown, Principal, 870-425-1215
dbrown@mtnhome.k12.ar.us

Brigitte Shipman, Academy Coordinator
bshipman@mtnhome.k12.ar.us

Kathy Gonten, Academy Leader, ACME
kgonten@mtnhome.k12.ar.us

Kathy Wham, Academy Leader, CAB
kwham@mtnhome.k12.ar.us

Alecia Czanstkowski, Academy Leader, HHS
aczanstkowski@mtnhome.k12.ar.us

MOUNTAIN HOME HIGH SCHOOL CAREER ACADEMIES

A.C.M.E.

Three Academies - - One School

CAB

Dana Brown, Principal
Brigitte Shipman, Academy Coordinator

Mountain Home High School
Career Academies
500 Bomber blvd.
Mountain Home, AR 72653
870-425-1215

ACME ACADEMY

ARCHITECTURE, CONSTRUCTION, MANUFACTURING & ENGINEERING

Pathways

- Engineering and Computer Science
- Manufacturing
- Construction
- Transportation
- Automotive Technology

Examples of Community Partners

Baxter Healthcare, Inc.
Volt Industrial Plastics
US Corps of Engineers
Kelly Thomas Nursery
Merchant Building Supply
Entergy
Crawford Electric
Twin Lakes Home Builders

CAB ACADEMY

COMMUNICATIONS, ARTS, AND BUSINESS

Pathways

- Communication, Publications
- Media and Graphic Arts
- Government, Public Service, Law
- Visual and Performing Arts
- Accounting/Finance
- Computer Information Systems
- Marketing & General Business

Examples of Community Partners

- Wells Fargo Financial Advisors
- Southern Tag and Label, Inc.
- Baxter County Historical Society
- Mountain Home Chamber of Commerce
- Baxter County Judicial System
- Mountain Home Banking Industry
- Twin Lakes Little Theater

HHS ACADEMY

HEALTH AND HUMAN SERVICES

Pathways

- Health and Medicine
- Environmental Science
- Human Services
- Hospitality & Food Science
- Agriculture—Animal Science

Examples of Community Partners

- Baxter County Regional Hospital
- Arkansas Game and Fish
- Mountain Home Public Schools
- Montessori School
- Mountain Home Veterinarians
- Mountain Home City Police
- Baxter County Sheriff Department
- Mountain Home Fire Department

TRANSITION PROGRAMS

- Keystone
- 8th-12th grade Academic Advisories
- 9th Grade Transition Academy
- Capstone
- Internships
- Mentors
- Business Advisory Board

Education Nation: Case Study

- http://www.educationnation.com/casestudies/mountain/

CNBC Report

- http://www.cnbc.com/id/49148792

NCAC Model Status 2012

- http://www.ncacinc.com

Academy Remediation Programs Wednesday 8:00-8:50 a.m.

AGS—Accelerated Growth Session

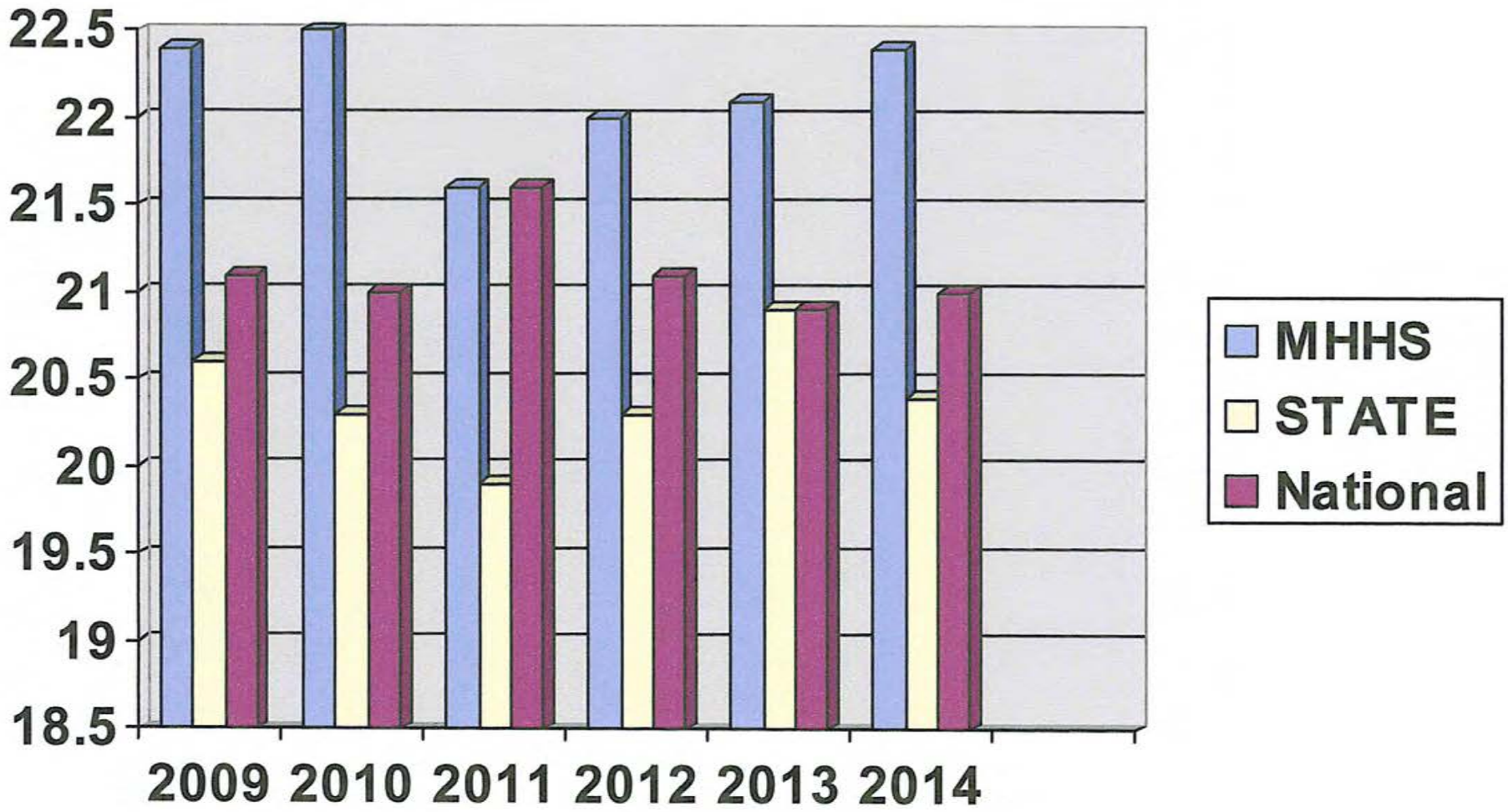
- For students scoring basic or below basic on end-of-course and Benchmark Test

Point-In-Time Intervention

- Reading comprehension
- Skill development for students with a D/F in core classes

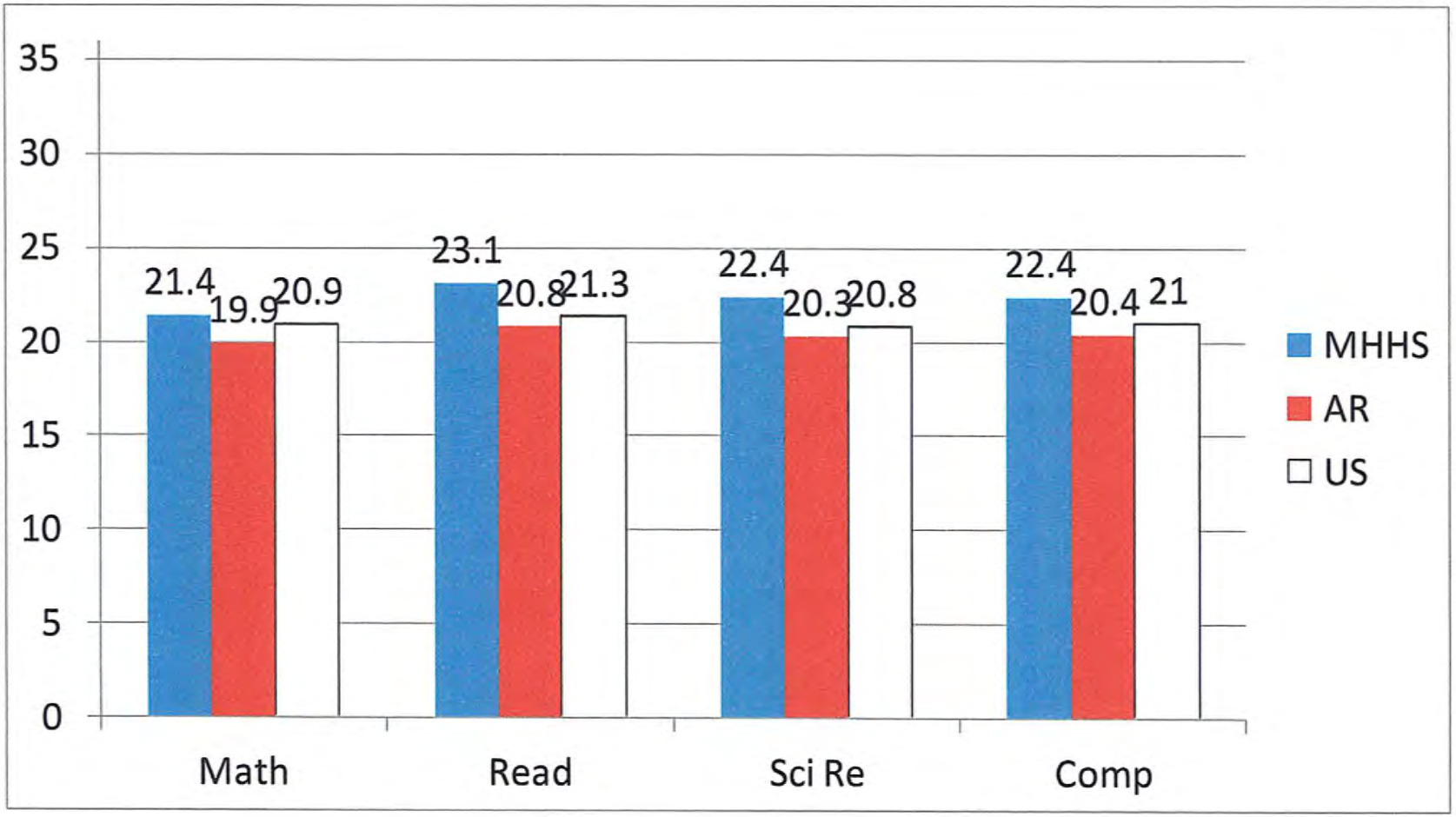
APPENDIX A

Average ACT Scores

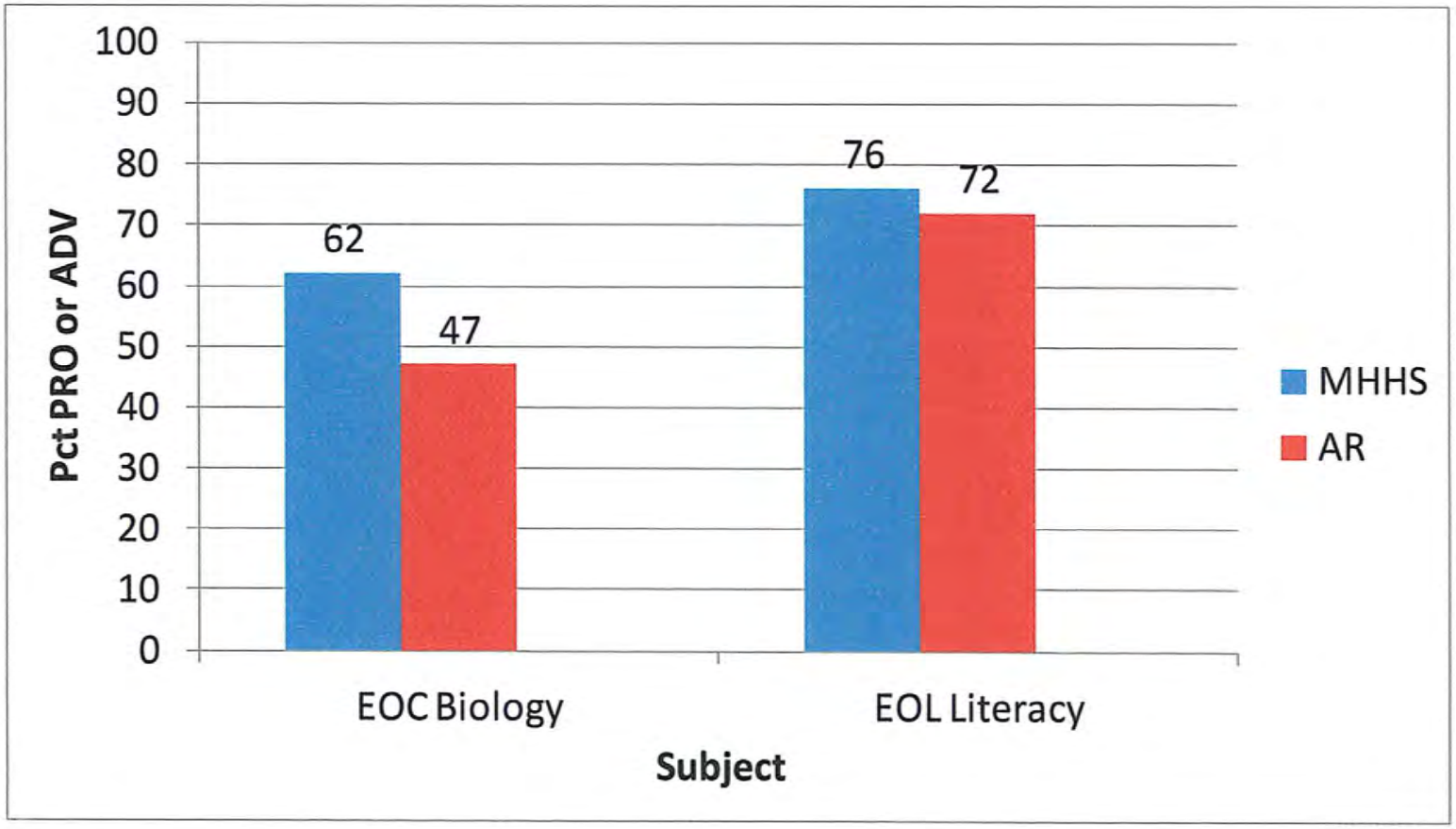


MHHS Career Academies

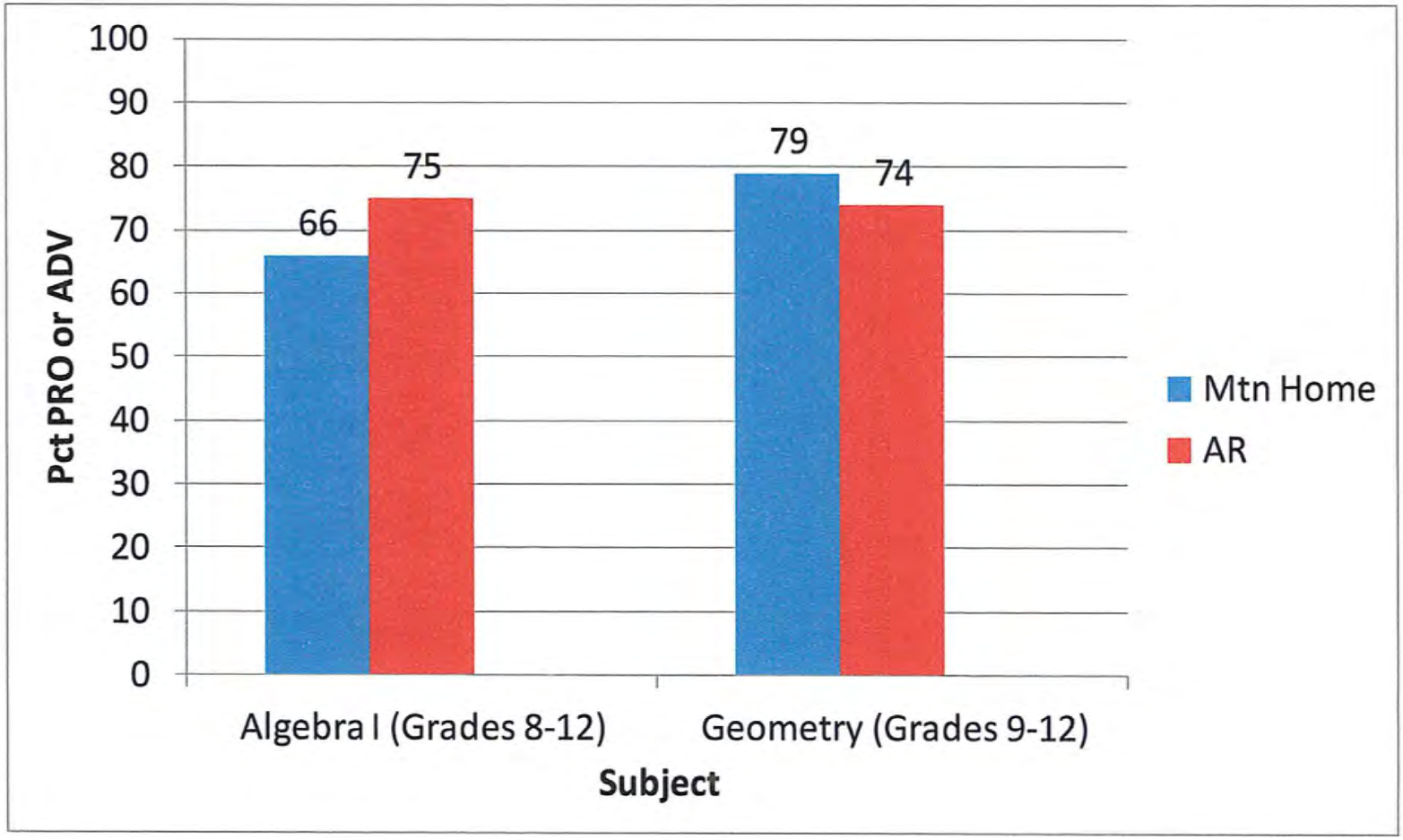
Average ACT Scores



Biology and Literacy Exams, MHHS



End-of-Course Exams



APPENDIX B

Skill / Content Integration

SLE: _____

Strategy:

Teacher: Course: When:	How:
Teacher: Course: When:	How:
Teacher: Course: When:	How:
Teacher: Course: When:	How:

MHHS Career Academies Project Work-Day
October 8, 2014

8:00-8:55	First Block (2nd period) (55 minutes)
9:02-9:57	Second Block (4th period) (55 minutes)
10:05-11:00	Third Block (6th period) (55 minutes)
11:03-11:33	1st lunch --- 2nd lunch has Reading Period (30 minutes)
11:33-12:03	2nd lunch ---1st lunch has Reading Period (30 minutes)
12:08	Report to AAP: Take roll – dismiss to designated bus by intercom announcement
12:13-12:33	Travel to Panther Bay (David's Trail)
12:40-1:40	HHS: Zombie Walk-A-Thon on David's Trail ACME: NWH for Pinewood Derby Activity/Rest of ACME at MHHS Library for Movie CAB: Business Expo (Dunbar and CAB Hallway)
1:40-2:00	HHS: Awards presentation at Panther Bay Pavilion
2:00	HHS: Load Bus (Take Roll by AAP groups)
2:10-2:30	HHS: Travel to MHHS
2:30-3:10	Fourth Block (8th period) (40 minutes)

Drivers: Your bus must be back to the Bus Garage by 2:45

APPENDIX C

Tuning Protocol

Description: A format for presenting and receiving *feedback* for the purpose of *improving* work in progress.

Process:

1. **Select members to play important roles in the protocol.**

   Facilitator: Manages the protocol and keeps the group on task
   Timekeeper: Helps the group adhere to the time schedule

   ⊛ Facilitator summarizes the flow of the process ea. time.

2. **Ask a focus question, depending on school improvement goals or focus for improving instruction.** For example, "How can we continue to raise expectations for students?" or "How can we continue to improve students' reading and writing skills?"

3. **Follow a specific procedure for the protocol.**

   Presentation of Work (5-10 minutes)

   The presenters describe the work. Be specific and describe the work in detail. The more thorough the description, the better the feedback. If presenters have specific request for areas of feedback, make that clear.

   Clarifying Questions (2-3 minutes)

   Participants ask questions eliciting more information needed to give feedback. Questions should be short, and so should answers. This is not the time to start giving feedback.

   Reflection Time (1 minute)

   Participants write down their input.

   Feedback

   Warm Feedback (5 minutes): Participants share warm feedback only and presenters listen, taking notes. Participants should focus on one or two key ideas, so that everyone has a chance to speak. If time permits, facilitator may focus discussion, or remind participants of presenters' request for feedback.

   - The supporting perspective
   - What are the strengths, features, and highlights of this work?

   Cool Feedback (5 minutes): Participants share cool feedback only and presenters listen, taking notes. Time proceeds as with warm feedback.

   - The questioning perspective
   - What could be improved, changed, refocused about this work?

   Presenters' Response (3 minutes)

   Presenters respond to feedback.

   Debrief (3-5 minutes)

   Critique the experience: What was helpful? What wasn't? What did we learn? What might be done differently or more thoroughly?

Team Roles

- **Facilitator –briefly introduces protocol goals, terminology, norms, and agenda.**

- **Presenter –describes the context for student work (its vision, coaching, scoring rubric, etc.) and presents samples of student work (such as photo- copied pieces of written work or video tapes of an exhibition) and provides information about the assignment for review including a focusing question for discussion.**

- **Participants – peers of the presenter who attend and participate in providing feedback and in the learning process.**

- **Timekeeper – carefully keeps the time for each segment of the Tuning Protocol.**

- **Recorder – takes notes of the proceedings.**

What Is A Focusing Question?

The focusing question reflects the main purpose of the meeting. Some focusing questions related to rigor might include:

How well is the unit aligned to the proficiency level of the standard?

What modifications can be made to this unit to increase the level of rigor?

What does this work tell us about what students know and are able to do?

How could the instruction that surrounds this work execute a better product?

What Is A Clarifying Question?

Clarifying are questions are questions of fact. They have brief, factual answers and don't provide any new "food for thought" for the presenter. Examples:

How long does this unit take?

How many assessments were included?

APPENDIX D

Red Flag Documentation Form

Student name: _____

Grade level: _____ Advisor_____

Date: _____

1. Deficiencies in school work:

2. Social difficulties:

3. Home situation:

4. Action Plan:

- Parent contact by?
  _____
  _____
  _____
  _____

- Teachersinvolved?_____
  _____
  _____
  _____
  _____

- Follow-up?

APPENDIX E

MHHS CAREER ACADEMY
Business Advisory Board
Lunch Meeting
September 23, 2014

11:00 Lunch

11:15-11:25 Welcome-Overview and minutes of the last meeting- Greg Mills

11:25-11:40 Boards next steps-Career Fair Focus- Set date, Time, Place. Gregg Mills

11:40- 11:55 Project planning—Career Fair

11:55-12:00 Set next meeting date

APPENDIX F

Dana Brown

Subject: FW: Parent Panel

From: April Webb [mailto:studio923moms@yahoo.com]
Sent: Thursday, January 12, 2012 2:47 PM
To: Dana Brown; Brigitte Shipman
Subject: Parent Panel

Mrs Brown-

The following are the parents that have agreed to participate in the parent panel. I have emailed them the Question Sheet you sent me as well as the days and times for their meetings. I am still waiting to hear back from two people.

ACME
Steve Dunn
John Reding
Julia Gist

HHS
Karen Heslep
Mindy Conner
Kathy Arp

CAB
Laura Chism
Senator Johnny Key
Trish Blair

I just realized there are all women in HHS. Karen mentors in ACME, so if we need to we could mover her over and I'm sure she wouldn't mind. I will secure the other two and let you know ASAP. If there are any changes you'd like me to make let me know.
Thanks-

April Webb
studio 9.2.3
637 Marquis Drive
Mountain Home, AR 72653
870-404-5754

Parental Involvement Panel Activity

Schedule for at least 2 hours for this activity

Debrief with faculty as a whole. Parents testify about the importance of teachers, school, and their children's learning and school experiences.

Parents and staff broken into academy groups to collaborate around essential questions:

1. What is most important in your child's education?
2. What are possible barriers to your child's success in school?
3. What are the best ways to keep open lines of communication between school and home? Current examples:

    a. EDLine
    b. Parent/Teacher Conferences
    c. Progress Reports
    d. Sr. Night with the Counseling Staff
    e. Report Cards
    f. Advisory/Advisor Relationship
    g. Content Teacher Contact on Individual Basis
    h. School Announcements Emailed to Parents
    i. Counselors' Office Newsletter
    j. Web Lockers
    k. School Messenger
    l. AIP information

4. Looking at the list above, as a parent how can we improve on parent communication when using any of the items?
5. From a parent perspective, can you provide us with any ideas on how to market MHHS Career Academies?
6. What has your experience been with your child's Academic Advisor?
7. How do you feel about the discipline policy?
8. What can you as a parent do to ensure your child's success (in cooperation with the school)?
9. What frustrates you the most about dealing with our school system?
10. Do you as a parent have any suggestions on how to reach less involved parents?
11. What would you like to see in the Open House Nights we currently host, how can we improve?
12. How can we use the information you have provided today to develop an action plan? Establish a timeline.

After faculty and parents met by academies, meet back together as a whole group to discuss and compare responses.

APPENDIX G

SOPHOMORE 2014-15

AAP Tuesday Lessons

The goal of each enrichment activity is to ensure that all sophomores will register for national testing, create an ARWorks account, understand graduation and completer requirements for MHHS, and be involved MHHS campus activities.

Month	Lesson
September 2	• Clubs/Activities/Assembly Etiquette
October 7	• Test Taking Strategies {ACT, SAT, COMPASS, ASVAB}
1Q Evaluation	☐ List of Extra-Curricular/Inter-School Activity ☐ Choose Testing Options {ACT, SAT, COMPASS, ASVAB}
November 4	• Arkansas Works
December 2	• CCAP/Study Skills/Organization of Binders & Artifacts
2Q Evaluation	☐ ARWorks Account Progress ☐ CCAP Binder Progress
January 6	• Pause Before You Post (Dunbar)
February 3	• CCAP/Finalize Binders/Mock Interview
March 3	• CCAP/Parent Presentation for Conferences March 5
3Q Evaluation	☐ CCAP Binder Finalized ☐ Mock Interview Completed ☐ SLC/CCAP Complete
April 7	• Registration Prep
May 7	• "Almost Juniors" • End-of-Year Celebration
4Q Evaluation	☐ High School Registration Complete ☐ End of Year Celebration Survey

JUNIORS 2014-15

AAP Tuesday Lessons

The goal of each enrichment activity is to ensure that all juniors are active participants in the MHHS community, and that each student feels as if he/she contributes a positive attitude and understands the importance of becoming life-long learners.

Month	Lesson
September 2	• Meet and greet with AAP • Overview of Community Service - Focus and Goals
October 7	• Volunteerism Fair (Dunbar)
November 4	• ACT check / reminder • Continue Community Service: Set personal and group goals
December 2	• AR Works • Check Community Service logs
January 6	• Etiquette – Job interviews, volunteering, and 1st impression • CCAP
February 3	• GPA and Transcript check after semester grades
March 3	• Reflection and Report – Community Service (Goals met/next steps?) • Check Community Service logs
April 7	• Registration Prep
May 7	• "Almost Seniors" • End-of-Year Celebration • Check Community Service logs

Senior 2014-2015

AAP Tuesday Lessons

The goal of each activity is to ensure that 100% of all seniors will have a post-secondary goal and will have completed steps toward reaching this goal.

Month	Lesson
September 2	• College and Post-Secondary Fair Prep
October 7	• Research Post-Secondary Goal/Student Selection for School Visits
November 4	• Post-Secondary Goal Reveal • Evaluation of Goal Process
December 2	• Application Mailing/Senior Celebration • Evaluation of Goal Process
January 6	• Interview Etiquette/Interview Sign Ups
February 3	• Interviews • Evaluation of Interview Process
March 3	• Career Day at Pinkston Middle School
April 7	• Graduation Etiquette
May 7	• Senior AAP Evaluation

2015 ADVISORS (Revised 8/17/2014)

ACME	1349 PRINCIPAL: Kyle McCarn 100		1204 LEADER: Dell Leonard - Gym		ADVISOR: Brigitte Shipman 101	
	ACME SOPHOMORES		ACME JUNIORS		ACME SENIORS	
	1254 Carol Norris 710	15	1199 Owen Carpenter 303	11	1500 Danielle Pugsley 711 (Bushey)	11
	1213 Ronnie Blevins 304	14	1133 Tara Camp 702	12	1512 Richard Grissum 306	9
	1313 David Rodriguez 108	13	2065 Damon Eikenhorst 709 (Williamson)	7	1130 Garrett Rucker 716	11
	2063 Jamie Slay 708 (Ellis)	15	1288 Kathy Gonten 701	14	1253 Beth Goodwin 412	10
	1209 Jacquelyn Meissner 302	13	1535 Tom Ethridge 715	14	1233 Josh Baker 310	12
	2060 David Joyce 103 (Mahan)	17	1229 Grant Greenhaw 196	14	1227 Bradford Young 300	12
	Total:	87	Total:	72	Total:	65
CAB	1211 PRINCIPAL: Lindsey Blevins		1015 LEADER: Tom Chentnik Band Hall		1117 COUNSELOR: Stephanie Caraway 900	
	CAB SOPHOMORES		CAB JUNIORS		CAB SENIORS	
	1259 Karen Maupin 208	15	1366 Jim Tejcek 201	16	2014 Haley Wilhite 207	14
	1580 Karla Bouck 603	14	1147 Debbie Teems 104	15	1473 Sheri Smith 200	16
	1409 Danny Osburne 413	12	1137 Nancy Reed 106	16	1275 Norvella Calhoun 209	15
	2079 John Jones 202 (Branham)	13	1119 Beth Ivens 113	20	1323 Marsha Daniel 203	12
	2082 Jeff Obert 105 (Hardcastle)	16	1062 Fran Kemp 205	16	1094 Linda Thrasher 211	10
	2005 Brooke Pierson 204	17	1350 Kathy Wham 198	14	1413 Jennifer Seaman 206	12
	1093 Christy Lawrence 111	15				
	Total:	102	Total:	97	Total:	79
HHS	PRINCIPAL: Dana Brown 100		1348 LEADER: Alecia Czanstowski 605		1281 COUNSELOR: Tina Killian 101	
	HHS SOPHOMORES		HHS JUNIORS		HHS SENIORS	
	1534 Shannon Wescoat 110	21	1412 Nancy Easterling 403	17	1537 Bobby Bevel 409	17
	1132 Mitch Huskey 602	18	2083 Andi Arnold 414 (Cully)	18	1549 John Bouck 507	18
	1546 Jennifer Brooks 411	20	1414 Philip Goodwin 401	21	2067 Chaseton McCarthy 407 (Sadler)	17
	1128 Cathy Beckham 600	16	1205 Toni Rogers 400	17	2081 Johnny Caststeel 604 (Warden)	16
			1567 Scott Small 403	17	1069 Kim Fowler 301	15
			1022 Carol Wegerer 503	18	2086 Kathleen Ireland 505 (Keener)	12
			1536 David LeMay 504	18	Total:	95
	Total:	75	Total:	126	SENIOR ADVISORS:	18
	SOPHOMORE ADVISORS:	18	JUNIOR ADVISORS:	19	1610 Cindy Perrin 700 (CBI)	12
					TOTAL STUDENTS:	810

HHS Teacher	Mentor	Profession
Andi Arnold	Misty Davis	Ceritfied Podiatric Med Assistant
John Bouck	Cindy Costa	Hospital Foundation
Nancy Easterling	Eric Arp	Podiatric Surgeon
	Kathy Arp	
Phillip Goodwin	David Ethridge	Lawyer
David LeMay	Mike Bradshaw	
	Julie Wright	
Scott Small	Jodi Owens	RN-Reppel Diabetes Center
Carol Wegerer	Mason Campbell	ASUMH
Kathleen Ireland	Mike and Julia Gist	Retired/CCC
Kim Fowler	Kim Schmuecker	Montessori Director
	Kelly Nosari	Personal Trainer
Johnny Casteel	Jerry & Kim McDonald	Personal Trainer
		Personal Trainer
Bobby Bevel	Mike Beam	DirectorActive Life Institute

HHS Teacher	**Mentor**	**Profession**
Chaseton McCarthy	India Cook	Nurse
Toni Rogers	Wynne Armstrong	BRMC
	Sai Kode	UAMS
Shannon Wescoat	Walt McKay	Counselor
	Eric Dryer	
Cathy Beckham	Helga Friedland	Medical Transcriptionist
Mitch Huskey	Sommer Rice	Realtor
Jennifer Brooks	Mark Keaton	Extension Office
	Bille Majors	
CAB Teacher	**Mentor**	**Profession**
Karla Bouck	Kyle Garreston	
Seaman	Chuck Stevens	Baxter Bulletin
Daniel	Dana Wehmeyer	Baxter County Juniville Servi
Ivens	Jackson Rhoades	Well Fargo Advisors
Kemp	Mollie Morgan	MHEF

CAB Teacher	Mentor	Profession
Calhoun	David Osmon	Mayor/Attorney
	Kerry Chism	Attorney/Prosecutor
Kathy Wham	Tobias Pugsley	Vision Amp
John Jones	John Dyer	Baxter County Library
Maupin	David Johnson	Pastor
Pierson	Steve Dunn	First Community Bank
	Salina Carter	First Community Bank
Osbourne	Andy Wescoat	Insurance Agent
	Dana Friedland	Landscaper
Reed	Emily Reed	Attorney
Smith	Bo Gregory	Chamber of Commerce
Teems	Paul Giglioti	Computer Automation
Tejeck	Eric Totty	Business Owner
Thrasher	Noel Morris	Business Owner
	Heather Loftis	KTLO Radio Station
Jeff Obert	Angela Justman	PIE President
Christy Lawrence	Bob Van Haaren	DJ
Wilhite	Stephen Yates	TLC Bank
	Carmen Rossen	TLC Bank

ACME Teacher	Mentor	Profession
Baker	Sean Tomlinson	Eaton
R. Blevins	James Ellis	Retired Teacher
Grissum	Bob Crider	Business Owner
Greenhaw	Ben Plumlee	
Danielle Pugsley	Charles Hubbard	Arkansas State Police
	Misty Hubbard	Kent Chevrolet
Camp	Timothy Jackson	Computer Sales
Carpenter	Jim Brown	Business Owner
Jamie Slay	Jason Schmeski	Business Owner
		School Board Member
Meissner	Sara Brozynski	Tech Center ASUMH
Kathy Gonten	Christi Cooper	Business Owner
		Uses this email more often
Ethridge	Dale Lundal	Workforce
	Tina	Workforce
Norris	Ben Bremer	Military
Cindy Perrin	Jonathan Perrin	Radio Shack
Rodriguez	Alan Vostatek	Business Owner

ACME Teacher	Mentor	Profession
Rucker	Rob Williams	Supreme/Shawneeboats
Damon Eikenhorst	Denis Dunderdale	Arkansas Game and Fish
Young	Eddie White	Fire Department
Beth Goodwin	Dallas Blasdell	Baxter Lab
David Joyce	Neal Pendergrass	Baxter Lab
		School Board Member

MENTORING PROGRAM 2014-2015

Mountain Home High School Career Academies

The Purpose of Mentoring

The purpose of the mentoring program is to develop relationships between MHHS students and community business leaders

To offer our students:

- A role model
- Insight into careers
- To aid in building relationships with their post-secondary plans and careers.

Mentor Volunteer Coordinators

Health and Human Services Academy

Kathy Arp

870-421-9447 ozarkfoot@suddenlinkmail.com

Communication, Arts and Business

Kelley Nosari

870-421-5691 nosari@suddenlink.net

Agriculture, Manufacturing, Construction &Engineering

April Webb

870-404-5754 studio923moms@yahoo.com

MHHS Career Academies

All three academies are rated at Model Status by the National Career Academy Coalition.

- We have been showcased at the National Career Academy Coalition's National Conference as a top Career Academy School.
- MHHS Career Academies was featured on CNBC as one of the top 10 educational solutions in our nation.
- We have an *average* of 10 school visits a year that we mentor in the implementation of a career academy program.
- We are in our 14th year as Wall-to-Wall Career Academy high school
- We believe in student voice.
- Please visit our website to view our program and celebrations at ***http//bombers.k12.ar.us .***

Mentor's Frequently Asked Questions

- Who do I contact when I know I can not attend a mentoring session?
- What curriculum do I follow with my students?
- Where I can find information about our mentoring program?
- What is my responsibility for extended advisory as a mentor?
- Do I have to bring snacks?

Student Safety-Raptor and Background Checks for Mountain Home Public Schools

- You need to have your driver's license scanned only once, but you do need to retrieve a volunteer sticker when you check in each mentoring session.
- Please check in and out at the front office each mentoring session.
- Please turn in your volunteer sticker when you check-out each mentoring session.
- All information is on our website: http//bombers.k12.ar.us It is located under schools and our high school career academies mentoring program.
- The Process for Completion for a Volunteer Application for MHPS is efficient and quick. (see handout)

Mentoring Does Make a Difference

- Student Perspective
- Student Panel Q/A

We all appreciate our Mentors at MHHS Career Academies !!!!!!!!!

Mentoring Program-- Schedule

Purpose: The purpose of the mentoring program is to develop relationships between MHHS students and community business leaders to offer students the following:

- Act as role models to demonstrate success in business and society
- Offer students insight into the mentor's careers
- Offer students insight into other careers within their academy career cluster
- To build relationships to aid with post-secondary success

Schedule times for mentoring: The mentoring sessions will take place the first Wednesday of each month during the Academic Advisory Period.

2014-2015 Mentoring Dates: **Mentor Orientation Wednesday September 3 ,**

Time: 12:00 pm to 1:00 pm—Orientation Luncheon First Mentoring session will take place following the orientation.

Time for all Mentoring session with the exception of Our Extended Advisory: 1:10-2:00 pm

Oct. 1; Nov. 5; Dec.3; Jan. 7; Feb.4 March 4;

April 1 - Extended Advisory 12:45-2:45
Last Day of Mentoring Session!

Time: 1:15 - 2:00 in Advisory location

Communication Channels:

1. The Academy Volunteer Coordinator will keep an email list of all mentors in their academy. One week prior to the mentoring sessions, the Volunteer Coordinator will email or contact in some way all mentors and remind them of the upcoming Mentoring session.

2. If the mentor cannot come to a session, he/she will contact the Academy Volunteer Coordinator of their scheduled absence. If mentors have any questions, they should contact their Academy Volunteer Coordinator.

3. The Academy Volunteer Coordinator will email the Academy Coordinator and the AAP teacher affected by the absent mentor.

Mentors are encouraged to plan at least four sessions around Academy Career Clusters

Invite guest speakers and presentations;
Use some of the attached AAP session lessons;
Plan activities

Absolute Rules:

1. The faculty AAP advisors should be present with the mentors and advisees at all times;
2. Field trips must be approved by Ms. Brown (high school principal) and the teacher involved.

CAB Volunteer Coordinator: Kelley Nosari 421-5691 nosari@suddenlink.net

HHS Volunteer Coordinator: Kathy Arp *421-9447* ozarkfoot@suddenlinkmail.com

ACME Volunteer Coordinator: April Webb *404-5754* studio923moms@yahoo.com

Mountain Home Public Schools

Committed to Excellence in Education...
Every Student – Every Time!

We believe in:

- Cultivating and supporting life-long learners.
- Challenging every student to his or her highest potential.
- Partnering with home, school, and community for student success.
- Acknowledging that students must share in the responsibility for learning.
- Preparing students to be contributing citizens in the 21st Century.
- Practicing good citizenship among students and staff.
- Providing a safe, nurturing, and orderly environment as an essential part of learning.

Dana Brown

From: Dana Brown
Sent: Wednesday, March 19, 2014 7:24 AM
To: Lonnie Myers
Subject: Extended AAP with Mentors Today
Attachments: 2014 extended advisory by bus and driver Draft March 13.xlsx; ATT1500261.htm; Extended AAP Schedule-Mentor Field Trips.doc; ATT1500262.htm

Sent from my iPhone

Begin forwarded message:

From: "Dana Brown" <dbrown@mtnhome.k12.ar.us>
Date: March 18, 2014 at 11:57:46 AM CDT
To: "Alecia Czanstkowski" <aczanstkowski@mtnhome.k12.ar.us>, "Alicia Barcelona" <abarcelona@mtnhome.k12.ar.us>, "Amy Grissum" <agrissum@mtnhome.k12.ar.us>, "Ben Williamson" <bwilliamson@mtnhome.k12.ar.us>, "Benita Mealer" <bmealer@mtnhome.k12.ar.us>, "Beth Goodwin" <bgoodwin@mtnhome.k12.ar.us>, "Beth Ivens" <bivens@mtnhome.k12.ar.us>, "Bobby Bevel" <bbevel@mtnhome.k12.ar.us>, "Bradford Young" <bryoung@mtnhome.k12.ar.us>, "Brigitte Shipman" <bshipman@mtnhome.k12.ar.us>, "Brooke Pierson" <bpierson@mtnhome.k12.ar.us>, "Bubba Jones" <bjones@mtnhome.k12.ar.us>, "Carol Norris" <cnorris@mtnhome.k12.ar.us>, "Carol Wegerer" <cwegerer@mtnhome.k12.ar.us>, "Cathy Beckham" <cbeckham@mtnhome.k12.ar.us>, "Christy Lawrence" <clawrence@mtnhome.k12.ar.us>, "Cindy Burg" <cburg@mtnhome.k12.ar.us>, "Cindy Perrin" <cperrin@mtnhome.k12.ar.us>, "Danny Osburne" <dosburne@mtnhome.k12.ar.us>, "David Lemay" <dlemay@mtnhome.k12.ar.us>, "David Rodriguez" <drodriguez@mtnhome.k12.ar.us>, "Deborah Teems" <dteems@mtnhome.k12.ar.us>, "Dell Leonard" <dleonard@mtnhome.k12.ar.us>, "Devona Pendergrass" <dpendergrass@mtnhome.k12.ar.us>, "Diana Branham" <dbranham@mtnhome.k12.ar.us>, "Garrett Rucker" <grucker@mtnhome.k12.ar.us>, "Grant Greenhaw" <ggreenhaw@mtnhome.k12.ar.us>, "Haley Wilhite" <hwilhite@mtnhome.k12.ar.us>, "Heather Hardcastle" <hhardcastle@mtnhome.k12.ar.us>, "Jacquelyn Meissner" <jmeissner@mtnhome.k12.ar.us>, "James Ellis" <jellis@mtnhome.k12.ar.us>, "Janet Wood" <jwood@mtnhome.k12.ar.us>, "Jeanne Bushey" <jbushey@mtnhome.k12.ar.us>, "Jennifer Brooks" <jbrooks@mtnhome.k12.ar.us>, "Jennifer Seaman" <jseaman@mtnhome.k12.ar.us>, "Jill Roach" <jroach@mtnhome.k12.ar.us>, "Jim Tejcek" <jtejcek@mtnhome.k12.ar.us>, "John Bouck" <jbouck@mtnhome.k12.ar.us>, "John Katrosh" <jkatrosh@mtnhome.k12.ar.us>, "John Petrichko" <jpetrichko@mtnhome.k12.ar.us>, "John Wroe" <jwroe@mtnhome.k12.ar.us>, "Joseph Warden" <jwarden@mtnhome.k12.ar.us>, "Josh Baker" <jbaker@mtnhome.k12.ar.us>, "Judy McNabb"

Don't forget we have Extended AAP (with Mentors) on Wednesday, March 19. (No Club time this day)

First Lunch

AGS-	**8:00- 8:52 (CAB Covers with HHS/ACME meeting)**
1st Block-	**9:00- 9:45**
2nd Block-	**9:50- 10:35**
Lunch-	**10:40- 11:10**
3rd Block-	**11:15- 12:00**
1st half 4th Block-	**12:05- 12:35**

AAP/Roll call-	12:35- 12:40
Bus Loading-	12:40 (per loading schedule sent from Mrs. Brown) – see attachment on this email
Extended AAP-	12:45- 2:45
2nd half 4th Block-	2:50- 3:10

Second Lunch Schedule

AGS-	8:00- 8:52 (CAB Covers with HHS/ACME meeting)
1st Block-	9:00- 9:45
2nd Block-	9:50- 10:35
3rd Block-	10:40- 11:25
Lunch-	11:30- 12:00
1st half of 4th Block-	12:05- 12:35
AAP/ Roll call-	12:35- 12:40
Bus Loading-	12:40 (per loading schedule sent from Mrs. Brown) – see attachment on this email
Extended AAP	12:45- 2:45
2nd half of 4th Block-	2:50- 3:10

Thanks
Dana

<Extended AAP Schedule-Mentor Field Trips.doc>
<activity schedule 2013-14.xls>

	A	B	C	D	E	F
1	**Advisor**	**Mentor**	**# students**	**Plan**	**Bus Driver**	**Bus Loading/Bus #**
2	**Bushey**	Charles/Misty Hubbard	16	Gaston Center Bull Shoals	**Lawler**	**Bus Lane/87**
3	**Rodriguez**	Alan Vostatek	11	Gaston Center Bull Shoals	**Lawler**	**Bus Lane/87**
4	**Rucker**	Rob Williams	11	Shawnee Supreme Boats Midway	**Lawler**	**Bus Lane/87**
5	**Seaman**	Chuck Stevens	12	Bull Shoals Dam Observation Area	**Lawler**	**Bus Lane/87**
6	**Beckham**	Helga Friendland	8	Bull Shoals State Park	**Lawler**	**Bus Lane/87**
7		(5 AAP Teachers)	**63**			
8						
9						
10	**B. Goodwin**	Dallas Blasdell	12	Baxter Healthcare	**Allen**	**Bus Lane/88**
11	**Young**	Eddie White	12	Baxter Healthcare	**Allen**	**Bus Lane/88**
12	**Daniels**	Teri and Thomas Goats	13	Baxter Healthcare	**Allen**	**Bus Lane/88**
13	**J. Bouck**	Paulette Hill	18	Baxter Healthcare	**Allen**	**Bus Lane/88**
14		(4 AAP Teachers)	**59**			
15						
16	**Teems**	Paul Gigliotti	21	Computer Automations	**Chentnik**	**Band Lot/80**
17	**Kemp**	Mollie Morgan	23	Humane Society/Hickory Park	**Chentnik**	**Band Lot/80**
18		(2 AAP Teachers)	**46**			
19						
20	**Mahan/Wham**	Toby Pugsley	19	Dusit Thia Restaurant	**Greenhaw**	**Band Lot/86**
21	**Greenhaw**	Ben Plumlee	16	Taco Bell	**Greenhaw**	**Band Lot/86**
22		(1 AAP teacher)	**36**			
23	**Goodwin**	Michael Hernadez	18	Hickory Park	**Goodwin**	**Bus Lane/76**
24	**Thrasher**	Noel/Elaine Morris	11	KTLO	**Goodwin**	**Bus Lane/76**
25	**Easterling**	Dr. Eric and Kathy Arp	17	Arp Clinic	**Goodwin**	**Bus Lane/76**
26		(3 AAP Teachers)	**49**			
27	**Camp**	Timothy Jackson	12	VIP - Yellville	**Paden**	**Bus Lane/89**
28	**Keener/Paden**	Julie and Mike Gist	16	ASUMH Gotaas Health Science	**Paden**	**Bus Lane/89**
29	**Wilhite**	Stephen Yates/Carmen Rosson	13	TLC Bank (By Bypass)	**Paden**	**Bus Lane/89**
30		(3 AAP Teachers)	**44**			

	A	B	C	D	E	F
31						
32	**Advisor**	**Mentor**	**# students**	**Plan**	**Bus Driver**	**Bus Loading/Bus #**
33	**Williamson**	Tom Jordan	10	Chen's Garden	**Carpenter**	**Band Lot/44**
34	**Maupin**	David Johnson	20	Chilis	**Carpenter**	**Band Lot/44**
35	**Pierson**	Steve Dunn	15	Yoshi	**Carpenter**	**Band Lot/44**
36		(3 AAP Teachers)	**48**			
37						
38	**Lawrence**	Martha Grant/Bob Van Haaren	11	Dusit Thia Rest/All About Golf	**Huskey**	**Leave 10:30**
39	**Osburne**	Dana Friendland/Andy Wescoat	15	All About Golf	**Huskey**	**Bomber/92**
40	**Cully**	Misty Davis	19	All About Golf	**Huskey**	**Bomber/92**
41		(3 AAP Teachers)	**48**			
42						
43	**Grissum**	Bob Crider	8	Amons Lake and Soccer Fields	**W. Macnak**	**Bomber/ 38**
44	**Ethridge**	Jeremy Wilson	12	Norfork Dam Campground	**W. Macnak**	**Bomber/ 38**
45	**Smith**	Bo Gregory	10	Food Bank of North Central AR	**W. Macnak**	**Bomber/ 38**
46		(3 AAP Teachers)	**33**			
47						
48	**Rogers**	Wynne Armstrong/Sai Kode	18	Baxter Regional Medical Center	**Warden**	**Bomber/93**
49	**Small**	Jodi Owens	15	Reppell Diabetes House (BRMC)	**Warden**	**Bomber/93**
50	**Warden**	Kim/Jerry McDonald	17	Cooper Park	**Warden**	**Bomber/93**
51		(2 AAP Teachers)	**52**			
52						
53	**D. Leonard**	Christi Cooper	13	MH Hot Rods (Buzzard Roost)	**D. Leonard**	**Bomber/20**
54	**Reed**	Emily Reed/Kim Richardson	21	ElChico	**D. Leonard**	**Bomber/20**
55	**Branham**	Patty Marion	15	ElChico	**D. Leonard**	**Bomber/20**
56	**Calhoun**	David Osmon/Kerry Chism	17	Cooper Park	**D. Leonard**	**Bomber/20**
57		(3 AAP Teachers)	**69**			
58						
59						
60						
61						
62						

	A	B	C	D	E	F
63	**Advisor**	**Mentor**	**# students**	**Plan**	**Bus Driver**	**Bus Loading/Bus #**
64	**R. Blevins**	Brandy Jordan	16	Norfork (Sheriff Langes Property)	**Hardcastle**	**Leave 12:05**
65	**Ellis**	Sheriff Lange	11	Norfork (Sheriff Langes Property)	**Hardcastle**	**Bomber/85**
66		(2 AAP Teachers)	**29**			
67						
68						
69	**Baker**	Sean Tomilinson	11	Eaton	**Baker**	**Pavillion/21**
70	**Wegerer**	Mason Campbell	19	Baxter County Sheriff Dept	**Baker**	**Pavillion/21**
71	**LeMay**	Mike Bradshaw/Julie Wright	18	Baxter County Sheriff Dept	**Baker**	**Pavillion/21**
72	**Brooks**	Billie Collins	12	Baxter County Sheriff Dept	**Baker**	**Pavillion/21**
73		(3 AAP Teachers)	**63**			
74						
75	**Sadler**	India Cook	17	Cooper Park	**Sadler**	**Pavillion/82**
76	**Norris**	Ben Bremer	10	Cooper Park	**Sadler**	**Pavillion/82**
77	**Meissner**	Stacy Helmert	14	Cooper Park	**Sadler**	**Pavillion/82**
78		(2 AAP Teachers)	**43**			
79						
80	**Tejcek**	Eric Totty	20	Cooper Park	**Tejcek**	**Pavillion/74**
81	**Bevel**	Mike Beam	18	Cooper Park	**Tejcek**	**Pavillion/74**
82						
83	**All Day**					
84	**K. Bouck**	Elka King	18	Crystal Bridges	**B. DePierro**	**Bomber/95(Leave 8)**
85						
86	**Hardcastle**	Mary Vasiloff	20	Branson Promise Land Zoo	**D. DePriest**	**Bomber/94 (Leave 8)**
87	**Wescoat**	Walt McKay and Eric Dwyer	13	Branson Go-Karts	D. DePriest	**Bomber/93**
88	**Remaining on Campus**					
89	**Huskey**	Sommer Rice	13	On campus movie - Library		
90	**Ivens**	Jackson Rhoades	20	On campus ElChico Catering		
91	**Perrin**	Jill Czanstanski	18	On Campus Picnic		
92	**Carpenter**	Jim Brown	11	On Campus ASP Demo/Pizza		
93	Fowler	Kellye Nosari	16	On Campus Movie Dunbar		

APPENDIX H

Dana Brown

From: Brigitte Shipman
Sent: Monday, May 12, 2014 11:29 AM
To: Amy Grissum; Alan Hardcastle; Alecia Czanstkowski; Alicia Barcelona; Ben Williamson; Benita Mealer; Benji Mahan; Beth Goodwin; Beth Ivens; Bobby Bevel; Bradford Young; Brooke Pierson; Bubba Jones; Carol Norris; Carol Wegerer; Cathy Beckham; Chris Francis; Christy Lawrence; Cindy Burg; Cindy Perrin; Dana Brown; Danny Osburne; Darla Deatherage; David Joyce; David Lemay; David Moore; David Rodriguez; Debbie Atkinson; Deborah Teems; Dell Leonard; Devona Pendergrass; Diana Branham; Chris Francis; Garrett Rucker; Gary Maupin; Grant Greenhaw; Haley Wilhite; Heather Guthrie; Heather Hardcastle; 'Heather Martin'; Jacquelyn Meissner; James Ellis; Janet Wood; Jeanne Bushey; Jennifer Brooks; Jennifer Seaman; Jim Tejcek; John Bouck; John Katrosh; John Wroe; Joseph Warden; Josh Baker; Judy McNabb; Karen Maupin; Karla Bouck; Kathryn Gonten; Kathy Wham; Keith Alman; Kelly Martin; Keri Mahan; Kim Fowler; Kyle McCarn; Lee Sadler; Leisa Simons; Linda Thrasher; Lindsey Blevins; Lindsey Leonard; Marcus McCain; Mark Paden; Marsha Daniel; Marsha Partney; Mike Cully; Mitch Huskey; Morgan Keener; Nancy Easterling; Nancy Reed; Norvella Calhoun; Owen Carpenter; Paula Engeler; Phillip Goodwin; Ray Chrenko; Regina Burleson; Richard Grissum; Robert Blades; Ronnie Blevins; Rose Liggett; Sandra Hitt; Sarah Kemp; Scott Small; Shannon Wescoat; Sheila Partee; Sheri Smith; Stephanie McGraw; Sue Wepprecht; Susan Giovanini; Tara Camp; Tina Killian; Tom Chentnik; Tom Ethridge; Toni Rogers; Tracy Myers; Trish Beck; Wes Oldham
Cc: Jodi Tejcek; Ron Czanstkowski; Alicia Barcelona
Subject: Transition Day
Attachments: 10th grade rotations 2014 (a).xls; Transition Day Dunbar Rotations 2014.doc

Importance: High

Good Morning,

I have attached the Transition Day schedules. ***This day does not affect our HS teachers unless they are participating in the rotations.*** If you are a upcoming Sophomore advisor you will see you name on the rotation schedule. Your name is there only to help with scheduling students by their upcoming AAP class for 2014-2015.

Our upcoming Sophomores will be on the High School campus all day rotating through the designated areas listed on the schedule. They will be eating lunch with us and have been asked to keep students in the Commons area with a Junior High teachers.

Here are the clubs who are participating in our club fair:
Art Club
French Club
AYAA
The Bomb Squad
National Honor Society
FFA
Thrift Store
FEA
HOSA
Thespian Troupe
FCCLA
Interact Club
FBLA
German Club
NHS

If your club is not listed and you are participating you will need to get me your name and Club name ASAP. The deadline was Friday May 9th at 3:00 pm. This is an important part of Transition Day. This gives our upcoming Sophomores an opportunity to understand how to engage as a high school student first hand.

If you have any questions please let me know. We are looking forward to another great Transition Day!

Brigitte

Sophmore Rotations for 2014

GROUP 1

	ADVISOR/GUIDE	ADVISOR/GUIDE	ADVISOR/GUIDE	ADVISOR/GUIDE	ADVISOR/GUIDE	ADVISOR/GUIDE	ADVISOR/GUIDE	ADVISOR/GUIDE
Time	Group A Albright/Norris	Group A Lawrence/Hardcastle	Group B Banter/Joyce	Group B Ellington/Mrs. Dr. Bouck	Group C Luttrell/Osburne	Group C Fulcher/Huskey	Group D Davis(SUB)/Meissner	Group D Mattox/R. Blevins
8:15 - 8:25	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR
8:30 - 10:55	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR
11:00-11:35	LUNCH IN COMMONS* Relieved by Beaver	LUNCH IN COMMONS * Relieved by Walker	LUNCH IN COMMONS * Relieved by Copeland	LUNCH IN COMMONS * Relieved by Criner	LUNCH IN COMMONS * Relieved by Dement	LUNCH IN COMMONS * Relieved by Cudworth	LUNCH IN COMMONS * Relieved by Taylor	LUNCH IN COMMONS * Relieved by Hickey
11:40-12:25	LIBRARY	LIBRARY	208	208	OLD GYM	OLD GYM	210	210
12:30 - 1:15	208	208	210	210	LIBRARY	LIBRARY	OLD GYM	OLD GYM
1:20 - 2:05	210	210	OLD GYM	OLD GYM	208	208	LIBRARY	LIBRARY
2:10 - 2:50	OLD GYM	OLD GYM	LIBRARY	LIBRARY	210	210	208	208

GROUP 2

	ADVISOR/GUIDE	ADVISOR/GUIDE	ADVISOR/GUIDE	ADVISOR/GUIDE	ADVISOR/GUIDE	ADVISOR/GUIDE	ADVISOR/GUIDE	ADVISOR/GUIDE
Time	Group E Dixon/Maupin	Group E Gatewood/Brnaham	Group F Ludwig/Brooks	Group F Stansfield/Wescoat	Group G Padgett/Pierson	Group G (Quick/Lawrence/ Yancey/Beckham	Group H Zorman/Rodriguez	Group H M. Jones/Ellis
8:15 - 8:25	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR
8:30 - 9:15	LIBRARY	LIBRARY	208	208	210	210	OLD GYM	OLD GYM
9:20 - 10:05	208	208	210	210	OLD GYM	OLD GYM	LIBRARY	LIBRARY
10:10 - 10:55	210	210	OLD GYM	OLD GYM	LIBRARY	LIBRARY	208	208
11:00-11:40	OLD GYM	OLD GYM	LIBRARY	LIBRARY	208	208	210	210
11:45 - 12:15	LUNCH IN COMMONS *Relieved by Hendrickson	LUNCH IN COMMONS *Relieved by S. Jones	LUNCH IN COMMONS *Relieved by Story	LUNCH IN COMMONS* Relieved by Morris	LUNCH IN COMMONS *Relieved by Reid(SUB)	LUNCH IN COMMONS Relieved by Maze/Barnhill	LUNCH IN COMMONS *Relieved by Blades	LUNCH IN COMMONSRelieved by Hickman
12:20 - 2:50	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR	DUNBAR

Transition Day Agenda

Dunbar Rotation

8:15-8:30 Welcome to all freshmen

- Ms. Shipman will introduce herself and all HS staff present. HS Student Council President will welcome all freshmen.
- Dismiss half of freshmen to their rotations

8:30-9:00 Student Council/Cheerleaders Pep Rally/Drum Line

- The half of students who are in the Dunbar Rotation will divide in thirds and rotate.
- 9:00-9:10 Travel Time—Break into your rotation groups

3 Rotations:

Times of Rotations: 9:10-9:45---9:50-10:15---10:20-10:55

- Rotation 1—Dunbar/Academy Reps
- Rotation 2—Club Booths—Dunbar Lobby
- Rotation 3—Tour of Campus—Academy Reps/Student Council
- Lunch for Dunbar Rotation is 11:00-11:35
- PM Rotations from 11:40-2:50—See Attachment

Academy Rep Dunbar Rotation: ***If you begin with this rotation your next rotation will be Clubs, then Tour, then Lunch.***

- **Introduce yourself**
- **Mrs. Wham**
- **Discuss what and why they should sign-up to become an Academy Representative. Explain CAB WRAP**
- **What are Mentors?**
- **Year End Review—15 minutes**
- **Q/A Student Panel if time allows.**
- **Mrs. Wham**

  If we need more time we can show the Choral Reading that is on our website.

Club Booth Rotation: ***If you begin with this rotation your next rotation will be Tour, then Dunbar, then Lunch.***

- **Students will travel from Club to Club booth to gain information and ask questions about each club.**
- **They will also have the option to sign-up for each club for their upcoming sophomore year.**

Tour of Campus Rotation: ***If you begin with this rotation your next rotation will be Dunbar, then Clubs, then Lunch.***

- **Students will get a tour of the MHHS Career Academy Campus led by our Academy Student Representatives and also our Student Council Members.**

Students will be divided into 3 tour groups. They should stay with their AAP Class and Freshman Day Guides for these tours.

Afternoon Dunbar Agenda

12:20-12:25 Welcome to Dunbar afternoon Rotation

- **Ms. Shipman will introduce herself and all HS staff present.**

12:30-1:00 Student Council/Cheerleaders Pep Rally/Drum Line

- **The half of students who are in the Dunbar Rotation will divide in thirds and rotate.**
- **1:00-1:10 Travel Time—Break into your rotation groups**

3 Rotations:

Times of Rotations: 1:10-1:40---1:45-2:15---2:20-2:55

- **Rotation 1—Dunbar/Academy Reps**
- **Rotation 2—Club Booths—Dunbar Lobby**
- **Rotation 3—Tour of Campus—Academy Reps/Student Council**

Academy Rep Dunbar Rotation: ***If you begin with this rotation your next rotation will be Clubs, then Tour, then Lunch.***

- **Introduce yourself**

- **Mrs. Wham**
- **Discuss what and why they should sign-up to become an Academy Representative. Explain CAB WRAP**
- **What are Mentors?**
- **Year End Review—15 minutes**
- **Q/A Student Panel if time allows.**
- **Mrs. Wham**

  If we need more time we can show the Choral Reading that is on our website.

Club Booth Rotation: ***If you begin with this rotation your next rotation will be Tour, then Dunbar, then Lunch.***

- **Students will travel from Club to Club booth to gain information and ask questions about each club.**
- **They will also have the option to sign-up for each club for their upcoming sophomore year.**

Tour of Campus Rotation: ***If you begin with this rotation your next rotation will be Dunbar, then Clubs, then Lunch.***

- **Students will get a tour of the MHHS Career Academy Campus led by our Academy Student Representatives and also our Student Council Members.**
- ***Students will be divided into 3 tour groups. They should stay with their AAP Class and Freshman Day Guides for these tours.***

APPENDIX I

Dana Brown

From: Brigitte Shipman
Sent: Monday, May 12, 2014 11:29 AM
To: Amy Grissum; Alan Hardcastle; Alecia Czanstkowski; Alicia Barcelona; Ben Williamson; Benita Mealer; Benji Mahan; Beth Goodwin; Beth Ivens; Bobby Bevel; Bradford Young; Brooke Pierson; Bubba Jones; Carol Norris; Carol Wegerer; Cathy Beckham; Chris Francis; Christy Lawrence; Cindy Burg; Cindy Perrin; Dana Brown; Danny Osburne; Darla Deatherage; David Joyce; David Lemay; David Moore; David Rodriguez; Debbie Atkinson; Deborah Teems; Dell Leonard; Devona Pendergrass; Diana Branham; Chris Francis; Garrett Rucker; Gary Maupin; Grant Greenhaw; Haley Wilhite; Heather Guthrie; Heather Hardcastle; 'Heather Martin'; Jacquelyn Meissner; James Ellis; Janet Wood; Jeanne Bushey; Jennifer Brooks; Jennifer Seaman; Jim Tejcek; John Bouck; John Katrosh; John Wroe; Joseph Warden; Josh Baker; Judy McNabb; Karen Maupin; Karla Bouck; Kathryn Gonten; Kathy Wham; Keith Alman; Kelly Martin; Keri Mahan; Kim Fowler; Kyle McCarn; Lee Sadler; Leisa Simons; Linda Thrasher; Lindsey Blevins; Lindsey Leonard; Marcus McCain; Mark Paden; Marsha Daniel; Marsha Partney; Mike Cully; Mitch Huskey; Morgan Keener; Nancy Easterling; Nancy Reed; Norvella Calhoun; Owen Carpenter; Paula Engeler; Phillip Goodwin; Ray Chrenko; Regina Burleson; Richard Grissum; Robert Blades; Ronnie Blevins; Rose Liggett; Sandra Hitt; Sarah Kemp; Scott Small; Shannon Wescoat; Sheila Partee; Sheri Smith; Stephanie McGraw; Sue Wepprecht; Susan Giovanini; Tara Camp; Tina Killian; Tom Chentnik; Tom Ethridge; Toni Rogers; Tracy Myers; Trish Beck; Wes Oldham
Cc: Jodi Tejcek; Ron Czanstkowski; Alicia Barcelona
Subject: Transition Day
Attachments: 10th grade rotations 2014 (a).xls; Transition Day Dunbar Rotations 2014.doc

Importance: High

Good Morning,

I have attached the Transition Day schedules. ***This day does not affect our HS teachers unless they are participating in the rotations.*** If you are a upcoming Sophomore advisor you will see you name on the rotation schedule. Your name is there only to help with scheduling students by their upcoming AAP class for 2014-2015.

Our upcoming Sophomores will be on the High School campus all day rotating through the designated areas listed on the schedule. They will be eating lunch with us and have been asked to keep students in the Commons area with a Junior High teachers.

Here are the clubs who are participating in our club fair:
Art Club
French Club
AYAA
The Bomb Squad
National Honor Society
FFA
Thrift Store
FEA
HOSA
Thespian Troupe
FCCLA
Interact Club
FBLA
German Club
NHS

If your club is not listed and you are participating you will need to get me your name and Club name ASAP. The deadline was Friday May 9th at 3:00 pm. This is an important part of Transition Day. This gives our upcoming Sophomores an opportunity to understand how to engage as a high school student first hand.

If you have any questions please let me know. We are looking forward to another great Transition Day!

Brigitte

Transition Day Agenda

Dunbar Rotation

8:15-8:30 Welcome to all freshmen

- Ms. Shipman will introduce herself and all HS staff present. HS Student Council President will welcome all freshmen.
- Dismiss half of freshmen to their rotations

8:30-9:00 Student Council/Cheerleaders Pep Rally/Drum Line

- The half of students who are in the Dunbar Rotation will divide in thirds and rotate.
- 9:00-9:10 Travel Time—Break into your rotation groups

3 Rotations:

Times of Rotations: 9:10-9:45---9:50-10:15---10:20-10:55

- Rotation 1—Dunbar/Academy Reps
- Rotation 2—Club Booths—Dunbar Lobby
- Rotation 3—Tour of Campus—Academy Reps/Student Council
- Lunch for Dunbar Rotation is 11:00-11:35
- PM Rotations from 11:40-2:50—See Attachment

Academy Rep Dunbar Rotation: ***If you begin with this rotation your next rotation will be Clubs, then Tour, then Lunch.***

- **Introduce yourself**
- **Mrs. Wham**
- **Discuss what and why they should sign-up to become an Academy Representative. Explain CAB WRAP**
- **What are Mentors?**
- **Year End Review—15 minutes**
- **Q/A Student Panel if time allows.**
- **Mrs. Wham**

  If we need more time we can show the Choral Reading that is on our website.

Club Booth Rotation: ***If you begin with this rotation your next rotation will be Tour, then Dunbar, then Lunch.***

- **Students will travel from Club to Club booth to gain information and ask questions about each club.**
- **They will also have the option to sign-up for each club for their upcoming sophomore year.**

Tour of Campus Rotation: ***If you begin with this rotation your next rotation will be Dunbar, then Clubs, then Lunch.***

- **Students will get a tour of the MHHS Career Academy Campus led by our Academy Student Representatives and also our Student Council Members.**

Students will be divided into 3 tour groups. They should stay with their AAP Class and Freshman Day Guides for these tours.

Afternoon Dunbar Agenda

12:20-12:25 Welcome to Dunbar afternoon Rotation

- **Ms. Shipman will introduce herself and all HS staff present.**

12:30-1:00 Student Council/Cheerleaders Pep Rally/Drum Line

- **The half of students who are in the Dunbar Rotation will divide in thirds and rotate.**
- **1:00-1:10 Travel Time—Break into your rotation groups**

3 Rotations:

Times of Rotations: 1:10-1:40---1:45-2:15---2:20-2:55

- **Rotation 1—Dunbar/Academy Reps**
- **Rotation 2—Club Booths—Dunbar Lobby**
- **Rotation 3—Tour of Campus—Academy Reps/Student Council**

Academy Rep Dunbar Rotation: ***If you begin with this rotation your next rotation will be Clubs, then Tour, then Lunch.***

- **Introduce yourself**

- **Mrs. Wham**
- **Discuss what and why they should sign-up to become an Academy Representative. Explain CAB WRAP**
- **What are Mentors?**
- **Year End Review—15 minutes**
- **Q/A Student Panel if time allows.**
- **Mrs. Wham**

  If we need more time we can show the Choral Reading that is on our website.

Club Booth Rotation: ***If you begin with this rotation your next rotation will be Tour, then Dunbar, then Lunch.***

- **Students will travel from Club to Club booth to gain information and ask questions about each club.**
- **They will also have the option to sign-up for each club for their upcoming sophomore year.**

Tour of Campus Rotation: ***If you begin with this rotation your next rotation will be Dunbar, then Clubs, then Lunch.***

- **Students will get a tour of the MHHS Career Academy Campus led by our Academy Student Representatives and also our Student Council Members.**
- ***Students will be divided into 3 tour groups. They should stay with their AAP Class and Freshman Day Guides for these tours.***

APPENDIX J

Worksite Instruction

School Coordinator Responsibilities

- Approve individual worksites.
- Conduct interviews and approve applications.
- Visit each student on site once a quarter.
- Maintain all student learning logs, code of conduct agreements, insurance disclaimer records, and other documentation.
- Adjust all complaints with the cooperation of all parties concerned and will have the authority to transfer or withdraw a student.

Business Industry Mentor Responsibilities

- Provide the student with supervision by a qualified and experienced employer.
- Provide the student with the same consideration given to other employees in regard to safety, health, social, security, and other general employment conditions.
- Evaluate the student at the end of semester internship.
- Notify the school coordinator at once of any unsatisfactory development.

Parent's Responsibilities

- Agree to the conditions of the student's participation in the internship program.
- Be responsible for the student's conduct both in school and on the job.

Bombers

For More Information, contact:

Brigette Shipman
MHHS Career Academy Coordinator
Mountain Home High School
500 Bomber Blvd.
Mountain Home, AR 72653
870-425-1215
E-mail: bshipman@mtnhome.k12.ar.us

MHHS Career Academy

Internship Program

ACME

Three Academies - - One School

CAB

Internship Guidelines

What is An Internship Program?

- Internship is a credit/ no credit experience for all students in programs of study leading to a career goal. Internships rely on well-defined partnerships between high schools, business communities, and post-secondary institutions and apprenticeship programs.

- The purpose of the program is to help students successfully transition from a high school environment to the environment of their chosen career field. Individualized and "real world" experiences that are competency based lie at the heart of every quality internship program.

Who Can Apply for Internship?

- Seniors who have successfully met the prerequisites for internships may apply. Internships are not reserved for students who plan to begin their careers immediately upon high school graduation. The experience and training that students' gain from internships can also be extremely valuable to those whose career goals require additional education and/or training prior to entering the work force.

Internship Prerequisites

All students participating in an internship program must meet the following:

- A demonstrated commitment to the area of interest through prior course selection.
- A 2.0 GPA and are on track to graduate.
- An exemplary attendance and behavior record.
- Two recommendations–teacher/employer.
- Membership in a student organization that reflects the interns chosen career area.
- A completed resume and an interview prior to admission in the internship program.

Internship Responsibilities

- Report promptly on the scheduled internship time.
- Notify the employer and coordinator in advance of absence.
- Cooperate with the employing supervisor, engage in the assignment as a learning experience.

- Complete learning log entry for each internship day.
- Maintain a strong relationship with the business partner.
- Participate in the related student organization activities.

INTERNSHIP BUSINESS PARTNERS

Aeroquip Inc
All Creatures Great and Small Vet. Clinic
Arkansas Game and Fish
Arkansas State Police
Arkansas State University MH
Army Corps of Engineers
Bailey Insurance
Baxter Bulletin Newspaper
Baxter County Alternative School
Baxter County Animal Clinic
Baxter County History Museum
Baxter County Library
Baxter County Judicial System
Baxter County Sheriff's Dept.
Baxter Healthcare Inc.
Baxter Regional Medical Center
Baxter Regional Pediatric Clinic
Beauty Central
Burnett Lincoln Paden Clinic
Cabinets and Interior Design
Chism Attorney-at-Law
Club 178
Cockrum Vision
Computer Automations
Crawford Electric
DiJohn Design
Entergy Inc.
First Baptist Church Youth Ministry
First National Bank
First United Methodist Church
Game Shack
Gaston's Resort
Good Samaritan Nursing Home
Haven Air Tech
Headliners Salon
Heather Guthrie, Sports Medicine
Holiday Inn Motel
Humane Society of North Central Arkansas
Kelley Thomas Nursery
Kent Chevrolet
Kirby & Family Funeral Home
KTLO Broadcasting
Literacy Council
Medi Save Pharmacy
Montessori Pre-school
Mountain Home
- Athletic Club, Personal Training
- Banking Industry
- Chamber of Commerce
- Police Department
- Public Schools
- School of Arts

Noah's Ark Pre-school
Ozark Surgical
Pine Lane Nursing Home
Ponder Pharmacy
Presley Veterinary Clinic
62 Auto Repair
Regional Family Medicine
Small World Pre-School
Southern Tag & Label
Spring Park Animal Hospital
Staples
Strider Engineering
Strother Law Firm
Sullivant Dentistry
Tasha Harris, Occupational Therapy
That Print Shop
Twin Lakes Little Theater

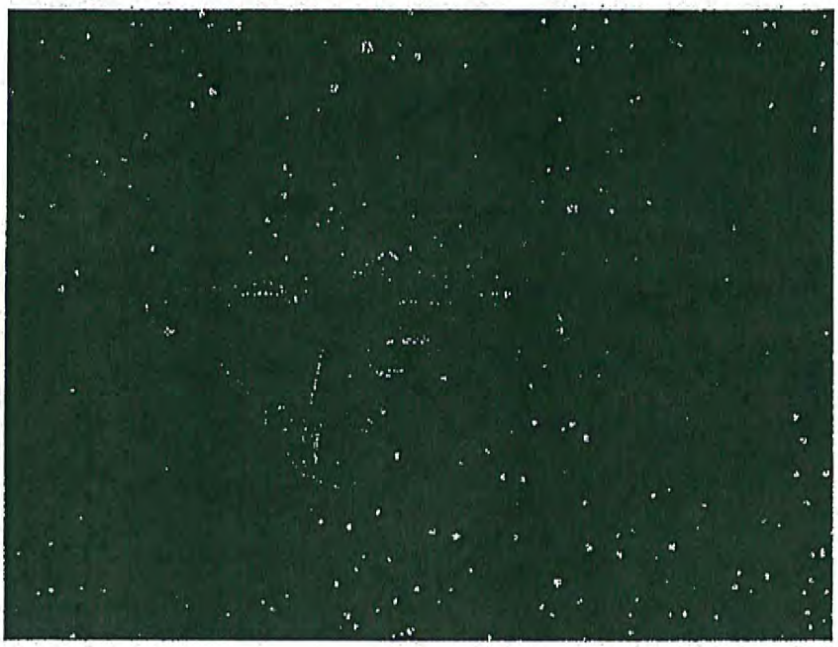
APPENDIX K

Teacher Externships

- Baxter Healthcare Inc.
- Baxter Regional Medical Center
- Baxter County Sheriff's Department
- Baxter County Court System
- Yelcot Inc.
- The Mansion - Branson
- KTLO - Radio Station
- Wachovia Securities Inc.- St. Louis
- Volt Industrial Plastics
- Computer Automations
- Gaston's Resort
- Ozark Medieval Fortress Project
- Mountain Home Police Department
- Titanic Exhibition - Branson
- Vada Sheid Community Development Center
- Mountain Home Chamber of Commerce
- Mountain Home Fire Department
- Southern Tag and Label
- Corp of Engineers

Educator Externship

The Final Frontier



**"To Boldly Go
Where No Educator
Has Gone Before"**

**Sandy Mittelsteadt
Ford Motor Company Fund**

Educator Externship

Company Name:_____

Contact Name:_____

Department:_____

Telephone_____ Fax:_____

E-mail address:_____

Externship Date:_____ Time:_____

Check-in Location:_____

Directions to Company:_____

_____

Parking:_____

Dress Requirement:_____

Educator Externship Perspective

Points to Ponder Before the Educator Externship:

Describe your greatest learning experience.

Did it occur in school?

Why was it powerful learning?

What goals do you want to accomplish while job shadowing?

Why did you pick this company?

What do you think you will observe that will be relevant to your students?

What areas or department do you think would interest your students?

What positions in the company do you think would be of interest to your students?

What job skills do you think you will see?

What will be the employees' attitudes?

What communication skills do you think you will witness?

What examples of teamwork do you think you will see?

What math do you think will be used on the job?

What scientific concepts will be used?

That technology/equipment do you think the company has?

What "hands-on" teaching/counseling activities do you think you can incorporate?

What business concepts do you think you can utilize?

Do you think you will find a role model for your students?

How do you think that your curriculum or counseling will be more rigorous after this externship?

How do you think you will describe your externship experience?

What do you think will be the most positive aspect of your externship?

What do you think will be the most negative aspect of your experience?

Check List:

Arrive at the agreed upon time.

Follow all company guidelines at the site.

Act professionally at all times.

Give employees time to answer your questions.
(Let them do most of the talking.)

Be enthusiastic about what you see.

Thank contact for externship visit.

Leave at agreed upon time.

Send thank-you note.

General Questions That Could be Asked

Please give me a brief description of your company?
Who are your clients or customers?
How is your company organized?
During the past several years, what major industry changes/issues have impacted your company?
What changes/issues does your company anticipate having an impact on the company's future development?
What is the company dress policy?
How many employees are with the company?

- **Full-time**
- **Part-time**
- **Temporarily/seasonal**

What job classifications does your company have?

- **Clerical**
- **Unskilled**
- **Semi-skilled**
- **Skilled**
- **Sales/Marketing**
- **Professional**
- **Technical**
- **Managerial**
- **Other**

What job classifications do you expect to have the greatest demand within the next five years?
What are the titles of entry-level positions in your company?
What level of education, training, skills, or experiences does an applicant need for an entry-level position?
How do you locate future employees?
Given two equally qualified applicants, how does the company choose which one to hire?
Who interviews the applicants?
How many applications are received (week, month, year)?
How many applicants are interviewed?
What training do you give employees?
How do you evaluate employees?
What is your company policy on attendance/tardies?
What advice would you give a student who is interested I working for your company?
How is your company involved in education?
How is your company involved in the community?

Specific Questions That Could be Asked

Describe your typical work day.
What level of education is needed?
What academic and career and technical skills are required for your job?
What is the salary range for this job?
What hours do you work?
What are the positive aspects of your job?
What are the negative aspects of your job?
What advice would you give a student who is interested in working in your occupation?
How did you get your job?
Would you be willing to speak to my class?

Teacher Externship Observation Form

Category Observed _____ **Evidence** _____

Employee Attire _____

Communication Activities _____

Reading _____

Writing _____

Speaking _____

Listening _____

Body language _____

Team interactions _____

Scientific concepts _____

Mathematical concepts _____

Historical perspective _____

Technology used _____

Software used _____

Employee training _____

Leadership skills _____

Employee Attitudes _____

General job skills _____

Specific job skills _____

Category Observed	**Evidence**
Integrated activities	
Good work habits/behaviors	
Poor work habits/behaviors	
Materials/equipment/tools	
Visual aids/posters/videos/graphs, maps	
Time issues	
Health/safety issues	
Diversity respected	
Motivational activities	
Quality control	
Evaluation/performance reviews	
Problem solving/trouble shooting	
Acquiring information	
Evaluating information	
Organizing information	
Interpreting information	
Critical thinking/decision making	
Liability/insurance concerns	

"Trek" Souvenirs

Terms/Vocabulary	Concerns
"Real Life" Examples	**"Hands-on" Activities**

"The more you learn, the more you earn."

Teacher Externship Reflections

Write 3 facts you learned.

1._____
2._____
3._____

Describe your experience
How did this externship influence you?
What statement did you hear that you will quote to your students?
Write an activity you observed that you will use in your classroom.
Would this site be beneficial for a student to job-shadow?
What occurred during your externship that has relevancy for your classroom?
What occurred that would interest/excite students?
What activities did you observe that would appeal to auditory learners?
What activities did you observe that would appeal to visual learners?
What activities did you observe that would appeal to kinesthetic/tactile learners?
What concepts or activities could you integrate with other subjects?
What activities would enhance concepts you already teach?
What life-long learning activities were seen during the externships?
List strategies you know to teach the new concepts/activities you observed?
What will you tell the school administration about this experience?
What will you tell teachers about this experience?
What will you tell counselors about this experience?
What will you tell students abut this experience?
What activities would motivate students?
What ideas can you use to create a bulletin board?
How did you grow professionally?
What level would you rate your overall teacher externship – 5 being the highest, 4, 3, 2, 1
What grade would you give yourself for your "trek" – A, B, C, D, F?
Any other reflections?

Integration/Lesson Plan Developed Through Externship

Objectives:
Advance Preparation:

Resources/Materials:

Pre-learning Activities:

Learning Activities:

Closure/Homework:

Assessment:

Educator Externship

A New Perspective

Educator Externship Evaluation Form

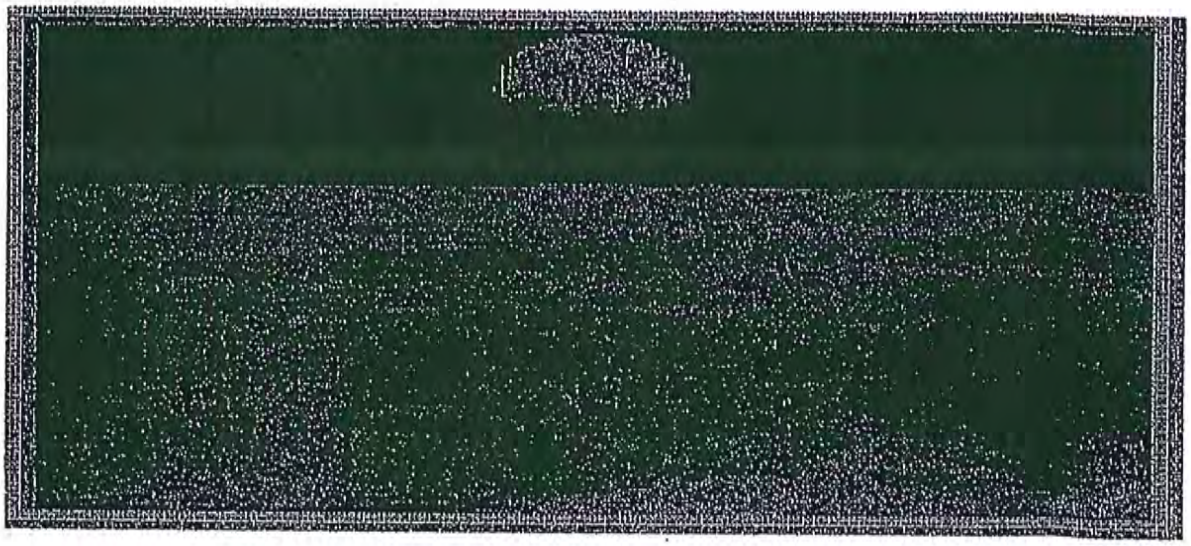
Thank you for participating in the Educator Externship! Please compete this brief evaluation and return it to:

Please rate the following on a scale of 1 through 5 (1 indicates that you strongly agree with the statement, and 5 indicates that you strongly disagree).

I gained a new perspective about careers.	1 2 3 4 5
I was at ease with my educator throughout the externship.	1 2 3 4 5
I enjoyed my experience and would be willing to do it again.	1 2 3 4 5
I would recommend the Educator Externship to other educators.	1 2 3 4 5

For a successful Externship experience in the future, you might:

_____



APPENDIX L

Internships

- Two ways to help you get an internship

  - Be an Academic Concentrator

  - **Be a Program of Study Completer**

Reasons to be a Completer

1. MONEY—$cholarships have been established for completers.
2. Have a better foundation for post-secondary education.
3. Increase the possibility of receiving an internship.
4. **Looks good in letters of recommendation and on a resume**
5. MAKES SELECTING ELECTIVES EASIER

Completer

A student who has completed three Carnegie units in grades 9-12 including all the required core classes in a Career Focus/Program of Study and graduates from high school.

Animal Systems - Agricultural Science/Animal **HHS**	Survey of Agriculture Systems		yes	1
	Animal Science I		yes	0.5
	Animal Science II		yes	0.5
	Small Engine Technology			0.5
	Agricultural Metals I			1
	Agricultural Electricity			0.5
	Leadership & Communicat. Managing Natural Resource			0.5 0.5
	Agricultural Business			0.5
	Ag. Structures			0.5
	Agricultural Mechanics Forestry			1 0.5
	Capstone			0.5
	JAG			1

Power, Structural, & Technical Systems - Agri Mechanics **ACME**	Survey of Agriculture Systems		yes	1
	Animal Science I		yes	0.5
	Animal Science II		yes	0.5
	Agricultural Electricity			0.5
	Agricultural Metals I			1
	Agricultural Mechanics			1
	Leadership and Communications			0.5
	Agricultural Business			0.5
	Ag. Structures			0.5
	JAG Small Engine Technology			1
	Capstone			0.5
	Forestry Managing Natural Resource			0.5 0.5

Accounting **CAB**	Computer Applications 1			0.5
	Computer Applications II			0.5
	Accounting I			1
	Accounting II			1
	JAG (Jobs for Arkansas Graduates)			1
	Capstone			0.5

Digital Communications **CAB**	Computer Applications I		yes	0.5
	Computer Applications II		yes	0.5
	DC I - Layout & Design			0.5
	DC II - Imaging			0.5
	DC III - Media			0.5
	DC IV – Audio/Video Production			0.5
	JAG (Jobs for Arkansas Graduates)			1
	Capstone			0.5

Management **CAB**	Computerized Applications I		yes	0.5
	Computerized Applications II		yes	0.5
	Accounting I			1
	Management			1
	JAG			1
	Capstone			0.5

Travel and Tourism **CAB**	Computer Applications I		yes	0.5
	Computer Applications II		yes	0.5
	Intro to Hospitality			0.5
	Intro to Travel & Tourism			0.5
	Lodging Management			1
	JAG (Jobs for Arkansas Graduates)			1
	Capstone			0.5

Computer Engineering **ACME**	Diagnostics (2013-2014)		yes	1
	Operations (2014-2015)		yes	1
	Networking			1
	JAG (Jobs for Arkansas Graduates)			1
	Capstone			0.5

Construction Technology **ACME**	Fundamentals of Construction		yes	1
	Carpentry		yes	1
	Plumbing (alternating years)			1
	JAG (Jobs for Arkansas Graduates)			1
	Capstone			0.5

Early Childhood Development & Services - Child Care **HHS**	Parenting		yes	0.5
	Child Development		yes	0.5
	Child Care & Guid., Mgmt & Ser.		yes	1
	Family & Consumer Sciences			1
	Nutrition & Wellness			0.5
	JAG (Jobs for Arkansas Graduates)			1
	Capstone			0.5

Family & Community Services - Family & Consumer Sciences Education **HHS**	Family & Consumer Sciences		yes	1
	Parenting			0.5
	Child Development			0.5
	Foods & Nutrition			0.5
	Entrepreneurial Experience			1
	Nutrition & Wellness			0.5
	Clothing			0.5
	Capstone			0.5
	JAG (Jobs for Arkansas Graduates)			1

Education And Training **HHS**	Orientation to Teaching		yes	1
	Child Development		yes	0.5
	Parenting			0.5
	Family and Consumer Science			1
	Child Care Guidance, Management & Services			1
	Orientation to Teaching II			1
	Psychology			0.5
	Capstone			0.5
	JAG (Jobs for Arkansas Graduates)			1
	Working on concurrent credit w/ ASU MH			

Medical Professions Education **HHS**	Introduction to Medical Professions		yes	0.5
	Medical Human A & P or Human A & P		yes	1
	Medical Terminology			0.5
	Medical Procedures			0.5
	Medical Clinical Specialization/ Internship			0.5
	JAG (Jobs for Arkansas Graduates)			1
	Capstone			0.5

Navy National Defense Cadet Corps **HHS**	Navy ROTC I		yes	1
	Navy ROTC II		yes	1
	Navy ROTC III		yes	1
	JAG (Jobs for Arkansas Graduates)			1
	Capstone			0.5

Reasons to be a Completer

1. MONEY—$cholarships have been established for completers.
2. Have a better foundation for post-secondary education.
3. Increase the possibility of receiving an internship.
4. **Looks good in letters of recommendation and on a resume**
5. MAKES SELECTING ELECTIVES EASIER

MHHS 2011-2012 Completers

Total number of Programs Completed 176

Agriculture - Mr. Baker and Mr. Grissum –Total 32

Animal Systems - 14

1. Avery Bird
2. Ethan Britt
3. Hannah Cotter
4. Kyle Deardoff
5. Sawyer Floyd
6. Dylan Graves
7. Chelsea Hall
8. Cody Hilliker
9. Ashley Jones
10. Morgan Leach
11. Connor Rodery
12. Tyler Rodgers
13. Baylen Stapleton
14. Jon Strout

Power and Structural - 18

1. Ethan Britt
2. Austin Cotter
3. Hannah Cotter
4. Matt Dunn
5. Chelsea Hall
6. Ashley Jones
7. Ryan Krug
8. Austin Neal
9. Tyler Pollard
10. Alex Rider
11. Tyler Rodgers
12. Clint Sigmin
13. Baylen Stapelton
14. Jon Strout
15. Andrew Thomas
16. Jordan Thrasher
17. John Thurston
18. Jacob Zappa

Updated on 1/31/2012 9:19 AM

Business/Marketing Technology – Mrs. Marion and Mrs. Smith- 46 Total

Accounting - 8

1. Melissa Burnley
2. Briana Lofton
3. Cody Linck
4. Tiffany Lukenbill
5. Michael Osswald
6. Ashley Teconchuk
7. Lindsey Wagner
8. Jena White

Banking - 4

1. Brianna Lofton
2. Tiffany Lukenbill
3. Michael Osswald
4. Lindsey Wagner

Management – 3

1. Briana Lofton
2. Tiffany Lukenbill
3. Michael Osswald

Digital Communications – 31

Desktop Publishing - 19

1. Sean Blasingame
2. Janie Brown
3. Stacey Butler
4. Amy Curtis
5. Jennifer Gordan
6. Caitlin Haight
7. Brittany Haught
8. Austin Jones
9. Daniel Kasinger
10. Jenna Kucginski
11. Austin Mahan
12. Andrea Marquis
13. Caitlyn Mosel
14. Michael Osswald
15. Chantel Turner
16. Lindsey Wagner
17. Kaitey Willingham
18. Elizabeth Wilson
19. Valory Zortman

Multimedia Applications - 12

1. Sean Blasingame
2. Janie Brown
3. Amy Curtis
4. Jennifer Gordan
5. Caitlin Haight
6. Brittany Haught
7. Daniel Kasinger
8. Jenna Kucginski
9. Austin Mahan
10. Caitlyn Mosel
11. Chantel Turner
12. Valory Zortman

Updated on 1/31/2012 9:19 AM

Construction – Mr. Carpenter - 10

1. Josh Brozynski
2. Garrett Edwards
3. Jonathan Harris
4. Dillon Kelley
5. Justin McCollum
6. Nathan Parr
7. Tyler Pollard
8. Chris Robinson
9. Holly Shook
10. Baylen Stapleton

Engineering & Technology – Mr. Hatch - 22

Computer Engineering -

1. Kaden Crow
2. Christine Lee
3. Austin Mahan
4. Kyle Matthews
5. Brian Mogle
6. Oliver Roundtree
7. Cody Sallee
8. Jake Shrable
9. John Sperka
10. Alison Swanson
11. John Thurston
12. Addison Webb
13. Andrew Winslow

Pre-Engineering -

1. Derek Bodenhamer
2. Blake Covington
3. Kyle Matthews
4. Drew Morgan
5. Wil Norris
6. Jake Shrable
7. Clint Sigmin
8. Billy Wehmeyer
9. Jerron Yancey

Updated on 1/31/2012 9:19 AM

Family and Consumer Sciences – Mrs. Fowler and Mrs. Beckham – 32 total

Family and Community Services - 15

1. Emily Bruggeman
2. Courtney Burleson
3. Hunter Clayton
4. Emily Cordrey
5. Karrie Griffin
6. Ashley Jones
7. Talisa Martin
8. Tess Morgan
9. Mikayla Neil
10. Debra Potter
11. Nicole Riley
12. Emily Sherburne
13. Andrea Snyder
14. Lizzy Underwood
15. Shyanne Villalvazo

Childcare Development - 10

1. Katrina Bean
2. Emily Bruggeman
3. Hunter Clayton
4. Tia Conner
5. Emily Cordrey
6. Jessica Davenport
7. Anna Harris
8. Tess Morgan
9. Debra Potter
10. Emily Sherburne

Education and Training 7

1. Roberto Arellano
2. Jessica Davenport
3. Claire Eness
4. Andrea Snyder
5. Ashlee Vacco
6. Shyanne Villalvazo
7. Leslieanna Wachtel

Updated on 1/31/2012 9:19 AM

Medical Professions Completers – Nurse Czanstkowski - 29

1. Kayleigh Baker
2. Rachel Cooper
3. Mitchell Curtis
4. Kaitlin Czanstkowski
5. Thea Grayham
6. Benson Guinn
7. Brittany Hartman
8. CJ Hinson
9. Kali Hostetler
10. Chasity Jenkins
11. Krystal Johnson
12. Patsy Jones
13. Emily Kasinger
14. Kassi Kilgore
15. Andrea Marquis
16. Samantha Mohler
17. Adrienne Mooney
18. AJ Morris
19. Kylie Morton
20. Taylor Pool
21. Jannet Ramirez
22. Makenna Seats
23. Chris Strode
24. Sydney Heslep
25. Skiver Tribble
26. Ashlee Vacco
27. Shyanne Villalvazo
28. Kaitey Willingham
29. Elizabeth Wilson

ROTC – Cmdr. Duyran - 5

1. Anna Fornes
2. Emily Goodman
3. Anna Harris
4. Heather Kelley
5. Lindsey Kyle

Updated on 1/31/2012 9:19 AM

2014 RENEWAL APPLICATION
DISTRICT CONVERSION PUBLIC CHARTER SCHOOL
STATEMENT OF ASSURANCES

The signature of the superintendent of the school district requesting renewal of the public charter school certifies that the following statements are and will be addressed through policies adopted by the public charter school; and, if the application is approved, the local board, administration, and staff of the district conversion public charter school shall abide by them:

1. The information submitted in this application is true to the best of my knowledge and belief.

2. The district conversion public charter school shall be open to all students, on a space-available basis, and shall not discriminate in its admission policy on the basis of gender, national origin, race, ethnicity, religion, disability, or academic or athletic eligibility.

3. In accordance with federal and state laws, the district conversion public charter school hiring and retention policies of administrators, teachers, and other employees shall not discriminate on the basis of race, color, national origin, creed, sex, ethnicity, sexual orientation, mental or physical disability, age, ancestry, or special need.

4. Any educator employed by a school district before the effective date of a charter for a district conversion public charter school operated at a school district facility shall not be transferred to or employed by the public charter school over the educator's objection.

5. The district conversion public charter school shall operate in accordance with federal laws and rules governing public schools; applicable provisions of the Arkansas Constitution; and state statutes or regulations governing public schools not waived by the approved charter.

6. The district conversion public charter school shall ensure that any of its employees who qualify for membership in the Arkansas Teacher Retirement System or the State and Public School Employee Insurance Program shall be covered under those systems to the same extent any other qualified employee of the school district is covered.

7. The district conversion public charter school shall comply with all health and safety laws, rules and regulations of the federal, state, county, region, or community that may apply to the facilities and school property.

8. The employees and volunteers of the district conversion public charter school are held immune from liability to the same extent as other school district employees and volunteers under applicable state laws.

9. The district conversion public charter school shall be reviewed for its potential impact on the efforts of a public school district to comply with court orders and statutory obligations to create and maintain a unitary system of desegregated public schools.

10. The applicant confirms the understanding that certain provisions of state law shall not be waived. The district conversion public charter school is subject to any prohibition, restriction, or requirement imposed by Title 6 of the Arkansas Code Annotated and any rule and regulation approved by the State Board of Education under this title relating to:

    (a) Monitoring compliance with Arkansas Code Annotated § 6-23-101 et seq. as determined by the Commissioner of the Department of Education;

    (b) Conducting criminal background checks for employees;

    (c) High school graduation requirements as established by the State Board of Education;

    (d) Special education programs as provided by this title;

    (e) Public school accountability under this title;

    (f) Ethical guidelines and prohibitions as established by Arkansas Code Annotated § 6-24-101 *et seq.*, and any other controlling state or federal law regarding ethics or conflicts of interest; and

    (g) Health and safety codes as established by the State Board of Education and local governmental entities.

11. The facilities of the public charter school shall comply with all requirements for accessibility for individuals with disabilities in accordance with the ADA and IDEA and all other state and federal laws.

Lonnie Myers

Signature of Superintendent of School District

11-20-14

Date

Lonnie Myers

Printed Name

2014 ESEA Information

Mountain Home High School Career Academy
Mountain Home School District

District:	MOUNTAIN HOME SCHOOL DISTRICT	**Superintendent:**	LONNIE MYERS		Report created on: 10/29/2014
LEA:	0303000	**Enrollment:**	3988		**% Prof/Adv.**
Address:	2465 RODEO DRIVE	**Attendance:**	94.96	**2014 Math + Literacy**	81.3
Address:	MOUNTAIN HOME, AR 72653	**Poverty Rate:**	52.76	**2013 Math + Literacy**	84.6
Phone:	870-425-1201			**2012 Math + Literacy**	86.5

OVERALL DISTRICT STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED

PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	2102	2104	99.90	2363	2366	99.87
Targeted Achievement Gap Group	1236	1237	99.92	1373	1375	99.85
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	10	10	100.00	11	11	100.00
Hispanic	81	81	100.00	85	85	100.00
White	1978	1980	99.90	2234	2237	99.87
Economically Disadvantaged	1182	1183	99.92	1316	1318	99.85
English Language Learners	15	15	100.00	15	15	100.00
Students with Disabilities	204	204	100.00	209	209	100.00

STUDENT PERFORMANCE -- LITERACY

LITERACY STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -LITERACY					GROWTH -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	1707	2028	84.17	87.74	91.00	1138	1423	79.97	87.44	93.00
Targeted Achievement Gap Group	925	1179	78.46	82.67	91.00	615	830	74.10	83.18	93.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	5189	6090	85.21	87.74	91.00	3475	4154	83.65	87.44	93.00
Targeted Achievement Gap Group	2778	3501	79.35	82.67	91.00	1852	2361	78.44	83.18	93.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	n < 10	n < 10	n < 10	25.00		n < 10	n < 10	n < 10	25.00	
Hispanic	69	79	87.34	82.81		44	58	75.86	80.64	
White	1605	1910	84.03	87.99		1080	1345	80.30	87.76	
Economically Disadvantaged	900	1127	79.86	83.60		597	793	75.28	83.77	
English Language Learners	11	15	73.33	62.50		8	12	66.67	67.86	
Students with Disabilities	84	192	43.75	53.42		58	126	46.03	56.91	

STUDENT PERFORMANCE -- MATHEMATICS

MATHEMATICS STATUS:	NEEDS IMPROVEMENT									
	PERFORMANCE -MATHEMATICS					GROWTH -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	1792	2278	78.67	88.84	92.00	898	1449	61.97	84.86	81.00
Targeted Achievement Gap Group	925	1303	70.99	83.85	92.00	469	846	55.44	80.34	81.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	5787	6960	83.15	88.84	92.00	2906	4180	69.52	84.86	81.00
Targeted Achievement Gap Group	3049	3983	76.55	83.85	92.00	1503	2377	63.23	80.34	81.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO		# Achieved	# Tested	Percentage	2014 AMO	
African American	n < 10	n < 10	n < 10	81.25		n < 10	n < 10	n < 10	100.00	
Hispanic	59	83	71.08	86.76		31	58	53.45	80.64	
White	1699	2156	78.80	88.94		846	1369	61.80	85.04	
Economically Disadvantaged	899	1248	72.04	84.48		452	807	56.01	80.95	
English Language Learners	8	15	53.33	81.25		6	12	50.00	89.28	
Students with Disabilities	81	195	41.54	53.42		41	131	31.30	57.72	

2013 SCHOOL GRADUATION RATE

GRADUATION RATE STATUS:	ACHIEVING				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	255	295	86.44	82.60	94.00
Targeted Achievement Gap Group	110	140	78.57	71.07	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	745	885	84.18	82.60	94.00
Targeted Achievement Gap Group	327	420	77.86	71.07	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	n < 10	n < 10	n < 10	25.00	
Hispanic	n < 10	n < 10	n < 10	92.50	
White	235	273	86.08	80.82	
Economically Disadvantaged	106	136	77.94	71.25	
English Language Learners	n < 10	n < 10	n < 10	25.00	
Students with Disabilities	11	16	68.75	57.15	

District:	MOUNTAIN HOME SCHOOL DISTRICT	**Superintendent:**	LONNIE MYERS		Report created on: 10/29/2014
School:	MTN HOME HIGH CAREER ACADEMIC	**Principal:**	DANA BROWN		
LEA:	303703	**Grade:**	9 - 12		**% Prof/Adv.**
Address:	500 BOMBER BLVD	**Enrollment:**	1186	**2014 Math + Literacy**	75.8
Address:	MOUNTAIN HOME, AR 72653	**Attendance:**	93.94	**2013 Math + Literacy**	78.1
Phone:	870-425-1215	**Poverty Rate:**	45.45	**2012 Math + Literacy**	77.4

OVERALL SCHOOL STATUS:	NEEDS IMPROVEMENT

PERCENT TESTED

PERCENT TESTED STATUS:	ACHIEVING					
	LITERACY			MATHEMATICS		
ESEA Flexibility Indicators	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
All Students	270	270	100.00	448	449	99.78
Targeted Achievement Gap Group	139	139	100.00	253	254	99.61
ESEA Subgroups	# Attempted	# Expected	Percentage	# Attempted	# Expected	Percentage
African American	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Hispanic	10	10	100.00	11	11	100.00
White	253	253	100.00	430	431	99.77
Economically Disadvantaged	135	135	100.00	246	247	99.60
English Language Learners	n < 10	n < 10	n < 10	n < 10	n < 10	n < 10
Students with Disabilities	19	19	100.00	23	23	100.00

STUDENT PERFORMANCE -- LITERACY

LITERACY STATUS:	NEEDS IMPROVEMENT				
	PERFORMANCE -LITERACY				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	202	260	77.69	86.94	91.00
Targeted Achievement Gap Group	98	133	73.68	78.23	91.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	614	807	76.08	86.94	91.00
Targeted Achievement Gap Group	267	406	65.76	78.23	91.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO	
African American	n < 10	n < 10	n < 10		
Hispanic	n < 10	n < 10	n < 10	89.28	
White	191	244	78.28	86.61	
Economically Disadvantaged	96	129	74.42	79.83	
English Language Learners	n < 10	n < 10	n < 10	25.00	
Students with Disabilities	8	19	42.11	35.00	

STUDENT PERFORMANCE -- MATHEMATICS

MATHEMATICS STATUS:	NEEDS IMPROVEMENT				
	PERFORMANCE -MATHEMATICS				
ESEA Flexibility Indicators	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	320	429	74.59	83.52	92.00
Targeted Achievement Gap Group	158	236	66.95	75.88	92.00
Three Year Average Performance	# Achieved	# Tested	Percentage	2014 AMO	90TH PCTL
All Students	1007	1296	77.70	83.52	92.00
Targeted Achievement Gap Group	544	774	70.28	75.88	92.00
ESEA Subgroups	# Achieved	# Tested	Percentage	2014 AMO	
African American	n < 10	n < 10	n < 10	75.00	
Hispanic	7	10	70.00	78.57	
White	309	413	74.82	83.59	
Economically Disadvantaged	155	229	67.69	76.71	
English Language Learners	n < 10	n < 10	n < 10	100.00	
Students with Disabilities	9	22	40.91	35.00	

2013 SCHOOL GRADUATION RATE

GRADUATION RATE STATUS:	ACHIEVING				
ESEA Flexibility Indicators	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	255	295	86.44	82.60	94.00
Targeted Achievement Gap Group	110	140	78.57	71.07	94.00
Three Year Average Performance	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	90TH PCTL
All Students	745	885	84.18	82.60	94.00
Targeted Achievement Gap Group	327	420	77.86	71.07	94.00
ESEA Subgroups	# Actual Graduates	# Expected Graduates	Percentage	2013 AMO	
African American	n < 10	n < 10	n < 10	25.00	
Hispanic	n < 10	n < 10	n < 10	92.50	
White	235	273	86.08	80.82	
Economically Disadvantaged	106	136	77.94	71.25	
English Language Learners	n < 10	n < 10	n < 10	25.00	
Students with Disabilities	11	16	68.75	57.15	

Data for Districts with Similar Demographics Compiled by the ADE

Mountain Home High School Career Academy
Mountain Home School District

Mountain Home High School Career Academy 9-12

District LEA	District Description	Location ID	Location Description	Enrollment	Total Free & Reduced	Percent Free/Reduced	Grade Low	Grade High	Literacy	Lit EconDis	Math	Math EconDis
6003000	PULASKI COUNTY SPECIAL SCHOOL DISTRICT	6003136	NORTH PULASKI HIGH SCHOOL	736	313	42.53%	09	UG	62.28%	55.74%	61.13%	50.38%
2705000	SHERIDAN SCHOOL DISTRICT	2705021	SHERIDAN HIGH SCHOOL	1,237	534	43.17%	09	12	81.02%	77.08%	87.85%	83.61%
6003000	PULASKI COUNTY SPECIAL SCHOOL DISTRICT	6003128	SYLVAN HILLS HIGH SCHOOL	870	380	43.68%	09	UG	74.44%	68.12%	67.22%	58.10%
0505000	VALLEY SPRINGS SCHOOL DISTRICT	0505027	VALLEY SPRINGS HIGH SCHOOL	281	124	44.13%	09	12	87.88%	79.17%	83.03%	83.54%
0502000	BERGMAN SCHOOL DISTRICT	0502007	BERGMAN HIGH SCHOOL	346	157	45.38%	09	12	89.61%	88.57%	97.41%	94.87%
0303000	MOUNTAIN HOME SCHOOL DISTRICT	0303703	MTN HOME HIGH CAREER ACADEMICS	1,186	539	45.45%	09	UG	77.69%	74.42%	74.59%	67.69%
1701000	ALMA SCHOOL DISTRICT	1701002	ALMA HIGH SCHOOL	1,070	489	45.70%	09	UG	76.27%	69.57%	69.87%	65.50%
0201000	CROSSETT SCHOOL DISTRICT	0201006	CROSSETT HIGH SCHOOL	528	242	45.83%	09	UG	60.00%	54.67%	51.86%	43.48%
0801000	BERRYVILLE SCHOOL DISTRICT	0801002	BERRYVILLE HIGH SCHOOL	597	274	45.90%	09	12	86.32%	81.82%	77.62%	73.61%
6001000	LITTLE ROCK SCHOOL DISTRICT	6001001	CENTRAL HIGH SCHOOL	2,519	1,164	46.21%	09	12	80.95%	62.90%	71.77%	60.07%
1002000	ARKADELPHIA SCHOOL DISTRICT	1002010	ARKADELPHIA HIGH SCHOOL	573	265	46.25%	09	12	64.17%	53.45%	62.74%	55.75%

MPR Reference No.: 6215-030

MATHEMATICA
Policy Research, Inc.

Passport to Teaching: Career Choices and Experiences of American Board Certified Teachers

Final Report

June 11, 2008

Steven Glazerman
Elizabeth Seif
Gail Baxter

Submitted to:

American Board for Certification of Teacher Excellence
1225 19th Street N.W., Suite 400
Washington, DC 20036
Telephone: (202) 484-9220

Project Officer:
Joshua Boots

Submitted by:

Mathematica Policy Research, Inc.
600 Maryland Ave., S.W., Suite 550
Washington, DC 20024-2512
Telephone: (202) 484-9220
Facsimile: (202) 863-1763

Project Director:
Steven Glazerman

ACKNOWLEDGMENTS

The authors would like to acknowledge Josh Boots at the American Board for Certification of Teacher Excellence (ABCTE), who was instrumental in providing data and information on program operations. We are especially grateful to the survey respondents who completed the questionnaires that were used in the analysis.

At Mathematica, Emily Dwoyer led the collection of the 2007-2008 Passport Alumni survey along with Walter Williams and staff at MPR's Survey Operations Center, who conducted telephone followup. John Deke and Christina Tuttle read and provided comments on a draft of the report, which was edited by Sharon Peters and prepared for publication by Donna Dorsey.

CONTENTS

Page

A. INTRODUCTION 1

B. HISTORY OF THE PASSPORT TO TEACHING PROGRAM 1

C. SURVEY METHODS AND PARTICIPANTS 2

D. CAREER CHOICES AND EXPERIENCES OF PASSPORT ALUMNI 3

1. Career Choices 3
2. Teaching Experiences 6
3. Other Experiences 17

E. SUMMARY 19

REFERENCES 21

APPENDIX A: TABLE A.1 ..... A.1

A. INTRODUCTION

Since their inception in the 1980s, alternative certification programs have grown to account for about one-third of all new teachers certified annually (Feistritzer 2007). Examples of alternative certification programs include Troops to Teachers; Transition to Teaching; and the more recent Passport to Teaching, offered by the American Board for Certification of Teacher Excellence (ABCTE). Several factors have contributed to the growth of alternative teacher-certification programs, including an aging teacher population, class-size-reduction initiatives, difficulties in attracting quality minority candidates to the profession, and shortages of individuals prepared to teach math, science, and special education. Despite the large and growing role of alternative certification programs, much remains to be learned about the teachers certified through these programs and their experiences after receiving certification.

In this report, we examine the career trajectories of those who have successfully completed the American Board Passport to Teaching certification. To elicit information on the career choices of Passport holders (referred to as "alumni"), Mathematica Policy Research, Inc. (MPR) designed a survey that addressed the following questions:

1. Who obtains a Passport and what career choices did they make?

    1a. Who obtains a Passport to Teaching certificate?

    1b. For what reason(s) had these individuals chosen to seek American Board certification?

    1c. What is the current employment status of Passport alumni?

2. What happens to those who become teachers?

    2a. What kinds of schools do they teach in?

    2b. What is their teaching assignment?

    2c. How much support have they received on the job

3. What other experiences did they have after receiving a Passport to Teaching?

    3a. Why are some Passport holders not currently teaching?

    3b. How many Passport holders enter and leave teaching after being certified?

To set a context for interpreting the findings of the alumni survey, we provide in Section B a brief history of the Passport to Teaching program. Section C describes the survey, and Section D reports on the career choices of alumni who responded to the survey. The final section summarizes the key findings.

B. HISTORY OF THE PASSPORT TO TEACHING PROGRAM

The No Child Left Behind (NCLB) legislation of 2001 fueled interest in alternative certification chiefly because it required states to ensure that all teachers are highly qualified in the subjects they teach. ABCTE was formed through a grant from the U.S. Department of Education (ED) to develop an alternative certification for teachers who needed to earn certification as well as for professionals seeking to change careers and become teachers. The goal was then and continues to

be to provide an affordable, flexible, and high-quality route to certification that is also nationally recognized and portable. Unlike many other alternative routes to certification, ABCTE does not require any formal course work or classroom-teaching practice prior to certification. Rather, the certification centers on a set of exams, one in content and one in pedagogy.

In 2003, ABCTE began offering the Passport to Teaching certification in Elementary Education (K-6), and one year later certifications were also available in English Language Arts (6-12) and Mathematics (6-12). To earn Passport to Teaching certification, candidates must hold a bachelor's degree in any subject area, pass a federal background check, pass an ABCTE examination in the subject(s) they want to teach, and pass the ABCTE professional teaching knowledge exam. All exams are administered online at testing centers around the world, thus affording maximum flexibility to the prospective candidate for a fee of approximately $500. The first enrollees in the program received teaching certificates in late 2004 and were eligible to teach only in charter and private schools in all states but Idaho, where they could teach in any traditional public school.

Currently ABCTE offers Passport to Teaching certification in Elementary Education (K-6), English Language Arts (6-12), Mathematics (6-12), General Science (6-12), Biology (6-12), Physics (6-12), Chemistry (6-12), Special Education (K-6), U.S. History (6-12), and World History (6-12).[1] Passport to Teaching is recognized under the federal No Child Left Behind Act of 2001 as an approved way to demonstrate that a teacher is highly qualified. It is now an approved route to state licensure in eight states: Pennsylvania, Idaho, Utah, New Hampshire, Florida, Mississippi, South Carolina, and Missouri. At the time of the survey on which this report is based, the state of Missouri has had not yet recognized the Passport for state certification. Each of these states recognizes one or more of the available certifications and may impose additional requirements on Passport holders who wish to teach there. Appendix A provides the date each of these states recognized the Passport certifications and which certifications each state currently accepts as an alternative route to state licensure.

There is very little systematic data on the Passport to Teaching credential to date. Earlier studies by Mathematica have reported on principals' attitudes toward Passport holders based on the first cohort of alumni who were teaching (Glazerman and Tuttle 2006) and on the relationship between scores on the American Board exams required for Passport certification and the similar Praxis II exams required by most states for certification (Chaplin et al. 2007).

C. SURVEY METHODS AND PARTICIPANTS

As of October 1, 2007, 609 individuals had successfully completed the Passport to Teaching certification. In characterizing alumni and their career choices, we wanted to explore how similar or different the earlier cohorts of Passport recipients were from those who obtained Passport certification in later years. Consequently, for this report we group Passport alumni into three cohorts. The first people ever to receive a Passport to Teaching certificate were certified in late 2004, and we include these individuals in Cohort 1 along with those certified in 2005. Cohort 2 includes those certified in 2006. Cohort 3 includes those certified in 2007. An important goal of the alumni survey is to monitor the characteristics of alumni and their career choices by cohort.

[1] A reading endorsement, although available to all certified teachers, satisfies the specific requirements of Florida and Idaho.

Differences between cohorts may signal increased recognition over time of the Passport to Teaching as an alternative route for teaching in America's schools.

MPR designed a brief survey to monitor the career choices of Passport alumni once they had received their certification. The first of three planned rounds of the alumni web survey was conducted November 2006 through January 2007 and a report was issued in May 2007 (see Baxter et al. 2007). ABCTE provided us the names and contact information for those certified before October 1, 2007. As noted, this represents the first three cohorts of alumni. Because this round of the survey used the entire list, it constitutes a population census of all Passport to Teaching certificate program alumni, not a sub-sample.

Of the 605 eligible respondents from all three cohorts, 508 completed the survey, for a response rate of 84.0 percent. Our figures exclude four Passport holders who are deceased (and therefore not considered part of the eligible sample for data collection). Four individuals logged on but did not answer any questions and are treated as eligible incompletes.

D. CAREER CHOICES AND EXPERIENCES OF PASSPORT ALUMNI

This section reports on the findings relating to the research questions listed in the introduction.

1. Career Choices

Question 1a. Who obtains a Passport certificate?

Given the high response rate, we expected the survey sample would look like the population from which it was drawn, and the data we obtained from Passport to Teaching applications of the alumni confirm this expectation. Table 1 shows characteristics of the respondent population compared to the full set of Passport alumni and the two groups are similar. Like the full set of alumni, respondents are predominantly white and female, although 35 percent are male. The average age of 39 years suggests that many are either career changers or experienced teachers, as opposed to traditional beginning-teacher candidates who are typically one or two years out of college or graduate school and therefore in their early- to mid-20s. There is an apparent difference in race/ethnicity between all Passport alumni (column 1) and those who responded to the survey (column 2). The data in column 1 came from information collected by ABCTE when an individual registered to enter the Passport to Teaching program. We were able to use our survey to fill in the administrative data that were missing or unavailable for these Passport candidates. In doing so, we learned that most ABCTE candidates who did not specify a race/ethnic category when they enrolled in the program identified themselves as white on our survey. The Passport to Teaching program had many applicants from the Philippines, which helps account for the 12 percent who identify themselves as Asian or Pacific Islander.

As expected, alumni tend to reside in states that recognize Passport certification as a route to licensure. Of those who were living in non-ABCTE states when they applied for the credential (8 percent, shown in column 1), some may have moved to ABCTE states in order to teach. The same may be true of overseas applicants. Further, most are certified in one of the three subject areas that were first offered by ABCTE: Elementary Education (48 percent), English Language Arts (20 percent), and Mathematics (14 percent).

We can learn about changes over time by comparing the first three cohorts of alumni. For example, there has been a shift toward a greater percentage of males (from 32 to 35 to 37 percent) and a shift toward more overseas alumni. There has also been a rising percentage certified in the more recently offered subject areas, such as the sciences, as one might expect.

Table 1. Background Characteristics of Passport Alumni (percent, unless specified otherwise)

	Respondents and Nonrespondents	Survey Respondents by Year of Certification			
Characteristic	All	All	2004 or 2005	2006	2007
Gender					
Male	34.8	35.3	32.3	34.7	36.7
Female	65.2	64.8	67.7	65.3	63.3
Age (in Years)	38.5	38.7	40.5	40.2	37.1
Race					
White, non-Hispanic	52.8	80.4	89.9	81.3	76.2
Black, non-Hispanic	1.3	1.8	1.0	1.3	2.3
Hispanic	1.6	1.8	1.0	2.0	2.0
Asian/Pacific Islander	11.9	11.7	5.1	10.7	14.8
Native American	0.2	0.2	0.0	0.0	0.4
Multiracial	1.3	1.6	1.0	2.0	1.6
Not specified	30.6	2.6	2.0	2.7	2.7
Location					
ABCTE states[a]	79.2	84.8	91.1	84.8	82.5
Other states	7.5	3.1	4.4	4.1	2.0
Overseas	13.4	12.1	4.4	11.0	15.5
Certification Subject Area(s)[b]					
Elementary Education	46.1	47.9	56.6	47.3	45.0
English Language Arts (6-12)	20.5	19.9	21.2	24.0	17.1
Mathematics (6-12)	13.2	14.0	14.1	11.3	15.5
Biology	5.5	5.1	2.0	6.0	5.8
Elementary Education and Special Education (K-12)	2.0	3.9	2.0	2.0	5.8
General Science	4.9	3.0	0.0	0.7	5.4
Elementary Education and English Language Arts (6-12)	1.0	1.6	1.0	1.3	1.9
Other	3.1	4.5	3.0	7.3	3.5
Sample Size	**614**	**507**	**99**	**150**	**258**

Source: Mathematica Policy Research, Inc. 2007 Survey of Passport to Teaching Alumni.

[a]ABCTE states (Florida, Idaho, New Hampshire, Pennsylvania, Utah, Mississippi, and South Carolina) are those that were accepting Passport to Teaching as an alternative route to state licensure at the time of the survey.

[b]Forty-two alumni have more than one certification, including 35 with two areas of certification and 7 with three areas. We counted individuals certified in more than one subject separately from individuals who were certified in a single subject.

Question 1b. For what reason(s) had these individuals sought American Board certification?

Most of those who obtained a Passport to Teaching certificate were seeking to enter the profession, but a substantial minority were seeking to continue in their current position. Of the 507 survey respondents who answered the question, 59 percent reported seeking certification to allow them to enter teaching (Table 2). Just over one-third of the alumni (34 percent) sought certification to allow them to retain their current teaching position, change teaching positions, or become re-certified in an area for which their certification had lapsed. The remaining 7 percent sought certification to advance their career in a nonteaching position (for example, tutoring) or for some other reason (such as home schooling their children). The share of Passport holders that obtained the credential in order to enter teaching has risen steadily from fewer than one-half of the first cohort to more than three-fifths of the most recent cohort.

Table 2. Reasons For Seeking American Board Certification

	All Survey Respondents		Certified in 2004 or 2005	Certified in 2006	Certified in 2007
Reason	N	%	%	%	%
To enter the teaching profession	297	58.6	49.5	55.3	64.0
To retain current position	107	21.1	18.2	21.3	22.1
To obtain another teaching position	66	13.0	21.2	14.7	8.9
To advance career in education in a nonteaching position	12	2.4	4.0	2.0	1.9
Other reason	25	4.9	7.1	6.7	3.1
Total Survey Respondents	**507**	**100**	**100**	**100**	**100**

Source: Mathematica Policy Research, Inc. 2007 Survey of Passport to Teaching Alumni.

Note: Percentages may not sum to 100 due to rounding.

The Passport to Teaching appears to be the choice of mid-career professionals, even though it was used both to enter teaching and move laterally within the profession. Alumni who sought certification to retain or obtain another teaching profession were 39 years old, on average, at the time of the survey, which took place between zero and three years after they were certified. Yet alumni who sought certification to enter teaching for the first time were almost the same age, 38 years old, on average.

Question 1c. What is the current employment status of Passport alumni?

Although more than 90 percent of Passport alumni reported seeking certification to enter or stay in teaching, not everyone who successfully achieved Passport certification became and remained a K-12 teacher. Of the 505 alumni who responded to the question, approximately two-thirds currently hold a teaching position. Table 3 shows that 4 percent are teaching at the prekindergarten

or postsecondary level and 3 percent are employed in other types of instructional positions, such as tutoring or substitute teaching. That leaves 59 percent teaching in K-12 grades in the United States.

Table 3. Current Employment Status

	All Survey Respondents		Certified in 2004 or 2005		Certified in 2006		Certified in 2007	
Employment Status	N	%	N	%	N	%	N	%
Teaching in United States								
Teaching K-12	296	58.6	64		95	63.3	137	53.3
Teaching pre-K or postsecondary	20	4.0	4	4.1	8	5.3	8	3.1
Other teaching (substitute, tutor)	16	3.2	2	2.0	3	2.0	11	4.3
Teaching Outside United States	17	3.4	2	2.0	4	2.7	11	4.3
Not Teaching	156	30.9	26	26.5	40	26.7	90	35.0
Total Survey Respondents	**505**	**100**	**98**	**100**	**150**	**100**	**257**	**100**

Source: Mathematica Policy Research, Inc. 2007 Survey of Passport to Teaching Alumni.

Note: Percentages may not sum to 100 due to rounding.

Three in ten Passport alumni did not have a teaching position at the time of the survey. The rate at which Passport holders are employed in teaching K-12 in the U.S. ("placement rate") with each subsequent cohort decreased from 65 to 63 to 53 percent teaching in K-12 in the U.S. Some of this pattern is to be expected because more recent cohorts have had less time in the job market with an American Board certificate. Another possible explanation is the mix of candidates, which has included a larger number of overseas applicants who have shown lower rates of job placement in U.S. teaching positions than their counterparts already living in the U.S. Table 4 presents the percentages of alumni who have obtained K-12 teaching positions in the U.S. by applicant characteristic. Overseas applicants had the lowest placement rates (25 percent) and applicants from Idaho, Utah, and Florida had the highest placement rates (all over 70 percent). Only 40 percent of applicants from New Hampshire were teaching at the time of the survey.

Income, occupation, and highest degree earned at the time of application also appear related to placement rates. Applicants with advanced degrees had higher placement rates than those with only a bachelor's (71 versus 63 percent). Applicants who reported a previous occupation in the education field had an 80 percent placement rate compared to 45 percent for those from other occupations. This may indicate that the key to obtaining a teaching job is to have one already. Finally, there were differences in placement rates among applicants from different household income categories, but there was no obvious pattern. The only exception was that those who did not report any income or did not respond to the question had the lowest placement rate, 57 percent.

2. Teaching Experiences

Of the 505 respondents who provided their employment status, 349 (69 percent) reported that they were teaching at the time of the survey. Question 2 focuses on these individuals, especially the 296 alumni (59 percent of all respondents) who were teaching in K-12 positions in the United States, and asks about the kinds of schools in which they were teaching and the nature of their teaching assignments.

Table 4. Percentage of Passport Alumni Teaching K-12 in the U.S.

Characteristic	All Survey Respondents		Certified in 2004 or 2005		Certified in 2006		Certified in 2007	
	N	% Teaching K-12	N	% Teaching K-12	N	% Teaching K-12	N	% Teaching K-12
State of residence at application								
Idaho	190	76.8	53	77.4	54	90.7	83	67.5
Florida	130	70.8	11	63.6	36	72.2	83	71.1
Pennsylvania	75	62.7	17	70.6	28	50.0	30	70.0
Other states	54	53.7	14	50.0	15	46.7	25	60.0
Outside the United States	58	25.4	4	25.0	17	35.3	37	21.6
Degree at time of application								
Bachelor's only	367	62.8	72	69.4	103	65.0	192	59.4
Higher than bachelor's	135	71.1	26	65.4	45	75.6	64	70.3
Previous occupation								
Education	253	80.2	34	82.4	87	77.0	132	81.8
Other than education	191	46.1	18	66.7	48	52.1	125	40.8
None reported	63	60.3	47	59.6	15	66.7	1	0.0
Household income								
Less than $25,000	38	60.5	4	75.0	11	54.5	23	60.9
$25,000 to $49,999	110	77.3	11	81.8	34	82.4	65	73.8
$50,000 to $74,999	57	68.4	5	60.0	13	76.9	39	66.7
$75,000 to $99,000	26	69.2	1	100.0	8	100.0	17	52.9
$100,000 or more	21	81.0	3	100.0	7	100.0	11	63.6
Missing	255	57.2	75	65.3	77	55.8	103	53.4
All Respondents	**507**	**64.9**	**99**	**68.7**	**150**	**68.0**	**258**	**61.6**

Question 2a. What kinds of schools do they teach in?

Passport alumni were in a variety of schools including private and charter schools. Of those who were teaching K-12, 71 percent were teaching in public non-charter schools, 12 percent in charter schools and 15 percent in private schools (Table 5). The share of Passport teachers in private schools declines with each subsequent cohort, falling from 21 percent among the first cohort down to 12 percent among of the most recent cohort. This latter figure is more in line with the proportion of all school-age children in the U.S. who are in private schools, estimated to be 11 percent in 2007 (NCES 2008).

Table 5. Type Of School

Type of school	All Respondents	Certified in 2004 or 2005	Certified in 2006	Certified in 2007
Public, non-charter	70.5	71.2	63.3	75.0
Public, charter	12.2	6.1	16.3	12.3
Private (independent or religious)	15.1	21.2	16.3	11.5
Other	2.2	1.5	4.1	1.4
Sample Size	**312**	**66**	**98**	**148**

Source: Mathematica Policy Research, Inc. 2007 Survey of Passport to Teaching Alumni.

Note: Percentages may not sum to 100 due to rounding.

Teachers were asked to identify the schools in which they teach. In an effort to characterize these schools, we attempted to match the named schools to the 2005 Common Core of Data (CCD), maintained by the National Center for Education Statistics (NCES), the most recent publicly available file. We present findings for schools in ABCTE states which we could match to the CCD file -- for public schools only, since private schools are not included in these files. This results in a total sample of 216 public schools for this analysis, most of which are in Idaho (97) and Florida (70). Table 6 presents the average characteristics of public schools in which Passport holders are teaching.

To provide a perspective on the geographic distribution of Passport to Teaching alumni in schools, Figure 1 shows a map of the United States with the number of Passport teachers in each county shaded. Darker shading indicates a larger number of Passport teachers. The figure shows the strong presence in Idaho and Florida, the two states that first began accepting Passport to Teaching certification. Other shaded areas around the country show a Passport presence in additional ABCTE states as well as in other states where teachers have found positions in charter schools and private schools. Figures 2-5 show more detail by presenting maps for the four U.S. Census regions (Northeast, South, Midwest, and West).

Question 2b. What is their teaching assignment?

We compared the subject areas in which alumni were certified to their teaching assignments. That is, are alumni teaching courses for which they have been certified? In general, they are. Table 7 shows the number of alumni by certification area, the number of such alumni who were teaching in K-12 positions, and the number who were teaching in at least one of the areas in which they were certified. Finally, the table shows the percentage of all respondents and the percentage of teachers who were teaching in their area of certification. Overall, 86 percent of those who obtain teaching positions do teach in an area for which they were American Board certified. This represents 56 percent of all teachers, if one factors in the alumni who did not obtain teaching positions.

Looking within subject area, we find that Passport holders typically teach in the area for which they were certified regardless of what that area is. The lowest rate at which alumni were teaching in certification field was biology, at 71 percent. Next were elementary education at 83 percent and English/language arts at 85 percent. The others were between 90 and 100 percent. The rates of in-field teaching were considerably lower once the non-teachers were factored in. As a percentage of all respondents, alumni in most certification areas (or combinations of areas) failed to obtain a

teaching position in their field at a rate of roughly one-third to one-half. The exceptions were the alumni certified in both elementary and special education, where only 15 percent failed to obtain a certification-related placement, and the alumni who had other combinations of credentials, where only 13 percent failed to obtain such a placement.

Question 2c. How much support have they received on the job?

The Passport to Teaching program offers prospective teachers the opportunity to enter the classroom with very little or no pre-service training in pedagogy. Therefore, it might be hoped that schools would provide resources for these newly minted teachers to ease their transition into the classroom. A common approach to integrating new teachers into the classroom is through teacher induction, a central component of which is mentoring by a veteran educator (Smith and Ingersoll 2004). We asked Passport alumni with teaching positions to tell us about their experiences with mentoring, specifically whether they had a mentor ("an experienced educator who gives you regular advice on instruction, classroom management, or other teaching responsibilities") and if so, how many minutes per week they meet with their mentor.

We found mentoring to be fairly common for Passport alumni. Somewhat more than one-half (57 percent) of respondents reported having a mentor. The average amount of time that these teachers met with their mentors was 47 minutes per week. When we include teachers who did not have a mentor (hence, with zero weekly mentor minutes), the average across all teachers was 27 minutes per week.

Table 6. School Characteristics (percentages, public schools only)

Characteristic	All States N = 216	Idaho N = 97	Florida N = 70	Pennsylvania N = 25	Other ABCTE States N = 15
Race/ethnicity of students					
White, non-Hispanic	67.5	82.4	50.8	50.9	77.9
Black, non-Hispanic	13.4	1.1	21.7	38.6	9.3
Hispanic	15.8	13.1	24.2	8.6	8.7
Asian or Native American	4.3	3.4	3.3	2.1	4.1
Urbanicity					
Large or midsize city	23.2	21.7	18.6	36.0	26.7
Urban fringe	40.3	20.6	65.7	52.0	33.3
Large or small town	11.6	18.6	1.4	4.0	26.7
Rural	25.0	39.2	14.3	8.0	13.3
Percentage of students eligible for free- or reduced-price lunch	38.5	40.8	42.1	26.5	28.8
Title I status					
Not eligible	46.8	29.9	67.1	32.0	73.3
Eligible (targeted assistance)	33.3	55.7	1.4	44.0	20.0
Eligible (school-wide)	19.9	14.4	31.4	24.0	6.7
Type of school					
Traditional public school	80.6	87.6	82.9	48.0	80.0
Charter school	12.5	9.3	4.3	52.0	6.7
Magnet school	3.2	0.0	8.6	0.0	6.7
Special education/alternative	2.8	2.1	4.3	0.0	6.7
Vocational school	0.9	1.0	0.0	0.0	0.0
Number of Passport teachers in the school					
1	88.9	83.5	91.4	92.0	100.0
2	9.7	13.4	8.6	8.0	0.0
3	0.9	2.1	0.0	0.0	0.0
4	0.5	1.0	0.0	0.0	0.0

Source: Mathematica Policy Research, Inc. 2007 Survey of Passport to Teaching Alumni; NCES Common Core of Data 2005.

Note: Percentages may not add to 100 due to rounding. Percentages are based on the number of schools, not teachers with each school counted once.

Figure 1. U.S. Counties With Passport Teachers

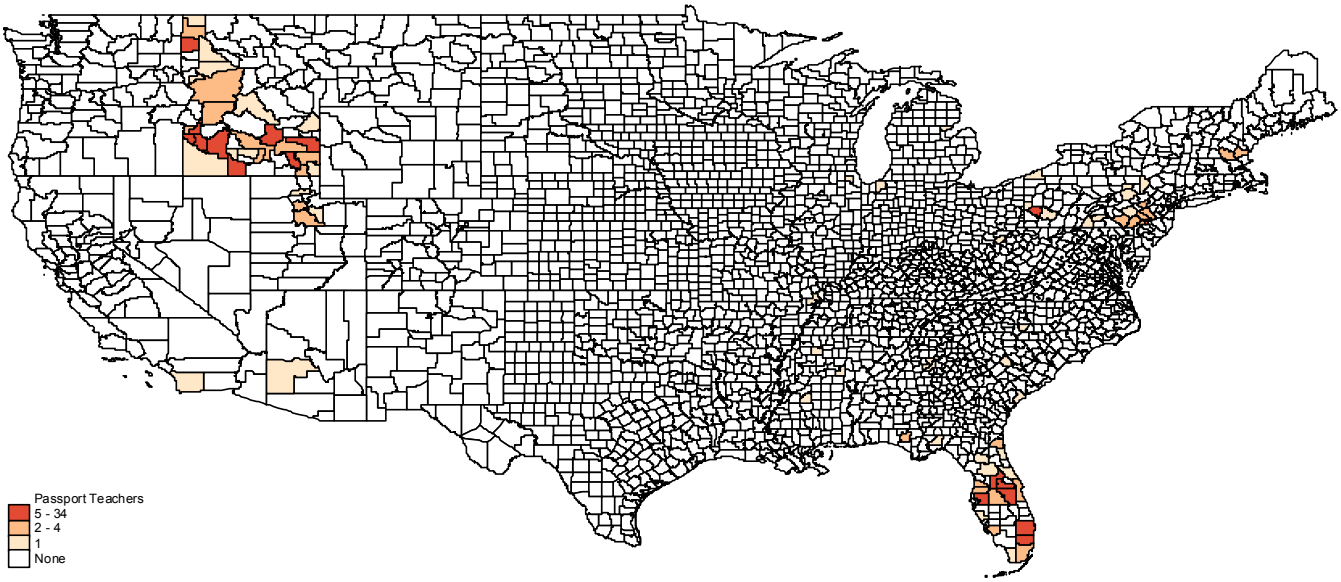


Figure 2. U.S. Counties With Passport Teachers: Northeast Region

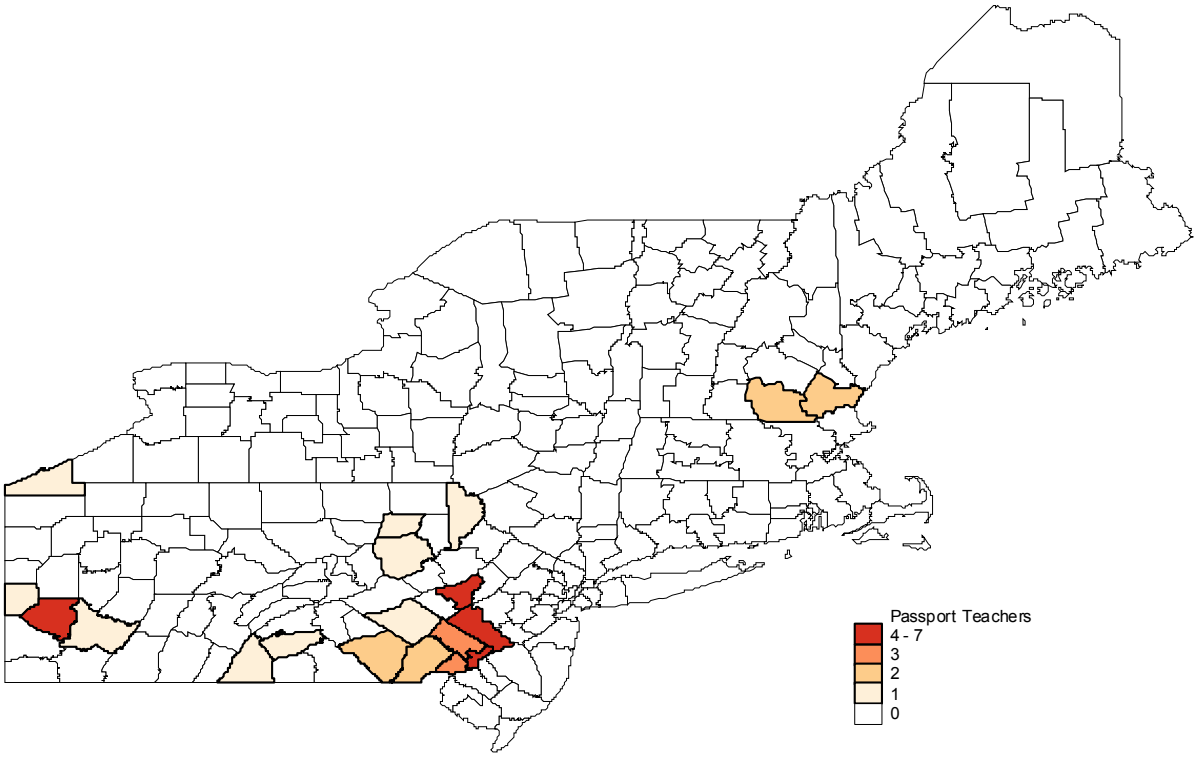


Figure 3. U.S. Counties With Passport Teachers: South Region

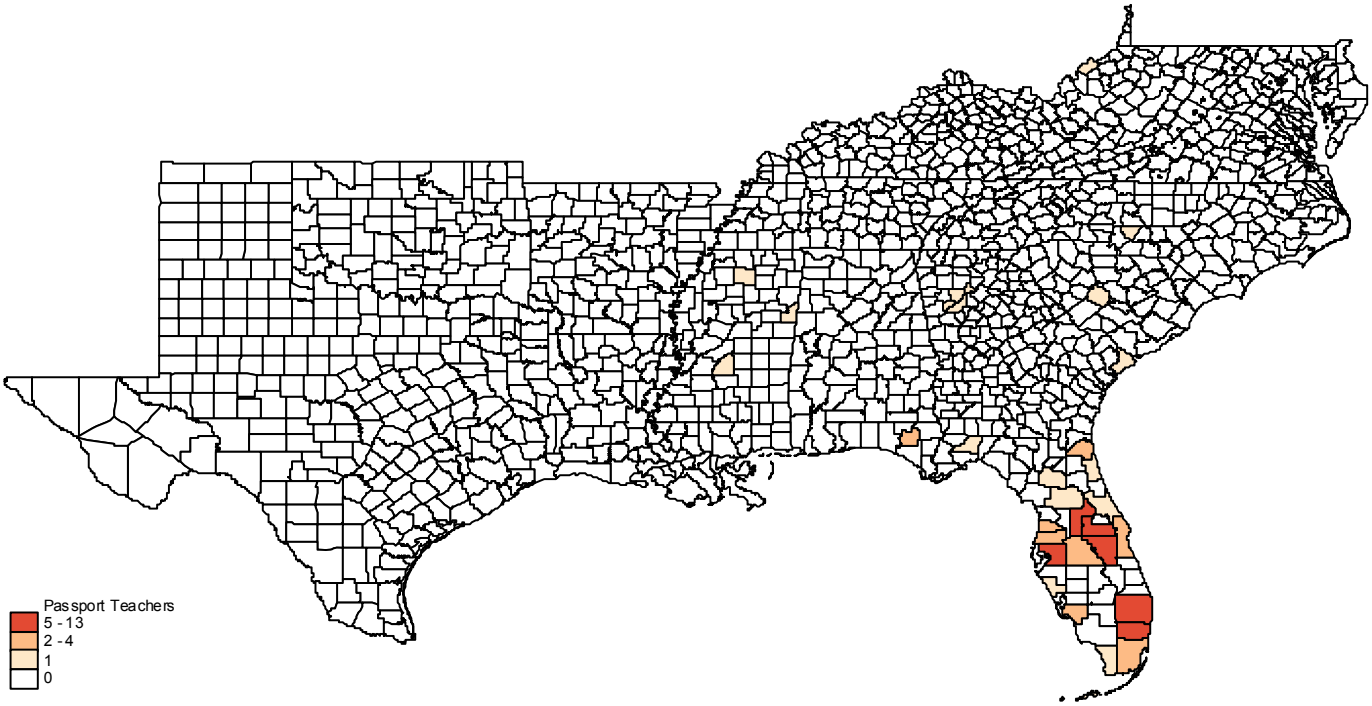


Figure 4. U.S. Counties With Passport Teachers: Midwest Region

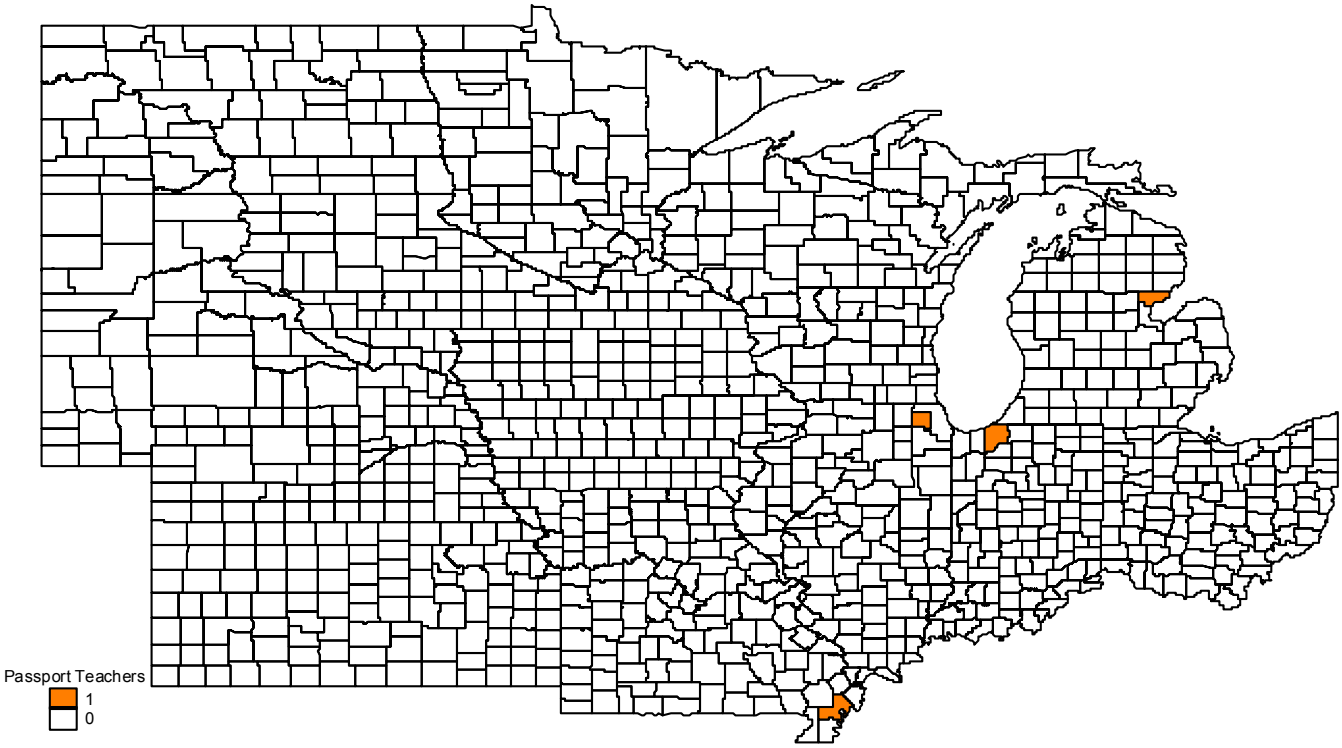


Figure 5. U.S. Counties With Passport Teachers: West Region

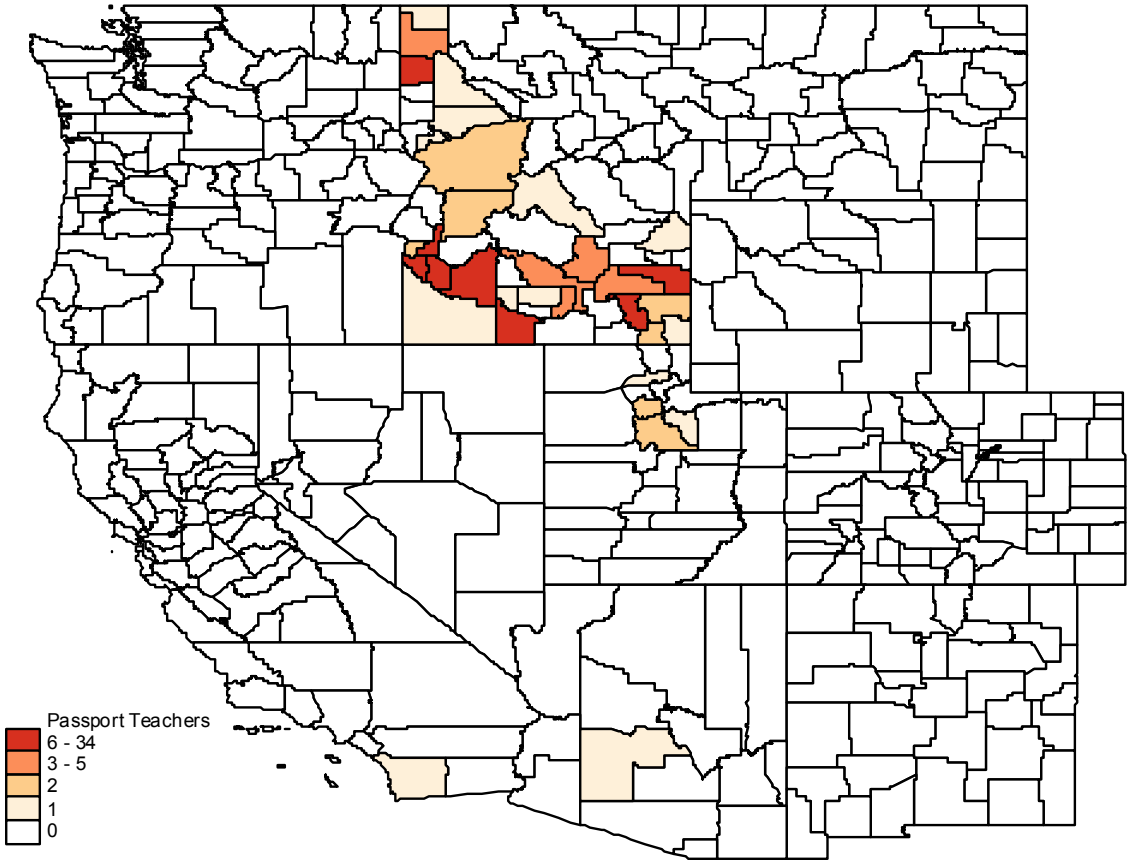


Table 7. Teaching Assignment by Certification Area

Certification Area	Respondents Teaching in Area of Certification	All Respondents	Percent of Respondents Teaching in Area of Certification	Respondents Teaching in K-12 Schools	Percent of K-12 Teachers in Area of Certification
Elementary Education	125	243	51.4	151	82.8
English Language Arts (6-12)	57	101	56.4	67	85.1
Mathematics (6-12)	38	71	53.5	42	90.5
Biology	12	26	46.2	17	70.6
Elementary Education and Special Education (K-12)	17	20	85.0	18	94.4
General Science	8	15	53.3	8	100
Elementary Education and English Language Arts (6-12)	5	8	62.5	5	100
Other	20	23	87.0	21	95.2
Total	**282**	**508**	**55.5**	**329**	**85.7**

Source: Mathematica Policy Research, Inc. 2007 Survey of Passport to Teaching Alumni.

Note: Percentages may not sum to 100 due to rounding.

Table 8 presents the mentor experiences for Passport teachers divided into several subgroups. The overall intensity of mentoring (measured by minutes per week for all teachers, in the last column of Table 8) has increased for more recently certified teachers from 17 to 30 minutes. The variation by state suggests that Idaho schools offer the most mentoring, with 74 percent of teachers having a mentor and the average meeting time for those teachers being more than 50 minutes per week. In contrast, only 35 percent of Florida teachers reported having a mentor and the mentored teachers in that state reported meeting for an average of 40 minutes per week.

Table 8 also describes the mentoring experiences of teachers by their subject of Passport certification, their experience level, and school type. Teachers certified in elementary subjects received more mentoring than teachers certified in other areas, while teachers certified in secondary math and science reported less. We would expect first-year teachers to receive more attention from mentors, and indeed a higher percentage of them reported having a mentor (83 percent) than teachers at other experience levels, but the average duration of mentor support does not track closely with experience. Regarding school type, Passport teachers in charter schools reported the lowest rates of mentor assignment but the longest duration when mentor meetings took place.

Table 8. Teaching Experiences of Passport Holders

Category	Number of Respondents Teaching K-12	Percent Had a Mentor	Average Minutes Per Week with Mentor (Teachers with Mentor)	Average Minutes Per Week with Mentor (All Teachers)
Year certified				
2004 or 2005	65	46.2	36.8	16.7
2006	98	63.3	46.0	28.9
2007	147	58.5	51.6	30.0
School location				
Idaho	145	73.8	50.1	36.7
Florida	91	35.2	40.0	14.1
Pennsylvania	46	47.8	45.4	21.7
Other ABCTE States	16	75.0	44.6	33.4
Other states	12	41.7	47.0	19.6
Certification subject area(s)				
Elementary Education	139	61.1	49.4	29.9
English Language Arts (6-12)	64	53.1	42.0	22.3
Mathematics (6-12)	39	43.6	36.6	16.0
Biology	17	41.2	47.1	19.4
Elementary Education and Special Education (K-12)	18	83.3	49.4	41.9
General Science	8	37.5	40.0	15.0
Elementary Education and English Language Arts (6-12)	4	50.0	60.0	30.0
Other	21	71.4	54.7	
Teaching experience				
First year	71	83.1	48.3	40.0
Second year	49	75.5	47.2	35.4
Third year	40	55.0	42.5	23.4
Fourth year	54	31.5	36.4	11.4
5-9 years	64	45.3	47.7	21.2
10-19 years	19	42.1	66.9	28.2
20 or more years	13	46.2	55.8	25.8
School Type				
Public, traditional	219	59.8	43.4	25.9
Public, charter	38	52.6	63.4	32.6
Private	46	54.3	51.4	27.9
Total	**310**	**57.4**	**47.2**	**26.9**

Source: Mathematica Policy Research, Inc. 2007 Survey of Passport to Teaching Alumni.

Note: Percentages may not sum to 100 due to rounding.

3. Other Experiences

Question 3 has three sub-questions that cover all alumni, including those who are not currently teaching. We asked the 181 alumni who are not teaching K-12 in the U.S. why they are not in the classroom and for those who are not teaching at all, whether they had been teaching but left. Finally,

we examine the responses of all survey respondents to an open-ended question about their experiences with ABCTE.

Question 3a. Why are some alumni not currently teaching?

The 181 respondents who were not teaching K-12 in the United States gave a variety of reasons for their status. Nearly 37 percent of them said they had not found a suitable teaching position, although they had completed all the requirements to teach (Table 9). Twenty-two percent of the alumni indicated they were not yet eligible to teach because they were certified after the hiring period ended for the district, they needed to meet additional state requirements before teaching, or ABCTE certification was not accepted in the state in which they wished to teach. A substantial number (27 percent) reported other reasons for not currently teaching, including low teacher salary or change of family circumstances. The trends over time indicate that recent cohorts of alumni, who have had less time to search for and obtain a position, were less likely to have done so as of the time of the survey (44 percent compared to 31 and 21 percent in 2006 and 2004-2005, respectively). The percentages who say they are not yet eligible or who provide other reasons for their lack of employment in the classroom make up nearly half of the Passport sample.

Table 9. Reasons Not Currently Teaching

	Total Survey Respondents		Certified in 2004 or 2005		Certified in 2006		Certified in 2007	
Reason	N	%	N	%	N	%	N	%
Eligible but have not found a position	66	36.5	6	20.7	15	30.6	45	43.7
Not eligible at this time	40	22.1	4	13.8	10	20.4	26	25.2
Did not intend to teach K-12 in U.S.	26	14.4	8	27.6	11	22.5	7	6.8
Other reasons (personal, financial)	49	27.1	11	37.9	13	26.5	25	24.3
Total	**181**	**100.0**	**29**	**100.0**	**49**	**100.0**	**103**	**100.0**

Source: Mathematica Policy Research, Inc. 2007 Survey of Passport to Teaching Alumni.

Note: Percentages may not sum to 100 due to rounding.

Question 3b. Did many Passport recipients enter and leave teaching after being certified?

An important issue for alternate routes to the classroom is whether teachers who take such routes are more or less likely than traditional candidates to remain in the teaching profession . It is still early to measure such outcomes for the Passport program, and to do so properly would require a detailed employment history with precise start and stop dates, but we can estimate attrition from teaching using responses to a question about whether the respondents had ever taught since receiving their ABCTE credential.

The average attrition rate across all three cohorts of Passport alumni was 14 percent. That is, 406 respondents said they either were teaching at the time of the survey (351 respondents) or had taught in some capacity since receiving their Passport to Teaching certificate but were no longer teaching (55 respondents). The attrition rates for the three cohorts were 15, 17, and 11 percent, respectively. Unfortunately, we cannot group teachers by the year in which they started or the

duration of their career, so we cannot compute true attrition rates that are linked to length of service. It was not feasible to include that level of detail on the brief questionnaire.

We did ask respondents who had left their teaching positions for a reason for their departure. Several had left a teaching position because they wanted to raise children or home-school their children; because they found a better opportunity (school, work, or simply moved out of the area where the Passport credential would be useful); were laid off or not hired for the position they were seeking; had been student teaching, substituting, or some other job that was not expected to be permanent; or simply left because of stress or dissatisfaction. Tabulating the reasons would be difficult because respondents used language that could be interpreted in a number of ways. The reasons for leaving are most likely a combination of stated and unstated factors. For example, a respondent who leaves teaching for further education may be signaling dissatisfaction, choice of an alternative career, or a preference to delay entry into teaching. A more detailed examination of the causes and consequences of teacher mobility among alternative certified teachers would be useful for future research, particularly as the number of Passport certificate holders is increasing.

Table 10. Attrition of Passport Alumni from Teaching Positions

Cohort	Percent Who Left Teaching
2004 or 2005	15.1
2006	16.7
2007	10.6
All	**13.5**

E. SUMMARY

This report presented a portrait of those who completed the ABCTE's Passport to Teaching in its first few years in existence. As of October 1, 2007, 614 individuals have been certified, and the numbers of alumni and the diversity of states and subject areas of certification are increasing each year, as are the applicants from overseas, who made up 15 percent of 2007's alumni. The number of African American and Hispanic alumni has grown, but each of those two groups continues to represent less then two percent of the alumni. The states from which Passport alumni come has been expanding gradually beyond the base of Idaho and Florida, where the certificate was first accepted in public schools.

Passport alumni sought the credential for a variety of reasons. A growing majority aspired to enter the teaching profession, which is presumably most consistent with the goal of the program. Specifically, 59 percent of survey respondents said they sought the Passport to enter teaching. Of those who said they were seeking to retain their position or obtain another position, the program may have served to document their expertise in the field they were already teaching, legitimizing their role, or it may have enabled them to move laterally into a shortage area or a field in which they preferred to be teaching.

The current employment status of Passport alumni includes teachers in a variety of positions as well as many who are not teaching. In order to reach the desired maximum impact, all Passport holders would need to find a teaching position immediately upon being certified. However, no program can be expected to meet this ideal of 100 percent placement. The Passport to Teaching program resulted in 59 percent of its alumni obtaining a K-12 teaching position in the United States

(at the time of the survey). The percentages are higher for those who have held certification for a longer period of time -- 65 percent for those certified before 2006. Another 7 percent teach in pre-kindergarten, post-secondary institutions, or hold substitute or tutoring positions. The percentage of alumni who are teaching outside the U.S. has grown to 4 percent in 2007.

The alumni who were teaching at the time of the survey were in a variety of schools, including traditional public schools as well as charter and private schools. The majority of alumni who are teaching are doing so in their fields of certification, where mentoring is common, but not universal. Just over half (57 percent) reported having a mentor and of those, the average amount of time spent with a mentor was 46 minutes per week.

It is easier to measure the rates at which Passport holders become teachers and stay in their teaching positions than it is to understand why they may have failed to obtain a job or why they left a teaching position. The variety of self-reported reasons encompass all the types of explanations we might expect, including the inability to meet state certification requirements or U.S. immigration requirements, dissatisfaction with teaching, and an assortment of personal reasons, such as pregnancy and child-rearing or preference for an education-related job that is not a traditional classroom teaching position.

Taken together, the responses of Passport alumni to this brief survey provide an informative review of the program's main product—teacher candidates—over the nearly four years since the program began granting certificates. The future direction of Passport to Teaching will depend on the acceptance of the credential in more states and its growing reputation among charter and private school administrators. It will also depend on the ongoing recruitment efforts of ABCTE, which is actively pursuing minority candidates in Mississippi and Florida through the Teach and Inspire program in addition to its normal state-by-state and international recruitment efforts. Teach and Inspire provides scholarships for Passport to Teaching applicants and involves a greater degree of screening, mentoring, and placement assistance than the typical Passport to Teaching experience.

The next step for researchers is to continue following Passport alumni into the classroom and to endeavor to measure their job performance relative to teachers who reach the classroom through more traditional pathways. In particular, it will be important to estimate the impact Passport teachers have on student achievement and other outcomes.

REFERENCES

Baxter, Gail, Elizabeth Seif, and Steven Glazerman. "Career Choices of Passport to Teaching Alumni: Cohorts 1 and 2." Washington, DC: Mathematica Policy Research, May 2007.

Chaplin, Duncan, Steven Glazerman, Gail Baxter, and Elizabeth Seif. "Teacher Licensure Exams: How Do They Compare?" Washington, DC: Mathematica Policy Research, March 2007.

Feistritzer, Emily. "Preparing Teachers for the Classroom: The Role of the Higher Education Act and No Child Left Behind." Testimony to the Committee on Education and Labor, Subcommittee on Higher Education, Lifelong Learning, and Competitiveness. U.S. House of Representatives, May 17, 2007.

Glazerman, Steven, Christina Tuttle, and Gail Baxter. "School Principals' Perspectives on the Passport to Teaching." Washington, DC: Mathematica Policy Research, June 2006.

National Center for Education Statistics (NCES). *Digest of Education Statistics: 2007*. Washington, DC: U.S. Department of Education, 2008.

Smith, Thomas M., and Richard Ingersoll. "What Are the Effects of Induction and Mentoring on Beginning Teacher Turnover?" *American Education Research Journal,* vol. 41, no. 3, 2004, pp. 681-714.

Walsh, Kate, and Sandi Jacobs. *Alternative Certification Isn't Alternative*. Washington, DC: Thomas B. Fordham Institute., November 2007.

Appendix A

Table A.1. States That Accepted Passport to Teaching Certification at the Time of the And The Certifications Each State Accepted

		Area of Passport to Teaching Certification							
State[a]	Date Accepted	Elementary Education	Mathematics	English Language Arts	General Science	Biology	Physics	Chemistry	Special Education
Pennsylvania	November 2002	X	X	X					
Idaho	November 2003	X	X	X	X	X	X	X	X
Florida	June 2004	X	X	X	X	X	X	X	X
Utah	November 2004		X						
New Hampshire	December 2004	X	X	X	X	X			
Mississippi	July 2006		X	X		X	X	X	
South Carolina	July 2007		X	X	X	X	X	X	

Note: x indicates certification recognized by state.

[a] As of February 2008, seven states recognized the Passport to Teaching as an alternative route to state licensure. States vary in the grade levels at which ABCTE certification is accepted. Missouri began accepting the Passport to Teaching in May 2008. Utah began accepting all subject areas in April 2008. ABCTE also began offering certification in U.S. History and American History, but no alumni had received these certifications by the time of our survey.

MPR Reference No.: 6215-400

MATHEMATICA
Policy Research, Inc.

School Principals' Perspectives on the Passport to Teaching

June 28, 2006

Steven Glazerman
Christina Tuttle
Gail Baxter

Submitted to:

American Board for Certification of
Teacher Excellence
1225 19th Street, N.W., Suite 400
Washington, DC 20036
Telephone: (202) 261-2620

Project Officer:
Joshua Boots

Submitted by:

Mathematica Policy Research, Inc.
600 Maryland Ave. S.W., Suite 550
Washington, DC 20024-2512
Telephone: (202) 484-9220
Facsimile: (202) 863-1763

Project Director:
Steven Glazerman

ACKNOWLEDGMENTS

Several people contributed to the research documented in this report. We could not have done this work without the gracious cooperation of the principals in our sample. At the American Board for Certification of Teacher Excellence (ABCTE), Joshua Boots, David Saba, and William Schimmel provided comments, data, and advice.

The data collection team at Mathematica Policy Research included Brian Roff, Milena Rosenblum, Laurie Bach, and Jessy Nazario, who made the survey run smoothly. Duncan Chaplin provided useful guidance and input at every stage. John Deke carefully read the draft report and provided helpful comments. Elizabeth Seif provided able research assistance. Carol Soble edited the report, and Sharon Clark prepared it for publication with assistance from Donna Dorsey.

CONTENTS

Chapter		Page
I	PASSPORT TO TEACHING	1
	A. THE PASSPORT PROGRAM	1
	B. THE LONGITUDINAL STUDY AND THIS REPORT	2
II	DATA AND METHODS	4
	A. SURVEY DESIGN	4
	B. VALIDITY OF THE PRINCIPAL SURVEY	4
	C. SAMPLING FRAME, SAMPLE DESCRIPTION, AND NONRESPONSE	6
III	FINDINGS	10
	A. HIRING DECISIONS AND PERCEPTIONS OF ABCTE	10
	B. PERFORMANCE RATINGS	13
	C. UNDERSTANDING THE PERFORMANCE RATINGS	17
IV	CONCLUSIONS	21
	A. SUMMARY OF FINDINGS	21
	B. LIMITATIONS OF THE STUDY	22
	REFERENCES	23

TABLES

Table		Page
II.1	RESPONSE RATES BY SUBGROUP	7
II.2	CHARACTERISTICS OF RESPONDENTS AND NONRESPONDENTS (PERCENTAGES)	8
II.3	EXPERIENCE LEVEL OF PASSPORT TEACHERS	9
III.1	FACTORS RELATED TO HIRING DECISIONS	11
III.2	EFFECTIVENESS OF PASSPORT HOLDERS AS RATED BY THEIR PRINCIPALS	14
III.3	PRINCIPAL RATINGS OF OVERALL PERFORMANCE AND CONFIDENCE IN TEACHERS AND ABCTE	16
III.4	THE EFFECT OF PRINCIPAL AND TEACHER CHARACTERISTICS ON OVERALL RATINGS	19
III.5	THE EFFECT OF COMPONENTS ON OVERALL EFFECTIVENESS RATING	20

I. PASSPORT TO TEACHING

A. THE PASSPORT PROGRAM

State governments use a wide variety of requirements to regulate entry into the teaching profession. They vary in the degree to which they require prospective teachers to complete coursework, accumulate student teaching experience, and perform on written examinations before they are granted entry into the classroom. The goal of the licensure regulations should be to ensure minimum quality, but education researchers have not succeeded in isolating measures that cost-effectively and reliably predict teacher performance.

In recent years, the American Board for Certification of Teacher Excellence (ABCTE), a new organization funded by the U.S. Department of Education, has devised a primarily examination-based approach called the Passport to Teaching to address this problem. With the Passport program, ABCTE set out to develop rigorous and comprehensive examinations in professional teacher knowledge and subject matter that would identify people competent to enter the teaching profession in any state regardless of the individual's method of preparation. By encouraging states to adopt the Passport as an acceptable route into the classroom, ABCTE hopes to remove barriers to entry such as student teaching requirements or specific course requirements that might otherwise deter qualified candidates. For example, the Passport could create opportunities for career changers, for veteran teachers with no formal credential, and for teacher candidates with nontraditional preparation to enter or remain in teaching.

To date, five states have recognized the Passport to Teaching. Those states are Idaho, Florida, Pennsylvania, New Hampshire, and Utah. One challenge to the Passport program is the opposition by teacher-educators who see the program as a threat to traditional, degree-granting teacher preparation programs, which offer the courses and student-teaching opportunities that

would be eliminated as requirements if the Passport were accepted for certification. Another major impediment to more widespread adoption of the Passport is the need for more rigorous and objective evidence on the ability of the Passport program to identify high-quality or even minimal-quality teachers.

B. THE LONGITUDINAL STUDY AND THIS REPORT

To help address the need for rigorous research evidence, ABCTE obtained a grant from the U.S. Department of Education to contract with Mathematica Policy Research, Inc. (MPR) to conduct an independent, five-year longitudinal evaluation of American Board certification programs. In a recent report (Glazerman and Tuttle 2006), we described the early progress of the Passport program and the plans for evaluating both the Passport and a newer certification program for veteran teachers.

This report is the first in a series of reports from that evaluation study. Here, we provide some early evidence on the performance of American Board–certified teachers based on our recent survey of their supervisors. The study pertains to the first cohort of teachers to be certified through the Passport to Teaching program and begin teaching in 2005–2006. Nearly all of the supervisors we interviewed for this report were school principals; therefore, we refer to the telephone survey as the principal survey. The main goal of the principal survey was to learn how the Passport teachers' direct supervisors judge their performance on the job. The performance ratings are subjective, but supervisors, unlike parents, fellow teachers, and students, have the job of observing and evaluating all aspects of a teacher's performance and thus have the best perspective available. We also asked questions about the role of ABCTE certification in hiring that teacher. In a few cases, we interviewed a different individual to address hiring questions. Section B provides a detailed description of the data collection methods.

We found that principals typically rated Passport holders to be "as effective" as or "somewhat more effective" than "all other teachers [they had] observed in their career" on every dimension of job performance. A small number of Passport holders received low ratings ("much" or "somewhat" less effective), and a slightly larger number received "much more" effective ratings. Based on the ABCTE teachers they had supervised, principals were mixed on their appraisal of American Board certification, with the most common response that of uncertainty because of the limited experience with the program (typically just one teacher).

It is important to consider this report in its context as the first of several on the American Board certification programs. We report here on the first cohort of Passport holders and expect that cohort to be somewhat idiosyncratic and smaller than future cohorts. Even for the current cohort, we are continuing to collect data on student achievement gains that will allow us to form more objective measures of performance to consider alongside the present findings.

The next section discusses the data and methods used in this report. Section C presents the findings, and Section D concludes with a summary of the main findings and their implications for both policy and the ongoing research effort to understand ABCTE programs.

II. DATA AND METHODS

A. SURVEY DESIGN

We collected the data for the study by conducting a telephone survey of supervisors (principals) in spring 2006. This period corresponds to the end of the 2005–2006 school year, the first year in which it was possible to observe Passport-certified teachers in the classroom. The interview included a series of questions about the circumstances under which the Passport holder was hired,[1] the amount of time the respondent observed the teacher in the classroom, the respondent's professional background, and the respondent's ratings of the ABCTE teacher's effectiveness.

The effectiveness ratings were five-point scales that covered 11 dimensions ranging from instruction to collaboration and collegiality. We also asked respondents to rate the teacher's performance overall and their confidence in the Passport to Teaching as a credential. To anchor the ratings, we asked principals to compare Passport teachers to all other teachers they have observed in their career. For novice Passport holders, we also asked principals to rate the Passport holders relative to all other novice teachers they have observed in their career.

B. VALIDITY OF THE PRINCIPAL SURVEY

A principal survey such as the one described here has advantages and disadvantages but overall was the most useful approach we considered for providing early evidence on teachers certified through the Passport program. The main disadvantage is that principal ratings are subjective and can say more about the person performing the rating than the teacher whose

[1] We asked if the respondent was responsible for hiring the American Board teacher in question. In cases when the respondent was not the hirer, we identified the hirer and interviewed that person separately. The "hirer" and "observer" were usually the same person—the principal—except in five cases.

performance is rated. For example, when we ask principals to rate ABCTE teachers against others they have observed, each respondent has a different reference group. Some principals may have hired the Passport holder out of desperation after observing a string of poor teachers. Others may have a very high standard. This was a special concern for us because each respondent reported on just one teacher. Therefore, we had no way to calibrate scores statistically.

We determined that subjective ratings are still useful because the principal, whose role is to observe and supervise the teacher in all aspects of the job, offers the best perspective available. And the reference group of the particular principals in our sample is relevant because we wish to know how ABCTE affects that status quo. Furthermore, by asking about the principals' background and the frequency and duration of their observations of the teacher, we can control some of the variation in factors that might affect any one principal's perspective. Another advantage of principal ratings relative to measures that use standardized student test scores is that the ratings can be applied to all classroom teachers, including those in nontested subjects and grades.

The research literature on the validity of principal ratings as a tool to measure teacher performance is not conclusive but does suggest that principal ratings predict achievement. A recent working paper by Jacob and Lefgren (2005) found that principals were able to predict which of their teachers produced the largest and smallest student achievement gains, although the principals could not distinguish among teachers in the middle of the performance distribution. Jacob and Lefgren cited earlier studies (Murnane 1975; Armor et al. 1976; Medley and Coker 1987; Peterson 1987, 2000) that show correlations between principal ratings and other outcomes, albeit small ones.

Our principal survey findings are not intended to stand alone. Several measures of teacher effectiveness are needed to draw conclusions about the performance of Passport holders in the classroom. This report on principal ratings is intended to be a companion to future reports that incorporate analysis of growth in test scores in students of Passport and comparable non–Passport holders.

C. SAMPLING FRAME, SAMPLE DESCRIPTION, AND NONRESPONSE

We targeted the universe of teachers eligible to participate in the study. That is, we identified all Passport holders who were known to hold a K–12 classroom teaching position (52 individuals) and contacted their schools or districts to identify appropriate respondents to the survey. The initial sample comprised 56 individuals, but 4 were deemed ineligible because their primary responsibility was not classroom teaching (2 were principals) or their status as classroom teachers could not be verified.

We completed interviews with supervisors of 39 of the 52 eligible teachers, for a response rate of 75 percent. Typically, there was one Passport holder per school and hence one respondent per teacher. For one teacher, we have two sets of ratings because she split her time between two schools. For the analysis, we averaged her two sets of ratings. When we could not report fractional ratings—for example, in reporting the full distribution of scores—we included both principals' ratings in the frequency count but adjusted the percentages by using weights so that each teacher was counted once. The weighting made a trivial difference in the percentages relative to the unweighted counts.

The response rates were high across many subgroups, although some were higher than others. Table II.1 shows the response rates by type of school, grade configuration, teaching assignment of the ABCTE teacher, and school location. The response rates were at least 70 percent in traditional public, charter, and private schools. The response rate was higher for

elementary schools than for middle or high schools, as also reflected in the response rates by subject area, with principals of teachers assigned to elementary subjects responding at the highest rates. Sample members in Idaho, where most of the Passport holders were teaching, had the highest response rate, with response rates for sample members in other states lagging.

TABLE II.1

RESPONSE RATES BY SUBGROUP

Subgroup	Eligible Cases	Response Rate (percentage)
Overall	52	75.0
School Type		
Traditional public	38	73.7
Charter	4	100.0
Private	10	70.0
Grade Level		
Elementary	17	88.2
Middle	5	80.0
High	30	66.7
Teaching Assignment		
Elementary (all subjects)	10	90.0
English/language arts (secondary)	10	60.0
Mathematics (secondary)	13	69.2
Science	6	50.0
Resource	4	100.0
Other	9	90.0
Location		
Idaho	33	93.4
Pennsylvania	9	44.4
Florida	5	20.0
Other	5	60.0

Source: Mathematica Policy Research, 2006 Survey of Principals of Passport to Teaching Teacher.

Not surprisingly, the respondents are fairly representative of the full sample (universe) of eligible Passport teachers. Table II.2 shows the characteristics of respondents, nonrespondents, and the full sample. The respondents are within 7 percentage points of the full sample on each subgroup defined by school type, grade level, and subject area. The largest difference between the respondent sample and the universe is the percentage from Idaho, with the state somewhat over-represented in our survey sample, and the other states, mainly Florida and Pennsylvania, each under-represented.

TABLE II.2

CHARACTERISTICS OF RESPONDENTS AND NONRESPONDENTS (PERCENTAGES)

Subgroup	Full Sample	Respondents	Nonrespondents
School Type			
Traditional public	73.1	71.8	76.9
Charter	7.7	10.3	0.0
Private	19.2	17.9	23.1
Grade Level			
Elementary	32.7	38.5	15.4
Middle	9.6	10.3	7.7
High	57.7	51.3	76.9
Teaching Assignment			
Elementary (all subjects)	19.2	23.1	7.7
English/language arts (secondary)	19.2	15.4	30.8
Mathematics (secondary)	25.0	23.1	30.8
Science	11.5	7.7	23.1
Resource	7.7	10.3	0.0
Other	17.3	20.5	7.7
Location			
Idaho	63.5	79.5	15.4
Pennsylvania	17.3	10.3	38.5
Florida	9.6	2.6	30.8
Other	9.6	7.7	15.4

Source: Mathematica Policy Research, 2006 Survey of Principals of Passport to Teaching Teacher.

The resulting sample included principals with a range of experience and a range of time spent observing their teachers. Principals' average level of experience in the classroom as a teacher was 12 years, and their average experience as an administrator was 8 years, with a range of 1 to 26 years. The average principal's duration of a teacher observation was 36 minutes, and most principals reported that they observed the teacher at least three times during the year.

The most surprising result was the experience level of the Passport teachers themselves, many more of whom than expected were already teaching before the 2005–2006 school year. We asked only whether the teacher was a first-year teacher, but most respondents volunteered the teachers' years of experience in the profession or in the school, allowing us to estimate the distribution of experience in the sample. Table II.3 shows the principal-reported experience level of Passport holders who were teaching in their schools. Only 31 percent were in their first year. Of the remainder, many were in the early part of their careers, but several were veteran teachers, with six or more years of experience. Presumably, these teachers sought the American Board's Passport certification as a means to prove subject area mastery and not to meet initial licensure requirements to enter the teaching profession.

TABLE II.3

EXPERIENCE LEVEL OF PASSPORT TEACHERS

Years of Teaching Experience Before 2005–2006	Number of Passport Holders	Percentage
None	12	30.8
1–5	11	28.2
6–10	2	5.1
More than 10	5	12.8
1 or more, number unknown	9	23.1
Total	39	100.0

Source: Mathematica Policy Research, 2006 Survey of Principals of Passport to Teaching Teacher.

III. FINDINGS

We present the survey findings in two parts corresponding to two areas of inquiry. The first area concerns the role of the Passport certificate in the hiring process. The second area concerns the effectiveness of Passport teachers once hired. In addition, we discuss some supplemental analyses that we conducted to help readers better understand the survey data.

A. HIRING DECISIONS AND PERCEPTIONS OF ABCTE

Overall, the respondents responsible for hiring the teachers in our sample had positive assessments of those teachers but were more moderate in their opinions of ABCTE certification, when they were aware of it at all.

The Passport holders had generally been hired in a competitive environment. Almost all of them competed against other candidates for their positions (see Table III.1). If the position was competitive, we asked the respondent to compare the Passport holder who filled the position to the other candidates overall. Three-quarters of respondents ranked the Passport holder "somewhat" or "much" stronger than the other applicants. Only one teacher was rated "somewhat weaker" than other candidates.[2]

An interesting finding—likely related to the high proportion of our sample with teaching experience—is that the majority of Passport holders received their job offer even before they obtained a Passport (19 of 30, or 63 percent). Many of these teachers had been hired several years earlier, in which case the Passport was often a means to certify their subject matter expertise rather than help them gain entry into the profession. A high proportion of respondents, almost 20 percent, did not know if the candidate had ABCTE certification at the time of hiring.

[2] We did not interview principals who declined to hire Passport holders, so we cannot assess whether certification was a factor in unsuccessful job candidacies.

For those teachers who did have that certification, their hirers were fairly evenly split between indicating that ABCTE certification had no impact or a positive impact. None indicated that ABCTE certification had a negative impact.

TABLE III.1

FACTORS RELATED TO HIRING DECISIONS

Factors	Number	Percentage
Hiring decision was competitive	33	90.3
How ABCTE candidate compared to other candidates		
Much weaker	0	0.0
Somewhat weaker	1	3.1
About the same	7	21.5
Somewhat stronger	8	24.6
Much stronger	17	50.8
Teacher obtained ABCTE certification after being hired		
Yes	19	51.4
No	11	30.6
Don't know	7	18.1
Impact that ABCTE certification had on hiring decision		
Negative impact	0	0.0
No impact	6	54.6
Positive impact	5	45.5
Respondent would hire ABCTE teacher in the future		
Yes	15	40.9
No	0	0.0
Depends	19	53.5
Don't know	2	5.6
Total	37	

Source: Mathematica Policy Research, 2006 Survey of Principals of Passport to Teaching Teacher.

Interested in the reasons for their response, we probed those who indicated that the Passport had an impact on their hiring decision. One respondent said that he/she "wouldn't have hired [the person] without certification." Two cited the subject matter certification as the key to hiring for the given positions. Another respondent said that obtaining the certification was a signal of working harder. "Any time we see teachers go above and beyond, that's a positive."

Given the fairly untested nature of ABCTE certification, it is a good indication of the quality of our sample of Passport holders that, when asked if they would hire a teacher certified by ABCTE, 40 percent of hirers responded with an unqualified "yes." This rate was similar for respondents who had hired experienced (43 percent) and novice teachers (33 percent). Approximately half of all respondents said that their decision to hire another Passport holder would depend on other factors, and the remainder said they did not know whether they would hire another Passport holder. No respondent indicated that he or she would *not* hire another Passport holder.

The respondents' more general comments about ABCTE in response to an open-ended question were illustrative and generally positive. Several mentioned that it was their first exposure to ABCTE and that the teacher in question had worked out well; one was "skeptical at first" but asserted that ABCTE is an "excellent alternative for people who are qualified to be good teachers." Others were advocates of the certification and had encouraged current teachers to pursue it, often to meet requirements from the No Child Left Behind legislation. Another commonly cited benefit of the program was the identification of individuals with expertise in a particular subject, often mathematics and science. More than one respondent commented on the rigor of the examination.

Of the less positive responses, the most common criticism was the lack of classroom experience. One principal of a Passport holder who received low ratings was concerned that

"individuals do not have practical student teaching experience. It is imperative to have experience with an accompanying teacher to help with planning, classroom management, etc."

B. PERFORMANCE RATINGS

Respondents gave Passport teachers positive ratings on average for all dimensions of performance. As shown in Table III.2, the typical rating was somewhere between "equally as effective" as and "somewhat more effective" than other teachers observed by the supervisors in their careers on nearly every performance dimension rated. A rating of zero suggests that the Passport teacher is "equally effective," and an average rating of 0.5, for example, means that the responses are halfway between "equally" and "somewhat more" effective.[3]

The first column in Table III.2 shows that the Passport teachers overall were rated closer to "somewhat more effective" than "equally effective," with an average rating of 0.7. The highest ratings were in "communicating content knowledge" (0.9) and "responding to feedback from other teachers and administrators" (1.0) and the lowest in "managing the classroom" (0.3).

If the Passport holder in question was a first-year teacher, we also asked the supervisor to compare that teacher to other first-year teachers they had observed over their career. The second column in Table III.2 shows the novice-to-novice comparison. The last two columns in Table III.2 are subgroups (novices and experienced teachers) as compared with all other teachers.

Beginning teachers with Passport certificates fared well when compared with other first-year teachers, scoring closer to "somewhat more effective" than "equally effective" (0.6). They rated highest in "engaging students in learning" (0.8) and lowest in "adapting instruction" (0.3) and classroom management (0.3) as compared with other first-year teachers. Not surprisingly, the

[3] This method treats the interval between each response option on the five-point scale as the same. Given that respondents rarely used the extreme options, the results vary little when we relax this assumption.

TABLE III.2

EFFECTIVENESS OF PASSPORT HOLDERS AS RATED BY THEIR PRINCIPALS

	All Passport Teachers	Passport Holders in First Year of Teaching		Passport Holders with Two or More Years of Teaching Experience
Area of Effectiveness	Compared with All Other Teachers	Compared with Other First-Year Teachers	Compared with All Other Teachers	Compared with All Other Teachers
Understanding students' needs	0.6	0.5	0.3	0.8
Planning lessons	0.5	0.5	-0.2	0.8
Leading instructional activities	0.8	0.5	0.3	1.0
Adapting instruction	0.8	0.3	0.3	1.0
Managing the classroom	0.3	0.3	-0.3	0.6
Encouraging desired student behavior	0.6	0.4	0.1	0.9
Engaging students in learning	0.7	0.8	0.3	0.9
Communicating content knowledge	0.9	0.6	0.1	1.3
Collaborating with other teachers	0.8	0.5	0.3	1.0
Responding to feedback from other teachers and administrators	1.0	0.7	0.7	1.2
Relating to parents	0.6	0.5	-0.2	1.0
Overall performance	**0.7**	**0.6**	**0.3**	**0.9**
Sample size (number of teachers)	39	12	12	27

Source: Mathematica Policy Research, 2006 Survey of Principals of Passport to Teaching Teachers.

Note: Relative teacher effectiveness was rated on a five-point scale:
-2 = Much less effective
-1 = Somewhat less effective
0 = Equally effective
1 = Somewhat more effective
2 = Much more effective

Cell entries are average ratings.

Ratings are weighted to account for multiple respondents for one teacher.

beginning teachers' ratings fell in nearly every category when compared with teachers of all experience levels, but their overall rating was still positive (0.3). In these comparisons, beginning teachers were rated lowest in "planning lessons" (-0.2), classroom management (-0.3), and "relating to parents" (-0.2). They were rated highest in responding to feedback (0.7).

Passport holders with teaching experience fared better than Passport holders new to teaching, with an overall performance rating of 0.9. In the individual categories, they rated highest in communicating content knowledge (1.3) and responding to feedback (1.2).

Table III.3 shows the distribution of ratings across the full five-point scale for the overall performance measures and for two other questions about American Board teachers and certification. According to the overall ratings, the most common responses were that Passport holders' overall performance as teachers was "average" or "above average" (see Figure III.1). Similarly, for the individual performance items noted in Table III.2, the most common responses fall in the middle three categories. The rare exceptions are two teachers who were rated "somewhat less effective" or "much less effective" on nearly every measure, which translates into a rate of 5 percent who were underperformers. The other 95 percent were judged as effective or better than their peers.

For first-year teachers, we asked principals to tell us if they are confident in their first-year teachers' ability to develop into an effective teacher. All but one reported being "confident" or "very confident" about this outcome.

We also asked respondents if their experiences gave them confidence in the American Board certification. None of the principals reported "a great deal of confidence" in the certification based on teacher performance, but nearly half reported "some confidence," nearly half reported "a little confidence," and the remaining 6 percent (two respondents) said that they had "no confidence," corresponding to the two respondents who rated their teachers as ineffective in

every area. The moderate nature of the responses to the confidence question suggests that principals are probably reluctant to generalize from the experience of a single teacher.

TABLE III.3

PRINCIPAL RATINGS OF OVERALL PERFORMANCE AND CONFIDENCE IN TEACHERS AND ABCTE

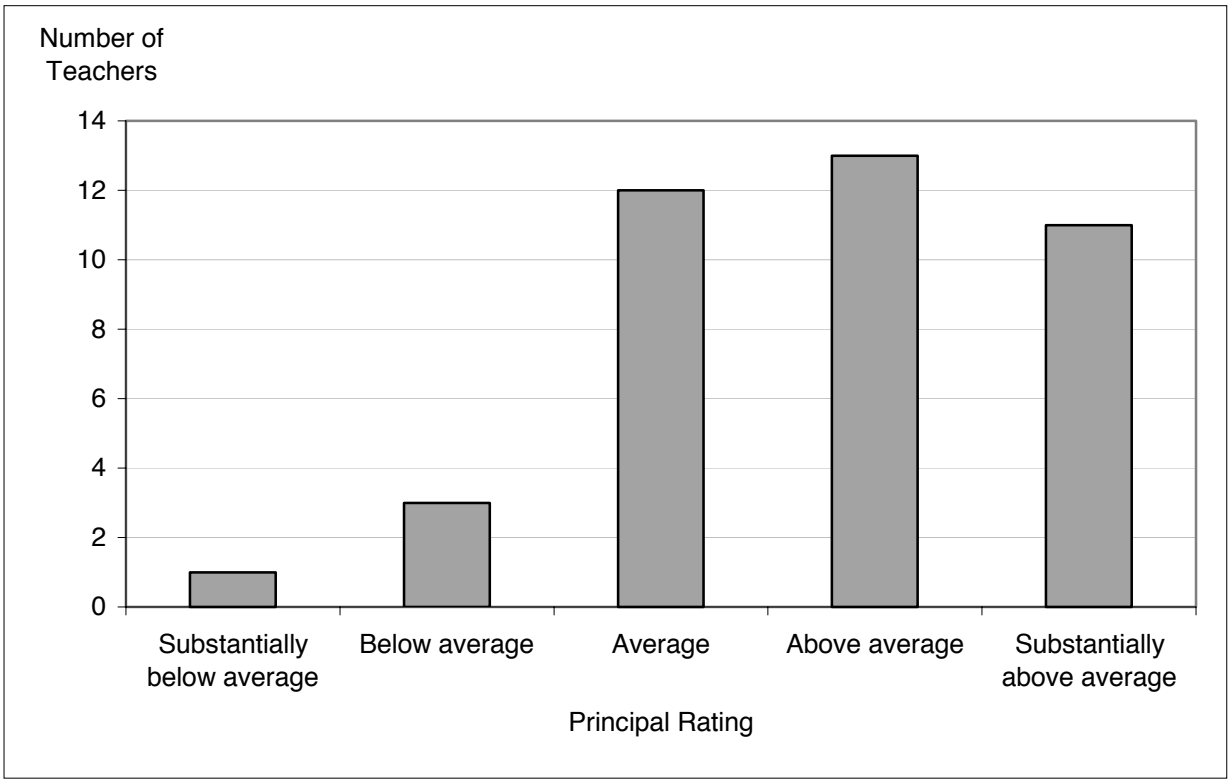
Rating	Number	Percentage
Overall performance as compared with all teachers		
Substantially below average	1	2.6
Below average	3	7.7
Average	12	30.8
Above average	13	32.1
Substantially above average	11	26.9
Overall performance as compared with first-year teachers (first-year Passport teachers only)		
Substantially below average	1	8.3
Below average	1	8.3
Average	2	16.7
Above average	6	50.0
Substantially above average	2	16.7
Confidence that Passport holder will develop into an effective teacher, confidence as compared with other first-year teachers (first-year Passport teachers only)		
Not at all confident	1	8.3
Somewhat confident	0	0.0
Confident	4	33.3
Very confident	7	58.3
Confidence in ABCTE certification, based on teachers' performance		
No confidence	2	5.6
A little confidence	15	41.7
Some confidence	16	43.1
A great deal of confidence	0	0.0
Don't know	4	9.7

Source: Mathematica Policy Research, 2006 Survey of Principals of Passport to Teaching Teachers.

Note: Percentages are weighted to account for multiple respondents for one teacher.

FIGURE III.1

PRINCIPAL RATING OF OVERALL PERFORMANCE OF ABCTE TEACHERS AS COMPARED WITH ALL TEACHERS



Source: Mathematica Policy Research, 2006 Survey of Principals of Passport to Teaching Teachers.

C. UNDERSTANDING THE PERFORMANCE RATINGS

To help interpret the findings in the previous sections, we looked for evidence in our data on whether ratings might reflect something other than teacher effectiveness and whether principals place implicit weights on some dimensions of performance over others.

First, ratings vary significantly by the context in which the survey was administered—specifically, the characteristics of the respondent and his or her school or the characteristics of the Passport holder. We used a regression model to estimate the relationship between the ratings

and the following characteristics:[4] principal's years of experience as an administrator, the amount of time the principal reported observing the teacher in the classroom, whether the teacher was in his or her first year of teaching, the teaching assignment (subject area), and the type of school—public, private, or charter (see Table III.4).[5]

In general, differences in ratings by teaching assignment were statistically significant, but differences in teacher and principal experience were not. Teachers in charter schools received higher ratings than those in traditional public schools while those in private schools received lower ratings (although not statistically significant). Elementary school teachers received lower ratings than teachers in all other subjects, particularly resource teachers and those teaching secondary mathematics or language arts. We also estimated models with each component as the dependent variable and found similar results.

Another issue is that, while we report the principal's overall rating of a Passport holder, it may not be obvious that (or how) the overall rating is an aggregate measure reflective of the individual components of effectiveness. To try to gauge this, we used another regression model to estimate the relationship between the overall rating and the 11 individual performance areas (see Table III.5). The coefficients were not statistically significant for any of the components, which is not surprising given the sample size and collinearity of the components. Nevertheless, we can still discern some trends in the relative weight given each measure without generalizing beyond this sample. The components with the largest coefficients (and therefore, presumably, the largest contribution to the overall rating) were engaging students in learning, understanding

[4] We reported findings from a linear regression model that treats the responses on the five-point scale as cardinal with equal intervals. We also estimated an ordered logit model, which relaxes the equal interval assumption. We did not report the ordered logit results, but they led to the same conclusion.

[5] Although there were several ways we could include the relevant data for time observed (e.g., as the total duration of observations versus separate variables for frequency and average length), the model was not sensitive to the way in which we defined that measure.

students' needs, and classroom management. Least important were encouraging desired student behavior, responding to feedback, and leading instructional activities.

TABLE III.4

THE EFFECT OF PRINCIPAL AND TEACHER CHARACTERISTICS ON OVERALL RATINGS

Characteristic	Coefficient	Standard Error	P-value
Teacher is a novice (first year)	0.057	0.398	0.887
Supervisors' experience level (years)	0.034	0.025	0.183
Time supervisor reports observing teacher (minutes)	0.000	0.001	0.783
School Type			
Public, traditional	0.000	n.a.	n.a.
Public, charter	1.641	0.575	0.008***
Private	-0.369	0.481	0.448
Teachers' Assignment			
Elementary education	0.000	n.a.	n.a.
Secondary English/Language Arts	0.977	0.574	0.100
Secondary Mathematics	0.961	0.539	0.085**
Resource teacher (any grade)	1.380	0.699	0.058**
Science	0.492	0.640	0.448
Other	0.543	0.510	0.295
Intercept	2.705	0.638	0.000***
R-squared		0.24	
Sample Size (teachers)		39	

Source: Mathematica Policy Research, 2006 Survey of Principals of Passport to Teaching Teachers.

n.a. = not applicable, coefficient on omitted variable not estimated.

*Significantly different from zero at the .10 level.
**Significantly different from zero at the .05 level.
***Significantly different from zero at the .01 level.

TABLE III.5

THE EFFECT OF COMPONENTS ON OVERALL EFFECTIVENESS RATING

Explanatory Variable	Coefficient	Standard Error	P-value
Understanding students' needs	0.273	0.237	0.259
Planning lessons	0.030	0.165	0.857
Leading instructional activities	-0.040	0.197	0.839
Adapting instruction	0.086	0.162	0.600
Managing the classroom	0.160	0.145	0.281
Encouraging desired student behavior	-0.082	0.172	0.637
Engaging students in learning	0.336	0.224	0.147
Communicating content knowledge	0.131	0.166	0.436
Collaborating with other teachers	0.067	0.175	0.703
Responding to feedback from other teachers and administrators	-0.047	0.172	0.789
Relating to parents	0.010	0.183	0.957
Intercept	0.383	0.324	0.248
R-squared		0.82	
Sample Size (teachers)		36	

Source: Mathematica Policy Research, 2006 Survey of Principals of Passport to Teaching Teachers.

IV. CONCLUSIONS

A. SUMMARY OF FINDINGS

The administrators who hire and supervise Passport holders rendered their judgments on the first cohort of certificate holders and gave a generally positive assessment of the teachers and a cautious assessment of the program that certified them.

In terms of the teachers themselves, the supervisors' experiences were generally positive. Those respondents who hired the ABCTE teachers said that the teachers were stronger than the other job candidates. Those who observed the ABCTE teachers (typically the same respondent) said that they were as or more effective than the average teacher they had observed during their careers. In terms of specific dimensions of teaching, the principals gave Passport teachers slightly stronger ratings on their responsiveness to feedback and their ability to communicate content knowledge and weaker ratings on classroom management.

Respondents also, however, demonstrated some hesitation about attributing the positive experiences to the American Board certification. A majority of Passport teachers had already been teaching when they received their credential; therefore, the Passport could not have played a role in their being hired. For those who earned the credential in order to teach, administrators did not feel the credential affected the hiring decision, or they could not even recall whether the teacher had the credential at the time of hiring. Principals' confidence in the potential of their novice Passport holders to develop into effective teachers did not translate into a high level of confidence in the Passport credential. We assume that such a response reflects a reluctance to extrapolate from the experience with a single teacher to all other teachers who earned the same credential.

Our finding that most of the early Passport holders were not new to the teaching profession when they got their credential was important for understanding how the program is used. Accordingly, we conclude that the early adoption of ABCTE's Passport to Teaching was a means to certify subject matter expertise so that teachers could either move into or keep a position in a particular field; early adoption was not usually a means to enter teaching.

B. LIMITATIONS OF THE STUDY

This study has some important limitations. It is only the first of many reports on the American Board certification programs and includes data on the first cohort of teachers. This pioneer group is likely to be idiosyncratic and smaller than future cohorts. Yet, even for the current cohort, we are continuing to collect data on student achievement gains so that, in the future, we will be able to form more objective measures of performance for consideration along with the current findings.

The performance ratings are subjective. They vary with school characteristics, which could mean that they vary for reasons other than teacher quality, although at this point we have no way to estimate the relationship independently. With test scores data in hand, we will be able in the near future to measure the correlation between principal ratings and achievement growth. Until then, we must interpret the findings in light of how we think principals would have rated a comparable group of teachers who received traditional certification. For example, principals may have a tendency to rate most teachers above average.

Finally, by focusing only on Passport holders who were teaching, we did not address the teaching quality or potential teaching quality of those who delayed their entry into teaching or were unable to find teaching positions. We will address this and many other limitations in future components of the longitudinal study as outlined in our design report (Glazerman and Tuttle 2006). For example, principals may have a tendency to rate most teachers above average.

REFERENCES

Armor, David, Patricia Conry-Oseguera, Millicent Cox, Nicelma King, Lorraine McDonnell, Anthony Pascal, Edward Pauly, and Gail Zellman. "Analysis of the School Preferred Reading Program in Selected Los Angeles Minority Schools." Santa Monica, CA: RAND Corporation, 1976.

Glazerman, Steven, and Christina Tuttle. "American Board Certification: Progress and Plans." Washington, DC: Mathematica Policy Research, Inc., March 2006.

Jacob, Brian, and Lars Lefgren. "Principals as Agents: Subjective Performance Measurement in Education." NBER Working Paper Number 11463. Cambridge, MA: National Bureau of Economic Research, July 2005.

Medley, Donald, and Homer Coker. "The Accuracy of Principals' Judgments of Teacher Performance." *Journal of Education Research*, vol. 80, no. 4, 1987, pp. 242-247.

Murnane, Richard. *The Impact of School Resources on the Learning of Inner-City Children*. Cambridge, MA: Ballinger Publishing, 1975.

Peterson, Kenneth. *Teacher Evaluation: A Comprehensive Guide to New Directions and Practices* (Second Edition). Thousand Oaks, CA: Corwin Press, 2000.

Peterson, Kenneth. "Teacher Evaluation with Multiple and Variable Lines of Evidence." *American Education Research Journal,* vol. 24, no. 2, 1987, pp. 311-317.

FAQ – American Board for Certification of Teacher Excellence (ABCTE)

- The American Board is dedicated to preparing, certifying, and supporting individuals who want to improve their communities by becoming a teacher.
- The training and certification program is designed to inspire career changers to become a teacher and give them a rigorous and efficient process to achieve their goals.
- The American Board was launched with a total of $45 million in federal grants from the U.S. Department of Education in 2001 and 2003.
- The non-partisan, non-profit organization's mission is to certify subject experts, experienced professionals, career changers and military veterans as teachers and was endorsed by U.S. Education Secretary Rod Paige.

Approved States

- Tennessee- July, 2002
- Pennsylvania- November, 2002
- Idaho- November, 2003
- Florida- June, 2004
- Utah- November, 2004
- New Hampshire- December, 2004
- Missouri- December, 2004
- Mississippi- July, 2006
- South Carolina- June, 2007
- Oklahoma- April, 2009
- Arizona- March, 2013

5,039 ABCTE certifications have been issued (Jan 2015)

How the Program Works

- To enroll in The American Board program, one must hold a bachelor's degree or be in the process of obtaining their degree from a Nationally Accredited institution, and successfully pass a background check.
- Once enrolled, students have one full year in which they will be able to access all study material and ABCTE practice exams online.
- Being a self-paced, self-study program, students are able to take the Professional Teaching Knowledge (PTK) exam as well as the subject area exam at any point within that year.
- Exams are issued at any Pearson VUE Testing Center.
- Upon passing both exams, students can then receive state issued temporary certificate to be hired on as a full time public school teacher in that subject area and grade range.
- The student would then fulfill their state's requirements to transition temporary certificate to full-time certificate.

Example - Florida State Requirements

Approved Certification Subjects: Biology, Chemistry, Elementary Education, English Language Arts, General Science, Math, Physics, Special Education and Reading Endorsement

1. Complete the ABCTE program
2. Update or apply to Florida Dept. of Ed. for Statement of Eligibility Letter /Temporary Teaching Permit (TTP- 3 year non-renewable)
3. Obtain a teaching position in a Florida school
4. Complete the Florida Professional Educator Competency Demonstration Program (this program varies and is specific to your school district)
5. Apply for your renewable 5 year Florida Professional Teaching Certificate

MPR Reference No.: 6215-021

MATHEMATICA
Policy Research, Inc.

Teacher Licensure Exams: How Do They Compare?

March 14, 2007

Duncan Chaplin
Steven Glazerman
Gail Baxter
Elizabeth Seif

Submitted to:

American Board for Certification of
Teacher Excellence
1225 19th Street, N.W., Suite 400
Washington, DC 20036
Telephone: (202) 261-2620

Project Officer:
Joshua Boots

Submitted by:

Mathematica Policy Research, Inc.
600 Maryland Ave. S.W., Suite 550
Washington, DC 20024-2512
Telephone: (202) 484-9220
Facsimile: (202) 863-1763

Project Director:
Steven Glazerman

ACKNOWLEDGMENTS

The authors would like to acknowledge the many people who made important contributions to this report. First, Joshua Boots and Rebecca Kimport at the American Board for the Certification of Teacher Excellence (ABCTE) gave us detailed information describing their program, data on their participants, and the independence and flexibility to facilitate a rigorous study. They also provided useful feedback on an early draft. Second, we could not have conducted the study without the willingness of many individuals who agreed to participate in the study and complete lengthy exams for us.

We are grateful to several colleagues at Mathematica Policy Research (MPR). Brian Roff, Phyllis Schanck, Jessy Nazario, Charlotte Hanson, Tim Silman, and John Quinlan all contributed to recruiting participants and collecting and processing data. Katherine Bencio provided excellent programming assistance. Allen Schirm and Christina Tuttle reviewed drafts of the report. Anne Himmelfarb, Carol Soble, and Daryl Hall edited the report, and the final product was professionally formatted by Donna Dorsey.

CONTENTS

Section **Page**

A. INTRODUCTION 1

B. DATA AND METHODS 2

C. RESULTS 6

1. IS ABCTE PERFORMANCE ALIGNED WITH PRAXIS PERFORMANCE? 6

a. Scatter Plots 6
b. Pass Rates 9
c. Score Correlations 10

2. ARE THE ABCTE EXAMS MORE DIFFICULT TO PASS? 10

D. EXPLAINING THE RESULTS 11

1. WHAT EXPLAINS THE CORRELATIONS? 11

a. Test-Taker Background 12
b. Exam Content 13
c. Test Fatigue and Motivation 15

2. WHAT EXPLAINS THE RELATIVE DIFFICULTY OF THE EXAMS? 16

E. CONCLUSION 17

REFERENCES 19

APPENDIX A: PRAXIS CUT SCORES BY STATE 20

APPENDIX B: SUBGROUP ANALYSIS OF PASS RATES 22

A. INTRODUCTION

Teacher licensure is a major issue in education reform (Darling-Hammond et al. 2005; Ballou and Podgursky 2000; Decker et al. 2006; Goldhaber and Brewer 2000). At the heart of many debates over licensure is the use of exams to certify individuals to teach (Goldhaber 2005). For many years, state education agencies and local school districts have used exams to measure prospective teachers' knowledge of pedagogy and subject areas, but they have rarely used exam scores as the sole criterion in licensure or hiring decisions.

A recent entry into the field of teacher testing that seeks to provide alternatives to the current licensure process is the American Board for Certification of Teacher Excellence (ABCTE). ABCTE's novel proposal uses teacher exams as the centerpiece of licensure, requiring the same passing score (cut score) nationwide to create a portable credential known as the Passport to Teaching. ABCTE has developed exams in pedagogy and several subjects, but the exams are still relatively new; they were first released in 2003. Six states recognize American Board certification, and others are considering recognizing the credential for alternative or regular licensure, but policymakers will likely require solid evidence on validity and reliability before adopting ABCTE certifications more widely.

In summer 2005, ABCTE selected Mathematica Policy Research, Inc. (MPR), to conduct longitudinal research on the certification program's effectiveness. As part of that effort, we conducted a study comparing 104 individuals' performance on the ABCTE exams with their performance on the more widely used Praxis II teacher assessments, administered by the Educational Testing Service (ETS), which we refer to simply as the Praxis throughout this report.[1]

We focused on three exams: one in pedagogy and two in subject areas, including "elementary education" (which includes multiple subjects such as math, reading, history, and science) and secondary math. Many states require that teacher candidates pass the Praxis versions of these exams as part of certification. Thirty-seven states require that teachers pass at least one of the Praxis tests covered in our study in order to be certified in those subjects. Almost all of these states require the content exam for secondary math, more than half require the pedagogy exam (the Principles of Learning and Teaching), and 24 require the Elementary Education Content Exam. In all cases, each state sets the Praxis passing score, which varies widely across states.

We compared performance on each of the above Praxis exams to performance on the corresponding ABCTE exams: Professional Teaching Knowledge, Elementary Education in Multiple Subjects, and Secondary Math. We paid special attention to the performance levels

---

[1] The Praxis series of teacher assessments includes Praxis I, which covers basic academic skills and is typically taken by those entering teacher preparation programs; Praxis II (used in this study), which covers general and subject-specific knowledge and teaching skills and is typically taken by those about to enter the teaching profession; and Praxis III, which assesses classroom performance by direct observation and is typically given to practicing teachers.

relative to the cut scores needed for passing these exams. Because Praxis cut scores vary by state, we examined the lowest cut score in the nation (least stringent) and the highest cut score in the nation (most stringent).[2]

The goal of this study is to understand the relationship between the Praxis and ABCTE exams. Specifically, we sought to answer the following research questions:

1. Is performance on the ABCTE exams for math, elementary education, and pedagogy aligned with performance on the corresponding Praxis exams? To address this question, we examine the statistical association between the two sets of scores.

2. Are the ABCTE exams more difficult than the corresponding Praxis exams? To address this question, we compare pass rates, i.e., the percentages of the study sample that scored above each of the cut scores set by states for Praxis and by ABCTE nationally.

We found that those who scored higher on ABCTE exams also tended to score higher on the corresponding Praxis exams. In addition, test takers who passed the ABCTE exams were more likely to pass the corresponding Praxis exams than those who failed the ABCTE exams, although the association was not equally strong for all three test subjects. The correlations between ABCTE and Praxis scores were 0.73 for both the math and elementary education subject exams. The correlation for pedagogy scores was 0.30.

We also found that, for at least some states, the ABCTE exams were harder to pass than those the corresponding Praxis exams. For the elementary subject exams, nearly all of our study volunteers passed the Praxis based on the cut score for the most stringent state, but only about 60 percent of them passed the ABCTE exam, which suggests that the ABCTE exam is more difficult to pass. On the math and pedagogy exams, the pass rates for ABCTE tests were in between those for the Praxis based on the cut scores for the least and most stringent states.

The rest of this report provides more detail on the findings. Section B describes the data and analysis methods. Section C presents the main results. Section D presents additional analysis and discussion to address possible explanations for the findings. Section E reports our conclusions.

B. DATA AND METHODS

To describe the relationships between the two sets of exams we recruited volunteers to take both sets of exams. Recognizing that the exams are potentially burdensome, we recruited current and potential teachers who had already taken or were scheduled to take one

[2] See Appendix A for the states that were least and most stringent by subject as well as each state's cut score.

or both sets of exams and then gave them monetary incentives to complete the additional exams needed to have matched pairs. We did not require study participants to take tests in more than one of the three areas (math, elementary education, or pedagogy), but many took the pedagogy exam and one of the subject exams (math or elementary education). None took all three pairs because teacher candidates do not typically seek certification in both secondary math and elementary education.

Table 1 describes the tests used in our study. There are two Praxis exams for pedagogy, one for elementary teachers and one for secondary teachers, but we grouped them together for most of our analyses as states use similar cut scores for the two tests and ABCTE uses one pedagogy test for both elementary and secondary teachers. The ABCTE pedagogy exam includes both writing and multiple-choice sections. This report focuses on the multiple-choice section of the ABCTE pedagogy exam, but we conducted analyses that incorporate the writing part as well.

The study participants were volunteers whom we recruited from two pools. The first pool consisted of individuals who took the ABCTE exam on their own. We recruited these people to take the corresponding Praxis exams. They tended to be either career-changers seeking ABCTE certification in order to enter teaching or existing teachers seeking certification in a new subject area. The second pool of participants took a Praxis exam on their own. We recruited these people to take the corresponding ABCTE exams. They tended to be students or recent graduates of traditional schools of education.[3]

Table 1. Tests and Sample Sizes by Subject

Subject	Praxis	ABCTE	Number of Test Takers[a]
Math	Math: Content Knowledge	Math (for secondary math teachers)	39
Elementary	Elementary Education: Content Knowledge	Multiple Subject Exam (for elementary education)	57
Pedagogy	Principles of Learning and Teaching (PLT) for Grades K–6 and PLT for Grades 7–12	The Professional Teaching Knowledge (PTK) Multiple Choice Test	58

[a]Some test takers completed more than one pair of exams. There were 104 test takers in total.

Table 2 describes our sample based on a background information form completed by participants. The test takers are mostly white and mostly female. They have high college grade-point averages and high levels of education. Just over one quarter were still attending

[3] The second group includes six practicing teachers who took an ABCTE exam for a previous study (Boots 2006) and who had already taken the corresponding Praxis exam before that.

college or graduate school. Almost half were teaching when they participated in the study. Almost two-thirds of the sample members were in the first pool of recruits described above; in other words, they took the ABCTE exams on their own and then completed the corresponding Praxis exams for this study. The rest of the participants were in the second group; in other words, they took the Praxis exams on their own and then completed the ABCTE exams for this study or a previous study.

Table 2. Background Characteristics of Sample

Characteristic	Mean[a]
Gender (percent female)	66.3
Race/ethnicity	
White	76.0
Black	14.4
Other	9.6
Age (years)	35.2
Attending college or graduate school	26.0
Grade-point average in college (on a scale of 0 to 4)	3.3
Earned master's degree or other graduate degree	20.2
Currently teaching	46.1
Parent education	
Mother earned bachelor's degree	44.2
Father earned bachelor's degree	46.2
At least one parent worked in education	27.9
Exam taken only for this study	
Praxis	63.5
ABCTE	30.8
Neither (took ABCTE for previous study)	5.8
Sample size	104

[a]Numbers are percentages unless otherwise indicated and may not sum to 100 because of rounding.

It is important to keep in mind three methodological concerns when interpreting our study findings. First, our sample of test takers may not be representative of a population of interest. Second, the elapsed time between each person's completion of the two tests may affect relative performance. Finally, the incentives for performing well on the two types of tests may differ in important ways. We took steps to limit the influence of each of these issues and conducted analyses to address them to the extent possible. We also took these issues into account when presenting the overall study findings. We discuss the three concerns below.

First, a possible concern is that a sample of volunteers may not be representative of the main populations of interest: traditional teacher candidates or candidates who would likely

use the certification route provided by ABCTE. For example, the study volunteers may have a different distribution of knowledge or test-taking skills than the target population. However, by recruiting teacher candidates with a range of abilities and preparation backgrounds and requiring that the candidates had already taken or were scheduled to take one of the two exam types, we were able to build a diverse and realistic sample that covers the range of likely test-taking abilities. Even in the case of some differences from an ideal target population, it is unlikely that the differences matter because we are mainly concerned with the performance on the ABCTE exam *relative* to the Praxis, not absolute levels. Our sample members would have to be idiosyncratic in their relative abilities on the two tests in order for study sample recruitment to introduce bias. Furthermore, we probed our data directly and found that accounting for test-taker characteristics did not change the results. For example, we found no statistically significant differences in the ABCTE-Praxis correlations by race or gender for any of the tests studied.

A second potential concern is that the timing of the tests may have affected relative performance levels observed in our study. If the two exams are not taken simultaneously, then the difference in scores or pass rates may reflect more than difference in difficulty, which is what we are trying to measure in this study, but also changes in teacher knowledge over time, as they gain experience or their recollection of facts fades. To mitigate this problem, we chose only candidates who took the exams used in our study during the 27-month period between September 11, 2004, and December 21, 2006. The average time elapsed between pairs of matched tests was six months for the whole sample, about eight or nine months for the candidates who took the ABCTE test for a study (either the present study or Boots 2006) and about three or four months for those who took the Praxis test for the present study. Table 3 summarizes the number of days between administration of the two tests depending on whether participants took the ABCTE or Praxis exam for a study.

Table 3. Elapsed Time between Completion of Exams

	Test Taken for Study			
	ABCTE		Praxis	
Subject	N	Median Days since Praxis	N	Median Days since ABCTE
Math	15	287	24	106
Elementary education	15	252	42	95
Pedagogy	13	259	45	100

The third potential concern relates to the possibility of unequal effort on the two types of exams, only one of which was completed as part of a research study and the other of which was taken for professional reasons. That is, a test score can be influenced not only by a test taker's skills but also by the test taker's effort in preparing for the test and their effort on test-taking day. To a get a true comparison of the ABCTE and Praxis test takers' knowledge and skills, we have to assume that test takers exerted equal effort on both tests. In our study, test takers will have been motivated by the prospect of advancing their careers on one test but not on the other. To help equalize effort levels, we offered incentives of

$100 to $200 per test taken for our study, based on the score obtained.[4] We also addressed the problem of unequal effort by recruiting sample members who might be able to use the test taken for the study for purposes of advancing their career. For example, we recruited volunteers for Praxis testing of ABCTE candidates more heavily in states that require Praxis for teaching, possibly giving those test takers real-world incentives on both exams. In addition, to address the issue of unequal effort, we repeated the analysis for subgroups defined by the test they took for the study and found no change in the main findings.

C. RESULTS

This section presents results for the two main research questions, which address the association between the Praxis and ABCTE scores and the relative difficulty of passing the two exams.

1. Is ABCTE Performance Aligned with Praxis Performance?

To answer this question, we examined the degree to which scores on the two types of exams were associated. We present the data in three ways: (1) by plotting them on a simple scatter plot; (2) by examining the percentages of sample members who passed both exams or failed both exams; and (3) by examining the correlations between the ABCTE and Praxis scores.

a. Scatter Plots

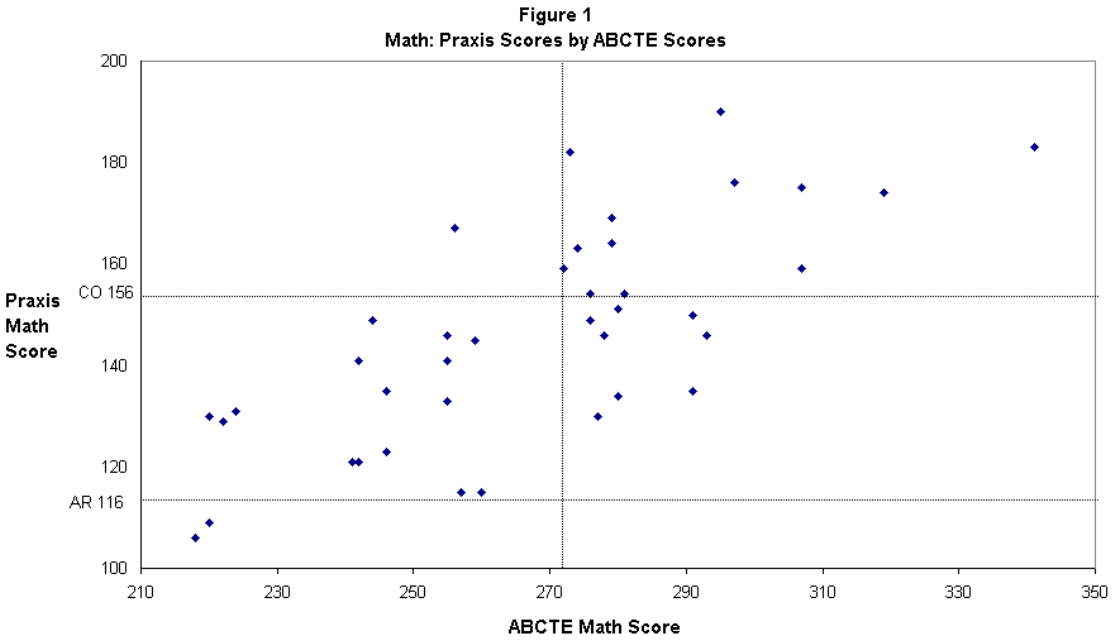
Plotting Praxis scores against ABCTE scores (Figures 1 through 3) is the most direct way to illustrate how the two scores are related. Each point on the graph represents a pair of scores for a single test taker. If the two exams were perfectly correlated, all the points would lie on a straight line. The scores needed to pass each exam are shown with horizontal and vertical dotted lines. ABCTE has one national cut score for each of the three tests. The cut scores for Praxis vary by state; therefore, we show only the lowest and highest cut scores in the nation. State-specific cut scores (listed in Appendix A) are fairly evenly distributed across states requiring Praxis.[5]

---

[4] We offered $100 for completing the exam plus a performance incentive that was tied to the individual's score relative to scores of other test takers participating in the study (approximately $1 per percentile point). Those who had participated in the earlier study (Boots 2006) received similar performance incentives.

[5] We obtained the ABCTE passing scores from the ABCTE Web site in December 2006 (http://www.abcte.org/help/passport/exam). We obtained the data on Praxis passing scores by state from the ETS Web site (http://www.ets.org/) in December 2006.

Figure 1 shows the results for math. The data points tend to line up along a positively sloped line, indicating a positive (linear) association. Furthermore, everyone who passed the ABCTE test (points lying to the right of the vertical dotted line) also scored above the lowest Praxis cut score (horizontal dotted line labeled "AR" for Arkansas). A large number of those who failed the ABCTE test (points lying to the left of the vertical dotted line) also exceeded the lowest Praxis cut score, and one test taker who failed the ABCTE scored high enough to pass the Praxis in the state with the highest cut score (Colorado).

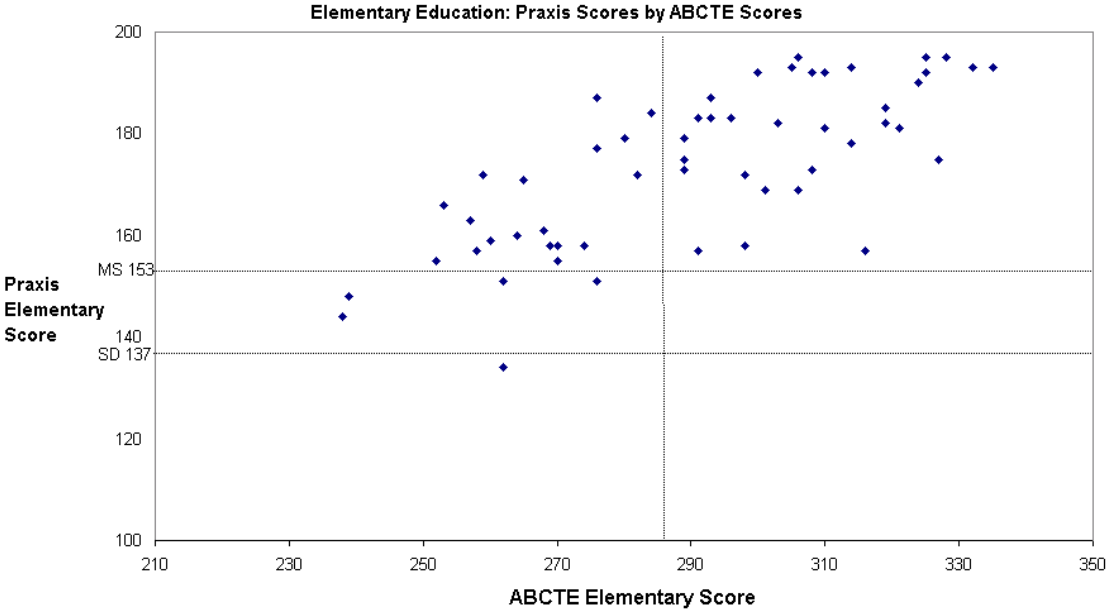


Note: The upper horizontal dotted line shows the score needed to pass the Praxis in the state with the highest cut score. The lower horizontal dotted line shows the score needed to pass Praxis in the state with the lowest cut score. The vertical dotted line shows the score needed to pass the ABCTE test.

Figure 2 shows the results for elementary education. Again, the data points appear to lie along a positively sloped line. In this case, all test takers who passed the ABCTE test also scored high enough to pass the Praxis exam based on the most stringent Praxis cut score in the nation (Mississippi). On the other hand, most of those who failed the ABCTE also scored high enough to meet or exceed the most stringent Praxis cut score, a finding we discuss below.

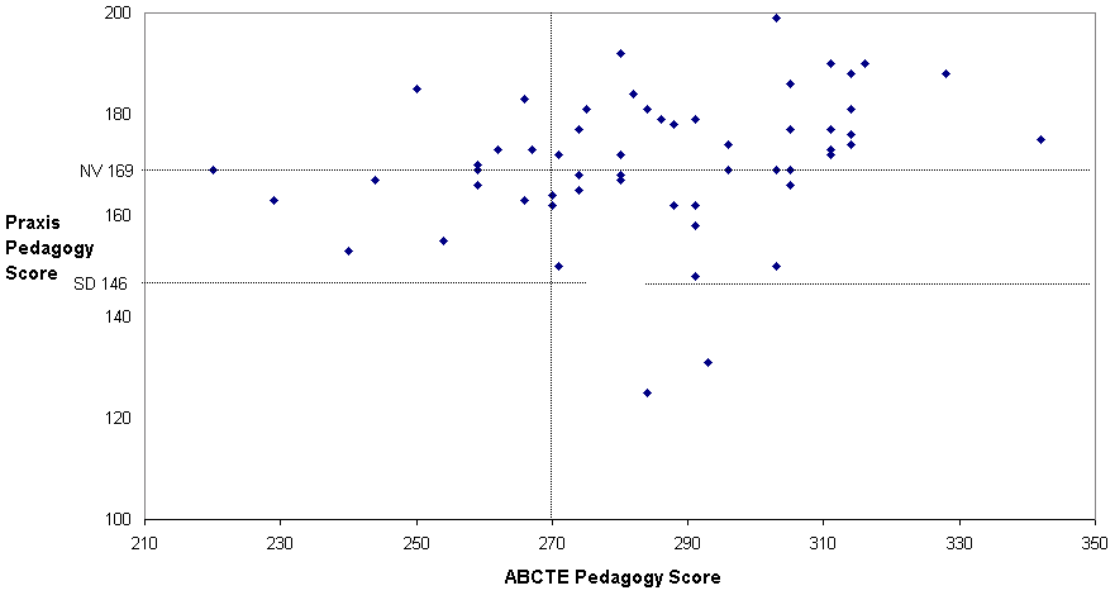
The scores for the pedagogy exams (Figure 3) do not demonstrate the pattern of positive linear association found for the other two subjects. Notably, the two lowest-scoring test takers on the Praxis scored high enough to pass the ABCTE exam by more than 10 points. Even if the two lowest Praxis scorers were treated as outliers and removed from the sample, the relationship would appear weak.

Figure 2
Elementary Education: Praxis Scores by ABCTE Scores



Note: The upper horizontal dotted line shows the score needed to pass the Praxis in the state with the highest cut score. The lower horizontal dotted line shows the score needed to pass Praxis in the state with the lowest cut score. The vertical dotted line shows the score needed to pass the ABCTE test.

Figure 3
Pedagogy: Praxis Scores by ABCTE Scores



Note: The upper horizontal dotted line shows the score needed to pass the Praxis in the state with the highest cut score. The lower horizontal dotted line shows the score needed to pass Praxis in the state with the lowest cut score. The vertical dotted line shows the score needed to pass the ABCTE test.

b. Pass Rates

Test takers in our study who passed the ABCTE exam generally passed the corresponding Praxis exam at a higher rate than those who failed the ABCTE exam. For example, as shown in the first row of Table 4, 78 percent of those who failed the ABCTE math exam still passed the corresponding Praxis exam based on the least stringent state's cut score. In comparison, all of those who passed the ABCTE math exam also passed the Praxis math exam based on the least stringent state's cut score. The second row of Table 4 shows the pass rates on the same exam (Praxis math) once we apply the most stringent state's standard, so the rates are lower.

If the ABCTE exam were perfectly aligned with the corresponding Praxis exam, then those who failed the ABCTE would always fail the Praxis, making all the numbers in the first column of Table 4 equal to 0. At the same time, those who those who pass the ABCTE would also pass the Praxis, making the values in the second column equal to 100 percent and all the differences (in the last column) 100. If the exams were completely unrelated, then we would expect the numbers in each column to be approximately the same and the differences near 0. The larger the difference, the greater is the predictive power of the ABCTE exam.

Table 4. Is Passing ABCTE Associated with Passing Praxis?

		Percent Passing Praxis		
Subject	Praxis Cut Score	If Failed ABCTE	If Passed ABCTE	Difference
Math	Least stringent	78	100	22*
	Most stringent	6	52	44*
Elementary	Least stringent	96	100	4
	Most stringent	78	100	22*
Pedagogy	Least stringent	100	96	-4
	Most stringent	54	64	10

*Significantly different from 0 at the .05 level, two-tailed test.

We found that the differences in pass rates for those who passed versus those who failed the ABCTE exam were positive (greater than 0) for five of the six comparisons made in Table 4 and statistically significant for three of them. This finding suggests that passing the ABCTE exam is associated with passing the Praxis exam. For example, by comparing the pass rate of the ABCTE math exam to the pass rate of the Praxis math exam in the state where passing is easiest (first row of Table 4), we found that the pass rates differed by 22 points, 78 percent versus 100 percent. We found similar or larger differences when we examined the highest cut score for math or the highest cut score for elementary subjects. In states with low Praxis cut scores (where nearly everyone passes), the ABCTE cannot be predictive because there is little variation to predict. This is true of the elementary education exam, which had a high pass rate even using the standard of the most stringent state. The results for pedagogy suggest that the ABCTE is not predictive of Praxis scores because a large percentage of the sample had the same result (passed the ABCTE pedagogy exam).

c. Score Correlations

Table 4 focuses on pass rates only and thereby ignores variation in performance above and below the cut scores. To make use of the additional information conveyed by the scores, Table 5 presents correlations between the test scores themselves. The correlations are statistically significant for all three tests. The score correlation for the pedagogy exam (0.30) is smaller than that for the math or elementary education exams (both 0.73).[6] A high correlation tends to support the view that the ABCTE exam can serve as a substitute for the corresponding Praxis exam.

Table 5. Correlations between ABCTE and Praxis Scores

Subject	Correlation	Number of Test Takers
Math	0.73*	39
Elementary	0.73*	57
Pedagogy	0.30*	58

*Significantly different from zero at the .05 level, two-tailed test.

2. Are the ABCTE Exams More Difficult to Pass?

To address whether the ABCTE exams are more difficult to pass than the corresponding Praxis exams, we compared the percentages of the study sample that scored above each of the cut scores set by states for Praxis and by ABCTE nationally. The evidence suggests that, in at least some states—those with the lowest cut scores—all three ABCTE exams are more difficult to pass than the Praxis exams for the subjects we studied.

Figure 4 shows the percentage of test takers passing each exam. The pass rates for the Praxis exams are based on the highest and lowest state cut scores. A higher pass rate (taller bar) suggests that the exam is *less* difficult to pass, and a lower pass rate (shorter bar) suggests that the exam is *more* difficult.

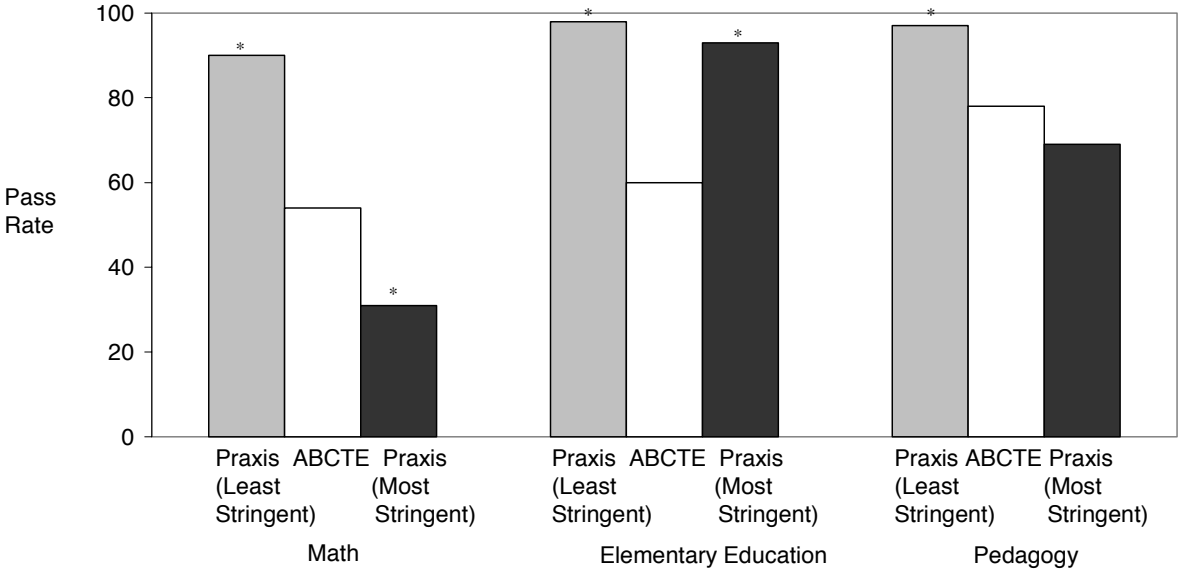
For math and pedagogy, the pass rates for the ABCTE tests are between the Praxis pass rates based on the states with the highest and lowest cut scores, although the pedagogy difference based on the most stringent state's cut score is not statistically significant.[7] The other differences are all statistically significant. For the elementary tests, the ABCTE pass

[6] As with all analyses in this report, Table 5 presents the correlation for the pedagogy exam regardless of whether the participant completed the elementary or secondary version of the Praxis (PLT) exam. When we analyze the elementary and secondary versions separately, we observe correlations of 0.40 and 0.22, respectively. We also examined correlations of ranks as a robustness test and found similar results: correlations of 0.72 for math and elementary education and 0.39 for pedagogy.

[7] When we calculated the statistical significance of differences in pass rates we accounted for the covariance between performances on the pairs of exams.

rate was significantly lower than for Praxis in all states, suggesting that the ABCTE exam is harder to pass.

Figure 4
Pass Rates by Test Subject, Test Type, and Praxis Passing Cut-Score



*Significantly different from the ABCTE pass rate at the .05 level, two-tailed test.

The pass rates in Figure 4 ignore information on variation in test scores above and below the cut scores. To make use of information on such variation, we also analyzed differences between scores on the Praxis and ABCTE scores after standardizing them to a common scale. The patterns from that analysis (presented in Appendix B) were similar to those presented in Figure 4.

D. EXPLAINING THE RESULTS

To convey a better understanding of the results presented above, we conducted supplemental analyses. The supplemental analyses try to explain the ABCTE-Praxis score correlations (and why the correlations differ by subject matter) as well as the relative difficulty of the exams.

1. What Explains the Correlations?

Several factors might explain the strength of the relationship between Praxis and ABCTE exam scores and why that relationship was stronger for math and elementary education subjects than for pedagogy. The possible explanations include the test-takers' background characteristics, the content of the exams themselves, and the conditions under which the test-takers completed each exam.

a. Test-Taker Background

The correlations between the ABCTE and Praxis scores are all positive and statistically significant, but some policymakers might wonder whether performance on the ABCTE exam provides useful information about the skills tested by Praxis above and beyond what is provided by observable test-taker characteristics. We address this issue by testing to see if performance on the ABCTE exam is positively associated with performance on the Praxis after controlling for college grade point average (GPA), education, age, gender, race, and other test-taker characteristics. We used multivariate regression models in which the Praxis test score (expressed in standard deviation units) was the outcome, and the explanatory factors included the corresponding ABCTE test score (again in standard deviation units) and the other variables listed above (college GPA and so forth) as controls.[8] The results are presented in Table 6.

Table 6. Regression-Adjusted Correlations between ABCTE and Praxis Scores

Subject	Correlation
Math	0.82*
Elementary	0.73*
Pedagogy	0.30*

NOTE: The correlations are coefficient estimates on the ABCTE scores from regressions of the Praxis scores regressed on the ABCTE scores (after the scores were normalized to have a mean of 0 and variance of 1.0), college GPA, own years of education, parents' years of education for the mother and father separately, years since leaving college, age, gender, and race. The pedagogy model also controls for level (elementary or secondary) of the Praxis test.

*Significantly different from zero at the .05 level, two-tailed test.

The relationships shown in Table 6 remained statistically significant for all three pairs of tests (math, elementary education, and pedagogy). For example, a 1.0 standard deviation in the ABCTE math test score is associated with a 0.82 standard deviation increase in the Praxis math score after controlling for background factors. If the tests were perfectly correlated, then the coefficient estimates would all be equal to 1.0.

[8] GPA was reported in 6 categories and coded as follows: (3.75 = '3.5 - 4.0', 3.25 = '3.0 - 3.49', 2.75 = '2.5 - 2.99', 2.25 = '2.0 - 2.49', 1.75 = '1.5 - 1.99', and 0.75 = 'Below 1.5'). We distinguished levels of test takers' educational attainment as follows: bachelor's degree or lower, coursework beyond a bachelor's degree but less than a master's degree, and master's degree or higher. We measured each parent's educational attainment in terms of holding a high school diploma or less, coursework beyond a high school diploma but no bachelor's degree, and a bachelor's degree or higher. We coded race/ethnicity by creating one category for white or Asian and one for all others.

b. Exam Content

In this section, we discuss the content, summarized in Tables 7 through 9, of the ABCTE and Praxis exams based on information obtained from Postman (2005) and communication with ABCTE staff.

Math. As shown in Table 7, both math tests cover similar topics, but with some differences in content and testing conditions. For example, the ABCTE exam includes a section testing the ability to convert between different measurement systems, which is not explicitly tested for by the Praxis exam. In addition, 42 percent of the Praxis math test questions focus on the topics of probability, statistics, linear algebra, and reasoning as compared with only 30 percent on the ABCTE test. Calculators were required for the Praxis exam but not allowed for the ABCTE test. Other comparisons are difficult to make because of variation in how the materials are described.

Table 7. Math Content of the ABCTE and Praxis Math Exams

ABCTE		Praxis	
Topic	Percent of Questions		Topic
Calculus	13%	24%	Functions, Their Graphs, and Calculus
Functions and Algebra	26%		
		34%	Algebra, Geometry, Trigonometry, and Arithmetic
Geometry and Measurement	20%		
Trigonometry	11%	42%	Probability and Statistics, Discrete Math, Linear Algebra, Computer Science, Reasoning, and Modeling
Probability, Statistics, and Data Analysis	12%		
Linear Algebra	6%		
Number Sense	12%		

Elementary Education. The Praxis and ABCTE exams appear to be similar in terms of content covered. Indeed, the words used to describe the content are almost identical, and the balance across subject areas is generally similar based on the fraction of questions in each section (see Table 8). The ABCTE exam has a greater focus on reading and math while Praxis has a somewhat greater focus on social science and science.

Table 8. Elementary Education Content of the ABCTE and Praxis Elementary Exams

ABCTE		Praxis	
Topic	Percent of Questions		Topic
Reading and English Language Arts	32%	25%	Reading/Language Arts
History and Social Science	20%	25%	Social Studies, Psychology, Anthropology, and Sociology
Math	28%	25%	Math
Science	20%	25%	Science

Pedagogy. A breakdown of the number of questions by topic for the Praxis pedagogy test was not available; therefore, the content comparisons in Table 9 describe only the topics covered by each test rather than the percentage of questions by topic.

Table 9. Pedagogy Content of the ABCTE and Praxis Pedagogy Exams

ABCTE	Praxis
Instructional Design: curriculum selection, planning, and organizing	Classroom Environment: planning, objectives, assessment, motivation, classroom approaches
Effective Instructional Delivery: clear communication, focused instruction, efficient use of time, teaching study skills	
Assessment	
Classroom Management and Organization	Teaching for Student Learning: classroom management, changing behavior
None	Human Development and Diversity
None	School and Society
None	Teaching Reading and Language Arts: phonics and whole language

Based on this information, we concluded that the ABCTE and Praxis pedagogy tests used in our study contain content that is similar but not identical. The two tests cover the importance of teacher planning, classroom management, assessment, and other basics. However, the Praxis pedagogy test highlights three other sections: one about human diversity and development, one about school and society, and a third about teaching reading

and language arts. ABCTE highlights other teaching topics, such as teaching students good study skills or efficient use of instruction.

The ABCTE and Praxis pedagogy exams have other potentially important differences. First, they are graded in very different ways. In the Praxis pedagogy exam, writing is a critical component, but a stronger performance on the multiple-choice section can make up for weaker performance in writing and vice versa. However, for the ABCTE exam, the two sections of the test are graded separately, and a test taker must pass both in order to obtain an ABCTE certification. Second, the ABCTE test is primarily a multiple-choice test with only one writing section while the Praxis involves several written sections. Third, the ABCTE test is not grade- specific while we use two versions of the Praxis pedagogy exam—one for grades K–6 and another for grades 7–12.

Our analyses focused on results for the multiple-choice section of the ABCTE pedagogy exam. We compared the ABCTE multiple-choice results to the overall Praxis pedagogy test scores that combine results for both writing and multiple-choice questions. The potential importance of the writing portion is highlighted by the fact that the Praxis pedagogy test guide suggests spending 80 percent of test time on the applied writing responses.

We did not include the ABCTE writing scores in most of our analyses because of the differences in how the ABCTE and Praxis tests are scored. As mentioned above, ABCTE candidates must pass both the writing and multiple choice sections separately to be certified. By excluding the ABCTE writing results from our analysis reported above, we made the exam appear easier to pass than it would normally be for certification candidates. To see whether exclusion of the writing scores made a substantial difference, we analyzed how passing both sections of the ABCTE pedagogy test is associated with passing the Praxis pedagogy test and found that, while the results were slightly stronger than those presented in Table 4, they were not substantively different. We also created an overall ABCTE pedagogy score that combines the writing and multiple-choice scores (giving both portions equal weight) and compared that to the Praxis pedagogy score. The scores had a correlation of 0.36, somewhat higher than the 0.30 correlation found for pedagogy using only the ABCTE multiple-choice pedagogy test.

c. Test Fatigue and Motivation

In Section B we raised the concern that test-takers faced different incentives for each of the two sets of exams they completed. We presume that test-taker took exams on their own to advance their career—for example, to achieve initial state licensure—and took the other exam for the study (the present study or the study by Boots), in which the only incentive was a cash payment based on performance. It is possible that these incentives created unequal levels of motivation. To the extent that they did, the correlations we report are lower bound estimates of the "true" correlation that would result if both exams "counted" for the same high stakes of licensure. If the exams had been taken with the same sets of consequences, then the correlations would have been even higher than what we reported in Section C.

Motivation effects could especially come into play when we consider the role of test fatigue, a factor that happens to matter more for the pedagogy exam than for the subject exams. Test takers who took more than one exam for the study may have reduced their effort on the second exam because of fatigue. The performance-based incentive payment may have been enough to create a reasonable level of effort on the first exam taken for the study but may have had less impact on effort for a second exam if the test takers lost interest or became fatigued. Given the length of the tests, fatigue or loss of interest could be an issue, particularly when participants took more than one exam for the study on the same day. About 83 percent of those in our sample who took the Praxis pedagogy exam also took a subject exam earlier in the day, compared to ABCTE pedagogy completers, just 7 percent of whom took a subject exam earlier in the day. Test takers were given up to four hours for each ABCTE subject exam and three hours for the pedagogy exam (although ABCTE staff report that test takers rarely need all of the allotted time). For Praxis, test takers had two hours per exam. The pedagogy exam was always taken after the subject exam.[9]

The modest sample size of the study limits our ability to perform diagnostic analyses, but we did look at selected cases that were not affected by the fatigue issue. When we limit our sample to the 12 test takers who did not take two tests for the study on the same day, the correlation between the ABCTE and Praxis pedagogy exam scores doubles from 0.30 to 0.60 and is statistically significant at the 0.05 level. When we further limit our sample to the subgroup of 8 test takers who took only the pedagogy test for the study, the correlation is 0.73 and is still statistically significant at the .05 level. These pieces of evidence are only suggestive, given the small numbers of cases, but they are consistent with the idea that scores on the pedagogy exam are more closely associated than they appear in our main analysis.

2. What Explains the Relative Difficulty of the Exams?

Our analyses of the relative difficulty of the ABCTE and Praxis exams should be interpreted with caution for at least three reasons. First, the test takers faced different incentives—professional advancement versus monetary gain—when taking the exams. Second, they may have become fatigued, as discussed above, if they had to take two exams on the same day, which they did more often for the Praxis than for the ABCTE. Finally, they may have gained or lost knowledge during the period between the two exams, which could have affected their relative performance levels.[10]

To assess whether the above three factors might have mattered, we analyzed the differences between the Praxis and ABCTE scores, controlling for which test was taken solely for the study, the days between the tests, the difference in incentives for taking the tests (based on state regulations that either require the Praxis test or accept the ABCTE test),

[9] This was true for all cases when test takers took two Praxis tests on the same day and for three of four cases when test takers took two ABCTE tests on the same day. We are missing information on the order of testing for the remaining participant who took two ABCTE tests on the same day.

[10] The Praxis and ABCTE exams also differ because the Praxis tests are paper-and-pencil tests while the ABCTE test is computer-based.

whether the Praxis test was taken last (suggesting a possible burn-out effect), and whether the ABCTE test was taken last or on the same day as another test. We examined the relative pass rates for different subgroups of our sample and repeated the analysis by using a continuous measure of performance that was based on the score itself. In each of these analyses we found little change in our main findings conclusions based on Figure 4. Appendix B illustrates some of these robustness tests using subgroup analysis.

We did find that the test takers scored higher on the exam they completed on their own for job-related reasons than on the one they took for the study, perhaps reflecting greater preparation or test-day effort for the test required by the their job. Despite evidence of a motivation effect, i.e., that our incentive did not perfectly mimic the incentives that test takers face under real-world conditions, the effect does not appear large enough to change the study's main qualitative findings. We conducted the analysis separately for the group that took the Praxis exam for our study and the group that took the ABCTE for our study. As with the full sample results, the ABCTE elementary exam was more difficult to pass than the corresponding Praxis exam for both groups regardless of which cut score we use for Praxis. For math and pedagogy, the results were mostly, but not entirely consistent with the full sample findings. The ABCTE exam was more difficult to pass than the Praxis exam in at least some but not all states, regardless of which exam was taken for the study.

E. CONCLUSION

In this report, we have compared performance on two teacher licensure exams—the well-known Praxis II exams produced by the Educational Testing Service and a newer set of exams produced by the American Board for the Certification of Teacher Excellence. We obtained the following results:

- **The ABCTE exam scores were positively correlated with the corresponding Praxis test scores in all three subject areas (math, elementary education, and pedagogy).** The correlations remained significant even after controlling for background factors such as college GPA, education, age, race, and gender. The results are not surprising given that the content of the exams appears similar, with substantial overlap for the subject exams in math and elementary education.

- **The relationship between the Praxis and ABCTE exam scores was stronger for the math and elementary education scores than for the pedagogy scores.** This result might have been attributable to differences in the content of the ABCTE and Praxis pedagogy tests or to differences in the amount of effort test takers put into the ABCTE pedagogy exam versus the other exams covered in the study.

- **The ABCTE elementary education test was harder to pass than the corresponding Praxis test.** This finding, based on the relative fractions of our sample that passed each exam, held regardless of which state's cut score we used

for the Praxis and does not appear to be attributable to differences in test-taking effort.

- **For math and pedagogy, the relative difficulty (measured by pass rates) of ABCTE and Praxis depended on the state cut score for passing used by the Praxis exam.** This finding held regardless of which exam was completed first or how close in time the exams were completed, allaying concerns about timing or motivation effects.

These results will help policymakers already familiar with the Praxis exams to put the ABCTE exams in context by assessing the degree to which the ABCTE scores can be accepted as a substitute for Praxis scores. The purpose of this study was *not* to determine whether ABCTE exams are useful for identifying teaching effectiveness or potential. That more ambitious research question would require an outcome measure such as student achievement growth or observed classroom practice to validate the exam's ability to predict good teaching. Therefore, we are conducting additional research to estimate the quality of teachers who obtain American Board certification relative to others already in the teaching workforce. That research will provide the critical information needed to weigh the ABCTE credentialing process.

REFERENCES

Ballou, Dale, and Michael Podgursky. "Reforming Teacher Preparation and Licensing: What Is the Evidence?" *Teachers College Record*, vol. 102, no. 1, 2000, pp. 1-27.

Boots, Joshua. "March 2006 Validation Study: The Association of *Passport to Teaching* Elementary Certification and Student Achievement." Washington, DC: American Board for the Certification of Teacher Education, 2006.

Darling-Hammond, Linda, Deborah J. Holtzman, Su Jin Gatlin, and Julian Vasquez Heilig. "Does Teacher Preparation Matter? Evidence About Teacher Certification, Teach for America, and Teacher Effectiveness." Stanford, CA: Stanford University, Department of Education, April 2005.

Decker, Paul T., Daniel P. Mayer, and Steven Glazerman. "Alternative Routes to Teaching: The Impacts of Teach for America on Student Achievement and Other Outcomes." *Journal of Policy Analysis and Management*, vol. 25, 2006, pp. 75-96.

Goldhaber, Dan. "Teacher Licensure Tests and Student Achievement: Is Teacher Testing An Effective Policy?" Prepared for the Urban Institute's Third Analytic Research Seminar, Washington, DC, May 2005.

Goldhaber, Dan, and Dominic J. Brewer. "Does Teacher Certification Matter? High School Teacher Certification Status and Student Achievement." *Educational Evaluation and Policy Analysis*, vol. 22, no. 2, 2000, pp. 129-146.

Postman, Robert. *Barron's How to Prepare for PRAXIS*. 4th Edition. Hauppauge, NY: Barron's Educational Series, 2005.

U.S. Department of Education. "The Secretary's Fifth Annual Report on Teacher Quality." Washington, DC: Office of Postsecondary Education, 2006. Available at [www.title2.org/Title_II_06.pdf].

APPENDIX A: PRAXIS CUT SCORES BY STATE

Table A.1 shows the distribution of the test takers in our sample by state. Our sample is distributed across 17 states. Almost a quarter of the sample comes from Idaho, and large fractions come from Pennsylvania and Florida, all states that accept ABCTE certification.

Table A.1. Distribution of Sample by State

State(s)	Percent of Sample
Idaho*	24.0
Pennsylvania*	21.1
Tennessee	16.4
Florida*	10.6
Kentucky	5.8
Kansas, New Hampshire*, South Dakota, Minnesota, South Carolina, Utah*, Georgia, Louisiana, North Carolina, Oregon, Vermont, West Virginia (each below 4 percent of sample)	22.1

*State recognizes ABCTE certification. Mississippi also recognizes ABCTE certification, but was not listed as the home state for any members of our sample.

Table A.2 shows the cut scores for the Praxis II exams covered in the study. The numbers may be used, together with Figures 1 to 3, to determine the approximate fractions of test takers who would have passed the test based on the cut scores for each state.

Table A.2. Praxis Cut Scores by State (2006–2007)

	Pedagogy		Content	
State	K–6	7–12	Math	Elementary
AL			118	
AK			146	
AR		164	116*	
CA				
CO			156**	147
CT			137	148
DE			141	151
DC			141	145
FL				
GA			136	
HI	163	157	136	
IA				

Table A.2 *(continued)*

State	Pedagogy		Content	
	K–6	7–12	Math	Elementary
ID	161		119	143
IN			136	
KS	161	161	137	
KY	161	161	125	148
LA	161	161	125	150
ME	166		126	145
MD		162	141	142
MN	159	157	125	145
MS	152	152	123	153**
MO		160	137	
NE				
NV	169**	161	144	
NH			127	148
NJ			137	141
NC				
ND	162		139	
OH	168	165	139	143
OR			138	
PA			136	
RI	167	167**		145
SC	165	165	131	
SD	146*	146*	124	137*
TN	155	159	136	140
UT	160	160	138	150
VT			141	148
VA			147	143
WA			134	141
WV	165	156	133	
WI			135	147
WY		161		

* Lowest passing score
** Highest passing score

APPENDIX B: SUBGROUP ANALYSIS OF PASS RATES

In Section B of the report, we raised the concern that the difference in pass rates between the Praxis and ABCTE exams may reflect factors other than differences in the difficulty of test items, in which case we would run the risk of under- or overestimating the relative difficulty of the ABCTE exam. One possibility was that the incentives or motivation to pass the exams may differ. The other possibility is that the amount of time elapsed between any given test taker completing the two exams may affect performance.

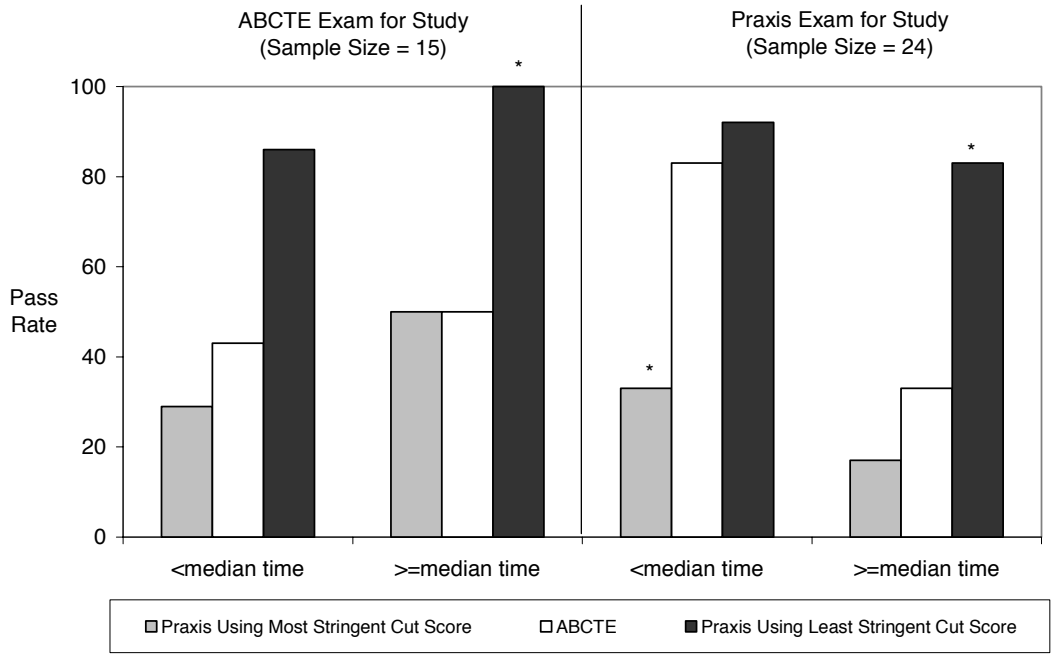
To help address these concerns, we present pass rates by subgroups formed along two dimensions. The first dimension is based on the exam taken for the study (ABCTE or Praxis), and the second dimension is based on the time elapsed between completion of the exams (more than the median number of days or fewer than the median number of days—see Table 3). By dividing the sample into a group that took the Praxis exam for the study and a group that took the ABCTE exam for the study, we can place bounds on the size of the motivation effect. We assume that the effort on the exam taken for the study was lower than the effort on the exam taken for personal reasons; therefore, each subgroup favors one of the two exams. By dividing the sample into those who took the two exams within a shorter period of time versus a longer period of time, we can assess the likelihood of timing effects. The results for those with a shorter elapsed time should have a smaller time effect than those with a longer elapsed time.

The body of this report (Figure 4) shows that the pass rates for the ABCTE exams in math and pedagogy lie in between the two Praxis pass rates based on the states with the highest and lowest cut scores while, for the elementary education exams, the ABCTE pass rates were lower than the Praxis pass rates in all states, suggesting that the ABCTE elementary subjects exam is unambiguously harder to pass than the corresponding Praxis exam. As Figures B.1 through B.3 illustrate, these patterns shown in Figure 4 are usually replicated when we analyze the data by subgroup.

Figure B.1 shows the subgroup results for the math exams only. The comparisons on the left of the vertical dividing line show the results for those who took the ABCTE exam for the study (and the Praxis on their own). If we suspect motivation effects, then the bars representing passing the ABCTE are artificially low. The reverse is true for the comparisons to the right of the vertical line, where the Praxis exams were not necessarily taken for a licensure decision. The fact that the ABCTE pass rate relative to the two Praxis pass rates is the same to the left and right of the vertical line (and the same as in Figure 4) suggests that motivation effects were not strong enough to alter our conclusions. We find the same robustness of the overall result for motivation effects in Figures B.2 (elementary) and B.3 (pedagogy) as well, with one exception discussed below.

The other subgroup illustrated in Figure B.1 is the timing of the completion of the second test relative to the first. As mentioned above, we divided the sample in half for each exam based on the number of days elapsed from completing the first exam to completing the second. Comparing the two sets of three bars on each side of the vertical dividing line, we see little change in the absolute pass rates or their relative position.

Figure B.1
Pass Rates in Mathematics
by Exam Taken for Study and Time between Exams



*Significantly different from the ABCTE pass rate at the .05 level, two-tailed test.

One result from Figure 4 in the main report that is not replicated here is shown in Figure B.3. In Figure 4 the ABCTE pedagogy pass rate is higher (indicated by a taller bar) than the Praxis pass rate based on the state with the most stringent cut score. The same relationship holds for the sample members who took Praxis exam for the study (righthand side of Figure B.3), but not for those who took the ABCTE exam for the study (lefthand side of Figure B.3). The pass rates on the ABCTE pedagogy exam for those who took the ABCTE exam for the study (left of the vertical line) are lower than the pass rates on the pedagogy exam even for the least stringent state. The lower ABCTE pass rate can probably be explained by the fatigue effects discussed in Section D. Some other results not replicated here are related to the statistical significance of the difference between the Praxis and ABCTE pass rates. This is most likely explained by the fact that the subgroup analyses rely on small samples and therefore are likely to yield statistically insignificant differences even when the substantive differences appear large. Overall, however, the subgroup findings generally support the full sample findings shown in Figure 4 in the body of the report.

Figure B.2
Pass Rates in Elementary Education
by Exam Taken for Study and Time between Exams

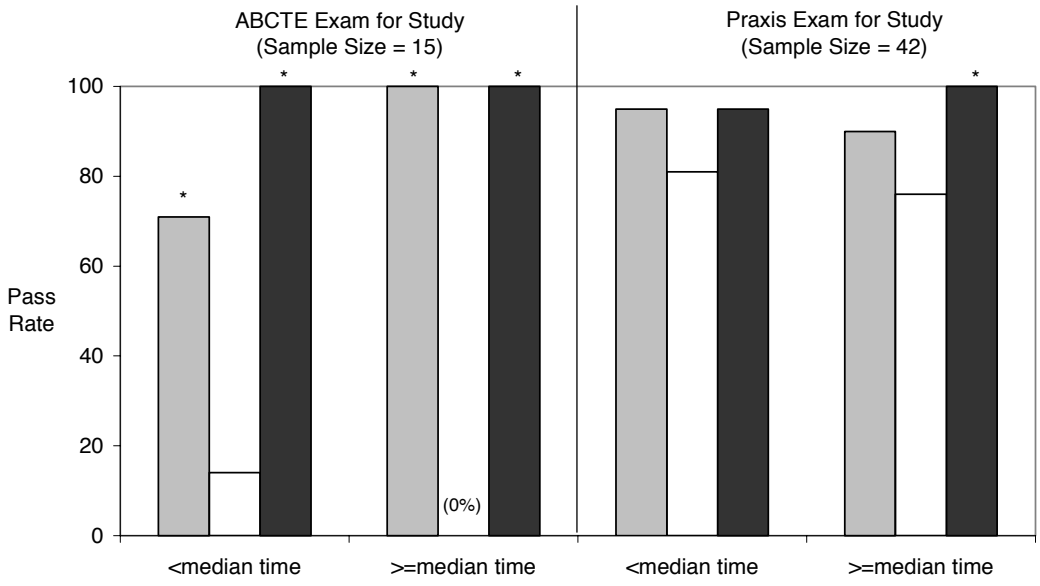
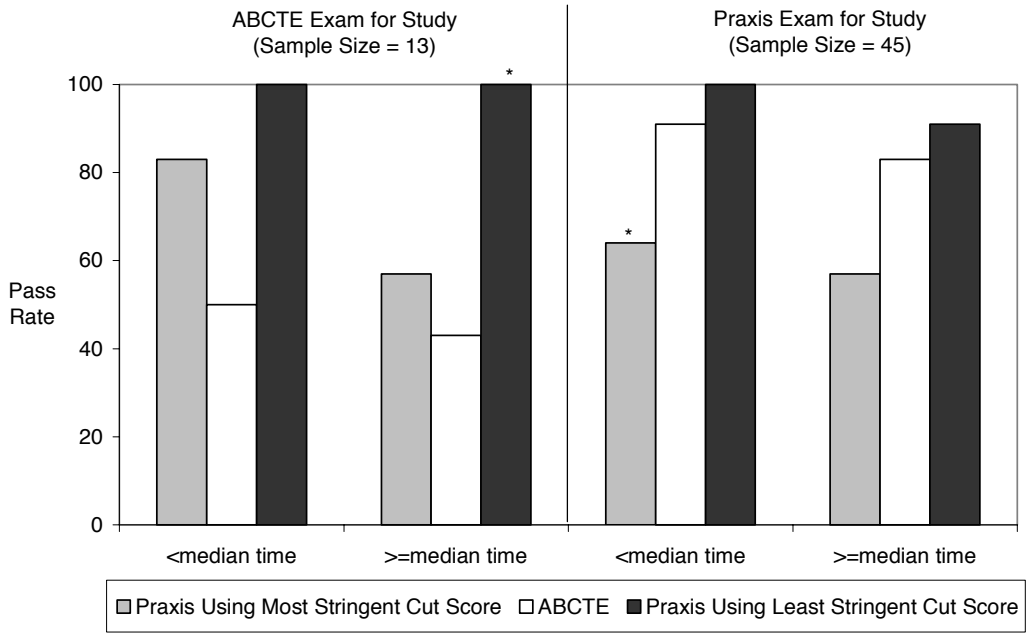


Figure B.3
Pass Rates in Pedagogy
by Exam Taken for Study and Time between Exams



*Significantly different from the ABCTE pass rate at the .05 level, two-tailed test.

Critical Academic Licensure Shortage Areas
2015-2016 School Year

Pursuant to A.C.A. § 6-81-601 et seq. and A.C.A. § 6-85-109, the Arkansas Department of Education has designated the following areas as critical academic licensure and endorsement shortage areas for the 2015-2016 school year.

Licensure Areas:

Gifted and Talented

Foreign Language

Library Media

Mathematics

Special Education

Drama/Speech

Family and Consumer Sciences

Art

These critical shortage areas have been approved by the US Department of Education and may benefit student grant and loan recipients who qualify pursuant to specific provisions addressed in regulations concerning Federal student financial aid programs. These programs are administered by the Arkansas Department of Higher Education, Financial Aid Office.

Arkansas Shortage Area Table - December 20

for 15-16 school year

Area	# of Teachers in Area (TIA) 2013-2014	Potential additior workforce	
		Enrolled 13-14	Enrolled as % of TIA
Gifted - Talented	483	53	10.97%
Special Education	2,741	145	5.29%
Foreign Language	497	29	5.84%
Drama/Speech	480	8	1.67%
Library	924	139	15.04%
Fam & Cons Sci	537	24	4.47%
Mathematics	1,666	96	5.76%
Art	869	44	5.06%
Social Studies	1,477	164	11.10%
Middle Childhood (5-8)	7,299	266	3.64%
Agriculture	274	17	6.20%
Science	1,412	48	3.40%
Phys Ed / Health	2,801	259	9.25%
Music	1,321	203	15.37%
Counseling	1,208	211	17.47%
English / LA	1,653	154	9.32%
Early Ch / Elementary (P-4)	10,820	1271	11.75%
Business	1,229	22	1.79%
Bldg Level Admin	1,597	261	16.34%
District Level Admin	329	83	25.23%

Positive

Each factor was calculated as a percentage of the # of e

Positive factors (Numbers of licenses issued for the first

Negative factors (Vacancies, Waivers and Retirement/Po

Scores less than 100 indicated a greater need than supp

Enrolled	Those enrolled in educator preparation
Potential New Hires	Those who received educator licenses
Vacancies / Subs	Those classes taught by long-term subs
Waivers	Those classes taught by teachers teach
Potential / Retirees	Those who retired in '13-14, or are expe

014

ns to the e	Potential new hires			Immediate nee Vacancies, Su	
Enrolled Score	First-time licenses 13-14	FTL as % of TIA	FTL Score	# Vacancies/ Subs	V/S as % of TIA
10.97	70	14.49%	14.49	6	1.24%
5.29	389	14.19%	14.19	57	2.08%
5.84	61	12.27%	12.27	13	2.62%
1.67	90	18.75%	18.75	9	1.88%
15.04	59	6.39%	6.39	8	0.87%
4.47	65	12.10%	12.10	9	1.68%
5.76	212	12.73%	12.73	32	1.92%
5.06	102	11.74%	11.74	12	1.38%
11.10	223	15.10%	15.10	24	1.62%
3.64	652	8.93%	8.93	30	0.41%
6.20	32	11.68%	11.68	3	1.09%
3.40	294	20.82%	20.82	15	1.06%
9.25	72	2.57%	2.57	5	0.18%
15.37	153	11.58%	11.58	20	1.51%
17.47	137	11.34%	11.34	2	0.17%
9.32	310	18.75%	18.75	22	1.33%
11.75	1,170	10.81%	10.81	50	0.46%
1.79	324	26.36%	26.36	8	0.65%
16.34	297	18.60%	18.60	0	0.00%
25.23	69	20.97%	20.97	0	0.00%

factors - add to the standard 100

ducators in each area, and given a score accordingly.

t time and Numbers enrolled in preparation programs) were com

tential) were calculated and SUBTRACTED from the standard.

ly. Those less than 100 were determined to be shortage areas.

---

programs in Arkansas in '13-'14

for the first time in '13-'14

stitute teachers

ning out of their area of licensure

ected to retire in the near future based on age and years of service

ed - bs	Immediate need - Waivers			Potential for need in the near future		
V/S Score	# Waivers 13-14	Waivers as % of TIA	Waiver Score	# who are Veterans 13-14	Veterans as % of TIA	Veteran Score
12.42	160	33.13%	33.13	78	16.15%	16.15
20.80	415	15.14%	15.14	260	9.49%	9.49
26.16	9	1.81%	1.81	38	7.65%	7.65
18.75	41	8.54%	8.54	35	7.29%	7.29
8.66	107	11.58%	11.58	123	13.31%	13.31
16.76	6	1.12%	1.12	48	8.94%	8.94
19.21	50	3.00%	3.00	80	4.80%	4.80
13.81	22	2.53%	2.53	64	7.36%	7.36
16.25	45	3.05%	3.05	108	7.31%	7.31
4.11	149	2.04%	2.04	404	5.54%	5.54
10.95	0	0.00%	0.00	15	5.47%	5.47
10.62	62	4.39%	4.39	82	5.81%	5.81
1.79	57	2.03%	2.03	116	4.14%	4.14
15.14	23	1.74%	1.74	81	6.13%	6.13
1.66	148	12.25%	12.25	120	9.93%	9.93
13.31	27	1.63%	1.63	100	6.05%	6.05
4.62	33	0.30%	0.30	594	5.49%	5.49
6.51	8	0.65%	0.65	90	7.32%	7.32
0.00	48	3.01%	3.01	144	9.02%	9.02
0.00	16	4.86%	4.86	56	17.02%	17.02

Negative factors - subtract from the standard 100

piled and ADDED to the standard of 100.

Total Score	Shortage area before? (year?)
64	'13, '14 '15
74	'13, '14 '15
82	
86	
88	'13, '14 '15
90	
91	'13, '14 '15
93	
100	
101	'13, '15
101	
103	'13, '14 '15
104	
104	'15
105	'13, '14 '15
107	
112	
114	
123	
124	

ARKANSAS DEPARTMENT OF EDUCATION RULES GOVERNING THE PUBLIC SCHOOL RATING SYSTEM ON ANNUAL SCHOOL REPORT CARDS _____ 2015

1.00 REGULATORY AUTHORITY

1.01 These rules shall be known as the Arkansas Department of Education Rules Governing The Public School Rating System On Annual School Report Cards ("Rules").

1.02 The Rules are enacted pursuant to the State Board of Education's authority under Ark. Code Ann. §§ 6-11-105, 6-15-2105, 6-15-2106, and 25-15-201 *et seq.*

2.00 PURPOSE

The purpose of these Rules is to set forth the process and procedures for calculating a letter grade for each public school in accordance with Act 696 of 2013.

3.00 DEFINITIONS

3.01 **Department** means Arkansas Department of Education.

3.02 **Four-Year Adjusted Cohort Graduation** Rate has the same definition as set forth in 34 C.F.R. § 200.19(b)(1)(i)-(iv).

3.03 **Non-mobile student** means a student continuously enrolled at a school from October 1 of the school year through and including the initial date of testing.

3.04 **"TAGG" (Targeted Achievement Gap Group)** includes students with membership in any or all of the following ESEA subgroups: Economically Disadvantaged, English Learners (EL), or Students with Disabilities (SWD).

4.00 SCHOOL RATING SYSTEM

4.01 Effective with the 2014-2015 school year, each school will receive a letter grade score of "A," "B," "C," "D," or "F."

4.02 Each school's score will be calculated by the Department using the model set forth in Appendix "A."

4.03 If a school district has an Alternative Learning Environment (ALE) and the ALE has a Local Education Agency (LEA) number, the school district shall, for purposes of a letter grade assignment pursuant to these rules only, include the ALE students in their respective attendance area schools.

Mark-Up

4.04 ~~4.04. The school rating system shall not apply to Alternative Learning Environments with LEA numbers as identified in Ark. Code Ann. § 6-48-101.~~ ~~4.03.~~ Each school's score shall be published annually by the Department and by the school district, and shall be available on the Department's and school districts' websites.

Mark-Up

APPENDIX "A"

Model for Calculation of Overall School Scores for Determination of School Letter Grades

This model consists of up to four components: *Weighted Performance Score*, *Improvement Score* with ESEA Options, and Four-Year Adjusted Cohort Graduation Rate (where applicable)[1] and *Gap Adjustments* (where applicable). The document is organized as follows.

Weighted Performance Score 2

Improvement Score with ESEA Options 2

Determination of Meeting Test Score Targets 3

Determination of Meeting Graduation Rate Targets 3

Four-Year Adjusted Cohort Graduation Rate 4

Adjustments for Achievement Gaps and Graduation Gaps 4

Achievement Gap Adjustment 4

Graduation Rate Gap Adjustment 5

Overall Score Calculation 5

Applying Cut Scores to the Overall Score to Determine Letter Grades 6

[1] Throughout this document, the term "graduation rate" refers to schools' Four-Year Adjusted Cohort Graduation Rate as calculated by the Arkansas Department of Education.

Weighted Performance Score

Schools earn points toward the performance portion of their overall score through the *Weighted Performance Score*. In Weighted Performance a school earns partial credit for students scoring Basic, full credit for a student scoring Proficient, and bonus credit for students scoring Advanced.

Schools earn a *Weighted Performance Score* based on the percentage of *nonmobile tested students* in a school scoring at each of the four performance levels defined on state tests. State tests include the Augmented Benchmark Exam in grades 3 through 8 as well as the End-of-Course Exams in Algebra and Geometry, and the Grade 11 Literacy Exam. Only tests in Literacy and Math are counted in this Model.

Schools earn a weight of zero for students scoring Below Basic, a weight of 0.25 for students scoring Basic, a weight of 1.0 for students scoring Proficient, and a weight of 1.25 for students scoring Advanced. The additional weight earned for students scoring Advanced is considered a bonus, allowing schools to receive up to 25 bonus points beyond 100. A comparison of points earned in a simple proficiency score versus *Weighted Performance Score* is provided below.

Proficiency Model	Below Basic	Basic	Proficient	Advanced
Simple Proficiency	0	0	1	1
Weighted Performance	0	*0.25*	1	*1.25*

At the school level, the *Weighted Performance Score* is calculated as follows:

$$Weighted\ Performance\ Score = \frac{(0 * Below\ Basic\ N) + (0.25 * Basic\ N) + (1 * Proficient\ N) + (1.25 * Advanced\ N)}{NonMobile\ Student\ Test\ Scores\ in\ Math\ and\ Literacy\ N} * 100$$

The numerator and denominator include both math and literacy tests. Note that schools do not get credit for Below Basic students because of the 0 multiplier. Below Basic N is included to illustrate the zero weight for students in this performance level.

Improvement Score with ESEA Options

Schools earn points toward an *Improvement Score* by meeting annual targets for school improvement. Schools have from two to six possible improvement targets to meet depending on whether they have graduation rates, and whether the school meets the minimum N of 25 TAGG students in math, literacy and/or graduation rate. All schools earn points for the *Improvement Score* for the All Students group in math and literacy. If the All Students group for math or literacy is below 25 then the three-year composite must be used to determine the number of points earned by the school for the *Improvement Score* in math and literacy.

Has Graduation Rate	Possible Targets
Yes	Math—All and/or TAGG, Lit – All and/or TAGG, Grad Rate – All and/or TAGG
No	Math – All and/or TAGG, Lit – All and/or TAGG

Schools must meet the minimum N of 25 students in math, literacy, or graduation rate in order for a target to count toward their *Improvement Score*. A school's N for math and literacy is the number of nonmobile students tested within the subject and group. A school's N for graduation rate is the number of expected graduates as determined by the ADE. This threshold applies to targets for both All Students and TAGG Students.

A school's *Improvement Score* ranges between a 55 and a 95 depending on the number of targets met, as shown below:

Number of Possible Targets	Met 0 Targets	Met 1 Target	Met 2 Targets	Met 3 Targets	Met 4 Targets	Met 5 Targets	Met 6 Targets
6	55	62	68	75	82	88	95
5	55	63	71	79	87	95	
4	55	65	75	85	95		
3	55	68	81	95			
2	55	75	95				

A school earns 55 points if it fails to meet any of its targets, and it earns 95 points if it meets all of the targets for which it is accountable. The number of points earned is proportional to the percentage of possible targets met by the school. The table above reflects these principles.

Schools with fewer than 25 tested students in math or literacy in the most recent year earn points for improvement based on three-year composites in those subjects rather than one-year. This ensures that no school, however small, has fewer than two possible targets.

Targets are based on schools' Annual Measurable Objectives (AMOs) as set in accordance with ESEA Flexibility. AMOs are individualized to each school. Growth-to-standard targets, in addition to being individualized to schools (i.e. schools have targets for the percentage of students meeting growth-to-standard), are based on student-level expectations for test score growth.

Determination of Meeting Test Score Targets

Each of the possible improvement targets can be met through any of four school-level *measures* on the applicable subject and student population: one-year proficiency, three-year weighted average proficiency, one-year growth-to-standard (henceforth GTS), or three-year weighted average growth-to-standard (GTS).[2] If a school meets or exceeds its individualized AMO in any of these four measures, then it meets the target for which the measure is used. Schools that fall short of their individualized AMO within a measure earn credit for meeting their AMO or target if they achieve at or above the percent of students proficient (or percent of students meeting GTS) at the 90th percentile rank of all schools in the state on that measure as per the ESEA Flexibility amendment. The value at the 90th percentile rank was set based on 2012 literacy and math performance.

Possible Targets	Possible Measures for Meeting Targets	Applicable Target Within Measure
Literacy – All	Proficiency 1-Year ***or*** Proficiency 3-Year ***or*** GTS 1-Year ***or*** GTS 3-Year	AMO ***or*** 90th percentile
Literacy – TAGG	Proficiency 1-Year ***or*** Proficiency 3-Year ***or*** GTS 1-Year ***or*** GTS 3-Year	AMO ***or*** 90th percentile
Math – All	Proficiency 1-Year ***or*** Proficiency 3-Year ***or*** GTS 1-Year ***or*** GTS 3-Year	AMO ***or*** 90th percentile
Math – TAGG	Proficiency 1-Year ***or*** Proficiency 3-Year ***or*** GTS 1-Year ***or*** GTS 3-Year	AMO ***or*** 90th percentile

Determination of Meeting Graduation Rate Targets

If a school has 25 or more expected graduates for All Students and/or TAGG then the group is counted in the total number of possible targets.

[2] Schools without growth-to-standard (GTS) measures necessarily have only two measures available for meeting a target: one-year proficiency or three-year proficiency. Schools without GTS typically lack consecutive tested grades in math and/or literacy. Because consecutive testing occurs only in grades 3-8, such schools tend to serve either very young students (grade 3 and lower) or else are high schools (grade 8 and higher). High schools serving grade 7 and higher have GTS measures since grades 7 and 8 are consecutive tested grades in math and literacy.

A school can meet graduation rate targets through either the most recently available graduation rate (the rate usually lags one year behind the year of available test scores), or through a weighted average of the three most recently available graduation rates. In both cases, the four-year adjusted cohort graduation rate(s) is/are used.

If a school meets or exceeds its individualized AMO in either of these measures, then it meets the target for which the measure is used. Schools that fall short of their individualized graduation rate AMO within a measure earn credit for meeting their AMO if they achieve at or above the graduation rate at the 90th percentile rank of all schools in the state on that measure as per the ESEA Flexibility amendment. The 90th percentile rank value was set based on 2011 graduation rates.

Possible Targets	Possible Measures for Meeting Target	Applicable Target Within Measure
Grad Rate – All	Graduation Rate 1-Year ***or*** Graduation Rate 3-Year	AMO ***or*** 90th percentile
Grad Rate – TAGG	Graduation Rate 1-Year ***or*** Graduation Rate 3-Year	AMO ***or*** 90th percentile

Four-Year Adjusted Cohort Graduation Rate

Schools with at least 25 expected graduates may earn points for their graduation rate. The All Students four-year adjusted cohort graduation rate is added to the Overall School Score for schools with at least 25 expected graduates. These rates are calculated by the ADE. The graduation rate used in accountability determinations usually lags one year behind the year of the test scores used in the accountability determinations.

Adjustments for Achievement Gaps and Graduation Gaps

A school's numeric scores in Weighted Performance and Graduation Rate are adjusted for the size of a school's proficiency and/or graduation rate gap between TAGG and non-TAGG subgroups within each school. This adjustment can result in schools earning a bonus if the gap is relatively small, a penalty if the gap is relatively large, or no change if the gap is average.

Note: Schools that do not have a TAGG or non-TAGG group of 25 or more students (i.e., do not have a within-school achievement gap) are given a zero for Gap Adjustment.

- A school's achievement gap is defined as the percentage point difference between proficiency rates for TAGG and non-TAGG students in math plus literacy (i.e., the numbers of Proficient and Advanced scores in math and literacy for nonmobile students in 2013 were summed and divided by the sum of valid test scores for math and literacy for nonmobile students in 2013).
- A school's graduation rate gap is defined as the percentage point difference between TAGG and non-TAGG graduation rates.

Achievement Gap Adjustment

The achievement gap is measured at the school level using proficiency rates rather than Weighted Performance. The gap is determined as follows:

$$Achievement\ gap = NonTAGG\ Proficiency\ \% - TAGG\ Proficiency\ \%$$

All schools with at least 25 tested students in each category (non-TAGG and TAGG) are then ordered on the size of each school's gap, from those with the largest percentage point gap to those with the smallest. Schools with the largest gaps earn a penalty. Schools with the smallest gaps earn a bonus. Schools with typical gap sizes receive a zero or no adjustment.

Gap Adjustments are determined by dividing the ordered list of all schools with achievement gaps into five groups or quintiles with equal numbers of schools in each group. Based on this classification, *Gap Adjustments* for achievement are assigned. The table below provides the gap sizes and gap adjustments.

	Largest Gap	Larger Gap	Average Gap	Smaller Gap	Smallest Gap
Gap Adjustment	**-6**	**-3**	**0**	**+3**	**+6**
Achievement Gap Range	~~24%~~ 23.86% or greater	~~20-23%~~ 19.53-23.85%	~~16-19%~~ 15.93-19.52%	~~12-15%~~ 12.00-15.92%	Less than 12.00%

Round the school achievement gap to the nearest hundredth before comparing the values in the table.

Graduation Rate Gap Adjustment

The graduation rate gap is measured at the school level using the difference in graduation rates between a school's non-TAGG and TAGG student populations.

$$Graduation\ Rate\ Gap = NonTAGG\ Graduation\ Rate - TAGG\ Graduation\ Rate$$

All schools with at least 25 expected graduates in each category (non-TAGG and TAGG) are then ordered on the size of each school's gap, from those with the largest percentage point gap to those with the smallest. Schools with the largest gaps earn a penalty. Schools with the smallest gaps earn a bonus. Schools with typical gap sizes receive a zero or no adjustment.

Schools with graduation rates but with too few non-TAGG or TAGG students (< 25) to be eligible for a penalty or bonus are given a score of 0. *Gap Adjustments* for graduation rate are determined by dividing the ordered list of all schools with graduation rate gaps into five groups or quintiles with equal numbers of schools in each group. Based on this classification, *Gap Adjustments for graduation rate* are assigned. The table below provides the gap sizes and gap adjustments.

	Largest Gap	Larger Gap	Average Gap	Smaller Gap	Smallest Gap
Gap Adjustment	**-6**	**-3**	**0**	**+3**	**+6**
Graduation Gap Range	~~16%~~ 16.21% or greater	~~10-15%~~ 10.75-16.20%	~~7-9%~~ 6.90-10.74%	~~2-6%~~ 3.66-6.89%	Less than ~~2%~~ 3.66%

Round the school graduation gap to the nearest hundredth before comparing the values in the table.

Overall Score Calculation

A school's overall score is calculated by applying the gap adjustment to Weighted Performance and/or Graduation Rate and summing over all the components as indicated below. Schools without graduation rates receive a multiplier to put all schools' overall scores on a scale of 300 possible points.

Schools with graduation rate:

$$Overall\ school\ score = (Weighted\ Perf. + Gap\ Adj.) + (Improvement) + (Grad\ Rate + Gap\ Adj.)$$

Schools without graduation rate:

$$Overall\ school\ score = (1.5)(Weighted\ Perf. + Gap\ Adj.)\ +\ (1.5)(Improvement)$$

For schools without a graduation rate, both components of the overall score will be multiplied by 1.5 which puts the Overall School Score for these schools on the same possible points scale as schools with a graduation rate.

Applying Cut Scores to the Overall Score to Determine Letter Grades

Schools' final scores are calculated by summing its scores on each component. The sum of these scores is capped at 300 possible points. Letter grades will be assigned as follows.

A = 270 – 300 points
B = 240 – 269 points
C = 210 – 239 points
D = 180 – 209 points
F = Less Than 180 points