

**Minutes
State Board of Education
Monday, April 12, 2004**

The State Board of Education met on Monday, April 12, 2004, in the Auditorium of the State Education Building. JoNell Caldwell, Chairman, called the meeting to order at 9:00 a.m.

The following Board members were present: JoNell Caldwell, Chairman; Shelby Hillman, Vice Chairman; Sherry Burrow; Luke Gordy; Dr. Calvin King; Randy Lawson; MaryJane Rebick; Diane Tatum; and Dr. Jeanna Westmoreland.

No members were absent.

Chair's Report

Ms. Caldwell recognized former United States Senator David Pryor. Senator Pryor spoke in recognition of the work of Interim Director, Tom Courtway, and expressed his appreciation and conveyed that of the citizens of Arkansas for his dedication and public service while serving as Interim Director. Luke Gordy spoke on behalf of the State Board and conveyed appreciation to Mr. Courtway for his service and leadership through, what may ultimately become, the most difficult time for public education in recent years.

Ms. Caldwell reported on a recent publication of the Center for Education Reform, which featured a picture of Board member Luke Gordy as he presented a Milken Family Foundation award.

Director's Report

Mr. Courtway requested that Patricia Martin be recognized to update the Board on schools recently identified as meeting the criteria for fiscal distress. Ms. Martin distributed a packet of information and then summarized the process by which school districts are identified for fiscal distress. She reported that (10) districts have been notified of their identification. She explained that these districts have (30) days in which to provide additional information or appeal the identification and that the Board must respond to any appeal within (60) days. Ms. Martin stated that it was not necessary for the Board to take action at this point; however, following any appeals, final action will be required. (Attachment 1)

Consent Agenda

Ms. Caldwell reported that Consent Agenda Item 1 (Minutes March 15, 2004 Teleconference), Consent Agenda Item 4 (Act 1738 of 2003 Exemptions) and

Consent Agenda Item 6 (Family and Consumer Science – Personal Finance Course) were being moved to the Action Agenda.

Dr. Westmoreland moved approval of the Consent Agenda less the items that were moved to the Action Agenda. Ms. Tatum seconded the motion. The motion was adopted unanimously.

Dr. Westmoreland moved to add an additional item to the Action Agenda to consider a meeting schedule to hear petitions from schools pursuant to administrative annexation or consolidation. Ms. Tatum seconded the motion. The motion was adopted unanimously.

Action Agenda

Minutes – March 15, 2004 Teleconference

Mr. Lawson requested that these minutes be revised to include a request he made during the teleconference that whenever the Board is considering student performance data of a school that both norm-referenced and criterion-referenced test data be provided.

Ms. Hillman moved these revisions be made to the minutes in question and that the minutes be approved as amended. Mr. Gordy seconded the motion. The motion was adopted unanimously.

Act 1738 of 2003, Exemptions

Ms. Rebick voiced support for the type of information and the detail that is now being provided. She also noted that the Department staff does a good job in reviewing the requests prior to their being presented to the Board. She inquired if the review committee had turned down any requests. Patricia Martin stated that the guidance followed was the rules as adopted by the Board and that, as a rule, schools provided sufficient data to meet at least the minimum requirement in the rule. Ms. Martin also noted that this law has a Sunset Clause, which is June 30, 2004.

Ms. Tatum inquired as to what is considered a healthy debt ratio. Ms. Martin responded that there was no range that could be universally applied and factors such as growth and the characteristics of a district vary widely. She stated that there was a maximum debt ratio of 27%, but the Board had the authority to approve a ratio higher than that.

Dr. King inquired about defining adequacy issues related to facilities and how the Department deals with these issues in the interim before the statewide facility assessment is complete. Dave Floyd responded that it was uncertain exactly how the state will proceed with facilities funding. He stated that a study will be

underway shortly and each school building will be assessed this summer and fall and that a report would be made to the 2005 General Assembly. Mr. Floyd stated his primary recommendation to schools was to wait on any major project unless it involved student safety or was necessary to meet instructional space requirements.

Mr. Gordy asked about the approximate number of school buildings to be assessed. Mr. Floyd responded about 5,700 statewide.

Ms. Rebick asked about requirements for bidding a remodeling or construction project. Mr. Floyd responded that any project that exceeds \$20,000 must be bid unless there is an emergency and it impacts the safety of students. Ms. Rebick also inquired about accountability for construction projects. Mr. Floyd noted that the ultimate accountability was after the fact when auditors reviewed the expenditures and procedures followed during a construction project.

Ms. Hillman moved approval of the proposed loans and bonds requests. Mr. Lawson seconded the motion. The motion was adopted unanimously.

Family and Consumer Science – Personal Finance Course

Dr. Gayle Potter was recognized to respond to questions about this issue. Dr. Potter explained that this requirement was created by legislation and information was being presented to the Board in two installments. First, she noted that the course description included with this Agenda was developed and recommended by the Department of Workforce Education and is a course outline currently in use in that Department. She reported that a committee of practitioners was recently convened and developed an additional course description that would be presented at a later date.

Mr. Lawson observed that the outline presented appears to include considerable “fluff,” without much rigor of content, which is exemplified in the sections on finance and time management. He stated that several quality organizations, such as the Council on Economic Education, have quality curriculum guides that are ready for use in the schools. Mr. Lawson stated that he did not want to approve this course at this meeting. He asked Dr. Potter if there were other options that could be considered and stated that it was his opinion that this course was not in keeping with the spirit of the legislation. Dr. Potter noted that John Davidson, Deputy Director, Department of Workforce Education, has interacted with the developers of the legislation.

Dr. Westmoreland asked if the credit would be one-half credit or one credit. Dr. Potter responded it was intended for one-half credit.

Mr. Courtway suggested that Department staff would be in contact with sponsors of the legislation seeking clarification as to the intent and that Dr. Potter would

circulate the work of the committee that is now finished and is in final stages of edits.

Ms. Caldwell declared that this item be tabled for further review.

Consideration of the Master Principal Plan (Act 44 Second Extraordinary Session of 2003) Arkansas Leadership Academy

Janinne Riggs was recognized to present this item. Ms Riggs referred to the notebook that was distributed as part of the agenda materials, which was prepared by the Arkansas Leadership Academy under the supervision of Dr. Beverly Elliott. Dr. Elliott was in attendance. Ms. Riggs noted that the Act requires the Leadership Academy and the Department to work together to design a program that includes selection criteria for participants, program administration, establishing program components such as eligibility for bonuses, performance expectations, and the development of assessments to be applied as participants move through the various phases of the program. She indicated that the partners have met, but many of the required components have not been delineated at this time. She also suggested that work on these items is continuing and can be presented to the Board at a future meeting.

Mr. Gordy expressed his strong support for this program. He reported that Dr. Westmoreland and he were among the participants in previous sessions to define components of the program. Mr. Gordy noted that the Leadership Academy and Dr. Elliott are in a difficult position – one of getting the program operational for the 2004-2005 school year and have sufficient components defined so that the Board can review and consider for approval. Mr. Gordy noted that the goal is to get this done immediately, but the issues of rigor, structure and an assessment system for participants are yet to be clearly defined and articulated. He said that Dr. Elliott needs some guidance as to how much the Leadership Academy can draft and get in place without some review and approval by the Board.

Dr. Elliott stated that the University was approached by Senator David Bisbee to draft such a Master Principal Program. She implied that it seemed natural to expand what has been operational through the Leadership Academy that has been known as the Principal's Academy. She also reported that the Southern Regional Education Board (SREB) has declared the Principal's Academy as an outstanding leadership development program.

Ms. Hillman stated that she believes the plan has a good start, but there is a need to further establish accountability at all levels and for everyone involved. She further stated that rigor of the program will be essential before rewards can be distributed.

Dr. Westmoreland stated that the reason this item is on today's agenda is for the Leadership Academy to get some degree of acceptance (or approval) so the developers can move forward with the great amount of work that is yet to be done. She indicated that it was not intended for the plan to receive final Board approval at this meeting.

Ms. Riggs reported that she and Dr. Elliott formed committees that will work on the various components of the program and that those committees are scheduled to meet before the end of April. Ms. Caldwell suggested that these committees should meet and the results can be brought back to the Board at its regular May meeting.

Ms. Hillman inquired as to what action would be appropriate for the Board to take at this meeting. Ms. Riggs suggested that the Board support the concept and expect further work by the committees, which should give sufficient information for a decision at the May meeting. Dr. Elliott stated that she wanted to know what the Leadership Academy could be doing at this time.

Mr. Gordy reported that he had conferred with Dr. Ken James. Mr. Gordy stated that Dr. James suggested not getting too far ahead with selecting candidates until there is a clear expectation for what they will be required to do. He suggested delaying action, if possible, which might preclude making impulsive decisions and having to reconsider at a later time.

Dr. King noted Dr. Elliott's expression of urgency to begin advertising the program and doing some preliminary work with identification of potential participants. Dr. King moved approval of the concept and that the Leadership Academy be allowed to move forward with designing an application process. Further, the committees should meet and recommendations for the remaining components can be brought to the Board at its May meeting. Mr. Lawson seconded the motion, then asked if the pending action would help the timeline to get the program operational for the coming school year. Dr. Elliott responded, "yes." Mr. Gordy suggested that any application process that is developed prior to final approval be considered conditional. Dr. King and Mr. Lawson accepted that amendment to the motion.

The amended motion was adopted unanimously.

Recommendation to Revise the Public School Fund Budget for the Remainder of Fiscal Year 2004.

John Kunkel was recognized to present this issue. He summarized the proposed budget revisions and indicated that most of the changes were the result of legislation adopted in the extraordinary session just concluded. Pursuant to the previous discussion, he noted that the Principal's Academy did not have an emergency clause, thus would not become law until June 2, 2004.

Mr. Gordy asked about the entry in the fund balance column. Mr. Kunkel responded that with approval of the proposal, projected fund balances would increase, not decrease.

Mr. Lawson moved approval of the budget revisions as proposed. Ms. Burrow seconded the motion. The motion was adopted unanimously.

Request for Open-Enrollment Charter Amendment: LISA Academy

Jim Boardman was recognized to present this issue. Mr. Boardman reported that the Department had received a request from the developers of the LISA Academy to approve a new site for the academy location. He summarized reasons for the request. Mr. Boardman also reported on the issue of other charter schools that have requested a waiver from minimum schoolhouse standards. His response was that almost all of the open-enrollment charters have requested such a waiver due to the expected low class size of most of those schools. Ms. Caldwell noted that in Central Arkansas it would be difficult to find a facility at a reasonable cost that was safe and in a good location.

Ms. Rebick noted that the original location was in the old train station and that the proposal would move the school to the western fringe of the city. She continued that in that area there are other private schools and public schools that would be competing for the same students. She reminded the Board that the original presentation from this school was to focus technical instruction toward minorities and women. She expressed that moving west would seem to move the facility away from most of the minority population. She also stated a concern for the projected lease cost (\$15 per square foot).

Dr. Ibrahim Duyar, President of the LISA academy responded by saying that meetings were conducted with parents of potential enrollees in the school. Those parents were pleased with the newly proposed location; in fact most indicated there would be less travel and ease of access to the newly proposed campus than at the train station. He reported that just under 200 students have indicated their intent to enroll in the school next fall. He further noted that the enrollment date is April 15, which provides a few more days to finalize the enrollment before the deadline. Dr. Duyar reported that the new location could end up being less expensive, because of some needed repairs that would have to be made before the train station could be used for instructional space.

Dr. Westmoreland inquired if the pre-enrollment data – so far – showed any clear indication as to location within the city. Dr. Duyar responded that the largest group enrolled so far has a home zip code that is from downtown Little Rock.

Ms. Caldwell stressed that the west Little Rock location was a much better site, provided greater access for parents to bring their students to school, and many other options that seem appealing to the parents.

Ms. Tatum asked for clarification as to how many parents were included in the survey to change locations. Dr. Duyar reported that several public meetings were conducted and each had between 20 and 25 attendees. Ms. Tatum stated that she is reluctant to see another “college prep” school open in West Little Rock.

Mr. Gordy stated that Dave Floyd has determined that the new proposed location is a suitable facility.

Mr. Gordy moved approval of the proposal to change the location of the LISA Academy. Mr. Lawson seconded the motion. The motion was adopted on a vote of 6 and 2 (Tatum and Rebick voted “No”).

Request for Open- Enrollment Charter Amendment – FOCUS Learning Academy

Mr. Boardman summarized this proposal, which indicated that more space is provided and noted that a change in location was essential for this school in that the current lease was not being renewed. There was no one present representing FOCUS Learning Academy.

Mr. Gordy moved approval of the proposed change in location for Focus Learning Academy. Ms. Hillman seconded the motion. The motion was adopted unanimously.

Ms. Rebick questioned the wisdom of spending that amount for lease in charter schools, especially when local school district facilities are in bad need of repair. Mr. Gordy responded that charter schools have performance standards to meet and the Board will review them every three years.

Request for Conversion Charter Amendment – Academic Center of Excellence, Osceola School District

Mr. Boardman reported that in the scheme of operation of this charter school, it had previously requested to add additional grades.. He reported that early data indicate that the school appears to be making academic progress, even though the school has only been in existence for two years.

Mr. Lawson asked what seemed to be the key to the success experienced by students in this school. Mr. Milton Washington, Superintendent of Schools, Osceola, was present and responded. He stated that many of the faculty were the same as in the school before it became a charter school; however, that

faculty has worked harder, worked smarter and has been engaged in professional development. He also noted that parents had to apply for their students to attend that school. He suggested parent expectation and involvement are key factors.

Mr. Boardman noted that the request was to add additional grades 1 through 3 and to add additional classes.

Mr. Lawson moved approval of the request to add additional grades. Dr. Westmoreland seconded the motion. The motion was adopted unanimously.

Proposed Revisions to Rules Governing Teacher Licensure by Reciprocity – Act 754

Ron Tolson was recognized to present this issue. Mr. Tolson stated that these rules were previously approved for public comment several months ago. Public meetings were scheduled and many suggestions were received. He stated that revisions changed the proposal to the point that additional public comment is necessary.

Mr. Gordy moved approval for public comment. Dr. Westmoreland seconded the motion. The motion was adopted unanimously.

Proposed Revisions to the Rules for the Specifications Governing School Bus Design

Mike Simmons was recognized. Mr. Simmons reported that the rules in question were last reviewed about 10 years previously. He noted that many requirements in technology, bus design, safety standards, etc. have changed during that time. He stated that these proposed revisions reflect revisions to state law and new guidance from the Department of Motor Vehicles. He noted that currently bus manufacturers cannot produce a product that meets the current code.

Ms. Rebick questioned language in the proposed rule such as “qualified for service” or “certified by manufacturer.” Mr. Simmons agreed to review and add definitions as needed.

Ms. Hillman moved approval for public comment. Ms. Tatum seconded the motion. The motion was adopted unanimously.

Review of Proposed Rules Adopted during the Second Extraordinary Session of the 2003 General Assembly

Mr. Courtway stated that all of the proposed rules have been drafted by staff in response to legislation adopted during the special session. He reported that public meetings have occurred to help frame the rules, especially for Act 35, Act

58 and Act 61. He stressed that all are proposed for public comment and that a teleconference has been scheduled to provide information prior to any public hearings. Mr. Courtway also asked Board members to make comment on any or all during this review time.

Mr. Lawson moved adoption for public comment each of the proposed rules listed as Action Item A-9 through A 31. Ms. Hillman seconded the motion. The motion was adopted unanimously.

- A – 9 Proposed Rules Governing Grants for Distance Learning – (Acts 34 and 96 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 10 Proposed Rules Governing the Arkansas Comprehensive Testing, Assessment and Accountability Program and the Academic Distress Program – (Act 35 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 11 Proposed Rules Governing Procedures for Best Financial Management Practices Review for Public School Districts – (Act 35 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 12 Proposed Rules Governing the Guidelines, Procedures and Enforcement of the Arkansas Opportunity Public School Choice Act – (Act 35 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 13 Proposed Rule(s) Governing Arkansas Educational Financial Accounting and Reporting – (Acts 40, 52, and 61 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 14 Proposed Rules Governing Availability Distance Learning – (Act 53 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 15 Proposed Rules Governing the Acquisition of Energy Conservation Measures – (Act 58 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 16 Proposed Rules Governing Implementation of the Appropriation for Special Education Catastrophic Occurrences – (Act 59 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 17 Proposed Rules Governing the Distribution of State Foundation Aid and Student Special Needs Funding for Fiscal-Year 2005 – (Act 59

of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)

- A – 18 Proposed Rules Governing Arkansas Educational Uniform Budget and Accounting System – (Act 61 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 19 Proposed Rules Governing School District Audits not Conducted by Legislative Audit – (Act 63 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 20 Proposed Rules Governing the Requirement of a Criminal Background Check for the Employment of Noncertified Personnel in School Districts, (Act 82 and Act 103 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 21 Proposed Rules Governing Incentives for Teacher Recruitment and Retention in High Priority Districts with an Average Daily Membership of 1,000 or Fewer – (Act 101 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 22 Proposed Rules Governing Advanced Placement Courses in the Four Core Areas in High School – (Act 102 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)
- A – 23 Proposed Rules Governing State Reported Dropout and Graduation Rates – (Acts 104 and 35 of 2003 2nd Extraordinary Session of the Arkansas 84th General Assembly)

EXISTING RULES PROPOSED FOR REPEAL

Proposed rules in A – 9 through A – 23, when adopted, will supersede existing rules. The following existing rules are proposed for repeal.

- A – 24 Arkansas Department of Education Rules and Regulations Governing the Distribution of Poverty Index Funds (Act 1549 of 1999)
- A – 25 Arkansas Department of Education Rules and Regulations Governing Funding of Alternative Learning Environments (ACA – 6-20-323 and 6-11-105)
- A – 26 Rules and Regulations Implementing Act 2 of 1994 as Amended by Act 1228 of 1995

- A – 27 Arkansas Department of Education Rules and Regulations Governing Debt Service Funding Supplements – (ACA – 6-20-303 and 6-20-308(b))
- A – 28 Rules and Regulations Governing School District Facilities Needs Assessment (Act 917 of 1995)
- A – 29 Rules and Regulations Governing the Distribution of General Facility Funding (ACA 6-20-301 et seq. (1995))
- A – 30 Rules and Regulations Governing the Distribution of Revenue Loss Funding (Act 1549 of 1999)
- A – 31 Rules and Regulations Governing the Distribution of Student Growth Funding (ACA 6-20-305)

Additional Meeting Dates

Mr. Gordy moved that a new item be added to the Action Agenda – A – 32, which would set a calendar of hearing dates for proposed administrative annexation or consolidation hearings. Ms. Tatum seconded the motion. The motion was adopted unanimously.

Mr. Courtway distributed a proposed schedule that would set the following dates for a meeting of the Board:

April 19, April 26, May 10 (regular meeting date), and May 17-18

(May 17-18 would be reserved for consideration of schools that failed to identify a willing partner for annexation or consolidation.)

Mr. Gordy moved adoption of these additional meeting dates. Ms. Hillman seconded the motion. The motion was adopted unanimously.

Hearings of Proposals for Administrative Annexation Pursuant to Act 60 of the Second Extraordinary Session of 2003

The proceedings of these hearings are reported in a transcript provided by a court reporter. Only actions of the Board are reported.

Administrative Annexation of the Arkansas City School District to the McGehee School District

Mr. Lawson moved approval of the administrative annexation. Ms. Hillman seconded the motion. The motion was adopted unanimously.

Administrative Annexation of the Delta Special School District to the McGehee School District

Dr. King moved approval of the administrative annexation. Ms. Burrow seconded the motion. The motion was adopted unanimously.

Administrative Annexation of the Alread School District to the Clinton School District

Ms. Hillman moved approval of the administrative annexation. Dr. Westmoreland seconded the motion. The motion was adopted unanimously.

Administrative Annexation of the Scotland School District to the Clinton School District

Mr. Gordy moved approval of the administrative annexation. Dr. Westmoreland seconded the motion. The motion was adopted unanimously.

Administrative Annexation of the Paron School District to the Bryant School District

Ms. Rebick moved approval of the administrative annexation. Ms. Tatum seconded the motion. The motion was adopted unanimously.

Adjournment

Ms. Burrow moved adjournment. Ms. Hillman seconded the motion. The motion was adopted unanimously.

The meeting adjourned at 1:00 p.m.

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

Dr. Kenneth James, Director

JoNell Caldwell, Chair