



DIVISION OF ELEMENTARY & SECONDARY EDUCATION

Legislative Update for Earle School District

State Authority

May 31, 2020-August 31, 2020

Submitted by

Office of Coordinated Support & Service

August 31, 2020

Pursuant to Ark. Code Ann. § 6-13-112, a quarterly status report is provided for each school district currently under state authority. The following report is submitted to the State Board of Education, the Chairs of both the House and Senate Education Committees, and others prescribed by law. The current report is part of the new process of quarterly reporting under the Every Student Succeeds Act (ESSA). Although a district may be under state authority for various purposes, the Division of Elementary and Secondary Education (DESE) believes that all systems must be fortified in order to have an effective school district. These systems are Academics, Facilities and Transportation, District Operations and Fiscal Governance, Human Capital, Student Support, and Stakeholder Communication/Family and Community Engagement. The major focus of this report will be around the Academic System and District Operations and Fiscal Governance System.

The Academic System consists of academic updates centered around the district support plan (DSP). The DSP is designed to describe the resources that will be allocated to the building in order to support implementation of the school improvement plan (SIP) and also the manner in which actions within the SIP are monitored by the district. Both the DSP and the SIP are based on the review of data and should follow a continuous cycle of inquiry. The DESE then can work in a collaborative manner to support the district based on items identified in the district plan of support and continue to work with the district to prioritize and identify solutions to further enhance any other systems including the use of DESE supports. DESE will further work with the district to develop local capacity in addressing each system by developing measurable goals and monitoring progress. This is intended to be reflective in nature and a way for DESE and the district to be purposeful in their future work together for the betterment of students.

The legislative report consists of information related to the DSP and subsequent reports will provide updates of the monitoring of the DSP and any other relevant academic information pertaining to the goals of the schools. In the event that the district is under state authority for fiscal reasons, the report will also contain all relevant financial information.

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BACKGROUND

Pursuant to Ark. Code Ann. §6-20-1905, the Earle School District received notice by certified mail as being identified by the Arkansas Department of Education (ADE) for Fiscal Distress status. The District was classified in Fiscal Distress on October 12, 2017 due to the district failing to file an audit report within the nine month time period or within the time period under any extension granted by the Department of Education. The identification is based on acts or violations determined to jeopardize the fiscal integrity of the district including, without limitation, failure to fully develop and implement adequate corrective actions for previously identified audit findings and deficiencies.

Because of significant findings that jeopardize the fiscal integrity of the district the State Board of Education assumed authority of the district and appointed Richard Wilde as interim superintendent on November 6, 2017. As a result of the issues, ADE Commissioner Johnny Key exercised the authority granted under Arkansas Code 6-20-1901 et seq. to assume authority over the board of directors; however, Commissioner Key offered the board the opportunity to remain in place in an advisory capacity to the new superintendent. ADE personnel determined the following Fiscal Distress Indicators during an internal audit:

- Title I 2015-16 unallowable expenditures \$300,299.97; 2016-17 unallowable expenditures \$303,436.85
- NSL 2015-16 potential unallowable expenditures \$555,128.63; 2016-17 potential unallowable expenditures \$717,429.86
- Athletic/Activity Concessions had gate receipts unaccounted for: one football game, one in concession, two for basketball game 17 in concession 20.
- Payroll had some contracts that could not be tied to a W2 and some W2s have no contract.
- District website was missing documents listing legal balances, budget, salary reports, monthly expenditures reports, student handbook, audits, policy signature page, ASCIP plan, statistical report, and board minutes were not up to date.
- Credit card showed unmonitored use/unaccounted for documentation; potential cash advance to cover payroll.

State statute requires quarterly progress monitoring of districts in state authority with updates provided to the legislature. The intent of the requirement for quarterly reporting is to keep both the public and the legislature informed regarding progress

toward the exit criteria from state authority. This report seeks to fulfill that requirement.

On May 9, 2019, the State Board of Education approved a [request](#) from the Earle School district leadership and community advisory board classifying the district in need of Level 5 support. An exit plan is currently under development in consultation with the district.

School Level Plans (Links)

20-21 [Earle Elementary Plan](#)

20-21 [Earle High School Plan](#)

District Support Plan

20-21 [Earle District Support Plan](#)

ADE/DESE Support Plan

DESE [Earle Support Plan](#)

The update below is the DESE update to the work that has been done in the district.

[Quarter 1 Update to DESE Support Plan](#)

[Quarter 2 Update to DESE Support Plan](#)

[Quarter 3 Update to DESE Support Plan](#)

[Quarter 4 Update to DESE Support Plan](#) - **Current**

Updated ESSA School Index By School

The link [here](#) shows the updated ESSA School Index scores and each indicator for the 2017-2018 and 2018-2019 school year.

ACT Aspire Preliminary Data

Data for schools identified is linked [here](#).

Fiscal Distress Plan

Pursuant to Ark. Code Ann. § 6-20-1905, on October 12, 2017, the State Board of Education classified the Earle School District as a school district in fiscal distress. The Arkansas Department of Education made this identification because the Earle School District met the following fiscal distress indicator(s) as set forth in Ark. Code Ann. § 6-20-1904: (An act or violation determined to jeopardize the fiscal integrity of the district including without limitations ... Ark. Code Ann § 6-20-1904 and material audit exceptions or violations). A copy of the latest plan can be found [here](#).