



DIVISION OF ELEMENTARY & SECONDARY EDUCATION

Earle School District

Legislative Quarterly Report

October - December 2021

Submitted by

Office of Coordinated Support & Service

January 2022

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 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 district support plan (DSP) is designed to describe the resources that will be allocated to the individual schools in the district 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.

EARLE 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 jeopardized the fiscal integrity of the district, the State Board of Education assumed authority of the district and appointed an 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.

On May 9, 2019, the State Board of Education approved a request from the Earle School district leadership and community advisory board to classify the district in need of Level 5 support.

Current DESE Quarterly Support of Level 5 Support

The Office of Coordinated Support and Service (OCSS) team in coordination with the Division of Elementary & Secondary Education (DESE) has provided support to the Earle School District. John Hoy, Assistant State Superintendent is onsite supporting the district 3-4 days a week. Ryan Burgess and Julie Almutz, both Leadership Development Coaches, support the principals in the district. Dr. Michael Watson, behavior leadership coach, providing support for district staff in their efforts to build a safe, collaborative culture for all students

Emphasis this quarter continues to be on implementing the fiscal distress plan, providing grade level instruction to all students with appropriate interventions, securing and developing qualified staff, and living up the district's mission of preparing graduates for the next phase of life (college, career, technical training, and community engagement). All OCSS team members continue to play a significant role in supporting the district through regular onsite visits, virtual collaborations, and coordinating services of multiple organizations/ agencies.

Student Support

The district has made several scheduling adjustments during FY 22 to allow time for student support. At Earle Elementary School the master schedule has been adjusted so that student interventions are provided daily. At Earle High school, after school opportunities are being provided twice weekly and student interventions are now scheduled weekly during the school day. In addition to the scheduling revisions, the district provides dyslexia intervention to 41 students and offers critical reading and strategic reading courses at the high school.

There is growing evidence through the use of formative assessments that the new structure for student interventions are having a positive impact on achievement at the elementary school level. Evidence of its impact at the secondary level has yet to be determined but formative assessment efforts are underway to assist in evaluating that impact. The district will administer NWEA in January at the high school level.

Positive Behavioral Interventions and Supports (PBIS) has been an ongoing effort to build and maintain a positive culture for all students. Earle's PBIS Tier I implementation is now at a point where students are aware of their expectations and know that they will receive reinforcement when they exhibit appropriate behavior. This has helped with the transition for students who may have been virtual or in quarantine for COVID. To further enhance PBIS the implementation phase is shifting to the development of a Tier II academic/behavior team to ensure that students receive appropriate intervention and to decrease the need for Tier III support.

Human Capital

Earle School District is continuing to implement its recruitment and retention plan to address staffing concerns. It has been reported that 22% of the district's teaching staff is either working on an alternative licensure plan (ALP) or are classified as long term subs. This is still an area of concern, however it is encouraging that this represents a significant improvement from last year's 38%% of teaching staff classified as ALP's, long term subs, emergency teaching permits or Act 1240 waivers.

It is important to note that while the district is seeking to hire staff, district administrators realize that as student populations trend downward, they must consequently consider staff reductions to ensure fiscal integrity. With this in mind, the district is working with members of the DESE Fiscal Services and Support unit and OCSS to conduct staffing audits which will be used to assist in determining staffing needs for FY23..

During this quarter virtual instructors, dedicated solely to classes at Earle High School, began instructing students in selected math, English, and science classes. These classes are providing the high quality instruction desired by the district with some of the virtual instructors offering after school tutoring. While this is a step forward in the evolution of virtual instruction, the district's preference is to continue to seek out highly qualified staff providing onsite instruction. In an effort to address the issue of onsite teachers, district administrators have continued to implement recruitment and retention strategies including Grow Your Own efforts and outreach efforts locally and internationally.

Academics

This semester a priority has been placed on ensuring that all students are exposed to grade level standards in every class. Members of the OCSS team have paired with district administrators and have visited every classroom during this quarter looking for grade level standards. Observations by both district and OCSS staff produces a consensus that overall instructional effort is improving throughout the district but an increase in rigor is still a concern.

Instructional schedules have been adjusted such that all K-6 teachers have common planning time daily and all secondary teachers have a weekly time set aside for collaborative

professional learning activities. Support during these times of professional collaboration and growth are being supported by representatives PLC coaches and the Crowley's Ridge Educational Service Cooperative.

Outdated and teacher developed curriculum has been an ongoing concern for both administrators and staff. With guidance from DESE, federal funds, and grant writing efforts the district is now in the position to begin addressing some of those concerns. Curriculum audits have taken place districtwide this quarter, and the district is now acquiring desperately needed curricular resources. Mathematics resources have been acquired and are currently in use in the district, updated social studies curriculum resources have also been acquired, and new K-6 literacy curriculum resources have been approved and the order is being processed at the time of this report. Plans are to begin implementation of the new literacy and social studies curriculums in January.

An ongoing concern that directly impacts student achievement is student attendance. It has been noted that the district's overall attendance rate had trended [below 95%](#) over the last two quarters. This is especially concerning at the elementary levels where the foundations of reading are being laid. Efforts are underway to address this concern with slight improvements noted during the second quarter. The district staff have committed to continuing efforts put in place to address this concern.

Family and Community Engagement

As a part of family and community engagement efforts this quarter the district completed its required Annual Report to the Public and there was active participation that included parents, students, community members, and school employees. In addition to this effort this quarter, the district held influenza clinics and COVID clinics that were open to the public, hosted family night outs that addressed the PBIS initiative, STEM activities, and mental health awareness.

The crown jewel of community involvement activities this quarter was Comcast's onsite announcement of a 3.7 million local broadband expansion project made possible by the partnership of the the cities of Earle and Parkin, and funded by the Arkansas Rural Connect Program. Governor Asa Hutchinson visited the community and participated in the announcement. Comcast donated a personal laptop to every student in the Earle School District.

Fiscal Governance and District Operations

The DESE fiscal support unit continues to provide support to the district weekly. Support efforts are manifesting themselves in a staff being more knowledgeable and efficient. Evidence to support this statement can be gleaned from the fact that all actions in the FY22

fiscal distress plan, that were expected to be completed by December have been. Additionally, district fiscal staff are becoming more self-reliant as the DESE team gradually releases responsibility of fiscal work to district staff.

There was one Legislative Audit finding this year wherein administrative staff appropriately reassigned an employee's salary to reduce expenditures in district operational funds, but inadvertently omitted adjusting the related budgets. The error has been addressed with no loss of funding to the district. There were no additional supplemental findings.

In regard to other operations and governance matters, the district continues to refine and develop policies and procedures designed to ensure a systemic approach to help eliminate pitfalls that lead to State intervention. Specifically, the district is regularly revising its written plan for internal control processes. The district has also updated board policies, cleared all findings in the online standards monitoring system, and adopted school board zones based on the 2020 federal decennial census.

Facilities and Transportation

Performance Services has begun preparations for Phase 1 of the HVAC project designed to improve air quality with the use of ESSER funding.

The district has also purchased and received five new buses this quarter. This acquisition not only addresses COVID mitigation efforts by allowing additional space for students, but also addresses fiscal integrity by eliminating financial obligations associated with leasing and balloon payments.

Fiscal Distress Plan

Arkansas law sets forth a clear process for school districts to follow in order to remove themselves from fiscal distress classification. Pursuant to Ark. Code Ann. § 6-20-1908, a school district in fiscal distress may only petition the State Board of Education for removal from fiscal distress status after the Arkansas Department of Education certifies in writing that the school district has corrected all criteria for being classified as in fiscal distress and has complied with all department recommendations and requirements for removal from fiscal distress status.

The Division of Elementary and Secondary Education will continue to work with the Earle School District to correct all criteria for being classified as in fiscal distress. Direct technical support from the ADE fiscal unit is provided weekly to assist the school district.

Objective 1: Reduce the percentage of foundation funds spent on salary expenses (salaries, benefits, cost for substitutes) to a maximum of 85%.

Action	Expected Completion Date
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DESE will provide a staffing audit to determine the classes and number of sections needed to meet the Standards for Accreditation.	11/1/2021
In collaboration with DESE, the district will utilize the Master Schedule Matrix report from Cognos to identify the number of classes and/or course sections that the district is currently offering and compare to the staffing audit to identify areas in which the district is over staffed.	12/15/21
In collaboration with DESE, the district will create a reduction in force plan to implement in the spring of 2022.	2/1/22

Objective 2: Comply with required financial reporting.

Action	Expected Completion Date
The district will submit all cycle reports by the deadline and retain printed or electronic copies in the district office.	As Outlined in the SIS Cycle Reporting Manual
The district will submit monthly required financial reports/documents to the DESE Fiscal Services Office.	15 th of each Month
The district will submit all required reports/budgets by the deadline to the proper agencies.	As Required by Deadlines

Objective 3: Reduce the negative building fund balance by a minimum of 20% each year.

Action	Expected Completion Date
The district will transfer excess debt service funding to the building fund by the close of each fiscal year to reduce the negative balance by a minimum of 20%.	9/30/22
The district will maintain a net legal balance as required by law.	October 1 of each year

Objective 4: Repay the Division of Elementary and Secondary Education \$636,635.97 that was repaid on the district's behalf due to misusing federal funds.

Action	Expected Completion Date
The district will make monthly payments to DESE as outlined in the MOU and debt payment schedule.	30 th of Each Month

Objective 5: Implement best financial practices.

Action	Expected Completion Date
The district will budget all Foundation Funding in fund 2000.	September 30 th of each year
In collaboration with DESE, the district will create and implement a written plan for internal control processes.	March 2022
The district will conduct and document a physical inventory check annually.	September 15 th of each year
The superintendent will ensure that budget line items are checked prior to submitting debt requests to DESE to ensure funds are available.	Daily
The superintendent will open and document monthly review of bank statements.	Monthly
The superintendent will approve and maintain documentation of all journal entries by period.	Monthly
The superintendent will print and document a review of a district Board Report from eFinance weekly for all funds.	Every Monday