



## DIVISION OF ELEMENTARY & SECONDARY EDUCATION

# **Earle School District**

## **Legislative Quarterly Report**

January - March 2022

Submitted by

Office of Coordinated Support & Service

April 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**

The Office of Coordinated Support and Service (OCSS) team in coordination with the Division of Elementary & Secondary Education (DESE) has continued to provide 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, provides support for district staff in their efforts to build a safe, collaborative culture for all students. Carol Herringer, Educational Ombudsmen and DESE Literacy Specialist assist the instructional literacy educators.

Emphasis this quarter has been on continuing to implement and assess school improvement plans, the district plan of support, and the fiscal distress plans. The OCSS team has worked with the DESE Fiscal Services and Support unit, and Crowley's Ridge Educational Service Cooperative (CRESC) staff to provide support in implementing these plans.

### **Student Support**

The district has solidified a structure that allows time for student remediation and/or enrichment during the school day outside of regular class time. Teachers and instructional support staff meet at least weekly at the high school and several times throughout the week to collaboratively discuss essential standards and student progress toward mastery of those standards. This work is continuing to be supported by Solution Tree and CRESC staff. While time for this work is now in place, the process for ensuring mastery for all students is still being refined.

In addition to providing regular student intervention time, the district continues to provide dyslexia interventions and provides critical and strategic reading courses at the high school.

The implementation of 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 for desired behavior. Data collected over the last quarter indicates that PBIS points awarded to students has increased, which indicates that staff and students are implementing the system. Curiously the data has not yet shown a related decline in disciplinary referrals. Preliminary discussions have begun around this data anomaly. Tier II and Tier III support strategies for behavior are still being developed.

### **Human Capital**

Earle School District is continuing to implement its recruitment and retention plan to address staffing concerns. Currently 22% of the district's teaching staff is either working on an alternative licensure plan (ALP) or are classified as long term subs. The district is also utilizing virtual teachers in high school math and English. While this is still an area of concern, the district's recruitment efforts may be yielding some positive results. This quarter the district has received applicants in English, math, science and special education and is projecting that they may be adequately staffed with onsite core instructional teachers for the first time in several years by this summer.

It is important to note that while the district is seeking to hire staff, district administrators understand that as student populations trend downward, they must consequently consider staff reductions to ensure fiscal integrity. The district, in coordination the DESE Fiscal Services and Support Unit conducted a staffing audit this quarter and has begun the process of reducing some positions through attrition.

### **Academic**

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 continued to visit classrooms during this quarter. Observations by both district and OCSS staff produces a consensus that instructional effort is improving throughout the district but is still a concern.

Outdated and/or teacher developed curriculum had been noted as a concern in the prior legislative report. With guidance from DESE, utilization of federal funds, and grant writing efforts of district staff, many of those concerns have been addressed this quarter. Mathematics, social studies, and state approved K-6 literacy curriculum resources have been acquired and are being implemented, Additionally, the district is in the process of acquiring 7-12 literacy resources.

NWEA assessment results for grades 3-10 were completed during this quarter and preliminary results show that while growth was seen during this school year the individual student growth during the year has not been enough to overcome a projected decline in proficiency that may be related to student learning loss during the pandemic. Despite not

meeting projected academic goals on this assessment, district staff are utilizing the assessment results to identify and address learning gaps. With implementation of recently acquired curricular resources in both literacy and math, the staff is working toward implementation fidelity.

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 three quarters. Efforts put in place during the first two quarters seem to have had some impact. At the end of the second quarter the overall student attendance rate was reported at 94.45%. While there are still concerns that the 95% target has not been met and several students have been identified as chronically absent, the current positive trend is encouraging.

### **Family and Community Engagement**

During the third quarter the district has continued to implement its Family and Community Engagement plan with minimal support requested from DESE staff. During this quarter the district has engaged community members regarding the status of the COVID pandemic and has updated the related Ready for Learning Plan, participated in a community wide book reading event, and held several family night events.

Unfortunately the district's social media link was taken down during this quarter and is still unavailable on the district website as of the date of this report. The district is in the process of restoring it because many members of the community have come to rely on it for updates and important district information. Fortunately the district's one call system has been used to fill the void in certain aspects.

### **Fiscal Governance and District Operations**

The DESE Fiscal Support Unit continues to provide support to the district weekly through virtual meetings and onsite meetings (as requested) with the district's superintendent and finance staff. Access to additional training on fiscal matters has been provided to the district through the OCSS office. These support efforts are manifesting themselves in a staff that is becoming increasingly 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 March, have been.

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 the pitfalls that lead to State intervention. Specifically, the district is regularly revisiting its

written plan for internal control processes. The district has also cleared all findings in the online standards monitoring system.

**Facilities and Transportation**

Performance Services has begun work on phase 1 of the HVAC project designed to improve air quality with the use of ESSER funding. Exterior doors are being replaced at the high school and HVAC systems work is scheduled to begin this summer.

**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
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 <sup>th</sup> 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 <sup>th</sup> 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 <sup>th</sup> 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 <sup>th</sup> 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