



Division of Elementary and Secondary Education

Transforming Arkansas to lead the nation in student-focused education

Jacob Oliva
Secretary

May 17, 2023

Dr. Ivy Pfeffer
Deputy
Commissioner

Dr. Nancy Anderson, Superintendent
2801 Spring St.
Hot Springs, AR 71901

Stacy Smith
Deputy
Commissioner

Superintendent Anderson:

**State Board of
Education**

The Division of Elementary and Secondary Education (DESE) Office of Public School Accountability conducted an onsite monitoring of Cutter Morning Star School District on April 12, 2023. The team interviewed the administration and staff at Cutter Morning Star (CMS) School District and All Children's Academy (ACA).

Ouida Newton
Poyen
Chair

Based on the interviews and data from eSchool, eFinance, and AELS, in addition to the websites for Cutter Morning Star School District and All Children's Academy, the DESE submits the following findings:

Dr. Sarah Moore
Stuttgart
Vice Chair

Finding 1: Evidence available indicates that the district knowingly enrolled students from All Children's Academy as full-time Cutter Morning Star (CMS) students and did not provide educational services to those students.

Dr. Fitz Hill
Little Rock

a. Seven (7) students have been identified as dually enrolled in the 21-22 school year.

Kathy McFetridge
Springdale

b. The district falsely identified students as Alternative Education students and was notified in December 2022 of required repayment in the amount of \$48,000 and required to correct ALE data.

Steve Sutton
Marion

c. Nineteen (19) students have been identified as dually enrolled in the 22-23 school year

Adrienne Woods
Rogers

d. Identified students are marked as virtual students in eSchool but the students' schedules do not indicate they are receiving curriculum or instruction from CMS educators.

Randy Henderson
Blytheville

e. According to School Choice Paperwork provided by CMS, the dually enrolled students have been approved to attend CMS through school choice (indicating that the current 19 students live outside of the CMS district).

Lisa Hunter
White Hall

f. According to interviews, these dually enrolled students are receiving full-time, faith-based curriculum and instruction from ACA.

Jeff Wood
Little Rock

g. While CMS is providing technology devices for these students, no written evidence of curriculum or instruction provided by CMS is available.

h. CMS is receiving Average Daily Membership (ADM) on the dually enrolled students.

i. ACA is charging the dually enrolled students tuition.

j. CMS has a lease agreement with ACA for facility use.

As a result of information discovered during this monitoring visit, Cutter Morning Star

District should immediately cease the operation of dually enrolling students in Cutter Morning Star and All Children's Academy.

Dually enrolled student data need to be corrected prior to Cycle 7. Beginning with the 2023-2024 school year, the dually enrolled students, who reside outside of the CMS school district boundaries, should be enrolled in either Cutter Morning Star, if allowable under the Public School Choice Act of 1989, or All Children's Academy, or return to their resident district. The decision of the parents/guardians regarding enrollment and the proper documentation shall be submitted to DESE no later than July 1, 2023. If enrolled at Cutter Morning Star, the district is required to provide educational services.

Due to the unauthorized dual enrollment of students in the Cutter Morning Star School District and All Children's Academy, DESE shows that the district's 2022-2023 state aid should be reduced by a total of \$55,339. DESE will adjust the May and June disbursements to your district. There are additional funds that the district has been overpaid in the amount of \$33,306 which will need to be paid back to DESE by June 30, 2023. Detailed information regarding amounts and funds are below:

DESE will reduce payment amount	Amount
Student Foundation Funding Amount - May	\$25,946
Student Foundation Funding Amount - June	\$25,946
Teacher Salary Equalization - May	\$648
Teacher Salary Equalization - June	\$647
Enhanced Student Achievement - June	\$2,152
Total Reduction	\$55,339
District Payback by June 30, 2023	
Bonded Debt Assistance	\$630
Professional Development	\$263
Student Growth Funding	\$32,413
Total Payback	\$33,306

It is imperative that Cutter Morning Star correct all unauthorized dual enrollment of students in the Cutter Morning Star School District and All Children's Academy for 2022-2023 ADM prior to the upcoming Cycle 7. The 2023-2024 funding will be calculated based on 2022-2023 Cycle 7 ADM. You may contact Greg Rogers, DESE Chief Financial Officer, at 501-682-4476 if you have additional questions.

Finding 2: Evidence indicates that Cutter Morning Star (CMS) is not submitting accurate attendance data in cycle submissions and knowingly falsifying enrollment data.

- a. According to interviews, ACA is taking daily attendance for the dually enrolled students however, the CMS staff indicated that they did not receive the daily attendance for the dually enrolled students.
- b. According to eSchool, these ACA students are present each day (no absences).
- c. District received funding based on increased enrollment / attendance as noted in Finding #1.

Standards for Accreditation 2-B.2 states, "[e]ach public school shall maintain accurate student attendance records in a format prescribed by the Division." (D/P) Standards for Accreditation 3-A.3 states, "[e]ach public school district shall submit accurate and timely reports deemed necessary to assure compliance with federal and state law and the rules of the Division, as requested." (D/C) Evidence indicates that both of these Standards for Accreditation have been violated.

As a result of these violations of the Standards for Accreditation, the Office of Public School Accountability will recommend to the State Board of Education to place the Cutter Morning Star School District in Accredited-Probation status for the 2022-2023 school year. **The Cutter Morning Star School District has the right to file a written appeal, within fifteen (15) days of receipt of this notice, with the office of the Secretary of Education in accordance with Section 10.00 of the [Arkansas Division of Elementary and Secondary Education Rules Governing Standards for Accreditation of Arkansas Public Schools and School Districts, Effective Date May 2, 2022.](#)**

Ark. Code Ann. § 6-17-410(d)(1)(A)(viii) states, "[k]nowingly submitting or providing false or misleading information or knowingly failing to submit or provide information requested or required by law to the Division of Elementary and Secondary Education, state board, or Arkansas Legislative Audit," is cause for the state board to revoke, suspend, or place a license on probation. Ark. Code Ann. § 6-17-407(b)(1)(A) states, "The superintendent of schools shall be responsible for investigating and documenting allegations of criminal misconduct as delineated in §§ 6-17-410 and 6-17-414 by a school district employee and involving a student or students." Based on the evidence discovered during this investigation regarding student attendances, DESE expects to receive the documentation and findings of Dr. Anderson's investigation within fifteen (15) days of the date of this letter.

DESE will continue to review and evaluate evidence discovered during this investigation and conduct additional monitoring activities of the partnership between CMS and ACA, which may result in additional findings of noncompliance and required repayment of funds or other corrective actions.

If you have any questions about the findings or directives contained in this letter you may contact Shastady Wagner at 501-682-1958.

Respectfully,



Deborah Coffman

Assistant Commissioner of Public School Accountability

Cc: Jim Harbin, Cutter-Morning Star Board President